

Dentalfinance

Welcome



Welcome to this special issue of our Newsletter.

This issue is dedicated to providing you with an update on the recent announcement made by the Financial Conduct Authority regarding the decision to deregulate certain types of credit agreement.

As a result not all practices will need to be FCA Authorised.

If you would like our assistance or need any further information, please either telephone us on **08452 591091** or email

dentalfinance@financingfirst.co.uk .

Financial Conduct Authority Authorisation To Offer Credit

Since the introduction of the Financial Conduct Authority (FCA) as the overseeing body in April of last year we have been assisting practices in the application process for authorisation for Limited Permission Credit Brokerage to either:

- Obtain new authorisation in cases where they had not offered finance before
- Convert 'Interim Permission' to 'Authorisation' for practices that had offered finance previously.



On 18th March the FCA issued a new directive which changes the rules in respect of offering interest free credit.

With immediate effect any borrower-lender-supplier agreement for a fixed sum written on an interest free basis with a maximum of twelve instalments within a twelve month term will be exempt from instalment credit legislation.

The net effect of this is that where any business solely offers interest free finance for periods of up to 12 months there will be no need to be 'Authorised'.

From our perspective, we know that to maximise the take-up of treatment most practices find there is a need to offer a range of finance options, including longer term finance to assist in making the treatment affordable to the patient. Accordingly, if you wish to continue offering finance with a range of options (including longer term options) you will need to retain your authorisation and need take no action.

If you are fairly new to finance we recommend that you also take this route.

If however, you have offered finance for some time and only ever do so on an interest free basis for periods of up to twelve months you may wish to cancel your authorisation which is no longer necessary. However, if you do so you will not have the option to offer an extended payment term to a patient under any circumstances and you may need to re-apply at a later stage if the rules are modified further in the future.

Where your current authorisation was obtained to replace an Interim Permission you may be eligible for a refund of the fee paid provided the cancellation is registered by 30th April.

We will be endeavouring to contact all practices we believe might be affected by this. However, if you have not heard from us and wish to cancel your current FCA authorisation please notify us by email as a matter of priority on dentalfinance@financingfirst.co.uk