Promethean Finance Limited ("the Firm") has referred this Decision Notice to the Upper Tribunal ("the Tribunal") where the Firm and the FCA will each present their cases. The Tribunal will determine what, if any, is the appropriate action for the FCA to take, and will remit the matter to the FCA with such directions as the Tribunal considers appropriate for giving effect to its determination. The Tribunal's decision will be made public on its website. Accordingly, the proposed action outlined in this Decision Notice will have no effect pending the determination of the case by the Tribunal.

FINANCIAL CONDUCT AUTHORITY

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DECISION NOTICE

To: Promethean Finance Limited

Address: International House
61 Mosley Street
Manchester M2 3HZ

FRN: 662425

Dated: 21 January 2026

ACTION

1. For the reasons given in this Decision Notice and pursuant to section 55J of the Financial Services and Markets Act 2000 ("the Act"), the Authority has decided to cancel Promethean Finance Limited ("the Firm")'s Part 4A permission to carry on regulated activities.

SUMMARY OF REASONS

2. On the basis of the facts and matters set out in this Notice, it appears to the Authority that the Firm is failing to satisfy the Threshold Conditions, having regard to all the circumstances. In particular, the Authority considers that the Firm is failing to satisfy the Appropriate Resources Threshold Condition as set out in COND 2.4 in the Handbook and Paragraph 2D of Schedule 6 of the Act, in that the Firm does not have the appropriate financial resources in relation to the regulated activities that it carries on or seeks to carry on. Specifically, the Firm is balance sheet insolvent and unable to pay its debts as they fall due.

3. In concluding that it is appropriate to impose the cancellation action set out in paragraph 1 above, the Authority has decided that it is appropriate to do so, in order to advance its consumer protection and integrity objectives (sections 1C and 1D of the Act).

DEFINITIONS

4. The definitions below are used in this Decision Notice (and in the Annex):

"the Act" means the Financial Services and Markets Act 2000;

"the Appropriate Resources Threshold Condition" means the condition set out in paragraph 2D of Schedule 6 of the Act;

"the Authority" means the Financial Conduct Authority;

"COND" means the Threshold Conditions part of the Handbook;

"DEPP" means the Authority's Decision Procedure and Penalties manual, part of the Handbook;

"EDM" means the Authority's Enforcement Executive Decision Makers;

"the Firm" means Promethean Finance Limited;

"the Firm's Part 4A permission" means the permission granted by the Authority to the Firm to carry on regulated activities under Part 4A of the Act;

"the Handbook" means the Authority's handbook of rules and guidance;

"PRIN" or "the Principles" means the Authority's Principles for Businesses, part of the Handbook;

"SUP" means the Authority's Supervision Manual, part of the Handbook;

"the Threshold Conditions" means the threshold conditions set out in Schedule 6 of the Act;

"the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber); and

"the Warning Notice" means the warning notice given to the Firm dated 4 November 2025.

RELEVANT STATUTORY AND REGULATORY PROVISIONS

5. The statutory and regulatory provisions relevant to this Notice are set out in Annex A.

FACTS AND MATTERS

6. The Firm was authorised by the Authority on 25 July 2016 to conduct consumer credit activity.

7. The Firm's balance sheet for 2024/25, shows that it has total liabilities of £234,455 and total assets of £142,517. Therefore, the Firm has a negative equity balance of £91,938. The Firm's financial projections for 2025/26 to 2027/28 also show that the Firm expects to continue holding a negative equity balance during this period.

8. Based on the Firm's Part 4A permission, the Firm is required under CONC 10.2.8R of the Consumer Credit Sourcebook, within the Handbook, to hold at all times, the higher of either £5,000.00 (CONC 10.2.8R(1)), or 0.25% of the Firm's relevant debts under management (CONC 10.2.8R(2)). As the Firm's relevant debts under management as at

31/05/25 were NIL according to the Firm's latest regulatory returns, the Firm is required to hold £5,000.00 at all times.

9. The Firm has been given two warnings of 'winding up' action by one of its substantial creditors.

FAILINGS

10. From the facts and matters described above, the Authority, having regard to its operational objectives, which include protecting and enhancing the integrity of the UK financial system and the protection of consumers, has concluded that:

   a) by having liabilities that exceed its assets (taking into account contingent and prospective liabilities) and being unable to pay its debts as they fall due, the Firm is insolvent. It has failed to maintain adequate financial resources as required under Principle 4 of the Principles and does not have appropriate provision in respect of its liabilities.

   b) by having a negative equity balance, the Firm is in breach of its requirement under CONC 10.2.8 of the Consumer Credit Sourcebook, within the Handbook, which requires the Firm to ensure that its prudential resources are not less than £5,000 at all times, such that the Firm is unable to comply with the requirements imposed on it by the Authority in the exercise of its functions and it does not have the appropriate resources to support the business over the next three year period;

   c) the Firm has been given two warnings of winding up action by the same creditor; and

   d) there is a risk to the continuity of the services provided by, or to be provided by, the Firm.

11. As a result, Enforcement considers that the Firm is failing, or is likely to fail, to satisfy COND 2.4 the Appropriate Resources Threshold Condition and Paragraph 2D of Schedule 6 of the Act.

12. Accordingly, for the reasons set out in this Notice, the Authority has decided to cancel the Firm's Part 4A permission to carry on regulated activities.

REPRESENTATIONS

13. Through the Warning Notice, the Authority gave notice that it proposed to take the action described above and the Firm was given the opportunity to make representations to the Authority about that proposed action.

14. Annex B contains a brief summary of the key representations made by the Firm and how they have been addressed. In making the decision which gave rise to the obligation to give this Decision Notice, the Authority has taken into account all the representations made by the Firm, whether or not set out in Annex B.

PROCEDURAL MATTERS

15. This Decision Notice is given to the Firm under section 55Z of the Act and in accordance with section 388 of the Act.

16. The following paragraphs are important.

Decision Maker

17. The decision which gave rise to the obligation to give this Notice was made by an executive decision maker of the Authority.

The Tribunal

18. The person to whom this Notice is given has the right to refer the matter to which this Decision Notice relates to the Tribunal. The Tax and Chancery Chamber is the part of the Upper Tribunal, which, among other things, hears references arising from decisions of the Authority. Under paragraph 2(2) of Schedule 3 to the Tribunal Procedure (Upper Tribunal) Rules 2008, the person to whom this Notice is given has 28 days from the date on which this Decision Notice is given to the Firm to refer the matter to the Tribunal.

19. A reference to the Tribunal is made by way of a signed reference notice (Form FTC3) filed with a copy of this Notice. The Tribunal's contact details are: The Upper Tribunal, Tax and Chancery Chamber, Fifth Floor, Rolls Building, Fetter Lane, London EC4A 1NL (tel: 020 7612 9730; email: uttc@hmcts.gsi.gov.uk).

20. For further information on the Tribunal, the Firm should refer to the HM Courts and Tribunal Service website. Guidance on making a reference to the Tribunal and the relevant form to complete (Form FTC3) can be accessed from the following link on the Tribunal website:

    https://www.gov.uk/government/collections/upper-tribunal-tax-and-chancery-chamber

21. A copy of Form FTC3 must also be sent to Zishan.siddique@fca.org.uk at the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN at the same time as filing a reference with the Upper Tribunal.

22. Once any referral is determined by the Tribunal and subject to that determination, or if the matter has not been referred to the Tribunal, the Authority will issue a final notice about the implementation of that decision.

Access to evidence

23. Section 394 of the Act applies to this Decision Notice.

24. In accordance with section 394(1), the person to whom this Notice is given is entitled to has the right to access:

    a) the material upon which the Authority has relied in deciding to give this Notice – a schedule of such material was given with the Warning Notice; and

    b) any secondary material which, in the Authority's opinion, might undermine that decision. There is no such secondary material.

Confidentiality and publicity

25. The Firm should note that this Decision Notice may contain confidential information and, unless it has been published by the Authority, should not be disclosed to a third party (except for the purpose of obtaining advice on its contents). The effect of section 391 of the Act is that neither the Firm nor a person to whom this Decision Notice is copied may publish it or any details concerning it unless the Authority has published those details. The Authority must publish such information about the matter to which a decision notice or final notice relates as it considers appropriate. The Firm should be aware, therefore, that the facts and matters contained in this Decision Notice may be made public.

Authority Contacts

26. For more information concerning this matter generally, contact Zishan Siddique at the Authority (direct line: 0207 066 3747 or by email: Zishan.siddique@fca.org.uk).

Dharmesh Gadhavi
Executive Decision Maker

Decision made by an FCA Head of Department under Executive Procedures

ANNEX A

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives established in section 1B(3) of the Act include protecting and enhancing the integrity of the UK financial system and securing an appropriate degree of protection for consumers.

2. Section 55J of the Act allows the Authority to cancel an authorised person's Part 4A permission, if it appears to the Authority that an authorised person is failing, or is likely to fail, to satisfy the Threshold Conditions (section 55J(1)(a)), or it is desirable to exercise the power in order to advance one or more of the Authority's operational objectives (section 55J(1)(c)).

3. The Appropriate Resources Threshold Condition set out in Part 1B, Paragraph 2D(1) of Schedule 6 of the Act provides that "the resources of A (the person concerned) must be appropriate in relation to the regulated activities that A carries on or seeks to carry on".

RELEVANT REGULATORY PROVISIONS

4. In exercising its power to cancel a firm's Part 4A permission to carry on regulated activities, the Authority must have regard to the regulatory requirements and guidance published in the Handbook. The main considerations relevant to the action stated in this Notice are set out below.

The Principles

5. The relevant principles for businesses are set out in PRIN 2.1.1R.

6. Principle 4 of PRIN (Financial Prudence) requires that a firm must maintain adequate financial resources.

The Threshold Conditions

7. COND gives guidance on the Threshold Conditions which represent the minimum statutory conditions for which the Authority is responsible, which a firm is required to satisfy, and continue to satisfy, in order to be given and to retain a Part 4A permission (COND 1.2.1G).

8. COND 1.2.3G reflects the statutory provisions of section 55J of the Act to the effect that the Authority may exercise its own-initiative powers to cancel an authorised person's Part 4A permission, if, among other things, a firm is failing to satisfy any of the Threshold Conditions, or is likely to fail to do so.

9. COND 2.4 – Guidance on the Appropriate Resources Threshold Condition.

10. COND 2.4.1AUK provides that the matters which are relevant in determining whether A has appropriate resources include the risks to the continuity of the services provided by, or to be provided by, A (COND 2.4.1AUK(2)(b)).

11. The matters which are relevant in determining whether A has appropriate financial resources include the provision A makes in respect of liabilities (COND 2.4.1AUK(3)(a)).

12. COND 2.4.2G(2) provides that in determining whether a firm has appropriate resources, the Authority will interpret the terms 'appropriate' as meaning sufficient in terms of quantity, quality and availability and 'resources' as including all financial resources, for example, capital, provisions against liabilities, holdings of or access to cash and other liquid assets.

The Supervision Manual

13. The Authority's approach in relation to its enforcement powers is set out Chapter 6B of SUP, certain provisions of which are summarised below.

14. SUP 6B.1.1G reflects the statutory provisions of section 55J of the Act to the effect that the Authority may use its own-initiative power to cancel an authorised person's Part 4A permission where, amongst other factors, the person is failing, or is likely to fail, to satisfy the Threshold Conditions for which the Authority is responsible (SUP 6B.1.1G(1)), or it is desirable to exercise one or more of its operational objectives (SUP 6B.1.1G(3)).

15. SUP 6B.5.1G states that the Authority will consider cancelling a firm's Part 4A permission using its own-initiative powers under section 55J of the Act in circumstances which include where the Authority has very serious concerns about a firm, or the way its business is or has been conducted (SUP 6B.5.1G(1)).

16. SUP 6B.5.2G provides examples of the types of circumstances in which the Authority may cancel a firm's Part 4A permission on its own initiative, including the following:

    1) failure to have or maintain adequate financial resources, or a failure to comply with regulatory capital requirements (SUP 6B.5.2G(3)).

    The Consumer Credit Sourcebook

    2) CONC sets out the detailed obligations that are specific to credit-related regulated activities and activities connected to those activities carried on by firms.

    3) CONC 10.2.8R provides that the prudential resources requirement for debt management firms is the higher of (1) £5,000; or (2) the sum calculated in accordance with CONC 10.2.5R(2) for the period until (subject to CONC 10.2.13 R) its next accounting reference date.

    4) CONC 10.2.5R provides that on its accounting reference date in each year, a firm must calculate:

        1) The total value of its relevant debts under management outstanding on that date; and

        2) The sum of:

            a) 0.25% of the first £5 million of that total value;

            b) 0.15% of the next £95 million of that total value; and

            c) 0.05% of any remaining total value.

<u>ANNEX B</u>

REPRESENTATIONS

The Firm made limited representations to the Authority in response to the Warning Notice by way of a letter dated 17 December 2025. Below is a summary of the Firm's representations (in bold) and the Authority's conclusion in respect of them.

1. **Ground 1: The Firm stated that it does not accept the factual or legal basis relied upon by the Authority in the Warning Notice, does not consider the Warning Notice to be complete, and does not accept that the proposed action is justified.**

1.1. The Firm has not explained why it considers the Warning Notice to be incomplete or why it does not accept that the proposed action is justified. The Authority considers that it does have both a factual and legal basis to issue a Warning Notice and that this was set out in the Warning Notice dated 4 November 2025 and its supporting documentation.

2. **Ground 2: The Firm stated that the Authority's current representations process does not provide independent adjudication. The Firm also stated that in the absence of the matter being considered by the Regulatory Decisions Committee ("RDC"), and the Firm not being able to test the Authority's assertions by questioning witnesses or seeking clarification of the Authority's reasoning, the Firm does not consider it appropriate or possible to set out its full response at this stage.**

2.1 Following consultation, the Authority published a policy statement in November 2021 (PS21/16: Issuing statutory notices – a new approach to decision makers) setting out changes to the Authority's decision-making process and moving some decision-making from the RDC to executive procedures. The wider context of the changes is set out in the policy statement. The structures and procedures of the RDC are not required by the Authority's statutory framework. The Authority considers that the executive procedures fulfil the statutory requirement under section 395(2) of the Financial Services and Markets Act 2000 for the decision to give a warning or decision notice to be taken by a person not directly involved in establishing the evidence on which the decision is based and that the Authority has complied with its decision-making rules and obligations. The Executive Decision Maker ("EDM") in this matter is independent of the Enforcement case team and has had no involvement in establishing the evidence on which the decision is based such that an independent decision has been made. Further, the Authority considers that the Firm has been provided with an opportunity to make representations with supporting evidence in response to the Warning Notice for the EDM to consider, but the Firm has chosen to only make limited representations.

3. **Ground 3: The Firm reserves all substantive grounds, evidence, and arguments for determination by the Tribunal.**

3.1 The Authority acknowledges the Firm's right to refer the matter to the Tribunal.