



Consumer credit licence-holders: Population sizing & segmentation research

Technical Report

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A research study for the  **FSA**

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¹ This report was written in November 2012, although published in early 2013.

Abbreviations

AR	Appointed representative
CBA	Cost-benefit analysis
CC	Consumer credit
CCA	Consumer Credit Act
deff	Design effect
DEFT	Design effect statistic
DA	Directly authorised
FCA	Financial Conduct Authority
FSA	Financial Services Authority
HMT	Her Majesty's Treasury
neff	Net effective sample size
OFT	The Office of Fair Trading

Glossary

Active	A consumer credit licence-holder was designated as 'active' if they had used their licence in the previous 12 months AND stated either that they expected to do so in the next 12 months or that they did not know whether they would do so.
Active population	The estimated number of standard consumer credit licence-holders estimated to have used their licence in the previous 12 months and either expected to do so in the next 12 months or were unsure whether they would do so.
Appointed Representative (AR)	The appointed representative firm acts as an agent for the Principal firm. The Principal must be a firm that is directly authorised by the FSA. The Principal must accept full responsibility, including ensuring that the AR complies with FSA requirements. There must be a written contract between the Principal and the AR documenting this arrangement.
Consumer Credit Act 2006 (CCA06)	The Consumer Credit Act 2006 reforms came into effect in April 2008.
Consumer Credit Act (CCA) 1974	An Act to establish for the protection of consumers a system, administered by the Office of Fair Trading, of licensing and other control of traders concerned with the provision of credit, or the supply of goods on hire or hire-purchase, and their transactions.
Consumer credit activity	The main questionnaire (reproduced in the appendices) asked participants to identify for which of a detailed list of 30 (including 'other') consumer credit activities they had used their consumer credit licence. These were specified in more detail than the categories for which consumer credit licences are issued.
Consumer credit licence	A standard licence issued by the OFT under the Consumer Credit Act.
Consumer credit licence-holder	An organisation holding a licence issued under the Consumer Credit Act. Before the implementation in April 2008 of the Consumer Credit Act 2006 reforms, licences were issued for a five year period; now they are issued for an indefinite period, but subject to the payment of a five-yearly 'maintenance' payment.
Consumer credit licence category	Consumer credit licences are issued for one or more specified categories of consumer credit activity. There are nine main categories, three of which are further divided so that there are 13 sub-categories in total.

Consumer Direct business activity	The OFT database of licence-holders contains information about the main business activity of some, but not all, licence-holders. The categorisation used is that developed by Consumer Direct, which provides three levels of designation: ultimate business type, broad business type and business type.
Directly Authorised (DA)	A firm that is authorised and regulated by the FSA
Group consumer credit licence-holder	In addition to standard licences for individual organisations, the OFT also operates a regime of group licences. Group licences are issued to professional and other altruistic organisations which are then responsible for regulating the consumer credit activities of their members. Examples include the Law Society of England and Wales and the National Association of Citizens Advice Bureaux. Group licences were out of scope for this research.
Legal formation	The OFT records in its database of consumer credit licence-holders details of their legal formation. These are sole trader, partnerships, body corporates and other. Other includes charities, trades unions and other miscellaneous organisation types.
OFT database	The OFT provided the FSA with a database of all consumer credit licence-holders as of 2 April 2012 which was used as the starting point for the research. The database included contact and other information for the licensed organisations.
OFT total population	The population of 81,284 consumer credit licence-holders contained in the OFT database as at 2 April 2012.
Pre CCA06 and Post CCA06	The OFT licensing regime and arrangements changed as a result of the Consumer Credit Act 2006 reforms. The changes came into effect for all new licence applications or renewals from April 2008 onwards. Before the change (which, inter alia, introduced an indefinite licence with a periodic 'maintenance' payment) licences had been issued for a five year period. Consequently, not all pre-2008 licences had been renewed by the time of the survey; those that had not done so were classified as Pre CCA06, while those that had been renewed, as well as new applications from 2008 onwards, were classified as Post CCA06.
Primary business type	The survey screener and main questionnaires (reproduced in the appendices) asked participants to identify which of a detailed list of

	<p>42 (including two categories of 'other': Other – Financial services/ consumer credit, and Other – non-financial services/ consumer credit) primary business types best described their organisation. These types were generally more detailed than those in the OFT database based on the Consumer Direct business activity classifications.</p>
Standard consumer credit licence-holder	<p>An organisation recorded in the OFT database as holding a consumer credit licence.</p>
Weighting cell	<p>All sampled organisations were identified to one of eight weighting cells. These were the four legal formation groupings each divided between Pre and Post CCA06 status.</p>

1 Introduction

This report describes the methodology employed for the Financial Services Authority's (FSA's) research study, *Consumer credit licence-holders: Population sizing & segmentation research. Key Findings*, which was conducted in 2012 by Critical Research Limited with assistance from RS Consulting Limited.

This chapter describes why the research was necessary and summarises its key objectives.

1.1 Background

At present, the regulation of retail financial services is split between the FSA (regulating a wide range of firms including those that provide investments, banking, payment services, pensions, mortgages and insurance) and the OFT (which, amongst other things, regulates consumer credit organisations providing, for example, overdrafts, personal loans, payday loans and debt collection services).

In January 2012, the government published the Financial Services Bill² which announced its intention to transfer the regulation of consumer credit from the OFT to the FCA *provided a model of FCA regulation that is proportionate for the different segments of the consumer credit market can be developed*. The transfer would take place by July 2014.

Therefore, the FSA commissioned this research to assist it with understanding the size and segmentation of the consumer credit market better, so that it can:

- Design a proportionate and tailored FCA regime.
- Make decisions on which features of the FCA's regime it would want to apply and to which organisations.
- Plan operationally for the transfer of consumer credit regulation from the OFT to the FCA.

The research was conducted amongst a representative sample of organisations holding standard consumer credit licences that were listed in the OFT's official database as of 2 April 2012.³

² http://www.hm-treasury.gov.uk/fin_financial_services_bill.htm.

³ In addition to standard licences for individual organisations the OFT also operates a regime of group licences. Group licences are issued to reputable professional and other societies or organisations which are then responsible for regulating the consumer credit activities of their members. Examples include the Law Society and the National Association of Citizens Advice Bureaux. Group licences were out of scope for this research.

1.2 Research objectives

The **main objectives** of the research were to:

- Estimate how many consumer credit organisations listed in the database were still trading.⁴
- Estimate how many of those trading organisations were 'active', i.e. had used their consumer credit licence in the past 12 months and expected to do so in the next 12 months.
- Estimate how many organisations anticipated retaining their consumer credit licence, regardless of whether they were active.⁵
- Provide a segmentation of the 'active' population covering a number of dimensions including primary business type, consumer credit activities and size.
- Provide some limited business model profiling of active consumer credit organisations, by way of survey questions.

Further, the results were made available as an input to HM Treasury (the Treasury) for its regulatory impact assessment (RIA) and to the FSA for its cost-benefit analysis (CBA) on the transfer of consumer credit regulation from the OFT to the FCA.

⁴ Under the OFT licensing regime it is not unusual for organisations to have infrequent contact with, or from, the regulator. Consequently, it was inevitable that some of the organisations listed as licence-holders in the database would have ceased trading in the period since they last had contact with the OFT.

⁵ The research was conducted without reference to any potential changes to the regulatory regime other than the possible transfer to the FCA. Therefore, all projections by respondents as to their likely wish to retain a licence are based on the assumption that the regime will remain 'as is'.

2 Overview of the research methodology

This chapter briefly summarises the different inputs and the sequencing of the research programme. Technical details of each element, and the contribution they made to the overall methodology, are provided in subsequent chapters.

2.1 The OFT database and sampling

The starting point for the research was the OFT-provided database of around 81,000 consumer credit licence-holders.

Analysis of this database revealed that many of the organisations listed lacked valid contact details which would jeopardise the ability to draw a truly random sample. As a first step to ameliorate this problem, a 'firm-matching' process was undertaken, seeking to identify organisations in the OFT total population which were also in FSA records. As the FSA typically held more detailed contact information than the OFT, in many cases where there was a 'match' it was possible to augment the contact information held by the OFT with that drawn from FSA information.

A random sample of 7,362 organisations was then drawn from the augmented database, segmented across eight sampling cells to enable all survey results to be weighted and grossed up to the total universe.

There was still a sizeable proportion of organisations that had been sampled that lacked contact information. Consequently, these organisations were searched for on the internet and/ or checked against a proprietary database, Riskdisk⁶ to seek to ascertain:

- Whether they were still in business/ trading.
- If they were still trading, whether contact details could be identified for them.

The outcome from these processes was used to help provide a valid random sample for the research by reducing the incidence of un-contactable organisations and also to contribute to estimating the proportion of the OFT total population made up by organisations that were still trading.

⁶ www.riskdisk.com. This product was chosen because the Experian backing as well as previous experience suggested it is the most comprehensive solution available. Furthermore the web-based interface allows quick searching and immediately up-to-date results.

2.2 Data capture methodology design

An initial 'first pilot' was conducted to test the feasibility of conducting the research via telephone recruitment to an online survey. Forty-six interviews were conducted but the results were not included in the final survey findings since the sample used was not fully random⁷ and there were changes in question design between this pilot and the final survey.

A 'second pilot' was then undertaken using, primarily, a modified version of the telephone recruitment to online survey approach.⁸ A total of 97 pilot interviews were completed from a sample of 500 organisations drawn from the main sample. These interviews, enhanced by call-backs where necessary to reflect post-pilot questionnaire changes, were included in the survey.

The experience of the 'second pilot' led us to conclude that realistic response rates were too low to cost-justify conducting the main survey via the telephone recruitment to online survey approach and that better value would be achieved by switching methodology. Consequently, it was decided to conduct the main survey by telephone recruitment to a telephone survey with the option of online completion for those respondents who preferred it.

2.3 Data capture

The project was designed with a target of completing 1,500 interviews. It was designed essentially as a random survey to enable the results to be grossed up to produce valid estimates of the total population of consumer credit organisations. Nonetheless, because of a wish to achieve minimum numbers of observations from some very scarce primary business types and/ or from licence-holders undertaking rare consumer credit activities, the design also needed to accommodate some non-random interviewing. This was because insufficient examples of some of the target organisation types and/ or consumer credit activities would be found in a purely random sample. A total of 156 non-random interviews were conducted, meaning that the design, within its overall target of 1,500 interviews, could accommodate in the region of 1,350 random interviews.

A sample of 7,362 organisations was selected at random, and a total of 2,082 of these completed a screener/ recruitment telephone interview.

Following screening, those licence-holders who were defined as 'active' (they had used their licence in the preceding 12 months and did not rule out using it in the next 12 months) were eligible for the full, in-depth interview. A total of 1,392 full in-depth random interviews were conducted, predominantly by telephone although a small number opted for online completion.

⁷ Organisations were drawn to ensure good coverage of a range of different organisation types and did not form part of the main random sample for the survey. The organisations included in this 'first pilot' were also included in the main random selection process but, in the event, none of them was selected for the main sample.

⁸ Some telephone interviews were also included in this pilot.

Combining the 1,392 random interviews and the 156 non-random ones, a total of 1,548 full interviews were conducted with 'active' organisations. The non-random interviews were used, however, only to provide more extensive qualitative insight into the business models of very specific organisation types and/ or consumer credit activities; they did not, of course, contribute to the market sizing and segmentation estimates which, to be statistically valid, could be based only on random interviewing.

2.4 Data analysis

The initial analysis extrapolated findings from both the database review and sampling processes in order to calculate how many of the around 81,000 licence-holders listed were still in business – the 'trading' population. This was necessary to ensure that the results of the surveys were not 'grossed up' to an inflated total 'universe'.

Next, the results of the screening/ recruitment telephone interviews were used to identify what proportion of the trading universe, and therefore how many organisations, were currently 'active' users of their CC licences.

Then, the findings of the full in-depth random interviews, which were only conducted with 'active' organisations, were used to describe and segment the total universe of such organisations.

Lastly, where necessary, the results from the non-random depth interviews were combined with those from the random interviews to provide more observations for a qualitative, 'pen-portrait' of some very specific (and scarce) primary business types and/ or organisations involved in less common consumer credit activities.

3 Sampling from the starting population of consumer credit licence-holders

This chapter describes the approach taken to sample design for the survey, using as a sample frame the OFT database of CC licence-holders.

3.1 The OFT database

The starting point for the survey was the official OFT database of CC licence-holders as of 2 April 2012. This database was the source of sample for the survey⁹ and served as the basis for all market sizing and weighting calculations. It contained information on all standard licence-holders¹⁰ including that summarised in the following sub-sections which assisted in the design and analysis of the research. There were a total of 81,286 licence-holders on the database.

3.1.1 Legal formation

All but two organisations in the database were identified to one of four legal formation categories. These were:

- Sole trader (A).
- Partnership (B).
- Limited company, either from inside the UK (C) or outside the UK (E).
- Other (D).

Those in the 'Other' category included trades unions, charities and other miscellaneous organisations.

Since this information was held, essentially, for all licence-holders, it was one of the characteristics used to define the sampling cells employed for weighting purposes.

3.1.2 Pre or Post CCA06

All but two organisations¹¹ in the database were identified as being either Pre or Post CCA06.

The OFT licensing regime and arrangements changed as a result of the Consumer Credit Act 2006 reforms. The changes came into effect for all new licence applications or renewals from April 2008 onwards.

⁹ Some of the organisations that were interviewed as part of the 'non-random' sample (see section 2.2.2) were identified by other means, such as suggestions from relevant trade bodies, but they were not interviewed unless they were found and identified in the OFT database.

¹⁰ As detailed in section 1.1, this research covers only standard licence-holders. Group licence-holders were out of scope.

¹¹ Again, this information was lacking for the same two organisations mentioned in Section 3.1.1.

Before the implementation of the change, licence-holders were able to apply for a licence to cover all the different consumer credit activities, even if they did not intend to be involved in them all. Since 'CCA06' new licence-holders and those renewing their licence have been required to specify the categories for which a licence is required and to answer supplementary questions about the use of some of these categories.

As the Post CCA06 application/ renewal process is more rigorous, it was believed that there were likely to be significant differences in the proportions of Pre and Post licence-holders who, for example, were actually using their licence.

Prior to the change (which, inter alia, introduced an indefinite licence with a periodic 'maintenance' payment), licences had been issued for a five-year period. Consequently, not all pre-2008 licences had been renewed by the time of the survey; those that had not done so were classified as Pre CCA06 while those that had been renewed, and new applications from April 2008 onwards, were classified as Post CCA06.

It was decided to use Pre or Post CCA06 status as a second criterion for sampling and weighting, alongside legal formation, since:

- The information was held essentially for all organisations.
- Significant differences were expected in the characteristics and behaviour of organisations depending on whether they had been through the more stringent Post CCA06 licensing/ renewal process.

3.1.3 Categories of OFT CC licence held

Consumer credit licences can be held for one or more different categories. These are detailed in the OFT brochure *Do you need a credit licence?*¹² The main categories are:

Category	Description
A	Consumer credit business
B	Consumer hire business
C	Credit brokerage
D	Debt adjusting
E	Debt counselling
F	Debt collecting
G	Debt administration
H	Credit information services
I	Credit reference agency

Two of the categories, D and E, are each further divided between commercial and non-commercial provision while H is divided into three groups (credit information including credit repair, credit information excluding credit repair, and non-commercial credit information). Therefore, while there are nine main categories, there are 13 categories in total.

¹² http://www.of.gov.uk/shared_of/business_leaflets/credit_licences/of147.pdf.

Analysis of the distribution of CC licence-holders and the OFT licence categories they hold (as recorded in the OFT database) across the weighting cells influenced decisions regarding the distribution of interview targets between those cells. Allocations were designed to maximise the likelihood of achieving robust interview numbers for as many as possible of the different consumer credit activities and it was expected that these would, to some extent, correlate with licence categories held.

3.1.4 *Business activity*

Most, but not all, licence-holders on the database were coded to a business activity. The system employed is the one used by Consumer Direct and it comprises three different levels of definition, namely: ultimate business type, broad business type and business type. Two examples are provided in Table 3.1.

Table 3.1 Two examples of the Consumer Direct business activity definition system

Consumer Direct Heading	Example 1	Example 2
Ultimate business type	Financial	Housing and household
Ultimate business type code	D	A
Broad business type	Ancillary Credit Business	Glazing Products and Installations
Broad business type code	DE	AC
Business type	Debt Collection	Conservatories
Business type code	DE04	AC02

This information was used to help identify suitable targets for the supplementary non-random interviewing included in the research to ensure coverage of some very specific business types. It was also used to understand the relative distribution of primarily financial and primarily non-financial businesses across the sampling cell; that, in turn, was taken into account in deciding on differential random interviewing targets across cells to ensure good coverage of financial and non-financial businesses alike.

3.1.5 *Initial licence issue date and (where appropriate) most recent renewal date*

Virtually all records contained information as to the initial date when a licence was issued to the organisation and also the date on which the latest renewal or maintenance payment had been made/ required.

This information was used, in conjunction with unpublished analysis conducted by the OFT, to provide reassurance as to the representative nature of the organisations sampled and interviewed. This process is reviewed in Section 6.2.

3.2 Sampling

The information available from the OFT database was used to decide on the design of sampling cells and helped to inform the target distribution of interviews across those cells.

3.2.1 Sampling cells

For market-sizing and weighting purposes it was necessary to be able to segment the entire database using information which was available for all licence-holders. For this research, as indicated, it was decided to use the variables 'legal formation' and 'Pre/Post CCA06 status', as they were available for essentially all licence-holders in the OFT database. It was also anticipated that there would be significant difference in findings related to these criteria.

This gave eight cells (Pre or Post CCA06 status for each of four types of legal formation), which are referred to as the 'weighting cells'.

The OFT database comprised 81,284¹³ records with both pieces of information, distributed as shown in Table 3.2.

Table 3.2 The consumer credit standard licence-holder population as at 2 April 2012

Legal formation	Pre CCA06	Post CCA06	Total
A Sole trader	8,928	16,623	25,551
B Partnerships	2,305	4,249	6,554
C & E Body corporate inside or outside UK	14,946	32,299	47,245
D Charities, trades unions, others	835	1,099	1,934
Total	27,014	54,270	81,284

These OFT total population figures were used as the basis of the population re-sizing exercises and the weighting regime.

3.2.2 Sampling for the first pilot

An initial sample was drawn so that the first pilot could be undertaken. This comprised 400 pieces of sample drawn on a non-random basis to ensure good coverage of different organisation types within three of the four legal formation categories. In view of the limited total sample available for the legal formation category, D (charities, trades

¹³ In fact, there were 81,286 records but two lacked any information on legal formation and CCA06 status and have been excluded from the research.

unions and others), it was decided not to take any sample from among these organisations. The selected sample was distributed as shown in Table 3.3.

Table 3.3 Non-random sample drawn for the first pilot

Legal formation	Pre CCA06	Post CCA06	Total
A Sole trader	38	88	126
B Partnerships	12	14	26
C & E Body corporate inside or outside UK	76	172	248
D Charities, trades unions, others	0	0	0
Total	126	274	400

As this sample was selected on a non-random basis, it was retained in the total pool from which the main random sample was then drawn so as not to bias the overall random selection. In the event, none of the organisations interviewed in the first pilot appeared in the main randomly selected sample.

3.2.3 Deciding on and drawing the main random sample

A single random sample was designed to accommodate the second pilot and the main fieldwork programme which itself was conducted in two sequential phases. A stratified random sampling approach was used to ensure that every organisation within each of the eight weighting cells had an equal (and known) chance of being selected.

The amount of random sample to be drawn was calculated having regard in each of the weighting cells to a target number of complete interviews with active organisations and the estimated likely success rates in contacting those organisations and achieving those interviews. Rough estimates of the likely success rates were based on the profile of successful calls made for the first pilot, and the differing contact rates by each weighting cell.

The target interview numbers were set to reflect:

- A wish to achieve a minimum of 50 interviews in the least populated weighting cells.
- Analysis of the OFT database, which provided insights (for example, based on the distribution of the records by business activity)¹⁴ into how interviews might best be distributed across the weighting cells in order to yield good sample sizes for different primary business types and consumer credit activities.

A final set of targets could only be set once the likely scale of the non-random interviewing requirement was known. This was set during the break between phases 1

¹⁴ See Section 3.1.4.

and 2 of the main (random) survey fieldwork at which point it was estimated that around 200 non-random interviews would be necessary. This meant that a total of 1,300 random interviews would be required (given that the study was designed to be based on 1,500 interviews in total) and the targets set are shown in Table 3.4.

Table 3.4 Target distribution of 1,300 random interviews

Legal formation	Pre CCA06	Post CCA06	Total
A Sole trader	50	250	300
B Partnerships	50	200	250
C & E Body corporate inside or outside UK	120	500	620
D Charities, trades unions, others	50	80	130
Total	270	1,030	1,300

The random sample was drawn on a stratified basis and then used in tranches, firstly for the second pilot and, subsequently, for the two phases of the main survey fieldwork. The profile of the random sample selected, which totalled 7,362 organisations, is shown in Table 3.5.

Table 3.5 Stratified random sample selected

Legal formation	Second pilot	Main fieldwork	Total
		Pre CCA06	
A Sole trader	45	833	878
B Partnerships	45	364	409
C & E Body corporate inside or outside UK	45	1,235	1,280
D Charities, trades unions, others	45	435	480
		Post CCA06	
A Sole trader	80	1,059	1,139
B Partnerships	80	666	746
C & E Body corporate inside or outside UK	80	2,119	2,199
D Charities, trades unions, others	80	151	231
Total	500	6,862	7,362

Consequently, the number of pieces of sample drawn by cell per target interview is shown in Table 3.6.

Table 3.6 Number of pieces of sample drawn at random per target interview by cell

Legal formation	Pre CCA06	Post CCA06	Total
A Sole trader	17.6	4.6	6.7
B Partnerships	8.2	3.7	4.6
C & E Body corporate inside or outside UK	10.7	4.4	5.6
D Charities, trades unions, others	9.6	2.9	5.5
Total	11.3	4.2	5.7

The variations by weighting cell in estimated sample required per interview predominantly reflected differences in the availability and quality of contact details and expected differences in activity rates (i.e. the proportion of organisations actively using their consumer credit licence). The OFT advised us that activity rates were likely to be lower for all Pre CCA06 organisations and for Pre and Post CCA06 sole traders.

The proportion of the starting population sampled at random in each cell is shown in Table 3.7.

Table 3.7 Proportion of the starting population sampled at random in each cell

Legal formation	Pre CCA06	Post CCA06	Total
A Sole trader	10%	7%	8%
B Partnerships	18%	18%	18%
C & E Body corporate inside or outside UK	9%	7%	7%
D Charities, trades unions, others	57%	21%	37%
Total	11%	8%	9%

Within each weighting cell, sample contacts were randomly selected in tranches and these selections were released during the fieldwork period having regard to the cell response rates. Taking smaller samples in batches ensured that response rates were kept at the highest levels possible. Call-backs and appointments during the fieldwork period were managed to ensure that sampled individuals who were more difficult to contact were in fact interviewed, and not replaced. The proportions of the total sample that were used are shown in Table 3.8. Sample is considered not to have been 'used' if no contact details were available, or where contact details were available no attempt was made to invite the organisation to participate in the survey.

Table 3.8 Proportions of total sample drawn that were used

Legal formation	Pre CCA06	Post CCA06	Total
A Sole trader	39%	87%	66%
B Partnerships	57%	92%	79%
C & E Body corporate inside or outside UK	62%	93%	82%
D Charities, trades unions, others	65%	89%	73%
Total	55%	91%	76%

3.2.4 Deciding on and drawing the main non-random sample

The project objectives combined requiring an accurate overall sizing and segmentation of the population alongside aiming for a minimum number of interviews for each of many different primary business types and consumer credit activities. These were not compatible in a purely random survey due to the highly skewed nature of the population; some primary business types and consumer credit activities for which minimum interview numbers were desired were known or found in the first stage of random interviewing to represent less than 0.1% of the overall market.¹⁵ Therefore, in a purely random sample even of 1,500 interviews, only one or two examples of such primary business types and/ or consumer credit activities might appear. Consequently, it was necessary also to undertake some non-randomly selected interviews to achieve more observations for some of these very specific primary business types or consumer credit activities.

This was done even though it was appreciated that these interviews could not be used in the market sizing calculations or considered necessarily to be representative of their organisation type and/ or consumer credit activity. It was recognised, however, that they could provide useful insights that otherwise would not be available via an exclusively random survey. The non-random interviewing was also used in some of these categories to ensure that the largest or most important organisations were contacted if they had not been selected in the random sample and, therefore, would otherwise have had no opportunity to be included in the research.

The primary business types and consumer credit activities for which non-random interviews were planned are shown in Tables 3.9 and 3.10, together with the achieved numbers of non-random and random interviews for each of them. Some primary business types were felt to be sufficiently similar to be grouped together, as shown in Table 3.10.

¹⁵ In some cases, information about total population sizes for specific primary business types or consumer credit activities was available from the relevant trade bodies.

Table 3.9 Non-random and random interviews achieved with 'scarce' primary business types ¹⁶

Primary business type(s)	Non-random interviews achieved	Random interviews achieved	Total interviews
Bailiffs, debt collection agencies, debt purchasers and vehicle repossession companies	35	21	56
Cheque cashing companies	11	0	11
Claims management companies	7	6	13
Credit reference agencies	1	0	1
Debt management companies and debt advisers (charged for/commercial)	19	26	45
Hire purchase companies	16	6	22
Home collected credit providers	7	18	25
Logbook lenders	4	2	6
Pawnbrokers	17	6	23
Payday loan companies	13	5	18
Price comparison websites or aggregators	1	2	3
Retail finance (advice & referral) broker	3	16	19
Solicitors	8	1	9
Total	142	109	251

¹⁶ Low interview numbers were completed for some of these primary business types because they had very small total populations (e.g. credit reference agencies).

Table 3.10 Non-random and random interviews achieved with 'scarce' consumer credit activities¹⁷

Consumer credit activities	Non-random interviews achieved	Random interviews achieved	Total interviews
Credit repair services	2	4	6
Home collected credit	9	32	41
Loans as a pawnbroker	29	8	37
Logbook lending	5	5	10
Payday loans	32	13	45
Price comparison websites or aggregators	3	15	18
Total	80	77	157

Some of the non-random interviews covered both a target primary business type and a target consumer credit activity (or activities). Consequently, the final number of non-random interviews conducted was 156 and not 222 (which is the sum of 142 non-random interviews allocated by primary business type and 80 allocated by consumer credit activity).

The sources of the non-random sample were:

- Targeted selection from the OFT database based on primary business codes. For example, some of the organisations were listed as 'Pawnbrokers' and so a sample of these was selected and then contacted to see whether that was how they described their primary business type.
- Review of membership information for selected trade bodies who provide that information on their website.
- Assistance from several trade bodies who kindly agreed to help us with the survey by providing contact details for relevant members.
- Some specific recommendations made by the FSA.

¹⁷ Achieving high interview numbers with several of these consumer credit activities was impossible because there was such a small number of licence-holders who describe themselves in this way, or the number of organisations in the population was very small.

3.3 Enhancing contact details

Many of the records in the OFT database lacked contact details, including telephone numbers.¹⁸ Addressing this problem was crucial to the accuracy and robustness of the population sizing and survey research since a lack of contact details would preclude some organisations from having a chance to participate in the survey. That, in turn, would mean that a truly random sample could not be drawn. Consequently, multiple steps were undertaken to enhance the contact details available from the OFT database.

3.3.1 Firm matching with FSA records

Prior to sample selection, a matching process was undertaken between the OFT database and two databases of firms regulated by the FSA (DA and AR firms). This work was undertaken for two reasons: firstly, to provide an early indication of the likely proportion of consumer credit organisations also regulated by the FSA for other activities; and, secondly, to seek to improve available contact details as, generally, the FSA records contained more comprehensive contact information than did those of the OFT. Where a 'good' match was identified and the FSA records contained additional contact information that was then transferred into the OFT record to be available for use in the survey.¹⁹

3.3.2 Filling contact information gaps for sampled organisations

Once the random sample of 7,362 records had been drawn, a number of further steps were taken to add telephone contact details.

Firstly, all drawn sample that still lacked a telephone number was put through a telephone number look-up process via ADMAR.²⁰ However, even after this process, a high proportion of the drawn sample still lacked telephone contact details (2,046 out of 7,362, or 27.8%).

All of these 2,046 organisations were then put through a further, detailed process to try to locate contact details using, in each case, one or both of:

¹⁸ Thirty-six per cent of licence-holders had no telephone number information on the initial OFT data extract.

¹⁹ It was important, of course, to avoid any false matches which could lead to incorrect contact details being attributed to licensed firms. Consequently, a very high accuracy threshold was set for a 'good' match and only the matching approaches that proved to be 100% accurate in a sample audit were used to append contact details. These were where a match was found on exact company name or simple company name (i.e. references to 'and', '&', 'co' 'ltd', etc. standardised) or post code and a phonetic version of company name. A total of 14,620 (7,930 DA and 6,690 AR) matches were found and telephone number details were taken from 3,045 of these and added to OFT records which did not have a telephone number listed.

²⁰ See www.admar.co.uk for details of this service.

- Internet searches (Google, 192.com, yell.com and various other business and consumer directory listings linked to by those primary sources)
- The Riskdisk²¹ credit information service

Secondly, when interviewers were presented with a piece of sample that lacked contact details they also undertook a brief further internet search to try to find a telephone number.

The final outcome of these processes was that 1,166 out of the 7,362 sampled organisations (15.8%) could not be contacted as they lacked a telephone number.²²

²¹ Riskdisk is an Experian-owned company formed in 1999 as a credit reference agency. It provides detailed company information based on Experian's own records and Companies House information in order provide a risk assessment for businesses and consumers. In this capacity it forms a near complete and up-to-date source of trading and recently wound-up organisations. See www.riskdisk.com for further details of this service.

²² See Table 5.2 (*Found on Riskdisk as 'not trading' and Looked for on Riskdisk and not found – excluding sole traders*) and Table 5.3 (*Total 'not found'*) for details of how these organisations were handled when estimating the trading population.

4 Data collection methodology

The data collection methodology for the survey was finalised after two rounds of piloting to investigate the most effective approach.

4.1 First pilot

A first pilot was conducted to explore whether the relatively complex questionnaire required in order to meet the study's segmentation and information requirements could be implemented successfully via telephone recruitment to an online survey. A mixture of online and telephone interviews, both following telephone recruitment, were undertaken; 33 interviews online and 13 by telephone. These were not included in the survey but used to help determine the most appropriate data collection methodology and to assist in questionnaire development.

4.2 Second pilot

After reviewing the outcome of the first pilot it was concluded that a modified approach should be piloted more fully. This was still based on telephone screening and recruitment to an online survey. However, the telephone recruitment survey was extended to include the key segmentation questions relating to primary business type and consumer credit activities since it was felt these had acted as a barrier to participation in the first pilot online survey and also that they would be more accurately completed over the telephone.

In the second pilot, 500 organisations were selected from the random sample of 7,362 and 298 of these were recruited and agreed to receive the link to the online survey. By the end of the pilot period, 97 organisations had completed an interview, a completion rate of 33%.²³ Five of these interviews were completed by telephone rather than online.

It was recognised that the relatively low completion rate was in part due to the limited time available for the pilot and because consequently there had been only a small amount of chasing effort. Other important findings from the pilot process were:

- It had been anticipated that online completion might yield more accurate responses to some questions than telephone interviewing as participants would have the opportunity to pause the survey in order to look up data. In practice, it appeared this was not happening.
- It proved viable, and acceptable to participants, to complete the full questionnaire by telephone rather than recruiting to online completion.

Full analysis of the pilot process led to the conclusion that, with likely completion rates (even over a longer fieldwork period), telephone recruitment to an online survey was unlikely to be either cost or time effective. Persevering with an online survey was likely to be more expensive than telephone interviewing and to result in fewer interviews than required being completed in the available fieldwork period. Conversely, the second

²³ These interviews, enhanced by call-backs where necessary to reflect post-pilot questionnaire changes, have been included in the survey and so form part of the 1,392 achieved random interviews.

pilot also demonstrated that conducting the study exclusively by telephone was acceptable to respondents, cost effective and capable of yielding data of equal or better quality than that gathered online.

Consequently, it was decided, following the second pilot, to modify the survey methodology. The approach decided for the main fieldwork was telephone screening and recruitment to a full telephone interview with the option of online completion instead if preferred by the respondent.

4.3 Telephone screening and recruitment

A total of 2,082 organisations from the random sample were screened by telephone. The individual respondent sought was *'the person responsible for compliance issues'* and it was confirmed with the nominated person that they were *'the person best placed within your organisation to speak to about your organisation's consumer credit licence'*. In small businesses it was typically the owner or a senior director/ partner who responded; in larger organisations respondents included financial and other directors and compliance officers. Of the 2,082 organisations screened, 1,548 were identified as 'active' licence-users and were invited to take part in the main survey; 1,392 went on to complete this. The screening questionnaire used is provided in Appendix A.

4.4 Main survey

In total, 1,392 random interviews were conducted with 'active' organisations. Of these, 1,289 were conducted by telephone and 103 online. The random interviewing was conducted in two phases and decisions about the number of non-random interviews required and their distribution were made between the two phases. The first phase comprised 849 random interviews and the second phase 699 (543 random and 156 non-random) interviews.

Therefore the overall main survey (random and non-random interviews) comprised 1,548 interviews, of which 1,445 were conducted by telephone and 103 online.

The distribution of random interviews achieved by weighting cell, compared with the initial targets set (which are provided in Table 3.4, and here for ease of reference in parentheses), is shown in Table 4.1.

Table 4.1 Random interviews achieved compared with targets

Legal formation	Pre CCA06	Post CCA06	Total
A Sole trader	67 (50)	256 (250)	323 (300)
B Partnerships	56 (50)	227 (200)	283 (250)
C & E Body corporate inside or outside UK	141 (120)	493 (500)	634 (620)
D Charities, trades unions, others	71 (50)	81 (80)	152 (130)
Total	335 (270)	1,057 (1030)	1,392 (1300)

The main survey questionnaire used is provided in Appendix B.

4.5 Timetable

The fieldwork dates for each stage were as shown in Table 4.2.

Table 4.2 Fieldwork dates

Stage	Dates
First pilot	12/04/12 to 20/04/12
Second pilot	03/05/12 to 16/05/12
Phase 1 random interviews	22/05/12 to 12/06/12
Phase 2 random interviews	18/06/12 to 13/07/12
Non-random interviews	20/06/12 to 19/07/12

4.6 Response rates

Response rates for the main random survey were calculated separately for each of the eight weighting cells.

The response rate was calculated as the percentage of those who reached the stage of being asked to take part in a screener interview who did participate, rather than refusing to do so. Details are given in Table 4.3. This shows, for example, that of a total of 3,258 organisations, 2,082 completed a screener and 166 provided incomplete screeners, giving a total of 2,248 participants (69%) compared with 1,010 refusals (31%).

Table 4.3 Details of response rates and random sample utilisation

	Pre CCA06				Post CCA06				Total
	Sole trader	Partner ship	Corp-orate	Other	Sole trader	Partner ship	Corp-orate	Other	
Total sample drawn	878	409	1,280	480	1,139	746	2,199	231	7,362
Completed a screening interview (1,392 active organisations among them also completed the main interview)	109	96	231	98	409	311	713	115	2,082
Incomplete screeners	13	15	38	16	17	19	32	16	166 ²⁴
Refused	52	43	162	38	186	147	359	23	1,010
Response rate	70%	72%	62%	75%	70%	69%	67%	85%	69%
Contact details available, organisation contacted, but interview not completed ²⁵	149	77	331	154	338	190	901	52	2,192
Contact details not available	511	159	370	139	113	37	96	14	1,439
Not trading ²⁶	44	18	148	35	43	18	54	1	361
Sample not contacted ²⁷	0	1	0	0	33	24	44	10	112

²⁴ These organisations partially completed the screening process (so did not 'refuse'). The screening was considered incomplete either where the respondent was unable to complete the questions or, where they did so, the answers were deemed unreliable.

²⁵ This included: appointments that were not kept, duplicate entries, engaged, no answer, wrong telephone numbers, unobtainable telephone numbers and those willing to participate but not available during the fieldwork period.

²⁶ This included organisations which informed the interviewers they were no longer trading (152 in total); additionally this includes organisations with no contact details which were found not to be trading during the Riskdisk exercise described in chapter 3 (209 in total).

²⁷ These are records drawn from the OFT database where no contact was attempted.

5 Sizing the trading population

It was inevitable that the OFT database would include some organisations that no longer existed. This is because:

- The OFT has little or no contact with licence-holders between licence renewals and/ or requesting and receiving licence maintenance payments and these only occur every five years.
- Organisations that cease trading typically do not notify the OFT and surrender their consumer credit licence; rather, the licence lapses.

Obviously, continued inclusion in the population of organisations that were no longer trading (i.e. effectively did not exist) would mean that the survey results would be 'grossed up' to an artificially high estimate of the total number of consumer credit licence-holders thereby over-estimating the number of organisations still holding and using their licence. Consequently, it was necessary to estimate the proportion of licence-holders on the database who were no longer trading so that the survey results could be 'grossed up' accurately.

The following steps contributed to the estimate of how many sampled organisations were still trading at the time of the survey.

5.1 Organisations in the sample without telephone numbers

It was not felt to be justified to assume that all organisations for whom a telephone number could not be found were no longer trading. Therefore, the following steps were taken:

A total of 2,046 sampled organisations initially lacking a telephone number had been checked against the Riskdisk database and/ or against other internet-based sources. In 398 cases, telephone number information was found via the internet and so those organisations were transferred into the sample with telephone numbers. In the case of the remaining 1,648 organisations that still lacked telephone numbers, the Riskdisk process could result in one of three outcomes:

- Found in Riskdisk and confirmed as no longer trading (based on Companies House information).
- Found in Riskdisk and confirmed as trading (based on the recent filing of accounts or reports of performance on credit agreements).
- Not found in Riskdisk.

It was then assumed for all OFT legal formation types, other than sole trader, that any organisation without a telephone number confirmed as not trading, or not found on Riskdisk, was no longer trading.²⁸

The assumption was not made in the case of sole trader CC licence-holders, as the focus of Riskdisk is on corporate organisations. Consequently, it was more likely that sole traders that were still trading might not be found on Riskdisk than it was for, say, limited companies.

²⁸ It is possible that some non-incorporated partnerships and 'others' may still have been trading but not have been present on Riskdisk.

Therefore, a sample of the sole traders who were not found on Riskdisk were put through a further, more intensive internet search process to see if they could be located and, potentially, shown still to be trading. Specifically, 50 Pre CCA06 and 50 Post CCA06 sole traders were subject to detailed online search, trying to identify if they might, for example, have simply changed trading name or moved address. These searches were more extensive than those which had the sole objective of trying to find 'missing' contact information, such as telephone number and included 192.com residential searches, 123people.co.uk, LinkedIn.com and 118.com/people-search.

The outcome of this process was that nine (18%) of the 50 Pre CCA06 sample and 10 (20%) of the 50 Post CCA06 sample were found, in fact, still to be trading although they could not be located on Riskdisk. Consequently, in the grossing-up process (see sections 5.3 and 5.4), it was assumed that these proportions of all sole traders who were not found on Riskdisk were, nevertheless, still trading.

5.2 Organisations in the sample with telephone numbers

Just as it could not be assumed that all organisations for which a telephone number could not be found had ceased trading, similarly the opposite could not automatically be assumed, i.e. that all 5,832 organisations with a number were trading.

The following scenarios were found:

- When interviewers called the number available, they were able to confirm that although the number was still working the organisation holding the licence was no longer trading.
 - ♦ All these cases have been treated as 'not trading'.
- Although a number was listed, it was found to be unobtainable or to be a wrong number.
 - ♦ These are considered, effectively, to be similar to organisations checked on Riskdisk because no number at all was available for them. Therefore, it has been assumed that the same proportion of these organisations were not trading as had been found for those from the same weighting cell that had been put through Riskdisk.
- Although a number was listed, it was called at least 10 times but was either engaged or not answered each time.
 - ♦ In the absence of any definitive information, it was assumed that the same proportion of these organisations were not trading as the overall average for the total sample drawn from the relevant weighting cell.
- An organisation was included in the sample with a number listed, but was not used (i.e. no attempts were made to call the number provided).
 - ♦ Again, in the absence of any definitive information, it was assumed that the same proportion of these organisations were not trading as the overall average for the total sample drawn from the relevant weighting cell.

5.3 Allocating sampled organisations as ‘trading’ or ‘not trading’

Using the processes detailed in Sections 5.1 and 5.2, all of the 7,362 sampled organisations were classified as ‘trading’ or ‘not trading’. This combined two approaches:

- Where organisation-specific information was available, then the individual sampled organisation was classified as ‘trading’ or ‘not trading’.
- Where assumptions were made in the absence of organisation-specific information, then a ‘probability of trading’ was allocated to each individually sampled organisation based, as described above, on the average outcome for organisations from the appropriate sampling cell.

5.3.1 Sampled organisations definitively allocated as ‘trading’

The numbers of sampled organisations that were definitively classified as trading based on organisation-specific information were:

Table 5.1 Details of sampled organisations classified as ‘trading’

	Pre CCA06				Post CCA06				Total
	Sole trader	Partnership	Corporate	Other	Sole trader	Partnership	Corporate	Other	
Interviewed or screened	109	96	231	98	409	311	713	115	2,082
Failed to complete screener but contacted	29	31	148	92	100	86	421	31	938
Failed to complete interview but contacted	19	12	40	20	35	22	115	7	270
Refused	52	43	162	38	186	147	359	23	1,010
Found on Riskdisk as trading but not contacted	31	39	257	62	9	13	66	5	482
Total	240	221	838	310	739	579	1,674	181	4,782

5.3.2 *Sampled organisations definitively allocated as ‘not trading’*

The numbers of sampled organisations definitively classified as ‘not trading’ based on organisation-specific information was:

Table 5.2 Details of sampled organisations classified as ‘not trading’

	Pre CCA06				Post CCA06				Total
	Sole trader	Partnership	Corporate	Other	Sole trader	Partnership	Corporate	Other	
Contact made and licensed business confirmed as no longer trading	20	3	27	4	39	17	42	0	152
Found on Riskdisk as ‘not trading’	24	15	121	31	4	1	12	1	209
Looked for on Riskdisk and not found – excluding sole traders	0	120	113	77	0	24	30	9	373
Total	44	138	261	112	43	42	84	10	734

5.3.3 *Organisations given proportionate allocations to trading and ‘not trading’*

As detailed in sections 5.3.1 and 5.3.2, 4,782 organisations were definitively classified as ‘trading’ and 734 as not trading, making a total of 5,516.

The remaining 1,846 organisations from the total sample of 7,362 were not definitively classified but, rather, were allocated a probability that they were ‘trading’ or ‘not trading’. These organisations fell into three groups.

Firstly, there were a total of 584 sole trader organisations that were looked for on Riskdisk but not found. As indicated in section 5.1 it was decided not to rely on the raw outcome from the Riskdisk process in the case of sole trader organisations as it was felt that would overstate the numbers that had ceased trading. The probabilities attached to these organisations that they were, in fact, trading were those which were found in the sample tests referred to in section 5.1. This process is shown in Table 5.3.

Table 5.3 Probabilities of 'trading' for sole traders 'not found' in Riskdisk

	Pre CCA06	Post CCA06
Total 'not found'	480	104
Probability of 'trading'	18%	20%
Probability of 'not trading'	82%	80%

Consequently, in estimating the overall trading population, 18% of the weighted value of each of the Pre CCA06 organisations would be allocated as 'trading' and 82% as 'not trading'. In the case of the Post CCA06 sampled organisations their weighted value would be allocated 20% as trading and 80% as not trading.

The second group was those sampled organisations which had contact telephone numbers that proved either to be unobtainable or wrong numbers. There were 553 of these. It was assumed that the proportions of these that would be trading would be the same as the proportions of those that had been checked on Riskdisk as they did not have *any* contact information. As with those 'not found' on Riskdisk, the same 'adjustment factor' was applied in the case of sole traders.

The overall Riskdisk results, which were used to calculate the probabilities for these organisations, were as shown in Table 5.4.

Table 5.4 Overall Riskdisk results used to estimate probabilities of trading for organisations with unobtainable/ wrong telephone numbers

	Pre CCA06				Post CCA06				Total
	Sole trader	Partner ship	Corp- orate	Other	Sole trader	Partner ship	Corp- orate	Other	
Number of sampled organisations	54	33	117	21	72	54	195	7	553
Probability of trading	22%	22%	52%	36%	25%	34%	61%	33%	36%
Probability of 'not trading'	78%	78%	48%	64%	75%	66%	39%	67%	64%

The third group was those for whom contact details were available but where contact was not made. There were 709 of these covering those which did not answer or were engaged when they were called and those where contact was not attempted with them.

For all of these organisations, in the absence of any definitive information, it was decided to allocate to them the same probabilities that they were 'trading' or 'not trading' as the average for the total of all other organisations from the same sample cell. The probabilities used were as shown in Table 5.5.

Table 5.5 Overall estimated probabilities of trading for organisations with contact information that were not contacted

	Pre CCA06				Post CCA06				Total
	Sole trader	Partnership	Corporate	Other	Sole trader	Partnership	Corporate	Other	
Number of sampled organisations	60	17	64	37	181	71	246	33	709
Probability of trading	41%	58%	74%	72%	81%	89%	92%	93%	80%
Probability of 'not trading'	59%	42%	26%	28%	19%	11%	8%	7%	20%

5.4 Calculating the 'trading' population

Following the processes detailed in section 5.3, all sampled organisations were treated in one of the following ways:

- Allocated as 'trading'.
- Allocated as 'not trading'.
- Given a calculated probability that they were trading, based on the information available for their specific sampling cell.

These results were then 'grossed up' based on the weight attached to each sampled organisation. The weights attached to each piece of sample for this process were simply, for each weighting cell: [Number of licensed organisations in the OFT total population ÷ number of organisations sampled]. The calculation of weights is shown in Table 5.6.

Table 5.6 Sample weighting

Legal formation	OFT total population	Sample	Weight
		Pre CCA06	
A Sole trader	8,928	878	10.2
B Partnerships	2,305	409	5.6
C & E Body corporate inside or outside UK	14,946	1,280	11.7
D Charities, trades unions, others	835	480	1.7
Post CCA06			
A Sole trader	16,623	1,139	14.6
B Partnerships	4,249	746	5.7
C & E Body corporate inside or outside UK	32,299	2,199	14.7
D Charities, trades unions, others	1,099	231	4.8
Total	81,284	7,362	

The final outcome of this process was an estimate that 64,636 out of the 81,284 organisations in the OFT total population (79.5%) were trading, as detailed in Table 5.7.

Table 5.7 Estimates of the number of trading organisations by weighting cell

Legal formation	OFT total population	Total random sample drawn	Number from sample identified or estimated as trading	Proportion of sample identified or estimated as trading	Estimated trading population
			Pre CCA06		
A Sole trader	8,928	878	363.6	41.4%	3,697
B Partnerships	2,305	409	238.3	58.3%	1,343
C & E Body corporate inside or outside UK	14,946	1,280	946.6	74.0%	11,053
D Charities, trades unions, others	835	480	344.3	71.7%	599
Post CCA06					
A Sole trader	16,623	1,139	925.7	81.3%	13,511
B Partnerships	4,249	746	660.3	88.5%	3,761
C & E Body corporate inside or outside UK	32,299	2,199	2,019.1	91.8%	29,656
D Charities, trades unions, others	1,099	231	214.0	92.6%	1,018
Total	81,284	7,362	5,711.9	79.5%	64,636²⁹

Therefore, the 'trading' universe was estimated to comprise 64,636 organisations.

²⁹ Varies by one from the sum of the eight individual results due to rounding.

6 Segmenting the trading population

Two population estimates were required from within the total trading population: an estimate of the number of active users of consumer credit licences and an estimate of how many organisations not currently making use of their licence were likely to wish to continue to remain licensed. The sum of these two estimates would indicate the number of currently trading licence-holders who were likely to want to retain their licence.

6.1 Estimating active and other licence-holders wishing to retain their licence

Questions from the screener were used to allocate all 2,082 screened organisations to one of the following categories:

- Active (organisations that had used their consumer credit licence in the previous 12 months and expect to do so in the next 12 months, or did not know if they would do so).
- Past (organisations that had used their licence in the previous 12 months but did not expect to do so in the next 12 months). These were further split into:
 - ◆ Past Retain (those past organisations stating that they intend to keep their licence).
 - ◆ Past Not Retain (those past organisations that stated they do not intend to keep their licence).
- Future (organisations that had not used their licence in the previous 12 months but expect to do so in the next 12 months).
- Inactive (organisations that had not used their licence in the past 12 months and did not expect to do so in the next 12 months or did not know whether they would do so). These were further split into:
 - ◆ Inactive Retain (those non-active organisations stating that intend to keep their licence).
 - ◆ Inactive Not Retain (those non-active organisations that stated they do not intend to keep their licence).

The screening questions used to allocate each organisation to one of these categories were:

- S3 Could you please confirm whether your organisation has made use of your licence in the **past 12 months** by undertaking one or more of the activities it covers?
- S4 And do you expect to be using your licence in the **next 12 months** by undertaking one or more of the activities it covers?
- S5 Even though you do not intend to use your consumer credit licence in the next 12 months do you intend to keep it?

The allocation algorithms are shown in Table 6.1.

Table 6.1 Allocation algorithms

Category	Q S3	Q S4	Q S5
Active	Yes	Yes or don't know ³⁰	N/A
Future	No	Yes	N/A
Past - retain licence	Yes	No	Yes
Inactive - retain licence	No	No or don't know	Yes
Past - do not retain licence	Yes	No	No
Inactive - do not retain licence	No	No or don't know	No

The eight cell resized trading population estimates and the distribution of the 2,082 screeners were used to calculate an individual weight for each respondent that would allow the screening data to be grossed up to the resized trading population estimate of 64,636. Details are provided in Table 6.2.

³⁰ A very small number of participants in the screener interview (8 out of 2,082) had used their licence in the past 12 months, but were unsure if they would do so in the next 12 months. They were included in the active population, representing just 0.5% of it.

Table 6.2 Weighting of screener interviews by weighting cell

Legal formation	Trading population	Number of screeners	Weight
Pre CCA06			
A Sole trader	3,697	109	33.913
B Partnerships	1,343	96	13.990
C & E Body corporate inside or outside UK	11,053	231	47.847
D Charities, trades unions, others	599	98	6.112
Post CCA06			
A Sole trader	13,510	409	33.033
B Partnerships	3,761	311	12.093
C & E Body corporate inside or outside UK	29,656	713	41.593
D Charities, trades unions, others	1,018	115	8.849

The distribution of responses among the screened organisations (weighted as shown above and grossed up to the total trading population) was as shown in Tables 6.3 and 6.4 (total figures may vary slightly due to rounding):

Table 6.3 Allocation of the trading population to different segments: absolute numbers

	Pre CCA06				Post CCA06				Total
	Sole trader	Partnership	Corporate	Other	Sole trader	Partnership	Corporate	Other	
Active	2,374	895	7,751	477	9,381	3,023	22,918	788	47,607
Future	441	70	431	18	1,222	230	1,747	80	4,238
Past - retain licence	68	28	335	0	231	48	166	9	886
Inactive - retain licence	610	196	1,483	67	2,114	375	3,619	106	8,571
Past - do not retain licence	34	14	48	12	132	0	250	0	490
Inactive - do not retain licence	170	140	1,005	24	429	85	957	35	2,845

Table 6.4 Allocation of the trading population to different segments: proportions

	Pre CCA 06				Post CCA 06				Total
	Sole trader	Partnership	Corporate	Other	Sole trader	Partnership	Corporate	Other	
Active	64.2%	66.6%	70.1%	79.8%	69.4%	80.4%	77.3%	77.4%	73.7%
Future	11.9%	5.2%	3.9%	3.0%	9.0%	6.1%	5.9%	7.9%	6.6%
Past - retain licence	1.8%	2.1%	3.0%	0.0%	1.7%	1.3%	0.6%	0.9%	1.4%
Inactive - retain licence	16.5%	14.6%	13.4%	11.2%	15.6%	10.0%	12.2%	10.4%	13.3%
Past - do not retain licence	0.9%	1.0%	0.4%	2.0%	1.0%	0.0%	0.8%	0.0%	0.8%
Inactive - do not retain licence	4.6%	10.4%	9.1%	4.0%	3.2%	2.3%	3.2%	3.4%	4.4%

6.2 Confirming the representative nature of the screened organisations

Checks were conducted to confirm that the organisations that took part in the screening process were representative of all sampled organisations, i.e. that those we managed to talk to were representative of all those from the random sample who were not screened.

All the 7,362 organisations from the total random sample were put into the following groups:

- Screened
 - ♦ The 2,082 organisations that completed the screening interview.
- Refused
 - ♦ The 1,010 organisations successfully contacted but that declined to participate in the screening process.
- Contacted, not screened

The 2,510 organisations that were contacted but did not complete the screening interview. This included organisations with working contact details but where it was not possible, during the fieldwork period, to complete a screening call (2,192 organisations). The reasons for this included engaged numbers, open appointments or where an appointment could only be made for after the fieldwork period had closed. It additionally includes those found not to be trading (152) and incomplete screeners (166) (see Table 4.3 for the complete breakdown).
- Not contacted
 - ♦ The 1,760 organisations that were sampled but not called. This included organisations with no, or incorrect, contact information; ones that were not contacted before the fieldwork period closed or because quotas were reached, and those found on Riskdisk to be not trading.

Potentially there was a concern that those who could not be contacted, or who refused to participate, might, for example, be less likely to be using their licence.

Ordinarily, it might not be possible to compare screened and non-screened organisations since either limited or no information might be held on those that had not been interviewed.

Fortunately, in this instance, we were able to gain some insights into those sampled organisations that did not take part in the screening process. The OFT had conducted unpublished analysis of the proportion of licence-holders that actually renewed their licence when they were scheduled to do so.³¹ We considered this to be a suitable proxy for the likely distribution of active and inactive licence-holders.

The OFT analysis revealed how renewal proportions (i.e. the proportion of those due to renew that actually did so) varied between different groups. The groups they analysed were based on legal formation and the length of time the licence had been held (i.e. the nth renewal that was due).

These results showed:

- Sole traders were less likely to renew their licence than other legal formations.
- The proportion renewing was lower for the first renewal than for subsequent renewals.

From the OFT database we knew for all of our sampled organisations both their legal formation and how long they had held their licence and, therefore, what their next renewal would be. Consequently, by drawing on the OFT analysis we could calculate a 'renewal probability' for each sampled organisation regardless of whether or not they were screened.

When these were aggregated for each of the groups above, no significant difference emerged between them, as shown in Table 6.5.

Table 6.5 Estimated likelihood to renew for different sample groups³²

	Pre CCA06			Post CCA06		
	Sole trader	Partnership	Corporate	Sole trader	Partnership	Corporate
Screened	20.3%	24.9%	32.3%	19.4%	24.8%	31.0%
Refused	18.4%	24.5%	32.2%	21.4%	25.7%	31.9%
Contacted, not screened	17.4%	23.2%	28.0%	18.6%	23.9%	29.4%
Not contacted	18.3%	24.5%	28.0%	17.8%	24.3%	27.9%
All	18.4%	24.3%	29.3%	19.2%	24.7%	30.2%

Consequently, it was concluded that it was safe to extrapolate findings from the screened organisations in the sample to those that did not complete the screening interview.

³¹ The analysis was based on just over 23,500 licences that were due for renewal during the calendar year 2011.

³² There was insufficient data in the sample period for the OFT to provide separate analysis for the Other (charities, trades unions, others) legal formation category.

7 Weighting the full survey and research limitations

The results of the full random survey, conducted exclusively with 'active' organisations, were weighted to the estimated total population of active organisations.

Calculations were also made of the design effects that had impacted on the confidence intervals it was necessary to apply to weighted findings from the research.

Each of these are summarised in this chapter.

7.1 Weighting

The survey findings (based on the 1,392 random full interviews) were grossed up to the resized 'active' population of 47,607 (see Table 6.3).

The eight cell resized population estimates and the distribution of the 1,392 achieved full random interviews were used to calculate an individual weight for each respondent. Details are provided in Table 7.1.

Table 7.1 Weighting of full random interviews with active organisations by weighting cell

Legal formation	Active population	Number of full interviews	Weight
		Pre CCA06	
A Sole trader	2,374	67	35.432
B Partnerships	895	56	15.988
C & E Body corporate inside or outside UK	7,751	141	54.973
D Charities, trades unions, others	477	71	6.712
		Post CCA06	
A Sole trader	9,381	256	36.646
B Partnerships	3,023	227	13.319
C & E Body corporate inside or outside UK	22,918	493	46.486
D Charities, trades unions, others	788	81	9.723

7.2 Limitations to the research

When calculating confidence intervals for survey estimates, using the standard (Simple Random Sample (SRS)) techniques will, as here, underestimate the size of the interval as many of the assumptions on which such estimates are based do not exist in actual survey work. Thus, response rates are never 100%, the sample design is not based on SRS techniques and the need to reweight individual respondents to produce reliable overall population figures impacts on findings. When looking at the confidence intervals on results it is necessary to take into account the impact of these factors.

Therefore, in evaluating the statistical robustness of this study the following were reviewed:

- The impact of the sampling scheme used.
- The differential response rates across the eight cells (legal formation by licence category).
- The weighting regime applied to create weighted information from the survey.

Our study was stratified by legal formation and length of licence (whether the licence was Pre or Post CCA06). We employed different sampling intervals within different cells, so that respondents, while selected at random, had different probabilities of selection dependent on these variables. Had we employed Simple Random Sampling techniques, then some strata with relatively small populations would not have been included within the survey in sufficient number for us to have drawn any conclusions about their behaviour or provide additional 'within strata' estimates.

Using our sample design we thus calculated weights for respondents from our different selection cells and allowed for differential response rates.

7.2.1 Implications of the weighting process: design effect

Design Effect (deff) is the ratio of the variance of a statistic with a complex sample design to the variance of that statistic within a simple random sample of the same size. A design effect therefore represents the combined effect of a number of components such as stratification, clustering, unequal selection probabilities and weighting adjustment for non-response and non-coverage.

When calculating standard errors (as opposed to variances) for estimating confidence intervals, the DEFT statistic (the square root of deff) is used to simplify calculations.

A DEFT of 1 would indicate that there is no difference between the variance of a statistic with a complex sample design and the variance achieved with a simple random design.

7.2.2 Confidence intervals for population estimates

When calculating confidence intervals for our study statistics, we applied a design effect and thus are able to show the precision of our study estimates and also indicate whether the findings are statistically significant or not.

The overall Design Effect statistic (DEFT) for the screening interview programme and hence for the population estimates (sample size of 2,082) was estimated to be 1.1. Consequently, the results from those interviews had confidence intervals equivalent to those from a truly Simple Random Sample of 1,733. As a result, the confidence interval for overall survey estimates from the screeners (for an estimate of 50%) is +/- 2.4% at the 95% level³³ (including the impact of the Design Effect).

³³ Traditionally, when looking at confidence intervals for sample estimates, we look at the 95% confidence interval for an estimate, and thus are able to state that statistically we are 95%

Despite careful design, and calculation of the impact of this design on the precision of the results, some sub-groups are represented by so few interviews that they are not sufficiently reliable to draw conclusions.

Examples of confidence intervals for population estimates are shown in Table 7.2 below. Sub-groups with less than 50 interviews have large confidence intervals and results are considered indicative only.

Table 7.2 Example confidence intervals for smaller samples (screener)

Unweighted base	Survey result	CI (at 95%)
50	10% / 90%	+/- 9.1%
50	50%	+/- 15.2%
100	10% / 90%	+/- 6.4%
100	50%	+/- 10.7%
200	10% / 90%	+/- 4.6%
200	50%	+/- 7.6%
500	10% / 90%	+/- 2.9%
500	50%	+/- 4.8%

Table 7.3 below provides examples of the estimated population sizes and their associated confidence intervals.

Table 7.3 Example confidence intervals for population estimates

Population group	Unweighted base	Population Estimate	CI (at 95%)
Active licence-holders	1,548	47,607	+/- 1,145
Regulated status: OFT only	1,218	37,940	+/- 1,150
Mortgage brokers	190	5,885	+/- 264
Credit brokers / loan finders	61	2,121	+/- 104

Confidence intervals for sub-groups with fewer than 50 interviews in the unweighted base cannot be estimated as there are insufficient observations to do this reliably.

confident that the likely population statistic is within the calculated range, or that when comparing sample statistics they are likely to be significantly different or not.

7.2.3 Confidence intervals for survey results

The overall Design Effect statistic (DEFT) for the main random interview programme among active organisations also was estimated to be circa 1.1, meaning that the confidence intervals to be applied should be increased by a factor of 1.1 over those implied by the raw sample size of 1,392. In other words, the achieved full interview sample of 1,392 respondents, when gross weighted in the way required to provide reliable resized population estimates, gives results that would be equivalent to those achieved from a truly simple random sample of size 1,142. Consequently, the confidence interval for overall survey estimates (for an estimate of 50%) is +/-2.9% at the 95% level (including the impact of the Design Effect).

Whilst the overall sample size of 1,392 enables robust overall population estimates, those estimates within more specific reported sub-categories are obviously based on smaller sample sizes, and thus are subject to larger measures of variance. The robustness of the survey results in findings for particular sub-groups with small sample sizes needs to be treated with more caution and be considered as indicative rather than as accurate. Examples of confidence intervals for survey statistics are shown in table 7.4.

Table 7.4 Example confidence intervals for smaller samples (main interviews)

Unweighted base	Survey result	CI (at 95%)
50	10% / 90%	+/- 9.2%
50	50%	+/- 15.3%
100	10% / 90%	+/- 6.5%
100	50%	+/- 10.8%
200	10% / 90%	+/- 4.6%
200	50%	+/- 7.7%
500	10% / 90%	+/- 2.9%
500	50%	+/- 4.8%

Appendix A Screener interview questionnaire

Consumer Credit Research

Telephone screening

Hello, my name is _____ and I am calling from Critical Research, an independent research agency, on behalf of the Office of Fair Trading and the Financial Services Authority. We are looking to conduct research with organisations to learn more about their consumer credit activities to assist the OFT and FSA to design policies that will be suitable for organisations like yours. Can I speak to **<sample name>** or the person who deals with compliance issues for your organisation?

If necessary: This could be the owner / director / the compliance officer.

On reaching main respondent

Hello, my name is _____, and I am calling from Critical Research, an independent research agency, working on behalf of the Office of Fair Trading and the Financial Services Authority. Can I please confirm that you are the person best placed within your organisation to speak to about your organisation's consumer credit licence?

You may be aware that the Government has announced its intention to transfer responsibility for consumer credit regulation from the OFT to the Financial Conduct Authority, a successor body to the FSA. The objective of this research is to learn more about organisations' consumer credit activities to inform the design of the new regulatory regime. A preliminary survey was conducted last year and provided useful information. This survey is designed to build on that.

Your feedback will help the OFT and the Financial Services Authority to design policies that will be suitable for organisations like yours. They will be using the information you and other organisations provide for policy design purposes only.

The research is being conducted according to the Market Research Society's Code of Conduct. We can guarantee that your answers will not be attributed to your organisation, unless you explicitly agree to this.

It is likely that the FSA will publish the results of the research early next year on a completely aggregated and anonymous basis; that is, the organisations who took part would not be named and results from individual organisations would not be published. If you took part, we would send you a link to that report.

Firstly, I just have a few brief questions to see if our survey is relevant to your organisation.

Are you willing to take part? (*If necessary:* I can email you an official invitation from the FSA telling you more about the research and a link to the OFT website, which also describes the research, if you wish to verify its authenticity).

Continue if yes; otherwise thank and close.

Ask all

S1 Our records show that you've got a consumer credit licence. Are you aware that your organisation holds a consumer credit licence issued by the OFT?

Single code

1	Yes, I am aware we have a consumer credit licence	Skip to S3
2	No, I am unaware whether we have a consumer credit licence	Continue (to seek referral)
3	I am aware that we do not have a consumer credit licence	Thank and close
98	Prefer not to answer	Thank and close

S2 Can I just check, is there someone better placed to speak to within your company about the consumer credit licence?

Single code

1	Yes	Ask for referral
2	No	Thank and close
98	Prefer not to answer	
99	Don't know	

S3 Could you please confirm whether your organisation has made use of your licence in the **past 12 months** by undertaking one or more of the activities it covers?

Single code

1	Yes	Continue
2	No	
98	Prefer not to answer	Thank and close
99	Don't know	Ask for referral

S4 And do you expect to be using your licence in the **next 12 months** by undertaking one or more of the activities it covers?

Single code

1	Yes
2	No
98	Prefer not to answer
99	Don't know

If S4 = 98, thank and close

If S3 = 1 and S4 = 1 or 99, Skip to recruitment - retain in ACTIVE CC population (= *businesses currently active in CC and intending to remain so in 12 months' time*)

(If S3 = 1 and S4 = 2) OR (S3 = 2 and S4 = 2 or 99) continue

If S3 = 2 and S4 = 1, skip to S7

If S3 = 99, ask for referral

- S5 Even though you do not intend to use your consumer credit licence in the next 12 months do you intend to keep it?

Single code

1	Yes	Continue
2	No	Skip to S7
99	Don't know	Skip to S7

- S6 Why do you intend to keep your consumer credit licence? (**If routed from codes 2 or 98 @ A3: Why do you have a consumer credit licence?**)

Multi code

1	Just in case/ as a contingency
2	Expect to need it in the future although not in the next year
3	Some organisations I deal with require it
4	Other (specify)
99	Don't know

S7 What is your organisation's primary business?

ADDITIONAL INTERVIEWER GUIDANCE: Anyone describing themselves as a 'tracing agent' can be coded to 13 'Debt collection agency (not a bailiff).'

Record verbatim and code. Single code

	Primarily financial services/ consumer credit related
1	Accountant
2	Bailiff
3	Bank
4	Building Society
5	Cheque cashing company
6	Claims management company
7	Credit reference agency
8	Credit repair company
9	Credit Union
10	Credit/ Store card issuer
11	Debt adviser (charged for/commercial)
12	Debt adviser (free/non-commercial)
13	Debt collection agency (not a bailiff)
14	Debt management company
15	Debt purchaser (i.e. purchase debts from other companies)
16	Doorstep/in the home retail finance broker
17	Hire purchase company
18	Home collected credit provider
19	Independent financial adviser (IFA)
20	Insolvency practitioner
21	Insurance broker
22	Insurance company
23	Loan administrator
24	Credit broker or intermediary
25	Logbook lender
26	Mortgage broker
27	Pawnbroker
28	Payday loan company
29	Price comparison website/ website aggregator
30	Retail finance (advice & referral) broker
31	Secured loans provider
32	Stockbroker
33	Unsecured loans provider
34	Vehicle repossession services company
35	Other _____
	Primarily non-financial services related/non- consumer credit related
36	Car hire company
37	Other hire company

38	Seller or retailer of goods
39	Seller or retailer of services (non-financial)
40	Solicitor
41	Tool hire company
42	Other _____

Note: for merging of cells for analysis purposes, see question A1.

S8 Is your organisation regulated by the Financial Services Authority?

Single code

1	Yes, it is directly authorised
2	Yes, it is an appointed representative
3	No
99	Don't know

Thank and close

Recruitment

Thank you. Your organisation is relevant to our survey and we would like to invite you to participate; this will take approximately 15 minutes on the phone, depending on your answers.

S9 Are you willing to take part? We can continue now, or arrange a different time if that would be more convenient?

Single code

1	Yes, now	Skip to main survey (A1)
2	Yes, later	Arrange appointment
3	No	Continue

S10 It is also possible to do the survey online. Would you be prepared to do that?

Single code

1	Yes	Continue
2	No	Thank and close

Could I please **<confirm / ask>** your email address?

Confirm email address if held, or ask for email address. If refuses, ask for referral, otherwise thank and close.

If email address provided thank respondent in advance for their participation, close, and send email link to survey.

Introductory email – additional explanatory text

In the survey you will be asked questions in the following areas:

- Your company type and whether you are part of a group
- The rough size of your consumer credit business in comparison to your total business, in terms of revenue, number of staff and number of customers
- Whether you deal with brokers or lenders
- Certain approximate financial information, including the value of your total assets

Appendix B Main interview questionnaire

MAIN SURVEY

Text for online version:

Thank you for taking part in the Consumer Credit survey.

This survey is being conducted by Critical Research on behalf of the Office of Fair Trading (OFT) and the Financial Services Authority (FSA).

You may be aware that the Government has announced its intention to transfer responsibility for consumer credit regulation from the OFT to the Financial Conduct Authority, a successor body to the FSA. The objective of this research is to learn more about organisations' consumer credit activities to inform the design of the new regulatory regime. A preliminary survey was conducted last year and provided useful information. This survey is designed to build on that.

Your feedback will help the OFT and the Financial Services Authority to design policies that will be suitable for organisations like yours. They will be using the information you and other organisations provide for policy design purposes only.

This research is being conducted according to the Market Research Society's Code of Conduct. We can guarantee that your answers will not be attributed to you, unless you explicitly agree to this at the end of the survey.

The survey should take approximately 15-20 minutes, depending on your answers. To move forwards or backwards in the survey, please use the buttons at the bottom of your screen. Using your browser arrows may cause problems.

If you are unable to provide an exact answer to any question, please give an estimate even if that is very approximate.

We are interested specifically in your **consumer** credit activities. If you also act as a lender, broker or adviser to businesses (i.e. commercial credit) please do not include that activity when answering questions about your credit-related activities, unless it is covered by the Consumer Credit Act (Credit provided to sole traders or partnerships with three or fewer partners **is** covered).

If you have any technical difficulties, please email [Technical Assistance](#).

First some general questions about your organisation and your consumer credit licence and activities.

Ask all

A1 What is your organisation's primary business?

Record verbatim and code. Single code

ADDITIONAL INTERVIEWER GUIDANCE: Anyone describing themselves as a 'tracing agent' can be coded to 13 'Debt collection agency (not a bailiff).'

	Primarily financial services/ consumer credit related
1	Accountant
2	Bailiff
3	Bank
4	Building Society
5	Cheque cashing company
6	Claims management company
7	Credit reference agency
8	Credit repair company
9	Credit Union
10	Credit/ Store card issuer
11	Debt adviser (charged for/commercial)
12	Debt adviser (free/non-commercial)
13	Debt collection agency (not a bailiff)
14	Debt management company
15	Debt purchaser (i.e. purchase debts from other companies)
16	Doorstep/in the home retail finance broker
17	Hire purchase company
18	Home collected credit provider
19	Independent financial adviser (IFA)
20	Insolvency practitioner
21	Insurance broker
22	Insurance company
23	Loan administrator
24	Credit broker or intermediary
25	Logbook lender
26	Mortgage broker
27	Pawnbroker
28	Payday loan company
29	Price comparison website/ website aggregator
30	Retail finance (advice & referral) broker
31	Secured loans provider
32	Stockbroker
33	Unsecured loans provider
34	Vehicle repossession services company
35	Other (specify) _____
	Primarily non-financial services/ non- consumer credit

	related
36	Car hire company
37	Other hire company
38	Seller or retailer of goods
39	Seller or retailer of services (non-financial)
40	Solicitor
41	Tool hire company
42	Other (specify) _____

For analysis/ reporting (not for quota) purposes combine 2,13,15,34; 3,4,9; 11,14; 36,37,41, and 38,39.

ASK IF CODES 1,12, 20 OR 40 @ A1

A2a Which of the following best describes how you hold your consumer credit licence?

Read out. Single code

1	We have a licence in our own right	Ask A2b
2	We are members of a group licence	A3 IF CODE 26 @ A1; A4 otherwise
3	Both of these	Ask A2b
99	Don't know	A3 IF CODE 26 @ A1; A4 otherwise

A2b **ONLY ASK IF CODES 1 OR 3 @ A2a.**

Why have you decided to have your own licence and not rely on the group licence available for your profession?

Record verbatim

ASK IF CODE 26 @ A1

A3 First charge mortgages do not fall under the consumer credit regulations. May I just check, do you currently offer other services or products that do require a consumer credit licence in addition to offering first charge mortgages?

1	Yes	Continue
2	No	Ask S6 and S8 then thank and close
98	Prefer not to answer	
99	Don't know	Seek referral

A4 For which of the following OFT licence categories do you hold a consumer credit licence?

A5 And which of these have you actively used in the past 12 months?

Read out categories, but not category letters; only read explanation if clarification required; Multi code

ADDITIONAL INTERVIEWER GUIDANCE: The respondent is NOT using Category A if the only reason for holding it is because they are giving people time to pay an invoice under standard terms of business (e.g. Payment due in 28 days). In detail, this is exempt assuming payments are required to be made within 12 months and in no more than 4 instalments.

	Description	Hold	Actively used in past 12 months
A	Consumer credit business <i>Allows you to lend money, offer credit or give people time to pay for goods and services, including hire purchase.</i>	1	1
B	Consumer hire business <i>Allows you to hire out, lease or rent goods under transactions that are capable of lasting for more than three months.</i>	2	2
C	Credit brokerage <i>Allows you to introduce people seeking credit to someone who will offer credit.</i> <i>Credit brokerage consists of introducing individuals (your customers) seeking credit or goods on hire to businesses that provide credit or to other credit brokers.</i>	3	3
D	Debt adjusting <i>Allows you to help people with their debt problems by taking over their debts or negotiating on their behalf, where the debts arise under consumer credit or hire agreements.</i>	4	4
E	Debt counselling <i>Allows you to advise individuals about how to discharge specific debts, where the debts arise under consumer credit or hire agreements.</i>	5	5
F	Debt collecting <i>Allows you to collect debts due to others, arising from credit or hire agreements, whether these agreements are regulated or exempt.</i>	6	6

G	Debt administration <i>Allows you to carry out activities (other than debt collection) relating to consumer credit or consumer hire agreements on behalf of another person who is the creditor, including someone to whom the agreement has been assigned (in the case of consumer credit) or the owner (in the case of consumer hire).</i>	7	7
H	Credit information services <i>Allows you to seek or obtain information on behalf of an individual about his financial standing (for example credit rating information), including asking a credit reference agency if it holds the information.</i> <i>Also allows you to provide advice to individuals on how to seek to alter, or secure the omission of, information about their individual's financial standing, or how to seek to restrict the availability of information.</i>	8	8
I	Credit reference agencies <i>Allows you to collect information about the creditworthiness of people with a view to giving it to others.</i>	9	9
	Prefer not to answer	98	98
	Don't know	99	99

If A4 or A5 = 98; thank and close

Questions A5a & A5b were introduced in v14 of the questionnaire. Programmer note: add a 'not asked' code

A5a Do you use your licence to deal or trade with individual consumers, businesses or both?

Single code

1	Individual consumers only	Skip to routing instruction for A5c
2	Businesses only	Ask A5b
3	Both	Ask A5b
99	Don't know	Seek referral

A5b **IF deal with businesses (A5a=2 or 3).**

Do you ever use your licence to deal or trade with any sole traders or partnerships with three or fewer partners?

Single code

1	Yes	Proceed to A5b statement
2	No	If code 2 @ A5a: Thank and close If code 3 @ A5a: Proceed to A5b statement
99	Don't know	Seek referral

A5b statement

A5a code 2 AND A5b code 1	In answering our questions please only include information on the use of your licence in dealing with sole traders and partnerships with three or fewer partners
A5a code 3 AND A5b code 1	In answering our questions please only include information on the use of your licence in dealing with individual consumers AND sole traders and partnerships with three or fewer partners
A5a code 3 AND A5b code 2	In answering our questions please only include information on the use of your licence in dealing with individual consumers

If A5 = code 1 AND A1 = code 38 or 39 ASK A5c; others skip to A6

A5c Can I just confirm, where you make goods (or services) available on credit terms, do you provide the credit yourself from your own resources or do you have an arrangement whereby you introduce the purchaser of the goods (or services) to a finance provider or do you do both of these?

Single code

1	Provide credit yourself, from your own resources	route to route as Category A
2	Introduce to a finance provider	as Category C and not Category A
3	Both	as Categories A and C
99	Don't know	route to route as Category A

- A6 Have you used your consumer credit licence in the past 12 months to provide any of the following? (**ADD for A1 codes 3,4,9,19,21,26,30,31**: If you offer any services connected to first charge mortgages, please exclude these as they do not fall under your consumer credit licence).

Multi-code. Only read out services/ products linked to OFT codes answered at A5.

Make use of information on primary business at A1 to prioritise which to ask about. If you do not read out all services/products linked to appropriate licence category ASK Any others?

Service/ product offered	Tick where offered...	Only read out where relevant licence category selected @ A5
Providing unsecured loans	1	A AND codes 3 or 4 or 9 or 31 or 33 @ A1
Providing secured loans other than first charge mortgages	2	A AND codes 3 or 4 or 9 or 31 or 33 @ A1
Credit or store cards	3	A
Loans as a pawnbroker	4	A
Logbook lending	5	A
Home collected credit	6	A
Selling goods/ services on credit that you finance yourself	7a	A
Selling goods/ services on credit that is financed by a third party	7b	C
Payday loans	8	A
Purchasing debt from other companies	9	A
Hire purchase	10	A
Car hire services	11	B
Tool/ other hire services	12	B
Advice about/ offer referral to third party credit (not linked to goods or services you are selling)	13	C
Advice about/ offer referral to third party doorstep/ in-the-home credit (not linked to goods or services you are selling)	14	C
General credit/ loan brokerage – other than 1 st charge mortgages	15	C
Loan finding services	16	C
Loan introduction services	17	C
Price comparison websites or aggregators	18	C
Debt advice services	19	D, E
Debt adjusting	20	D, E
Debt counselling	21	D, E
Debt collecting services	22	F

Vehicle repossession services	23	F
Bailiff collecting debts	24	F
Debt administration	25	G
Credit repair services	26	H
Credit information services	27	H
Credit reference services	28	I
Other (specify)	29	ALL
Prefer not to answer	98	Thank and close
Don't Know	99	Seek referral if possible

If code 9, check if also code 22 or should instead be code 22

If code 22, check if also code 9 or should instead be code 9

For quota purposes combine 1, 2; 7a, 7b; 11,12; 16,17,18; 9, 22,23, 24. This makes for 22 activities or groups of activities, including other.

Routing: If one or more of codes 19, 20, 21, 26, 27, 28 or 29 @ A6, ASK:

A7 Is your organisation

Read out. Single code

1	A commercial organisation
2	A non-commercial organisation
98	Prefer not to answer
99	Don't know

Section B: Organisation type & role of regulated activities

The next questions are again about your organisation and how it is regulated.

Ask all

B1 What is your organisation's legal status?

Read out if necessary.

Single code

1	Limited Company
2	Mutual entity incorporated or registered under the Building Society Act 1986 or the Friendly Society Act 1992 or the Industrial & Provident Society Act
3	Trust
4	Partnership
5	Limited Liability Partnership
6	Sole Trader
7	Other unincorporated body (e.g. unincorporated association, trade union)
8	Incorporated by Royal Charter
9	Charitable Incorporated Organisation
10	Other (specify)
99	Don't know

Ask all

B2 Is your organisation currently **directly authorised** by the Financial Services Authority?

Single code

1	Yes	Skip to B4
2	No	Continue
99	Don't know	

B3 Is your organisation currently an **appointed representative** of an FSA directly authorised firm?

Single code

1	Yes	Continue
2	No	Skip to B5
99	Don't know	

B4 Could you please provide your organisation's Financial Services Authority 6 digit FRN? This will help us to put your information into context of your FSA regulated activities. It will not be used for any other purpose.

6-digit integer, add boxes for don't know and prefer not to answer

B5 Is your **most** important business activity itself:

Single code

1	Some form of consumer credit activity (for example, providing credit or giving debt advice)	Skip to B8 Continue IF code 1 @ B2 or B3, otherwise skip to B7
2	An activity that is supplemented or supported by some form of consumer credit activity (for example, you primarily sell goods but offer them on credit terms)	
3	Neither of these	
99	Don't know	

B6 Is your **most** important business activity an FSA regulated activity?

Single code

1	Yes, it is an FSA regulated activity	Skip to B8
2	No	Continue
99	Don't know	

B7 What is your **most** important business activity?

Verbatim, plus 'prefer not to say' box and 'don't know' box

No analysis required – to be reported in output spreadsheet only as verbatim.

B8 In total, approximately how many staff (including yourself) does your organisation employ in the UK?

Numeric, add boxes for 'don't know' and 'prefer not to answer'. Code to appropriate B9 range.

If don't know at B8, ask B9, otherwise Skip to B10

- B9 Can you estimate which of the following ranges your organisation falls into in terms of number of staff (including yourself) in the UK?

Single code

1	1
2	2-4
3	5-20
4	21-100
5	101-250
6	251 – 500
7	501 – 1000
8	1001 -9999
9	10,000+
99	Don't know

- B10 Next please think about the number of staff who are involved in dealing with the things specifically covered by your consumer credit licence and how much time they spend just on that. What we are looking for is an estimate of how much staff time in total is taken up by consumer credit activities.

*Please estimate the total as a number of **full-time equivalent** staff members involved. For example, if one member of staff works full time on consumer credit licensed activities, and another works only 10% of their time, then that is 1.1 full-time equivalents.*

IF NECESSARY: We are thinking of (AS APPROPRIATE) organising credit or hire arrangements / introducing people to a credit provider / undertaking debt adjusting / providing debt advice / collecting or recovering debts / administering credit agreements / seeking information or securing the correction of information on behalf of or about others

Numeric allowing up to 1 decimal place, add box for don't know. Code to appropriate B11 range.

If don't know at B10, ask B11, otherwise Skip to B12

- B11 Can you estimate into which of the following ranges the number of full-time equivalent staff your organisation employs in activities covered by your consumer credit licence falls?

Single code

0	None
1	Less than 1
2	1
3	2-4
4	5-20
5	21-100
6	101-250
7	251 – 500
8	501 – 1000
9	1001 -9999
10	10,000+
99	Don't know

Routing to B12: Only shown if one or more of codes 19 to 21 @ A6; otherwise skip to B13

- B12 How many debt advisers (or full time equivalents), if any, does your organisation employ in the UK?

Numeric allowing up to 1 decimal place, add box for don't know.

Routing to B13: Do not show if sole trader (code 6 @ B1 OR if B8 or B9 = code 1 or B10 or B11 = codes 0, 1 or 2) – skip to Section C instead

- B13 **Wording if codes 5 to 10 OR 99 @ B10 or B11:**

How many chief executives, other directors, non-executive directors, (If code 4 @ B1) partners or (If code 5 @ B1) LLP members, in total, does your organisation have, who **have responsibility** for your UK consumer credit activity?

Wording if codes 1 to 4 @ B10 or B11:

How many Directors or equivalent senior staff does your organisation have who **have responsibility** for your UK consumer credit activity?

*Please estimate number of individuals involved, including yourself if appropriate, **not full-time equivalents**.*

Integer, add box for don't know.

Section C: Customer relationships

This section covers your number of brokers (if relevant) and customers and the scale of your consumer credit business.

C1 Routing: Any with A6 codes 1 – 12 (including 7a but excluding 7b); all others skip

- C1 Did you receive any business in your last financial year (or in the past 12 months) through **brokers** for any of the consumer credit services you provide?

Single code

1	Yes	Continue C2
2	No	Skip to C3
99	Don't know	

- C2 From how many brokers did you receive business in your last financial year or in the past 12 months [**Do not show if only have one activity from 1 – 12 (including 7a but excluding 7b):** in each of the following areas]?

Enter 0 if respondent did not receive any business through brokers for that service. If they received business from the same broker in two or more activities, then include that broker for each of the activities concerned.

Only show respondent's a6 activities that are included in routing to c1

Integer

	Services offered	Enter number of brokers	Don't know
	Show A6 codes that routed to C1 that were selected by respondent		

Validation: if total across all services = 0 say “You previously told us that you do receive some business through brokers for these services” **and ask whether you should amend their answer to C1 or C2.**

C3 Routing: Any with A6 codes 7b, 11 to 18; all others skip to C6

- C3 Do you use any specific lenders **regularly** to provide consumer credit to your customers?

Single code

1	Yes	Continue
2	No	Skip to C6
99	Don't know	

- C4 **(Omit if only have one activity from 7b, 11 to 18:** For each of the following services), how many lenders did you use **regularly** in your last financial year or in the past 12 months? If you used the same lender regularly for more than one activity, please include them in each total.

Integer

		Enter total number of lenders used regularly	Don't know
	Show A6 codes that route to C3 that were selected by respondent		

- C5 Can you please give the names of your top 3 lenders?
Verbatim(s) (Lender 1, Lender 2, Lender 3 as appropriate), plus 'prefer not to say' box.

C6 routing: Any A6 codes 1 to 12 (include 7a; exclude 7b); all others skip to routing instructions for C16

- C6 Approximately how many **individuals** had loans/ credit outstanding from you **[only show if have more than one activity in codes 1 to 12:** in each of the following areas] at the end of your last financial year (OR, have currently, if that is easier to estimate)?

*Please only include loans you have made or credit you have extended **from your own capital** and not loans made by other lenders for which you acted as a referrer or broker or adviser.*

Please do not include any commercial loans you have made (that is, loans to businesses rather than individual consumers unless they are loans to sole traders or partnerships with three or fewer partners)

Integer, add box for 'don't know' and 'prefer not to answer' separately for each code

Show separately for each relevant A6 code answered

Activity	Number of individuals with loans/ credit outstanding
Providing unsecured loans as a bank/building society or credit union	
Providing secured loans other than first charge mortgages as a bank/building society or credit union	
Credit or store cards	
Loans as a pawnbroker	
Logbook lending	
Home collected credit	
Selling goods/ services on credit that you finance yourself	
Payday loans	
Purchasing debt from other companies	
Hire purchase	
Car hire services	
Tool/ other hire services	

If any responses of 0 at C6.

C7 Can I just check, are you actively offering [service]?

If not, code 2. CATI to delete the service. If no services left, thank and close

Activity	Yes	No
Providing unsecured loans as a bank/building society or credit union	1	2
Providing secured loans other than first charge mortgages as a bank/building society or credit union	1	2
Credit or store cards	1	2
Loans as a pawnbroker	1	2
Logbook lending	1	2
Home collected credit	1	2
Selling goods/ services on credit that you finance yourself	1	2
Payday loans	1	2
Purchasing debt from other companies	1	2
Hire purchase	1	2
Car hire services	1	2
Tool/ other hire services	1	2

C8 **If code 1 @ C7.**

Why do you/did you not have any current customers for [Activity]?

Activity	Reason
Providing unsecured loans as a bank/building society or credit union	
Providing secured loans other than first charge mortgages as a bank/building society or credit union	
Credit or store cards	
Loans as a pawnbroker	
Logbook lending	
Home collected credit	
Selling goods/ services on credit that you finance yourself	
Payday loans	
Purchasing debt from other companies	
Hire purchase	
Car hire services	
Tool/ other hire services	

C9 routing: Ask if don't know at C6; others skip to C10

C9 Can you estimate into which of the following ranges the number of individuals with loans/ credit outstanding from you falls?

Show separately for each relevant A6 code answered

Single code

0	None
1	Fewer than 10
2	10 to 100
3	101 to 500
4	501 to 1,000
5	1,001 to 10,000
6	10,001 to 50,000
7	50,001 to 100,000
8	100,001 to 250,000
9	250,001 to 500,000
10	500,001 to 1million
11	More than 1million
98	Prefer not to answer
99	Don't know

- C10** Approximately what is the **total value** of loans/credit that your organisation had outstanding [**only show if have more than one activity in codes 1 to 12:** in each of the following areas], if any, at the end of your last financial year (or have currently, if that is easier to estimate)?

Please estimate value in £000's.

Please only include loans you have made from your own capital and not loans made by other lenders for which you acted as a referrer or broker or adviser.

Please do not include any commercial loans you have made (that is, loans to businesses rather than individual consumers)

Integer £'000s, add boxes for 'don't know' and 'prefer not to answer' for each code.

Code to appropriate range.

Show separately for each relevant A6 code answered

Activity	Total value of loans/ credit outstanding
Providing unsecured loans as a bank/building society or credit union	
Providing secured loans other than first charge mortgages as a bank/building society or credit union	
Credit or store cards	
Loans as a pawnbroker	
Logbook lending	
Home collected credit	
Selling goods/ services on credit that you finance yourself	
Payday loans	
Purchasing debt from other companies	
Hire purchase	
Car hire services	
Tool/ other hire services	

C11 routing: Ask if don't know at C10; others skip to C12**C11 If don't know at C10.**

Can you estimate into which of the following ranges the value of loans/ credit outstanding falls?

Show separately for each relevant A6 code answered

Single code

0	Nil
1	Up to £50,000
2	£50,001 to £100,000
3	£100,001 to £250,000
4	£250,001 to £1,000,000
5	£1,000,001 to £5,000,000
6	£5,000,001 to £20,000,000
7	£20,000,001 to £50,000,000
8	£50,000,001 to £100,000,000
9	More than £100,000,000
98	Prefer not to answer
99	Don't know

- C12 To approximately how many customers did you make **new** loans/ extend credit [**only show if have more than one activity in codes 1 to 12:** in each of the following areas], if any, in your last financial year (OR in the past 12 months if that is easier to estimate)?

Please only include loans you have made from your own capital and not loans made by other lenders for which you acted as a referrer or broker or adviser.

Please do not include any commercial loans you have made (that is, loans to businesses rather than individual consumers)

Integer, add box for don't know. Code to appropriate range.

Show separately for each relevant A6 code answered

Activity	Number of individuals to whom new loans/ credit extended
Providing unsecured loans as a bank/building society or credit union	
Providing secured loans other than first charge mortgages as a bank/building society or credit union	
Credit or store cards	
Loans as a pawnbroker	
Logbook lending	
Home collected credit	
Selling goods/ services on credit that you finance yourself	
Payday loans	
Purchasing debt from other companies	
Hire purchase	
Car hire services	
Tool/ other hire services	

C13 routing: Ask if don't know at C12; others skip to C14**C13 If don't know at C12.**

Can you estimate into which of the following ranges the number of new customers to whom you made loans/ extended credit in your last financial year (OR in the past 12 months if that is easier to estimate) falls?

Show separately for each relevant A6 code answered

Single code

0	None
1	Fewer than 10
2	10 to 100
3	101 to 500
4	501 to 1,000
5	1,001 to 10,000
6	10,001 to 50,000
7	50,001 to 100,000
8	More than 100,000
98	Prefer not to answer
99	Don't know

C14 Approximately what is the **total value of new** loans/credit that your organisation made [**only show if have more than one activity in codes 1 to 12:** in each of the following areas] during your last financial year (or in the past 12 months, if that is easier to estimate)?

Please estimate value in £000's.

Please only include loans you have made from your own capital and not loans made by other lenders for which you acted as a referrer or broker or adviser.

Please do not include any commercial loans you have made (that is, loans to businesses rather than individual consumers)

Integer £, add box for don't know. Code to appropriate range.

Show separately for each relevant A6 code answered

Activity	Total value of loans/ credit outstanding
Providing unsecured loans as a bank/building society or credit union	
Providing secured loans other than first charge mortgages as a bank/building society or credit union	
Credit or store cards	
Loans as a pawnbroker	
Logbook lending	

Home collected credit	
Selling goods/ services on credit that you finance yourself	
Payday loans	
Purchasing debt from other companies	
Hire purchase	
Car hire services	
Tool/ other hire services	

C15 routing: Ask if don't know at C14; others skip to routing instructions for C16

C15 Can you estimate into which of the following ranges the **total value of new** loans made/ credit extended during your last financial year (OR in the past 12 months if that is easier to estimate) falls?

Show separately for each relevant A6 code answered

Single code

0	Nil
1	Up to £50,000
2	£50,001 to £100,000
3	£100,001 to £250,000
4	£250,001 to £1,000,000
5	£1,000,001 to £5,000,000
6	£5,000,001 to £20,000,000
7	£20,000,001 to £50,000,000
8	£50,000,001 to £100,000,000
9	More than £100,000,000
98	Prefer not to answer
99	Don't know

C16 routing: Ask if Any A6 codes 7b or 11 to 18; others skip to routing instructions for C18

C16 Approximately how many people did you **arrange credit for via a lender or refer to a lender or otherwise advise about credit** [only show if have more than one activity in codes 7 or 11 to 18: in each of the following areas] during your last financial year (OR, in the past 12 months if that is easier to estimate)

Please enter the total number of customers referred or advised. Please only include individual consumers and not any businesses you may have referred or advised unless they were sole traders or partnerships with three or fewer partners

Interviewer note: If code 7b (selling goods or services on credit provided by a third party) we are asking how many customers bought goods or services on credit

Integer, add don't know box

Show separately for each relevant A6 code answered

	Number of people referred or advised
Selling goods/ services on credit that is financed by a third party	
Car hire services	
Tool/ other hire services	
Advice about/ offer referral to third party credit	
Advice about/ offer referral to third party doorstep/ in-the-home credit	
General credit/ loan brokerage – other than 1 st charge mortgages	
Loan finding services	
Loan introduction services	
Price comparison websites or aggregators	

C17 routing: Ask if don't know at C16; others skip to routing instructions for C18**C17 If don't know at C16.**

Can you estimate into which of the following ranges the number of people you arranged credit for via a lender or referred to a lender or otherwise advised about credit fell during your last financial year (OR in the past 12 months if that is easier to estimate)?

Show separately for each relevant A6 code answered

Single code

0	None
1	Fewer than 10
2	10 to 100
3	101 to 500
4	501 to 1,000
5	1,001 to 10,000
6	10,001 to 50,000
7	50,001 to 100,000
8	More than 100,000
98	Prefer not to answer
99	Don't know

C18 routing: Ask if any A6 codes 19 to 21 or 25; others skip to routing instructions for C20

C18 To approximately **how many debtors did you provide advice about debt or provide debt-related services [only show if have more than one activity in codes 19 to 21 or 25: in each of the following areas]** during your last financial year (OR, in the past 12 months if that is easier to estimate)

Please enter the total number of debtors advised or served. Please only include individual consumers and not any businesses you may have advised

Integer, add don't know box

Show separately for each relevant A6 code answered

	Number of debtors
Debt advice services	
Debt adjusting	
Debt counselling	
Debt administration	

C19 routing: Ask if don't know at C18; others skip to routing instructions for C20

C19 Can you estimate into which of the following ranges the number of people you advised or provided services to about debt fell during your last financial year (OR during the past 12 months if that is easier to estimate)?

Show separately for each relevant A6 code answered

Single code

0	None
1	Fewer than 10
2	10 to 100
3	101 to 500
4	501 to 1,000
5	1,001 to 10,000
6	More than 10,000
98	Prefer not to answer
99	Don't know

C20 routing: Ask if any A6 codes 22 to 24 or 26; others skip to routing instructions for C22

C20 Approximately **how many consumer debtors did you deal with [only show if have more than one activity in codes 22 to 24 or 26: in each of the following areas] during your last financial year (OR, in the past 12 months if that is easier to estimate)**

Please enter the total number of debtors dealt with. Please only include individual consumers and not any businesses you may have dealt with.

Integer, add don't know box

Show separately for each relevant A6 code answered

	Number of consumer debtors
Debt collecting services	
Vehicle repossession services	
Bailiff collecting debts	
Credit repair services	

C21 routing: Ask if don't know at C20; others skip to routing instructions for C22

C21 **If don't know at C20.**

Can you estimate into which of the following ranges the number of debtors you dealt with during your last financial year (OR in the past 12 months if that is easier to estimate) falls?

Show separately for each relevant A6 code answered

Single code

0	None
1	Fewer than 10
2	10 to 100
3	101 to 500
4	501 to 1,000
5	1,001 to 10,000
6	More than 10,000
98	Prefer not to answer
99	Don't know

C22 routing: Ask if any A6 codes 22 to 26; others skip to routing instructions for C23

C22 Approximately **how many lenders did you act for [only show if have more than one activity in codes 22 to 26: in each of the following areas]** during your last financial year (OR, in the past 12 months if that is easier to estimate)?

Integer, add don't know box

Show separately for each relevant A6 code answered

	Number of consumer debtors
Debt collecting services	
Vehicle repossession services	
Bailiff collecting debts	
Debt administration	
Credit repair services	

C23 routing: Ask if A6 code 27; others skip to routing instructions for C24

C23 Approximately how many **customers asked you to obtain information from credit reference agencies** on their behalf during your last financial year (OR, in the past 12 months if that is easier to estimate)?

Integer, add 'don't know' and 'prefer not to answer' boxes

C24- C25 routing: Ask if A6 code 28; others skip to Section D

C24 Approximately how many **creditor records** do you hold currently?

Integer, add 'don't know' and 'prefer not to answer' boxes

	Number of creditor records held currently
Credit reference services	

C25 Approximately how many **requests for information** about people's financial standing did you receive during your last financial year (OR, in the past 12 months if that is easier to estimate)?

Integer, add don't know box

Section D: Business size and structure

Now some questions about your turnover/ revenue and whether your organisation is part of a group.

Company turnover/ income/ revenue from all activities**Ask all**

D1 What was your organisation's total turnover/ revenue in your last financial year (OR in the past 12 months if that is easier to estimate) from **all activities including any activities unrelated to consumer credit?**

Please estimate value in £000's.

Integer £, add box for don't know.

D2 routing: Ask if don't know at D1; others skip to D3**D2 If don't know @ D1**

Can you estimate into which range your total turnover/ revenue in your last financial year (OR in the past 12 months if that is easier to estimate) falls?

Single code

0	Nil
1	Up to £50,000
2	Over £50,000 to £100,000
3	Over £100,000 to £250,000
4	Over £250,000 to £500,000
5	Over £500,000 to £1 million
6	Over £1 million to £2.5 million
7	Over £2.5 million to £5 million
8	Over £5 million to £10 million
9	Over £10 million to £20 million
10	Over £20 million to £50 million
11	Over £50 million to £100 million
12	Over £100 million to £1 billion
13	Over £1 billion
99	Don't know

Ask all**D3 Company turnover/ income/ revenue from consumer credit related activities**

The next questions focus on your organisation's turnover/ revenue from consumer credit related activities.

When questions refer to your last financial year, this means they refer to what was reported in your latest financial accounts/statements or your estimate of that figure.

Approximately how much in total in **fees, commission, interest and any other forms of income** did your organisation earn from **[all]** your consumer credit licensed activities in your last financial year (OR, in the past 12 months if that is easier to estimate)?

If necessary remind of list of all consumer credit activities identified @ A6

Please estimate value in £000's.

Integer £, add box for don't know.

D4 IF ANSWERED '£0'. Why did you have no turnover or other income from your consumer credit activities? Multicode possible. Do not read out but prompt if necessary

1	Activities were not remunerated/ not commercial
2	Other reason (specify)

D5 routing: Ask if Don't Know @ D3; others skip to D7 routing instructions**D5** Can you roughly estimate into which of the following ranges your total fees, commission, interest and any other forms of income from consumer credit licensed activities fell in your last financial year (OR, in the past 12 months if that is easier to estimate)

Those answering ranges at d2 to be shown ranges as in table in annex. Those providing an exact answer at d1 to be shown ranges as for the d2 range in which their d1 exact answer falls, up to the individual range that includes their total revenue figure. See table in annex.

D6 routing: Ask if don't know @ D3 and don't know @ D5 but gave an answer at D1 or D2**D6** Approximately what percentage of your organisation's total turnover/income/ revenue is from consumer credit licensed activity?

Integer % and add 'don't know' and 'prefer not to answer' boxes

D7 routing: Skip if answered Don't know to all of D3, D5 and D6. Otherwise ask if more than one activity coded @ A6 (more than one service provided); if only one service provided, automatically code 100% to the service selected and skip to D10

D7 And approximately what percentage of your <£D3/D5/D6 turnover>consumer credit activities turnover/ revenue related to each of the following activities in your last financial year/ in the past 12 months?

Read out all activities to be included – i.e. which should sum to 100% before asking for answers

Percentage should total 100%.

Integer %, must total 100%.

		Enter percentage
	Show A6 codes that were selected by respondent	
99	Don't know	

D8 ASK SEPARATELY FOR ANY ACTIVITIES RECORDED AS 0%

Why did you have no turnover or other income from [Activity]?

Multicode possible. Do not read out but prompt if necessary

1	Activity was not remunerated/ not commercial	Skip to D10
2	Turnover or revenue included in another activity	Continue
3	Other reason (specify)	Skip to D10

D9 Which activity is the turnover or revenue included in?

	Show A6 codes that were selected by respondent	
--	---	--

Ask all

D10 Is your organisation a UK registered entity?

Single code

1	Yes	Skip to D12
2	No	Continue
99	Don't know	Skip to D12

D11 **IF NO @ D10**

Where is your organisation registered?

Multicode possible. Do not read out but prompt if necessary

1	Elsewhere in EU
2	Outside the EU
99	Don't know

Question D12a was introduced in v14 of the questionnaire.

Programmer note: add a 'not asked' code

D12a Do you have a parent company?

Single code

1	Yes	Ask D12
2	No	Skip to D22
99	Don't know	

D12b Does your financial position appear as part of your parent company's consolidated balance sheet?

Single code

1	Yes	Ask D13
2	No	Skip to D22
99	Don't know	

D13 Can you please give the name of your *immediate* parent company?

Verbatim, plus 'don't know' and 'prefer not to say' boxes.

D14 Is your *immediate* parent company FSA regulated?

Single code

1	Yes	Ask D15
2	No	Skip to D16
99	Don't know	

D15 Could you please provide your *immediate* parent company's FRN?

Please enter the 6 digit number

6-digit integer, add boxes for 'don't know' and 'prefer not to answer'

Skip to D17 if 'don't know' or 'prefer not to answer'

D16 Is your *immediate* parent company UK registered?

Single code

1	Yes
2	No
99	Don't know

- D17 Do you have an *ultimate* parent company (in addition to your immediate parent company), on whose consolidated balance sheet your financial position appears?

Single code

1	Yes	Continue
2	No	Skip to D22
99	Don't know	

- D18 Can you please give the name of your *ultimate* parent company?
Verbatim, plus 'prefer not to say' box.

- D19 Is your *ultimate* parent company FSA regulated?

Single code

1	Yes	Continue
2	No	Skip to D21
99	Don't know	

- D20 Could you please provide your *ultimate* parent company's FRN?
Please enter the 6 digit number

6-digit integer, add boxes for 'don't know' and 'prefer not to answer'
Skip to D22 if 'don't know' or 'prefer not to answer'

- D21 Is your *ultimate* parent company UK registered?

Single code

1	Yes
2	No
99	Don't know

Ask all

- D22 Are you a registered charity?

Single code

1	Yes	Continue
2	No	Skip to Section E
99	Don't know	

- D23 What is your Charity Commission registration number?

Add boxes for 'don't know' and 'prefer not to answer'

Section E: Compliance monitoring

This section asks some questions about any compliance monitoring systems you may have.

Ask all

- E1 Do you have any IT systems or non-IT based procedures in place to monitor your compliance with existing consumer credit licensing regulation?

Multicode possible for codes 1 & 2

1	Yes – IT systems
2	Yes – other procedures
3	No
99	Don't know

Ask all

- E2 Do you have someone nominated to fulfil the role of compliance officer for consumer credit activities?

Single code

1	Yes	Continue
2	No	IF 1 @ C3 SKIP TO E4, ELSE SKIP TO SECTION F
99	Don't know	IF 1 @ C3 SKIP TO E4, ELSE SKIP TO SECTION F

- E3 Approximately, what proportion of their time do they devote to consumer credit related compliance issues?

Do not read out but prompt if necessary. Single code

1	Less than 10%
2	10 – 25%
3	26 – 50%
4	51 – 75%
5	76 – 99%
6	100%
99	Don't know

Routing: Ask all coding 1@C3 only, all others skip to Section F

E4 Do you have any compliance procedures in place with the lenders with whom you deal **regularly**?

Single code

1	Yes	Ask E5
2	No	Skip to F
99	Don't know	Skip to F

E5 Of what do these procedures consist?

Multi code, except code 99. Read out

1	Regular compliance reporting to lenders
2	Regular compliance visits by lenders
3	Regular training provided by lenders
4	Other (specify)
99	Don't know

Section F: Capital requirements

This section asks for information about your assets and capital.

Ask all

- F1 What was the value of **your total assets, including intangible assets if you have any**, at the end of your last financial year? *This information is likely to appear in your organisation's financial accounts/ information.*

Total assets are fixed assets and current assets.

IF NECESSARY: Intangible assets are non-physical resources and rights that have a value to the organisation because they give the organisation some kind of advantage in the market place. Examples of intangible assets are goodwill, copyrights, trademarks, patents and computer programs.

Integer, add box for 'don't know'.

Please answer in £'000s

F2 routing: Ask if don't know @ F1; others skip to F3

- F2 Can you estimate into which of these ranges the value of your total assets, including any intangibles, fell at the end of your last financial year?

Single code

1	Up to £50,000
2	Over £50,000 to £100,000
3	Over £100,000 to £250,000
4	Over £250,000 to £500,000
5	Over £500,000 to £1 million
6	Over £1 million to £2.5 million
7	Over £2.5 million to £5 million
8	Over £5 million to £10 million
9	Over £10 million to £20 million
10	Over £20 million to £50 million
11	Over £50 million to £100 million
12	Over £100 million to £1 billion
13	Over £1 billion
98	Prefer not to answer
99	Don't know

Ask all. Questions F3a was introduced in v14 of the questionnaire. Programmer note: add a 'not asked' code.

F3a Did you have any **intangible assets** at the end of your last financial year?
This information is likely to appear in your organisation's financial accounts/information.

IF NECESSARY: Intangible assets are non-physical resources and rights that have a value to the organisation because they give the organisation some kind of advantage in the market place. Examples of intangible assets are goodwill, copyrights, trademarks, patents and computer programs.

Single code

1	Yes	Ask F3b
2	No	Skip to F5
98	Prefer not to answer	Skip to F5
99	Don't know	Skip to F5

F3b What was the value of your **intangible assets** at the end of your last financial year?

This information is likely to appear in your organisation's financial accounts/information.

IF NECESSARY: Intangible assets are non-physical resources and rights that have a value to the organisation because they give the organisation some kind of advantage in the market place. Examples of intangible assets are goodwill, copyrights, trademarks, patents and computer programs.

Integer, add box for 'don't know'.

Please answer in £'000s

F4 routing: Ask if don't know @ F3b; others skip to F5

F4 Can you estimate into which of these ranges the value of your intangible assets fell at the end of your last financial year?

Single code

1	Up to £50,000
2	Over £50,000 to £100,000
3	Over £100,000 to £250,000
4	Over £250,000 to £500,000
5	Over £500,000 to £1 million
6	Over £1 million to £2.5 million
7	Over £2.5 million to £5 million
8	Over £5 million to £10 million
9	Over £10 million to £20 million
10	Over £20 million to £50 million
11	Over £50 million to £100 million
12	Over £100 million to £1 billion
13	Over £1 billion
99	Don't know

Ask all

F5 Do you hold Professional Indemnity Insurance (PII)?

Single code

1	Yes	Continue
2	No	Skip to F9
99	Don't know	

F6 Which of the following activities does your PII cover?

Services offered		Covered	Not covered	Don't know
Show A6 codes that were selected by respondent AND ALSO READ OUT TO ALL: 'Other business activities not related to consumer credit'				

F7 What is the current aggregate value of your PII cover?

Integer, add box for 'don't know'.

Please answer in £'000s

F8 routing: Ask if Don't know @ F7; others skip to F9

F8 Can you estimate into which of these ranges the value of your PII cover falls?

Single code

1	Up to £50,000
2	Over £50,000 to £100,000
3	Over £100,000 to £250,000
4	Over £250,000 to £500,000
5	Over £500,000 to £1 million
6	Over £1 million to £2.5 million
7	Over £2.5 million to £5 million
8	Over £5 million to £10 million
9	Over £10 million to £20 million
10	Over £20 million to £50 million
11	Over £50 million to £100 million
12	Over £100 million
98	Prefer not to answer
99	Don't know

Ask all

- F9 Do you have any IT or other systems in place to monitor the amount of capital you hold?

IF NECESSARY: This is the amount of your organisation's capital, not any capital you may be holding on behalf of clients

Multi code possible for codes 1 & 2

1	Yes – IT systems
2	Yes – other systems
3	No
99	Don't know

Ask all

- F10 Do you hold clients' assets and/ or cash on their behalf specifically in relation to your consumer credit activities?

Single code

1	Yes	Continue
2	No	Skip to F14
99	Don't know	

- F11 On an average day, roughly what is the value of client cash and assets that you hold in total specifically in relation to your consumer credit activities? **IF CODES 3,4 OR 9 @ A1** Please do not include customer deposits

Please estimate in £1,000's.

Integer £'000, add boxes for 'don't know'.

Value of client cash	Value of client assets (that is property belonging to clients that is not physical cash or cash in a bank account)

- F12 Again, on an average day, roughly for how many clients would you hold assets and/ or cash?

Integer, add boxes for 'don't know' and 'prefer not to answer'. Interviewer note: Push for an estimate if necessary

- F13 How are clients' assets/ cash typically held?

Multi code.

1	Held in a separate client account
2	Held amongst other funds
3	Other (specify) _____
99	Don't know

Ask all

F14 Which of the following capital resources did you have recorded in your balance sheet at the end of the last financial year?

For sole trader (6 @ B1) show only codes 4,5,8,9

For partnership (4 @ B1), show only codes 4,5,6,9

For limited liability partnership (5 @ B1), show only codes 4,5,7,9

For corporates and others (1, 2,3, 7, 8,9,10 @ B1), show only codes 1,2,3,4,5, 9

If don't know at B1, skip

		Yes	No	Don't know
1	Ordinary share capital	1	2	99
2	Preference share capital	1	2	99
3	Share premium account	1	2	99
4	P&L account – that is, the total of your retained profits and not your profit specifically recorded for last year	1	2	99
5	Other reserves	1	2	99
6	Partners' capital	1	2	99
7	LLP members' capital	1	2	99
8	Sole trader capital	1	2	99
9	Subordinated debt/ Loans	1	2	99

Ask F15 if any answers ticked @ F14, otherwise skip to Section G.

F15 Could you please provide the value of your capital resources, as recorded at the end of your last financial year, in each of the following areas? If you do not have access to your accounts please provide a rough estimate.

Integer £.

Show only codes ticked @ F14.

		Enter £	Don't know
1	Ordinary share capital		
2	Preference share capital		
3	Share premium account		
4	P&L account		
5	Other reserves		
6	Partners' capital		
7	LLP members' capital		
8	Sole trader capital		
9	Subordinated debt/ Loans		

Section G: Demographics & contact

This final section asks briefly about compensation payments and then covers a few demographics and contact questions.

Ask all

- G1 Did your organisation make any compensation payouts in your last financial year or in the past 12 months if that is easier to estimate?

Single code

1	Yes	Continue
2	No	Skip to G4
99	Don't know	
98	Prefer not to answer	

- G2 To how many customers did your organisation make compensation payouts in each of the following areas in your last financial year or in the past 12 months?

Enter the total number of customers to whom compensation was paid.

Integer

Services offered	Enter number of customers	Don't know
Show A6 codes that were selected by respondent		

- G3 In your last financial year, what was the total value of compensation payouts that your organisation made in each of the following areas?

Enter the total value in £000's.

Integer £

Services offered	Enter total in £	Don't know
Show A6 codes that were selected by respondent and for which the answer was 1 or more customers at G2		

Ask all

- G4 Which of the following best describes your market coverage in the UK for consumer credit activities?

Single code. Read out.

1	Fully national
2	Multi-region but not fully national
3	Single region
4	Single city, town, local area
99	Don't know

By 'region' we mean:

East Midlands

East of England

Greater London

North-East England

North-West England

South-East England

South-West England

West Midlands

Yorkshire and Humberside

Northern Ireland

Scotland

Wales

Ask all

- G5 What is the postcode of your principal place of business?

Postcode & add 'don't know' and 'prefer not to answer' boxes and 'principal place of business not in UK' box.

Ask all

- G6 We would like to thank you for your participation in this survey. It would be very useful to the OFT and FSA if we could attribute your answers to your organisation. They will only use the information you and other organisations provide for policy design purposes and will keep it fully confidential. Do you give permission for the OFT and FSA to see your responses together with the name of your organisation?

1	Yes, I am happy for my answers to be identified with my organisation's name	Continue
2	No, I want my answers to be anonymous	Skip to G8 then skip G9

Ask all

- G7 Would you be prepared to provide the following by email to the FSA, to aid the OFT and FSA's understanding of your business and hence the design of a consumer credit regime that suits your type of business?

Routing: Only show if code 1 @ D12

A group structure diagram

Single code

1	Yes	Thank you. Arrange to email relevant FSA email address (consumercreditresearch@fsa.gov.uk)
2	No	Continue
99	Don't know	

Ask all

Your latest financial information (e.g. tax return/ management accounts/ audited accounts)

Single code

1	Yes	Thank you. Arrange to email relevant FSA email address (consumercreditresearch@fsa.gov.uk)
2	No	Continue
99	Don't know	

Ask all

- G8 Would you be prepared for us (Critical Research) to contact you again, if we have any questions regarding this survey?

Single code

1	Yes
2	No

Skip if code 2 @ G6.

- G9 Would you be prepared for the OFT or FSA to contact you again, if they have any questions regarding this survey? Saying yes now does not oblige you to do so.

Single code

1	Yes
2	No

Ask all

- G10 The OFT and FSA may conduct further research among firms on consumer credit and related topics. May **we** re-contact you on their behalf to give you the opportunity to participate in the future? Saying yes now does not oblige you to participate.

1	Yes
2	No

