Dear Lord Myners

RE: PQ on P2P platform Collateral

On 15 October 2019 you asked Her Majesty’s Treasury “whether the interim permission granted to Regal Pawnbroker Limited, subsequently renamed Collateral (UK) in the Financial Conduct Authority’s register, would have lapsed automatically on 31 March 2016 if an application had not been passed for Part 4A Permission under the Financial Services and Markets Act 2000”. Your question has been transferred to the Financial Conduct Authority (FCA) for a response.

The FCA took over responsibility for the regulation of consumer credit activities from 1 April 2014. The interim permission regime was introduced to allow firms which had previously been regulated by the Office of Fair Trading to continue trading while transitioning to the FCA regime. In summary, firms which had previously held an OFT licence, and which registered with the FCA, were automatically granted an interim permission which allowed them to continue to conduct consumer credit activities lawfully until the FCA determined their application for full authorisation. Firms holding interim permissions were listed in the Interim Permission Consumer Credit Register (the IP Register), a separate register to the Financial Services Register. As part of the process, each firm holding an interim permission was allocated a specified period to submit an application for full authorisation. If a firm failed to submit an application for authorisation during the applicable application period, its interim permission lapsed.

Regal Pawnbroker Ltd registered for, and was granted, an interim permission with reference number 656714 as of 1 April 2014. The application period ended on 31 March 2016, when Regal Pawnbroker Ltd’s interim permission lapsed as it had not submitted an application for full authorisation. However, because the name of the company holding interim permission number 656714 had been changed on the IP Register to Collateral (UK) Ltd (Collateral), and the FCA received an application for full authorisation from Collateral before the expiry of the application period, the IP Register continued to show Collateral as holding interim permission number 656714 until 29 January 2018.

I hope this is helpful.

Andrew Bailey
Chief Executive