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**FINAL NOTICE**

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To: **Andrew Copeland Mortgages Limited**

FRN: **303024**

Address: **230 Portland Road  
London  
SE25 4SL**

Date: **1 April 2010**

**TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (the "FSA") gives final notice about the cancellation of Part IV permission of Andrew Copeland Mortgages Limited**

**1. ACTION**

- 1.1. The FSA gave Andrew Copeland Mortgages Limited ("the Firm") a Decision Notice on 1 April 2010 ("the Decision Notice") which stated that, pursuant to section 45 of the Financial Services and Markets Act 2000 (the "Act"), it had decided to cancel the permission granted to the Firm pursuant to Part IV of the Act ("the Firm's Part IV permission").
- 1.2. The Firm agreed to settle at an early stage of the FSA's investigation.
- 1.3. Accordingly, the FSA has today cancelled the Firm's Part IV permission.

## **2. REASONS FOR THE ACTION**

- 2.1. By a Final Notice dated 1 April 2010, having concluded that Mr Noel Smith (“Mr Smith”) is not a fit and proper person, pursuant to section 63 of the Act, the FSA withdrew Mr Smith’s approval to perform the controlled function CF1 (Director).
- 2.2. As Mr Smith is not fit and proper, the Firm is failing to satisfy the threshold conditions set out in Schedule 6 to the Act (the “Threshold Conditions”) in that, in the opinion of the FSA, the Firm does not have adequate resources in relation to the regulated activities it seeks to carry on. Specifically, the Firm does not have adequate human resources (Threshold Condition 4).

## **3. RELEVANT STATUTORY AND REGULATORY PROVISIONS**

- 3.1. The relevant statutory provisions and regulatory requirements are set out at Annex A.

## **4. FACTS AND MATTER RELIED UPON**

### ***Background***

- 4.1. The Firm operated as a small mortgage broker based in Croydon, and has been regulated by the FSA since 31 October 2004.

### ***Conduct in issue***

- 4.2. As Mr Smith was the only approved person and is not fit and proper, the Firm is failing to satisfy Threshold Condition 4 (Adequate Resources). As such, the FSA cancelled the Firm’s Part IV permission.

## **5. DECISION MAKER**

- 5.1. The decision which gave rise to the obligation to give this notice was made on behalf of the FSA by Settlement Decision Makers for the purposes of the FSA’s Decision Procedure and Penalties manual (“DEPP”).

## **6. IMPORTANT**

- 6.1. This Final Notice is given to the Firm in accordance with section 390(1) of the Act.

### **Confidentiality and publicity**

- 6.2. Sections 391(4), 392(6) and 391(7) of the Act apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the FSA must publish such information about the matter to which this Notice relates as the FSA considers appropriate. The information may be published in such manner as the FSA considers appropriate. However, the FSA may not publish information if such publication would, in the opinion of the FSA, be unfair to you or prejudicial to the interests of consumers.
- 6.3. The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

### **FSA contacts**

- 6.4. For more information concerning this matter generally, you should contact Chris Walmsley of the Enforcement and Financial Crime Division at the FSA (direct line: 020 7066 5894).

**Tom Spender**  
**Head of Department**  
**FSA Enforcement and Financial Crime Division**

## **ANNEX A**

### **1. The Act**

- 1.1. The FSA's statutory objectives, set out in Section 2(2) of the Act, are: market confidence; public awareness; the protection of consumers; and the reduction of financial crime.
- 1.2. Section 41 and Schedule 6 of the Act set out the Threshold Conditions which are conditions that the FSA must ensure a firm will satisfy, and continue to satisfy, in relation to regulated activities for which it has permission.
- 1.3. Paragraph 4 of Schedule 6 to the Act states that the resources of the person concerned must, in the opinion of the FSA, be adequate in relation to the regulated activities that he seeks to carry on or carries on (Threshold Condition 4: Adequate Resources).
- 1.4. Paragraph 5 of Schedule 6 to the Act states that the person concerned must satisfy the FSA that he is a fit and proper person having regard to all the circumstances including (a) his connection with any person; (b) the nature of any regulated activity that he carries on or seeks to carry on; and (c) the need to ensure that his affairs are conducted soundly and prudently (Threshold Condition 5: Suitability).
- 1.5. The FSA is authorised by section 45(2) of the Act to cancel an authorised person's Part IV permission where it appears that an authorised person is failing, or likely to fail, to satisfy the Threshold Conditions or it is desirable to exercise that power in order to protect the interests of consumers or potential consumers.

### **2. Principles, Rules and Guidance**

#### **FSA's policy for exercising its power to cancel Part IV permission**

- 2.1. The FSA's policy for exercising its power to cancel a Part IV permission is set out in the Enforcement Guide ("EG"). (Though the references in this notice are to EG, the FSA has also had regard to the appropriate provisions of the FSA's Enforcement Manual ("ENF") which applied during the period in which your conduct occurred.) The main considerations in relation to the action specified above are set out below.
- 2.2. EG 8.13(1) provides that the FSA will consider cancelling an authorised person's Part IV permission where the FSA has very serious concerns about a firm, or the way its business is or has been conducted.

### **3. Threshold Conditions**

- 3.1. The part of the FSA handbook entitled Threshold Conditions ("COND") gives guidance on the Threshold Conditions as set out in or under Schedule 6 to the Act.
- 3.2. COND 2.4.1UK states that the resources of the person concerned must, in the opinion of the FSA, be adequate in relation to the regulated activities that he seeks to carry on, or carries on.
- 3.3. COND 2.4.2 G(2) provides that the FSA will interpret the term 'adequate' as meaning sufficient in terms of quantity, quality and availability, and 'resources' as including all

financial resources, non-financial resources and means of managing its resources such as, for example, human resources and effective means by which to manage risks.

- 3.4. COND 2.5.1 UK states that the person concerned must satisfy the FSA that he is a fit and proper person having regard to all the circumstances including (a) his connection with any person; (b) the nature of any regulated activity that he carries on or seeks to carry on; and (c) the need to ensure that his affairs are conducted soundly and prudently.
- 3.5. COND 2.5.6 G gives guidance in respect of whether a firm satisfies Threshold Condition 5, in conducting its business with integrity and in compliance with proper standards including whether the firm is ready, willing and organised to comply with the requirements and standards under the regulatory system (COND 2.5.6 G(1)); and whether the firm has contravened, or is connected with any person who has contravened any provision of the Act or the regulatory system (COND 2.5.6 G(4)).