
FINAL NOTICE

To: **David Wood**

Formerly Of: **Marlborough Grange Farm
Cross Ways
Cowbridge
South Glamorgan
CF31 7LJ**

FSA Reference Number: **DXW00072**

Dated: **20 December 2011**

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (the “FSA”) gives David Wood (“Mr Wood”) final notice about an order prohibiting him, from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm

1. THE ORDER

- 1.1. The FSA gave Mr Wood a Decision Notice on 17 November 2011 (the “Decision Notice”) which notified him that, for the reasons listed below and pursuant to section 56 of the Financial Services and Markets Act 2000 (the “Act”), the FSA had decided to make an order prohibiting him from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm (the “Prohibition Order”).
- 1.2. Mr Wood has not referred the matter to the Upper Tribunal (Tax and Chancery Division) within 28 days of the date on which the Decision Notice was given to him.

- 1.3. Accordingly, for the reasons set out below, the FSA hereby makes an order pursuant to section 56 of the Act prohibiting Mr Wood from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm. The Prohibition Order takes effect from 20 December 2011.

2. REASONS FOR THE ORDER

Introduction

- 2.1. The FSA has concluded, on the basis of the facts and matters and conclusions described in its Warning Notice dated 29 September 2011 (an extract from which is attached to and forms part of this Final Notice), and in the Decision Notice, that Mr Wood is not a fit and proper person to perform any functions as his conduct demonstrates a lack of honesty and integrity. Specifically, on 6 May 2011, Mr Wood was convicted of 54 counts of financial crime offences and on 27 May 2011 was further convicted of three counts of financial crime offences, for which he was sentenced, also on 27 May 2011, to a total of seven years imprisonment.

Relevant Statutory Provisions

- 2.2. The FSA's statutory objectives are set out in section 2(2) of the Act and include the protection of consumers, maintaining market confidence and the reduction of financial crime.
- 2.3. The FSA's power to make a prohibition order is set out in section 56 of the Act and the procedure to be followed is set out in section 58 of the Act.

Relevant Guidance

The Enforcement Guide ("EG")

- 2.4. The FSA's policy in relation to exercising its power to issue a prohibition order is set out in EG.
- 2.5. EG 9.1 explains the purpose of prohibition orders in relation to the FSA's regulatory objectives.
- 2.6. EG 9.3 to 9.5 sets out the FSA's policy on making prohibition orders. In particular:
- (a) EG 9.3 states that the FSA will consider all relevant circumstances, including whether enforcement action has been taken against the individual by other enforcement agencies, in deciding whether to make a prohibition order;
 - (b) EG 9.4 states that the FSA has power to make a range of prohibition orders: they may be unlimited or they may be limited to specific functions in relation to specific regulated activities, depending on the reasons why the individual is not fit and proper and the severity of risk he poses to consumers or the market generally; and

- (c) EG 9.5 states that the scope of a prohibition order will depend on the reasons why the individual is not fit and proper and the severity of risk he poses to consumers or the market generally.
- 2.7. EG 9.17 sets out that where the FSA is considering whether to make a prohibition order against someone who is not an approved person, the FSA will consider the severity of the risk posed by the individual and may prohibit him where it considers that it is necessary to achieve the FSA's regulatory objectives.
- 2.8. EG 9.18 states that, when determining the fitness and propriety of such an individual, the FSA will consider a number of factors, including those set out in EG 9.9. These factors include: the criteria for assessing the fitness and propriety of approved persons set out in the Fit and Proper Test for Approved Persons ("FIT") section of the FSA Handbook, the relevance and materiality of any matters indicating unfitness, and the severity of the risk which the individual poses to consumers and to confidence in the financial system.

Fit and Proper Test for Approved Persons

- 2.9. The FSA has issued guidance on the fitness and propriety of individuals in FIT.
- 2.10. FIT 1.1.2G states that the purpose of FIT is to set out and describe the criteria that the FSA will consider when assessing the fitness and propriety of a candidate for a controlled function. The criteria are also relevant in assessing the continuing fitness and propriety of approved persons.
- 2.11. FIT 1.3.1G(1) states that the most important considerations include a person's honesty, integrity and reputation.
- 2.12. FIT 2.1.3G(1) states that the FSA will have regard to whether a person has been convicted of any criminal offence, and goes on to say that particular consideration will be given to offences of dishonesty, fraud, financial crime or other offences under legislation relating to money laundering.

3. DECISION MAKER

- 3.1. The decision that gave rise to the obligation to give this Final Notice was taken by the Regulatory Decisions Committee.

4. IMPORTANT

- 4.1. This Final Notice was sent to Mr Wood in accordance with section 390(1) of the Act.

Publicity

- 4.2. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the FSA

must publish such information about the matter to which this Final Notice relates as the FSA considers appropriate. The information may be published in such manner as the FSA considers appropriate. However, the FSA may not publish information if such publication would, in the opinion of the FSA, be unfair to Mr Wood or prejudicial to the interests of consumers.

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

FSA contact

- 4.4. For more information concerning this matter generally, please contact John Kirby (direct line: 020 7066 1458 / fax: 020 7066 1459) of the Enforcement and Financial Crime Division at the FSA.

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John Kirby
FSA Enforcement and Financial Crime Division

Attachment: Extract from Warning Notice dated 29 September 2011

EXTRACT FROM THE WARNING NOTICE DATED 29 SEPTEMBER 2011 ISSUED BY THE FSA TO DAVID WOOD

“2. REASONS FOR THE PROPOSED ACTION

[...]

Facts and matters relied on

- 2.1. Mr Wood was approved by the FSA for various controlled and significant influence functions in relation to a number of authorised firms, from 1 December 2001 until 5 April 2006, from 10 May 2006 until 3 September 2007, and from 25 January 2008 until 26 April 2010.
- 2.2. On 6 May 2011, having pleaded guilty Mr Wood was convicted at Cardiff Crown Court of one count of theft (contrary to section 1(1) of the Theft Act 1968); 28 counts of fraud by dishonestly making a false representation to make a gain for himself or cause loss to another (contrary to section 1 of the Fraud Act 2006); 14 counts of obtaining a money transfer by deception (contrary to section 15A of the Theft Act 1968); and eleven counts of using a false instrument with intent (contrary to section 3 of the Forgery and Counterfeiting Act 1981). Further, on 27 May 2011, having pleaded guilty Mr Wood was convicted at Cardiff Crown Court of one count of obtaining a money transfer by deception (contrary to section 15A of the Theft Act 1968), and two counts of fraud by dishonestly making a false representation to make a gain for himself or cause loss to another (contrary to section 1 of the Fraud Act 2006).
- 2.3. At least 52 of these financial crime offences were committed whilst Mr Wood was approved by the FSA. According to the Judge’s sentencing remarks, the total amount unlawfully appropriated as a consequence of Mr Wood’s conduct is £2,236,323, and the amount unrecovered (representing client loss) is £1,369,571.

Conclusions

- 2.4. The FSA has identified, on the basis of the facts and matters described below, and having regard to its regulatory objectives which include the protection of consumers, maintaining market confidence and the reduction of financial crime, that:
 - Mr Wood has been convicted of 57 serious financial crime offences for which he has received various concurrent and consecutive custodial sentences totalling seven years’ imprisonment;
 - Mr Wood has acted dishonestly and without integrity by committing theft, by dishonestly making false representations to make a gain for himself or cause loss to another, by obtaining money transfers by deception, and by using a false instrument with intent, whilst approved by the FSA;
 - the convictions, and the conduct which gave rise to them, go directly to impugn his honesty, integrity and reputation, and therefore demonstrate that he is not a fit

and proper person to perform any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm; and

- the severity of the risk that he poses to consumers and financial institutions and to confidence in the market generally is such that it is necessary in order to achieve its regulatory objectives for the FSA to make the Prohibition Order against him.”

END OF EXTRACT