

This week at the UK regulators

Thirty second guide: The week in overview

In another fairly quiet week at the UK regulators, the FCA announced that it is discontinuing its investigation into Quindell plc as a result of the SFO's investigation into business and accounting practices at the firm. The FCA also announced that credit card security product customers can begin to claim compensation under a redress scheme by the end of this month. In a case pursued before the First Tier Tribunal, having replaced the Office of Fair Trading as respondent in an appeal concerning decisions about applications for consumer credit licences, the FCA has reached agreement with three debt purchasing and collection firms and their solicitor to bring the proceedings to an end.

Further afield, the Hong Kong Securities and Futures Commission announced that over HK \$23 million had been paid out to investors in the Du Jun insider dealing case, concluding lengthy criminal and regulatory enforcement actions.

FCA reaches agreement with debt purchasing and debt collection firms to end proceedings in the First-tier Tribunal (Consumer Credit)

The FCA announced (on 21 August) that it has reached an agreement with debt purchasing and debt collection firms HFO Services Limited, Roxburghe (UK) Limited, HFO Capital Limited and their solicitor (together, the "Appellants") to bring proceedings in the First Tier Tribunal (Consumer Credit), General Regulatory Chamber to an end. The proceedings resulted from a refusal by the Office of Fair Trading ("OFT") to renew the consumer credit licences of the Appellants in a decision from February 2014), which mentioned evidence of misleading and unfair practices in the operations of the Appellants.

The FCA's press release states that the OFT's determination has been quashed, but that this was without any finding by the First-tier Tribunal on the issue of fitness and propriety and without any acceptance by the FCA that the Appellants are fit and proper persons. The FCA also noted that none of the Appellants are now authorised by the FCA to conduct any regulated activities and that any future application for them to be so authorised would entail an evaluation of fitness and propriety, during the course of which, reference could be made to the underlying facts gathered in the course of the OFT's investigation.

<http://www.fca.org.uk/news/statements/agreement-hfo-services-limited-roxburghe-uk-limited-hfo-capital-limited>

<http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.of.gov.uk/news-and-updates/press/2014/08-14>

FCA discontinues Quindell investigation

The FCA announced (on 18 August) that in light of the SFO's investigation into business and accounting practices at Quindell Plc, it has decided to discontinue its own investigation into Quindell (see This week at the UK regulators, 1 July 2015) with immediate effect.

<http://www.fca.org.uk/news/statements/fca-statement-regarding-quindell-plc>

http://www.cliffordchance.com/briefings/2015/07/this_week_at_theukregulators-1july2015.html

Card security product redress scheme

The FCA announced (on 18 August) that approximately two million people who bought card security products will be able to start claiming compensation from late August as part of a consumer redress scheme to address sales and renewals of card security products since January 2005. One of the features of the card security products was insurance to cover fraudulent use if a card was lost or stolen. However, according to the FCA, this was in certain respects unnecessary as the customer's bank or card issuer was typically responsible for any transactions after the cards were reported as lost or stolen and, prior to that, customers were only liable for unauthorised transactions in limited circumstances. Compensation claim forms will be sent by post to product holders and claims must be made on or before 18 March 2016. The relevant products are "Card Protection", "Sentinel", "Sentinel Gold", "Sentinel Protection", "Sentinel Excel and "Safe and Secure Plus". Affinion International Limited, AIB Group (UK) Plc trading as First Trust Bank in Northern Ireland and Allied Irish Bank (GB) in Great Britain, Barclays Bank Plc, Capital One

(Europe) Plc, Clydesdale Bank PLC, HSBC Bank plc, Lloyds Bank Plc, Northern Bank Limited trading as Danske Bank, Santander UK plc, Tesco Personal Finance plc, The Co-operative Bank Plc and The Royal Bank of Scotland plc will provide funding required for the scheme.

<http://www.fca.org.uk/news/consumer-redress-scheme-opens-card-security-product-holders>

Final notices

The FCA issued (on 20 August) a final notice cancelling the permission of Mark Cleaver under Part 4A of FSMA on the basis that he failed to satisfy the suitability threshold condition and that he failed to deal open and co-operatively with the FCA in not providing up to date contact details and in not disclosing the acquisition of his book of business by another firm.

[http://www.fca.org.uk/static/documents/final-notices/mark-](http://www.fca.org.uk/static/documents/final-notices/mark-cleaver.pdf)

[cleaver.pdf](http://www.fca.org.uk/static/documents/final-notices/mark-cleaver.pdf)

In separate final notices published on 17 August, the FCA cancelled the registrations of each of Tariq Rashid, Muhammad Ashraf and Badruzzaman Choudhury under the Payment Services Regulations 2009 as small payment institutions for failures to pay overdue balances and failing to demonstrate a readiness and willingness to comply with ongoing regulatory obligations and to deal with the FCA in an open and cooperative manner.

<http://www.fca.org.uk/static/documents/final-notices/tariq-rashid.pdf>

<http://www.fca.org.uk/static/documents/final-notices/muhammad-ashraf.pdf>

<http://www.fca.org.uk/static/documents/final-notices/badruzzaman-choudhury.pdf>

FCA warnings

Name of firm	Date of warning	Details
Castlerigg UCITS Fund PLC	21 August 2015	Clone firm http://www.fca.org.uk/news/warnings/castlerigg-ucits-fund-plc-clone
Grand Loans	20 August 2015	Clone firm http://www.fca.org.uk/news/warnings/grand-loans-clone
JC Sterling & Roth	20 August 2015	Not authorised http://www.fca.org.uk/news/warnings/jc-sterling-roth
Henderson Global Trading	19 August 2015	Clone firm http://www.fca.org.uk/news/warnings/henderson-global-trading-clone
Credence Financial Earnings Ltd/Credence Trade	19 August 2015	Clone firm http://www.fca.org.uk/news/warnings/credence-financial-earnings-ltd--credence-trade-clone
Holdprop Financial Investment Ltd	19 August 2015	Clone firm http://www.fca.org.uk/news/warnings/holdprop-financial-investment-ltd-cc
Pecunia Financial Limited	19 August 2015	Not authorised http://www.fca.org.uk/news/warnings/pecunia-financial-limited-cc
Tilney Asset Management	18 August 2015	Clone firm http://www.fca.org.uk/news/warnings/tilney-asset-management-clone
Elendale	17 August 2015	Not authorised http://www.fca.org.uk/news/warnings/elendale

Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	
Consultation papers	In its role as Payment Systems Regulator, the FCA has (on 20 August) issued a consultation paper (CP 15/26) on PSR regulatory fees for 2015/2016. http://www.fca.org.uk/static/fca/documents/consultation-papers/psr%20fees%20201516%20final.pdf	17 September 2015	
Finalised policy and guidance			
		Implementation date	
Supervisory Statement		17 August 2015	The PRA has (on 17 August) issued two supervisory statements concerning reporting codes: SS36/15 on "Solvency II: life insurance product reporting codes" http://www.bankofengland.co.uk/pr/Documents/publications/ss/2015/ss3615.pdf SS37/15 on "Solvency II: internal model reporting codes and components" http://www.bankofengland.co.uk/pr/Documents/publications/ss/2015/ss3715.pdf

Further afield

Hong Kong SFC recovers HK \$23 million for investors in Du Jun insider dealing case

The Hong Kong Securities and Futures Commission (the "SFC") announced (on 18 August) that a total of just over HK \$23 million has been recovered from insider dealer Du Jun and paid out to relevant investors (other than three investors who could not be contacted by the administrators). The funds were recovered from Du Jun as a result of restoration orders made during civil proceedings against him. For further detail on the history of the proceedings, see This week at the UK regulators, 21 January 2014.

<http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=15PR85>

http://www.cliffordchance.com/briefings/2014/01/this_week_at_theukregulators-21january2014.html

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