
FINAL NOTICE

To: **Alok Dhanda**

Address: **11 Victoria Mews
Jesmond Vale
Newcastle-upon-Tyne
NE2 1ER**

**Individual
Reference
Number:** **AXD00015**

Dated: **16 January 2018**

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against Mr Dhanda.
2. The Authority gave Mr Dhanda the Decision Notice, which notified Mr Dhanda 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 Dhanda has not referred the matter to the Tribunal within 28 days of the date on which the Decision Notice was given to him.

4. Mr Dhanda informed the Authority that he did not wish to make representations as he does not dispute the allegations/matters described in the Warning Notice.
5. Accordingly, for the reasons set out below, the Authority hereby makes an order pursuant to section 56 of the Act prohibiting Mr Dhanda 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 16 January 2018.

DEFINITIONS

6. 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;
 - “EG” means the Authority’s Enforcement Guide;
 - “Mr Dhanda” means Alok Dhanda;
 - “the Decision Notice” means the Decision Notice given to Mr Dhanda dated 28 November 2017;
 - “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;
 - “the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber); and
 - “the Warning Notice” means the warning notice given to Mr Dhanda dated 31 October 2017.

RELEVANT STATUTORY PROVISIONS

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

SUMMARY OF REASONS

8. 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 Dhanda 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 Dhanda was convicted, upon his own confession, on 22 September 2014 and 28 November 2014, of 37 counts of fraud, contrary to section 2 of the Fraud Act 2006.
9. On 19 December 2014 and 8 November 2016, Mr Dhanda was sentenced to a total of 68 months’ imprisonment for the offences summarised at paragraph 8 above.
10. On 13 February 2017, Mr Dhanda was released from HMP Kirklevington Grange.

FACTS AND MATTERS RELIED ON

11. Mr Dhanda was previously approved by the Authority to perform the following functions:
 - (a) (between 1 December 2001 and 31 January 2007) CF7 (Sole Trader) (Appointed Representative) in relation to TenetConnect Services Limited;
 - (b) (between 1 December 2001 and 31 October 2007) CF21 (Investment Adviser) in relation to TenetConnect Services Limited;
 - (c) (between 1 November 2007 and 3 July 2013) CF30 (Customer) in relation to TenetConnect Services Limited;
 - (d) (between 9 August 2013 and 27 September 2013) CF30 (Customer) in relation to TenetConnect Services Limited; and
 - (e) (between 20 September 2013 and 14 November 2013) CF30 (Customer) in relation to Truly Independent Limited.
12. Mr Dhanda is not currently approved to perform any functions in relation to any firm authorised by the Authority, and he has not been approved by the Authority to perform any function since 14 November 2013.
13. On 22 September 2014 and 28 November 2014, Mr Dhanda was convicted at Newcastle Crown Court of 37 counts of fraud, contrary to section 2 of the Fraud Act 2006, in that, dishonestly and intending thereby to make gain for himself or another, or to cause loss to another, or to expose another to risk of loss, he made false representations to several people which were and which he knew were or might be untrue or misleading, namely that monies transferred to him by these people would be invested in property in India and/or were bona fide loans.
13. On 19 December 2014 and 8 November 2016, Mr Dhanda was sentenced at Newcastle Crown Court to 68 months' imprisonment (to be served concurrently) for each of the offences summarised at paragraph 13 above. On 13 February 2017, Mr Dhanda was released from HMP Kirkclevington Grange.
14. Further, the majority of Mr Dhanda's offences were committed when he was approved by the Authority to perform a number of functions, as summarised at paragraph 11 above.
15. In his sentencing remarks (made on 19 December 2014), Judge Forster QC commented on the aggravating features of Mr Dhanda's case. These features included: the position of trust Mr Dhanda was in whilst working as a financial advisor; the lengthy period of time over which Mr Dhanda committed the offences (approximately seven years); and the number of individuals affected by his repeated dishonesty (over 40 people). The Judge emphasised that a serious aggravating factor was Mr Dhanda's continued course of action to obtain money even when he was subject to a court Restraining Order and suspended sentence (subsequently imposed for contempt of court after Mr Dhanda was found to have breached the Restraining Order).
16. The Judge stated that Mr Dhanda's dishonesty had resulted in him obtaining money which he spent to further his extravagant lifestyle and reduce his own personal loans. The Judge considered Mr Dhanda's culpability and responsibility to be very high,

remarking that the “impact of what [Mr Dhanda] did on ordinary members of the community can only be described as considerable and devastating.”

DECISION MAKER

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

IMPORTANT

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

Publicity

19. 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 Dhanda or prejudicial to the interest of consumers.
20. 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

21. 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).