



Financial Services Authority

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## FINAL NOTICE

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To: **GK Group Limited**  
Of: **Chatsworth Road**  
**Chesterfield**  
**Derbyshire**  
**S40 2BJ**  
Date: **20 August 2008**

**TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (“the FSA”) gives you final notice about a requirement to pay a financial penalty.**

### **1. THE PENALTY**

- 1.1. The FSA gave GK Group Limited (“GK”) a Decision Notice on 12 August 2008 which notified GK that pursuant to section 206 of the Financial Services and Markets Act 2000 (the “Act”), the FSA had decided to impose a financial penalty of £51,100 on GK. This penalty is in respect of breaches of Principle 9 of the FSA's Principles for Businesses (the “Principles”) and associated rules between 14 January 2005 and 31 December 2007 (the “Relevant Period”) in relation to advised sales of payment protection insurance (“PPI”) at GK's motor dealer showrooms.
- 1.2. GK confirmed on 5 August 2008 that it will not be referring the matter to the Financial Services and Markets Tribunal.
- 1.3. Accordingly, for the reasons set out below and having agreed with GK the facts and matter relied on, the FSA imposes a financial penalty on GK in the amount of £51,100.
- 1.4. GK agreed to settle at an early stage of the FSA's investigation. It therefore qualified for a 30% (stage 1) reduction in penalty, pursuant to the FSA's executive settlement

procedures. Were it not for this discount, the FSA would have sought to impose a financial penalty of £73,000 on GK.

## **2. REASONS FOR THE ACTION**

- 2.1. The FSA has imposed a financial penalty on GK for breaches of the FSA's Principles and rules in relation to its sale of PPI.
- 2.2. These breaches, which are described in more detail at section 4 and 5 below, relate to GK's failure to take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who was entitled to rely upon its judgement (Principle 9).
- 2.3. GK breached Principle 9 by failing to take reasonable care in recommending a PPI product which was suitable for its customers and by failing adequately to monitor its sales.
- 2.4. GK's failings exposed 734 customers to the unacceptable risk of buying PPI policies that were not suitable for them during the Relevant Period. As a result GK failed to treat its customers fairly. GK's breaches are viewed as particularly serious because:
  - (1) GK failed to gather sufficient information about a customer's circumstances, and as a result GK risked recommending PPI to customers when the product was not suitable for them.
  - (2) GK's sales staff, as a matter of course, recommended the most comprehensive level of cover for which the customer was eligible rather than considering the most suitable level of cover for the customer's needs.
  - (3) GK produced a generic Statements of Demands and Needs document ("SODAN") which was not individually tailored to the customer. The SODAN also did not record sufficient information material to the insurance, particularly in respect of pre-existing medical conditions.
  - (4) GK had an inadequate structure and ineffective procedures for monitoring sales and failed to routinely monitor sales.
  - (5) GK failed to produce sufficient management information to ensure that senior management were aware of risks associated with its regulated business activities.
  - (6) These failings arose against a background of high profile communications by the FSA highlighting the need for firms to ensure their PPI sales processes were meeting FSA requirements.
- 2.5. The need for GK to have robust and effective systems and controls and sales processes was significant because it sold PPI from a network of motor dealerships comprising approximately 60 advisers across 12 locations.
- 2.6. There are several factors which the FSA has taken into account in mitigation. GK proactively, and without prompting by the FSA, suspended sales of PPI and

implemented a remediation programme. GK has worked closely with the FSA to ensure that its remediation programme will lead to all customers who have been disadvantaged receiving appropriate redress.

2.7. The FSA also recognises the following additional measures taken by GK which mitigate the seriousness of its failings:

- (1) Prior to the commencement of Enforcement action GK engaged an external compliance consultant to review its PPI sales process. Following this review GK has implemented a number of the recommendations made, including revising the SODAN, sales process and overhauling the staff training programme.
- (2) Prior to the FSA visiting GK in June 2007, GK had already identified failings in its monitoring of PPI sales and subsequently appointed two auditors and added an additional level of management within the sales area of the business.
- (3) GK has fully co-operated and positively engaged with the FSA's investigation, in some respects demonstrating best practice.

### **3. RELEVANT STATUTORY AND REGULATORY PROVISIONS**

3.1. The FSA's statutory objectives, set out in section 2(2) of the Act, are market confidence, public awareness, the protection of consumers and the reduction of financial crime.

3.2. Section 206 of the Act provides:

*"If the Authority considers that an authorised person has contravened a requirement imposed on him by or under this Act, ...it may impose on him a penalty, in respect of the contravention, of such an amount as it considers appropriate."*

#### **Principles for Businesses**

3.3. The FSA's Principles are a general statement of the fundamental obligations of firms under the regulatory system. They derive their authority from the FSA's rule-making powers as set out in the Act and reflect the FSA's regulatory objectives.

3.4. Principle 9 (customers: relationships of trust) states that:

*"A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgement."*

#### **Rules and guidance**

3.5. Relevant FSA rules and guidance are set out in Annex A to this Notice.

3.6. Details of the FSA's policy on imposing financial penalties are also set out in Annex A to this notice.

## **FSA communications regarding PPI during the Relevant Period**

- 3.7. Prior to and during the Relevant Period, the FSA communicated to firms the importance of having in place robust systems and controls when selling PPI.
- 3.8. In November 2005, the FSA published on its website the results of the first phase of its thematic work on PPI, highlighting a number of key areas where firms were not treating their customers fairly. This report identified, amongst other things, that compliance monitoring was very poor in some cases. It also noted that in around two-thirds of firms selling on an advised basis, the SODAN was too generalised and lacking in customer-specific information to be of use to customers.
- 3.9. The November 2005 report also identified that if a firm gives advice it should review how the suitability assessment is made to ensure the adviser fully assesses the customer's need for PPI. Should it then go on to recommend a PPI policy to a customer, a firm must clearly set out the reasons why it has concluded that a customer requires PPI and why it is recommending the policy.
- 3.10. The FSA reported on the second phase of PPI thematic work in October 2006. The FSA noted that for smaller firms, whose main business was not financial services, there was a risk of customer detriment from the lack of supervision of sales staff. The FSA also expressed its concern that some firms were still failing to establish that the PPI policies they recommended were suitable because they were not collecting sufficient information from the customer.
- 3.11. The report also stressed that the suitability assessment should take into account the relevance of any exclusions and limitations and that the SODAN must be tailored to the individual customer's circumstances.
- 3.12. The FSA visited GK in June 2007 as part of a third phase of thematic work on PPI and identified a number of concerns relating to GK's sale of PPI.

## **4. FACTS AND MATTERS RELIED ON**

### **Background**

- 4.1. GK has been authorised by the FSA to sell non-investment insurance contracts since 14 January 2005.
- 4.2. GK's main business is as a motor dealer. It has a secondary business selling third party consumer finance and insurance (including PPI) to customers in connection with their motor purchases.
- 4.3. The FSA's investigation related to sales made by GK's branch network. GK had 12 locations throughout the Midlands, the North of England and Scotland and there were approximately 60 sales staff selling PPI during the Relevant Period.
- 4.4. GK sold PPI products to its customers on an advised basis. The sales were made face to face and formed part of the sale of a motor vehicle.

- 4.5. GK offered three types of PPI policy: Silver (life and critical illness cover), Gold (cover afforded under the Silver PPI policy with an additional choice of accident and sickness or involuntary unemployment cover) and Platinum (life, critical illness, accident, sickness and involuntary unemployment cover.) The premiums for each policy were payable either as a single lump sum added to the car finance or by regular monthly payment. If paid by single instalment, the PPI premium attracted interest over the entire term of the loan.
- 4.6. GK sold 734 PPI policies during the Relevant Period. A total of 87 of those policies were paid for by way of a single premium with the remainder being regular premium policies. The income GK generated from those sales amounted to approximately £196,000.

#### **The suitability assessment**

- 4.7. A sales adviser held a conversation with each customer which was designed to assess the customer's eligibility and suitability for PPI.
- 4.8. GK failed to ask relevant questions to establish that the PPI product it recommended was suitable for its customers. In particular, GK failed to gather sufficient information from each customer regarding:
- (1) whether they had any employee benefits in the event of sickness;
  - (2) whether the customer held any existing insurance cover;
  - (3) what type and level of cover the customer required; and
  - (4) whether the customer suffered from any pre-existing medical conditions.
- 4.9. GK did not give sufficient information to customers, by way of a completed SODAN, regarding exclusions and limitations to enable GK to assess each customer's need for PPI, or to enable the customer to make an informed choice as to whether to take out PPI.
- 4.10. GK's sales staff, as a matter of course, recommended the most comprehensive level of cover for which the customer was eligible. Following the recommendation customers may have chosen to opt for a lower level of cover.

#### **File review by GK's compliance consultant**

- 4.11. Prior to and following the FSA's visit in June 2007, GK employed an external compliance consultant to conduct a review of GK's PPI sales, processes and monitoring procedures. GK also engaged the external consultant to carry out a customer contact exercise to give customers the opportunity of being recompensed where unsuitable sales had occurred.
- 4.12. In November 2007, GK's compliance consultant carried out a review of 71 sales files, with approximately equal numbers dated before August 2006 (when GK implemented a computerised point of sales system) and after that date.

- 4.13. Of the pre-August 2006 files, the compliance consultant found that only 10% fully complied with the FSA's Principles and rules, whilst 63% failed in some respects, and 27 % failed in all respects. The consultant noted that in a number of cases documents were incomplete, with blank forms or signed blank forms on file.
- 4.14. Of the post-August 2006 files, only one file fully complied with the FSA's Principles and rules, 56% of the files partially complied, and 41% failed to comply. The consultant noted that in most cases the failure was due to the content or structure of the documentation.
- 4.15. Initial results from the customer contact exercise carried out by GK indicate that from the sample of customers spoken to, 50% hold alternative insurance to protect against accident or sickness, or receive similar benefits via their employer.
- 4.16. The findings from the review suggest that there is an unacceptable risk that customers were sold policies which were not suitable for them.

#### **The Statement of Demands and Needs**

- 4.17. The SODAN is an integral part of the sales documentation. This should document a customer's individual circumstances pertinent to the product and, for PPI sales, should include the firm's recommended PPI policy and the reasons for the recommendation.
- 4.18. GK used generic SODANs which were not individually tailored to each customer throughout the Relevant Period. GK used a standard list of reasons for recommending the PPI policy which were pre-printed and therefore identical in every case.
- 4.19. Whilst the SODAN records the answers to questions concerning the customer's eligibility for cover, no provision was made for recording the answers to questions concerning the suitability of the product for the customer.
- 4.20. The SODAN contained a disclaimer that the PPI recommendation may not be suitable as GK did not take into account details of any other insurance the customer held. However, GK was following an advised sales process and was purporting to recommend a product to the consumer. It should therefore have gathered all relevant information, including about other insurance cover, before making a recommendation.
- 4.21. Advisers failed to complete the SODANs in full in every case. In some cases the SODANs on file were left blank, i.e. the eligibility questions and questions relating to the type of cover required were left unrecorded. In other cases no recommendation had been recorded or PPI was not recommended, but the finance agreement showed that it was subsequently included.

#### **Sales monitoring**

- 4.22. Prior to the FSA's visit in June 2007, GK had no written procedure to require sales managers to check and sign off sales files. Despite the lack of a written procedure, sales management did sometimes check sales files, although there was little documentary evidence to support that checks had taken place and no evidence that site audits were carried out.

- 4.23. Where file checks were performed, the checks were on a quantitative rather than qualitative basis. In essence, sales managers were checking for the existence of documentation, not the standard of information contained within the documentation.
- 4.24. Further, there was no system in place for sales managers to record that files had been reviewed nor any procedure to formalise what sales managers should review, how this should be recorded and how the results of the file reviews should be used to assess the competence of sales staff.
- 4.25. The subsequent discovery of failures in GK's sales process demonstrates that monitoring was not carried out effectively, as effective monitoring should have identified those failures.

### **Management information**

- 4.26. No management information was produced for senior management in relation to the PPI sales monitoring carried out. Senior management were not therefore able to adequately consider any trends or compliance failings that management information might have identified.

## **5. ANALYSIS OF BREACHES**

- 5.1. The FSA considers that GK has breached Principle 9 of the FSA's Principles for Businesses in the following respects:
  - (1) GK failed to gather sufficient information about each individual customer. Because of this there was an unacceptable risk that GK was unable to provide a suitable level of advice to its customers or to ensure that any PPI policy it recommended to its customers was suitable for their needs.
  - (2) By automatically recommending the highest level of cover possible, and by failing to adequately discuss the exclusions and limitations of the policy with the customer prior to making this recommendation, GK did not properly consider a customer's individual requirements for PPI.
  - (3) The SODAN used during the Relevant Period did not allow GK to record that an individual customer's circumstances were considered before a recommendation was made, and did not allow GK to explain the reasons for the recommendation. Consequently, GK was unable to demonstrate that it had taken reasonable care to consider the suitability of the PPI product recommended to its customers.
  - (4) GK failed to carry out formal and regular monitoring, which meant that management was unable to satisfy itself of the effectiveness of its sales process or that it was being properly followed. The failure to produce management information meant that senior management were unable to inform themselves of any potential shortcomings in its PPI sales processes.
  - (5) Whilst GK made changes to the structure of its internal audit function, it failed to consider whether it was necessary to implement changes to its monitoring procedures. As a result GK's monitoring remained inadequate.

- (6) In summary, GK allowed its sales force to sell PPI during the Relevant Period without effective monitoring to ensure that they were competently recommending PPI to its customers. In a firm with approximately 60 sales advisers across 12 locations the lack of any structure to monitor sales represents a significant failure in systems and controls.
- (7) By reason of the above failings, GK's sales process created an unacceptable risk of PPI being mis-sold to its customers.

5.2. GK also breached the following provisions of ICOB:

- (1) ICOB 4.3.1 R (requirement for suitability);
- (2) ICOB 4.3.2 R (information about the customer's demands and needs);
- (3) ICOB 4.3.6 R (assessing the suitability of a contract against the customer's demands and needs); and
- (4) ICOB 4.4.1 R (statement of demands and needs).

## **6. ANALYSIS OF THE SANCTION**

### **Determining the level of the financial penalty**

- 6.1. The FSA's policy in relation to the imposition of financial penalties is set out in Chapter 6 of the Decision Procedure and Penalties Manual ("DEPP"), which forms part of the FSA Handbook. It was previously set out in Chapter 13 of the Enforcement Manual ("ENF"), to which the FSA has had regard in addition to DEPP. DEPP sets out the factors that may be of particular relevance in determining the appropriate level of financial penalty for a firm or approved person. The criteria are not exhaustive and all relevant circumstances of the case will be taken into consideration. Extracts from DEPP are set out in Annex A.

### **Deterrence**

- 6.2. As communicated to the market in the FSA's thematic update on the sale of PPI published on 26 September 2007, in line with its general approach, the FSA will increase the level of fines in cases where this is warranted by the nature, seriousness and impact of the breach in question, and by the likely impact on deterrence. Firms have been given due warning of their obligations to treat customers fairly, both generally and in relation to PPI in particular. Consequently, the FSA will now seek to impose relatively higher fines for firms in the PPI market where standards fall below required levels.

### **The seriousness of the breaches**

- 6.3. The FSA has considered the seriousness of the breaches, including the nature of the requirements breached, the number and duration of the breaches, the extent to which the breaches revealed serious or systemic weakness of the management systems or internal controls, the number of customers who were exposed to risk of loss and the number of customers likely actually to suffer financial detriment.



- 6.4. For the reasons set out at paragraph 2.4 above and having regard to the impact on GK's customers, the FSA considers that the breaches are of a serious nature.

**The extent to which the breach was deliberate or reckless**

- 6.5. The FSA does not consider that GK acted in a deliberate or reckless manner.

**The amount of profits accrued**

- 6.6. The FSA has taken into account the income of £196,000 that GK received from sales of PPI during the Relevant Period.
- 6.7. The sale of PPI is a tertiary activity for GK (behind motor sales and arranging credit) and, in terms of total profits made, it is a very small part of GK's business (PPI sales accounted for under 0.5% of revenue).

**The size, financial resources and other circumstances of the firm**

- 6.8. GK is a large firm with an annual turnover of over £200 million in the year ending 31 December 2007, of which turnover from regulated activities was over £600,000. There is no evidence to suggest that GK is unable to pay the penalty.

**Conduct following the breach**

- 6.9. Once the FSA informed the firm of its concerns, GK suspended its PPI sales, without prompting by the FSA, until it received further appropriate advice from external consultants and had implemented their recommendations. Subsequently, GK took the decision to permanently cease selling PPI.
- 6.10. GK also introduced an additional tier of management to its branches and appointed two internal auditors to strengthen its monitoring arrangements following the FSA's visit in June 2007.
- 6.11. GK has commenced a customer contact and remediation exercise as described above.
- 6.12. GK has been given full credit for its suspension of sales and customer contact exercise. Without these positive steps, the financial penalty would have been higher.
- 6.13. GK and its senior management have cooperated fully with the Enforcement action.

**Disciplinary record and compliance history**

- 6.14. GK has been authorised to conduct insurance business by the FSA since 14 January 2005 and has not been the subject of previous FSA disciplinary action.

**Previous action taken in relation to similar failings**

- 6.15. In determining the level of financial penalty, the FSA has taken into account penalties imposed by the FSA on other authorised persons for similar behaviour. This was considered alongside the principal purpose for which the FSA imposes sanctions, namely to promote high standards of regulatory conduct by deterring persons who have committed breaches from committing further breaches and helping to deter other

persons from committing similar breaches, as well as demonstrating generally the benefits of compliant business.

### **FSA guidance and other published materials**

- 6.16. In determining the appropriate level of financial penalty, the FSA has had regard to the fact that the FSA has published materials (in particular, as described at paragraphs 3.8 to 3.12 above) which raised relevant concerns and set out examples of compliant behaviour. This increases the seriousness with which the FSA has viewed the breaches.

## **7. CONCLUSIONS**

- 7.1. Having regard to the seriousness of the breaches and the risk they posed to the FSA's statutory objectives of maintaining confidence in the financial system and securing the appropriate degree of protection for consumers, the FSA has decided to impose a financial penalty of £51,100 on GK.

## **8. DECISION MAKER**

- 8.1. The decision which gave rise to the obligation to give GK this notice was made by the Settlement Decision Makers on behalf of the FSA.

## **9. IMPORTANT**

- 9.1. This Final Notice is given to GK in accordance with section 390 of the Act.

### **Manner of and time for Payment**

- 9.2. The financial penalty must be paid in full by GK to the FSA no later than 3 September 2008, 14 days from the date of the Final Notice.

### **If the financial penalty is not paid**

- 9.3. If all or any of the financial penalty is outstanding on 4 September 2008, the FSA may recover the outstanding amount as a debt owed by GK and due to the FSA.

### **Publicity**

- 9.4. 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 FSA must publish such information about the matter to which this 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 GK or prejudicial to the interests of consumers.
- 9.5. The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

**FSA contacts**

- 9.6. For more information concerning this matter generally, you should contact Suzanne Burt (direct line: 020 7066 1062 /fax: 020 7066 1063) of the Enforcement Division of the FSA.

**William Amos**

**Head of Retail 1**

**FSA Enforcement Division**

## **Annex A: Rules and guidance**

### **1. Insurance: Conduct of Business**

- 1.1. The part of the FSA Handbook entitled Insurance: Conduct of Business (ICOB) in force during the Relevant Period contained rules and guidance relevant to sales of PPI.
- 1.2. From 6 January 2008 ICOB was replaced by the Insurance: New Conduct of Business sourcebook (ICOBS).

#### *Suitability*

- 1.3. ICOB 4.3.1 R (1) provides that an insurance intermediary must take reasonable steps to ensure that, if in the course of insurance mediation activities it makes any personal recommendation to a customer to buy or sell a non-investment insurance contract, the personal recommendation is suitable for the customer's demands and needs at the time the personal recommendation is made.
- 1.4. ICOB 4.3.2 R provides that in assessing the customer's demands and needs, the insurance intermediary must:
  - (1) seek such information about the customer's circumstances and objectives as might reasonably be expected to be relevant in enabling the insurance intermediary to identify the customer's requirements. This must include any facts that would affect the type of insurance recommended, such as any relevant existing insurance;
  - (2) have regard to any relevant details about the customer that are readily available and accessible to the insurance intermediary, for example, in respect of other contracts of insurance on which the insurance intermediary has provided advice or information; and
  - (3) explain to the customer his duty to disclose all circumstances material to the insurance and the consequences of any failure to make such a disclosure, both before the non-investment insurance contract commences and throughout the duration of the contract; and take account of the information that the customer discloses.
- 1.5. ICOB 4.3.6 R provides that in assessing whether a non-investment insurance contract is suitable to meet a customer's demands and needs, an insurance intermediary must take into account at least the following matters:
  - (1) whether the level of cover is sufficient for the risks that the customer wishes to insure;
  - (2) the cost of the contract, where this is relevant to the customer's demands and needs; and

- (3) the relevance of any exclusions, excesses, limitations or conditions in the contract.

*Statement of demands and needs*

1.6. ICOB 4.4.1 R states that:

- (1) unless ICOB 4.4.2 R (which is not relevant to GK) applies, where an insurance intermediary arranges for a customer to enter into a non-investment insurance contract (including at renewal), it must, before the conclusion of that contract, provide the customer with a statement that:
    - (a) sets out the customer's demands and needs;
    - (b) confirms whether or not the insurance intermediary has personally recommended that contract; and
    - (c) where a personal recommendation has been made, explains the reasons for personally recommending that contract.
  - (2) The statement in (1) must reflect the complexity of the contract of insurance proposed.
  - (3) Unless (4) applies, the statement in (1) must be provided in a durable medium.
  - (4) An insurance intermediary may provide the statement in (1) orally if:
    - (a) the customer requests it; or
    - (b) the customer requires immediate cover;
- but in both cases the insurance intermediary must provide the information in (1) immediately after the conclusion of the contract, in a durable medium.

**2. The FSA's policy on the imposition of financial penalties**

- 2.1. The FSA's policy in relation to the imposition of financial penalties is set out in Chapter 6 of the Decision Procedure and Penalties Manual (DEPP) which forms part of the FSA Handbook. It was previously set out in Chapter 13 of the Enforcement Manual (ENF). The principal purpose of imposing a financial penalty is to promote high standards of regulatory conduct by deterring persons who have committed breaches from committing further breaches, helping to deter other persons from committing similar breaches and demonstrating generally the benefits of compliant behaviour.
- 2.2. The FSA will consider the full circumstances of each case when determining whether or not to take action for a financial penalty. DEPP6.2.1G sets out guidance on a non-exhaustive list of factors that may be of relevance in determining whether to take action for a financial penalty, which include the following.
  - (1) DEPP6.2.1G(1): The nature, seriousness and impact of the suspected breach.

- (2) DEPP6.2.1G(2): The conduct of the person after the breach.
- (3) DEPP6.2.1G(3): The previous disciplinary record and compliance history of the person.
- (4) DEPP6.2.1G(4): FSA guidance and other published materials.
- (5) DEPP6.2.1G(5): Action taken by the FSA in previous similar cases.

### **3. Determining the level of the financial penalty**

- 3.1. The FSA will consider all the relevant circumstances of a case when it determines the level of financial penalty. DEPP6.5.2G, and previously ENF 13.3.3 G, sets out guidance on a non exhaustive list of factors that may be of relevance when determining the amount of a financial penalty.
- 3.2. Factors that may be relevant to determining the appropriate level of financial penalty include:
  - (1) whether the breach revealed serious or systematic weaknesses in the person's procedures or of the management systems or internal controls relating to all or part of a person's business (DEPP 6.5.2 G (2) (b)); and
  - (2) the general compliance history of the person, including whether the FSA has previously brought to the person's attention, issues similar or related to the conduct that constitutes the breach in respect of which the penalty is imposed (DEPP 6.5.2 (9) (d)).
- 3.3. Corresponding provisions are set out in ENF 13.3.3 G, which sets out factors that may be relevant when determining the appropriate level of financial penalty for a firm including the following:
  - (1) whether the misconduct or contravention revealed serious or systematic weaknesses of the management systems or internal controls relating to all or part of the firm's business (ENF 13.3.3 G (1) (c)); and
  - (2) disciplinary record and compliance history. This will include whether the FSA has previously requested the firm to take remedial action, and the extent to which that action has been taken (ENF 13.3.3 G (6)).