
FINAL NOTICE

To: **David Brian Price**

Reference
Number: **DBP00003**

and

To: **CFP Management Ltd (in Liquidation)**

Firm
Reference
Number: **571695**

Date: **30 May 2025**

1. ACTION

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

- (1) imposed on David Brian Price a financial penalty of £465,415 pursuant to section 66 of Financial Services and Markets Act 2000 ("the Act");
- (2) made an order prohibiting Mr Price 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; and

- (3) withdrawn the approvals given to Mr Price to perform the SMF 3 (Executive Director) and SMF 17 (Money Laundering Reporting Officer) senior management functions at CFP Management Ltd ("CFP"), pursuant to section 63 of the Act.

2. REASONS FOR ACTION

- 2.1. By a Decision Notice dated 3 May 2023, the Authority notified Mr Price that it had decided to impose a financial penalty on him for failing to comply with Statement of Principle 1 between 21 April 2015 to 31 October 2017, in that he failed to act with integrity when acting recklessly in carrying out his CF1 (Director), CF11 (Money Laundering Reporting) and CF30 (Customer) controlled functions at CFP.
- 2.2. By the same Decision Notice the Authority notified Mr Price that it had decided to make an order prohibiting Mr Price from performing any function in relation to any regulated activity carried on by an authorised person, exempt person, or exempt professional firm and to withdraw the approvals given to Mr Price to perform the SMF 3 (Executive Director) and SMF 17 (Money Laundering Reporting Officer) senior management functions at CFP, as his reckless conduct demonstrated that he lacked integrity.
- 2.3. On 31 May 2023 Mr Price referred the Decision Notice to the Upper Tribunal (Tax and Chancery Chamber) ("the Tribunal"). The Tribunal handed down three consecutive judgments in respect of the reference on 13 November 2024, 12 March 2025 and 13 May 2025. The judgments can be found on the Tribunal's website:

<https://www.gov.uk/tax-and-chancery-tribunal-decisions/david-brian-price-and-toni-fox-bryant-v-the-financial-conduct-authority-2024-ukut-00357-tcc>

<https://www.gov.uk/tax-and-chancery-tribunal-decisions/david-brian-price-and-toni-fox-bryant-v-the-financial-conduct-authority>

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- 2.4. The Tribunal determined that the appropriate action to take for the Authority was to impose a financial penalty of £465,415, being the disgorgement element of the

penalty calculated by taking into account tax paid and returns made on the benefit to be disgorged. The Authority therefore imposes a penalty of £465,415. The Tribunal dismissed the reference of Mr Price in respect of the prohibition order and the withdrawal of approvals.

- 2.5. The judgments set out the Tribunal's detailed reasons and should therefore be read in full.
- 2.6. The Tribunal found that Mr Price was involved in designing, overseeing and personally operating a pension advisory process which: (1) was not designed to capture all the information required to enable thorough, reliable advice to be given, including information the Authority required to be gathered; (2) did not allow areas of ambiguity or uncertainty or approaches other than pension transfers to be explored with clients; (3) was designed to use a client's objectives as a purported justification for a pension transfer even where a transfer had already been found to be negative from a purely financial perspective. The Tribunal also found that it was unreasonable of Mr Price to design and operate this process and that as a result he acted recklessly and breached Statement of Principle 1 (13 November 2024 judgment, paragraphs 208 – 212).
- 2.7. 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 Price 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 Price to the Authority by no later than **13 June 2025**, 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 Price 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 Price 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 Lisa Ablett (direct line: 020 7066 9886/email: Lisa.Ablett@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 Approval 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 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 following rules and guidance in COBS (as were in place during the Relevant Period) are relevant to the suitability of Pension Transfer advice given to clients.

2.6. COBS 2.1.1R states that a firm must act honestly, fairly and professionally in accordance with the best interests of its client.

2.7. COBS 9.2.1R states that:

(1) A firm must take reasonable steps to ensure that a personal recommendation, or a decision to trade, is suitable for its client.

(2) When making the personal recommendation or managing his investments, the firm must obtain the necessary information regarding the client's:

(a) knowledge and experience in the investment field relevant to the specific type of designated investment or service;

(b) financial situation; and

(c) investment objectives;

so as to enable the firm to make the recommendation, or take the decision, which is suitable for him.

2.8. COBS 9.2.2R(1) states that a firm must obtain from the client such information as is necessary for the firm to understand the essential facts about him and have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or entered into in the course of managing:

- (a) meets his investment objectives;
- (b) is such that he is able financially to bear any related investment risks consistent with his investment objectives; and
- (c) is such that he has the necessary experience and knowledge in order to understand the risks involved in the transaction or in the management of his portfolio.

2.9. COBS 9.2.2R(3) states that the information regarding the financial situation of a client must include, where relevant, information on the source and extent of his regular income, his assets, including liquid assets, investments and real property, and his regular financial commitments.

2.10. COBS 9.2.6R states:

If a firm does not obtain the necessary information to assess suitability, it must not make a personal recommendation to the client or take a decision to trade for him.

2.11. COBS 19.1.2R (as in force during the Relevant Period) stated that a firm must:

- (1) compare the benefits likely (on reasonable assumptions) to be paid under a Defined Benefit Pension Scheme or other pension scheme with safeguarded benefits with the benefits afforded by a personal pension, stakeholder pension scheme or other pension scheme with flexible benefits, before it advises a retail client to transfer out of a Defined Benefit Pension Scheme or other pension scheme with safeguarded benefits;

- (2) ensure that that comparison includes enough information for the client to be able to make an informed decision;
 - (3) gives the client a copy of the comparison, drawing the client's attention to the factors that do and do not support the firm's advice, in good time, and in any case no later than when the key features document is provided; and
 - (4) take reasonable steps to ensure that the client understands the firm's comparison and its advice.
- 2.12. COBS 19.1.6G states that when advising a client who is, or is eligible to be, a member of a Defined Benefit Pension Scheme or other scheme with safeguarded benefits whether to transfer, convert or opt-out, a firm should start by assuming that a transfer, conversion or opt-out will not be suitable. A firm should only consider a transfer, conversion or opt out to be suitable if it can clearly demonstrate, on contemporary evidence, that the transfer, conversion or opt-out is in the client's best interests.

The Fit and Proper Test for Approved Persons

- 2.13. 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.
- 2.14. 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

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

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

- 2.17. The Authority's policy in relation to prohibition orders is set out in Chapter 9.
- 2.18. 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

- 2.19. 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.