



FINAL NOTICE

To: **Spa Credit Union Limited**

Of: 340 High Street
Cheltenham
Gloucestershire
GL50 3JF

Firm Reference Number: **213635**

Date: 23 May 2016

ACTION

1. For the reasons set out in this Notice, the Prudential Regulation Authority (the "PRA") hereby takes the following action against Spa Credit Union Limited ("Spa").
2. The PRA gave Spa a Decision Notice on 30 October 2015 (the "Decision Notice") which notified Spa 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 Spa under Part 4A of the Act ("Spa's Part 4A permission").
3. Spa has not referred this matter to the Tribunal within 28 days of the date on which the Decision Notice was given to Spa.
4. Accordingly, the PRA has today cancelled Spa's Part 4A permission.

DEFINITIONS

5. The definitions below are used in this Notice.

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

“the FSA” means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority;

“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 Act;

“SAP” means the PRA’s Supervision Assessment Panel;

“Spa” means Spa Credit Union Limited;

“Spa’s Part 4A permission” means the permission, granted to Spa under Part 4A of the Act, to accept deposits; and

“the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber).

REASONS FOR ACTION

6. The PRA has concluded that Spa is failing to satisfy the PRA’s threshold conditions as it is failing to satisfy Threshold Condition 5D (Business to be conducted in a prudent manner) and Threshold Condition 5E (Suitability).
7. Spa is failing to satisfy Threshold Condition 5D as it does not have appropriate non-financial resources because:
- 7.1. the effectiveness with which Spa’s business is managed does not meet a reasonable standard of effectiveness; and
 - 7.2. Spa’s non-financial resources are not sufficient to enable it to comply with requirements imposed or likely to be imposed on Spa by the PRA in the exercise of its functions.
8. Spa is failing to satisfy Threshold Condition 5E, as it is not a fit and proper person, having regard to the PRA’s objectives, because it has failed to comply with:

- 8.1. requirements imposed on Spa by the FSA and the PRA, in the exercise of the FSA's and PRA's functions, including requirements imposed on Spa under section 165 of the Act, either at all or in a timely manner; and
 - 8.2. requests made by the PRA relating to the provision of information to the PRA, either at all or in a timely manner.
9. 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 has therefore cancelled Spa's Part 4A permission.

DECISION-MAKER

10. The decision which gave rise to the obligation to give this Notice was made by SAP.

IMPORTANT

11. This Notice is given to Spa in accordance with section 390(1) of the Act.

PUBLICITY

12. Sections 391(4), 391(6A) and 391(7) of the Act apply to the publication of information about the matter to which this Notice relates. Under those provisions, the PRA must publish such information about the matter to which this 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 such publication would, in the opinion of the PRA, be unfair to the person with respect to whom the action was taken or prejudicial to the safety and soundness of PRA-authorized persons.

PRA CONTACT

13. For more information concerning this matter, please contact **Hilary Hodge** (direct line: 020 3461 8536) at the PRA.

Robert Dedman

Chief Counsel, Regulatory Action Division
for and on behalf of the PRA