

This week at the UK regulators

Thirty second guide: The week in overview

Last week, the FCA's concerns about high-cost credit and unarranged overdrafts were widely reported in the media. In a consultation paper, it has released a suite of proposals aimed at addressing findings of harm to consumers, and has taken urgent action to impose a cap on rent-to-own transactions. In other developments, the FCA also issued finalised guidance on transfers of insurance businesses and published an update for customers of a business placed into insolvency in March 2018 following an investigation by it and other authorities.

Enforcement Notices

- Mr Terence Sefton Potter (29 May)
- Marshall and Sons (29 May)
- Rapid Windows (North East) Limited (29 May)
- Infinity Financial Solutions (29 May)

<https://www.fca.org.uk/publication/final-notices/terence-sefton-potter-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/marshall-and-sons-final-notice-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/rapid-windows-north-east-limited-final-notice-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/final-notice-2018-infinity-financial-solutions-ltd.pdf>

FCA publishes outcome of high-cost credit review

On 31 May, the FCA released two separate consultation papers (CP 18/12 and CP 18/13) setting out various proposals in relation to high-cost credit. As was widely reported in the media last week, it has raised concerns about fees charged in connection with the unarranged overdrafts. It has put forward some immediate options aimed at alleviating consumer detriment, which it estimates will save UK customers up to £140 million per year, but has indicated that it is looking at more radical longer term options such as banning fixed fees.

In addition, the FCA has intervened immediately in the rent-to-own market, indicating that a cap will be imposed unless a better solution to the harm it believes is caused to

customers is identified during the consultation process.

Proposed reforms have also been announced in relation to home-collected credit and catalogue, credit and store cards aimed at helping customers avoid persistent debt.

<https://www.fca.org.uk/publications/consultation-papers/cp18-12-and-cp18-13-consultations-high-cost-credit-and-overdrafts>

FCA updates customers of insolvent investment firm

On 29 May, the FCA published a statement setting out information for customers of Beaufort Securities Limited (BSL) and Beaufort Asset Clearing Services Limited (BACSL), which were placed into administration and special administration respectively in March 2018 (see This week at the UK regulators, 5 March 2018) following concerns identified during investigations undertaken by the FCA and the US Department of Justice.

<https://www.fca.org.uk/news/news-stories/information-customers-beaufort-securities-limited-bsl-and-beaufort-asset-clearing-services-limited>

<https://www.fca.org.uk/news/press-releases/restrictions-imposed-beaufort-securities-limited-bsl-and-beaufort-asset-clearing-services-limited>

<https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbfGqNHLNomwBI%2B33QzdFhRQAhp8D%2BxrlGRel2crGqLnALtlyZe7fJYtU0H4d5cw8Qu8CADKDp%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&attachmentsize=54158>

FCA warnings

Name of firm	Date of warning	Details
VBM Capital Partners	30 May 2018	Clone of authorised firm
ISGXchange	30 May 2018	Not authorised
Escrow Global	30 May 2018	Clone of authorised firm
GG Financial / Gunnar Grieshofer	31 May 2018	Clone of authorised firm
Holzmann Friedrich	31 May 2018	Clone of authorised firm

Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	
Consultation papers	On 31 May, the FCA published two consultation papers (CP 18/12 and CP 18/13) setting out various proposals in relation to high-cost credit. See further details above. https://www.fca.org.uk/publication/consultation-papers/cp18-12-and-cp18-13-consultations-high-cost-credit-and-overdrafts	31 August 2018	
	On 1 June, the FCA published its Quarterly Consultation paper No. 21, proposing changes to:	30 June 2018/31 July 2018	

	<ul style="list-style-type: none"> • disapply some Handbook rules to authorised professional firms carrying out non-mainstream regulated activities; • appointed representatives appointment forms; • rules set out in the Conduct of Business Sourcebook in relation to insurance distribution; • various other minor miscellaneous amendments to fees rules, the Banking Conduct of Business Sourcebook, the Decisions Enforcement Penalties and Procedures section of the Handbook and the Enforcement Guide. 			
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Finalised Policy and guidance				
		Implementation/effective date		
Policy statements	<p>On 29 May, the FCA released finalised guidance (FG 18/4) setting out its approach to the review of insurance business transfers under Part VII of the Financial Services and Markets Act 2000.</p> <p>https://www.fca.org.uk/publication/finalised-guidance/fg18-04.pdf</p>	29 May 2018		

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