

FCA Consumer Credit PS 14-18

Effective from the 2nd January 2015



Concern:

The FCA has raised significant concerns about the practices of some credit brokers which charge upfront fees to customers. The regulatory is introducing new rules from the 2nd January 2015 to protect customers.

Disclosure:

The firm must provide an explicit notice to the customer, in a durable medium (an '**information notice**'), setting out:

- ❖ the firm's legal name
- ❖ a prominent statement that the firm is a credit broker (not a lender) or, if it is both a credit broker and a lender, a statement that it is acting as a credit broker and not as a lender
- ❖ a statement that a fee will, or (where relevant) may, be payable
- ❖ the amount or likely amount of the fee and
- ❖ when and by what means the fee will be payable
- ❖ the customer has acknowledged receipt of the notice, and awareness of its contents, in a durable medium (the '**customer confirmation**')

The information notice must not include any other information

Website:

All credit brokers must include their legal name (as it appears in the Financial Services Register) in Financial Promotions and other communications. The promotions must also clearly identify that they are acting as a broker

Reporting:

All fee charging brokers will be required to notify the FCA quarterly of their web domain names within 30 days from the end of the relevant quarter

Note: Read PS 14-18 for further details.