



H&T Group PLC - HAT
FCA review
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H&T Group PLC
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H&T Group plc

FCA review

H&T Group plc ("H&T" or the "Group"), the UK's leading pawnbroker, today announces that it is working closely with the FCA following a regulatory review of certain aspects and files of its high-cost short term credit ("HCSTC") unsecured loans business. This review is focussing on H&T's creditworthiness assessments and lending processes for HCSTC loans, in light of changes to the Consumer Credit Sourcebook (CONC) rules regarding affordability assessments implemented in November 2018 and the Dear CEO letter issued to all HCSTC firms by the FCA in October 2018.

H&T is committed to providing a service that maintains the highest standards of affordability whilst avoiding any customer detriment. H&T is working with the FCA in a collaborative manner to ensure the Group's policies, practices and procedures are reflective of this approach. The review is ongoing and will result in changes to these policies and procedures surrounding H&T's provision of unsecured HCSTC loans. The Group has ceased all HCSTC unsecured lending, at least temporarily, as it works through this review process with the FCA. In the year to December 2019 H&T expects that the proportion of revenues in the HCSTC unsecured lending segment is less than 4%.

H&T will be working with a Skilled Person to review our historical lending, implementation of our revised processes and practices and to determine therefore whether any customer redress is payable. H&T is looking at the HCSTC unsecured lending practices over the past 6 years as part of this review. The average HCSTC unsecured portfolio over the period has been £3m with a peak in December 2016 of £4m and has now reduced to £3m. There were total customer interest payments of £24m over this period. Revenue less impairment over this period totalled £11m.

In the light of the FCA and Board's review, should any redress be payable, H&T anticipates being able to fund this from its existing financial resources.

The Board confirms that this aside H&T continues to trade well and in line with the dynamics set out in its statement of 30 September 2019.

- ENDS -

For further information, please contact:

H&T Group plc
Tel: 020 8225 2797
John Nichols, Chief Executive
Richard Withers, Interim Finance Director

Numis Securities (Broker and Nominated Adviser)
Tel: 020 7260 1000
Luke Bordewich - Nominated Adviser
Oliver Cox

Haggie Partners (Public Relations)
Tel: 020 7562 4444
Damian Beeley
Caroline Klein
Vivian Lai