

Voluntary Application for Imposition of Requirements

WDFC UK Limited ("Wonga")

Interim Permission Reference No. CC1-IP- 611974

To: The Financial Conduct Authority (the "FCA")

FAO: Philip Salter

Wonga hereby applies to the FCA for the imposition of requirements on its permission set out below:

SCHEDULE

1. General

- 1.1 On 1 April 2014, the FCA took over the regulation of the consumer credit market from the Office of Fair Trading and requested information from Wonga about the level of its relending rates. The information received suggested that Wonga was not taking adequate steps to assess customers' ability to meet repayments in a sustainable manner. The FCA requires Wonga to remedy this to ensure customers are being treated fairly.
- 1.2 The Board of Wonga has agreed that Wonga will do so by implementing immediate interim measures and that this will be followed by the introduction of a new lending decision platform. Wonga will also offer remediation for adversely affected customers by way of forbearance.
- 1.3 As set out below, Wonga is also required to appoint a skilled person under section 166 of the Financial Services and Markets Act 2000 (the "skilled person" and "the Act") as a result of the issues identified in paragraph 1.1.

2. Requirements

- 2.1 Wonga shall implement measures to improve its affordability assessments to ensure customers are treated fairly and lent to in a sustainable manner in accordance with applicable regulatory requirements and guidance. The FCA will consider the interim measures put in place to assess whether they are delivering appropriate outcomes for consumers.
- 2.2 The skilled person will review the new lending decision platform and test outcomes (making recommendations for further improvements as required). The skilled person will be appointed by Wonga under section 166 of the Act subject to a timescale to be approved by the FCA.

2.3 Wonga has agreed a forbearance programme with the FCA in relation to the following customers who have been adversely affected by breaches of any affordability related regulatory requirements and standards applicable at the relevant time by:

2.3.1 remediating those customers who are currently in excess of 30 days in arrears by way of write-off; and

2.3.2 suspending and refunding interest and charges for those customers who are between 0 to 29 days in arrears and extending the repayment period to four months.



Signed

ANDY HASTE

for and on behalf of WDFC

Date 1/10/14

Time 19:40