

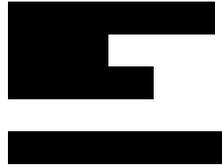
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## FINAL NOTICE

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Accord Mortgages Limited  
Yorkshire House  
Yorkshire Drive  
Bradford  
West Yorkshire  
BD5 8LJ

Christopher Gerald Thomas Brown



FRN: 305936

**Date:** 28 September 2021

### PROPOSED ACTION

1. By an application dated 6 May 2021, Yorkshire Building Society (YBS) applied under section 60 of the Act for approval of Christopher Gerald Thomas Brown to perform the Senior Management Function SMF5 (Head of Internal Audit) at Accord Mortgages Limited (AML).
2. The Authority has decided to approve the Application for a time-limited period commencing on 28 September 2021 until the earlier of 31 March 2022 or the appointment and approval of an individual to perform the SMF5 role on a permanent basis.

### SUMMARY OF REASONS

3. While the Authority considers that Mr Brown is fit and proper to hold the SMF5 function for an interim basis, it does not consider that he would be suitable for the role on an indefinite basis at this time.
4. YBS submitted its application for Mr Brown following the departure of the previous SMF5 function holder. YBS proposed to appoint him to the role on an interim basis pending recruitment of a permanent SMF5 for AML.
5. Accordingly, the Authority proposes to approve the Application for a time-limited period commencing on 28 September 2021 until the earlier of 31 March 2022 or the

appointment and approval of an individual to perform the SMF5 role on a permanent basis.

## **RELEVANT STATUTORY AND REGULATORY PROVISIONS**

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

## **DEFINITIONS**

*[Please ensure that all defined terms are included in alphabetical order in the list below. You should **not** have any definitions in the rest of the notice.]*

7. The definitions below are used in this Warning Notice.

“AML” means Accord Mortgages Limited.

“SMF5” means the Head of Internal Audit function which is a designated senior manager function described in SUP 10C.6A.6.

“the Act” means the Financial Services and Markets Act 2000.

“the Application” means the application referred to in paragraph 1 above.

“the Authority” means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority.

“SUP” means the section of the Handbook entitled “Supervision”.

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

“YBS” means Yorkshire Building Society.

## **FACTS AND MATTERS**

8. AML is authorised and regulated by the Authority.

9. AML is an intermediary only lender and is part of the YBS Group. YBS is a controller organisation and owns 50% or more of AML. AML’s product range includes New build, Help to Buy and Buy to Let.

10. Mr Brown joined YBS in March 2021 as its Deputy Chief Internal Audit Officer.

11. Having assessed the Application, the FCA is satisfied as to the Candidate’s fitness and propriety to perform the SMF5 role at AML on a time-limited basis as required pursuant to section 61(1)(b) of the Act.

12. The Authority considers that approval for a time-limited period advances the its objectives by: (i) ensuring that the Firm has an approved SMF5 and, as such, is appropriately staffed; and (ii) allowing the Firm sufficient time to identify, and seek approval for, a permanent successor to perform the SMF5 role.

13. Pursuant to section 61(2B)(b) of the Act, the Authority may grant a senior manager application that is made under section 60 of the Act so as to give approval only for a limited period if it appears to the Authority that it is desirable to do so in order to advance one or more of its operational objectives (section 61(2C)(a) of the Act).

14. The Authority considers that it is appropriate in these circumstances to propose to approve the Application for Mr Brown to perform the SMF5 role at AML for a limited

period commencing on 28 September 2021 until the earlier of 31 March 2022 or the appointment and approval of an individual to perform the SMF5 role on a permanent basis.

15. YBS and Mr Brown have consented to the approval of the Application for Mr Brown to perform the SMF5 controlled function at AML for a limited period commencing on commencing on 28 September 2021 until the earlier of 31 March 2022 or the appointment and approval of an individual to perform the SMF5 role on a permanent basis.

## **DETERMINATION OF APPLICATION**

16. The regulatory provisions relevant to this Notice are referred to in Annex A.
17. For the reasons given in this Notice, and pursuant to section 61(2B)(b) of the Act, the Authority proposes to approve the Application for Mr Brown to perform the SMF5 controlled function in respect of AML for a limited period commencing on the date of approval and until the earlier of: (a) 31 March 2021, or (b) the appointment and approval of an individual to perform the SMF5 role on a permanent basis.
18. It appears to the Authority that it is desirable to approve the Application on a time-limited basis in order to advance its operational objective of protecting and enhancing the integrity of the UK financial system.

## **PROCEDURAL MATTERS**

### **Decision maker**

19. The decision which gave rise to the obligation to give this Final Notice was made by the Executive Decision Maker.
20. This Final Notice is given in accordance with, section 390(1) of the Act.

### **Confidentiality and publicity**

21. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Notice relates. 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 Brown or to YBS, prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

### **Authority contacts**

22. For more information concerning this matter generally, contact [REDACTED] Manager, Authorisations Division at the Authority [REDACTED].

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[REDACTED]

**Executive Decision Maker**

## **ANNEX A – REGULATORY PROVISIONS RELEVANT TO THIS WARNING NOTICE**

### **Relevant Statutory Provisions**

23. The Authority's operational objectives, established in section 1B of the Act, include protecting and enhancing the integrity of the UK financial system (section 1D of the Act).
24. Sections 61(1) and 61(2B) of the Act provides that the Authority may grant an application for approval under section 60 of the Act only if it is satisfied that the person in respect of whom the application is made is a fit and proper person to perform the function to which the application relates or, in a case where the application is for approval to perform a designated senior management function, it is satisfied that this condition would be met if the application was granted subject to any conditions that the Authority considers appropriate or if it is granted only for a limited period.
25. Section 61(2C) of the Act provides that the Authority may exercise the power to grant an application only for a limited period only if it appears to the Authority that it is desirable to do so in order to advance one or more of its operational objectives.

### **Relevant Regulatory Provisions**

26. SUP 10C.6A.6 defines the SMF5 controlled function. SUP 10C.3.10R and 10C.4.3R, taken together, provide that the SMF5 controlled function is a designated senior management function.
27. SUP 10C.12 outlines the Authority's approach to the use of time-limited approvals. SUP 10C.12.5G provides that factors the Authority will take into account include those relating to the candidate and, in particular, the candidate's fitness and propriety.
28. SUP 10C.12.7G and 10C.12.9G, taken together, provide that an example of circumstances in which the Authority may use a time-limited approval include a situation where a firm needs to appoint a candidate on an interim basis while it seeks to appoint a permanent candidate. Further, in such cases the FCA may consider the candidate for the interim role to be suitable on an interim, provisional basis, but not necessarily on a permanent basis. SUP 10C.12.18G provides that the Authority will generally not impose a time limitation of this type for a period of more than 12 to 18 months.