
FINAL NOTICE

To: Premier FX Limited (in liquidation)
Reference Number: 530712
Address: Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Date: 23 February 2021

1. ACTION

- 1.1. For the reasons given in this Notice, the Authority hereby publishes a statement (a “public censure”) that Premier FX Limited (in liquidation) (“Premier FX”) contravened requirements imposed on it under the Payment Services Regulations 2009 and the Payment Services Regulations 2017 (the “PSRs 2009” and “PSRs 2017” respectively, together the “PSRs”).
- 1.2. The Authority would have imposed a substantial financial penalty on Premier FX as a consequence of the serious failings in this case. However, the Authority has considered the impact that a financial penalty would have on Premier FX given that it is currently in liquidation and that there is a significant liability to its creditors (many of whom are consumers). Taking this into account, the Authority does not consider it appropriate to impose a financial penalty on Premier FX and is instead publishing a censure to the effect that Premier FX has contravened the PSRs.

1.3. The public censure will take the form of this Final Notice, which will be published on the Authority's website.

2. SUMMARY OF REASONS

2.1. Premier FX was authorised by the Authority as an authorised payment institution and given permission to provide the payment service of money remittance from 25 February 2011.

2.2. However Premier FX seriously misled customers by informing them that:

- (1) it was able to hold their funds indefinitely without the need for a payment order for onward transfer;
- (2) their funds would be held in secure, segregated client accounts; and
- (3) their funds would be protected by the Financial Services Compensation Scheme ("FSCS").

2.3. None of these matters were true. However, as a result of these misrepresentations, many customers paid their funds to Premier FX (in some cases hundreds of thousands of pounds sterling, euros or US dollars) to hold without a payment order for onward transfer on the basis that the funds would be repayable on demand.

2.4. Some customers were offered and were paid interest. Other customers were offered a "worst case exchange rate deal" in which an exchange rate was fixed at the rate on the day that the customer's funds were received by Premier FX but no future date for exchange and remittance was agreed. Whenever the customer subsequently decided to instruct Premier FX to remit the funds, Premier FX would exchange the funds at the higher of the spot rate on that day and the agreed fixed rate. Accordingly, the customer would benefit if the exchange rate had improved since the date they transferred their funds to Premier FX and would also benefit if the exchange rate had worsened since that date as the fixed rate acted as a floor. Several customers would often pay in a lump sum and withdraw smaller amounts on a monthly basis.

2.5. Customer funds were not held in secure, segregated client accounts. Of the accounts which received these funds, only the main pounds sterling account was designated as a "client account" under Premier FX's banking arrangements. Premier FX did not maintain a client account in any of the other currencies which it mainly traded, including euros and US dollars. In the event that Premier FX became

insolvent, any funds in these accounts could have been set-off against an overdrawn balance in another Premier FX account. These accounts were therefore not "secure".

- 2.6. Customers who paid funds to Premier FX to hold without a payment order for onward transfer were also told their funds would be "segregated". In reality, these customers' funds became comingled with the funds of other customers and Premier FX's own funds the moment they were credited to Premier FX's account. The funds were frequently moved into other Premier FX accounts shortly after they were received. At this point it appears that Premier FX ultimately used the funds to make payments to, or on behalf of, other customers or to meet its own business expenses.
- 2.7. Peter Rexstrew was the sole shareholder and director of Premier FX, and controlled all aspects of its operations. He instructed staff how to pitch to clients and chose what wording to include in Premier FX's promotional material. He authorised the terms on which customers paid significant amounts of money to Premier FX. He also restricted access to Premier FX's bank accounts and, save for brief periods when he was incapacitated through illness, dealt with the overwhelming majority of transactions out of and between the accounts.
- 2.8. Although Peter Rexstrew controlled Premier FX, there is no clear explanation for how or why he moved funds between the bank accounts. The overall appearance is one of disorganisation and disarray, where Premier FX's accounts were not used for their intended purposes.
- 2.9. For example, there were excessive transfers of funds from Premier FX's pounds sterling client account to its pounds sterling office account during the relevant period (over £10 million). However, only 4% appears to have been spent on business expenses during the relevant period. Approximately 70% of the funds were transferred to other Premier FX accounts and the rest appears to have been used to settle customers' payments out of the office account.
- 2.10. Conversely, whereas Peter Rexstrew used the office account to settle customers' payments, he used funds in the pounds sterling client account to pay salaries, maintenance and to acquire Global Currency Service in 2016. The Authority did not identify excessive payments made to Premier FX staff during the relevant period.

- 2.11. Peter Rextrew paid more into Premier FX's accounts at Barclays than he received over the course of the relevant period. He received approximately £85,000 and €590,000 from Premier FX during the relevant period. However, although he paid approximately £224,000 and €1,242,000 into Premier FX's accounts during the relevant period from his personal bank accounts, a significant proportion of these amounts do not appear to have been his own funds. The Authority identified many instances of Premier FX customers paying funds directly into his personal bank accounts in the UK, Portugal and Spain. In addition, significant amounts of cash and cheques were deposited into one of his accounts in Portugal. It is not clear whether these were payments from Premier FX customers. Further, while some of these funds were transferred to Premier FX, it does not appear that all of these funds were transferred into Premier FX's accounts.
- 2.12. Peter Rextrew died on 16 June 2018. Based on the balances in Premier FX's accounts on the day he died, if all of the creditors currently claiming in Premier FX's liquidation were to have sought their funds on 18 June 2018, Premier FX would not have been able to meet their claims in full on that day.
- 2.13. Peter Rextrew's children, Katy Grogan and Charlie Rextrew, were appointed as directors on 18 June 2018. Over the course of the following weeks, Premier FX began to be contacted by customers asking for confirmation of the balance of their funds held by the firm and, in some cases, requesting interest payments. Many of these customers were Peter Rextrew's own personal customers and staff were unable to locate a record of their funds on Premier FX's client relationship management system. Several of Peter Rextrew's customers who had transferred significant funds to Premier FX had not even been registered on the system by Peter Rextrew.
- 2.14. The new directors and other Premier FX staff made genuine attempts to respond to these customers' queries. Some were repaid but, when an increasing number of customers came forward asking for confirmation of the balance of their funds held by the firm, Premier FX realised that the firm held insufficient funds in its accounts to cover all of these claims. Six weeks after Peter Rextrew's death, having sought insolvency and legal advice, the new directors announced that Premier FX had ceased trading. They reported the matter to the Authority on 1 August 2018.
- 2.15. On 13 August 2018, on the application of the Authority, the High Court appointed administrators on the basis that Premier FX was unable to pay its debts as they fell

due and was cashflow insolvent. At a Creditors Meeting on 18 October 2018, the creditors voted to appoint liquidators, who took office on 23 November 2018.

- 2.16. As at 14 December 2020, the liquidators have received claims from 136 creditors with an estimated total of £9,202,400.77 (these claims do not include tax or employee related claims and they have not been assessed by the liquidators for the purposes of distribution). Notwithstanding the representations made by Premier FX to its customers, none of the customers' losses are covered by the FSCS. FSCS protection does not apply to authorised payment institutions providing money remittance services under the PSRs nor do they apply to a firm which may be acting outside of its permitted activities, for example where it may be carrying on the regulated activity of accepting deposits without permission.
- 2.17. It is unclear how Premier FX made a sufficient profit from money remittance to offer its customers "worst case exchange rate" deals and interest payments, and it is likely that Peter Rexstrew offered these deals to customers in order to entice them to pay their funds into Premier FX. Once those funds arrived in Premier FX's accounts, they were likely used to settle other customers' payments. He went to great lengths to encourage customers to keep their funds in Premier FX, telling one customer on the day before he died that he was prepared to guarantee their funds over the FSCS limit. Although the Authority has not been able to identify definitively why Peter Rexstrew operated this scheme, it is likely that Premier FX had been loss making for some years and that he needed new funds to meet existing debts. Premier FX's true financial position became evident within weeks of his death.
- 2.18. The Authority publishes this public censure in respect of Premier FX for its misuse of its accounts and its failure to safeguard the relevant funds of payment service users.
- 2.19. Money remittance is a type of payment service regulated under the PSRs. It involves the transmission of money from a payer to a payee via a payment services provider. When transferring their funds to the bank account of its payment services provider, the customer (known as a "payment service user") should instruct the payment service provider to remit the money onwards either immediately or on a future date. Often, the funds are exchanged into another currency as part of the same transaction.
- 2.20. Authorised payment institutions are a type of payment service provider which are authorised by the Authority to provide payment services such as money remittance.

Authorised payment institutions are required to safeguard payment service users' relevant funds in accordance with the provisions of the PSRs. This includes:

- (1) segregating relevant funds from all other funds it holds as soon as those funds are received; and
- (2) if those relevant funds are still held at the end of the business day following the day on which they were received, depositing the relevant funds in a separate "safeguarding" bank account.

2.21. Fundamentally, authorised payment institutions should not hold a customer's funds unless accompanied by a payment order for onward transfer (whether to be executed immediately or on a future date). An authorised payment institution is not permitted to hold its customers' funds indefinitely. Doing so may amount to accepting deposits which is separately regulated under the Financial Services and Markets Act 2000.

2.22. Premier FX breached Regulation 19 of the PSRs 2009 between 1 January 2013 and 22 May 2018, and Regulation 23 of the PSRs 2017 between 23 May 2018 and 13 August 2018 in that:

- (1) none of the 73 accounts that Premier FX maintained in the UK between 1 January 2013 and 13 August 2018 were designated in such a way that showed they were a safeguarding account; and
- (2) aside from three accounts whose terms and conditions excluded a right of set-off over the funds in those accounts, Premier FX took no steps to ask its bank to acknowledge that it had no rights (e.g. a right of set off) or interest (e.g. a charge) over the funds in the other 70 accounts.

2.23. Accordingly, in the event of Premier FX's insolvency, there was a material risk that any relevant funds held by Premier FX would not be readily identifiable and could be subject to claims from other creditors, thus increasing the time and costs of distributing them.

2.24. Premier FX also breached Regulation 28 of the PSRs 2009 between 1 January 2013 and 22 May 2018, and Regulation 33 of the PSRs 2017 between 23 May 2018 and 13 August 2018:

- (1) Premier FX actively encouraged customers to pay funds into payment accounts without the need for a payment order for onward transfer when it was not permitted to do so; and
- (2) customers paid their funds into Premier FX's payment accounts without payment orders for onward transfer. Premier FX agreed to hold the funds on the basis that they would be repayable on demand. In some cases, it offered to pay the customer interest on the funds held by the firm.

2.25. The Authority hereby publishes a censure that Premier FX contravened requirements imposed under the PSRs pursuant to Regulation 84 of the PSRs 2009 and Regulation 110 of the PSRs 2017.

3. DEFINITIONS

3.1. The definitions below are used in this Notice:

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

"Alacrity Payments" means Alacrity Payments Limited (FRN 598643), an agent of Premier FX;

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

"Barclays" means Barclays Bank Plc (FRN 122702);

"the Client Account (GBP)" means the pounds sterling bank account called "Premier FX Limited Clients Account" with an account number ending in 9034 maintained by Premier FX at Barclays;

"the CRM system" means the computerised customer relationship management system operated by Premier FX;

"DEPP" means the Decisions Procedure and Penalties Manual, part of the Authority's Handbook of rules and guidance;

"the FSCS" means the Financial Services Compensation Scheme;

“Global Currency Service” means Global Currency Service Limited (in liquidation) (FRN 535671);

“Invo Collect” means Invo Collect Limited;

“the Office Account (GBP)” means the pounds sterling bank account called “Premier FX Limited GBP Office Account” with an account number ending in 5191 maintained by Premier FX at Barclays;

“Premier FX” means Premier FX Limited (in liquidation) (FRN 530712);

“the Primary Euro Account (EUR)” means the euro bank account with an account number ending in 4333 maintained by Premier FX at Barclays;

“the PSRs 2009” means the Payment Services Regulations 2009;

“the PSRs 2017” means the Payment Services Regulations 2017;

“the PSRs” means the PSRs 2009 and the PSRs 2017;

“the Regulated Activities Order” means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

“the relevant period” means 1 January 2013 to 13 August 2018;

“the Secondary Euro Account (EUR)” means the euro bank account called “Premier FX Limited” with an account number ending in 2477 maintained by Premier FX at Barclays;

“Securus Escrow” means Securus Escrow Limited (FRN 647732), an agent of Premier FX;

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

“the US Dollar Account” means the US Dollar Account called “Premier FX Ltd” with an account number ending in 2999 maintained by Premier FX at Barclays.

4. FACTS AND MATTERS

4.1. A chronological timeline of key events is at Annex B to this Notice.

Establishment of Premier FX

4.2. During the earlier part of his career Peter Rexstrew worked as a foreign exchange dealer for two banking groups, in the UK, Singapore and Australia. In or around 2005, following a redundancy and for health reasons, he relocated to Portugal where he had purchased a holiday home a few years earlier. He later sold his family home in London and invested the proceeds in his new foreign exchange business, Premier FX.

4.3. Premier FX was incorporated as a company in England and Wales on 4 April 2006. Peter Rexstrew was the sole shareholder of Premier FX since its incorporation. Between 1 November 2009 and 17 June 2018, he was also the sole director of Premier FX.

4.4. Peter Rexstrew established Premier FX's office in Almancil, Portugal in summer 2006. He subsequently established another office in Palma, Majorca, Spain in 2014 and an office in Lisbon, Portugal in 2017. Over time, he gradually spent more time in Majorca and eventually moved there from Portugal. Premier FX also briefly operated in Dubai between 2014 and 2016. Premier FX maintained its registered office in the City of London until September 2017 when it moved to Reigate, Surrey.

4.5. Premier FX's clients included British citizens who either lived in Portugal or Spain, or who lived in the UK and had holiday homes in Portugal or Spain. These customers used Premier FX, for example, to transfer funds from their UK bank accounts to Portugal in order to fund property purchases and living costs. Many of Premier FX's customers were retired or approaching retirement.

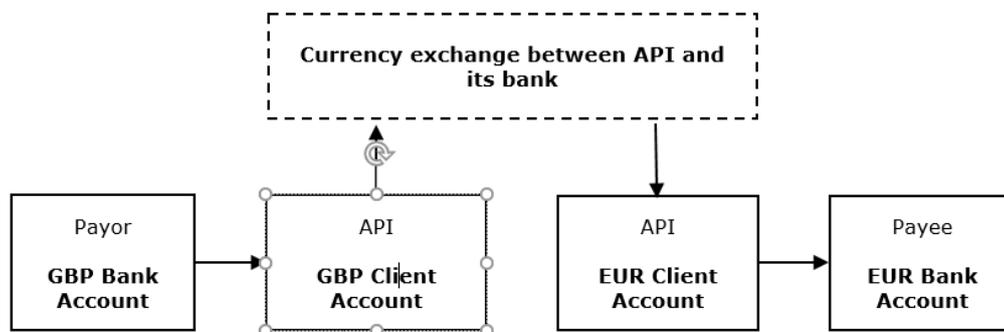
4.6. Clients were able to transfer funds either by calling or emailing their individual account manager or by placing an order online. Each Premier FX account manager managed their own client list, as did Peter Rexstrew.

Premier FX's permission to provide payment services

4.7. Following the introduction of the PSRs 2009, Premier FX was authorised by the Authority as an authorised payment institution and given permission to provide payment services activities on 25 February 2011. Premier FX was subsequently

authorised by the Authority as an authorised payment institution under the PSRs 2017 with effect from 23 May 2018.

- 4.8. The only payment service that Premier FX was permitted to provide during the relevant period was money remittance. Premier FX was not permitted to provide any other payment service.
- 4.9. Money remittance involves the transmission of money from a payer to a payee via a payment services provider (such as Premier FX), without any payment accounts being created either in the name of the payer or the payee. The customer transfers funds to the bank account of its payment services provider which, in turn, transfers a corresponding sum (potentially after exchanging it into a different currency) to the ultimate payee.
- 4.10. For example, a UK based customer (the payer) wishing to purchase a property in the Algarve may have used Premier FX to transfer funds from their UK bank account to a euro account at a Portuguese Bank belonging to their lawyer (the payee) in order to complete the purchase. Accordingly, they would have transferred an amount in pounds sterling from their UK bank account to one of Premier FX's pounds sterling bank accounts and instructed Premier FX to exchange those funds into euros at an agreed rate and then to transfer the euros to their lawyer on a specific date.
- 4.11. In this example, Premier FX would have first exchanged its customer's funds into euros before instructing its bank to remit the euros to the bank account of its customer's lawyer (this may have happened via another payment institution such as a correspondent bank). The funds may have flowed as follows:



- 4.12. Premier FX provided the payment service of money remittance only where it received funds from a customer for the *sole* purpose of transferring the funds to a

payee (or to another payment service provider acting on behalf of the payee). It was not permitted to accept a customer's funds unless the customer also gave a payment order for the funds to be transferred onwards, whether immediately or on a future date. Premier FX was not permitted under the PSRs to retain customers' funds indefinitely. Premier FX was also not authorised to accept deposits which is a regulated activity under the Act.

- 4.13. FSCS protection does not apply to authorised payment institutions providing money remittance services under the PSRs. FSCS protection also does not apply where a firm is acting outside of its permitted activities, for example where a firm is carrying on the regulated activity of accepted deposits without permission.

Premier FX's bank accounts

- 4.14. During the relevant period, Premier FX maintained 73 bank accounts in the UK, in 33 currencies. All of these accounts were held at Barclays:
- (1) Premier FX maintained four accounts in pounds sterling, including the Client Account (GBP) and the Office Account (GBP);
 - (2) it maintained four accounts in euros, including the Primary Euro Account (EUR) and the Secondary Euro Account (EUR);
 - (3) the number of accounts it maintained for the other 31 currencies varied:
 - (a) Premier FX had two accounts for each of the 18 currencies which it mainly traded in (e.g. US dollars, Hong Kong dollars and South African Rand); and
 - (b) Premier FX maintained one account for the remaining 13 currencies which it either rarely traded or did not trade at all during the relevant period; and
 - (4) in addition, Premier FX maintained 16 accounts (denominated in either pounds sterling, euros or US dollars) which related either to specific clients or to other companies associated with Premier FX, namely Alacrity Payments, Global Currency Service and Invo Collect (see paragraphs 4.15 to 4.26 below).

Premier FX's associated businesses

Alacrity Payments and Securus Escrow

- 4.15. Authorised payment institutions may also provide payment services through an agent, as long as they register the agent with the Authority first. An agent (as defined in regulation 2 of the PSRs) is any person or firm who acts on behalf of an authorised payment institution (the principal) in the provision of payment services. As such, the agent does not require separate permission, but rather operates under the permission of the principal and the principal is generally responsible for the activities of its agents.
- 4.16. Premier FX had two such agents: Alacrity Payments and Securus Escrow. As an agent's permissions are limited to the permission given to its principal, Alacrity Payments and Securus Escrow could only provide the payment service of money remittance.
- 4.17. Alacrity Payments was established on 14 March 2013 and Peter Rextrew was its sole director and shareholder. Alacrity Payments' business was the provision of a secure online foreign exchange payment platform. Clients were intended to be authorised payment institutions, commercial and professional businesses, and high net worth individuals. Premier FX maintained three bank accounts (in pounds sterling, US dollars and euros) with "Alacrity Payments" in the name, although only the US dollar account had any substantial activity in it. Although the business ceased trading in 2014, Premier FX continued to use the US dollar account for currency transactions until 2018 (see paragraph 4.95 below). Alacrity Payments was dissolved via compulsory strike-off on 23 May 2017.
- 4.18. Premier FX did not maintain any separate bank accounts for Securus Escrow. Securus Escrow was an escrow agent in the sale and purchase of aircraft by an aviation company. The business carried out by Premier FX on behalf of Securus Escrow was limited and Securus Escrow was in any event unable to provide money remittance after Premier FX entered into administration. Securus Escrow was dissolved via voluntary strike-off on 4 February 2020.

Global Currency Service

- 4.19. Following the introduction of the PSRs 2009, Global Currency Service was authorised by the Authority as an authorised payment institution and given permission to provide payment services activities on 25 February 2011. Global

Currency Service was subsequently authorised by the Authority as an authorised payment institution under the PSRs 2017 with effect from 12 April 2018. The only payment service that Global Currency Service was permitted to provide during the relevant period was money remittance.

- 4.20. Global Currency Service's business and customer base were distinct from those of Premier FX, as it focussed on clients from the film industry.
- 4.21. Global Currency Service maintained its bank accounts with Barclays until 2013 when Barclays ended its banking relationship with Global Currency Service. On 8 July 2013, Barclays agreed that Premier FX could maintain several bank accounts on behalf of Global Currency Service. In effect, Global Currency Service operated through Premier FX's systems. Thereafter, Premier FX maintained five bank accounts for Global Currency Service: two in pounds sterling, two in US dollars and one in euros.
- 4.22. Premier FX subsequently acquired Global Currency Service and it became a wholly owned subsidiary of Premier FX on 2 December 2016. Premier FX paid the former owners from funds in the Client Account (GBP).
- 4.23. The High Court ordered Global Currency Service to be wound up on 22 November 2019 and it is currently in liquidation.

Invo Collect

- 4.24. Invo Collect was a separate invoice payment collection business which prior to its incorporation was operating under the trading name "PaybyPremier". While Peter Rexstrew was neither a shareholder nor director of Invo Collect, he was involved in establishing its business. Invo Collect was incorporated on 25 May 2018, three weeks before he died.
- 4.25. Invo Collect did not have its own bank accounts. Instead Premier FX used four existing bank accounts at Barclays with the words "PACE Financial" in the account names (one pounds sterling account, a euro account and two US dollar accounts). These accounts had been opened in November 2016 in respect of a failed acquisition of another company by Premier FX but the names of the accounts were not then changed to "PaybyPremier" or "Invo Collect". The start-up costs (for example in relation to the online system that the company used) may have been incurred by Premier FX, although the Authority has not been able to identify individual transactions within Premier FX's bank accounts that relate to such costs.

4.26. The business failed and Invo Collect was dissolved on 18 June 2019.

Safeguarding accounts

4.27. The PSRs impose safeguarding requirements to protect payment service users whose funds are held by an authorised payment institution such as Premier FX. Such funds are defined in the PSRs as “relevant funds”.

4.28. Authorised payment institutions can safeguard relevant funds by ensuring that they are placed in a separate bank account from its working capital and other funds. This is known as the “segregation method”. If the authorised payment institution is then subject to an insolvency event (as defined in the PSRs) while still holding relevant funds, claims of payment service users are paid from the asset pool formed from these funds in priority to all other creditors (other than in respect of the costs of distributing the asset pool).

4.29. The segregation method requires an authorised payment institution to:

- (1) segregate relevant funds (i.e. keep them separate from all other funds it holds) as soon as those funds are received;
- (2) if the relevant funds are still held at the end of the business day following the day on which they were received, deposit the funds in a separate account with an authorised credit institution (e.g. a bank);
- (3) ensure that the separate account is designated (i.e. named in such a way as to show that it is an account which is held for the purpose of safeguarding relevant funds); and
- (4) ensure that the separate account is only used for holding relevant funds.

4.30. The safeguarding requirements only apply to “relevant funds”, namely sums received from, or for the benefit of, a payment service user for the execution of a payment transaction.

4.31. Premier FX claimed that it used the segregation method to safeguard relevant funds. In August 2010, in Premier FX’s application form to the Authority to become authorised under the PSRs 2009, Peter Rexstrew described the safeguarding measures as “*Barclays Bank plc holds all client funds in segregated accounts*”. In October 2017, as part of Premier FX’s application to become authorised under the PSRs 2017, Peter Rexstrew confirmed to the Authority in writing that the measures

to safeguard payment service users' funds were as previously described to the Authority and were up-to-date.

- 4.32. However, none of the 73 bank accounts maintained by Premier FX during the relevant period were designated in such a way as to show that they were accounts which were held for the purpose of safeguarding relevant funds in accordance with the PSRs. Further, Premier FX did not inform Barclays that any of these accounts contained relevant funds nor did it seek an acknowledgement from Barclays that the bank had no rights or interest over the funds in any of the accounts in the event of Premier FX's insolvency.
- 4.33. Indeed, of the 73 bank accounts, only three accounts were designated a "client account" whereby Barclays had agreed not to exercise a right of set-off over the funds in those accounts under its terms and conditions. As well as the Client Account (GBP), only a Kenyan Shillings account and a Moroccan Dirhams account (which was closed on 1 December 2014) were also designated as "client accounts" and both were relatively inactive during the relevant period. None of the euro accounts or the US dollar accounts, for example, were designated as "client accounts".
- 4.34. In the absence of any properly designated safeguarding accounts, there was a material risk that, in the event of Premier FX's insolvency, any relevant funds belonging to payment service users would not be readily identifiable and would be subject to claims from other creditors which may increase the time and costs of distributing them. They may also have been subject to the right of Barclays to set off credit balances against debit balances in other accounts.

Services offered to customers

Holding customers' funds without a payment order

- 4.35. As stated in paragraph 4.12 above, Premier FX was not permitted to hold on to a customer's funds unless the customer also gave a payment order for the funds to be transferred onwards, whether immediately or on a future date. It was also not authorised under the Act to carry out the regulated activity of accepting deposits.
- 4.36. However, in addition to providing the payment service of money remittance, Premier FX told customers that it was also permitted to create accounts and to hold their funds indefinitely without the need for an onward payment order. Premier FX told its customers that their funds would be securely held in segregated client

accounts separately from all other funds. Some customers were led to believe that this meant that the firm had created specific accounts in their individual names at Barclays when this was not the case.

4.37. Some customers were also led to believe that their funds were protected by the FSCS. Shortly before he died, Peter Rexstrew even confirmed to one customer that he was prepared to guarantee any funds over the FSCS limit.

4.38. Premier FX produced a document for its customers entitled "*Regulation & Client Account Security*" which was also available on its website. This document suggested that the firm was able to accept funds and that any monies held by the firm were secure: "*All funds transferred via or deposited with Premier FX are held in client accounts at Barclays Bank in London. There are strict rules regarding the security of client funds held in this way, and this document highlights the key factors to consider*".

4.39. The document went on to state that:

- (1) clients' funds were held in secure client accounts separate from the day-to-day business accounts of the company;
- (2) clients' funds were kept separate within the client accounts and still belonged to the client until sent on as a currency transfer;
- (3) if Premier FX ceased trading all the client monies held in the segregated client accounts would be repaid first by the bank; and
- (4) these accounts acted as "escrow accounts" and were protected under the FSCS.

4.40. The document concluded by stating: "*In summary, funds held in the client accounts are subject to the same protection under law as if they were held in the client's own bank account.*"

4.41. Some customers relied on this document in transferring their money to Premier FX. However, the statements made in this document about the status of customer funds and Premier FX's client accounts were materially misleading:

- (1) Premier FX was only permitted to carry out the payment service of money remittance, meaning that it could not accept funds from a customer without a payment order to remit that money onwards, whether immediately or on a future date. It could not hold on to a customer's funds indefinitely.

- (2) Save for the Client Account (GBP) and two rarely used accounts, none of the accounts maintained by Premier FX were set up as "client accounts". In relation to the other 70 accounts, in the event that Premier FX became insolvent, Barclays would have been able to set off a debit balance on one account against the credit balance in another account. These accounts were therefore not "client accounts" nor were they "secure".
- (3) The FSCS compensation rules in relation to deposit taking apply to certain customers of UK authorised banks, building societies and credit unions in the event that they fail. If such a failure were to occur, an authorised payment institution which was the customer of a bank would not be eligible for compensation under the FSCS's rules in respect of relevant funds held in its accounts. The safeguarding provisions of the PSRs are instead designed to keep payment service users' relevant funds safe in such circumstances. As explained in paragraph 4.32 above, none of Premier FX's 73 bank accounts were designated in such a way as to show that they were accounts which were held for the purpose of safeguarding relevant funds.

4.42. Customers who transferred funds to Premier FX without an onward payment instruction were told that they were able to withdraw their funds at any time. Additionally, a few customers who transferred funds to Premier FX without any onward payment instruction were paid interest on those funds. One customer told the Authority that "*Nobody could match the monthly interest payments offered by Premier FX*" and another customer was offered interest rates up to 4.5%.

Forward rate contracts and "worst case exchange rate" deals

- 4.43. Premier FX offered forward rate contracts to its customers, where a customer would enter into an agreement to exchange funds into another currency at an agreed rate on a fixed date up to two years in the future. The customer would pay a deposit to Premier FX with the balance paid on the fixed future date.
- 4.44. However, Premier FX also offered to customers who were prepared to transfer a significant sum of money what Peter Rexstrew called a "worst case exchange rate" deal. For funds held under a worst case exchange rate deal, an exchange rate was fixed at the rate on the day that the customer's funds were received by Premier FX but no future date for exchange and remittance was agreed. Whenever the customer subsequently decided to instruct Premier FX to remit the funds, Premier FX would exchange the funds at the higher of the spot rate on that day and the agreed fixed rate. Accordingly, the customer would benefit if the exchange rate had

improved since the date he transferred his funds to Premier FX and would also benefit if the exchange rate had worsened since that date as the fixed rate acted as a floor. Several customers would often pay in a lump sum and withdraw smaller amounts on a monthly basis.

- 4.45. Given the flexibility of these terms, worst case exchange rate deals were more popular with customers than forward contracts, although customers were required by Peter Rexstrew to transfer the whole amount to Premier FX within a day or two of the date on which the exchange rate was agreed (as opposed to a forward contract where only an initial deposit was required to be paid).
- 4.46. In contrast to buying a forward contract, customers who entered into a worst case exchange rate deal with Premier FX did not receive a deal contract but instead only received an email confirming the agreed exchange rate and receipt of their lump sum. Some of these customers also received upon request monthly spreadsheets detailing their account balances and the agreed exchange and interest rates (see also paragraph 4.56 below).
- 4.47. While it is likely that Premier FX offered this deal to customers in order to put the firm at a competitive advantage, it is not clear how the firm profited from these deals. It is also unclear how Premier paid for the interest payments offered to customers. Premier FX did not charge its customers fees, except where the amount to be exchanged was less than £1,000 or where a customer wanted to remit funds in the same currency (i.e. where there was no currency exchange). It instead made a profit from the difference between the rates that it bought or sold currencies from Barclays and the rates that it offered its customers. Premier FX did not have any derivative products in place at Barclays to hedge its foreign exchange risk arising out of worst case exchange rate deals.
- 4.48. Indeed, Peter Rexstrew failed to cover a forward rate contract in respect of a substantial amount of money, the terms of which he agreed before he died, and which subsequently caused a significant loss to Premier FX following his death (see paragraph 4.79 below).
- 4.49. Contracts of this type may amount to "futures" under the Regulated Activities Order, if entered into for "investment" rather than "commercial" purposes. Premier FX would have required authorisation under the Act to deal in futures, which it did not have. Thus, Premier FX's ability to offer forward exchange rate contracts or worst case exchange rate deals legally was dependent on the facts specific to each contract, in particular whether the customer wished to enter into the transaction

for commercial rather than for investment purposes. For example, where a customer wished to fix the price of foreign currency in order to pay for the cost of a trip abroad or in order to purchase property overseas, and took delivery of the currency, it is unlikely that the contract would be a future. However, where the contract between Premier FX and a customer was open-ended, for example to pay for a customer's cost of living arising when they were staying at their home abroad over an unspecified period of time, it is more likely to have been a future. Premier FX ought to have satisfied itself in each individual case whether or not the forward rate agreement or worst case exchange rate deal it was offering a customer meant that it was carrying out a regulated activity for which it required permission. The Authority has not seen any evidence that in Premier FX's dealings with certain customers who entered into a worst case exchange rate deal that it considered the specific circumstances of any individual case before offering these contracts to customers.

Peter Rexstrew's control of Premier FX's operations

4.50. As the sole director and shareholder, Peter Rexstrew controlled all aspects of Premier FX's operations:

- (1) Peter Rexstrew instructed staff how to pitch to clients and chose what wording to include in Premier FX's promotional material including the term "*secure client account*";
- (2) Peter Rexstrew also exerted control over the terms on which customers paid significant amounts of money to Premier FX. For example, staff were required to seek his authority before proceeding with a forward rate agreement or a worst case exchange rate deal, and to seek his agreement to any interest rate that was offered to a customer; and
- (3) he insisted on working uninterrupted reconciling the accounts at the end of each day in his office.

4.51. Peter Rexstrew kept key information about the operation of Premier FX from his staff and he sought to employ people who were less likely to challenge him. Premier FX's sales staff had a limited understanding of the extent of the firm's permission under the PSRs - they believed that authorised payment institutions like Premier FX were permitted to retain customer funds for indefinite periods of time without a payment instruction because Peter Rexstrew told them and they took no steps to query this.

- 4.52. Staff were also not aware of how those funds were treated in Premier FX's accounts. Peter Rexstrew restricted access to the bank accounts and he dealt with nearly 95% of transactions out of and between Premier FX's bank accounts. Staff instead believed the information that they told their customers (i.e. that their funds were being securely held in Premier FX's accounts and were segregated from other funds) and, without access to the accounts, they knew no better. Indeed, some employees and their family members transferred significant amounts of their own funds to Premier FX in the belief that the funds would be segregated in the firm's bank accounts; one member of staff even agreed a worst case exchange rate with Peter Rexstrew. However, Peter Rexstrew treated employees' funds no differently from customers' funds: employees and their families who had transferred funds to Premier FX also lost their money when the firm ceased trading.

Customer relationship management system

- 4.53. Premier FX maintained an electronic CRM system which it operated under licence from a third-party software company. The CRM system recorded a customer's payment order history, issued deal contracts in respect of future payment orders, and provided customers with the option of accessing their Premier FX account and placing orders online.
- 4.54. For most of the relevant period, the CRM system was not directly connected to the electronic cash management platform provided by Barclays to Premier FX to send payments in accordance with customers' instructions. Accordingly, for most of the relevant period, when a payment was received from a customer into one of Premier FX's bank accounts, that payment had to be manually reconciled with the customer's deal contract recorded in the CRM system before Premier FX could complete the payment transaction. Until his death, save for brief periods when he was incapacitated through illness, Peter Rexstrew carried out this reconciliation process (see also paragraph 4.50(3) above). The reconciliation sometimes resulted in discrepancies between the bank account statements and the CRM system.
- 4.55. The CRM system recorded the balance of some of those customers who transferred funds to Premier FX without a payment order. In the absence of an instruction to transfer those funds on a specific date, no deal contract would be issued to those customers. Accordingly, when such funds were received from a customer into one of Premier FX's bank accounts, staff would inform Peter Rexstrew who would then manually update the customer's balance on the CRM system which the customer could then view online (if they had opted for online access).

- 4.56. Some of those customers who transferred funds to Premier FX without a payment order did not opt for online access to the CRM system. Instead, Premier FX staff would email them a spreadsheet setting out the amounts they had paid in or withdrawn, the balance of their funds, and any interest payments. These spreadsheets were maintained by Peter Rexstrew on his own computers. They were not linked to the customers' records on the CRM system: for example, the CRM system was unable to account for interest payments, so Peter Rexstrew manually calculated these payments and added them to these offline spreadsheets.
- 4.57. After his death, Premier FX staff subsequently discovered that several of Peter Rexstrew's clients were not even registered on the CRM system (see paragraphs 4.74 to 4.75 below). Instead, Peter Rexstrew maintained offline spreadsheets for some of these customers. Peter Rexstrew also kept manual records in notebooks, some of which were located by other Premier FX staff after his death, the contents of which are unintelligible.
- 4.58. Given that there was no direct link between the CRM system and Premier FX's bank accounts, neither the CRM system records nor the offline spreadsheets created by Peter Rexstrew reflect how customers' funds were actually held by Premier FX in its bank accounts. For that reason, the Authority has not obtained and reviewed the CRM records. Our investigation has instead focussed on reviewing the payments into, between and out of Premier FX's bank accounts.

How Premier FX treated customers' funds

- 4.59. The Authority obtained and reviewed the account statements for Premier FX's UK bank accounts for the period from 1 January 2013 to 13 August 2018 (when Premier FX entered into administration). Similarly, the Authority obtained and reviewed the account statements for the bank account that Premier FX maintained in Portugal.
- 4.60. In order to understand how Premier FX dealt with customers' funds, the Authority reviewed the movement of funds belonging to a sample of customers who transferred significant funds into one of Premier FX's accounts.
- 4.61. The reasons why some of the firm's customers agreed to keep their funds at Premier FX without an onward payment instruction varied depending on their personal circumstances. Some of these customers initially used the firm for the purposes of money remittance but subsequently kept funds with Premier FX for extended periods of time. Some customers left funds with Premier FX in connection with the sale or purchase of property, for example the sale or purchase of a property

may have fallen through or been delayed, so the customer decided to keep their funds at Premier FX until their plans changed. A few customers simply sought a place to keep their money and to earn interest on their capital.

- 4.62. The sample of customers paid their funds into either the Primary Euro Account (EUR) or the US Dollar Account. As explained in paragraph 4.36 above, customers were informed by Premier FX that their funds were to be held in secure client accounts separate from the day-to-day business accounts of the firm and would be kept segregated within the client accounts until such time that they wished to transfer the funds. However, neither the Primary Euro Account (EUR) nor the US Dollar Account was a client account and in the event that Premier FX became insolvent, Barclays would have been able to set off a credit balance in either account against an overdraft in another PFX account. These accounts were therefore not “client accounts” nor were they “secure”.
- 4.63. The funds were also not “segregated”. When customers’ funds were credited to the Primary Euro Account (EUR) or the US Dollar Account, the funds did not remain in those accounts for long. In the case of all of the customers within the sample who transferred funds to the Primary Euro Account (EUR):
- (1) the balance of the Premier FX account which received the funds (i.e. the Primary Euro Account (EUR)) decreased to below the amount paid by each of them either on the day, or the day after, Premier FX received their funds;
 - (2) an amount equivalent to, or higher than, their payment was transferred from the Primary Euro Account (EUR) to the Secondary Euro Account (EUR), either on the day on which they paid the funds to Premier FX, or a few days later. This suggests that Premier FX intended to remove the funds received from these customers from the account which received them on the day the customers paid their funds to Premier FX, or shortly thereafter;
 - (3) there is no obvious customer benefit to explain why the money was transferred and no obvious reason why the customers should not have been directed to pay their money directly into the Secondary Euro Account (EUR). None of the customers appear to have been informed of the transfer; and
 - (4) the funds were disbursed from the Secondary Euro Account (EUR) within a period ranging from a few weeks to a few months.

- 4.64. At this point it becomes difficult to trace the funds further. It appears from the account transactions that Premier FX used the balance in the Secondary Euro Account (EUR) to make payments to or on behalf of other customers.
- 4.65. In summary, all of the customers within the sample were told by Premier FX that their funds would be held in secure, segregated client accounts. However, none of the accounts which received their funds were client accounts. On the day that the customers paid their funds to Premier FX, the funds became indistinguishable from the funds of other customers or of Premier FX itself. Nonetheless, either the CRM system records made available online or the spreadsheets provided to these customers represented that Premier FX continued to hold their funds in a secure manner.

Peter Rexstrew's death and the collapse of Premier FX

- 4.66. Peter Rexstrew had a heart condition all of his adult life: as a teenager he had cancer and he subsequently learned that the chemotherapy and radiotherapy treatment had damaged his heart. After relocating to Portugal in 2005, he was seen by a heart specialist in Lisbon and had a heart valve replacement in or around 2013. Although his family and Premier FX staff were aware, he tended not to share his health problems with his customers.
- 4.67. Peter Rexstrew's health deteriorated in 2018 and he had an operation to insert stents in February 2018. He was subsequently advised in early June 2018 that he needed a heart bypass operation.
- 4.68. Peter Rexstrew underwent a heart bypass operation in a Lisbon hospital on 15 June 2018 and died a few hours later in the early morning of Saturday 16 June 2018. His body was subsequently flown to the UK where a post-mortem was performed. His funeral and cremation took place in Surrey on 20 July 2018.
- 4.69. Earlier in 2018, Peter Rexstrew had been planning to sell Premier FX (he planned to retain ownership of Global Currency Service). Premier FX staff and some family members were aware of his plans. A number of potential buyers had expressed interest in purchasing Premier FX. The sale did not proceed although a number of parties contacted Premier FX staff following Peter Rexstrew's death to inquire whether there was still interest in selling.
- 4.70. Peter Rexstrew had also been trying to sell his former matrimonial home in Portugal, because he was struggling to pay the life policy connected with the

mortgage as well as the maintenance costs associated with the property, but the sale had not completed before his death. He also owned a car which he had been trying to sell before he died.

- 4.71. Peter Rexstrew's estate appears to include his share of the former matrimonial home, which is subject to a substantial mortgage, and life policies which are owned jointly with his wife.

Discovery of the issues

- 4.72. On 18 June 2018, Peter Rexstrew's two children, Katy Grogan and Charles Rexstrew, were appointed as directors having decided that they would seek to continue to operate Premier FX following their father's death.
- 4.73. Customers received an email from Premier FX on Wednesday 20 June 2018 informing them that "*our founder and Chief Executive, Peter Rexstrew, passed away on Saturday. He had been in poor health for some time, but sadly the planned procedures proved unsuccessful, and he passed peacefully in the hospital in Lisbon. Peter and the Premier FX team had made certain that everything was in place to ensure absolute continuity for the business and our clients in the event of such circumstances. I'm happy to say that the company is in extremely good shape, and it's business as usual as far as our clients and services are concerned.*". However, it soon became clear that Premier FX was not in good shape.
- 4.74. Over the course of the following weeks, Premier FX staff were contacted by customers asking for confirmation of the balance of their funds held by the firm and, in some cases, requesting interest payments. Many of these customers were Peter Rexstrew's own personal customers and staff were unable to locate a record of their funds on the CRM system. In addition, several of Peter Rexstrew's customers who contacted the firm had not even been registered by him as customers on the CRM system.
- 4.75. However, based on the balances in Premier FX's accounts on 16 June 2018 (the day that Peter Rexstrew died), if all of the creditors currently claiming in Premier FX's liquidation were to have sought their funds on 18 June 2018, Premier FX would not have been able to meet their claims in full on that day.
- 4.76. The new directors and other Premier FX staff made genuine attempts to respond to these customers' queries. Where staff were unable to locate either a customer's record or where there was no record of a customer's funds on the CRM system,

they carried out searches of Peter Rextrew's emails on his personal laptop (which he had with him when he died). They also searched his computers in Almancil and Palma. As a result of those searches, staff found spreadsheets that Peter Rextrew had prepared which recorded individual customers' fund balances and which he had not recorded on the CRM system.

- 4.77. As a result of their searches, staff also discovered that payments had been made to customers from the Office Account (GBP) between 2016 and 2018 (see paragraph 4.91 below).
- 4.78. Initially, where Premier FX staff were able to piece together sufficient information from Peter Rextrew's emails, they were able to return funds to some customers on the customer's request. However, when an increasing number of customers came forward asking for confirmation of the balance of their funds held by the firm, the directors realised that the firm held insufficient funds in its accounts to cover all of these claims.
- 4.79. In July 2018, Premier FX's financial position worsened following a substantial loss on a forward exchange rate deal that Peter Rextrew had agreed before he died. On 13 July 2018 one of Peter Rextrew's customers contacted Premier FX, referring to an agreement with Peter Rextrew to convert £4.8 million into US dollars at an exchange rate of 1.43. The GBP-USD exchange rate at the time was approximately 1.32. The customer stated that Premier FX was holding £480,000 as a 10% deposit and that he would send the remaining £4.32 million on 16 July 2018 (the next working day). However, there was no record of this deal on the CRM system and no deal contract had been issued.
- 4.80. Having located Peter Rextrew's agreement to the deal in his email account, the new directors initially felt obliged to honour it and accepted that there was an agreement. Between 17 and 19 July 2018, the customer paid £4,320,000 into the Client Account (GBP). Between 17 and 24 July 2018, Premier FX exchanged £3,300,000 and remitted USD 4,719,000 to the customer. However, because Peter Rextrew had not arranged in advance to purchase US dollars to hedge this future rate agreement, the deal caused a substantial loss to Premier FX (of approximately £275,000). The new directors were therefore unwilling to exchange the remaining funds for the customer and returned £1,350,000 to the customer on 23 July 2018.

Insolvency

- 4.81. As a result of this substantial loss, and following the increasing number of customers coming forward to claim funds, the new directors sought advice on Premier FX's solvency from an insolvency practitioner on 24 July 2018.
- 4.82. Almost six weeks after Peter Rexstrew's death, and having sought insolvency and legal advice, the new directors placed the following statement on the firm's website on 27 July 2018: "*Following the death of the founder of PremierFX and sole director Peter Rexstrew, in June of this year, the new directors have become concerned about the cash flow solvency of the company. Having taken professional advice from independent lawyers and accountants and, mindful of their over-riding duties to the firm's creditors and customers, the directors have decided to suspend the business of PremierFX and to take steps to put the company into liquidation. In the meantime, PremierFX will not transact any new business nor process any customer payments (inbound or outbound).*" Staff were also instructed to set their Premier FX email accounts to automatically reply with a similar message to the statement on the website.
- 4.83. The day before this announcement, the new directors notified Barclays that they had decided to cease trading and, as Premier FX continued to receive funds from customers, requested that Barclays reject any incoming funds. For example, one customer paid nearly £125,000 into the Client Account (GBP) in a series of payments between 23 and 27 July 2018 with instructions to exchange the funds into euros and remit them to a law firm on a specified date in August in order to complete the purchase of a property in Spain. The funds were not kept in or transferred to a designated safeguarding account as Premier FX did not maintain any such account.
- 4.84. Over the course of the next few days, the FCA was contacted by a number of Premier FX's customers expressing concerns about the firm. Premier FX notified the Authority on 1 August 2018 that, following Peter Rexstrew's death on 16 June 2018, the new directors had discovered a potential shortfall in client balances which could not be resolved and had suspended trading. The Authority was also informed that client funds were being held "in a safeguarding account" pending further investigation (although given that there were no safeguarding accounts it is not clear on what information they based this statement).
- 4.85. Premier FX then amended the statement on its website on 2 August 2018 as follows: "*Following the death of the founder and sole director of PremierFX, Peter*

Rexstrew, in June of this year, it has been decided to suspend trading until further notice and we will not be able to receive or make payments during this time. We apologise for any inconvenience that this may cause and we will notify you when matters become clearer."

- 4.86. On 3 August 2018, one of Premier FX's customers issued a claim against Premier FX for payment of £288,419.37 and obtained a freezing injunction for the amount from the High Court. On 9 August 2018, five further customers successfully applied to be added as claimants to this action and obtained further injunctions against Premier FX.
- 4.87. On 10 August 2018, Premier FX voluntarily agreed to the following restrictions on its permission:
 - (1) to cease all trading and all payment services with immediate effect; and
 - (2) not, without the prior written consent of the Authority, in any way dispose of, withdraw, transfer, deal with or diminish the value of any of its own assets, and any relevant funds it holds for, or to the order of its clients (whether in the United Kingdom or elsewhere).
- 4.88. On 13 August 2018, on the application of the Authority, the High Court appointed administrators on the basis that Premier FX was unable to pay its debts as they fell due and was cashflow insolvent. On 17 August 2018, the court discharged the injunctions against Premier FX.
- 4.89. At a Creditors Meeting on 18 October 2018, the creditors voted to appoint liquidators. The liquidators took office on 7 December 2018.
- 4.90. As at 6 December 2019, the liquidators have identified assets with a value of approximately £1.84 million. As at 14 December 2020, the liquidators have received claims from 136 creditors with estimated claims totalling £9,202,400.77. These claims do not include tax liabilities and any employee related claims. Secondly, it should be noted that the liquidators have not adjudicated on these claims for dividend or distribution purposes and therefore the claims remain subject to further review and scrutiny at the appropriate time.

Peter Rexstrew's use of Premier FX's accounts and his personal accounts

- 4.91. Approximately £28.96 million was transferred to the Office Account (GBP) during the relevant period from Premier FX's other pounds sterling accounts, including £27.39 million from the Client Account (GBP).
- 4.92. However, Premier FX did not require this excessive amount in order to have continued operating. Of the £29.50 million transferred out of the Office Account (GBP) during the relevant period, only 4% (£1.25 million) appears to have been spent on business expenses. Approximately 70% of the funds were transferred to other Premier FX accounts including £10.21 million back to the Client Account (GBP). Approximately 25% may have been used to settle customers' payments although it has not been possible to verify that all of these payees were customers rather than suppliers.
- 4.93. Conversely, whereas the Office Account (GBP) appears to have been used to settle customers' payments, staff were paid either from the Client Account (GBP) or the Primary Euro Account (EUR). The Authority did not identify excessive payments made to Premier FX staff during the relevant period.
- 4.94. Peter Rexstrew also used funds from the Client Account (GBP) to make maintenance payments and to purchase Global Currency Service.
- 4.95. There are also a number of examples of how Peter Rexstrew appears to have used other accounts indiscriminately to make or receive payments. For example, the Alacrity Payments US dollar account was used to transact currency exchanges for three and a half years after Alacrity Payments had ceased trading in 2014.
- 4.96. The overall appearance is one of disorganisation and disarray, where funds were moved between Premier FX's accounts and accounts were not used for their intended purposes.
- 4.97. Peter Rexstrew also used his personal bank accounts to conduct Premier FX's business. Peter Rexstrew received approximately £85,000 and €590,000 from Premier FX during the relevant period. However, while he also paid approximately £224,000 and €1,242,000 into Premier FX's accounts during the relevant period from his personal bank accounts, a significant proportion of these funds do not appear to have been his own funds.
- 4.98. For example, although Peter Rexstrew paid £192,000 from his pension scheme into the Client Account (GBP) in July 2013, the Authority has also identified many

instances of Premier FX customers paying funds directly into his personal bank accounts in the UK, Portugal and Spain. In addition, approximately €260,000 in cash was deposited in one of his accounts in Portugal, as well a number of cheques totalling approximately €890,000 (including one cheque for €278,000). It is not clear why he was receiving this significant amount of cash and cheques into his personal bank accounts nor whether these were payments from Premier FX customers. Further, while some of these funds were transferred to Premier FX, it does not appear that all of these funds were transferred into Premier FX's accounts.

5. FAILINGS

5.1. The regulatory provisions relevant to this Notice are referred to in Annex A.

Regulation 19 of the PSRs 2009 and Regulation 23 of the PSRs 2017

5.2. Regulation 19(3) of the PSRs 2009 and regulation 23(3) of the PSRs 2017 require an authorised payment institution to safeguard relevant funds in accordance with the provisions of the respective regulations.

5.3. On the basis of the facts and matters set out above, the Authority considers that Premier FX breached regulation 19 of the PSRs 2009 between 1 January 2013 and 12 January 2018, and regulation 23 of the PSRs 2017 between 13 January 2018 and 13 August 2018 in that:

- (1) Premier FX failed to keep relevant funds segregated from other funds which it held;
- (2) Premier FX placed, or allowed relevant funds to be placed, in bank accounts which were not designated in such a way that showed they were accounts held for the purposes of safeguarding relevant funds; and
- (3) Premier FX failed to ensure that no other person had any interest in or right over the funds in these accounts by failing to ensure that Barclays had no right of set-off over the accounts.

Regulation 28 of the PSRs 2009 and Regulation 33 of the PSRs 2017

5.4. Regulation 28 of the PSRs 2009 and regulation 33 of the PSRs 2017 both require that any payment account held by an authorised payment institution must be used only in relation to payment transactions.

- 5.5. The only payment service that Premier FX was permitted by the Authority under the PSRs to provide throughout the relevant period was the payment service of money remittance.
- 5.6. An authorised payment institution, like Premier FX, cannot hold funds for a customer unless accompanied by a payment order for onward transfer (whether to be executed immediately or on a future date). Funds cannot be held indefinitely. They should not be held for longer than is necessary for operational and technical reasons.
- 5.7. On the basis of the facts and matters set out above, the Authority considers that Premier FX breached Regulation 28 of the PSRs 2009 between 1 January 2013 and 12 January 2018, and Regulation 33 of the PSRs 2017 between 13 January 2018 and 13 August 2018, by receiving funds from its customers to transfer funds into its payment accounts without a payment order for onward transfer either immediately or on a future date:
- (1) Premier FX actively encouraged customers to pay funds into its payment accounts without the need for a payment order for onward transfer (see paragraphs 4.36 to 4.41 above).
 - (2) Several customers paid their funds into one of Premier FX's payment accounts without a payment order for onward transfer (see paragraph 4.61 above). In those cases, no deal contract was issued by Premier FX to the customer. Instead, Premier FX agreed to hold the funds on the basis that they would be repayable on demand. In some cases, it offered to pay the customer interest on the funds held by the firm (see paragraph 4.42 above).
- 5.8. Where a sum of money is received other than for the provision of payment services, it may be a deposit. A deposit is defined in article 5(2) of the Regulated Activities Order as a sum of money paid on terms:
- (1) under which it will be repaid, with or without interest or premium, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it; and
 - (2) which are not referable to the provision of property (other than currency) or services or the giving of security.
- 5.9. Accepting deposits is a regulated activity and requires authorisation under the Act. It occurs if either:

- (1) money received by way of deposit is lent to others; or
- (2) any other activity of the person accepting the deposit is financed wholly, or to a material extent, out of the capital of or interest on money received by way of deposit.

5.10. The Authority considers that the evidence indicates that Premier FX may have been carrying on the regulated activity of accepting deposits without permission:

- (1) Premier FX accepted funds from its customers on the basis that those funds would be repayable on demand;
- (2) Premier FX agreed to pay interest on those funds to some customers;
- (3) the terms on which the funds were accepted were not referable to the provision of property or services or the giving of security; and
- (4) Premier FX appears to have used at least some of those funds to finance its business activities by transferring funds from the Client Account (GBP) to the Office Account (GBP) and then spending a material amount (£1.25 million over the course of the relevant period) on its operating costs, as well as using the funds used to settle other customers' payments.

5.11. The Authority also considers that the evidence indicates that Premier FX may have been carrying on the regulated activity of dealing in investments as principal without permission. In particular, the Authority has not seen evidence in Premier FX's dealings with customers who entered into a worst case exchange rate deal that it considered the specific circumstances of each individual's case to ensure that it was not carrying out a regulated activity for which it required permission.

5.12. Under section 19 of the Act, no person can carry on a regulated activity, such as accepting deposits or dealing in investments as principal, unless he is an authorised person or an exempt person (the "general prohibition"). Under section 23(1) of the Act, a person who contravenes the general prohibition is guilty of an offence.

5.13. While Premier FX was authorised as an authorised payment institution under the PSRs, it was neither an authorised person nor an exempt person under the Act.

6. SANCTION

6.1. The Authority's policy for the imposition of penalties under the PSRs is outlined in chapter 19 of the Authority's Enforcement Guide. This states that the Authority has

decided to adopt procedures and policies in relation to the use of its powers akin to those it has under the Act. The Authority's policy for publishing a public censure under the Act is set out in Chapter 6 of DEPP.

- 6.2. The Authority has considered the disciplinary and other options available to it and has concluded that a public censure is the appropriate sanction in the circumstances of this case. The Authority would have imposed a substantial financial penalty on Premier FX. However, if imposed, any such penalty would serve to reduce the funds available to be distributed in Premier FX's liquidation. Therefore, the Authority considers that it is appropriate to impose a public censure instead of a financial penalty in order to ensure that any realised assets are available for the creditors of Premier FX.
- 6.3. Accordingly, pursuant to Regulation 84 of the PSRs 2009 and Regulation 110 of the PSRs 2017, the Authority hereby publishes a statement to the effect that Premier FX breached requirements imposed on it by the PSRs, as outlined above.

7. PROCEDURAL MATTERS

- 7.1. This Notice is given to Premier FX in accordance with section 390 of the Act, as applied by Regulation 95 of, and paragraph 7 of schedule 5 to, the PSRs 2009 and Regulation 122 of, and paragraph 10 of schedule 6 to, the PSRs 2017.

Decision maker

- 7.2. The decision which gave rise to the obligation to give this Notice was made by the Settlement Decision Makers.

Publicity

- 7.3. Sections 391(4), 391(6) and 391(7) of the Act, as applied by Regulation 95 of, and paragraph 7 of schedule 5 to the PSRs 2009 and Regulation 122 of, and paragraph 10 of schedule 6 to the PSRs 2017, apply to the publication of information about the matter to which this notice relates. Under those provisions, the Authority must publish such information about the matter to which this notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the Authority, be unfair to Premier FX, prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

- 7.4. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contacts

- 7.5. For more information concerning this matter generally, contact Mark Lewis at the Authority (direct line: 020 7066 8442/email: Mark.Lewis2@fca.org.uk).

Laura Dawes

Director (Acting)

Financial Conduct Authority, Enforcement and Market Oversight Division

ANNEX A

RELEVANT STATUTORY PROVISIONS

Payment Services Regulations

Regulation 2 of both the PSRs 2009 and the PSRs 2017 contains the following definitions:

- (1) "money remittance" means "a service for the transmission of money (or any representation of monetary value), without any payment accounts being created in the name of the payer or the payee, where—
 - (a) funds are received from a payer for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee; or
 - (b) funds are received on behalf of, and made available to, the payee";
- (2) a "payment account" means an account held in the name of one or more payment service users which is used for the execution of payment transactions;
- (3) a "payment transaction" means an act, initiated by the payer or payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and payee;
- (4) a "payer" means, where there is no payment account, a person who gives a payment order; and
- (5) a "payment order" means any instruction by a payer or a payee to their respective payment service provider requesting the execution of a payment transaction.

Regulation 19 of the PSRs 2009 provides that:

- (1) For the purposes of this regulation "relevant funds" comprise the following—
 - (a) sums received from, or for the benefit of, a payment service user for the execution of a payment transaction; and
 - (b) sums received from a payment service provider for the execution of a payment transaction on behalf of a payment service user.
- (2) Where—
 - (a) only a portion of the sums referred to in paragraph (1)(a) or (b) is to be used for the execution of a payment transaction (with the remainder being used for non-payment services); and
 - (b) the precise portion attributable to the execution of the payment transaction is variable or unknown in advance, the relevant funds are such amount as may be reasonably estimated, on the basis of historical data and to the satisfaction of the Authority, to be representative of the portion attributable to the execution of the payment transaction.
- (3) Where the relevant funds in respect of a payment transaction exceed £50, an authorised payment institution must safeguard such funds in accordance with either—
 - (a) paragraphs (4) to (8); or
 - (b) paragraphs (9) and (10).

- (4) An authorised payment institution must keep relevant funds segregated from any other funds that it holds.
- (5) Where the authorised payment institution continues to hold the relevant funds at the end of the business day following the day on which they were received it must—
 - (a) place them in a separate account that it holds with an authorised credit institution; or
 - (b) invest the relevant funds in such secure, liquid assets as the Authority may approve (“relevant assets”) and place those assets in a separate account with an authorised custodian.
- (6) An account in which relevant funds or relevant assets are placed under paragraph (5) must—
 - (a) be designated in such a way as to show that it is an account which is held for the purpose of safeguarding relevant funds or relevant assets in accordance with this regulation; and
 - (b) be used only for holding those funds or assets.
- (7) No person other than the authorised payment institution may have any interest in or right over the relevant funds or relevant assets placed in an account in accordance with paragraph (5)(a) or (b) except as provided by this regulation.
- (8) The authorised payment institution must keep a record of—
 - (a) any relevant funds segregated in accordance with paragraph (4);
 - (b) any relevant funds placed in an account in accordance with paragraph (5)(a); and
 - (c) any relevant assets placed in an account in accordance with paragraph (5)(b).
- (9) The authorised payment institution must ensure that—
 - (a) any relevant funds are covered by—
 - (i) an insurance policy with an authorised insurer;
 - (ii) a guarantee from an authorised insurer; or
 - (iii) a guarantee from an authorised credit institution; and
 - (c) the proceeds of any such insurance policy or guarantee are payable upon an insolvency event into a separate account held by the authorised payment institution which must—
 - (i) be designated in such a way as to show that it is an account which is held for the purpose of safeguarding relevant funds in accordance with this regulation; and
 - (ii) be used only for holding such proceeds.
- (10) No person other than the authorised payment institution may have any interest in or right over the proceeds placed in an account in accordance with paragraph (9)(b) except as provided by this regulation.
- (11) Subject to paragraph (12), where there is an insolvency event—
 - (a) the claims of payment service users are to be paid from the asset pool in priority to all other creditors; and
 - (b) until all the claims of payment service users have been paid, no right of set-off or security right may be exercised in respect of the asset pool except to the extent that the right of set-off relates to fees and expenses in relation to operating an account held in accordance with paragraph (5)(a) or (b) or (9)(b).

(12) The claims referred to in paragraph (11)(a) shall not be subject to the priority of expenses of an insolvency proceeding except in respect of the costs of distributing the asset pool.

(13) Paragraphs (11) and (12) shall apply to any relevant funds which a small payment institution (or an authorised payment institution in relation to relevant funds of £50 or less) voluntarily safeguards in accordance with either paragraphs (4) to (8) or paragraphs (9) and (10).

(14) An authorised payment institution (and any small payment institution which voluntarily safeguards relevant funds) must maintain organisational arrangements sufficient to minimise the risk of the loss or diminution of relevant funds or relevant assets through fraud, misuse, negligence or poor administration.

(15) In this regulation—

“asset pool” means—

- (a) any relevant funds segregated in accordance with paragraph (4);
- (b) any relevant funds held in an account in accordance with paragraph (5)(a);
- (c) any relevant assets held in an account in accordance with paragraph (5)(b); and
- (d) any proceeds of an insurance policy or guarantee held in an account in accordance with paragraph (9)(b);

“authorised insurer” means a person authorised for the purposes of the 2000 Act to effect and carry out a contract of general insurance as principal or otherwise authorised in accordance with Article 6 of the First Council Directive 73/239/EEC of 24th July 1973 on the business of direct insurance other than life insurance(1), other than a person in the same group as the authorised payment institution;

“authorised credit institution” means a person authorised for the purposes of the 2000 Act to accept deposits or otherwise authorised as a credit institution in accordance with Article 6 of the banking consolidation directive other than a person in the same group as the authorised payment institution;

“authorised custodian” means a person authorised for the purposes of the 2000 Act to safeguard and administer investments or authorised as an investment firm under Article 5 of Directive 2004/39/EC of 12th April 2004 on markets in financial instruments(2) which holds those investments under regulatory standards at least equivalent to those set out under Article 13 of that directive;

“insolvency event” means any of the following procedures in relation to an authorised payment institution or small payment institution—

- (e) the making of a winding-up order;
- (f) the passing of a resolution for voluntary winding-up;
- (g) the entry of the institution into administration;

(h) the appointment of a receiver or manager of the institution’s property;

- (i) the approval of a proposed voluntary arrangement (being a composition in satisfaction of debts or a scheme of arrangement);
- (j) the making of a bankruptcy order;
- (k) in Scotland, the award of sequestration;
- (l) the making of any deed of arrangement for the benefit of creditors or, in Scotland, the execution of a trust deed for creditors;
- (m) the conclusion of any composition contract with creditors; or
- (n) the making of an insolvency administration order or, in Scotland, sequestration, in respect of the estate of a deceased person;

“insolvency proceeding” means—

- (o) winding-up, administration, receivership, bankruptcy or, in Scotland, sequestration;
- (p) a voluntary arrangement, deed of arrangement or trust deed for the benefit of creditors; or
- (q) the administration of the insolvent estate of a deceased person;

“security right” means—

- (r) security for a debt owed by an authorised payment institution or a small payment institution and includes any charge, lien, mortgage or other security over the asset pool or any part of the asset pool; and
- (s) any charge arising in respect of the expenses of a voluntary arrangement.

Regulation 23 of the PSRs 2017 provides that:

- (1) For the purposes of this regulation “relevant funds” comprise the following—
 - (a) sums received from, or for the benefit of, a payment service user for the execution of a payment transaction; and
 - (b) sums received from a payment service provider for the execution of a payment transaction on behalf of a payment service user.
- (2) Where—
 - (a) only a portion of the sums referred to in paragraph (1)(a) or (b) is to be used for the execution of a payment transaction (with the remainder being used for non-payment services); and
 - (b) the precise portion attributable to the execution of the payment transaction is variable or unknown in advance, the relevant funds are such amount as may be reasonably estimated, on the basis of historical data and to the satisfaction of the FCA, to be representative of the portion attributable to the execution of the payment transaction.
- (3) An authorised payment institution must safeguard relevant funds in accordance with either—
 - (a) paragraphs (5) to (11); or
 - (b) paragraphs (12) and (13).
- (4) An authorised payment institution may safeguard certain relevant funds in accordance with paragraphs (5) to (11) and the remaining relevant funds in accordance with paragraphs (12) and (13).

- (5) An authorised payment institution must keep relevant funds segregated from any other funds that it holds.
- (6) Where the authorised payment institution continues to hold the relevant funds at the end of the business day following the day on which they were received it must—
- (a) place them in a separate account that it holds with an authorised credit institution or the Bank of England; or
 - (b) invest the relevant funds in such secure, liquid assets as the FCA may approve (“relevant assets”) and place those assets in a separate account with an authorised custodian.
- (7) An account in which relevant funds or relevant assets are placed under paragraph (6) must—
- (a) be designated in such a way as to show that it is an account which is held for the purpose of safeguarding relevant funds or relevant assets in accordance with this regulation; and
 - (b) be used only for holding those funds or assets.
- (8) No person other than the authorised payment institution may have any interest in or right over the relevant funds or relevant assets placed in an account in accordance with paragraph (6)(a) or (b) except as provided by this regulation.
- (9) Notwithstanding paragraphs (5), (6), (7)(b) and (8), where an authorised payment institution is a participant in a designated system and the institution holds an account at the Bank of England for the purposes of completing the settlement of transfer orders that have been entered into the designated system on behalf of payment service users—
- (a) funds held in the account pending settlement in accordance with the rules or default arrangements of the designated system, in respect of transfer orders that have been entered into the designated system on behalf of payment service users, may continue to be held in the account with relevant funds;
 - (b) the account, or a specified amount of funds in the account, may be subject to an interest or right in favour of the Bank of England in order to ensure the availability of funds to complete the settlement of transfer orders in accordance with the rules or default arrangements of the designated system;
 - (c) subject to paragraph (10), funds received into the account by the authorised payment institution upon settlement are to be considered as having been appropriately safeguarded in accordance with this regulation from the time of receipt in the designated system until the time of receipt into the account.
- (10) The FCA may direct that paragraph (9)(c) does not apply in relation to a designated system if, in the FCA’s view, the rules and default arrangements of that system do not adequately insulate the funds of payment service users from the claims of other creditors of authorised payment institutions which are participants in the system.
- (11) The authorised payment institution must keep a record of—
- (a) any relevant funds segregated in accordance with paragraph (5);
 - (b) any relevant funds placed in an account in accordance with paragraph (6)(a);
 - (c) any relevant assets placed in an account in accordance with paragraph (6)(b);

- (d) any funds held in an account as permitted by paragraph (9)(a);
 - (e) any funds expected to be received into an account as described in paragraph (9)(c) in respect of transfer orders that have been entered into the designated system;
 - (f) any funds received into an account as described in paragraph (9)(c).
- (12) The authorised payment institution must ensure that—
- (a) any relevant funds are covered by—
 - i. an insurance policy with an authorised insurer;
 - ii. a comparable guarantee given by an authorised insurer; or
 - iii. comparable guarantee given by an authorised credit institution;
 and
 - (b) the proceeds of any such insurance policy or guarantee are payable upon an insolvency event into a separate account held by the authorised payment institution which must—
 - i. be designated in such a way as to show that it is an account which is held for the purpose of safeguarding relevant funds in accordance with this regulation; and
 - ii. be used only for holding such proceeds.
- (13) No person other than the authorised payment institution may have any interest in or right over the proceeds placed in an account in accordance with paragraph (12)(b) except as provided by this regulation.
- (14) Subject to paragraph (15), where there is an insolvency event—
- (a) the claims of payment service users are to be paid from the asset pool in priority to all other creditors; and
 - (b) until all the claims of payment service users have been paid, no right of set-off or security right may be exercised in respect of the asset pool except to the extent that the right of set-off relates to fees and expenses in relation to operating an account held in accordance with paragraph (6)(a) or (b), (9) or (12)(b).
- (15) The claims referred to in paragraph (14)(a) shall not be subject to the priority of expenses of an insolvency proceeding except in respect of the costs of distributing the asset pool.
- (16) Paragraphs (14) and (15) apply to any relevant funds which a small payment institution voluntarily safeguards in accordance with either paragraphs (5) to (11) or paragraphs (12) and (13).
- (17) An authorised payment institution (and any small payment institution which voluntarily safeguards relevant funds) must maintain organisational arrangements sufficient to minimise the risk of the loss or diminution of relevant funds or relevant assets through fraud, misuse, negligence or poor administration.
- (18) In this regulation—
- “asset pool” means—
- (a) any relevant funds segregated in accordance with paragraph (5);
 - (b) any relevant funds held in an account in accordance with paragraph (6)(a);
 - (c) where paragraph (9) applies, any funds that are received into the account held at the Bank of England upon settlement in respect of

- transfer orders that have been entered into the designated system on behalf of payment service users, whether settlement occurs before or after the insolvency event;
- (d) any relevant assets held in an account in accordance with paragraph (6)(b); and
 - (e) any proceeds of an insurance policy or guarantee held in an account in accordance with paragraph (12)(b);

“authorised insurer” means a person authorised for the purposes of the 2000 Act to effect and carry out a contract of general insurance as principal or otherwise authorised in accordance with Article 14 of Directive 2009/138/EC of the European Parliament and of the Council of 25th November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)(1) to carry out non-life insurance activities as referred to in Article 2(2) of that Directive, other than a person in the same group as the authorised payment institution;

“authorised credit institution” means a person authorised for the purposes of the 2000 Act to accept deposits or otherwise authorised as a credit institution in accordance with Article 8 of the capital requirements directive other than a person in the same group as the authorised payment institution;

“authorised custodian” means a person authorised for the purposes of the 2000 Act to safeguard and administer investments or authorised as an investment firm under Article 5 of Directive 2014/65/EU of 15th May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU(2) which holds those investments under regulatory standards at least equivalent to those set out under Article 16 of that Directive;

“default arrangements” has the meaning given in regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999(3) (interpretation);

“insolvency event” means any of the following procedures in relation to an authorised payment institution or small payment institution—

- (a) the making of a winding-up order;
- (b) the passing of a resolution for voluntary winding-up;
- (c) the entry of the institution into administration;
- (d) the appointment of a receiver or manager of the institution’s property;
- (e) the approval of a proposed voluntary arrangement (being a composition in satisfaction of debts or a scheme of arrangement);
- (f) the making of a bankruptcy order;
- (g) in Scotland, the award of sequestration;
- (h) the making of any deed of arrangement for the benefit of creditors or, in Scotland, the execution of a trust deed for creditors;
- (i) the conclusion of any composition contract with creditors; or
- (j) the making of an insolvency administration order or, in Scotland, sequestration, in respect of the estate of a deceased person;

“insolvency proceeding” means—

- (a) winding-up, administration, receivership, bankruptcy or, in Scotland, sequestration;
- (b) a voluntary arrangement, deed of arrangement or trust deed for the benefit of creditors; or
- (c) the administration of the insolvent estate of a deceased person;

“rules” has the meaning given in regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 (interpretation);

“security right” means—

- (a) security for a debt owed by an authorised payment institution or a small payment institution and includes any charge, lien, mortgage or other security over the asset pool or any part of the asset pool; and
- (b) any charge arising in respect of the expenses of a voluntary arrangement;

“settlement” and “system” have the same meanings as in the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.

Regulation 28 of the PSRs 2009 and Regulation 33 of the PSRs 2017 both provide that:

“Any payment account held by an authorised payment institution or a small payment institution must be used only in relation to payment transactions.”

RELEVANT REGULATORY PROVISIONS

DEPP

Chapter 6 of DEPP, which forms part of the Authority's Handbook, sets out the Authority's statement of policy with respect to the imposition and amount of financial penalties under the Act.

The Enforcement Guide

The Enforcement Guide sets out the Authority's approach to exercising its main enforcement powers under the Act.

Chapter 7 of the Enforcement Guide sets out the Authority's approach to exercising its power to impose a financial a penalty. EG 19.22.6 provides that when imposing a financial penalty under the PSRs, the Authority's policy includes having regard to the relevant factors in Chapter 6 of DEPP.

ANNEX B

CHRONOLOGY OF EVENTS

| Date | Event |
|------------------|--|
| 4 April 2006 | Premier FX was incorporated as a company in England and Wales with Peter Rexstrew as its sole shareholder. |
| Mid 2006 | Peter Rexstrew established Premier FX's office in Almancil, Portugal. |
| 1 November 2009 | Peter Rexstrew became the sole director of Premier FX. |
| 25 February 2011 | Premier FX was authorised by the Authority as an authorised payment institution and given permission to provide payment services activities. |
| 14 March 2013 | Alacrity Payments was established with Peter Rexstrew as its sole director and shareholder. |
| 8 July 2013 | Barclays agreed that Premier FX could maintain several bank accounts on behalf of Global Currency Service. |
| 2014 | Alacrity Payments ceased trading. |
| 2014 | Peter Rexstrew established Premier FX's office in Palma, Majorca, Spain. |
| 2 December 2016 | Premier FX acquired Global Currency Service which became a wholly owned subsidiary of Premier FX. |
| 23 May 2017 | Alacrity Payments was dissolved via compulsory strike-off. |
| 12 April 2018 | Global Currency Service was authorised by the Authority as an authorised payment institution under the PSRs 2017 and given permission to provide the payment service of money remittance with effect from this date. |
| 23 May 2018 | Premier FX was authorised by the Authority as an authorised payment institution under the PSRs 2017 with effect from this date. |
| 25 May 2018 | Invo Collect was incorporated as a company in England and Wales. |
| 16 June 2018 | Peter Rexstrew died in a Lisbon hospital a few hours after he underwent a heart bypass operation on 15 June 2018. |
| 18 June 2018 | Katy Grogan and Charles Rexstrew were appointed as Directors of Premier FX. |

| Date | Event |
|------------------|--|
| 27 July 2018 | Katy Grogan and Charlie Rexstrew informed customers of their decision to suspend the business of Premier FX and to take steps to put Premier FX into liquidation. |
| 1 August 2018 | Premier FX notified the Authority, following Peter Rexstrew's death on 16 June 2018, that the new directors had discovered a potential shortfall in client balances which could not be resolved and had suspended trading. |
| 10 August 2018 | Premier FX voluntarily agreed to cease all trading and all payment services with immediate effect and not, without the prior written consent of the Authority, to dispose of any assets and relevant funds. |
| 13 August 2018 | On the application of the Authority, the High Court appointed administrators on the basis that Premier FX was unable to pay its debts as they fell due and was cashflow insolvent. |
| 18 October 2018 | At a Creditors Meeting, the creditors voted to appoint liquidators. |
| 7 December 2018 | The liquidators took office. |
| 18 June 2019 | Invo Collect was dissolved. |
| 22 November 2019 | The High Court ordered Global Currency Service to be wound up. |
| 4 February 2020 | Securus Escrow was dissolved. |