

**NOTE FOR THE PUBLIC REGISTER UNDER SECTION 35 OF THE
CONSUMER CREDIT ACT 1974 (THE ACT)
LICENCE NO: 476055
LICENSEE: POST NET LIMITED
DETERMINATION OF MINDED TO IMPOSE REQUIREMENTS NOTICE**

An adjudicator, acting on behalf of the Office of Fair Trading (OFT), served a notice on the licensee that she was minded to impose requirements relating to the conduct of the licensee's business. The adjudicator received representations from the licensee.

SUMMARY OF REASONS FOR DETERMINATION

Having considered the representations, the adjudicator has determined to impose the requirements which are attached to this Note.

Notice of any appeal, which must be given within 28 days of the date on which notice of the determination is received, and of its result, will be put on the public register. In the event of an appeal, the licence remains in force until the appeal is decided.

PLEASE NOTE THAT THESE PROCEEDINGS ARE NOT THE SAME AS THOSE OF A COURT. THEREFORE A FINDING THAT A PERSON HAS ENGAGED IN CONDUCT WHICH AMOUNTS TO AN OFFENCE OR CONTRAVENTION OF A STATUTE DOES NOT MEAN THAT THE PERSON CONCERNED HAS BEEN CONVICTED OF THAT OFFENCE OR BEEN FOUND BY A COURT TO HAVE CONTRAVENED THAT STATUTE.

Date of Determination: **16 NOV 2009**

THE RICHMOND GROUP REQUIREMENTS

- 1) Post Net Limited, Haymarket Lending Limited, Financial Processing UK Limited and RG Debt Management Services Ltd shall clearly state to all consumers their relationship with other group companies during initial telephone contact where that contact could subsequently lead to a cross-sale to another group company or where an introduction is made to another group company during the primary service that the consumer has applied for or where any form of dual branded advertisements are published (incl. website, leaflets, letters, posters, banners, t.v., radio, internet, newspapers).
- 2) Post Net Limited, Haymarket Lending Limited, Financial Processing UK Limited and RG Debt Management Services Limited shall, where their advertised typical annual percentage rate is calculated on the basis of assumed acceptance rates,
 - I. disclose to consumers at the first contact they make with the service (including contact by telephone, email, via the website etc) that 'the actual APR will depend on the lender, the loan amount and the borrower's credit circumstances'; and that disclosure shall be given sufficient prominence that consumers are likely to appreciate its significance;
 - II. in determining the typical APR, use reasonable endeavours to determine the APR of loans received by their customers; and will provide to the OFT, within three months and at such other times as requested by the OFT, an explanation of the process used to determine the typical APR.
- 3) Post Net Limited, Haymarket Lending Limited, Financial Processing UK Limited and RG Debt Management Services Ltd shall prominently state on all forms of advertising mediums (incl. website, leaflets, letters, posters, banners, t.v., radio, internet, newspapers) the nature of their business activities so it is clear from the outset whether they are acting as a broker, lender or any other party to the agreement.
- 4) Post Net Limited, Haymarket Lending Limited, Financial Processing UK Limited and RG Debt Management Services Ltd shall not refer consumers to a credit union when the consumer does not meet the criteria for that credit union.
- 5) Post Net Limited, Haymarket Lending Limited, Financial Processing UK Limited and RG Debt Management Services Ltd shall not, when dealing with consumers in the sub-prime sector, provide them with

details of lenders who are unlikely to lend money to the sub-prime sector.

- 6) Post Net Limited, Haymarket Lending Limited, Financial Processing UK Limited and RG Debt Management Services Ltd shall:
 - I. provide consumers, in good time before they are bound by a distance contract, with information specified in Regulation 7 of the Financial Services (Distance Marketing) Regulations 2004 (DSRs).
 - II. refund consumers, who have properly cancelled agreements, within 30 days in accordance with Regulation 13 of the DSRs.
 - III. comply with Regulation 9 of the DSRs which refers to the right to cancel, specifying the means by which the right can be exercised and defining the effect of cancellation as termination of the contract at the time at which the notice of cancellation is given.
 - IV. comply with Regulation 10 of the DSRs which defines the period during which the cancellation right can be exercised, generally from the time the consumer is bound by the contract until 14 days after that, or until 14 days after the information required by Regulation 8 of the DSRs is provided if later.
- 7) Post Net Limited, Haymarket Lending Limited, Financial Processing UK Limited and RG Debt Management Services Ltd shall:
 - I. not mislead consumers by falsely guaranteeing access to credit or by falsely stating that consumers have been pre-approved for credit in any written or verbal communication;
 - II. fully disclose the terms of the application, including the typical APR and whether a guarantor is required, before obtaining the arrangement fee or confirming the arrangement fee for a later date.