



FINAL NOTICE

To: **Lower Iveagh Credit Union Limited (in liquidation)**

Of: c/o Ms Joan Rice
Harbinson Mulholland
IBM House
4 Bruce Street
Belfast
BT2 7JD
By Registered First Class Post

Firm Reference Number: **574327**

Date: 20 November 2014

ACTION

1. For the reasons set out in this Final Notice, the Prudential Regulation Authority (the "PRA") hereby takes the following action against Lower Iveagh Credit Union Limited (in liquidation) ("Lower Iveagh").
2. The PRA gave Lower Iveagh a Decision Notice on 13 September 2014 (the "Decision Notice") which notified Lower Iveagh that for the reasons given below and pursuant to section 55J of the Financial Services and Markets Act 2000 (the "Act"), the PRA had decided to cancel the permission granted to Lower Iveagh under Part 4A of the Act ("Lower Iveagh's Part 4A permission").
3. Lower Iveagh has not referred this matter to the Tribunal within 28 days of the date on which the Decision Notice was given to Lower Iveagh.
4. Accordingly, the PRA has today cancelled Lower Iveagh's Part 4A permission.

DEFINITIONS

5. The definitions below are used in this Final Notice.

“Lower Iveagh” means Lower Iveagh Credit Union Limited (in liquidation).

“Lower Iveagh’s Part 4A permission” means the permission granted to Lower Iveagh Credit Union Limited (in liquidation) under Part 4A of the Act to carry on the regulated activity of “accepting deposits”.

“SAP” means the Prudential Regulation Authority’s decision-making Supervision Assessment Panel.

“the Act” means the Financial Services and Markets Act 2000.

“the notice” means this Final Notice.

“the PRA” means the Prudential Regulation Authority.

“the PRA’s threshold conditions” means the conditions set out in Part 1E of Schedule 6 to the Financial Services and Markets Act 2000.

REASONS FOR ACTION

6. The PRA concluded that Lower Iveagh had failed, or was likely to fail, the PRA’s threshold conditions because Lower Iveagh failed to:

6.2 co-operate with the PRA (Threshold Condition 5E);

6.2 comply with requirements imposed on Lower Iveagh by the PRA to submit Lower Iveagh’s audited accounts and Lower Iveagh’s annual return (Threshold Condition 5E); and

6.3 ensure that it had appropriate non-financial resources (Threshold Condition 5D).

7. Lower Iveagh failed to satisfy Threshold Condition 5D (Business to be conducted in a prudent manner) because it did not have appropriate non-financial resources; more particularly in that:

7.1 Lower Iveagh was not willing and able to value its assets and liabilities appropriately;

- 7.2 Lower Iveagh did not have resources to identify, monitor, measure and take action to remove or reduce risks to its safety and soundness, nor did its management appear to have a sufficient understanding of the PRA's regulatory requirements;
 - 7.3 Lower Iveagh did not have resources to identify, monitor, measure and take action to remove or reduce risks to the accuracy of Lower Iveagh's valuation of its assets and liabilities; in particular, key records held by Lower Iveagh were inaccurate;
 - 7.4 the effectiveness with which Lower Iveagh's business was managed did not meet a reasonable standard of effectiveness; in particular, those in key roles at Lower Iveagh lacked the capacity to run it; and
 - 7.5 Lower Iveagh did not have sufficient non-financial resources to enable it to comply with information requirements that had been imposed on Lower Iveagh by the PRA in the exercise of the PRA's functions.
8. Lower Iveagh failed to satisfy Threshold Condition 5E (Suitability) because Lower Iveagh:
- 8.1 failed to comply with requirements imposed on Lower Iveagh by the PRA in the exercise of the PRA's functions (including a requirement imposed on Lower Iveagh under section 165 of the Act); and
 - 8.2 failed to comply, in a timely manner or at all, with requests made by the PRA relating to the provision of information to the PRA.
9. As a result of Lower Iveagh's failure to satisfy Threshold Condition 5E (Suitability), the PRA also concluded that there was a risk that Lower Iveagh may not have had appropriate financial resources as required by Threshold Condition 5D because the PRA was unable to access the regulatory information necessary to inform the PRA of the appropriateness of Lower Iveagh's assets and liabilities and the liquidity of its resources.
10. Having regard to the PRA's duty to act, so far as is reasonably possible, in a way which advances its general objective (which is to promote the safety and soundness of PRA-authorized persons), the PRA therefore decided to cancel Lower Iveagh's Part 4A permission.

DECISION-MAKER

11. The decision which gave rise to the obligation to give this notice was made by SAP.

IMPORTANT

12. This Final Notice is given to Lower Iveagh in accordance with section 390(1) of the Act.

PUBLICITY

13. The PRA must publish such information about the matter to which this Final Notice relates as the PRA considers appropriate. The information may be published in such manner as the PRA considers appropriate. However, the PRA may not publish information if, in its opinion, publication of the information would be unfair to Lower Iveagh or prejudicial to the safety and soundness of PRA-authorized persons.

14. The PRA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

PRA CONTACTS

15. For more information concerning this matter generally, Lower Iveagh should contact **Lara van Zuydam** (direct line: 020 3461 8226) at the PRA.

Robert Dedman
Chief Counsel
Regulatory Action Division

For and on behalf of the PRA