

CREDIT
READY



Full Permission **Checklist**

Everything you need to prepare
for your application





This checklist tells you exactly what you'll need to get Credit Ready, so you can start gathering everything you need in advance. Tick off every box as you go along and check our jargon buster for explanations of the terms we use. You'll need to:

Contact details

- ☐ Provide a named person and their direct contact details for the Financial Services Register.
- ☐ Provide a contact person for us to speak to about your application. This needs to be someone in a senior position at your firm and not a third party.

Firm details

- ☐ Provide your firm's OFT licence number or interim permission number.
- ☐ State your firm's principal place of business and legal status.
- ☐ State your Companies House registration and details if applicable (date of incorporation, registered office address), and check this information matches what's on the Companies House website.
- ☐ State your firm's financial year-end, and if you're an incorporated firm, check this matches what is on the Companies House website.
- ☐ State your firm's head office address.
- ☐ State your firm's website address.
- ☐ Supply your firm's organisation structure chart.
- ☐ Provide details of professional advisers, auditors and accountants, if you use them.

Future plans

- ☐ State the date your firm wishes to be authorised from.
- ☐ Supply any alternative registered names or trading names which may be used and are approved by Companies House.
- ☐ State whether your firm plans to appoint any appointed representatives.

Details of firm's activities

- ☐ Provide details of any credit agreements that you made before applying for authorisation and that were outside the scope of your interim permission. Please confirm whether you have applied for a validation order or intend to do so for these agreements.

Sole traders

- ☐ Provide details of locum arrangements in place and any professional staff employed.

Financial details

- ☐ *Debt managers or firms that operate an electronic system in relation to lending only:* State whether your firm holds client money (including highest amount in total in the past year and/or anticipated highest amount to be held next year).
- ☐ State the estimated annual consumer credit income.
- ☐ *Limited companies only:* state different sources of capital.
- ☐ *Partnerships only:* state number and details of partners including assets and liabilities.
- ☐ *Limited liability partnerships only:* list different sources of capital including members' capital agreement and LLP agreement.
- ☐ *Other firms:* provide details of your constitution and the different sources of capital, any subordinated loans and/or external funding.

Financial detail attachments

- ☐ Attach opening balance sheet, forecast balance sheet, monthly cash flow forecast, and monthly profit and loss forecast.
- ☐ Attach a copy of most recent annual accounts and management accounts.

Firm history

- ☐ Provide full details of any previously refused or withdrawn applications to any regulators.
- ☐ Provide full details of previous names the firm has traded under and the dates they were used.
- ☐ Provide full details of whether the firm has ever been regulated by the FCA or any other financial services regulator, including the regulator's address and the firm's regulatory identification number.
- ☐ Declare if the firm has ever been bankrupt, wound up, in administration or restructured due to insolvency.
- ☐ Declare any criminal or civil investigations, unsatisfied judgments, material settlements, fraud convictions or any financial offence.
- ☐ Provide details of any written material complaints against the firm within the last five years.
- ☐ Provide details if the firm has been criticised or censured by any financial services regulator, found guilty of unauthorised regulated activities, and if the firm is currently involved in proceedings.

What the firm does

- ☐ State the number of clients your firm expects to have at authorisation and 12 months after.
- ☐ Supply your firm's regulatory business plan.
- ☐ Outline your firm's key business risks and mitigation plan.
- ☐ State the number of branches you have and their general location.
- ☐ List outsourcing plans accompanied with monitoring/controlling plans.
- ☐ List the percentage of total sales made through different channels.
- ☐ Explain how the firm will source customers.
- ☐ Explain what disclosure documents your firm gives clients, and provide copies.
- ☐ State whether your firm is leaving a network where you were an appointed representative.
- ☐ Declare any unregulated business activities.
- ☐ Explain your remuneration structure.
- ☐ State whether your firm uses premium rate telephone numbers.
- ☐ Provide full details of your firm's distance marketing, and how you meet our rules on this.
- ☐ Detail whether your firm has acquired another firm, or has plans to do so.
- ☐ State whether business is carried out in the home of a customer, and if so, how it's monitored.
- ☐ Detail your firm's procedures that determine whether to make a loan to a customer, and how this meets our responsible lending rules (CONC 5).
- ☐ State whether your firm will increase the amount of credit during agreements, and how this meets our rules (CONC 6.2).
- ☐ State whether your firm will use continuous payment authorities (CPAs).
- ☐ Detail how your firm uses CPAs in the event of a borrower being in arrears, and how this meets our rules (CONC 7.6).
- ☐ State whether your firm will offer high-cost, short-term credit, giving details of types of customers, how they'll be reached, and details of placing/timing of financial promotions.
- ☐ *Peer to peer firms only*: state whether any loan agreements will be high-cost, short-term credit.
- ☐ *Pawnbrokers only*: attach a draft of pre-contract information.

Treating customers fairly

- ☐ Confirm that your firm understands the FCA's *treating customers fairly* outcomes.
- ☐ Describe how *treating customers fairly* is considered in your firm's business plan and culture.

Systems and Controls

- ☐ Confirm that your firm is able to send regular information about regulatory reporting.
- ☐ Detail any IT systems in place and the impact on customers if there's a system fault.
- ☐ Confirm that your firm has documentation of business continuity procedures.
- ☐ *Peer-to-peer firms only*: state the estimated annual volume of loans, number of loans, and value of loans.
- ☐ *Credit reference only*: number of firms expected to use your service.

Compliance monitoring

- ☐ Confirm that your firm has documentation of compliance procedures.
- ☐ Supply your firm's compliance monitoring programme document.

Financial crime and market abuse

- ☐ Outline the steps in place to counter the risk of staff engaging in market abuse.
- ☐ Outline the procedures in place to counter the risk of your firm being used to further financial crime.

Approved persons

- ☐ State who your approved person(s) will be, if applicable.

Controllers

- ☐ State who your controllers are, if applicable.

If you've completed this checklist, you should have everything you need to apply for full permission and you're one step closer to becoming authorised. Your application opening date will have been emailed to you, but if you have any questions please feel free to call us on 0845 606 9966.



