

Consumer Credit

Notice of Special Conditions

This Notice is being issued to inform all providers involved, or intending to be involved, in the provision of consumer credit services that Special conditions apply. Level 2 providers are required to comply with [the Phone-paid Services Authority's Code of Practice](#), and the Special conditions set out below, which are imposed under paragraph 3.11.1 of the Code.

Under paragraph 3.11.3 of the Code, "*a breach of any special condition in respect of a high risk service imposed under paragraph 3.11.1 shall be a breach of the Code*".

The primary providers of consumer credit services in the premium rate services ('PRS') market are **credit brokers**.

However, this may change over time and any firm providing (or considering providing) PRS consumer credit services, whether recorded or live, ought to comply with this Notice. For example, if a debt management firm wishes to use PRS in relation to its business these Special Conditions apply.

Credit broking is defined in article 36A of the *Regulated Activities Order*¹ and described further in the Financial Conduct Authority (FCA)'s *Perimeter Guidance Manual*².

Providers should note that credit broking is not limited to the broking of regulated credit agreements. It also includes (with some exceptions) the broking of agreements which are exempt from regulation, unless the customer is a limited company or large partnership.

Special conditions

Imposed under Annex 2, Paragraph 1.1(x) - Providers of higher risk services to notify the Phone-paid Services Authority at commencement of such services and provide any related information required by the Phone-paid Services Authority within a specified time period

CBRK1 Consumer credit service providers must notify the Phone-paid Services Authority of the following information within 48 hours of making the service accessible to the public:

- Name of the firm as registered with the FCA
- Confirmation that the provider has the appropriate credit permission (if needed) from the FCA³

¹ See article 36A4 of The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, S.I. 2001/544.

² The Perimeter Guidance Manual (PERG) in the FCA's Handbook describes the various regulated activities, and credit broking is covered by PERG 2.7.7E.

³ Any such authorisation or permission given by the FCA does not constitute authorisation of the PRS itself, and the Phone-paid Services Authority may conduct investigations under the Code, and seek adjudications and / or sanctions as against the provider.

- Confirmation of the Phone-paid Services Authority's registration details for both the organisation and the service, in the form of references provided by the Registration Database
- Confirmation of the name and contact details of the primary contact at the firm with responsibility for compliance and regulatory affairs.

CBRK2 Such notification must be made in writing, and it must be received by the Phone-paid Services Authority within 48 hours of the service being made accessible to the public.

- (a) Notification can be made via email to compliance@psauthority.org.uk.
- (b) Where the notification is sent by post, the provider must ensure delivery to the the Phone-paid Services Authority office (address found on our website: www.psauthority.org.uk) within the same time period. It is recommended providers who choose to notify using the postal option seek confirmation of delivery to ensure the process is completed satisfactorily.