

# Claims Management Regulator

## Application for seeking authorisation

Reference Number (for office use)

### 1 Details of the business

#### 1.1 Details of the person who completes this form

Full name:

Date of birth:

National Insurance Number:

Position:

Address:

Telephone Number:

#### 1.2 Name of organisation or individual:

#### 1.3 Main address

Postcode:

Telephone Number:

E-mail address:

Website address if any:

#### 1.4 Details of business structure

Any other trading names (state none if none)

Legal status of business (tick one)

Company

Names of subsidiaries (if applicable):

Partnership

Sole trader

Other (please state)

**1.4.1 Registration number if a company**

**1.4.2 Principal nature of business**

**1.5 Sectors the company operates, or intends to operate, in**

**1.5.1 Please tick all that apply:**

Personal injury	<input type="checkbox"/>
Housing repair	<input type="checkbox"/>
Employment matters	<input type="checkbox"/>
Financial products	<input type="checkbox"/>
Criminal injuries compensation	<input type="checkbox"/>

**1.6 Estimated turnover from claims management activities**

**1.6.1 Please give your estimate of the turnover of the business in each sector in the 12 months to 30 September 2006:**

Personal injury	£
Housing repair	£
Employment matters	£
Financial products	£
Criminal injuries compensation	£
Industrial Injury Disability Benefit	£

£.....

*Or*

**If the business has not traded for 12 months, please give the estimated turnover of the business in each sector during its first 12 months of operation:**

£.....

**Its first 12 months of operation will end on.....2007.**

## 2 General requirements

### 2.1 General

#### 2.1.1 Is the business authorised and regulated by the FSA?

Yes  No

If you answered “Yes”, please provide you FSA registration number

#### 2.1.2 Is the business conducted with honesty and integrity?

Yes  No

#### 2.1.3 Is the business directed by people who have the necessary competence to do so?

Yes  No

- In the box below state how the people directing the business demonstrate that they have the competence to do so.

#### 2.1.4 Does the business employ competent and capable staff?

Yes  No

- In the box below describe the arrangements to ensure that the business’s staff are competent and capable. Please describe your recruitment and training arrangements.

**2.1.5 Does the business abide by all laws and regulations relevant to its business?**

Yes

No

**2.2 Circumstances relevant to working in claims management**

**2.2.1 For the purposes of the next question, a person is involved in the business if he or she:**

- is its proprietor, or
- if the business is operated by a partnership, is a partner, or
- if it is operated by a company, is a director, or is a significant shareholder or is its chief executive.

**2.2.2 Has any person involved in the business ever been:**

- disqualified from being a director of a company in the UK?
- Removed, other than at your own request, from the list of persons authorised by the FSA, or refused authorisation?
- disqualified as a solicitor, barrister or legal executive?
- convicted of any offence involving fraud, theft, false accounting or other dishonesty or an offence relating to companies, financial services, consumer credit or consumer protection?
- subject to any relevant proceedings (whether completed or not) in any court or tribunal.

Yes

No

*If you answered yes to this question, please give details below. Otherwise, proceed to question 2.3*

## 2.3 Conduct of business rules

**2.3.1 Does the business agree to comply with each of the general and client rules applicable to it?**

Yes

No

**2.3.2 Does the business ensure that any agent and any other person who introduces business to the business is authorised under the Act?**

Yes

No

## 2.4 Finance

**2.4.1 Are the accounts of the business audited by a registered auditor (or, in the case of a business that does not have a full year's trading, has a registered auditor been retained)?**

Audited:  Yes

No

*Or*

For a business that does not have a full year's trading:

Registered auditor retained:  Yes  No

Name and address of auditor:

N.B. This is not a regulatory requirement and will not jeopardise your application should you answer "no".

**2.4.2 Does the business have arrangements in place always to maintain its solvency?**

Yes

No

**2.4.3 Does the management of the business maintain appropriate internal systems and controls?**

Yes

No

## 2.5 Professional indemnity insurance

**2.5.1 Does the business maintain professional indemnity insurance?**

Yes

No

N.B. This is not a regulatory requirement at present.

## **2.6 Complaints and redress**

**2.6.1 Does the business intend to operate a complaints mechanism in accordance with the rules made by the Regulator?**

Yes

No

## **2.7 Compliance and enforcement**

**2.7.1 Does the business understand its obligation to co-operate with the monitoring and compliance arrangements of the Regulator?**

Yes

No

## **2.8 Disciplinary arrangements**

**2.8.1 Does the business understand its obligation to co-operate with the Regulator's disciplinary arrangements and to comply with decisions of the Regulator (subject to the right to appeal to the Claims Management Services Tribunal), and of the Tribunal?**

Yes

No

## **2.9 Provision of information**

**2.9.1 Does the business understand its obligation to provide to the Regulator information as required in the rules and other records and information that the Regulator may request in relation to compliance with the terms and conditions of authorisation and the handling of complaints?**

Yes

No

### 3 Client rules

#### 3.1 General principles

##### 3.1.1 Does the business:

- act fairly and reasonably in dealings with all clients?
- ensure that any service offered is one that meets the need of clients and satisfies the requirements of the rules?
- ensure that all information given to clients is clear, transparent, fair and not misleading?
- avoid conflicts of interest?
- when it gives advice, tell clients clearly about any ombudsman schemes or other official means of obtaining redress?
- when it gives advice, advises clients to pursue cases only if it is in their interests to do so?

Yes

No

#### 3.2 Advertising and sales

##### 3.2.1 Does the business engage in 'high pressure selling'?

Yes

No

##### 3.2.2 Does the business cold-call potential clients in person?

Yes

No

##### 3.2.3 Is any other cold calling done in accordance with the appropriate industry code?

Yes

No

##### 3.2.4 If business is solicited in hospitals, doctors' surgeries or other public buildings, is the solicitation done only by advertising approved by the establishment concerned?

Yes

No

**3.2.5 Does all advertising conform to the British Code of Advertising, Sales Promotion and Direct Marketing or the relevant code covering broadcast advertising or any other applicable code of advertising practice or statutory requirement?**

**Does the business comply with the requirements in paragraph 6 of the client specific rules on advertising, reproduced below?**

Advertising by authorised businesses must –

- a) Not make misleading or exaggerated statements.
- b) Not use expressions such as ‘no win, no fee’ without qualification unless there is no possibility of the client having to meet any costs he may have incurred in connection with the claim, including the purchase of an insurance policy or interest on a loan taken out to fund the purchase of an insurance policy.
- a) Clearly identify the name of the advertiser.
- c) Not offer an immediate cash payment or a similar benefit as an inducement for making a claim.
- d) Not seek to imply that compensation may be used in a way that is inconsistent with the cause of the claim.
- e) Not seek to imply a relationship with any official or other organisation where no such relationship exists.
- f) In the case of all written advertising and promotional material state that the business is regulated under the Compensation Act 2006 and give the authorisation number.

Yes

No

**3.3 Taking on business**

**3.3.1 Does the business seek to have contractual relationships with its clients?**

Yes

No

If you answered no to question 3.3.1, go straight on to section 4.

**3.3.2 Will the business provide each of its clients with the following information (in writing or electronically) before he or she is asked to enter into a contract:**

- honest, comprehensive and objective written information to assist clients to reach a decision, including information about the risks involved in making a claim (in particular, the possibility of losing money and, if legal action is likely to be necessary, about appearing in court)?
- the services that will be provided, in a way that does not misrepresent (either by implication or omission) any term or condition of a contract?
- the procedures that will be followed?
- contracts, including for insurance or loans, that client are asked to agree to?
- any charge the business makes (including, if the charge is a percentage of any compensation payable, stating the percentage, together with a typical example of the actual cost in pounds, or, if the company makes differential charges, more than one example)?
- any costs that clients may have to pay, including any cost of the purchase of an insurance policy and loan repayments?
- how the business is remunerated?
- commission or fees paid to any other person in respect of the claim?
- documentation needed to pursue the claim?
- any relationship to a particular solicitor or panel of solicitors?
- a copy of the leaflet “Using a Claims Management Service”, aimed at consumers?
- how clients can make a complaint?
- how clients can cancel the contract, and the consequences of cancellation, including the reimbursement of any costs paid during the cooling off period and any costs or penalty that has to be paid after the 14 day cooling off period?

Yes

No

**3.3.3 If a claim can be made to a tribunal or dispute resolution service (such as the Criminal Injuries Compensation Board, the Financial Ombudsman Service or the Housing Ombudsman Service) does the business suggest that a claimant will have a more favourable outcome if he or she uses the services of the business?**

Yes

No

**3.3.4 Does the business tell clients clearly of their of their right to have as much time as they want to seek further advice or to shop**

**around, subject to any time limits within which a claim must be made?**

Yes

No

**3.3.5 Does the business ensure that clients are able to understand the contracts that they are asked to enter into?**

Yes

No

**3.3.6 As far as is reasonably possible, does the business establish each client's identity before signing any agreement or contract?**

Yes

No

**3.3.7 Does the business allow a 'cooling off' period of at least 14 days after signing an agreement during which a client can cancel the agreement and be entitled to a refund of any payments made to the business or in connection with any insurance policy, loan or other agreement taken out in relation to the agreement?**

Yes

No

### **3.4 Managing a claim**

**3.4.1 Does the business manage claims on behalf of clients?**

Yes

No

*If you answered no to question 3.4.1, go straight on to section 3.5.*

**3.4.2 In seeking information to help pursue a claim, does the business:**

- advise clients that any documents about their claims sent or given to them should be read carefully and kept?
- assist clients to fill in any necessary forms, and check details that have been provided?
- avoid "coaching" clients how to answer questions?
- make it clear to clients that all the answers or statements given are their responsibility?
- ensure as far as possible that clients make true, fair and complete disclosure in support of their claims, and obtain a statement of truth?
- disclose all material facts within the knowledge of the business that may have an effect upon a personal injury claim (including whether there is any Legal Indemnity cover under an existing BTE policy or any other support for pursuing a claim)?

Yes

No

**3.4.3 Does the business permit clients to withdraw from contracts at any time, and limit any penalty to no more than what is reasonable in the circumstances?**

Yes

No

**3.4.4 Does the business keep clients informed of the progress of their claims and forward any relevant information received from clients without delay?**

Yes

No

**3.4.5 Does the business tell clients promptly about any requirements concerning their claims and tell them without delay of any demands for additional information that may have been made by any other party via the business?**

Yes

No

**3.4.6 Does the business avoid conflicts of interest?**

Yes

No

**3.4.7 If an unavoidable conflict arises does the business take steps to remove the conflict?**

Yes

No

### **3.5 Insurance**

**3.5.1 Does the business takes reasonable steps to ascertain whether clients have any Before the Event (BTE) Insurance or other insurance cover which may assist them to pursue claims?**

Yes

No

**3.5.2 Does the business arrange ATE insurance?**

Yes

No

*If you answered no to question 3.5.2, go straight on to question 3.5.4.*

**3.5.3 When it arranges ATE insurance does the business:**

- make clear that it is authorised by the FSA or exempt as an appointed representative of an authorised firm?
- state whether it is providing advice or information from the whole insurance market, a limited market of providers or a single provider?

Yes

No

**3.5.4 Does the business provide clients with insurance contracts?**

Details of the underwriter of the insurance? Name of the insurance product?

Yes

No

*If you answered no to question 3.5.4, go straight on to section 4.*

**3.5.5 If the business provides clients with insurance does the business:**

- discuss with clients, in accordance with insurance conduct of business rules, any insurance proposed and why it may help?
- identify the insurer or insurers being used to provide cover and provide clients with a policy summary, setting out the major details of the policy?
- explain the essential provisions of the cover provided and the cost?
- disclose to clients any commission or other remuneration received as a result of effecting the insurance?

Yes

No

**3.6 Loan finance**

**3.6.1 Does the business arrange loan finance to pay for insurance policies?**

Yes

No

*If you answered no to question 3.6.1, go straight on to section 3.7.*

**3.6.2 If the business arranges loan finance to pay for insurance policies, does the business:**

- hold a consumer credit licence from the OFT?

Yes

No

If you answered "Yes", please provide your licence number

- comply with any relevant rules or guidance issued by the OFT or other government department or agency?

Yes

No

- tell clients in writing that they can pay for the insurance directly rather than by taking out a loan?

Yes

No

- provide details of the interest payable on the loan?

Yes

No

**3.7 Handling clients' money**

**3.7.1 Does the business handle clients' money?**

Yes

No

*If you answered no to question 3.7.1, please go straight on to section 3.8.*

### 3.7.2 If the business handles clients' money, does the business:

- maintain a separate account for any money received from or on behalf of clients, including pre-payments for services?

Yes  No

- avoid mixing clients' money with that of the business?

Yes  No

- identify any money held on behalf of a client clearly within the business accounts to ensure that it is not accessible to any of the creditors of the business or used to support, maintain or expand the business?

Yes  No

- ensure that all money received from or on behalf of clients is paid into the "client account" and remains there until passed to the client or any other person entitled to receive it?

Yes  No

- refund immediately any and all pre-payments received from a client if the business fails to fulfil its obligations to the client?

Yes  No

- avoid imposing unreasonable procedures which clients must meet to receive a refund of any payment that they have made?

Yes  No

- give clients printed receipts, showing the nature and purpose of the payment, for any payment received in connection with a claim?

Yes  No

### 3.8 Data protection

#### 3.8.1 Is the business required to be registered under the Data Protection Act 1998?

Yes  No

#### 3.8.2 If so, does the business comply with its obligations under that Act?

Yes  No

### 3.9 Complaints and conciliation

#### 3.9.1 Will the business advise clients that if they are not satisfied with the outcome of a complaint the matter can be referred to the Regulator?

Yes  No

#### 3.9.2 Will the business implement, promptly and in full, any decision of the Regulator?

Yes  No

### 3.10 People involved in the business

**3.10.1 The following people are involved in the business as a sole trader, director (in the case of a company), partner (in the case of partnerships), chief executive or controlling shareholder (in the case of a company).**

Name.....

Nationality.....Date of birth.....

Home address.....

Nature of involvement.....

Directorships held in the previous five years (name and registration number of the company)

.....  
.....  
.....  
.....  
.....

[Form can be replicated or reproduced five times with note that additional copies may be made.]

### 3.11 Introducers

**3.11.1 Does the business have arrangements with introducers to introduce business to it?**

Yes

No

**3.11.2 If so, the names and other details of the introducers are as follows:**

**Business Name:**

**Business Address:**

**National Insurance number:**

*[Form can be replicated or reproduced five times with note that additional copies may be made]*

**3.11.3 Does the business have arrangements with the introducers to ensure that the introducers follow client rules?**

Yes

No

**3.11.4 Will the business supply the Regulator on request with details of the amounts paid to the introducers?**

Yes

No

## 4 Declaration

### 4.1.1 Name of business:

### 4.1.2 I certify that –

- I am the proprietor/chief executive /partner of the business.
- The information provided in this application form, or in the form submitted electronically on..... is correct.
- I will inform the Regulator, within 30 days, of any changes in the information provided on this form and of any other material changes to the operation of the business?

**Signature:**

**Name:**

**Position:**

**Date:**