

**CREDIT
READY**



Decision Tool

Helping you determine whether your firm needs
full or limited permission



Use this tool to decide whether your firm needs to apply for full or limited permission. Simply follow the questions, and you'll soon be one step closer to applying for authorisation.

If there are any terms that you don't understand, please read our jargon buster. Once you've completed the decision tool, use either the full permission or limited permission checklist to help you prepare your application.

Before you start, please read the information below:

- When we refer to "you", we are referring to your firm.
- If **any** of your activities are full permission you will need to apply for full permission, even if some of your activities would otherwise qualify for limited permission.
- *This tool does not apply if you are: a local authority; a firm that is already authorised by either the FCA or the PRA; or a firm that plans to carry on a non-credit regulated activity. You should instead visit our website for information on how to apply.*

Please start at question 1 and follow the tool through in full until you reach an answer that advises you to apply for full or limited permission.

SECTION 1

1. Do you carry on any credit-related regulated activities? See our **jargon buster** for the full list.

Yes Continue to **question 2**

No Check your firm's position using the information on our 'do I need to be authorised' webpage

2. Are you a not-for-profit organisation?

Yes Please visit **fca.org.uk/creditready** to complete our mini decision tool

No Continue to **question 3**

SECTION 2

LENDING

3. Do you enter into regulated credit agreements as a lender, or exercise, or to have the right to exercise, the lender's rights and duties under a regulated credit agreement?

Yes Continue to **question 4**

No Go to **question 7**

4. Is your main business activity to sell goods or supply services and not to carry on a regulated activity (other than regulated consumer hire agreements)?

Yes Continue to **question 5**

No Please apply for **full permission**

5. A) Do you charge any money to borrowers in connection with the provision of credit – including interest payments and other charges?

B) Is the obligation to repay secured by a legal mortgage on land?

C) Are your agreements ever hire purchase or conditional sale agreements?

Yes (to any of these questions) please apply for **full permission**

No Continue to **question 6**

6. Do you carry on any other credit-related regulated activities?

Yes Continue to **section 3**

No Please apply for **limited permission**

SECTION 3

PEER-TO-PEER LENDING

7. Do you operate an electronic system in relation to lending (sometimes referred to as a peer-to-peer lending platform)?

Yes Please apply for **full permission**

No Continue to **question 8**

SECTION 4

ACTIVITIES RELATING TO DEBT

8. Do you carry on debt collection, debt administration, debt adjusting or debt counselling?

Yes Continue to **question 9**

No Go to **section 5**

9. Do you carry on debt collection?

Yes Please apply for **full permission**

No Continue to **question 10**

10. Do you carry on debt administration?

Yes Please apply for **full permission**

No Continue to **question 11**

11. Do you carry on debt counselling and/or debt adjusting?

Yes Continue to **question 12**

No Go to **section 5**

12. Do you only carry this on for one or more of the following purposes (and no others):

A) In relation to credit broking by you which is limited permission broking because you are a supplier (other than a domestic premises supplier), and the broking is carried on for the purposes of, or in connection with, the sale of goods or supply or services by you to the customer?

B) In connection with entering into regulated credit agreements by you as a lender (or exercising, or to having the right to exercise, the lender's rights and duties under a regulated credit agreement) where that is a limited permission activity?

C) In connection with entering into consumer hire agreements by you as an owner (or exercising, or having the right to exercise the owner's rights and duties under regulated consumer hire agreements) where that is a limited permission activity?

Yes Continue to **question 13**

No If you provide debt counselling or debt adjusting services under other circumstances, please apply for **full permission**

13. Do you carry on any other credit-related regulated activities?

Yes Continue to **section 5**

No Please apply for **limited permission**

SECTION 5

HIRE

14. Do you enter into regulated consumer hire agreements as owner (or exercise, or have right to exercise, the owner's rights and duties under regulated consumer hire agreements)?
Please note that a hire purchase agreement is a credit agreement, not a hire agreement.

Yes Continue to **question 15**

No Go to **section 6**

15. Are your agreements secured by a legal mortgage on land?

Yes Please apply for **full permission**

No Continue to **question 16**

16. Do you carry on any other credit-related regulated activities?

Yes Continue to **section 6**

No Apply for **limited permission**

SECTION 6

BROKING

17. Do you engage in credit broking (for example, do you introduce customers to a finance or leasing company)?

Yes Continue to **question 18**

No Go to **section 7**

18. Do you carry on credit broking in relation to Green Deal Plans?

Yes Continue to **question 19**

No Go to **question 22**

19. Are any agreements to repay ever secured by a legal mortgage on land?

Yes Please apply for **full permission**

No Continue to **question 20**

20. Is this the only type of broking you carry on?

Yes Continue to **question 21**

No Go to **question 22**

21. Do you carry on any other credit-related regulated activities?

Yes Go to **section 7**

No Please apply for **limited permission**

22. Do you carry on credit broking in relation to consumer hire or hire purchase agreements?
Please note that a hire purchase agreement is a credit agreement, not a hire agreement.

Yes Continue to **question 23**

No Go to **question 26**

23. Are any agreements to repay ever secured by a legal mortgage on land?

Yes Please apply for **full permission**

No Continue to **question 24**

24. Is this (or this and green deal broking) the only type of broking carried on?

Yes Continue to **question 25**

No Go to **question 26**

25. Do you carry on any other credit-related regulated activities?

Yes Go to **section 7**

No Please apply for **limited permission**

26. Do you carry on broking for the purposes of, or in connection with, the sale of goods or supply of services by you to a customer (who need not be the borrower under the credit agreement or hirer under a hire agreement)?

Yes Continue to **question 27**

No Please apply for **full permission**

27. A) Is broking and other regulated activities (other than consumer hire) your main business (as opposed to an ancillary to your main business of selling goods or supplying non-regulated services other than consumer hire)?

B) Are you selling, offering to sell or agreeing to sell goods, or offering to supply services or contracting to supply services, to customers who are individuals while you are or your representative is, physically present at the dwelling of the customer. There is a carve out for firms who engage in such activities on an occasional basis only, provided that they do not indicate to the public their willingness to attend - in person or through a representative - the dwelling of potential customers in order to carry on any of these activities.

C) Are any agreements to repay ever secured by a legal mortgage on land?

Yes (to any of these questions), please apply for **full permission**

No Continue to **question 28**

28. Is this (or green deal broking and/or broking of hire agreements) the only type of broking being carried on?

Yes Continue to **question 29**

No Please apply for **full permission**

29. Do you carry on any other credit-related regulated activities?

Yes Continue to **section 7**

No Please apply for **limited permission**

SECTION 7

CREDIT REFERENCES AND INFORMATION

30. Do you provide credit-references?

Yes Please apply for **full permission**

No Continue to **question 31**

31. Do you provide credit information services?

Yes Continue to **question 32**

No Please apply for **limited permission**

32. Do you only provide credit information services in connection with another limited permission activity that you also carry on?

Yes Please apply for **limited permission**

No Please apply for **full permission**

Now you've completed our decision tool, go through either our full permission or limited permission checklist to help you prepare for your application.

If you are still unsure about what permission to apply for, please call us on 0300 500 0597.

You may also have the option to become an appointed representative as long as you are not: entering into a regulated credit agreement as a lender (or exercising the lender's rights and duties in relation to agreements) under which interest or any other charges are applied; or providing credit references. See our jargon buster for more information.

This tool is designed to help you decide whether you need to apply for limited or full permission. However it is not a definitive statement of the law, for which you should refer to paragraph 2G of Schedule 6 to the Financial Services and Markets Act 2000. For more guidance see the relevant sections of the FCA Handbook (in particular COND 1.1A.5A) and consider seeking independent legal or compliance advice.

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[fca.org.uk/creditready](https://www.fca.org.uk/creditready)

