
FINAL NOTICE

To: **Adam Lancelot**

Address: **76 Princes Drive
Seaford
East Sussex
BN25 2TS**

Dated: **20 September 2017**

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against Mr Lancelot.
2. The Authority gave Mr Lancelot the Decision Notice, which notified Mr Lancelot that, for the reasons given below and pursuant to section 56 of the Act, the Authority had decided to make an order prohibiting him from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm.
3. Mr Lancelot has not referred the matter to the Tribunal within 28 days of the date on which the Decision Notice was given to him.
4. Accordingly, for the reasons set out below, the Authority hereby makes an order pursuant to section 56 of the Act prohibiting Mr Lancelot from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm. The Prohibition Order takes effect from 20 September 2017.

SUMMARY OF REASONS

5. Mr Lancelot has admitted that on two occasions he deliberately failed to disclose two criminal convictions in regulatory applications to the Authority, despite both application forms containing a question specifically asking for disclosure of previous convictions and despite Mr Lancelot having signed the declaration in the application forms that he had read and understood his regulatory obligations.
6. Further Mr Lancelot has admitted to the fabrication of a document purporting to have been issued by the Authority which he supplied to a prospective employer (Firm A). The fabricated document purported to be a letter confirming that he had been approved by the Authority to perform certain controlled functions in relation to Firm B, when, in fact, he was not so approved.
7. On the basis of the facts and matters and conclusions described in the Warning Notice, and in the Decision Notice, the Authority considers that Mr Lancelot's actions directly impugn his honesty, integrity and reputation, and therefore Mr Lancelot is not a fit and proper person to perform any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm. The Authority has had regard to all relevant circumstances, including the severity of the risk posed by Mr Lancelot to consumers and to confidence in the market generally.
8. The Authority therefore considers it is appropriate to impose the Prohibition Order to advance its consumer protection and integrity objectives (set out in sections 1C and 1D of the Act, respectively).

DEFINITIONS

9. The definitions below are used in this Final Notice (and in the Annex):

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

"the Authority" means the Financial Conduct Authority;

"the December 2015 application form" means the application form that Firm C submitted to the Authority on 19 December 2015, seeking approval for Mr Lancelot to perform certain functions;

"the Decision Notice" means the Decision Notice given to Mr Lancelot dated 10 August 2017;

"EG" means the Authority's Enforcement Guide;

"the February 2016 application form" means the application form that Firm D submitted to the Authority on 9 February 2016, seeking approval for Mr Lancelot to perform certain functions;

"FIT" means the Fit and Proper Test for Approved Persons and specified significant-harm functions sourcebook, part of the Handbook;

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

"the July 2012 conviction" means Mr Lancelot's conviction at Sevenoaks Magistrates' Court on 24 July 2012 of four counts of making a false statement or representation in order to obtain benefit or payment;

“the November 2006 conviction” means Mr Lancelot’s conviction at South East Surrey Magistrates’ Court on 2 November 2006 for handling stolen goods;

“the Prohibition Order” means the order prohibiting Mr Lancelot, pursuant to section 56 of the Act, from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm;

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

“the Warning Notice” means the Warning Notice given to Mr Lancelot dated 16 May 2017.

RELEVANT STATUTORY PROVISIONS

10. The statutory and regulatory provisions relevant to this Final Notice are set out in the Annex.

FACTS AND MATTERS RELIED ON

11. Mr Lancelot is not an approved or authorised person and he has never held any approval or authorisation granted by the Authority.
12. On 2 November 2006, Mr Lancelot was convicted, upon his own admission, at South East Surrey Magistrates’ Court of handling stolen goods, for which offence he received a Conditional Discharge for 12 months.
13. On 24 July 2012, Mr Lancelot was convicted, upon his own admission, at Sevenoaks Magistrates’ Court of four counts of making a false statement or representation in order to obtain benefit or payment. Mr Lancelot received a Community Order (unpaid work) in respect of all four convictions and was ordered to pay costs of £500.
14. On 18 June 2015, Mr Lancelot sent an email to a prospective employer (Firm A), attached to which was a letter purportedly from the Authority to a firm (Firm B), stating that Mr Lancelot had been approved by the Authority to perform certain controlled functions in relation to Firm B. Firm A provided a copy of the letter to the Authority. The letter was not genuine.
15. On 19 December 2015, Firm C submitted to the Authority a PSD Individual Form applying for Mr Lancelot to be approved to perform the role of management of a payment institution. A question in the December 2015 application form specifically asked for disclosure of previous convictions. Mr Lancelot signed the declaration in the December 2015 application form that he had read and understood his regulatory obligations. Mr Lancelot failed to disclose the November 2006 and July 2012 convictions in the December 2015 application form.
16. On 9 February 2016, Firm D submitted an application to the Authority seeking approval for Mr Lancelot to perform the CF10 (Compliance Oversight), CF10A (CASS Oversight Operation), CF11 (Money Laundering Reporting), CF28 (Systems and Controls) and CF29 (Significant Management) controlled functions in relation to Firm D. A question in the February 2016 application form specifically asked for disclosure of previous convictions. Mr Lancelot confirmed in the declaration in the February 2016 application form that he had read and understood his regulatory obligations. Mr Lancelot failed to disclose the November 2006 and July 2012 convictions in the February 2016 application form.
17. On 28 November 2016, Mr Lancelot was subject to a compelled interview by the Authority. During the interview, Mr Lancelot stated that he deliberately failed to

disclose the November 2006 and July 2012 convictions in the December 2015 and February 2016 application forms to conceal the fact that he had criminal convictions, in the hope of increasing the chance of the applications being accepted. He stated that he assumed the Authority would not check and identify his criminal record.

18. Mr Lancelot also admitted that he had fabricated the letter purporting to have been issued by the Authority and had provided it to Firm A in an attempt to persuade Firm A that he had previously been approved by the Authority to perform controlled functions.
19. The Authority considers that these facts and matters demonstrate that Mr Lancelot is dishonest and is not a fit and proper person, and that Mr Lancelot poses a risk to the integrity of the market and to consumers. Accordingly, the Authority considers that the Prohibition Order is appropriate.

DECISION MAKER

20. The decision which gave rise to the obligation to give this Final Notice was made by the Regulatory Decisions Committee.

IMPORTANT

21. This Final Notice is given to Mr Lancelot in accordance with section 390(1) of the Act.

Publicity

22. The Authority must publish such information about the matter to which this Final 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 Mr Lancelot or prejudicial to the interest of consumers.
23. The Authority intends to publish this Final Notice and such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contact

24. For more information concerning this matter generally, please contact Dilip Vekariya at the Authority (direct line: 020 7066 5520).

John Kirby
Enforcement and Market Oversight Division

ANNEX

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives include securing an appropriate degree of protection for consumers (section 1C of the Act) and protecting and enhancing the integrity of the UK financial system (section 1D of the Act).
2. Section 56(1) of the Act provides:

"The [Authority] may make a prohibition order if it appears to it that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by -

(a) an authorised person,
(b) a person who is an exempt person in relation to that activity, or
(c) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity."
3. Article 3ZA and Article 4 of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975 disapply specified provisions of the Rehabilitation of Offenders Act 1974 so as to permit the Authority to ask questions about spent convictions in order to assess a person's suitability to hold a controlled function. They also permit spent convictions, or a failure to disclose them, to be a ground for refusing to grant approval to an individual and also to make a prohibition order against an individual.

RELEVANT REGULATORY PROVISIONS

4. In exercising its power to make a prohibition order, the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as EG. The relevant main considerations in relation to the action specified above are set out below.

The Enforcement Guide

5. The Authority's policy in relation to exercising its power to issue a prohibition order is set out in EG.
6. EG 9.1 explains the purpose of prohibition orders in relation to the Authority's statutory objectives.
7. EG 9.2 sets out the Authority's general policy on making prohibition orders. In particular:
 - (a) EG 9.2.1 states that the Authority will consider all relevant circumstances, including whether enforcement action has been taken against the individual by other enforcement agencies, in deciding whether to make a prohibition order;
 - (b) EG 9.2.2 states that the Authority has the power to make a range of prohibition orders depending on the circumstances of each case; and
 - (c) EG 9.2.3 states that the scope of a prohibition order will depend on, amongst other things, the reasons why the individual is not fit and proper and the severity of risk he poses to consumers or the market generally.
8. EG 9.5.1 states that where the Authority is considering whether to make a prohibition order against someone who is not an approved person, the Authority will consider the

severity of the risk posed by the individual and may prohibit him where it considers that it is appropriate to achieve one or more of the Authority's statutory objectives.

9. EG 9.5.2 provides that, when considering whether to exercise its power to make a prohibition order against someone who is not an approved person, the Authority will consider all the relevant circumstances of the case. These may include, but are not limited to, the factors set out in EG 9.3.2. Those factors include: whether the individual is fit and proper to perform functions in relation to regulated activities (noting the criteria set out in FIT 2.1, 2.2, and 2.3); the relevance and materiality of any matters indicating unfitness; the length of time since the occurrence of any matters indicating unfitness; and the severity of the risk which the individual poses to consumers and to confidence in the financial system.

Fit and Proper Test for Approved Persons

10. The Authority has issued guidance on the fitness and propriety of individuals in FIT.
11. FIT 1.3.1BG(1) states that the most important considerations when assessing the fitness and propriety of a person to perform a controlled function include that person's honesty, integrity and reputation.
12. FIT 2.1.1G states that in determining a person's honesty, integrity and reputation, the Authority will have regard to all relevant matters including, but not limited to, those set out in FIT 2.1.3G. FIT 2.1.1G notes, amongst other things and by way of example, that:

"... conviction for a criminal offence will not automatically mean an application will be rejected. The [Authority] treats each candidate's application on a case-by-case basis, taking into account the seriousness of, and the circumstances surrounding, the offence, the explanation offered by the convicted person, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual's rehabilitation."
13. FIT 2.1.3G states that the matters referred to in FIT 2.1.1G include, but are not limited to, whether a person has been convicted of any criminal offence, noting that particular consideration will be given to certain offences including those of dishonesty, fraud and financial crime (amongst other things) (FIT 2.1.3G(1)); and whether, in the past, the person has been candid and truthful in all his dealings with any regulatory body and whether the person demonstrates a readiness and willingness to comply with the requirements and standards of the regulatory system and with other legal, regulatory and professional requirements and standards (FIT 2.1.3G(13)).