

## 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 PhonepayPlus 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*<sup>1</sup> and described further in the Financial Conduct Authority (FCA)’s *Perimeter Guidance Manual*<sup>2</sup>.

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*

**CBRK1** consumer credit service providers notify PhonepayPlus of the following information when the service is launched:

- Name of the firm as registered with the FCA
- Confirmation that the provider has the appropriate credit permission (if needed) from the FCA<sup>3</sup>
- Confirmation of the PhonepayPlus 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.

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

<sup>2</sup> 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.

<sup>3</sup> Any such authorisation or permission given by the FCA does not constitute authorisation of the PRS itself, and PhonepayPlus may conduct investigations under the Code, and seek adjudications and / or sanctions as against the provider.

**CBRK2** Such notification must be made in writing, and it must be received by PhonepayPlus within 48 hours of the service being made accessible to the public.

- (a) Notification can be made via email to [compliance@phonepayplus.org.uk](mailto:compliance@phonepayplus.org.uk).
- (b) Where the notification is sent by post, the provider must ensure delivery to the PhonepayPlus office (1<sup>st</sup> Floor, Clove Building, 4 Maguire Street, London, SE1 2NQ) 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.