
FINAL NOTICE

To: Anmbur Mohammed Saddiq

IRN: AXS02375

Of: The Rock
201-203 Alum Rock Road
Birmingham
B8 1EU

Dated: 5 November 2009

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (the "FSA") has taken the following action:

1. PROHIBITION ORDER

1.1 The FSA gave you, Anmbur Mohammed Saddiq, a Decision Notice dated 2 October 2009 which notified you that, for the reasons listed below, and pursuant to section 56 of the Financial Services and Markets Act 2000 (the "Act"), the FSA had decided to make an order prohibiting you from performing any function in relation to any

regulated activity carried out by an authorised person, exempt person or exempt professional firm (the “Prohibition Order”).

1.2 You did not refer the matter to the Financial Services and Markets Tribunal within 28 days of the date on which the Decision Notice was given to you.

1.3 Accordingly, the FSA hereby makes an order, pursuant to section 56 of the Act, prohibiting you from performing any function in relation to any regulated activity carried on by an authorised person, exempt person or exempt professional firm.

1.4 The Prohibition Order takes effect from 5 November 2009.

2. REASONS FOR THE PROHIBITION ORDER

2.1 The FSA concluded, on the basis of the facts and matters described below and as set out in more detail in Section 4 of this Notice, that you lack honesty and integrity and are not fit and proper.

2.2 You applied for mortgages for yourself, for a member of your immediate family, and for your employer, Mrs Zaneb Sarfraz (“Mrs Sarfraz”) trading as Pak Property Centre (“Pak Property”), which were based on false and misleading income information. These mortgage applications were submitted through Pak Property, at which you were the only mortgage adviser.

3. STATUTORY PROVISIONS, REGULATORY GUIDANCE AND POLICY

3.1 Relevant statutory provisions, regulatory guidance and policy are set out as an Annex to this Notice.

4. FACTS AND MATTERS RELIED ON

Background

4.1 Pak Property became authorised on 1 July 2005 to perform the following activities:

- (1) advising on regulated mortgage contracts;

- (2) agreeing to carry on a regulated activity;
- (3) arranging regulated mortgage contracts; and
- (4) making arrangements with a view to regulated home finance.

4.2 With effect from 31 August 2006, Pak Property was also authorised to carry on the additional following activities:

- (5) advising (excluding pension transfers/opt outs) on insurance mediation;
- (6) arranging deals in investments;
- (7) assisting in the administration of insurance;
- (8) dealing in investments as agent; and
- (9) making arrangements with a view to insurance mediation.

4.3 You were responsible for the completion and submission of Pak Property's Retail Mediation Activities Returns ("RMAR").

4.4 The facts and matters set out below have led the FSA to conclude that you lack honesty and integrity.

Pak Property's authorisation application

4.5 On 4 February 2005, the FSA received an application for Mrs Sarfraz to become an authorised person (the "Application"). You told the FSA that you had worked at Pak Property since its inception and that you had assisted with the completion of the Application.

4.6 In the Application, it was clearly stated that Mrs Sarfraz would be the director of Pak Property, that you would be the compliance officer, and that you would report to a number of individuals who, in turn, would report to Mrs Sarfraz.

4.7 Appended to the Application was a *curriculum vitae* for Mrs Sarfraz in which it was stated that Mrs Sarfraz had significant experience of running Pak Property and that she was responsible for making key decisions about Pak Property. In practice, she had

very little involvement in the management and control of Pak Property, and she exercised no real influence over its activities. Furthermore, Mrs Sarfraz has no knowledge of the financial services industry or of mortgage contracts.

4.8 You told the FSA that you had no dealings with Mrs Sarfraz at all; that you only dealt with Mr Mohammed Hanif, who is Mrs Sarfraz's father-in-law, and that Mr Hanif was responsible for the day to day running of the business and supervised you.

4.9 It appears to the FSA that the information you and Mr Hanif entered on the Application was therefore false and misleading and you knew that the information in the Application was false and misleading.

Personal mortgage applications

4.10 In December 2006 you submitted a mortgage application to a lender, through Pak Property, for your main residence. On this application, you declared that you earned a gross annual income of £32,500.

4.11 According to Her Majesty's Revenue and Customs ("HMRC") records, you declared nothing for the tax years ending 2006 and 2007.

4.12 The FSA has therefore concluded that you knowingly entered false and misleading income figures on your mortgage application form and obtained the mortgage on a fraudulent basis, and that you lack honesty and integrity.

Mrs Sarfraz's mortgage application

4.13 In September 2006, you submitted a mortgage application on behalf of Mrs Sarfraz in which you acted as the mortgage adviser. This application was also submitted through Pak Property. In the application, Mrs Sarfraz's net profit was stated as £100,000 for the tax years ending 2005/06 and 2006/07. On or around the same time you also submitted Pak Property's RMAR which contained a net profit figure of £43,500 for the period ending June 2006.

4.14 Mrs Sarfraz had little or no involvement in the completion of this mortgage application. Nor did she have any idea about the level of income stated in the

mortgage application. According to HMRC's records, Mrs Sarfraz earned a net profit of £4,740 in the tax year ending April 2006.

- 4.15 You were the sole mortgage advisor at Pak Property and, given your involvement in the business and your responsibility for preparing and submitting the RMARs to the FSA, you must have known that the net profit stated in Mrs Sarfraz's mortgage application did not accurately reflect and was substantially higher than her actual profit. Further your involvement in the business and your awareness of the income and outgoings of the business must have made you aware that Mrs Sarfraz was only paid £150 per week by her father-in-law and not £100,000 per annum as stated in her mortgage application.
- 4.16 The FSA therefore concluded that the information about Mrs Sarfraz's income that you provided in support of her mortgage application was false, that you knew it to be false, and that you knowingly submitted the application based on false and misleading information.

Your family member's mortgage application

- 4.17 In July 2007, you submitted a mortgage application for a family member in which you acted as mortgage adviser. Again, the mortgage application was submitted through Pak Property. In the application, your relative was stated to be self-employed, having made a net profit share of £60,000 in 2005, £65,000 in 2006 and £68,000 in 2007.
- 4.18 According to HMRC's records, however, this relative earned nothing in the tax years ending April 2005, 2006 and 2007.
- 4.19 Given the close family connection, and your knowing involvement in other fraudulent mortgage applications, we concluded that you were knowingly involved in the submission of the mortgage application for this member of your family.

RMAR

- 4.20 A review of the last four RMAR's for Pak Property, submitted between 31 December 2006 and June 2008, indicate that you submitted false and misleading financial information to the FSA. Section B (profit and loss account) of the RMARs for the

periods ending 31 December 2006, 30 June 2007, 31 December 2007 and 30 June 2008 all contained identical financial information.

5. CONCLUSIONS

5.1 In assessing your honesty and integrity for the purpose of considering whether you are a fit and proper person, the FSA had regard to:

- (1) your knowing involvement in the completion and submission of the Application which contained false and misleading information about the responsibilities, knowledge and involvement in the business that Mrs Sarfraz would have and did have;
- (2) your knowing involvement in the submission, through Pak Property, of one false and misleading mortgage application for yourself;
- (3) your knowing involvement in the submission of mortgage applications on behalf of Mrs Sarfraz and for a member of your family which you must have known to contain false and misleading information; and
- (4) your involvement in the submission to the FSA of false and misleading information about Pak Property in its RMAR.

5.2 You lack honesty and integrity and you are not fit and proper. You pose a risk to lenders, consumers and to the FSA's objective of helping to reduce financial crime. A prohibition order is therefore necessary and proportionate, and is consistent with the FSA's policy of seeking to prevent individuals lacking in honesty and integrity from working in authorised firms, in support of the FSA's financial crime, market confidence and consumer protection objectives.

6. DECISION MAKER

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

7. IMPORTANT

7.1 This Final Notice is given to you under section 390 of the Act.

7.2 Sections 391(4), 391(6) and 391(7) of FSMA apply to the publication of information about the matter to which this 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.

7.3 The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

FSA contacts

7.4 For more information concerning this matter generally, you should contact Chris Walmsley of the Enforcement and Financial Crime Division of the FSA (direct line: 020 7066 5894/fax 020 7066 5895).

Tom Spender
Head of Department
Enforcement and Financial Crime Division

Annex

STATUTORY PROVISIONS, REGULATORY GUIDANCE AND POLICY

Statutory provisions

The FSA's statutory objectives, set out in section 2(2) of the Act, include the protection of consumers, maintaining market confidence and the reduction of financial crime.

Prohibition Orders

The FSA has the power, by virtue of section 56 of the Act, to make an order prohibiting you from performing a specified function, any function falling within a specified description or any function, if it appears to the FSA that you are not a fit and proper person to perform functions in relation to a regulated activity carried on by an authorised person. Such an order may relate to a specific regulated activity, an activity falling within a specified description or all regulated activities.

FSA's policy for exercising its power to make a prohibition order

The FSA's approach to exercising its powers to make prohibition orders is set out at Chapter 9 of the Enforcement Guide ("EG").

EG 9.4 sets out the general scope of the FSA's power in this respect, which include the power to make a range of prohibition orders depending on the circumstances of each case and the range of regulated activities to which the individual's lack of fitness and propriety is relevant.

EG 9.5 provides that the scope of a prohibition order will vary according to the range of functions which the individual concerned performs in relation to regulated activities, the reasons why he is not fit and proper and the severity of risk which he poses to consumers or the market generally.

EG 9.17 to 9.18 provide guidance on the FSA's exercise of its power to make a prohibition order against an individual who is not an approved person. The FSA will consider the severity of the risk posed by the individual and may prohibit the individual where it considers this is appropriate to achieve one or more of its regulatory objectives. When considering whether to exercise its power to make a prohibition order against such an individual, the FSA will consider all the relevant circumstances of the case, which may include but are not limited to the factors set out in EG 9.9.

EG 9.9 provides that when deciding whether to make a prohibition order the FSA will consider all the relevant circumstances of the case, which may include (but are not limited to):

- whether the individual is fit and proper to perform functions in relation to regulated activities. The criteria for assessing the fitness and propriety are set out in FIT 2.1 (Honesty, integrity and reputation), FIT 2.2 (Competence and capability) and FIT 2.3 (Financial soundness);
- 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.

EG 9.12 provides a number of examples of types of behaviour which have previously resulted in the FSA deciding to issue a prohibition order. The examples include providing false or misleading information to the FSA, including information relating to business arrangements, and severe acts of dishonesty, for example those which may have resulted in financial crime.

Fit and Proper Test for Approved Persons

The part of the FSA Handbook entitled “FIT” sets out the Fit and Proper Test for Approved Persons. The purpose of FIT is to outline the main criteria for assessing the fitness and propriety of a candidate for a controlled function. FIT is also relevant in assessing the continuing fitness and propriety of an individual who is not an approved person.

In this instance the criteria set out in FIT are relevant in considering whether the FSA may exercise its powers to make a prohibition order against an individual who is not an approved person in accordance with EG 9.9 and EG 9.18.

FIT 1.3.1G provides that the FSA will have regard to a number of factors when assessing a person’s fitness and propriety. One of the most important considerations will be the person’s honesty, integrity and reputation.

In determining a person’s honesty, integrity and reputation, FIT 2.1 provides that the FSA will have regard to matters including, but not limited to, those set out in FIT 2.1.3G. The guidance includes:

- (1) whether the person has contravened any of the requirements and standards of the regulatory system (FIT 2.1.3G(5)); and
- (2) 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)).