Securities and Exchange Commission PHILIPPINES

BAGONG PILIPINAS

FINANCING AND LENDING COMPANIES DEPARTMENT

IN THE MATTER OF: **MALICIOUS USE OF COMPANY NAME:** **FUSE LENDING, INC.** Trade and Financial Tower,32nd Flr, 32nd St., Taguig, 1634 Metro Manila, Philippines https://www.fuselendings.com/home info@FuseLendinggroup.ph loan@FuseLendinggroup.ph agents@FuseLendinggroup.ph *Respondent.*	**FLCD CDO Case No. 08** **Series of 2025.** **FOR: VIOLATION OF R.A. 9474 LENDING COMPANY REGULATIONS ACT OF 2007 AND FINANCIAL PRODUCTS AND SERVICES CONSUMER PROTECTION ACT**

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CEASE AND DESIST ORDER

This refers to information received by the Securities and Exchange Commission ("SEC" or "Commission") regarding the alleged unauthorized operation of Fuse Lending, Inc. ("the Respondent"), purportedly conducting lending activities without the requisite registration and Certificate of Authority from the Commission.

Antecedents

On 22 July 2025, the Commission received a report from Fuse Financing Inc. alerting the SEC to a suspicious website, https://www.fuselendings.com/home, which is allegedly falsely using the former corporate name, Fuse Lending, Inc. This website poses a potential risk to the public and threatens the legitimate operations of Fuse Financing Inc.

Subsequently, on 24 July 2025, Fuse Financing Inc. submitted an additional communication highlighting critical discrepancies between the official GCash mobile application and the aforementioned fraudulent website, specifically:

1. Official Platform vs. Unverified Website:

- GCash mobile application operates officially through Google Play Store and the Apple App Store, where users can safely download the app and access a broad range of services.
- The website https://www.fuselendings.com/home does not represent an official channel of GCash. It does not appear on recognized app stores or official platforms related to GCash.

2. Website URL and Domain Name:

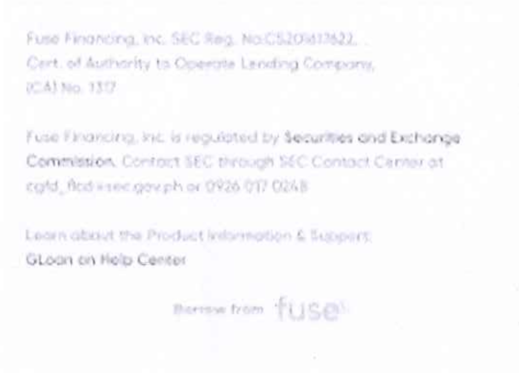
- **GCash and Fuse official website:** The legitimate official URL for GCash is https://new.gcash.com/ while for Fuse is www.fuselending.com, and the mobile app can only be downloaded through verified platforms.

- **Suspicious website:** The domain **https://www.fuselendings.com** is not associated with GCash and may attempt to impersonate legitimate financial services by using a similar layout or branding, misleading users.

3. Disclosure statement:

- The GCash mobile application includes the required regulatory disclosures such as the Company Registration Number, Certificate of Authority Number, and a statement confirming that Fuse Financing Inc. is regulated by the Securities and Exchange Commission (SEC).

- The fraudulent website only includes its company name and address without disclosing any regulatory details, such as a Certificate of Authority Number, Company Registration Number, or acknowledgment of being regulated by the SEC. These missing disclosures are a strong indication of the site's illegitimacy.



4. Customer Support and Helplines:

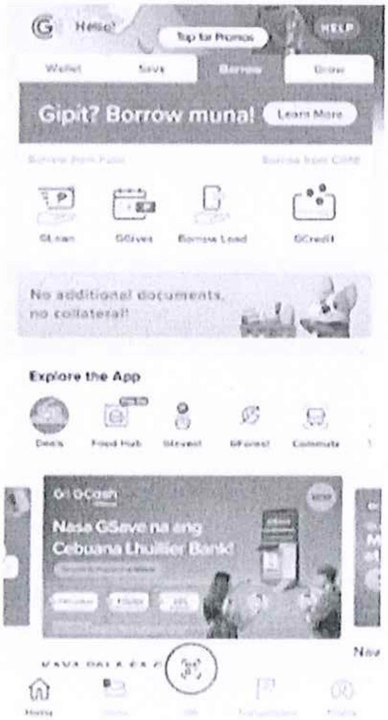
- The GCash mobile application has an official Help Center to provide more information on product features and services. Users can also raise tickets for their concerns and inquiries in the Help Center.
- On the other hand, the suspicious website only provided email addresses to send inquiries.

5. Authenticity of Financial Products:

- All loan products and services offered through the GCash mobile application are legitimate and authorized. The entire customer journey from application, availment, loan disbursement to loan repayment is seamlessly managed within the app. Transactions are processed in real-time, and users can easily access their payment schedules, transaction history, and loan documents directly in the app.

  Further, the GCash application implements various security measures such as multi-factor authentication, device binding (1 Device 1 Account), and session management to prevent account takeovers; end-to-end encryption and tokenization to ensure confidentiality and integrity of borrower data.

- On the other hand, the suspicious website collects KYC information directly through the website. While it outlines basic loan application procedures, the details are vague, with no specific timelines or clear steps, making the process appear unclear and unreliable.



Issue

Whether a Cease and Desist Order should be issued against the Respondent for violation of Republic Act No. 9474 (Lending Company Regulation Act of 2007) and the Financial Consumer Protection Act (FCPA)?

Ruling

The Commission finds that the issuance of a Cease and Desist Order against the Respondent is warranted.

An initial investigation reveals that the malicious website in question was created on 7 March 2025 and is set to expire on 7 March 2026.

A review of the Respondent's records with the Commission shows that Fuse Lending, Inc. is not registered as a corporation, partnership, or one-person corporation (OPC). Furthermore, there is no record indicating that the Respondent has been issued a Certificate of Authority, which is a mandatory requirement to legally engage in lending activities.

Under the Lending Company Regulation Act (R.A. 9474), no lending company shall operate without a valid Certificate of Authority issued by the Commission. Section 4 of the Act expressly provides:

> "SEC. 4 Form of Organization – **A lending company shall be established only as a corporation.** Provided that existing lending investors organized as single proprietorships or partnerships shall be disallowed from engaging in the business of granting loan to the public one year after the date of the effectivity of this act.
>
> **No lending company shall conduct business unless granted an authority to operate by the SEC".** (Emphasis and underscoring supplied).

The Lending Company Regulation Act penalizes any person who, without being registered as a corporation and without a subsisting Certificate of Authority obtained from the Commission, engages in the business of a lending company, to wit:

> SEC. 12 Penalty. - A fine of not less that ten thousand pesos (P10,000) and not more thatn fifty thousand pesos (P50,000) or imprisonment of not less than six months but not more than ten (10) years or both at the discretion of the court, shall be imposed upon:
>
> 1. Any person who shall engage in the business of a lending company without a validly subsisting authority to operate from the SEC.
> 2. The president, treasurer and other officers of the corporation, including the managing officer thereof, who shall knowingly and wittingly:
>
> a. Engage in the business of a lending company without a validly subsisting authority to operate from the SEC;
>
> b. Hold themselves out to be a lending company, either through advertisement in whatever form, whether in the stationary, commercial paper, or other document, or through other representations without authority;
>
> c. Make use of trade or firm name containing the words lending company or "lending investor" or any other designation that would give the public the impression that it is engaged in business of a lending company as defined in this Act without authority; and
>
> d. Violate the provisions of this act." (Emphasis supplied)

In relation to the lending business and industry, it bears emphasis that the Commission is mandated in Section 2 of the Lending Company Regulations Act to implement the policy of regulating lending companies to effectively prevent and mitigate the commission of practices prejudicial to public interest, thus:

"SEC 2. Declaration of Policy – It is hereby declared the policy of the state to regulate the establishments of lending companies and to place their operation on a sound, efficient and stable condition to derive the optimum advantages from them as an additional source of credit, to prevent and mitigate as far as practicable, practices prejudicial to public interest; and to lay down the minimum requirements and standards under which they may be established and do business." (Emphasis supplied)

On the basis of the foregoing, the Commission finds that the continued operation of the Website by the aforementioned entity constitutes a clear violation of, and should be penalized pursuant to the lending company regulation act because it engages in or carries out a lending business without the required license from the commission.

Furthermore, to protect the public and uphold its mandate, the Commission invokes Section 6(d)(4) of the Financial Consumer Protection Act (FCPA), as implemented by Memorandum Circular No. 05, Series of 2023, which authorizes the Commission to issue a Cease and Desist Order (CDO) without prior hearing if, in its judgment, the act or practice involves fraud or violation of the FCPA, or may cause grave or irreparable injury to financial consumers:

"RULE 6
Powers of the SEC

Section 1. *Powers of the Commission.* – The Commission shall, in the implementation of these Rules and the provisions of the FCPA, have the following powers:

D. Enforcement. The Commission shall have the authority to impose enforcement actions against financial service providers for noncompliance with the provisions of the FCPA, SEC FCPA IRR, and other existing laws pertinent to the jurisdiction and authority of the Commission.

Such enforcement actions may include the following:

Issuance of a cease and desist order ("*CDO*") to a financial service provider without the necessity of a prior hearing if, in the Commission's judgment, the act or practice, unless restrained, amounts to fraud <u>or a violation of the provisions of the FCPA and/or the SEC FCPA IRR</u>, or <u>may unjustly cause grave or irreparable injury or prejudice to financial consumers</u>. A CDO is immediately executory upon service or publication on the Commission's website. [Emphasis supplied]

Given the Respondent's continued operation of the lending website the Commission finds the issuance of a Cease and Desist Order is necessary not only to penalize the Respondent but also to prevent fraud, injury, or harm to the public and financial consumers.

WHEREFORE, premises considered, **FUSE LENDING, INC.** including its owners, operators, promoters, representatives, agents, *AND ANY AND ALL PERSONS CLAIMING AND ACTING FOR AND, IN THEIR BEHALF*, are hereby **DIRECTED** to immediately **CEASE AND DESIST** from engaging in, carrying out, promoting and facilitating any lending activity or transaction.

SO ORDERED.

31 July 2025, Makati City.

Kenneth Joy A. Quimio
Atty. Kenneth Joy A. Quimio
OIC-Director