
FINAL NOTICE

To: **Alex Hope**

Address: **c/o HMP Brixton
Jebb Avenue
London
SW2 5XF**

Dated: **9 January 2018**

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against Mr Hope.
2. The Authority gave Mr Hope the Decision Notice, which notified Mr Hope 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 Hope 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 Hope 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 9 January 2018.

DEFINITIONS

5. 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 Decision Notice” means the Decision Notice given to Mr Hope dated 21 November 2017;

“DEPP” means the Authority’s Decision Procedure and Penalties manual;

“EG” means the Authority’s Enforcement Guide;

“FIT” means the Fit and Proper Test for Approved Persons and specified significant-harm functions sourcebook;

“the Handbook” means the Authority’s Handbook of rules and guidance;

“Mr Hope” means Alex Hope;

“POCA” means the Proceeds of Crime Act 2002

“the Prohibition Order” means the order prohibiting Mr Hope, 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 Hope dated 26 October 2017.

RELEVANT STATUTORY PROVISIONS

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

SUMMARY OF REASONS

7. The Authority has concluded, on the basis of the facts and matters and conclusions described in the Warning Notice, and in the Decision Notice, that Mr Hope 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, as his conduct demonstrated a serious lack of honesty and integrity. Specifically, Mr Hope:

(a) was convicted on 23 April 2014 of one count of carrying on a regulated activity when not an authorised/exempt person, contrary to sections 19 and 23(1) of the Act; and

(b) was convicted on 9 January 2015, of one count of dishonestly making false representation to make gain for self/another or cause loss to other/expose other to risk, contrary to section 2 of the Fraud Act.

8. On 30 January 2015, Mr Hope was sentenced to a total of seven years' imprisonment (to be served concurrently) for the offences summarised at paragraph 7 above.

FACTS AND MATTERS RELIED ON

10. Mr Hope has never been approved to perform any controlled functions in relation to any firm authorised by the Authority.
11. Mr Hope was convicted on indictment at Southwark Crown Court:
 - (a) on 23 April 2014, of one count of carrying on a regulated activity when not an authorised/exempt person, contrary to sections 19 and 23(1) of the Act ("Count 2"), namely by establishing and operating a collective investment scheme or purporting to do so; and
 - (b) on 9 January 2015, of one count of dishonestly making false representation to make gain for self/another or cause loss to other/expose other to risk, contrary to section 2 of the Fraud Act ("Count 1"), namely by making representations to investors and prospective investors in a collective investment scheme which were and which he knew or might be untrue or misleading.
13. On 30 January 2015, Mr Hope was sentenced at Southwark Crown Court to a total of seven years' imprisonment (comprising of seven years' imprisonment for Count 1 and 16 months' imprisonment for Count 2 to run concurrently) and ordered to pay a victim surcharge of £120. On 12 February 2016, he was also made the subject of a Confiscation Order under POCA for the amount of £166,696, payable within three months (i.e. by 12 May 2016), or in default to serve 20 months' imprisonment, consecutive to any term of custody already being served. As Mr Hope had failed to pay the amount due under the POCA order, on 27 September 2016, he was sentenced to a further 603 days' imprisonment.
15. In sentencing Mr Hope, the Judge's statements were as follows: that this was a case of high culpability, where Mr Hope's planning was sophisticated and the offence was conducted over a large period of time and there were many victims. The Judge described that in carrying out this fraud, Mr Hope had made false and dishonest representations to investors about his own wealth and investment in this scheme. The Judge stated that the full extent of Mr Hope's dishonesty and self-interest was shown by the falsification of two sets of trading accounts in which massively inflated profits replaced catastrophic losses. The Judge highlighted that one aggravating feature was that Mr Hope had attempted to prevent investors from cooperating with the Authority.

DECISION MAKER

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

IMPORTANT

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

Publicity

18. 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 Hope or prejudicial to the interest of consumers.
19. 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

20. For more information concerning this matter generally, please contact Sheena Baldev at the Authority (direct line: 020 7066 6760).

Anna Couzens
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."

RELEVANT REGULATORY PROVISIONS

3. 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

4. The Authority's policy in relation to exercising its power to issue a prohibition order is set out in EG.
5. EG 9.1 explains the purpose of prohibition orders in relation to the Authority's statutory objectives.
6. 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.
7. 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.

8. 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

9. The Authority has issued guidance on the fitness and propriety of individuals in FIT.
10. 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.
11. 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. It 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."
12. FIT 2.1.3G(1) 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).