



## **Isle of Man Office of Fair Trading**

### **Summary of Responses to the Consultation on the Proposed Moneylenders (Registration Fees) Order 2013**

**July 2013**

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## 1. Introduction

The consultation document was produced to invite comment on a proposed increase to the fee payable to the Isle of Man Office of Fair Trading ('the Office') for the registration of a moneylender under the Moneylenders Act 1991.

It was proposed that with effect from 1<sup>st</sup> August 2013, the fee of £410 be increased to £500 for a three year registration to reflect the costs of administration and the increasing risk to the Office; the registration fee was last increased in August 2011.

## 2. The Consultation Exercise

The public consultation exercise ran from 28<sup>th</sup> March to 13<sup>th</sup> May 2013.

The consultation document was issued directly to the following:

- Tynwald Members
- Attorney General
- Local Authorities
- Chief Officers of Government Departments, Boards and Offices
- Isle of Man Chamber of Commerce
- Isle of Man Bankers Association
- Moneylenders currently registered under the Moneylenders Act 1991

The document was also made available in the 'Consultations' section of the Isle of Man Government and Office of Fair Trading websites.

## 3. The Responses

A total of 20 responses were received; a list of respondents is attached at **Appendix 1** and a summary of those responses is attached at **Appendix 2**.

A range of responses were received: six respondents made no comment; three thought the increases and the fees in general were too low; nine accepted the proposal; one thought the increase was unfair and that a graduated fee structure should be introduced based on risk and the cost to the Office of each individual registration; one thought the increase was too much and asked for an explanation of how the fee level was assessed (a reply was issued by the Chief Officer).

## 4. Conclusion

Following the consultation exercise and further consideration, the Isle of Man Office of Fair Trading agreed the fees be increased as proposed.

The increase in fees was made by Order in Tynwald at its sitting in July 2013. The Order came into force on 1 August 2013.

# Appendix 1

## List of Respondents

- Department of Community, Culture and Leisure\*
- Integrated Capabilities Limited
- Acumen Finance and Loans
- Patrick Parish Commissioners\*
- Mr Tony Wild MLC
- Marown Parish Commissioners\*
- Lezayre Parish Commissioners
- Peel Town Commissioners
- Blackhorse Offshore
- Fresh Look Finance
- Department of Infrastructure\*
- Ramsey Town Commissioners
- Blackstoke Limited
- Department of Home Affairs
- Expol Limited
- Chief Secretary's Office\*
- Jurby Parish Commissioners
- Andreas Parish Commissioners
- Ballaugh Parish Commissioners\*
- Department of Economic Development

\*No comments made

## Appendix 2

### Summary of Responses

- *"Feels robust and reasonable to me." (Tony Wild MLC)*
- *"The Commissioners are aware of the number of companies in the UK that are in this line of business and offer 'payday loans'. The Commissioners are concerned that in these difficult financial times such companies that offer these services may increase. Comment was also made that a maximum interest rate should apply on the Isle of Man to avoid exploitation and finally the proposed increase of fees from £410 to £500 is too small." (Peel Town Commissioners)*
- *"The commission have agreed to support the proposed increase and also to submit the view that it is the Commission's belief that enforcement would be better achieved if control of money lenders came under the remit of the Finance Supervision Commission as with other financial institutions." (Ramsey Town Commissioners)*
- *"Officers have no concerns with regard to the fees other than a general comment that the cost, which works out at £4 per day, is perhaps too low given the funds such persons are working with and the possible cost of any future enforcement activity (if this is required)." (Department of Home Affairs)*
- *"the Department, mindful of the importance of vetting, supports your proposal to increase the fee." (Department of Economic Development)*