

FACT SHEET 31

The Financial Conduct Authority

On the 1 April 2014 responsibility for the regulation of consumer credit transferred from the Office of Fair Trading (OFT) to the Financial Conduct Authority (FCA). If your business is involved in dealings with individuals, sole traders or partnerships: essentially anyone who is not a limited company or Plc it is essential that you hold all the necessary permissions from the Financial Conduct Authority (FCA).

Put simply: if your business activities include any settlement of hire agreements (in the context of trade-ins and upgrades) and settlements of third-party finance for individuals, sole traders and partnerships, it is quite possible that you will require permissions for debt adjusting and counselling from the FCA.

Moreover, if you offer, promote or arrange finance, including a simple introduction or the passing of a telephone number, you are engaging in credit brokerage which is an activity regulated by the FCA.

What if my business only deals with corporate customers?

If you are ONLY referring purely corporate* business and have no dealings whatsoever with customers who are individuals or small partnerships then your business may not need to be FCA authorised.

*Ltd's, PLC, LLP and large partnerships of more than 4 partners' What if my business is not FCA authorised? If you are not FCA authorised, finance companies can only receive referrals from you for corporate business because:

1. Any agreement entered into as the result of an introduction from an unauthorised dealer will be unenforceable without an appropriate order from the FCA.

2. It is a criminal offence to introduce someone looking for credit to a company or individual willing to provide credit without an appropriate licence from the FCA. Find out more and apply for FCA authorisation

You can find out more at: <http://www.fca.org.uk/your-fca/documents/consumer-credit-permissions-common-misunderstandings>

Application forms, information and general guidance can be found on the FCA website.
www.fca.org.uk/firms/firm-types/consumer-credit/authorisation

NB This document is not legal advice and should not be acted or relied on as being so. Legal advice should be taken before applying any information in this document to any facts and circumstances.

The information in this Fact Sheet has been assembled and interpreted to give truck owners and users basic guidance on frequently asked questions. Further important information will be given in the quoted reference documents. Responsibility for meeting the safety obligations discussed rests with the employer, and the FLTA will not accept liability for any problem arising as a result of the content of this document. Technical Bulletins, containing more detailed information and updated as appropriate, are made available free to members of the FLTA SAFE USER GROUP.

Fork Lift Truck Association, 34B Kingfisher Court, Hambridge Road, Newbury, Berkshire, RG14 5SJ
Tel: 01635 277577 | Fax: 01635 277579 | mail@fork-truck.org.uk | www.fork-truck.org.uk