
FINAL NOTICE

LCUK FINANCE LTD

First Floor

85 Great Portland Street

London

W1W 7LT

UNITED KINGDOM

MR ZAFAR IQBAL

ACTION

1. By an application dated 6 March 2022, LCUK Finance Ltd applied under section 60 of the Act for Part V approval for Mr Zafar Iqbal to perform the following functions:
 - a. SMF1 Chief Executive
 - b. SMF17 Money Laundering Reporting Officer (MLRO)
 - c. SMF27 Partner
2. The Application is incomplete.
3. For the reasons set out below, the Authority has refused the Application.

SUMMARY OF REASONS

4. By issuing a Warning Notice to LCUK Finance Ltd, the Authority gave notice that it proposed to refuse the Application and that LCUK Finance Ltd was entitled to make representations to the Authority about that proposed action.
5. The Authority must therefore determine the Application based upon the information received to date, in circumstances where its requests for information have not been met and there have been no representations to the Warning Notice. Having reviewed that information, the Authority cannot ensure that the candidate is a fit and proper person to perform the functions applied for.
6. By its Decision Notice dated 1 December 2022, the Authority gave LCUK Finance Ltd notice that it had decided to take the action described above. LCUK Finance Ltd had 28 days from the date the Decision Notice was given to refer the matter to the Tribunal. No referral was made to the Tribunal within this period of time or to date.

7. Under section 390(1) of the Act, the Authority, having decided to refuse the Application and there having been no reference of that decision to the Tribunal, must give LCUK Finance Ltd a Final Notice of its refusal.

DEFINITIONS

8. The definitions below are used in this Final Notice.

“the Act” means the Financial Services and Markets Act 2000.

“the Application” means the application referred to in paragraph 1 above.

“the Authority” means the Financial Conduct Authority.

“the candidate” means Mr Zafar Iqbal in respect of whom the Application is made.

“the Executive Decision Maker” means the member of the Authority’s staff acting under executive procedures as described in Chapter 4 of the Decision Procedure and Penalties Manual in the Authority’s Handbook.

“FIT” means the Fit and Proper test for Employees and Senior Personnel section of the Authority’s Handbook.

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

FACTS AND MATTERS

9. The Application was received by the Authority on 6 March 2022.
10. Further information was requested from LCUK Finance Ltd under section 60(3) of the Act. Details of all relevant communications between the Authority and LCUK Finance Ltd are set out below.
11. Between 17 June 2022 and 2 August 2022, the Authority sent LCUK Finance Ltd three emails and made four telephone calls in an attempt to obtain information from LCUK Finance Ltd that was reasonably considered by the Authority to be necessary to enable the Authority to determine the Application.
12. On 2 August 2022, the Authority sent a letter to LCUK Finance Ltd by email and recorded delivery, noting the lack of a response to its requests for the information and informing it that a failure to provide the information would result in the Application being determined based upon the information received to date. The letter stated that this might result in the Authority issuing LCUK Finance Ltd with a Warning Notice proposing to refuse the Application. LCUK Finance Ltd failed to provide the outstanding information by the stated deadline of 9 August 2022.
13. To date, the Authority has not received any response from LCUK Finance Ltd or the candidate to its requests for the information requested on 2 August 2022, and LCUK Finance Ltd and the candidate have failed to provide the information.

IMPACT ON FITNESS AND PROPRIETY

14. LCUK Finance Ltd and the candidate have failed to respond to four written requests for the provision of information considered by the Authority to be necessary to allow the Application to be determined. The final request gave LCUK Finance Ltd 5 business days to respond and included a statement to the effect that LCUK Finance Ltd must contact the Authority, or the Authorisations case team would recommend

to the Executive Decision Maker that LCUK Finance Ltd should receive a Decision Notice.

15. The Authority must therefore determine the Application based upon the information received to date, in circumstances where its requests for information have not been met. Having reviewed that information, the Authority is not satisfied that the candidate in respect of whom the Application is made is a fit and proper person to perform the functions to which the Application relates.
16. Authorised firms (and those seeking authorisation) are expected to engage with the Authority in an open and cooperative way. The failure to provide the requested information raises concerns that the candidate lacks the competence and capability to perform the functions to which the Application relates.
17. The failure to provide the information raises concerns as to whether the candidate:
 - a) can satisfy the FIT criteria in relation to FIT 2.2 (Competence and capability); and
 - b) will conduct the functions to which the Application relates to with due skill and care and in compliance with proper standards as required by FIT.
18. On the basis of the facts and matters described above, the Authority cannot ensure that the candidate will satisfy, and continue to satisfy, the FIT criteria to perform the functions to which the Application relates and accordingly has refused the Application.

PROCEDURAL MATTERS

Important Notices

This Final Notice is given under section 390(1) of the Act.

Publication

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 you 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 contacts

19. For more information concerning this matter generally, contact Mr Darren Bruce, Manager, Approved Persons and Mutuals Department at the Authority, direct line: 020 7066 4128, email: Darren.bruce@fca.org.uk

ANNEX A – REGULATORY PROVISIONS RELEVANT TO THIS FINAL NOTICE

Relevant statutory provisions

1. The Authority may grant an application for approval under section 60 of the Act only if it is satisfied that the person in respect of whom the application is made is a fit and proper person to perform the controlled function(s) to which the application relates (section 61(1) of the Act).
2. Section 390(1) of the Act requires the Authority, if it has issued a Decision Notice and the matter is not referred to the Tribunal within the relevant time period, to issue a Final Notice.

Relevant provisions of the Authority’s Handbook

3. 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 person to perform a particular controlled function.
4. The most important considerations to which the Authority will have regard include the person’s competence and capability.
5. If a matter comes to the Authority’s attention which suggests that the person might not be fit and proper, the Authority will take into account how relevant and important that matter is (FIT 1.3.4G).
6. In determining a person’s competence and capability, the matters to which the Authority will have regard include:
 - (1) whether the person satisfies the relevant Authority training and competence requirements in relation to the controlled function the person performs or is intended to perform (FIT 2.2.1G (1));
 - (2) whether the person has demonstrated by experience and training that the person is suitable, or will be suitable if approved, to perform the controlled function (FIT 2.2.1G (2)); and
 - (3) whether the person has adequate time to perform the controlled function and meet the responsibilities associated with that function (FIT 2.2.1G (3)).