
FINAL NOTICE

To: Ghanshyam Sarup Batra

Individual
Reference
Number: GXB00098

Address: Adams View
Sedge Green
Roydon
Essex
CM19 5JR

Date: 17 July 2015

1. ACTION

- 1.1. For the reasons given in this notice, the Authority hereby makes an order prohibiting Ghanshyam Sarup Batra from carrying out any function in relation to any authorised person, exempt person or exempt professional firm, in relation to any regulated activity. This order takes effect from **17 July 2015**.

2. DEFINITIONS

- 2.1. The definitions below are used in this Final Notice:

“Act” means the Financial Services and Markets Act 2000

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

“Mr Batra” means Ghanshyam Sarup Batra

“M10” means Mortgage 10 Limited

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

3. REASONS FOR ACTION

- 3.1. By a Decision Notice dated 3 November 2010 the Authority notified Mr Batra that it had decided to:

- (1) withdraw the approval granted to him to perform controlled functions in relation to M10; and
 - (2) make a prohibition order preventing him from carrying out any function in relation to any authorised person, exempt person, or exempt professional firm, in relation to any regulated activity.
- 3.2. On 29 November 2010, Mr Batra referred that decision to the Upper Tribunal.
- 3.3. The Upper Tribunal published a written decision dated 13 May 2014. That written decision can be found on the Upper Tribunal's website at:
www.tribunals.gov.uk/financeandtax/Documents/decisions/Batra-v-FCA.pdf
- 3.4. The Upper Tribunal's written decision set out its reasons for determining the appropriate action for the Authority to take in relation to Mr Batra as described above. It should therefore be read in full and is incorporated into this notice by reference.
- 3.5. In its written decision, the Upper Tribunal noted, amongst other things, that Mr Batra was, at all material times, the director, controller and approved person of M10, which was a mortgage and general insurance broker, and that in 2007, Mr Batra had acquired 78 studio flats in two properties using mortgage funding.
- 3.6. The Upper Tribunal described the Authority's case against Mr Batra, in summary, as (at paragraph 2 of the written decision):

"The Authority alleges that Mr Batra, through M10, submitted mortgage applications on his own behalf that contained false and misleading information, knowing it to be false. The Authority further alleges that, when it investigated the matter, Mr Batra failed to deal with the Authority in an open and co-operative manner."
- 3.7. In relation to the Authority's case against Mr Batra as described above, the Upper Tribunal found that (at paragraphs 79 and 86 respectively of the written decision):

"We consider that the disregard for whether the contents of mortgage application forms, bearing declarations as to their truth and accuracy, are correct displayed by Mr Batra shows a clear lack of integrity."

and

"Our view is that the Authority has not established, on the balance of probabilities, that Mr Batra was deliberately dishonest. We have concluded, however, that Mr Batra displayed a lack of integrity in that he was reckless as to the truth of statements made to [the two lenders who granted the relevant mortgage applications]. In the light of our finding that Mr Batra lacked integrity in relation to the submission of the mortgage applications and in his dealings with the Authority, we consider that prohibition is appropriate."
- 3.8. In relation to whether Mr Batra should be prohibited "from carrying out *any function* in relation to any authorised person, exempt person, or exempt professional firm, in relation to any regulated activity" the Upper Tribunal remarked (at paragraph 89 of the written decision):

“We do not consider that a prohibition against carrying on any function is only appropriate where there is a finding of dishonesty. Mr Batra showed a lack of integrity as described above and also seemed not to appreciate that his recklessness in relation to the mortgage applications was wrong. We are not satisfied that a person who displayed such an attitude could be effectively supervised. Further, we consider that there is a real risk that a person who shows a lack of integrity in relation to his own obligations would show an equal disregard of proper standards of behaviour in relation to others.”

- 3.9. The Upper Tribunal therefore dismissed Mr Batra’s reference and directed the Authority to issue a final notice to Mr Batra prohibiting him from carrying out any function in relation to any authorised person, exempt person or exempt professional firm, in relation to any regulated activity.
- 3.10. After Mr Batra had referred the matter to the Upper Tribunal, it was discovered that M10 had been dissolved. Consequently, the Tribunal noted in its decision that it did not need to reach any determination in relation to the withdrawal of Mr Batra’s approval in respect of M10. The Upper Tribunal also noted in its decision that had M10 still been in existence, it would have confirmed the Authority’s decision to withdraw Mr Batra’s approval to perform controlled functions at M10.
- 3.11. On 31 March 2015, the Court of Appeal refused Mr Batra’s application for permission to appeal the Upper Tribunal’s substantive decision.
- 3.12. In light of the above, the Authority now issues this Final Notice.

4. PROCEDURAL MATTERS

- 4.1. This Final Notice is given under, and in accordance with, section 390 of the Act.

Prohibition order

- 4.2. 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 exempt professional firm. Such an order may relate to a specified regulated activity, any regulated activity falling within a specified description, or all regulated activities.
- 4.3. As such, the Authority has, pursuant to section 56 of the Act, imposed the prohibition order on Mr Batra in the terms set out at paragraph 1.1 (above).

Publicity

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

Authority contacts

- 4.6. For more information concerning this matter generally, contact Kate Tuckley (020 7066 7086) at the Enforcement and Market Oversight Division of the Authority.

Bill Sillett

Head of Department
Enforcement and Market Oversight Division