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## FIRST SUPERVISORY NOTICE

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**To:** Renaissance Advisory Ltd

**Reference Number:** 934025

**Address:** Gable House  
1 Balfour Road  
Ilford  
IG1 4HP

**Date:** 7 December 2021

### 1 ACTION

- 1.1 For the reasons given in this First Supervisory Notice, and pursuant to sections 55J(1)(a) and (c) of the Act, the Authority has decided to vary with immediate effect the Part 4A permission granted to Renaissance by removing the following regulated activities:
- 1) Secondary credit broking; and
  - 2) Agreeing to carry on a regulated activity.
- 1.2 The effect of the Variation is that Renaissance no longer has permission to conduct any regulated activities.

### 2 REASONS FOR ACTION

#### Summary

- 2.1 The Authority has concluded, on the basis of the facts and matters described below that, that it is appropriate to exercise its power under sections 55J(1)(a) and (c) of the Act to vary Renaissance's permission because it is failing, or is likely to fail, to satisfy the Suitability Threshold Condition and to advance the Authority's consumer protection objectives (section 1C of the Act).

2.2 The Authority has identified serious concerns relating to Renaissance in that its conduct appears to demonstrate that it is not fit and proper and poses a significant risk of harm to consumers. Specifically:

- 1) Renaissance has links to Marvell, to whom the Authority issued a First Supervisory Notice on 11 November 2021 for carrying out investment activities outside the scope of its permissions and misleading investors over the extent of its regulated status. Information filed by Renaissance on Companies House records that Marvell is a significant controller, and its shareholding appears to have been acquired before, but filed after, Renaissance was authorised. Renaissance did not disclose this information to the Authority during or after its authorisation. The sequence of events suggests that Renaissance misled the Authority about its controllers during the authorisation process.
- 2) Renaissance also appears to be connected to Grosvenor, to whom the Authority issued a First Supervisory Notice on 30 November 2021 due to its apparent links to firms that the Authority has warned about for engaging in unauthorised business, and for providing misleading information about its controllers and intended business at authorisation. As with Renaissance, Marvell holds a significant interest in Grosvenor through shareholding which according to Companies House records was acquired, but filed after, Grosvenor was authorised. During the authorisation process, Renaissance and Grosvenor also submitted substantially identical information in response to the Authority's request for more information about the nature of their businesses. Given the similarities in behaviour between Renaissance and Grosvenor at authorisation, as well as their links to Marvell, there are serious concerns that Renaissance may be seeking to engage in similar activities previously undertaken by Marvell through the misuse of its regulated status as a credit broker to take advantage of consumers.
- 3) Renaissance has failed to respond to three information requirements issued under section 165 of the Act requiring clarity on its business model, current activities and links to Marvell. The Authority has also been unable to reach Renaissance through calls to its director.

2.3 The Authority considers that Renaissance is failing, or is likely to fail, to satisfy the Suitability Threshold Condition (paragraph 2E of Schedule 6 to the Act) because of its apparent connections to Marvell and Grosvenor who have been the subject of regulatory actions (as summarised at 2.2.(1) and (2)), as well as its failure to comply with the Authority's requirements in potential breach of Principle 11 (Relations with regulators) of the Authority's Principles for Businesses (as summarised at 2.2(3)). The Authority considers that Variation of Renaissance's permission with immediate effect is desirable to protect consumers.

### **3 DEFINITIONS**

3.1 The definitions below are used in this First Supervisory Notice:

"the Act" means the Financial Services and Markets Act 2000;

"the Authority" means the Financial Conduct Authority;

"Executive Procedures" means the process as described in Chapter 4 of the Decision Procedure and Penalties Manual of the Handbook;

"Grosvenor" means Grosvenor Associates Ltd;

"Handbook" means the Authority's online handbook of rules and guidance (as in force from time to time);

"Information requirement" means an information requirement pursuant to section 165 of the Act;

"Marvell" means Marvell Enterprises Ltd;

"Part 4A permission" means permission to conduct regulated activities, granted by the Authority under Part 4A of the Act;

"SMF" means senior management function;

"Threshold Conditions" are the minimum requirements that firms need to meet in order to be authorised and to continue carrying on regulated activities as set out in Schedule 6 to the Act;

"Tribunal" means the Upper Tribunal (Tax and Chancery Chamber); and

"Variation" means the variation of Renaissance's Part 4A permission set out in paragraph 1.1. above.

## **4 FACTS AND MATTERS**

### **Background**

- 4.1 Renaissance was incorporated on 23 November 2018. It was authorised on 17 March 2021 as a limited permission credit broker with secondary broking permission. Renaissance is not permitted to hold client money.
- 4.2 Renaissance has one approved person who holds the SMF29 limited scope function. This person also acts as Renaissance's sole director.

### **Failings and risks identified**

#### Renaissance's links to Marvell

- 4.3 The Authority issued a First Supervisory Notice to Marvell on 11 November 2021. Marvell was authorised as a limited permission credit broker. It appeared to have successfully persuaded some consumers to invest substantial sums with it while not having the required permissions to engage in investment activities, and by making misleading statements designed to give false comfort to consumers about the level of regulatory protection their investments would receive.
- 4.4 Renaissance submitted its authorisation application on 12 September 2020. In the section of the application relating to controllers, Renaissance stated its director was the sole controller of the firm with 100% control. The application also stated that the controller had no intention *"to change (increase or reduce) their level of control in the foreseeable future"*. On the same day the authorisation application was submitted to the Authority, Renaissance filed on Companies House a confirmation statement stating that its director was the sole shareholder of the firm with one share.

- 4.5 According to Companies House records, no filings were made by Renaissance between the dates it submitted its authorisation application on 12 September 2020 and when it became authorised on 17 March 2021 to indicate there had been any changes in shareholding during this period. At the time Renaissance was authorised, Companies House records supported the information disclosed in its authorisation application.
- 4.6 In the three weeks after Renaissance was authorised, it filed on Companies House six statements of capital following the allotment of shares:
- 1) Statement of capital 1 filed on 26 March 2021 shows that 24,999,999 shares were allotted on 14 September 2020 (two days after Renaissance submitted its authorisation application).
  - 2) Statement of capital 2 filed on 28 March 2021 shows that 25,000 shares were allotted between 3 and 31 January 2021.
  - 3) Statement of capital 3 filed on 28 March 2021 shows that 11,000,000 shares were allotted between 1 and 28 February 2021.
  - 4) Statement of capital 4 filed on 6 April 2021 shows that 117,000 shares were allotted between 1 and 7 March 2021.
  - 5) Statement of capital 5 filed on 6 April 2021 shows 76,500 shares were allotted between 8 and 15 March 2021.
  - 6) Statement of capital 6 filed on 6 April 2021 shows 103,250 shares were allotted between 15 and 21 March 2021.
- 4.7 The filings show that all six share allotments took place or started after Renaissance's authorisation application was submitted to the Authority on 12 September 2020 but before it was authorised on 17 March 2021.
- 4.8 On 29 March 2021, Renaissance filed on Companies House a further confirmation statement. This listed Marvell as a shareholder with 13,600,000 shares. Renaissance's latest confirmation statement filed on Companies House on 24 May 2021 records that Marvell now holds 13,850,000 shares in Renaissance. The dates of the six share allotments indicate that Marvell's shareholding was in place before Renaissance was authorised.
- 4.9 The thresholds for notifying the Authority of a change in controller are set out on the Authority's website, which states that *"a single threshold of 33% applies to limited permission consumer credit firms"*. In the section relating to controllers, the authorisation application also indicates that an individual who owns 33% or more in the firm is required to complete a separate controller form.
- 4.10 The six share allotments give Marvell a 38.1% shareholding in Renaissance. The fact Marvell is a controller was not disclosed by Renaissance during the authorisation process. The Authority has also not received a change in control application from Marvell. In addition, Renaissance has not updated Companies House records to reflect that Marvell is a significant controller with a shareholding greater than 25%.
- 4.11 The statements filed on Companies House contradict the information disclosed in Renaissance's authorisation application that its controller had no intention of changing their level of control in the foreseeable future. The fact the statements

detailing Marvell's shareholding were only filed on Companies House after Renaissance was authorised suggests it sought to mislead the Authority about its controllers despite the declaration that it signed in the authorisation application to acknowledge that, *"It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false or misleading (see section 398 and 400 FSMA)"*.

#### Renaissance's links to Grosvenor

##### *Similarities in non-disclosures of links to Marvell*

- 4.12 The Authority issued a First Supervisory Notice to Grosvenor on 30 November 2021. Grosvenor was authorised as a limited permission credit broker. Grosvenor appears to have connections to firms that the Authority has warned about for undertaking unauthorised business. Grosvenor also failed to engage cooperatively with the Authority by providing misleading information about its controllers and intended business in its authorisation application.
- 4.13 As with Renaissance, Marvell holds a significant interest in Grosvenor in the form of a 39.69% shareholding. Grosvenor failed to disclose that Marvell is a controller at authorisation. Grosvenor's First Supervisory Notice explains that:
- 1) Grosvenor made no filings on Companies House between the dates it submitted its authorisation application and when it became authorised to indicate there had been any changes in shareholding.
  - 2) Statements detailing Marvell's shareholding were only filed on Companies House after Grosvenor was authorised.
  - 3) According to Companies House records, Marvell's shareholding was acquired and in place before Grosvenor was authorised.
  - 4) Neither Grosvenor nor Marvell notified the Authority or submitted a change in control application.
  - 5) Grosvenor has still not updated its Companies House records to reflect that Marvell is a significant controller with a shareholding greater than 25%.
- 4.14 It appears from Companies House records that Renaissance has apparent links to Grosvenor through Marvell as a common associate and controller. The Authority considers that Marvell and Grosvenor are not fit and proper firms given the regulatory actions taken against them to mitigate the risk of harm they pose to consumers.

##### *Similarities in stated business model*

- 4.15 During the authorisation process, Renaissance and Grosvenor submitted substantially identical information in response to the Authority's request for more information about the nature of their businesses and how they intended to use the permissions applied for.
- 4.16 Both firms responded to the Authority by email, with Renaissance on 15 March 2021 and Grosvenor on 24 March 2021, stating that they *"will offer ICT consulting to sole traders and SME companies...They will be predominantly hospitality to help them with their ICT infrastructure across sites...All of this requires some investment in technology and this it is often preferable for clients to spread their payments over time and obtain credit"*. A comparison of the two

emails showed that over 80% of the wording used was identical, including a 297-word block of text describing the intended business model and activities. Neither Renaissance or Grosvenor indicated in their authorisation applications that they were connected in any way or disclosed any common interests or shareholders.

- 4.17 As set out in Grosvenor's First Supervisory Notice, its website indicates that it is engaged in property development activity focusing on student accommodation, social housing and commercial schemes. Information provided in Grosvenor's authorisation application did not mention any property development or investment activity, or any other activity similar to that described on its website. Its website also makes numerous references to investing through Grosvenor and includes potentially misleading statements about the extent of regulatory protection afforded to consumers due to its regulated status. Grosvenor's website describes activities that do not include anything that would suggest it is engaged in credit broking.
- 4.18 In Renaissance's authorisation application, it indicated that it was intending to use the website [www.renaissanceadvisory.co.uk](http://www.renaissanceadvisory.co.uk) with a launch date of 20 December 2020. This website does not appear to be currently active and the Authority has not identified any other website operated by Renaissance containing information about its business. However, due to the similarities in description between Renaissance and Grosvenor of their intended businesses, the Authority considers that Renaissance's response may not be an accurate reflection of its actual activities. Renaissance's current activities are unclear as it has not responded to information requirements about how it has used its credit broking permission.
- 4.19 Given the similarities in behaviour between Renaissance and Grosvenor at authorisation, as well as their links to Marvell, the Authority has serious concerns that Renaissance may be seeking to engage in similar activities previously undertaken by Marvell through the misuse of its regulated status as a credit broker to take advantage of consumers.

#### Information requirements to Renaissance

- 4.20 The Authority has tried to contact Renaissance to obtain further information about its business model, current activities and links to Marvell. The Authority has attempted to contact Renaissance by email, post and calls since 18 November 2021 without success.
- 4.21 On 18 November 2021, the Authority sent Renaissance an initial information requirement under section 165 of the Act. This was sent to its postal address and email address as recorded on the Financial Services Register. The Authority set a response deadline of 23 November 2021 and explained the potential consequences of not responding, including cancellation of Renaissance's permission. No response was received.
- 4.22 On 24 November 2021, the Authority sent Renaissance a second information requirement under section 165 of the Act. This was sent to its postal address and email address. This stated that the Authority had not received a response to the previous information requirement and was requiring the same information again. The Authority also drew attention to the consequences of failure to reply without reasonable excuse and set a response deadline of 26 November 2021. No response was received.
- 4.23 On 26 November 2021, the Authority sent a third information requirement to Renaissance under section 165 of the Act. This was sent to its postal address

and email address. This letter repeated that the Authority had not received a response to the previous two information requirements and was requiring the same information again. It reiterated the consequence of failure to comply and set a response deadline of 30 November 2021. No response was received.

- 4.24 The Authority has attempted to call Renaissance on three occasions through the mobile number given in its authorisation application for its director, twice on 25 November 2021 and again on 1 December 2021. On each occasion, there was no answer from Renaissance and the calls were forwarded to voicemail. On two occasions, the Authority left a message with contact details and asking for a call back. Renaissance did not return these calls.

## **5 CONCLUSION**

- 5.1 The regulatory provisions relevant to this First Supervisory Notice are set out in the Annex.

### **Analysis of failings and risks**

#### Failure to comply with the Threshold Conditions

- 5.2 The Authority has serious concerns about Renaissance's compliance with the Threshold Conditions. The Authority considers that Renaissance is failing, or is likely to fail, to satisfy the Suitability Threshold Condition because:

- 1) Renaissance appears to have connections to firms that may not be fit and proper:
  - a) Renaissance has links to Marvell which has been the subject of a First Supervisory Notice. This link is established by information recorded on Companies House regarding Marvells' shareholding in Renaissance.
  - b) It appears from Companies House records that Renaissance has apparent links to Grosvenor through Marvell as a common associate and controller. Renaissance and Grosvenor also provided substantially identical information about their intended businesses at authorisation.
- 2) Renaissance is not engaging with the Authority in an open and cooperative manner or complying with the Authority's requirements in potential breach of Principle 11 (Relations with regulators) by failing to:
  - a) Provide accurate information about the nature of its intended business at authorisation. As with Marvell and Grosvenor, Renaissance may be seeking to conduct investment activities beyond the scope of its permissions as a credit broker.
  - b) Be transparent and comply with requirement to provide the Authority with prompt and accurate information regarding its controllers.
  - c) Respond to three information requirements issued under section 165 of the Act.

- 5.3 As a result of these matters, it appears to the Authority that Renaissance:

- 1) Is connected to firms that have been the subject of regulatory actions (sub-



paragraph (a) of paragraph 2E of Schedule 6 to the Act).

- 2) Has not complied, and is not complying, with requirements imposed by the Authority in the exercise of its functions relating to the provision of information (sub-paragraph (d) of paragraph 2E of Schedule 6 to the Act).

#### The Authority's operational objective of consumer protection

- 5.4 The Authority's operational objective of consumer protection requires the Authority to ensure an appropriate degree of protection for consumers (section 1C(1) of the Act). Renaissance may be part of a network of firms that obtained authorisation for credit broking but have been conducting, or intending to conduct, investment activities beyond the scope of their permissions which could expose consumers to the risk of significant loss.
- 5.5 Renaissance has links to Marvell which engaged in investment activities without the required permissions and made misleading statements to consumers about the extent of its regulated status. Renaissance also appears to be connected to Grosvenor which was the subject of regulatory action due to its apparent links to firms the Authority has warned about for engaging in unauthorised business.
- 5.6 In addition, Renaissance appears to have misled the Authority about its intended business and controllers to obtain authorisation and has failed to engage with the Authority to provide information on its current business and activities. Renaissance's actions to date casts serious doubts on its ability and willingness to observe regulatory requirements and demonstrate that it poses a significant risk of harm to consumers.
- 5.7 On the basis of the facts and matters set out, it appears to the Authority that it is desirable to exercise the power under section 55J(1)(c)(i) of the Act in order to advance the consumer protection objective.

#### **Timing and duration of the Variation**

- 5.8 The Authority considers it is necessary to impose the Variation to take immediate effect given the seriousness of the risks and the need to protect consumers. The Authority has identified the following concerns:
  - 1) Evidence that the firm has submitted to the Authority inaccurate or misleading information so that the Authority becomes seriously concerned about the firm's ability to meet its regulatory obligations (EG 8.3.3(3)).
  - 2) Circumstances suggesting a serious problem within a firm or with a firm's controllers that calls into question the firm's ability to continue to meet the Threshold Conditions (EG 8.3.3(4)).
- 5.9 The Authority will consider the full circumstances of each case when it decides whether an urgent variation is appropriate. The Authority has identified the following relevant factors:
  - 1) The nature and extent of any false or inaccurate information provided by the firm (EG 8.3.4(3)).
  - 2) The seriousness of any suspected breach of the requirements of the legislation or the rules and the steps that need to be taken to correct that breach (EG 8.3.4(4)).



- 3) The impact that use of the Authority's own-initiative powers will have on the firm's business and on its customers (EG 8.3.4(9)).
- 5.10 The Authority considers that it is necessary for the Variation to remain in place indefinitely.

## **6 PROCEDURAL MATTERS**

### **Decision-maker**

- 6.1 The decision which gave rise to the obligation to give this First Supervisory Notice was made by an Authority staff member under Executive Procedures.
- 6.2 This First Supervisory Notice is given under section 55Y(4) and in accordance with section 55Y(5) of the Act.
- 6.3 The following statutory rights are important.

### **Representations**

- 6.4 Renaissance has the right to make written and oral representations to the Authority (whether or not it refers this matter to the Tribunal). The deadline for notifying the Authority that Renaissance wishes to make oral representations and for providing written representations is 21 December 2021 or such later date as may be permitted by the Authority. Any notification or representations should be sent to David Watkins ([david.watkins@fca.org.uk](mailto:david.watkins@fca.org.uk)) and [SPCDecisionMakingSecretariat@fca.org.uk](mailto:SPCDecisionMakingSecretariat@fca.org.uk).
- 6.5 The Authority must be informed in writing of any intention to make oral representations by 21 December 2021. If the Authority is not notified by this date, Renaissance will not, other than in exceptional circumstances, be able to make oral representations.

### **The Tribunal**

- 6.6 Renaissance has the right to refer the matter to which this First Supervisory Notice relates to the Tribunal. The Tax and Chancery Chamber is part of the Tribunal which, amongst other things, hears references arising from decisions of the Authority. Under paragraph 2(2) of Schedule 3 of the Tribunal Procedure (Upper Tribunal) Rules 2008, Renaissance has 28 days from the date on which this First Supervisory Notice is given to it to refer the matter to the Tribunal.
- 6.7 A reference to the Tribunal can be made by way of a reference notice (Form FTC3) signed by or on behalf of Renaissance and filed with a copy of this First Supervisory Notice. The Tribunal's contact details are: The Upper Tribunal, Tax and Chancery Chamber, 5<sup>th</sup> Floor, Rolls Building, Fetter Lane, London EC4A 1NL (telephone: 020 7612 9730; email: [uttc@hmcts.gsi.gov.uk](mailto:uttc@hmcts.gsi.gov.uk)).
- 6.8 Further information on the Tribunal, including guidance and the relevant forms to complete, can be found on the HM Courts and Tribunal Service website: <http://www.justice.gov.uk/forms/hmcts/tax-and-chancery-upper-tribunal>
- 6.9 Renaissance should note that a copy of the reference notice (Form FTC3) must also be sent to the Authority at the same time as a reference is filed with the Tribunal. A copy of the reference notice should be sent to David Watkins ([david.watkins@fca.org.uk](mailto:david.watkins@fca.org.uk)) and [SPCDecisionMakingSecretariat@fca.org.uk](mailto:SPCDecisionMakingSecretariat@fca.org.uk).

**Confidentiality and publicity**

- 6.10 Renaissance should note that this First Supervisory Notice may contain confidential information and should not be disclosed to a third party (except for the purpose of obtaining legal advice on its contents).
- 6.11 Renaissance should note that section 391(5) of the Act requires the Authority, when the First Supervisory Notice takes effect, to publish such information about the matter to which the notice relates as it considers appropriate.

**Authority contacts**

- 6.12 For more information concerning this matter generally, contact David Watkins ([david.watkins@fca.org.uk](mailto:david.watkins@fca.org.uk)).

A handwritten signature in black ink, appearing to read 'Debbie Gupta'.

**Debbie Gupta**  
**Director, Consumer Investments Supervision**

## **Annex**

### **RELEVANT STATUTORY PROVISIONS**

1. The Authority's operational objectives established in section 1B of the Act include securing an appropriate degree of protection for consumers (section 1C).
2. Section 55J of the Act allows the Authority to vary the Part 4A permission of an authorised person if it appears to the Authority that the authorised person is failing, or likely to fail to satisfy the Threshold Conditions (section 55J(1)(a)), or it is desirable to exercise the power in order to advance one or more of the Authority's operational objectives (section 55J(1)(c)(i)). This power is referred to as the Authority's own-initiative power.
3. Section 55Y(3) of the Act allows a variation of permission imposed under the own-initiative power to take effect immediately (or on a specified date) only if the Authority, having regard to the ground on which it is exercising its own-initiative power, reasonably considers that it is necessary for the variation to take effect immediately (or on that date).
4. Section 391 of the Act provides that:

"[...]

  - (5) When a supervisory notice takes effect, the Authority must publish such information about the matter to which the notice relates as it considers appropriate.
  - (6) The [Authority] may not publish information under this section if in its opinion, publication of the information would be...unfair to the person with respect to whom the action was taken (or was proposed to be taken), prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.
  - (7) Information is to be published under this section in such manner as the [Authority] considers appropriate."
5. The Threshold conditions represent the minimum standards which a firm is required to satisfy, and continue to satisfy, in order to be given and to retain a Part 4A permission. They are set out in Part 1B of Schedule 6 to the Act.
6. The Suitability Threshold Condition in paragraph 2E of Schedule 6 to the Act stated that:

"A must be a fit and proper person having regard to all the circumstances, including-

  - (a) A's connection with any person.  
...
  - (d) Whether A has complied and is complying with requirements imposed by the Authority in the exercise of its functions, or requests made by the Authority, relating to the provision of information to the Authority and, where A has so complied or is complying, the manner of that compliance."

### **RELEVANT REGULATORY PROVISIONS**

#### The Principles for Businesses

7. The Principles for Business (PRIN) are a general statement of the fundamental obligations of firms under the regulatory system. PRIN 1.1.2R provides that they derive their authority from the Authority's rule-making powers as set out in the Act and reflect the statutory objectives. The Principles are set out at PRIN 2.1.1.
8. Principle 11 (Relations with regulators) is of particular relevance. This provides that a firm must deal with its regulators in an open and cooperative way and must disclose to the Authority appropriately anything relating to the firm of which that regulator would reasonably expect notice.

#### The Threshold Conditions

9. The section of the Handbook entitled Threshold Conditions (COND) gives guidance on the Threshold Conditions. COND 1.2.3G provides that the Authority may exercise its own-initiative powers under either section 55J or section 55L of the Act if, among other things, a firm is failing to satisfy any of the Threshold Conditions or is likely to do so.
10. COND 2.5.1AUK reflects the provisions of the Act (Paragraph 2E of Schedule 6) to the effect that a firm must be a fit and proper person having regard to all the circumstances. These include the firm's connection with any person (COND 2.5.1AUK(1)(a) and whether the firm has complied and is complying with the Authority's requirements (COND 2.5.1AUK(1)(d)).
11. COND 2.5.4G(2) provides examples of the kind of general considerations the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, the Suitability Threshold Condition. These include, but are not limited to, whether the firm conducts its business with integrity and in compliance with proper standards, has a competent and prudent management, and can demonstrate that it conducts its affairs with the exercise of due skill, care and diligence.

#### The Enforcement Guide

12. The Authority's approach in relation to its own-initiative powers is set out in Chapter 8 of the Enforcement Guide (EG), certain provisions of which are summarised below.
13. EG 8.1.1 reflects the provisions of section 55J of the Act by stating that the Authority may use its own-initiative power to vary an authorised person's Part 4A permission where, amongst other factors, the person is failing or is likely to fail to satisfy the threshold conditions for which the Authority is responsible (EG 8.1.1(1)), or it is desirable to exercise the power in order to advance one or more of its operational objectives (EG 8.1.1(3)).
14. EG 8.2.1 states that when the Authority considers how it should deal with a concern about a firm, it will have regard to its statutory objectives and the range of regulatory tools that are available to it. It will also have regard to the principle that a restriction imposed on a firm should be proportionate to the objectives the Authority is seeking to achieve (EG 8.2.1(2)).
15. EG 8.2.3 states that in the course of its supervision and monitoring of a firm or as part of an enforcement action, the Authority may make it clear that it expects the firm to take certain steps to meet regulatory requirements. In the vast majority of cases the Authority will seek to agree with a firm those steps the firm must take to address the Authority's concerns. However, where the Authority considers it appropriate to do so, it will exercise its formal powers under section 55J of the Act to vary a firm's permission to ensure such requirements are met. This may include where, amongst other factors, the Authority has serious concerns about a firm, or

about the way its business is being or has been conducted (EG 8.2.3(1)), or is concerned that the consequences of a firm not taking the desired steps may be serious (EG 8.2.3(2)).

16. EG 8.3.1 states that the Authority may impose a variation of permission so that it takes effect immediately or on a specified date if it reasonably considers it necessary for the variation to take effect immediately (or on the date specified), having regard to the ground on which it is exercising its own-initiative powers.
17. EG 8.3.2 states that the Authority will consider exercising its own-initiative power as a matter of urgency where: 1) the information available to it indicates serious concerns about the firm or its business that need to be addressed immediately; and 2) circumstances indicate that it is appropriate to use statutory powers immediately to require and/or prohibit certain actions by the firm in order to ensure the firm addresses these concerns.
18. EG 8.3.3 states that it is not possible to provide an exhaustive list of the situations that will give rise to such serious concerns, but they are likely to include one or more of four listed characteristics, these include: 1) information indicating significant loss, risk of loss or other adverse effects for consumers, where action is necessary to protect their interests; 2) information indicating that a firm's conduct has put it at risk of being used for the purposes of financial crime, or of being otherwise involved in crime; 3) evidence that the firm has submitted to the Authority inaccurate or misleading information so that the Authority becomes seriously concerned about the firm's ability to meet its regulatory obligations; 4) circumstances suggesting a serious problem within a firm or with a firm's controllers that calls into question the firm's ability to continue to meet the threshold conditions.
19. EG 8.3.4 states that the Authority will consider the full circumstances of each case when it decides whether an imposition of a requirement is appropriate and sets out a non-exhaustive list of factors the Authority may consider, these include: the nature and extent of any false or inaccurate information provided by the firm (EG 8.3.4(3); and the seriousness of any suspected breach of the requirements of the legislation or the rules and the steps that need to be taken to correct the breach (EG 8.3.4(4).
20. EG 8.3.4(9) includes the impact that use of the Authority's own-initiative powers will have on the firm's business and on its customers. The Authority will need to be satisfied that the impact of any use of the own-initiative power is likely to be proportionate to the concerns being addressed, in the context of the overall aim of achieving its statutory objectives.