

REGULATORY SERVICES 2023



22 The Village Square, Bramhall Centre, Cheshire, SK7 1AW

Telephone: 0161 440 0131

Fax: 0161 439 1596

e-mail : info@mounteney.com

Website : www.mounteney.com

The “Changing UK” report declared in April 2010 that Bramhall residents are the friendliest in the UK and have more community pride than anywhere else. That has been my experience since moving to Bramhall in 1997, and why I’m glad to call the village, “home”. I’ve been a solicitor all my working-life (I qualified in 1994) and have practised in Bramhall since 2005. I associate my name with this firm as my guarantee of your satisfaction. I hope you engage us.



A handwritten signature in blue ink that reads "Jonathan Hanger". The signature is fluid and cursive, with a long horizontal line extending from the end.

REGULATORY-RELATED LEGAL SERVICES FOR BUSINESS

The Financial Conduct Authority (FCA) is now responsible for the supervision of:

- Consumer Credit, formerly the remit of the Office of Fair Trading (OFT)
- Financial Services mediation, formerly the remit of the Financial Services Authority (FSA) – in particular activities relating to insurance.

The FCA’s systems were inherited from the FSA, and are designed and biased toward the concepts associated with the mediation of insurance (especially of insurance brokers), and are commonly perceived as harsh and restrictive. The OFT’s regime for Consumer Credit licensing was formerly considered relatively light-touch. Unfortunately in “tacking-on” its new powers of supervision of Consumer Credit, the FCA has sought to transfer Consumer Credit regulation from the OFT’s light-touch regime, directly into the former-FSA’s insurance-biased regime – producing a system that is generally considered ill-conceived, onerous, and technically complicated.

In particular the FCA apparently regard the introduction of a Consumer Credit provider as a restricted activity for which regulatory authorisation is required, i.e. without any need for the introducer to be involved commercially in any way in any actual underlying Consumer Credit transaction (i.e. beyond introduction of Consumer Credit customer to Consumer Credit provider).

The concept of what constitutes Consumer Credit is itself quite technically convoluted: as well as applying to obvious instances involving private individuals, the regime is generally considered to apply to businesses that consist of individuals (“sole-traders”) or partnerships including individuals. In fact there are exemptions for business transactions exceeding £25,000 – and even for lower-level transactions in the course of business, subject to certain requirements (in particular, an agreed statement to that effect).



However such is the general apprehension of the possible consequences of regulatory non-compliance (i.e. legal invalidity of transactions; possible personal sanctions on those involved in breaches) that a common approach taken by industry suppliers is to require blanket regulatory authorisation, even though for the majority of business functions such authorisation may not, technically, be a legal requirement. Rather than being a legal restriction on which we could advise this simply seems to be an industry custom.

The result of the interaction of these two views, is that those involved in making introductions to Credit providers in the course of their business (for example, suppliers such as IT and Telecoms service businesses) may now find their creditor-provider contacts require them to seek FCA authorisation to continue making such introductions.

Regulatory authorisation comes in two basic forms:

1. **Authorised Representation:** an FCA regulated body can appoint others to represent it, essentially subject to accepting responsibility for their conduct. The Authorised Representative will obtain their own separate FCA registration as a representative of the authorised body, but will not itself be subject to any requirement for its own FCA registration application.
2. **Direct Authorisation:** is achieved by a body applying for its own FCA authorisation – subject to what are generally perceived substantial hurdles to entry, which, once surmounted, are followed by regular reporting requirements to the FCA also generally considered difficult and onerous. Substantial fees are payable to the FCA at every stage, and other requirements arise (see below).

Regulated entities may be unwilling to appoint authorised representatives, however, due to the obligation on the appointer to include the representatives in their regulatory returns, and also the responsibility adopted for the conduct of the representative – including supervisory and training obligations.

An authorised representative should have an appointment for each principal for whom it acts: appointment as a representative for one entity does not entitle the representative to represent any other principal (i.e. for whom the representative has not also been appointed).

Direct authorisation comes in two forms for each regime:

1. Consumer Credit:

- a. Limited Authorisation – applies in
 - i. Instances in which credit is a subsidiary activity to something else, e.g. to finance the purchase of goods or services, such as:
 - 1. businesses that introduce their customers to a finance provider (e.g. IT suppliers) or
 - 2. businesses that allow deferred payment (e.g. health clubs)
 - ii. Hiring equipment, including any hire-purchase arrangement
- b. Full Authorisation – for credit providers



2. Insurance

- a. Secondary Mediation – as limited authorisation above, but for insurance; e.g.
 - i. sale of extended guarantees for products sold
 - ii. sale of insurance which is a subsidiary part of the major business
 - iii. businesses conducting marginal mediation services such as advising, introduction or administration – not broking
- b. Primary Mediation – as full authorisation, for insurance brokers

There are a number of nuances that arise in different scenarios – such as the need:

- A. to hold client funds,
- B. for a minimum capital requirement, and
- C. for Professional Indemnity Insurance.

These requirements are technical beyond the scope of this marketing guide – please ask for more information if these matters are of particular interest to your circumstances.



Why you should use Mounteney Solicitors

You deserve the assurance of your interests being in the best hands – and no-one is better placed to protect you than Mounteney Solicitors. Our team are professionals with extensive experience. You will always be able to speak to someone who knows what is going-on.

Other Solicitors may share our boast of being better than the average - but only we back our promise by our ten specific commitments outlined on the rear cover of this brochure.

Packaged services

Many clients require essentially the same service in similar circumstances. For such instances we have developed “packaged products” that are outlined in the rest of this brochure – which we are pleased to offer business clients at a set price. By this approach we aim to provide a quality service at a competitive rate. We know of no other firm of solicitors who provides this offering.

Bespoke Services

“One size DOESN’T always fit all”: the products outlined are only examples of the services we provide. Every client is different, and all clients can receive our bespoke services tailored to their individual requirements. If the service you have in mind isn’t reflected in the packaged products in this brochure, then we’d be delighted to understand what service you do require so that we can quote.

Other business matters

We can promise that you will get the best possible service, but unfortunately we cannot guarantee to overcome every difficulty – which could be within no solicitor’s gift - so the successful conclusion of your transaction can never be assured:

- Where we engage, but issues beyond those covered in the product descriptions of this brochure arise, then we will be willing to pursue these as far as we can for a reasonable extra charge.
- Where transactions “go off” at an early stage, i.e. prior to us undertaking significant work, we will usually be willing to discuss refund of some fee. After substantial work we would not normally refund any part of the fixed-fee even if the transaction does not complete. This is an implication of the mutual fixed-fee arrangement.



REGULATORY PACKAGED PRODUCTS



Authorised Representative agreement

The appointment of an Authorised Representative involves (1) entering into a representation agreement, and (2) recording the appointment against the appointer's authorisation – that will have the automatic effect of causing the representative to have their own regulatory record with the FCA, in respect of their appointment.

[43] We can produce a suitable brief representation agreement for a fixed-fee of **£300**

CONSUMER CREDIT LICENSING PRODUCTS

Acting as your authorised person and filing your annual regulatory returns

In order to hold any authorisation, an entity needs to have at least one individual person both registered with the FCA as a person authorised to transact business with the FCA for the entity, and who is willing and able to do so. Clients of ours who do not have people within their



structure with the willingness, skills, time or experience available to conduct this role we may be interested in our offer of “Authorised Person” services – i.e. supplying one of our Authorised Persons (normally Jonathan Mounteney) to act as your authorised person, and to take-on the obligation of making your regulatory filings.

[65] While we remain willing to discharge this role we will charge an annual fixed-fee of **£300** p.a. for our service.

In addition the FCA annual fees payable for limited permission are currently:

- Regulated Income up to £50,000 (most instances): £250
- Regulated Income £50,001 to £100,000: £400
- Regulated Income £100,001 to £250,000: £500

Application for Limited Authorisation (with or without the foregoing product)

Whilst ultimately the FCA application process is merely the completion of an on-line form, in fact most business entities would find the process extremely difficult to navigate for a number of reasons:

A. The FCA system is unusually anti-intuitive – no immediate help being available from the FCA to assist piloting it.

B. The entire area is immersed in obscure jargon and concepts that will mystify the inexperienced.

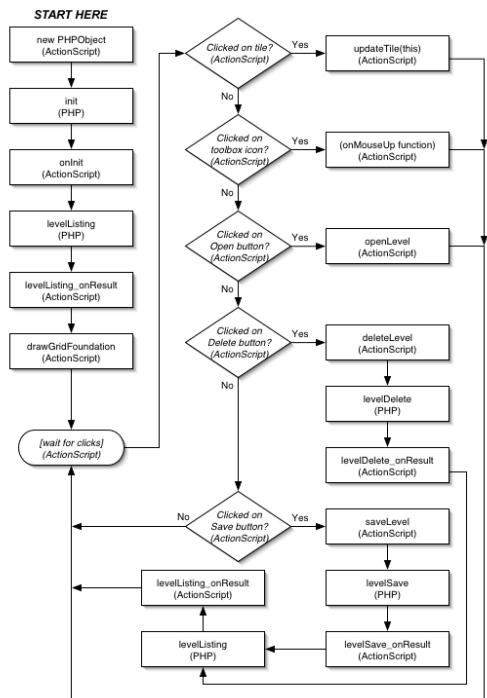
C. A number of subsidiary documents are required, including Business Plans, Staff Charts, Compliance Processes, Monitoring Processes, Crime procedures and “Information Appendices”. We know what the FCA want by these strange titles.

D. The forms themselves contain a number of traps for the unwary that are capable of considerably complicating the process if inadvertently “sprung”.

It is for these reasons we have found clients willing to instruct us to make their registration application on their behalf.

Regardless of whether they also wish us to supply appropriate “Authorised persons” (see previous product) we are willing to undertake limited authorisation applications, including supplying basic forms of the documents referred to, for a fixed-fee of [66] **£485**. We will require our clients to complete a standard information form for this product, from which we will harvest essential data.

Firms applying for a limited permission also need to pay the FCA application fee (£100 for annual consumer credit income up to £50,000; £500 if higher)



All lawyers should be professional, friendly and accessible.

Mounteney Legal Services' commitments over your normal expectations are:

1. our explanations are simple, clear and concise
2. our advice and services are unsurpassed in our sector
3. our fees are more economic than our local competitors'
4. our charges are proportionate to the value we produce for clients
5. in all appropriate instances we quote and adhere to fixed-fee terms
6. we cause no unreasonable delay in pursuing our clients' interests
7. we are readily available during business hours
8. we adopt a smart approach
9. we are scrupulously polite
10. our principles are based on the Christian ethos

Mounteney Legal Services is a trading name of Mounteney Legal Services Ltd,
English & Welsh company number 9899303