

12 Endeavour Square  
London  
E20 1JN

Tel: +44 (0)20 7066 1000  
Fax: +44 (0)20 7066 1099  
[www.fca.org.uk](http://www.fca.org.uk)

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## **FINAL NOTICE**

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To: **Darren Antony Reynolds**

Reference

Number: **DAR00040**

Date: **12 January 2026**

### **1. ACTION**

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

- (1) imposed on Darren Reynolds a financial penalty of £2,037,892 pursuant to section 66 of Financial Services and Markets Act 2000 ("the Act"); and
- (2) made an order prohibiting Mr Reynolds from performing any function in relation to any regulated activity carried on by an authorised person, exempt person, or exempt professional firm, pursuant to section 56 of the Act.

## **2. REASONS FOR ACTION**

- 2.1. By a Decision Notice dated 2 May 2023, the Authority notified Mr Reynolds that it had decided to impose a financial penalty on him for failing to comply with Statement of Principle 1 between 12 March 2015 and 5 February 2018 (the Relevant Period), in that he acted dishonestly and recklessly in carrying out his CF1 (Director), CF10 (Compliance Oversight), CF11 (Money Laundering Reporting) and CF30 (Customer) controlled functions in relation to the pension business of Active Wealth (UK) Limited ("Active Wealth"). In addition, the Authority considered that Mr Reynolds acted without honesty and integrity in the course of the Authority's investigation of these matters, during the Relevant Period and afterwards (between 6 February 2018 and 27 February 2019).
- 2.2. By the same Decision Notice the Authority notified Mr Reynolds that it had decided to make an order prohibiting Mr Reynolds from performing any function in relation to any regulated activity carried on by an authorised person, exempt person, or exempt professional firm.
- 2.3. The Authority's reasons were (in summary) as follows:
- (1) Mr Reynolds was an approved person at Active Wealth, a small financial advice firm which went into liquidation on 5 February 2018, and which has since been dissolved. Active Wealth was authorised by the Authority with permission to conduct regulated activities, including advising on investments, pension transfers and arranging (bringing about) deals in investments.
  - (2) Mr Reynolds was the sole person responsible for the management and oversight of Active Wealth's conduct. He was the only person at Active Wealth approved to perform the controlled functions of CF1 (Director), CF10 (Compliance Oversight) and CF11 (Money Laundering Reporting) and he was one of two persons approved to perform the CF30 (Customer) function. He was also the sole shareholder of the company.
  - (3) The Authority's rules prohibited Active Wealth and its advisers, including Mr Reynolds, from receiving commissions, remuneration or benefits of any kind apart from charging for advice provided. Mr Reynolds dishonestly contravened this rule by arranging for himself and other advisers at Active

Wealth to receive prohibited commission payments derived from investments made by Active Wealth's customers. These payments were funnelled via companies connected to Mr Reynolds and were intentionally designed to disguise their true origins.

- (4) The Authority's prohibition on commission payments (COBS 6.1A.4R) was introduced to prevent advisers having a conflict of interest when recommending that customers invest their pensions in particular pension products. Such commissions create an incentive to recommend the product that would produce the highest payment for the adviser rather than the best outcome for the customer. The purpose of prohibiting these payments is to protect customers' pensions from being placed into investments that are unsuitable.
- (5) Mr Reynolds dishonestly established, maintained and concealed a conflict of interest that was at the heart of Active Wealth's business model so that he, and the other advisers, could receive prohibited commission payments. He exploited this conflict of interest to the detriment of Active Wealth's customers, including customers who had no option but to make a decision about their pension because the British Steel Pension Scheme was closing. He received prohibited commission payments in the total amount of £1,014,976.
- (6) Mr Reynolds dishonestly:
  - advised Active Wealth's customers to invest in an investment portfolio created by Greyfriars Asset Management LLP (P6) consisting of mini-bonds knowing that it was not suitable for them;
  - falsified the P6 Application Forms in order to create the false impression that P6 was suitable for Active Wealth's customers when it was not;
  - advised and persuaded customers to transfer out of the British Steel Pension Scheme when he knew it was not in their best interests;
  - wrote suitability reports to create the false impression that he had provided suitable advice; and
  - failed to disclose adequately or at all the existence of exit fees from customers and misled some of those customers about the existence of the exit fees.

(7) As a result of Mr Reynolds' misconduct, the FSCS had, as at 5 August 2022, paid compensation of over £17.6 million to over 470 of Active Wealth's customers. Many customers – at least 231 – suffered losses that exceeded the FSCS compensation cap of £50,000.

(8) Further, Mr Reynolds knowingly allowed two people to provide pensions advice to Active Wealth's customers without being approved persons at Active Wealth, recklessly disregarding the risk to those customers' interests, and misled the Authority about it.

2.4. The Authority concluded, on the basis of the facts and matters described in the Decision Notice (including the facts and matters occurring after the Relevant Period), that Mr Reynolds lacks honesty and integrity and, therefore, is not a fit and proper person to perform functions in relation to any regulated activity carried on by any authorised or exempt person or exempt professional firm. The Authority also considers that Mr Reynolds poses a risk to consumers and to the integrity of the financial system. The nature and seriousness of Mr Reynolds' breach of Statement of Principle 1 warrants the imposition of a financial penalty and his lack of fitness and propriety merits the imposition of an order prohibiting him from performing any function in relation to any regulated activities carried on by any authorised or exempt person or exempt professional firm.

2.5. The Decision Notice can be found on the Authority's website:  
<https://www.fca.org.uk/publication/decision-notices/darren-antony-reynolds-2023.pdf>

2.6. On 30 May 2023, Mr Reynolds referred the Decision Notice to the Upper Tribunal (Tax and Chancery Chamber) ("the Tribunal"). None of the Authority's substantive findings were subject to the referral. Ultimately, the imposition of a full prohibition was also not challenged. The only issues contested at the Tribunal were:

- (1) whether the Authority had information from which the misconduct could be inferred before 10 August 2016 and hence its action imposing a financial penalty on Mr Reynolds was time barred (the Limitation Ground); and
- (2) whether certain amounts or prohibited commission payments received by Mr Reynolds ought to have been taken into account at Step 1 of the penalty calculation as a result of competing claims by HMRC and the

Official Receiver (the Disgorgement Ground).

The Tribunal handed down its judgement in respect of the reference on 15 December 2025. The judgment can be found on the Tribunal's website:

<https://www.gov.uk/tax-and-chancery-tribunal-decisions/darren-antony-reynolds-v-the-financial-conduct-authority-2025-ukut-00413-tcc>

- 2.7. The Tribunal determined that the appropriate action to take for the Authority was to impose a financial penalty as set out in Decision Notice subject to a modification in relation to interest payable by Mr Reynolds. The Authority has calculated the financial penalty in accordance with the Tribunal's direction. Mr Reynolds has indicated through his lawyers (acting pro bono) that he agrees that the Authority's calculation is accurate. The Authority therefore imposes a penalty of £2,037,892. The Tribunal also found that Mr Reynolds was "*clearly guilty of dreadful misconduct over a protracted period, which had very serious adverse impacts on a large number of retail customers*". The Tribunal found that he was, as alleged by the Authority, "*a corrupt and dishonest man lacking integrity*".
- 2.8. The judgment sets out the Tribunal's detailed reasons and should therefore be read in full.
- 2.9. The Tribunal found that the Authority did not have information from which Mr Reynolds' dishonest misconduct (as alleged in the Warning Notice and Decision Notice) could reasonably be inferred before 17 August 2016 (at the earliest), and therefore the Limitation Ground was not made out. In relation to the Disgorgement Ground, the Tribunal decided that the only adjustment to be made to the disgorgement element of the penalty at this stage is the adjustment to the interest calculation.
- 2.10. In light of the above and in accordance with the Tribunal's directions, the Authority has issued this Final Notice.

### **3. PROCEDURAL MATTERS**

- 3.1. This Notice is given to Mr Reynolds in accordance with section 390 of the Act.

#### **Manner and Time of Payment**

- 3.2. The financial penalty must be paid in full by Mr Reynolds to the Authority by no

later than 26 January 2026, 14 days from the date of this Final Notice.

- 3.3. If all or any of the financial penalty is outstanding thereafter, the Authority may recover the outstanding amount as a debt owed by Mr Reynolds and due to the Authority.

### **Publicity**

- 3.4. 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 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 Reynolds or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

### **Authority Contact**

- 3.5. For more information concerning this matter generally, contact Adil Rana (direct line: 020 7066 5800/email: [Adil.Rana@fca.org.uk](mailto:Adil.Rana@fca.org.uk)).

**Dee O'Sullivan**

**Head of Department**

**Financial Conduct Authority, Enforcement & Market Oversight Division**

## **ANNEX A**

### **RELEVANT STATUTORY AND REGULATORY PROVISIONS**

#### **1. RELEVANT STATUTORY PROVISIONS**

- 1.1. The Authority's statutory objectives, set out in section 1B(3) of the Act, include the operational objective of securing an appropriate degree of protection for consumers (section 1C).
- 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 issued under section 59 if it considers that the person in respect of whom it was given is not a fit and proper person to perform the function to which the approval relates.
- 1.4. Section 66 of the Act provides that the Authority may take action against a person if it appears to the Authority that he is guilty of misconduct and the Authority is satisfied that it is appropriate in all the circumstances to take action against him. A person is guilty of misconduct if, while an approved person, he has failed to comply with a statement of principle issued under section 64A of the Act, or has been knowingly concerned in a contravention by a relevant authorised person of a relevant requirement imposed on that authorised person.

#### **2. RELEVANT REGULATORY PROVISIONS**

##### ***Statements of Principle and Code of Practice for Approved Persons***

- 2.1. The Authority's Statements of Principle and Code of Practice for Approved Persons ("APER") have been issued under section 64A of the Act.

2.2. Throughout the Relevant Period, Statement of Principle 1 stated:

*"An approved person must act with integrity in carrying out his accountable functions."*

2.3. 'Accountable functions' include controlled functions and any other functions performed by an approved person in relation to the carrying on of a regulated activity by the authorised person to which the approval relates.

2.4. The Code of Practice for Approved Persons sets out descriptions of conduct which, in the opinion of the Authority, do not comply with a Statement of Principle. It also sets out factors which, in the Authority's opinion, are to be taken into account in determining whether an approved person's conduct complies with a Statement of Principle.

### ***Conduct of Business Sourcebook***

2.5. The Authority's Conduct of Business Sourcebook (COBS) COBS 6.1A.4R states that a firm must:

- (1) *"only be remunerated for the personal recommendation (and any other related services provided by the firm) by adviser charges; and*
- (2) *not solicit or accept (and ensure that none of its associates solicits or accepts) any other commissions, remuneration or benefit of any kind in connection with a firm's business of advising or any other related services, regardless of whether it intends to refund the payments or pass the benefits on to the retail client; and*
- (3) *not solicit or accept (and ensure that none of its associates solicits or accepts) adviser charges in relation to the retail client's retail investment product or P2P agreement which are paid out or advanced by another party over a materially different time period, or on a materially different basis, from that in or on which the adviser charges are recovered from the retail client."*



### ***The Fit and Proper Test for Approved Persons***

- 2.6. The part of the Authority's Handbook entitled "The Fit and Proper Test for Approved Persons" ("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.
- 2.7. 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. The most important considerations will be the person's honesty, integrity and reputation, competence and capability and financial soundness.

### ***The Enforcement Guide***

- 2.8. The Enforcement Guide ("EG") sets out the Authority's approach to exercising its main enforcement powers under the 2000 Act.
- 2.9. Chapter 7 of the Enforcement Guide sets out the Authority's approach to exercising its power to impose a financial penalty.

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

- 2.10. The Authority's policy in relation to prohibition orders is set out in Chapter 9.
- 2.11. EG 9.1 states that the Authority may exercise this power where it considers that, to achieve any of its regulatory objectives, it is appropriate either to prevent an individual from performing any functions in relation to regulated activities or to restrict the functions which he may perform.

### **DEPP**

- 2.12. Chapter 6 of DEPP sets out the Authority's statement of policy with respect to the imposition and amount of financial penalties under the Act.