
FINAL NOTICE

To: **Anthony George**

Reference Number: **AXK00071**

Date: **24 September 2021**

1. ACTION

1.1. For the reasons given in this Final Notice, the Authority hereby:

- (1) withdraws the approval given to Mr George to perform the senior management functions, SMF3 (Executive Director), SMF16 (Compliance Oversight) and SMF17 (Money Laundering Reporting) at 4Life Financial Planning Limited, pursuant to section 63 of the Act; and
- (2) makes an order prohibiting Mr George from performing any function in relation to any regulated activities carried on by an authorised person, exempt person or exempt professional firm, pursuant to section 56 of the Act.

2. SUMMARY OF REASONS

- 2.1. The Authority has decided to take the actions set out in paragraph 1.1 because it has concluded that Mr George is not a fit and proper person to perform any function in relation to any regulated activity carried on by an authorised person, exempt person or exempt professional firm because his conduct, as set out in this Notice, demonstrates a lack of honesty and integrity.
- 2.2. On the basis of the facts and matters described below, the Authority considers that Mr George, the sole director, shareholder and approved person at 4Life Financial Planning Limited ("4Life"), between 14 January 2015 and 15 May 2019 ("the Relevant Period") deliberately:
- (1) submitted false information to Her Majesty's Revenue and Customs ("HMRC") by understating the income in his self assessment tax returns over a five-year period for the tax years 2013/2014 to 2017/2018; and
 - (2) concealed the above by providing the Authority with information which he knew to be false during the first of his two compelled interviews with the Authority ("First Compelled Interview").
- 2.3. Mr George deliberately understated his personal income in the self assessment tax returns which he submitted to HMRC for a period of five consecutive tax years. In understating his income, Mr George did not pay the correct amount of income tax and, in addition, he claimed and received working tax credit to which he was not entitled.
- 2.4. Mr George did not inform the accountancy firms which prepared and submitted his tax returns for the four tax years 2013/2014 to 2016/2017 ("Accountancy Firm One") and for 2017/2018 ("Accountancy Firm Three") that he had additional income other than that received from 4Life, namely his takings from two cash-in-hand businesses – a hair salon and a DJ business – as well as rental income which he received from letting out a room in his house. In circumstances where Mr George appointed an accountant to assist him in the preparation of his self assessment tax returns, he remained responsible for ensuring that his accountant was informed of all his income, so that his self assessment tax returns could be completed accurately, and he nevertheless failed to provide accurate income figures.
- 2.5. In addition to Accountancy Firm One, Mr George appointed concurrently a second accountancy firm ("Accountancy Firm Two") to prepare an alternative version of his self assessment tax returns for the three tax years 2013/2014 to 2015/2016. Unlike Accountancy Firm One, Mr George informed Accountancy Firm Two of all his sources

of income. Accountancy Firm Two's calculation of Mr George's income was on average almost six times greater than Accountancy Firm One's calculation of his income. Mr George thereafter submitted the lower income tax returns prepared by Accountancy Firm One to HMRC and asked Accountancy Firm Two to certify his income for the purposes of a personal mortgage application on the basis of the higher income tax returns.

- 2.6. Mr George submitted a mortgage application through 4Life to a mortgage provider ("the Mortgage Provider") in January 2017 in which he asserted that his income over the preceding three tax years (2013/2014 to 2015/2016) was substantially higher than the income that he had declared to HMRC in his tax returns over the same period. Mr George's total income as stated in his mortgage application was some £367,757 greater than the income he had declared to HMRC over the same three-year period. As a result of this action, Mr George obtained a mortgage in the sum of £630,000.
- 2.7. Mr George misled the Authority during his First Compelled Interview when he stated that:
 - (1) he had informed Accountancy Firm One of his income from his DJ business and hair salon;
 - (2) he had asked Accountancy Firm One to certify the income in his mortgage application but they had said they were not qualified to do so; and
 - (3) his appointment of Accountancy Firm Two in respect of his personal accounts had been in September or October 2016, around the period of making his mortgage application.
- 2.8. During the second of Mr George's two compelled interviews ("Second Compelled Interview") and after the Authority had disclosed to Mr George a copy of his letter of appointment in respect of Accountancy Firm Two dated 13 May 2014, Mr George confirmed that he had not, in fact, informed Accountancy Firm One of the income from his cash businesses and accepted that he had appointed Accountancy Firm Two in 2014, not 2016.
- 2.9. Accountancy Firm One were in fact qualified to certify the mortgage certificate.
- 2.10. The Authority considers that in deliberately submitting false information to HMRC and misleading the Authority, Mr George has demonstrated that he lacks honesty and integrity.

- 2.11. The Authority considers the action set out in this Notice will advance its operational objectives of securing an appropriate degree of protection for consumers and protecting and enhancing the integrity of the UK financial system.
- 2.12. The Authority hereby withdraw the approval given to Mr George to perform the senior management functions SMF3 (Executive Director), SMF16 (Compliance Oversight) and SMF17 (Money Laundering Reporting) at 4Life Financial Planning Limited pursuant to section 63 of the Act and make an order prohibiting Mr George from performing any function in relation to any regulated activities carried on by an authorised person, exempt person or exempt professional firm pursuant to section 56 of the Act.

3. DEFINITIONS

- 3.1. The definitions below are used in this Notice: "4Life" means 4Life Financial Planning Limited;

"Accountancy Firm One" means the Accountancy Firm appointed by Mr George in 2014, to whom Mr George only provided details of income from 4Life and which prepared and submitted his self assessment tax returns for the four tax years 2013/2014 to 2016/2017;

"Accountancy Firm Two" means the Accountancy Firm appointed by Mr George on 13 May 2014, to whom Mr George provided details of all of his sources of income and which certified his mortgage application to the Mortgage Provider;

"Accountancy Firm Three" means the Accountancy Firm appointed by Mr George in 2018, to whom Mr George only provided details of income from 4Life and which prepared and submitted his self assessment tax return for the tax year 2017/2018;

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

"First Compelled Interview" means the interview conducted by the Authority with Mr George on 15 May 2019 under compelled powers;

"HMRC" means Her Majesty's Revenue and Customs, the UK's tax, payments and customs authority;

"Mortgage Provider" means the mortgage provider to which Mr George submitted his mortgage application dated 4 January 2017;

the "RDC" means the Regulatory Decisions Committee of the Authority (see further at paragraph 8.3 below)

“Relevant Period” means the period 14 January 2015 to 15 May 2019;

“Second Compelled Interview” means the interview conducted by the Authority with Mr George on 26 July 2019 under compelled powers; and

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

4. FACTS AND MATTERS

4Life Financial Planning Limited

- 4.1. 4Life is a financial advisor and mortgage intermediary based in London which is authorised by the Authority to conduct regulated activities including advising and arranging deals in a range of investment types for retail customers. Throughout the Relevant Period, Mr George was the sole director and shareholder of 4Life, and its only approved person, holding the CF1 (Director), CF10 (Compliance Oversight), CF11 (Money Laundering Reporting) and CF30 (Customer) controlled functions.
- 4.2. Throughout the Relevant Period, 4Life’s revenue originated from retail investments, much of which was from advising clients in relation to their life insurance. In this way, Mr George spent a substantial part of his time advising on pension and insurance-related matters but also undertook a smaller proportion of mortgage advice work. Mr George obtained prospective client referrals through introducers, generally accountants or solicitors, whom he would visit to encourage them to introduce their clients to 4Life.
- 4.3. Mr George completed his Chartered Insurance Institute level 4 qualification unit R03 entitled ‘personal taxation’ on 3 February 2016. This course develops knowledge and understanding of the UK taxation system and the ability to analyse the taxation treatment of individuals and trusts during the investment advice process. Mr George passed this personal tax exam during the Relevant Period, demonstrating that he had an understanding of the UK taxation system.
- 4.4. Mr George’s income from 4Life during the Relevant Period consisted of dividends and remuneration as its director and shareholder. Mr George withdrew monies from 4Life throughout the financial year, at the end of which Accountancy Firm One would total the amount he had drawn and apportion a tax-efficient amount as his director’s wages with the remainder being classified as dividends.

Mr George’s non-4Life income

- 4.5. Mr George also earned income from the following sources during the Relevant Period:

- (1) A DJ business: Mr George worked as a DJ and he also placed other DJs at events for which he charged a fee, paid in cash. He did not maintain any records for this business, aside from a calendar where he noted the date and location of DJ bookings. Mr George has stated that he received income of £40,360 from his DJ business during the tax years 2013/2014 and 2014/2015, with the business ceasing at some point before April 2016.
- (2) A hair salon: In mid-2015, Mr George and a business partner purchased a hair salon which they then managed themselves before selling it in May 2018. Customers paid for services in cash and, although hair stylists would complete slips describing the work undertaken and the price charged, the hair salon did not maintain comprehensive records. Mr George has stated that he received income of £53,404 from his hair salon during the tax years 2015/2016, 2016/2017 and 2017/2018.
- (3) Rental income: Mr George received an income of £647 per month for letting out a room in his home. This increased to £700 per month from June 2017. Mr George has stated that he received rental income totalling £32,713 throughout the Relevant Period which encompasses the tax years 2013/2014 to 2017/2018.

Mr George's personal self assessment tax returns

- 4.6. HMRC uses a system called 'Self Assessment' to collect income tax from individuals who do not have their tax deducted through either their wages, pensions or savings. If filed online, taxpayers are required to submit self assessment tax returns by 31 January following the tax year to which they apply. For example, the filing deadline for a self assessment tax return covering the tax year 6 April 2013 to 5 April 2014 was 31 January 2015. If the taxpayer's self assessment tax return is submitted after its filing deadline, the taxpayer incurs a penalty charge and, after 3 months, daily penalties. A taxpayer who is late paying tax is charged interest and a late payment penalty. Individuals completing self assessment tax returns must, where applicable, provide the specified information in relation to, amongst other things, employment income, self-employment income, company dividends and UK property income. Individuals who provide false information to HMRC may have to pay financial penalties and may be prosecuted.
- 4.7. Mr George submitted self assessment tax returns annually to HMRC throughout the Relevant Period. Mr George was responsible for ensuring that the accountants who prepared his self assessment tax returns were informed of all of his income and, further, that the tax returns submitted to HMRC on his behalf were complete and

accurate. As an experienced Independent Financial Advisor Mr George would have been aware of this requirement.

Mr George/4Life's Accountancy Firms during the Relevant Period

- 4.8. During the Relevant Period, Mr George appointed three accountancy firms, two of whom provided accountancy services to him concurrently.
- 4.9. Accountancy Firm One: in 2014, Mr George appointed Accountancy Firm One to prepare his self assessment tax returns for submission to HMRC. Accountancy Firm One also prepared 4Life's financial statements and company tax returns. Mr George stopped using the services of Accountancy Firm One in 2017.
- 4.10. Accountancy Firm Two: on 13 May 2014, Mr George appointed Accountancy Firm Two, also to prepare self assessment tax returns for him. The principal accountant at Accountancy Firm Two was a friend of Mr George and did not charge a fee for his accountancy services. In this way, Mr George retained the services of Accountancy Firms One and Two at the same time. Accountancy Firm Two resigned as Mr George's accountant in June 2018. However, subsequently, Mr George re-engaged Accountancy Firm Two in August 2019 to assist him in managing his personal finances going forward and, on his account, in order to amend and re-submit his 2016/2017 and 2017/2018 tax returns.
- 4.11. Accountancy Firm Three: in 2018, Mr George appointed Accountancy Firm Three to replace Accountancy Firm One. Accountancy Firm Three prepared Mr George's self assessment tax return for the tax year 2017/2018 for submission to HMRC. Accountancy Firm Three also prepared 4Life's financial statements and company tax return.
- 4.12. Thus Mr George appointed Accountancy Firm One and Accountancy Firm Two concurrently to prepare his self assessment tax returns. He did not inform Accountancy Firm One (who prepared and submitted his tax returns for the four tax years 2013/2014 to 2016/2017) that he had income other than that received from 4Life. When Mr George replaced Accountancy Firm One with Accountancy Firm Three, as with Accountancy Firm One, Mr George only informed Accountancy Firm Three of income from 4Life. Mr George selected Accountancy Firm One and Accountancy Firm Three to submit his self assessment tax returns to HMRC, rather than submitting the returns prepared by Accountancy Firm Two, which resulted in Mr George having a lower tax liability for the tax years 2013/2014 to 2017/2018.

- 4.13. Mr George appointed Accountancy Firm Two contemporaneously to prepare an alternative version of his self assessment tax returns for the three tax years 2013/2014 to 2015/2016. In doing so, Mr George informed Accountancy Firm Two of all of his sources of income. In addition, Accountancy Firm Two used a different accounting method to that used by Accountancy Firm One to calculate Mr George’s income from 4Life. For details of the different accounting treatments see Annex A.
- 4.14. The combination of using a different accounting treatment for calculating Mr George’s income from 4Life and taking into account all of Mr George’s sources of income resulted in the tax returns prepared by Accountancy Firm Two recording a significantly higher income for Mr George for the tax years 2013/2014 to 2015/2016. These alternative versions of Mr George’s tax returns were not submitted to HMRC during the relevant tax year but formed the basis of his personal mortgage application for a secured loan in excess of £600,000.
- 4.15. The discrepancies between Mr George’s two sets of tax returns are set out in the table below.

Tax Year	Mr George’s total income as stated in the tax returns prepared by Accountancy Firm One and submitted to HMRC	Mr George’s total income as stated in the tax returns prepared by Accountancy Firm Two for his mortgage application
2013/2014	£39,777	£142,626
2014/2015	£23,444	£148,063
2015/2016	£20,093	£160,382
Total	£83,314	£451,071

- 4.16. Mr George benefited financially from the arrangement whereby he appointed two sets of accountants to prepare differing versions of his self assessment tax returns for the tax years 2013/2014 to 2015/2016. As a result of this, he was able to:
- (1) submit the lower income figures prepared by Accountancy Firm One to HMRC, resulting in a lower personal tax liability; and
 - (2) use the higher income figures prepared by Accountancy Firm Two in obtaining a mortgage of £630,000.

- 4.17. Accountancy Firm Two ceased working for Mr George in June 2018 and did not prepare contemporaneous tax returns for the tax years 2016/2017 or 2017/2018. However, in August 2019, Mr George re-appointed Accountancy Firm Two to amend (as set out in paragraph 4.18) and, he states, resubmit to HMRC his tax returns for the tax years 2016/2017 and 2017/2018 which were originally prepared and submitted by Accountancy Firm One and Accountancy Firm Three.
- 4.18. The discrepancies between the tax returns prepared and submitted by Accountancy Firm One and Accountancy Firm Three, and the subsequently amended versions prepared by Accountancy Firm Two, are set out in the table below.

Tax year	Mr George's total income as stated in the tax returns prepared by Accountancy Firm One and Accountancy Firm Three and submitted to HMRC	Mr George's total income as stated in the tax returns prepared by Accountancy Firm Two and stated to have been subsequently resubmitted to HMRC
2016/2017	£29,000	£52,889
2017/2018	£17,940	£34,115
Total	£46,940	£87,004

- 4.19. Mr George deliberately understated his personal income in the self assessment tax returns which he submitted to HMRC for a period of five consecutive tax years. In understating his income, Mr George did not pay the correct amount of income tax and, in addition, he claimed and received working tax credit to which he was not entitled.
- 4.20. Mr George has provided no credible explanation for the under-declaration of his income to HMRC over this period of time.
- 4.21. For more details of Mr George's annual submissions to HMRC and the alternative versions of his tax returns prepared by Accountancy Firm Two, see Annex B.

Mortgage Application

- 4.22. In late 2016, Mr George sought to remortgage his residential property with a new mortgage provider ("the Mortgage Provider") and, in so doing, increase the amount of his mortgage from £349,281 to £600,000.

- 4.23. In September or October 2016, Mr George asked Accountancy Firm Two to prepare an accountant's certificate to evidence his income for the three tax years preceding his mortgage application, namely 2013/2014 to 2015/2016. Mr George's income as stated in his submitted tax returns was substantially lower than in the alternative version of his tax returns prepared by Accountancy Firm Two, which included his non-4Life sources of income and calculated his 4Life income in a manner which led to a substantially higher figure.
- 4.24. Accountancy Firm Two certified Mr George's income in support of his mortgage application on 25 November 2016 on the basis of the unsubmitted tax returns which they had prepared for the tax years 2013/2014 to 2015/2016. Mr George signed his personal mortgage application on 4 January 2017 and submitted it through 4Life to the Mortgage Provider. Thereafter the Mortgage Provider granted Mr George a secured loan in the sum of £630,000.
- 4.25. Mr George's mortgage application stated that he was self-employed and that the name of his business was 4Life Financial Planning Limited. Within his mortgage application, Mr George's income was presented in two places, as follows.

Mr George's declaration of his own income

- 4.26. The mortgage application form required the applicant to disclose their income. Mr George disclosed his income, as follows:
- (1) within the category self-employed personal net profit: £142,000 received in 2013/2014, £148,000 received in 2014/2015 and £160,000 received in 2015/2016; and
 - (2) within the category 'other' income: £42,000 received from his hair salon.¹

Accountancy Firm Two's certification of Mr George's income

- 4.27. Accountancy Firm Two's certification of Mr George's income reflected the self assessment tax returns it had prepared for the tax years 2013/2014, 2014/2015 and 2015/2016; as detailed above, these tax returns were not submitted to HMRC. In fact, Mr George's income, as stated within the mortgage application, was substantially higher than the income he had declared to HMRC in the tax returns prepared and submitted by Accountancy Firm One. In this way, Mr George's total income over three

¹ It is apparent that, in Mr George's own declaration, he double-counted the income from his hair salon (stated to be £42,000) in the mortgage application on the basis that this sum was comprised in his self-employed personal net profit as well as being included as a stand-alone item under other income. However, the income from the hair salon was included only once in Accountancy Firm Two's certification of Mr George's income, as described below.

tax years as stated in his mortgage application form was £367,757 greater than the income he had declared to HMRC over the same three-year period.

- 4.28. The disparity between Mr George’s income as declared to the Mortgage Provider and HMRC in his tax returns for the three tax years 2013/2014 to 2015/2016 is illustrated in the table below:

Tax Year	Income declared to Mortgage Provider as certified by Accountancy Firm Two	Income declared to HMRC	Disparity
2013/2014	£142,626	£39,777	£102,849
2014/2015	£148,063	£23,444	£124,619
2015/2016	£160,382	£20,093	£140,289
Totals	£451,071	£83,314	£367,757

Mr George’s misleading responses during compelled interviews

- 4.29. On 15 May 2019, Mr George misled the Authority in a compelled interview.
- 4.30. During his First Compelled Interview, Mr George stated that:
- (1) he had informed Accountancy Firm One that he received income from his DJ business and his hair salon;
 - (2) he had asked Accountancy Firm One to certify the mortgage application but they said they were not qualified to do so, which is why he asked Accountancy Firm Two to prepare the Accountant’s certificate for his mortgage application; and
 - (3) his appointment of Accountancy Firm Two in respect of his personal accounts had been in September or October 2016, around the period of making his mortgage application.
- 4.31. These statements were consistent with information given by Mr George’s solicitors in a detailed letter to the Authority the previous day.

Accountancy Firm One's lack of awareness of income from cash businesses

- 4.32. During his compelled interview, the principal accountant at Accountancy Firm One explained that he had understood that DJ-ing was Mr George's hobby and that the hair salon was loss-making such that, to his knowledge, Mr George did not derive an income from either. In addition, during his Second Compelled Interview, Mr George stated that, contrary to what he had said in his First Compelled Interview, he did not in fact inform Accountancy Firm One of his income from his DJ business or hair salon.

Accountancy Firm One's qualification to certify Mr George's income

- 4.33. During his compelled interview, the principal accountant at Accountancy Firm One stated that he could not recall Mr George asking him to certify a mortgage certificate for Mr George. Moreover, contrary to Mr George's statements to the Authority, Accountancy Firm One were qualified to certify the mortgage certificate and the Authority infers that, had they been asked by Mr George, they would have said they were so qualified. However, had Mr George asked Accountancy Firm One to do so, they would only have been able to certify that his income was as stated in his submitted tax returns.

Date of appointment of Accountancy Firm Two

- 4.34. Following Mr George's First Compelled Interview, the Authority interviewed Accountancy Firm Two's principal accountant, who informed the Authority that his relationship with Mr George commenced in 2014, i.e. in relation to his tax return for the 2013/2014 tax year. This was supported by Accountancy Firm Two's letter of engagement which was signed by Mr George on 13 May 2014. During his Second Compelled Interview, after the Authority presented to Mr George his letter of engagement with Accountancy Firm Two, Mr George admitted that in fact he had engaged Accountancy Firm Two in 2014.
- 4.35. The misleading statements Mr George made during his First Compelled Interview (set out at paragraph 4.30) served to inform the Authority that: Mr George had informed Accountancy Firm One of all of his income, including from his cash businesses; Mr George asked Accountancy Firm One to certify his income for the purposes of his mortgage application but they were unable to do so; and Mr George appointed Accountancy Firm Two only in September or October 2016, specifically so that they could certify his income for his mortgage application as Accountancy Firm One were not qualified to do so. This information was all false.

- 4.36. In reality the opposite was true: Mr George had appointed Accountancy Firm Two in May 2014 and, whilst Accountancy Firm One were qualified to certify Mr George's income for his mortgage application, the Authority considers that Mr George did not want them to do so as he had not provided Accountancy Firm One with details of his non-4Life income. In contrast, Mr George had informed Accountancy Firm Two of all of his sources of income, including his cash businesses, enabling them to certify a much higher income for the benefit of his mortgage application than Accountancy Firm One.
- 4.37. By not informing the Authority of the true version of events, Mr George concealed the fact that he had contemporaneously engaged two different accountancy firms to produce alternative versions of his tax returns, which enabled him to reduce his tax liability whilst obtaining a substantial mortgage.

5. FAILINGS

- 5.1. The regulatory and statutory provisions relevant to this Notice are referred to in Annex C.
- 5.2. By reason of the facts and matters set out in this Notice, the Authority considers that Mr George is not a fit and proper person because his conduct demonstrates a lack of honesty and integrity, on the basis that he deliberately:
- (1) submitted false information to HMRC by understating the income in his self assessment tax returns over a five-year period, for the tax years 2013/2014 to 2017/2018; and
 - (2) concealed the above by providing the Authority with information which he knew to be false during his First Compelled Interview.
- 5.3. As regards paragraph 5.2(2) above, during his First Compelled Interview, Mr George falsely stated that he had:
- (1) informed Accountancy Firm One of his income from his DJ business and hair salon;
 - (2) asked Accountancy Firm One to certify the income in his mortgage application but they said they were not qualified to do so; and
 - (3) appointed Accountancy Firm Two in respect of his personal accounts in September or October 2016, around the period of making his mortgage application.

6. SANCTION

6.1. The Authority considers Mr George's conduct to be serious, and to demonstrate a lack of honesty and integrity. As a result of his lack of honesty and integrity, the Authority considers that Mr George is not fit and proper to perform functions in relation to regulated activities. The Authority therefore considers that it is appropriate and proportionate in all the circumstances to:

- (1) withdraw the approval given to Mr George to perform the senior management functions, SMF3 (Executive Director), SMF16 (Compliance Oversight) and SMF17 (Money Laundering Reporting) at 4Life; and
- (2) make an order prohibiting Mr George from performing any function in relation to any regulated activity carried on by an authorised person, exempt person or exempt professional firm.

6.2. The Authority considers the action set out in this Notice will advance its operational objectives of securing an appropriate degree of protection for consumers and protecting and enhancing the integrity of the UK financial system.

6.3. In deciding to make the Prohibition Order, the Authority has had regard to the guidance in Chapter 9 of EG (the relevant provisions of which are set out in Annex C to this Notice).

7. REPRESENTATIONS

7.1. Annex D contains a brief summary of the key representations made by Mr George and how they have been dealt with. In making the decision which gave rise to the obligation to give this Notice, the Authority has taken into account all of the representations made by Mr George, whether or not set out in Annex D.

8. PROCEDURAL MATTERS

8.1. This Notice is given to Mr George under and in accordance with section 390 of the Act.

8.2. The following paragraphs are important.

Decision maker

8.3. The decision which gave rise to the obligation to give this Notice was made by the RDC. The RDC is a committee of the Authority which takes certain decisions on behalf of the Authority. The members of the RDC are separate from the Authority staff involved in conducting investigations and recommending action against firms and

individuals. Further information about the RDC can be found on the Authority's website:

<https://www.fca.org.uk/about/committees/regulatory-decisions-committee-rdc>

Confidentiality and publicity

- 8.4. Section 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this notice relates.
- 8.5. Under those provisions, 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 George, or prejudicial to the interest of consumers or detrimental to the stability of the UK financial system.
- 8.6. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contact

- 8.7. For more information concerning this matter generally, contact Emma Walker at the Authority (direct line: 020 7066 3160).

Lauren Rafter

**Interim Head of Department, Enforcement and Market Oversight Division
Financial Conduct Authority**

ANNEX A

Differing accounting and tax treatment between Mr George's accountants

- 1.1. Accountancy Firm One initially prepared 4Life's financial statements by analysing 4Life's bank statements, grouping expenses into various categories such as director's account, rent and rates, indemnity insurance, staff wages, introducers' fees and bank charges, and thereby creating an extended trial balance. Accountancy Firm One calculated Mr George's income from 4Life as part of this process, attributing a tax-efficient proportion of Mr George's income as salary, with the remainder as dividends.
- 1.2. However, Mr George did not inform Accountancy Firm One that he had other income besides his income from 4Life, namely from his two cash-in-hand businesses and his rental income.
- 1.3. In contrast, Mr George informed Accountancy Firm Two of all of his sources of income.
- 1.4. The methodology by which Accountancy Firm Two prepared Mr George's self assessment tax returns for the tax years 2013/2014 to 2015/2016 was as follows:
 - (1) It adopted 4Life's turnover as stated in the Firm's financial statements prepared by Accountancy Firm One and then, purportedly, deducted the business expenses for 4Life. Accountancy Firm Two then construed the resulting balance, in its entirety, as Mr George's personal income. However, in reality, for the tax years 2013/2014 and 2014/2015, Accountancy Firm Two deducted only 4Life's staff wages and National Insurance, and not the remainder of its business expenses; similarly for the tax year 2015/2016, Accountancy Firm Two deducted less than 4Life's staff wages and National Insurance, ignoring a large part of 4Life's business expenses. As Accountancy Firm Two set off only a small proportion of 4Life's business expenses against its turnover, the residual amount, which comprised Mr George's purported income from 4Life, was or may have been overstated. This approach meant that Accountancy Firm Two treated third party payments in respect of 4Life's business expenses such as for business travel, indemnity insurance, advertising fees and accountancy fees as Mr George's personal income.
 - (2) Accountancy Firm Two then added income from Mr George's cash businesses and from letting his property (net of expenses in relation to those income streams) to his 4Life income.

- (3) By this method, Accountancy Firm Two's calculation of Mr George's income, as presented in their version of his self assessment tax returns, was much higher than that presented by Accountancy Firm One.

ANNEX B

Mr George's annual submissions to HMRC and the alternative versions of his tax returns prepared by Accountancy Firm Two

Tax Year 2013/2014

- 1.1. The submission deadline for Mr George's 2013/2014 self assessment tax return, covering the period 6 April 2013 to 5 April 2014, was 31 January 2015.

Accountancy Firm One

- 1.2. On appointing Accountancy Firm One to prepare his self assessment tax return for the tax year 2013/2014, Mr George did not inform Accountancy Firm One of his non-4Life income. Accountancy Firm One calculated Mr George's income on this basis and provided a draft self assessment tax return to Mr George for his approval. Accountancy Firm One then submitted Mr George's finalised tax return to HMRC on 14 January 2015.

- 1.3. The self assessment tax return that Accountancy Firm One prepared and submitted on behalf of Mr George for the tax year 2013/2014 understated his income because it did not include Mr George's income from running a DJ business or his rental income. It declared that Mr George's income was £39,777. This comprised £12,000 in "pay from employments" and £27,777 in "dividends from UK companies". On this income, Mr George was liable for £512 in income tax and claimed and received a working tax credit of £271.

- 1.4. During the Relevant Period, working tax credit was a benefit that could be claimed by working people on a low income. Prospective claimants were ordinarily required to complete eligibility paperwork, stating their gross income for HMRC to decide whether to award the tax credit.

Accountancy Firm Two

- 1.5. In contrast with Accountancy Firm One, to assist with their preparation of his self assessment tax return for the tax year 2013/2014, Mr George provided Accountancy Firm Two with information relating to the income from 4Life, his DJ business and his rental income.
- 1.6. Accountancy Firm Two took a different approach to Accountancy Firm One in calculating Mr George's personal tax liability:

- (1) Accountancy Firm Two's starting position was 4Life's turnover as calculated by Accountancy Firm One and presented in 4Life's financial statements.
 - (2) To this, Accountancy Firm Two added other income, including from the DJ business and rental income minus related expenses.
 - (3) In calculating Mr George's income from 4Life, Accountancy Firm Two deducted only staff wages and National Insurance from 4Life's turnover. It did not deduct any other expenses such as 4Life's business insurance, business travel indemnity insurance, advertising or any other business expenses incurred by 4Life during the financial year. Business expense deductions attributed to 4Life by Accountancy Firm Two were therefore much lower than those attributed to 4Life by Accountancy Firm One. Accountancy Firm Two construed the resulting balance as Mr George's income.
- 1.7. For the tax year 2013/2014, Accountancy Firm Two calculated Mr George's income as £142,626, with income tax due totalling £27,809.40. According to Accountancy Firm Two's working papers, this was based on a net income from 4Life of £132,503, net rental income of £5,604 and net DJ income of £7,177.
 - 1.8. Accountancy Firm Two completed Mr George's self assessment tax return for the tax year 2013/2014 on 14 July 2014, but it was not submitted to HMRC at that time.
 - 1.9. Mr George has stated that Accountancy Firm Two submitted their version of his self assessment tax return for the tax year 2013/2014 to HMRC on 21 May 2018. However, as at 14 October 2020, HMRC has confirmed that it can find no amendments to the tax return filed on 14 January 2015 for that year.

Tax Year 2014/2015

- 1.10. The submission deadline for Mr George's 2014/2015 self assessment tax return, covering the period 6 April 2014 to 5 April 2015, was 31 January 2016.

Accountancy Firm One

- 1.11. As in the previous tax year, Mr George did not inform Accountancy Firm One of non-4Life income and again the self assessment tax return that Accountancy Firm One prepared on behalf of Mr George for the tax year 2014/2015 understated his income as it did not include the income that he received from his DJ business or his rental income.

- 1.12. Accountancy Firm One submitted Mr George's finalised 2014/2015 tax return to HMRC on 22 December 2015, declaring an income of £23,444, comprising £9,000 in "pay from employments" and £14,444 in "dividends from UK companies". Mr George paid no tax on this income and claimed and received working tax credit of £2,577.93.

Accountancy Firm Two

- 1.13. As in the previous tax year, and again in contrast with Accountancy Firm One, Mr George provided Accountancy Firm Two with information relating to the income from 4Life, his DJ business income and his rental income. Accountancy Firm Two's approach to calculating Mr George's income differed from Accountancy Firm One in the same way as in the previous tax year, 2013/2014. In particular, in calculating Mr George's income from 4Life, Accountancy Firm Two deducted very limited business expenses from 4Life's turnover. This resulted in Accountancy Firm Two construing Mr George's income from 4Life as being far greater than Accountancy Firm One.
- 1.14. For the tax year 2014/2015, Accountancy Firm Two calculated Mr George's total income as £148,063, with tax due totalling £28,916.35. Accountancy Firm Two's working papers record that this was based on a net income from 4Life of £111,586, net rental income of £4,859 and net DJ business income of £33,183. Accountancy Firm Two completed Mr George's 2014/2015 self assessment tax return on 22 September 2015.
- 1.15. On completion, Accountancy Firm Two's 2014/2015 self assessment tax return was not submitted to HMRC by Mr George or Accountancy Firm Two at that time.
- 1.16. Mr George has stated that Accountancy Firm Two submitted their version of his self assessment tax return for the tax year 2014/2015 to HMRC on 21 May 2018. However, as at 14 October 2020, HMRC has confirmed that it can find no amendments to the tax return filed on 22 December 2015 for that year.

Tax Year 2015/2016

- 1.17. The submission deadline for Mr George's 2015/2016 self assessment tax return, covering the period 6 April 2015 to 5 April 2016, was 31 January 2017.

Accountancy Firm One

- 1.18. As in the previous two tax years, the self assessment tax return that Accountancy Firm One prepared on behalf of Mr George for the tax year 2015/2016 understated Mr George's income as it did not include his rental income from letting a room in his home

or income from the hair salon which he acquired in this tax year. Once again, Mr George had not informed Accountancy Firm One of the other non-4Life income.

- 1.19. Accountancy Firm One submitted Mr George's finalised 2015/2016 tax return on 28 December 2016, declaring an income of £20,093, comprising £9,000 in "pay from employments" and £11,093 in "dividends from UK companies". Mr George paid no tax on this income and claimed and received working tax credit of £544.26.

Accountancy Firm Two

- 1.20. In contrast with Accountancy Firm One, once again, Mr George provided Accountancy Firm Two with information relating to both the 4Life income and the non-4Life income, namely from his hair salon. As in the two previous tax years, Accountancy Firm Two's approach to calculating Mr George's income from 4Life differed from Accountancy Firm One in that it only deducted less than the staff wages and National Insurance from 4Life's turnover and then construed the resulting balance as Mr George's income. This resulted in Accountancy Firm Two construing the level of Mr George's 4Life income as being far greater than Accountancy Firm One.
- 1.21. For the tax year 2015/2016, Accountancy Firm Two calculated Mr George's income as £160,382, with tax due totalling £32,491.82. Accountancy Firm Two's working papers record that this was based on a net income from 4Life of £119,648 and a net income from Mr George's hair salon of £42,800. Accountancy Firm Two completed Mr George's 2015/2016 self assessment tax return on 9 January 2017.
- 1.22. Upon completion, Accountancy Firm Two's 2015/2016 self assessment tax return was not submitted to HMRC by Mr George or Accountancy Firm Two at that time.
- 1.23. Mr George has stated that Accountancy Firm Two submitted their version of his self assessment tax return for the tax year 2015/2016 to HMRC on 21 May 2018. However, as at 14 October 2020, HMRC has confirmed that it can find no amendments to the tax return filed on 28 December 2016 for that year.

Tax Year 2016/2017

- 1.24. The submission deadline for Mr George's 2016/2017 self assessment tax return, covering the period 6 April 2016 to 5 April 2017, was 31 January 2018.

Accountancy Firm One

- 1.25. As in previous tax years, Mr George's self assessment tax return prepared by Accountancy Firm One for the tax year 2016/2017 understated his income as it did not include income from his hair salon and rental income. Once again, Mr George did not inform Accountancy Firm One of non-4Life income.
- 1.26. Accountancy Firm One submitted Mr George's finalised 2016/2017 tax return to HMRC on 19 May 2017, declaring an income of £29,000, comprising £9,000 in "pay from employments" and £20,000 in "dividends from UK companies". Mr George paid £975 in tax on this income and claimed and received working tax credit of £669.46.
- 1.27. Following the submission of his 2016/2017 tax return to HMRC, Mr George stopped using the services of Accountancy Firm One and from this point engaged Accountancy Firm Three to prepare his self assessment tax returns as well as 4Life's financial statements and company tax returns.

Accountancy Firm Two

- 1.28. As detailed above, Accountancy Firm Two initially produced self assessment tax returns for Mr George for the three tax years 2013/2014 to 2015/2016 concurrently with Accountancy Firm One. Accountancy Firm Two then ceased working for Mr George in June 2018. In August 2019, Mr George re-appointed Accountancy Firm Two in order to amend his self assessment tax returns for the tax years 2016/2017 and 2017/2018 which had been prepared and submitted by Accountancy Firms One and Three respectively.
- 1.29. In contrast with Accountancy Firm One, Mr George provided Accountancy Firm Two with information relating to the income from 4Life, his hair salon and his rental income.
- 1.30. For the tax year 2016/2017, Accountancy Firm Two calculated Mr George's total income as £52,889, with income tax due totalling £10,355.60. According to their version of his tax return, Mr George's total income included income from 4Life of £37,985, income from his hair salon of £6,340 and rental income of £7,764.
- 1.31. It appears that Accountancy Firm Two changed their methodology for calculating Mr George's income from 4Life for the tax year 2016/2017. For the tax years 2013/2014

– 2015/2016, Accountancy Firm Two had used 4Life’s turnover minus staff wages and National Insurance. However, if this method had been used for 2016/2017, this would have resulted in Mr George receiving an income of £140,810 from 4Life.

- 1.32. Mr George has stated that Accountancy Firm Two submitted his amended self assessment tax return for the tax year 2016/2017 to HMRC on 25 October 2019. However, as at 14 October 2020, HMRC has confirmed that it can find no amendments to the tax return filed on 19 May 2017 for that year.

Tax Year 2017/2018

- 1.33. The submission deadline for Mr George’s 2017/2018 self assessment tax return, covering the period 6 April 2017 to 5 April 2018, was 31 January 2019.

Accountancy Firm Three

- 1.34. In 2018, Mr George employed Accountancy Firm Three as a replacement for Accountancy Firm One. As with Accountancy Firm One, Mr George did not inform Accountancy Firm Three of non-4Life income and consequently Accountancy Firm Three’s submitted self assessment tax return did not include Mr George’s income from his hair salon and his rental income.
- 1.35. The self assessment tax return Accountancy Firm Three prepared and submitted to HMRC on behalf of Mr George for the tax year 2017/2018 declared an income of £17,940. This comprised £5,876 in “pay from employments” and £12,064 in “dividends from UK companies”. Mr George incurred £108 in income tax on this declared income and claimed and received working tax credit of £1,788.24.
- 1.36. Accountancy Firm Three submitted Mr George’s finalised tax return to HMRC on 31 January 2019.

Accountancy Firm Two

- 1.37. In contrast with Accountancy Firm Three, Mr George provided Accountancy Firm Two with information relating to the income from 4Life, his hair salon and his rental income.
- 1.38. For the tax year 2017/2018, Accountancy Firm Two calculated Mr George’s income as £34,115 with tax due totalling £2,513. According to their version of his tax return, this was based on an income from 4Life of £21,557, the hair salon of £4,264, and a rental income of £8,294.
- 1.39. Once again, Accountancy Firm Two appear to have changed their methodology for calculating Mr George’s income from 4Life for the tax year 2017/2018. For the tax

years 2013/2014 – 2015/2016, Accountancy Firm Two had used 4Life's turnover minus staff wages and National Insurance. However, if this method had been used for 2017/2018 it would have resulted in Mr George receiving an income of £53,894 from 4Life.

- 1.40. Mr George has stated that Accountancy Firm Two submitted his amended self assessment tax return for the tax year 2017/2018 to HMRC on 25 October 2019. However, as at 14 October 2020, HMRC has confirmed that it can find no amendments to the tax return filed on 31 January 2019 for that year.

ANNEX C

RELEVANT STATUTORY AND REGULATORY PROVISIONS

RELEVANT STATUTORY PROVISIONS

- 1.1. The Authority's statutory objectives, set out in section 1B(3) of the Act, include securing an appropriate degree of protection for consumers (the consumer protection objective) and protecting and enhancing the integrity of the UK financial system (the integrity objective).
- 1.2. Section 56 of the Act provides that the Authority may make an order prohibiting an individual from performing a specified function, any function falling within a specified description or any function, if it appears to the Authority that that individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by an authorised person, exempt person or a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity. Such an order may relate to a specified regulated activity, any regulated activity falling within a specified description or all regulated activities.
- 1.3. Section 63 of the Act provides that the Authority may withdraw an approval under section 59 in relation to the performance by a person of a function if the Authority considers that the person is not a fit and proper person to perform the function.

RELEVANT REGULATORY PROVISIONS

The Fit and Proper Test for Employees and Senior Personnel

- 1.4. The part of the Authority's Handbook entitled "The Fit and Proper Test for Employees and Senior Personnel" ("FIT") sets out the criteria that the Authority will consider when 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 approved person.
- 1.5. FIT 1.3.1G states that the Authority will have regard to a number of factors when assessing the fitness and propriety of a person. FIT 1.3.1BG states that the most important considerations will be the person's honesty, integrity and reputation, competence and capability, and financial soundness.
- 1.6. FIT 2.1.1G provides that in determining a person's honesty and integrity the Authority will have regard to all relevant matters.

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

- 1.7. The Authority's policy in relation to prohibition orders and withdrawal of approval is set out in Chapter 9 of the Enforcement Guide ("EG").
- 1.8. EG 9.1.1 states that the Authority's power under section 56 of the Act to prohibit individuals who are not fit and proper from carrying out functions in relation to regulated activities helps the Authority to work towards achieving its statutory objectives. The Authority may exercise this power to make a prohibition order where it considers that, to achieve any of those objectives, it is appropriate either to prevent an individual from performing any function in relation to regulated activities, or to restrict the functions which he may perform.
- 1.9. EG 9.1.2 states that the Authority's effective use of the power under section 63 of the Act to withdraw approval from an approved person will also help ensure high standards of regulatory conduct by preventing an approved person from continuing to perform the controlled function to which the approval relates if he is not a fit and proper person to perform that function. Where it considers this is appropriate, the Authority may prohibit an approved person, in addition to withdrawing their approval.
- 1.10. EG 9.2.1 states that in deciding whether to make a prohibition order and/or, in the case of an approved person, to withdraw its approval, the Authority will consider all the relevant circumstances including whether other enforcement action should be taken or has been taken already against that individual by the Authority.
- 1.11. EG 9.3.1 states that when the Authority has concerns about the fitness and propriety of an approved person, it may consider whether it should prohibit that person from performing functions in relation to regulated activities, withdraw their approval, or both. In deciding whether to withdraw its approval and/or make a prohibition order, the Authority will consider in each case whether its statutory objectives can be achieved adequately by imposing disciplinary sanctions, for example, public censures or financial penalties, or by issuing a private warning.

ANNEX D
REPRESENTATIONS

1. Mr George's representations (in italics), and the Authority's conclusions in respect of them, are set out below.

Mr George's disability

2. *Mr George has provided the Authority with the reports of two medical experts (respectively, a chartered clinical and forensic psychologist and a consultant adult psychiatrist), who conclude that Mr George suffers (and suffered during the Relevant Period) from attention deficit hyperactivity disorder, post-traumatic stress disorder, anxiety and depression. As confirmed by the experts, it had a significant impact on Mr George's approach to dealing with his personal finances and on his ability to cope in the First Compelled Interview.*
3. *Mr George's disability has (and had during the Relevant Period) the following manifestations in his conduct:*
 - a. *a reliance on others for mundane tasks and a tendency not to check the output in relation to matters he has delegated;*
 - b. *deferral and procrastination;*
 - c. *organisational difficulties, including in keeping track of his personal affairs;*
 - d. *memory impairment, in relation to both his short-term working memory and more broadly, in relation to long-term memory;*
 - e. *impulsivity in his actions, and in answering questions, giving the impression of certainty when he is unsure;*
 - f. *concentration issues, in relation to written material and long meetings; and*
 - g. *hyperfocus: he can be brilliant and capable at some tasks but struggle with others.*
4. *Mr George gave the Authority a detailed oral account of his life, drawing attention to various traumatic incidents he had experienced, and difficulties he had faced, and how the various conditions with which he has been diagnosed have affected his day-to-day life in general, and this matter specifically. He has suffered mood swings and an inability to deal with stress, and has difficulty sleeping. In addition, he has experienced being forgetful and disorganised. He considered it a prudent step to appoint professional accountants, but did not focus enough on his personal tax affairs, and was often distracted during meetings with Accountancy Firm One. He considered he was negligent, but not dishonest. He found the interviews with the Authority stressful; he had difficulty following questions and references to documents, and blurted answers out as the "path of least resistance". He urges the Authority to show support and compassion in dealing with him.*

5. *Mr George has also provided the Authority with a large body of material from his treating medical professionals and publicly available materials providing background information on the various conditions from which he suffers.*
6. The Authority accepts that Mr George suffers (and suffered during the Relevant Period) from attention deficit hyperactivity disorder, post-traumatic stress disorder, anxiety and depression. It has carefully considered the medical and other evidence provided by Mr George, and accepts that these conditions can manifest themselves in the ways set out in paragraph 3 above (save that it considers the medical evidence does not clearly point to any issue with long-term memory, as opposed to short-term working memory). But, for the reasons set out in this Notice, the Authority does not accept that the submission of false information to HMRC over an extensive period of time and the misleading statements made to the Authority in the First Compelled Interview are sufficiently explained by the medical or other evidence. Rather, the Authority considers that, those conditions notwithstanding, on the balance of probabilities the evidence is that he acted dishonestly, and with a lack of integrity, as set out in this Notice.

Dishonesty and integrity

7. *The test for dishonesty, as set out in the Supreme Court case of **Ivey v Genting Casinos** [2017] UKSC 67, involves answering two questions:*
 - a. *what was in the mind of Mr George at the time of the acts complained of (the "subjective limb"); and*
 - b. *in the light of that, would ordinary people consider his actions dishonest (the "objective limb").*
8. *Particularly cogent evidence is required to justify a finding of dishonesty. The Court of Appeal decision in **Bank St Petersburg v Arkhangelsky** [2020] 4 WLR 55, approved a summary of the principles in this regard, including that:*
 - a. *it is well established that cogent evidence is required to justify a finding of fraud or other discreditable conduct;*
 - b. *this reflects the court's conventional perception that it is generally not likely that people will engage in such conduct; and*
 - c. *the more serious the allegation, the more cogent the evidence required to overcome the unlikelihood of what is alleged and thus to prove it.*
9. *Mr George's disability should be taken into account when assessing the subjective limb of the dishonesty test. The Authority must take into account his symptoms when determining whether (and to what extent) he:*
 - a. *consciously had in mind certain matters when acting as alleged; and*
 - b. *formed an intention to mislead the Authority by the answers he gave in interview.*

10. *In this case, the argument for a lack of integrity is based only on alleged dishonesty and, accordingly, if Mr George is not found to have acted dishonestly, the lack of integrity case must fail.*
11. In considering whether Mr George acted dishonestly, the Authority has applied the test set out in **Ivey**, which is as follows: "When dishonesty is in question the fact-finding tribunal must first ascertain (subjectively) the actual state of the individual's knowledge or belief as to the facts. The reasonableness or otherwise of his belief is a matter of evidence (often in practice determinative) going to whether he held the belief, but it is not an additional requirement that his belief must be reasonable; the question is whether it is genuinely held. When once his actual state of mind as to knowledge or belief as to facts is established, the question whether his conduct was honest or dishonest is to be determined by the fact-finder by applying the (objective) standards of ordinary decent people. There is no requirement that the defendant must appreciate that what he has done is, by those standards, dishonest." The Authority has taken Mr George's disability into account in considering whether he acted dishonestly, applying the **Ivey** test.
12. Having considered carefully the evidence about Mr George's disability and its likely effect on his behaviour, the Authority nevertheless considers the evidence supporting dishonest conduct by him, on the balance of probabilities, to be cogent. It considers that he knew, at the time of submitting to HMRC the tax returns prepared by Accountancy Firms One and Three, that the information contained in them was incorrect, and that he intentionally misled the Authority by the answers he gave in the First Compelled Interview, as set out at paragraph 5.3 of this Notice. It also considers that ordinary people would consider that behaviour dishonest. It therefore considers that he acted dishonestly and with a lack of integrity, and that he is not fit and proper. In the light of that conclusion, it is not necessary to consider whether Mr George lacks integrity on any other basis.

The duty to make reasonable adjustments and not to discriminate

13. *The Equality Act 2010 applies to both the Authority's investigation and its decision-making function.*
14. *It prohibits discrimination in the exercise of public functions. Section 15 provides that:*
 - "(1) A person (A) discriminates against a disabled person (B) if -*
 - a. A treats B unfavourably because of something arising in consequence of B's disability, and*
 - b. A cannot show that the treatment is a proportionate means of achieving a legitimate aim.*
 - (2) Subsection (1) does not apply if A shows that A did not know, and could not reasonably have been expected to know, that B had the disability."*

In this case the "something arising" is the complex of limitations Mr George suffers from which have the effects described at paragraph 3 above.

15. *It also imposes a duty to make reasonable adjustments, including the requirement, "where a provision, criterion or practice of A's puts a disabled person at a substantial disadvantage in relation to a relevant matter in comparison with persons who are not disabled, to take such steps as it is reasonable to have to take to avoid the disadvantage". A failure to comply with the duty to make reasonable adjustments amounts to discrimination. The duty to make reasonable adjustments is also consistent with the Authority's own guidance on how regulated firms should handle vulnerable customers and its confirmation in its Business Plan for 2020/21 that protecting the most vulnerable in society is at the heart of its regulatory objectives.*
16. *The Authority accepts that, had the Authority been made aware of Mr George's disability, it would have put in place reasonable adjustments during the interview process. Mr George was subjected to an interview process that was not properly reasonably adjusted to accommodate his disability. The expert evidence is clear that this renders his evidence unreliable.*
17. *At the decision-making stage, the Authority must consider the impact Mr George's disability had on his capacity to know the alleged facts which render his conduct allegedly dishonest, and consider his responses at the compelled interviews with the same factors in mind. In particular where a certain matrix of facts might lead to the inference that someone without a disability knew something or was engaged in a deliberate course of conduct, the Authority must make "reasonable adjustments" for Mr George, and take into account his disabilities when determining whether he had that particular matter in mind and/or whether, given the impact of his disability on his functioning, he can be described as dishonest.*
18. *At the sanction stage, even if there is a finding of dishonesty against Mr George, the Authority must consider whether, given his disability, a lesser sanction than prohibition would be a proportionate means of meeting the statutory objectives of the Authority.*
19. *The Authority's investigation team from its Enforcement and Market Oversight Division has agreed that, had it been made aware of Mr George's disability, it would have put in place reasonable adjustments during the interview process. The Authority notes that, as Mr George's disability was undiagnosed at the time, neither Mr George nor his legal advisers, let alone the Authority, were aware of his disability at the time of the First and Second Compelled Interviews; however, notwithstanding the lack of reasonable adjustments, the interview was conducted with frequent breaks between relatively short interview sessions, and the Authority considers that the questions asked were put fairly and appropriately. The RDC (being the Authority's decision maker in this matter) has considered the impact of Mr George's disability in the way proposed in paragraph 17 above, and has nevertheless concluded that he acted dishonestly and with a lack of integrity, and thus that he lacks fitness and propriety, for the reasons set out in this Notice.*
20. *Having reached the conclusion that Mr George lacks fitness and propriety, the Authority considers that it is appropriate and proportionate in all the circumstances to impose on Mr George the prohibition set out in paragraph 1.1(2) of this Notice (and to withdraw his approvals as set out in paragraph 1.1(1)), in order to advance*

its operational objectives of securing an appropriate degree of protection for consumers and protecting and enhancing the integrity of the UK financial system. It would not be consistent with those objectives to allow Mr George to continue to operate as a financial adviser notwithstanding his lack of fitness and propriety.

Submission of tax returns

21. *For this aspect of the case to be made out, the Authority must show that Mr George knew that it was wrong for the returns prepared by Accountancy Firm One to be submitted as they were. It must show that he was aware, when they were submitted, of the figures prepared by Accountancy Firm Two and that the submitted returns should cover all his sources of income.*
22. *The Authority has not alleged that Mr George sought to mislead Accountancy Firm One.*
23. *Mr George's disability means he struggles to deal with the focussed, careful attention required to deal adequately with tax affairs and would delegate those tasks to a qualified professional. He also suffers from impaired working memory. As time went on, Mr George did not work with Accountancy Firm Two to finalise the amended returns they had prepared, nor is there evidence he received and read them.*
24. *As such, it is inherently unlikely that when instructing Accountancy Firm One to submit tax returns, Mr George would have in mind the detailed content of the tax returns (or indeed the final figures) prepared by Accountancy Firm Two, or the differences between those returns and those prepared by Accountancy Firm One, or that one should not be submitting more than one tax return in a given year, nor would he be inclined to keep up with the detail of what was being submitted on his behalf. On the contrary, Mr George is likely to have relied on his accountants to manage his affairs without any real engagement in the issues.*
25. *Mr George engaged Accountancy Firm Two as part of his business development, to expand his network of introducers. In those circumstances, it is entirely unsurprising that he would not have given particular attention or regard to the contents of the tax returns prepared by them.*
26. *In fact, Mr George thought that the tax returns filed by Accountancy Firm One were complete, in that that firm was dealing with his income from 4Life. He thought Accountancy Firm Two was dealing with his income from self-employment, and that it had not finished doing so when the returns were filed by Accountancy Firm One. He did not appreciate, at the time, that all sources of income had to be dealt with in the same return; neither accountant told him this. The accountant at Accountancy Firm One encouraged Mr George to submit the returns, in order that they should be submitted on time and not incur a late filing penalty (particularly as that accountant had told Mr George that no client of his had ever incurred such a penalty, and that he was keen to maintain that record).*
27. *Accountancy Firm Two stated in interview that they had advised Mr George that the tax returns submitted by Accountancy Firm One were not correct and should*

be revised. His response was immediately to instruct Accountancy Firm Two to do so. This indicates his honesty.

28. The Authority considers that Mr George knew that it was wrong for the four returns prepared by Accountancy Firm One to be submitted as they were, over a period of years. When each of the first three years' tax returns was submitted by Accountancy Firm One, Mr George was aware of the figures prepared by Accountancy Firm Two in respect of the relevant tax year, and he was therefore aware on all four occasions that the submitted returns should cover all his sources of income.
29. Mr George was an experienced financial adviser and as such, although he was not a tax expert, the Authority does not consider it probable that he would have been ignorant of the basic principles of the system of personal tax returns, including the requirement for all taxpayers fully to disclose income from all sources, even prior to passing his personal tax examination in February 2016.
30. In respect of at least three years of tax returns, Mr George worked closely with Accountancy Firm Two to collate and supply the detailed information required to complete the returns. Mr George signed off, probably contemporaneously, detailed income schedules supporting at least three years of returns prepared by Accountancy Firm Two. For the tax years 2013/14 and 2014/15 this was completed before the date on which the versions prepared by Accountancy Firm One were submitted to HMRC. For the tax year 2015/16 Mr George had approved the figures prepared by Accountancy Firm Two to be included in the mortgage application certificate before the date on which the return prepared by Accountancy Firm One was submitted to HMRC (Accountancy Firm Two prepared his 2015/16 return shortly after Accountancy Firm One had submitted it to HMRC). He had therefore been through the process, annually, of discussing with Accountancy Firm Two all his sources of income for inclusion in a return.
31. Mr George has confirmed as correct the various income figures in the versions prepared by Accountancy Firm Two (and used for the purposes of his mortgage application) so was evidently capable of collating and providing comprehensive, detailed and accurate information to Accountancy Firm Two. He must have understood that the information was required in order to submit full and accurate information to both HMRC and, subsequently, the mortgage provider.
32. Accordingly, the Authority does not accept that Mr George relied on his accountants to prepare returns without any real engagement in the issues. The Authority therefore finds it improbable, notwithstanding Mr George's disability, that each year, when instructing Accountancy Firm One, he did not understand that his tax returns should include details of all his sources of income.
33. The Authority considers that Mr George must have been aware that the income stated by Accountancy Firm One, and declared to HMRC, was materially less than his actual income, as calculated by Accountancy Firm Two, and as otherwise known to Mr George: Mr George stated during his oral representations that he was aware that he was earning good money and had a good lifestyle.
34. Mr George was ultimately responsible for the accuracy of the returns, as submitted to HMRC. Mr George was also responsible for providing Accountancy Firm One with the financial information it required in order properly to complete his tax returns. The Authority has not reached a view as to whether Mr George positively informed the principal accountant at Accountancy Firm One that the DJ business was just a

hobby without providing any income, and that the hair salon was loss-making, or whether that was simply an impression gained by the accountant, and Mr George omitted to provide the relevant information. Nor is it necessary to reach a conclusion on that issue. Given its conclusion, explained above, that Mr George was aware at the relevant times that full information was required on all his sources of income for inclusion in the returns, the Authority considers that he must have been aware that Accountancy Firm One would need that information in order to prepare and submit correct returns, and has concluded that his failure to provide it must have been deliberate. Accordingly, it considers that Mr George intentionally misled Accountancy Firm One (even if only by omission) as to his sources of income.

35. Whether or not Mr George worked with Accountancy Firm Two to finalise the amended returns they had prepared (to the extent there remained anything substantive to do to achieve this), and whether or not he received and read them, the Authority considers that this does not undermine its conclusion as to his dishonesty and lack of integrity in relation to the returns prepared by Accountancy Firm One. Mr George had been through the process of working with Accountancy Firm Two to prepare the income information and must have understood its purpose, and the need to include all sources of income in tax returns.
36. The Authority does not accept that Mr George thought it would be acceptable to submit multiple returns in relation to different sources of income, and for the returns prepared by Accountancy Firm One to include only his income from 4Life. It is evident from the content of the returns prepared by Accountancy Firm Two in the light of detailed discussions with Mr George that he must have known that those returns were to include the income from 4Life as well as his other sources of income, which is inconsistent with an understanding that it was acceptable to submit multiple returns, each containing only some of the relevant information.
37. If Accountancy Firm Two was engaged by Mr George for business development purposes, it is nevertheless clear that Mr George intended and understood that their work on his tax affairs should be performed and used. Accordingly, any business development considerations do not provide any reason why he should not be expected to have paid attention to the content of the documents prepared by Accountancy Firm Two. In any event, as set out above, there is evidence that he could, and did, pay attention to the contents of those documents.
38. The Authority notes that it appears from the dates on which the four returns prepared by Accountancy Firm One were submitted that there was never any real danger that they would not be submitted on time, thus incurring a late filing penalty. Accountancy Firm One generally submitted Mr George's returns well ahead of the relevant filing deadlines. Accordingly, the Authority does not accept that that factor provides any explanation for the submission of returns containing incomplete information.
39. Whilst the accountant from Accountancy Firm Two stated in his interview with the Authority that he had been instructed by Mr George to file corrective tax returns for the three tax years 2013/14 to 2015/16, the accountant also said in interview that, around the time of certifying income to the mortgage provider (which

certificate was dated 25 November 2016), the accountant “kind of insisted him (sic)” that income “needs to be declared”. Despite that insistence, and despite the instructions from Mr George to do so, the income was not declared to HMRC, which the accountant told the Authority was due to the documents needing another review because the tax liability was quite high, and due to the accountant from Accountancy Firm Two and Mr George both being busy. Further, this conversation with Mr George took place around late November 2016, yet Accountancy Firm One subsequently prepared two more incorrect returns, and Accountancy Firm Three prepared one incorrect return, all three of which returns were submitted to HMRC, under-declaring Mr George’s income. In the circumstances, the Authority does not accept that Mr George’s “immediate” instruction to Accountancy Firm Two to file corrective, revised returns indicates honesty or integrity.

The alleged misleading statements in interview

40. *The Authority must be satisfied that Mr George knew each of the relevant statements was false at the time and intended to mislead the Authority by making them. It must assess that against the backdrop of his disability:*
- a. *The details of managing his tax affairs are unlikely to have been matters to which Mr George would have paid particular attention at the time;*
 - b. *This is particularly so given his difficulties recalling information that is not retained properly in the first place; and*
 - c. *His short-term memory was impacted, such that he would struggle to remember what he said or had been asked; he has a tendency to answer questions impulsively.*
41. *In the First Compelled Interview, the Authority failed to provide the reasonable adjustments which it is now accepted are necessary to address Mr George’s condition.*
42. *The same factors that affected Mr George’s answers in interview might have inhibited him from giving a careful account to his then solicitors.*
43. The Authority has taken Mr George’s disability into account when assessing whether or not he knew that each of the relevant statements was false at the time and intended to mislead the Authority by making them. As noted above, at the time of the First Compelled interview, Mr George’s disability was undiagnosed, so that neither he nor his legal representatives, let alone the Authority, knew reasonable adjustments to be appropriate. As further set out above, notwithstanding the lack of reasonable adjustments, the Authority notes that the interview was conducted with frequent breaks between relatively short interview sessions, and considers that the questions asked were put fairly and appropriately.
44. In all the circumstances, the Authority does not consider that Mr George’s disability and the absence of reasonable adjustments excuse the misleading statements made by him in the First Compelled Interview.

45. In particular, the suggestion that the incorrect answers may have resulted from Mr George's tendency to answer questions impulsively is, in the Authority's view, improbable in the light of the letter from his then solicitors sent on 14 May 2019, the day before the First Compelled Interview, which was consistent with the relevant statements by him in that interview. In the interview, he was repeating what his solicitors had, on his behalf, already told the Authority, so it appears the misleading statements did not arise from a tendency to answer impulsively during the interview, or an inability to remember what he had been asked.
46. The Authority considers it improbable that Mr George's disability would cause him both to mis-instruct his solicitors, and to mislead the Authority in interview, to such a high degree of detail and with such consistency. Rather, the Authority considers the answers in the First Compelled Interview were a deliberate repetition of the untruths set out in his solicitors' letter of the previous day.

The allegation that Mr George did not inform Accountancy Firm One about his sources of income from his DJ business or his hair salon, but falsely told the Authority he had done so

47. *The discrepancy between Mr George's account and Accountancy Firm One's is not as stark as the Authority suggests. Accountancy Firm One indicated they were aware of the businesses, and appear to have assumed the businesses did not provide Mr George with any income.*
48. Whether or not Accountancy Firm One's understanding that the DJ business and hair salon did not provide him with an income was based on their own assumption, Mr George did not inform them that he earned an income from them, but he falsely told the Authority he had so informed them.
49. *Mr George's answer to the Authority as to the level of information he gave in relation to the DJ-ing was equivocal, and he did not suggest in the First Compelled Interview that he had given them a full account of his DJ-ing income and in the Second Compelled Interview he did not suggest he was certain he did not disclose that there was some income.*
50. *In relation to the income from the hair salon, Mr George did not suggest that he had given a detailed account of that income to Accountancy Firm One; rather, the discussion at the First Compelled Interview was relatively brief, as compared with the more careful discussion during the Second Compelled Interview. Mr George took cash from the hair salon; he had invested a considerable sum in it. That is not inconsistent with Accountancy Firm One's view that it was loss-making. Even if on analysis Mr George did derive a profit from it, the high-level approach he took to it and the lack of clarity as to the amounts involved do not indicate a man who intentionally misled his accountants; rather, they indicate a man who has not kept detailed track of the matter.*
51. The Authority's case does not concern the amount of detail Mr George suggested that he had given Accountancy Firm One about the level of income earned by him from his DJ business and hair salon; rather, it is concerned with the fact that he told the Authority that he had informed Accountancy Firm One of the income he derived from those businesses when, by his own subsequent admission, he had

not. Mr George clearly stated in the First Compelled Interview that he had informed Accountancy Firm One of these matters. If Mr George now intends to suggest that the hair salon may not, in fact, have been profitable, the Authority observes that that is inconsistent with the position as set out in the tax returns prepared by Accountancy Firm Two and declared to Mr George's mortgage provider, which Mr George accepts was correct. But it is irrelevant to whether or not he was telling the truth when he told the Authority, during the First Compelled Interview, that he had informed Accountancy Firm One of the income he derived from his businesses.

The allegation that Mr George lied when he told the Authority that he had asked Accountancy Firm One to certify his income for the purposes of his mortgage application, but that they had said they were not qualified to do so

52. *The principal accountant at Accountancy Firm One did not say in interview with the Authority that he was not asked about the mortgage: he said he could not recall being asked.*

53. *The documentation seen by Mr George, as opposed to the more detailed documentation completed by Accountancy Firm Two, had suggested that the necessary qualification was ACCA, which Accountancy Firm One did not possess, and Mr George had been told this by his previous accountant.*

54. The Authority agrees that the accountant could not recall whether or not he had been asked if his firm could certify Mr George's income for the purposes of the mortgage application. But if he had been asked, he would not have told Mr George that the firm could not provide a certificate, because they could have done so, as ACCA was not the only required qualification, whatever Mr George's understanding at the relevant time. Accordingly, the Authority has concluded that Mr George did not have that conversation with the accountant.

The allegation that Mr George intentionally misled the Authority as to the date on which he first instructed Accountancy Firm Two

55. *Neither the First Compelled Interview nor the correspondence contains an unequivocal statement that Mr George first engaged Accountancy Firm Two at around the time he submitted his mortgage application. He was not clearly or specifically asked to identify the time he first instructed them. In late 2016, there was a change in intensity of Mr George's engagement of Accountancy Firm Two, as it was engaged in substantial additional work, namely to support the mortgage application, and further work on revising the tax returns. Mr George's answers focussed on that snapshot in time. Against that backdrop, and Mr George's disability, it is perhaps unsurprising that Mr George's evidence was not comprehensive.*

56. The Authority does not agree that neither the First Compelled Interview nor the correspondence contains an unequivocal statement that Mr George first engaged Accountancy Firm Two at around the time he submitted his mortgage application, or that he was not clearly or specifically asked to identify the time he first instructed them. The letter from his solicitors of the day before the First Compelled Interview stated: "Mr George ... asked [Accountancy Firm One] if they would prepare this

certificate for him. However, [Accountancy Firm One] informed Mr George that they would not be able to do so as they were not ACCA qualified accountants. Mr George, therefore, met with [the principal accountant] at [Accountancy Firm Two], a firm that he had worked with many years previously and Mr George knew [the principal accountant at Accountancy Firm Two] socially as well". This was plainly stating there had been a new instruction in 2016, and carried the clear implication that Mr George had not worked with Accountancy Firm Two for many years, when in fact (as later confirmed by Mr George) Accountancy Firm Two had prepared, with the active and detailed assistance of Mr George, tax returns for him for the three tax years 2013/2014 to 2015/2016. At the First Compelled Interview, Mr George was asked: "I was just wondering in relation to - did you speak to [Accountancy Firm Two] prior to this to get these amounts? When did you engage [Accountancy Firm Two] to look at your personal accounts?". He responded: "Around about that period, around about the period I was doing the mortgage application." In the Authority's view, that answer was clear in confirming the information provided in his solicitors' letter the previous day.

57. Given the history of Accountancy Firm Two's work for Mr George in relation to the preparation of tax returns for the three previous tax years, the information in which was used for the purposes of the certification, the Authority does not agree that there was a change in intensity of the firm's work for him at the relevant time which would explain his answers focussing on that point in time.

Mr George's tax credit applications

58. *Mr George does not dispute that he received tax credits during the tax years 2013/14 to 2018/19. However, this issue did not form part of the Authority's investigation process and was outside the scope of the relevant Memorandum of Appointment of Investigators. Therefore it was not appropriate for the Authority to introduce the issue or include it in the allegations.*

59. *The applications were the result of an impulsive decision to make a claim, after an acquaintance had suggested that Mr George might be entitled to tax credits as he was looking after a vulnerable close family member at the time and his income was therefore significantly reduced (and he had used the tax credit payments entirely for the benefit of that person). As a result of that conversation, Mr George telephoned HMRC to enquire whether he was entitled to claim a tax benefit. He was advised by HMRC that, subject to an assessment of his salary, he might be entitled to claim working tax credits. He called Accountancy Firm One, rather than Accountancy Firm Two, for details of his income to include in the application because he thought his income was with 4Life. Each application was assessed and granted over the telephone as Mr George preferred to call the advice line than to complete a complex form. He did not seek professional advice from Accountancy Firm One or any other adviser in respect of his eligibility for tax credits at any time. HMRC later wrote to inform Mr George that he had received an overpayment of tax credits and he promptly made arrangements to repay the credits, through tax adjustments.*

60. The Authority considers that it is entitled to rely on the information about Mr George's tax credit applications which came to light during the course of its investigation, notwithstanding they were not a matter which it specifically set out

to investigate. Mr George has had an opportunity to make both written and oral representations to the Authority about these matters, which representations have been carefully considered by the Authority.

61. Given that, for the purposes of his tax credit claims over six tax years, Mr George submitted income information to HMRC on at least six separate occasions, the Authority does not consider that he can have done so impulsively, even if his original decision to enquire about a possible claim was made on impulse. For the reasons set out above, the Authority does not accept that Mr George was unaware that the tax returns prepared by Accountancy Firm One were incorrect in omitting significant sources of income, so he must have known that asking Accountancy Firm One for income information would produce a substantial understatement of income for the tax credit claims. Further, the suggestion that Mr George thought "his income was with 4Life" is inconsistent with his representation (summarised at paragraph 26 above), which indicates that he recognised all sources of income would have to be declared to HMRC and that he had multiple income sources, albeit he states that he thought they need not all be in the same return.
62. Mr George had Accountancy Firm Two prepare tax returns each year (which he accepts as correct) showing a substantial income. Further, the Authority considers that in any event Mr George had a general awareness of his actual levels of income. As noted above, Mr George confirmed in oral representations that he was aware that he was earning good money and had a good lifestyle. The Authority therefore considers it improbable that he can have thought he would be entitled to a tax benefit payable to those on a low income.

Mr George's good character and standing

63. *Mr George has had a long and unblemished record as a financial adviser, with no customer complaints and no prior Authority action. He has a track record of engaging with the Authority in an open and collaborative way and is universally popular among his clients and acquaintances. He has produced numerous positive references demonstrating this. Depriving society of his services as a financial adviser would be inconsistent with the Authority's statutory objectives.*
64. *Mr George is an honest and upstanding member of his local community with no history of dishonesty. He has held trusted roles as a Royal Air Force Cadet, with Her Majesty's Royal Mail, working for a number of financial services companies and as a Special Constable for the Metropolitan Police for 17 years.*
65. Given the Authority's conclusion that he misled the Authority as set out in this Notice, it does not agree that Mr George has engaged with it in an open and collaborative way.
66. Mr George's record as a financial adviser and the references produced by him (notwithstanding the latter demonstrate his popularity), are outweighed as far as his honesty is concerned by the clear evidence of his lack of honesty, as set out in this Notice. Having concluded that he lacks integrity by reason of his dishonesty, and is not fit and proper, and in all the circumstances of this case, it would not be consistent with the Authority's statutory objectives of securing an appropriate

degree of protection for consumers and protecting and enhancing the integrity of the UK financial system to allow Mr George to remain as a financial adviser.

67. The fact that Mr George has previously held trusted roles does not make it any more appropriate for him now to remain as a financial adviser, having demonstrated a lack of honesty and integrity by the conduct described in this Notice.

Other factors demonstrating Mr George's honesty

68. *Mr George voluntarily informed the Authority that the tax returns submitted by Accountancy Firm One and Accountancy Firm Three were incorrect, in that they understated his income, and that he was likely to have additional tax to pay to HMRC, prior to the Authority identifying any issues with them.*
69. Mr George only made this disclosure in respect of Accountancy Firm One after it had become evident that the Authority had concerns about the accuracy of his tax returns. Accountancy Firm Three did not submit a tax return on Mr George's behalf until 31 January 2019, some time after Mr George had first been engaging with the Authority about these matters. Following its request for filed tax returns, the Authority had asked Mr George to bring to the First Compelled Interview copies of evidence of tax paid as shown as due in the tax returns he had provided. In the circumstances, Mr George had little option but to admit that the returns filed on his behalf were incorrect. In those circumstances, it does not agree that it is appropriate to describe this admission as "voluntary".
70. *Mr George provided the Authority with additional voluntary information (through letters from his solicitors dated 14 May 2019 and 16 September 2019) in order to assist the process and clarify potential misunderstandings that may have occurred. These include significant admissions as to shortcomings on his part, for which he took full responsibility.*
71. The Authority does not consider that the two solicitors' letters referred to demonstrate Mr George's honesty or integrity. The first letter predated the First Compelled Interview and set out the same misleading statements that Mr George then provided in that interview. The second letter was provided after the Second Compelled Interview, and sought to explain Mr George's changes in story, once the true position had emerged.
72. *Mr George has sought to regularise his position with HMRC, spending a significant amount of time trying to contact them by telephone and writing to them on 21 April 2021. This is not the behaviour of an individual who was systematically seeking to evade his personal tax liabilities.*
73. The Authority considers that, in the circumstances in which he finds himself, it is incumbent on Mr George to seek to regularise his position with HMRC, and doing so in the present circumstances does not demonstrate his honesty or integrity.