

Our ref: 741680



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**By email:** peter@collateraluk.com

Dear Mr Currie

## **PART 4A APPLICATION IN THE NAME OF COLLATERAL (UK) LIMITED**

I am introducing myself as the new case officer for the Collateral (UK) Limited's application. My contact details are given below.

I have reviewed your application to familiarise myself with the matters that need to be considered before a decision and have also engaged with the previous case officer. Based on this, I recognise that your application was submitted in March 2016 and that there is considerable work still to be done before a determination can be made. I will work to ensure that progress is made to reach a decision as quickly as possible; however, it is clear that the firm has not submitted all of the documentation requested by Mr Woolls-King. Because of this the application is deemed to be 'incomplete' for the purposes of Section 55V of the Financial Services and Markets Act 2000 (FSMA). From my initial reading of the application and the work undertaken to date, there are still a lot of matters unresolved and I propose to manage the resolution of these in order of priority.

The first priority matter I wish to raise is the registered status of Collateral (UK) Limited (CUKL). When the FCA commenced the regulation of consumer credit in April 2014, firms wishing to conduct credit-related activities were required to apply for Interim Permission (IP) to be able to conduct the relevant regulated activities. If a firm did not apply for IP, it would be deemed a new entrant and would not be able to conduct credit-related business until authorised for the relevant regulated activity. Applications for IP were required to be submitted by the 31 March 2014.

Companies House records show that CUKL was incorporated on 17 November 2014. As CUKL did not exist at 1 April 2014 it was not legally able to apply for or have IP. What our records show is that on the 12 December 2015, you logged into the FCA's CCI system and amended the IP records of Regal Pawnbroker Limited (RPL), changing the name and address details to that of CUKL. It is not possible to transfer an IP granted to one legal entity to that of another legal entity. As a consequence CUKL does not currently have IP to conduct any FCA regulated activities.

The FCA has taken action to amend the Register to show that the IP status of RPL has lapsed and that CUKL does not have IP. Likewise CUKL must take action to amend its website and platform to show the true position of CUKL's regulatory status. It must:

1. remove all references to the firm being authorised and regulated by the Financial Conduct Authority from the collateraluk.com website (as well as any other website used by the firm) and any amendable electronic documentation connected to the website, including the firm's financial promotions and communications with customers.
2. where any documents exist on the website that cannot be amended and/or replaced because they are in a non-amendable form such as fixed pdf documents or existing legal documents, ensure customers are made aware that any reference to CUKL being authorised and regulated by the Financial Conduct Authority and / or FCA is incorrect and that CUKL is not authorised and regulated by the Financial Conduct Authority and / or FCA.
3. not use any pre-printed documentation such as forms, letterheads and marketing material that make reference to CUKL being authorised and regulated by the Financial Conduct Authority and / or FCA.
4. refrain from conducting any regulated business unless and until the application is determined and approved.

I require you to provide me in writing confirmation that these actions have been completed (detailing the changes made) no later than 12 February 2018. In addition, you must provide a detailed explanation as to why you believed it was appropriate to amend the details of one legal entity (RPL) to those of another legally entity (CUKL).

You will be aware that the FCA has already expressed concerns over whether the operation of the collateraluk.com website involves the conduct of a regulated activity for which (as it was considered at the time) the firm did not hold IP. These concerns remain and the FCA reserves its rights to take any further regulatory action it considers appropriate pending the determination of the application.

In regard to the above I wish to arrange the telephone conference with you to discuss the matters raised. I wish to arrange this call as soon as possible this week. Please let me know your availability.

The next area that I shall be considering is the business that CUKL proposes to conduct and the permissions required and I shall be writing to you about this in due course. To help me in this regard can you please provide me with full details of all your customers (borrowers and investors / active and inactive) and their business connection with CUKL. This should include the following:

**Lenders:**

1. Title, first name, surname, or business name
2. Address
3. Amounts invested, the dates of those investments, the loans, chattels etc against which those investments were made
4. Amounts borrowed, dates of borrowing, the loans chattels, etc against which those borrowings were drawn

**Borrowers:**

5. Title, first name, surname, or business name
6. Address
7. Commencement date of relationship with CUKL
8. Amounts borrowed, dates of borrowing, the loans chattels, etc against which those borrowings were drawn

**Loan book:**

9. An up-to-date copy of the firm's loan book, including repaid loans.

**CUKL:**

10. Confirmation of the total amounts invested in the Collateral platform by:
  - CUKL
  - Peter Currie
  - Andrew Currie
  - Any company with owned by either of the above.

Please submit all information requested by no later than 12 February 2018. If there is any reason you cannot meet this deadline, please let me know as soon as possible.

Yours sincerely



**Lending and Intermediaries department | Authorisations Division**



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