

## Warning notice statement 14/2

The Financial Conduct Authority (the FCA) gave an individual a warning notice on 28 November 2013 proposing to take action in respect of the conduct summarised in this statement.

**IMPORTANT: a warning notice is not the final decision of the FCA. The individual has the right to make representations to the Regulatory Decisions Committee (RDC) which, in the light of those representations, will decide on the appropriate action and whether to issue a decision notice. The RDC is a Committee of the FCA board which decides whether the FCA should give certain statutory notices described as within its scope by the FCA's Handbook.**

**If a decision notice is issued, the individual has the right to refer the matter to the Upper Tribunal which would reach an independent decision on the appropriate action for the FCA to take, if any.**

**If either the RDC or the Upper Tribunal decide that no further action should be taken, the FCA will publish a notice of discontinuance provided it has the individual's consent.**

The following is a summary of the reasons why the FCA gave the individual a warning notice:

- The FCA considers that, over a period of more than three years, the individual, who was a manager at a bank, was knowingly concerned in the contravention of Principles 3 and 5 by the bank for significant failings in relation to an interest rate benchmark.
- In particular, the FCA considers that the individual:
  - Was personally aware of and condoned:
    - traders making requests to submitters to manipulate interest rate benchmark submissions, and
    - submitters, who reported to the individual, making submissions which took those requests into account.
  - Was responsible for the oversight and supervision of the bank's submitters and some of the bank's traders and failed to manage appropriately the business area for which he was responsible. He instead facilitated others' attempts to manipulate interest rate benchmark submissions;

- Was aware of the absence of systems, controls or policies governing the procedure for making interest rate benchmark submissions at the bank, and took no steps to address this; and
- Was aware of the conflict of interest in certain submitters also trading derivative products referenced to an interest rate benchmark. The individual allowed this to continue and took no steps to mitigate the risks that it posed.