Financial Services Authority

FINAL NOTICE

To: **Dennis Lomas**

Date: **11 April 2008**

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (the "FSA") gives you final notice about an order prohibiting you, Mr Dennis Lomas, from performing any function in relation to any regulated activity carried on by any authorised or exempt person or exempt professional firm on the grounds that you are not a fit and proper person.

1. THE ORDER

1.1 The FSA gave you, Mr Dennis Lomas, a decision notice dated 5 March 2008 which notified you 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 you 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") on the grounds that you are not a fit and proper person.

1.2 As you have not referred this matter to the Financial Services and Markets Tribunal, the FSA hereby makes the Prohibition Order against you.

2. REASONS FOR THE ORDER

Summary

2.1 The FSA has concluded that you are 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 that it should take the action set out above.

2.2 As is set out more fully below, the reasons for this action relate to the following:

2.2.1 From May 1997, until it entered provisional liquidation on 17 June 2001, you were the Finance Director of the Independent Insurance Company Limited (the "Company").

During that period, you knew that the Company had adopted, and on an increasing basis, was maintaining claims handling and reserving practices contrary to its stated policies and good practice. As a result, you knew that the Company's booked reserves data was materially distorted and therefore that the Company's overall reserves were significantly understated. You misled Company staff by representing that the Off-Claims System Lists (as defined below) would be taken into account in the Company's reserve calculations. You also misled the Company's external actuaries and frustrated the proper operation of the Company's audit.

2.2.2 You knew that certain reinsurers would only enter into reinsurance contracts that were required by and were prima facie favourable to the Company and Independent Insurance Group plc (the "Group"), if the Company and the Group also agreed to enter into certain prima facie unfavourable reinsurance contracts. You knew that only the favourable reinsurance contracts were disclosed to the Group Board and the Company and the Group's auditors, and that the unfavourable reinsurance contracts had been concealed from the Group Board and the Group's auditors. However, you failed to take any steps to enquire as to the true position or to raise any concerns.

2.2.3 In October 2007 you were convicted of two counts of conspiracy to defraud. You were found guilty of conspiring to defraud by dishonestly withholding claims data from external actuaries of the Company and dishonestly making incomplete disclosure of all actual or intended agreements between the Company and its re-insurers.[1]

2.2.3 On the basis of these findings, the FSA has concluded that you are not fit and proper because you have failed to demonstrate appropriate standards of honesty and integrity.

3. RELEVANT STATUTORY PROVISIONS

3.1 The FSA is authorised by the Act to make a prohibition order in circumstances where it appears to the FSA that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by any authorised person, exempt person or exempt professional firm. A prohibition order may prohibit that individual from performing a specified function in relation to a specified regulated activity, any regulated activity falling within a specified description or all regulated activities (section 56 of the Act).

4. RELEVANT GUIDANCE

[1] The FSA agreed to postpone its consideration of whether to give a Decision Notice until the conclusion of the criminal proceedings.

4.1 In making this prohibition order, the FSA has had regard to guidance published in the FSA Handbook, in particular at FIT 2 and ENF 8:[2]

- FIT 2: the FSA has considered its guidance in relation to considering fitness and propriety. The FSA has serious concerns about your honesty, integrity and reputation[3].

4.2 ENF 8: the FSA has considered its guidance in relation to the prohibition of individuals. Having considered the relevant factors set out at ENF 8 in relation to the prohibition of individuals who are not approved persons, the FSA has concluded that you are not fit and proper to perform any functions in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm and that a prohibition order is appropriate.

5. FACTS AND MATTERS RELIED ON IN THE WARNING NOTICE

Reserving

The Company's Stated Policies

5.1 As an insurance company, the Company was required to maintain reserves in relation to the claims for which it expected to make payments under the policies it had written.

5.2 The Company's reserves included components for (1) claims that had already been reported to the Company but had yet to be paid ("Outstanding Claims"); (2) claims in relation to insured events that had already occurred but had not yet been reported to the Company ("IBNR" or "Incurred But Not Reported"); and (3) claims that had not yet occurred but it was anticipated would arise out of future events during the currency of policies already written by the Company ("Unexpired Risks"). In the case of the Company, the component for Unexpired Risks was not significant.

5.3 The Company's stated policy in respect of reserving for Outstanding Claims was set out in a Claims Handling Guide (the "Guide"). The Guide stated, amongst other things:

"We have a distinctive reserving philosophy which is a major pillar of our claims philosophy P.A.M (Proactivity, Accurate Reserving and Management). Our technical reserves at any given time must realistically reflect the total of our claims liabilities at that time. There cannot be any deficiencies or surpluses in our technical reserves which would ultimately affect the Company's profitability.

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[2] The Enforcement Manual was in force until 27 August 2007.

[3] FIT 2.1 & ENF8.5.2G(1)(a). *Honesty, integrity and reputation* is a phrase which encompasses a wide range of potential factors. The FSA's assessment of an individual's conduct may have regard to any one, or to any combination, of the three individual elements.

As a result, accuracy of reserve is imperative at all times and should be based upon the anticipated result in negotiation. The reserves should be realistic and reflect the most probable settlement figure of the claim along with a provision for fees…. As the claim progresses, the reserve should be carefully reviewed and altered if required….

"Whenever new information warrants either an increase or a reduction in reserve, this should be acted upon immediately."

5.4 The Company's stated policy therefore was to maintain an estimate of what each claim that had been reported to the Company was ultimately likely to cost the Company (known collectively as "Case Estimates"), to review those Case Estimates on an ongoing basis and to alter Case Estimates where appropriate.

5.5 From 1994, the Company's overall level of reserves was subject to review by an independent firm of actuaries (the "Actuaries"). The Actuaries prepared a certificate, which the Group included within its published accounts, attesting to the adequacy of the Company's reserves. Each year during the relevant period, the Actuaries' report to the Company, which formed the basis for that certificate, included the following statement:

"Reported Claims

[The Company] aims to identify and pay claims quickly. All reported claims are reserved on a case estimate basis. The case estimates are based on all known information and updated as and when new information becomes available".

The Company's Actual Practice

5.6 From about May 1997, and on an increasing basis from about July 1999, until it entered provisional liquidation in June 2001, the Company did not follow the policies set out in the Guide and which the Actuaries believed that the Company was following. The Company did not update its Case Estimates *"as and when new information [became] available."*

5.7 Instead, in addition to the Case Estimates that were recorded on the Company's computer system (the "System"), the Company developed lists where other information was recorded but not input onto the System ("Off-Claims System Lists"). These Off-Claims System Lists comprised:

5.7.1 **Reserve Increase Lists** – These lists contained details of cases in which the estimate of the cost of the claim, and therefore its Case Estimate requirement, had increased. The required increases to Case Estimates detailed on these lists were not input onto the System in a timely manner or at all. Further, as part of the drive to reduce the Company's Case Estimates, audits (known as "1-4-1 Audits") were used to identify reductions in Case Estimates. Following a 1-4-1 Audit, decreases to Case Estimates were input onto the System, but increases were not. Instead, the increases were added to the Reserve Increase Lists.

5.7.2 **Whiteboards** – The Whiteboards held details of new cases with large potential losses. The Case Estimates required for these cases were not input onto the System in a timely manner or at all.

5.8 By 12 April 2001, the total amount of the increases to Case Estimates that were held on Reserve Increase Lists but which had not been input onto the System was £35.312 million and the total amount of Case Estimates that were held on Whiteboards but which had not been input onto the System was £42.498 million.

5.9 When the Company calculated its overall reserves each year, it based its calculations on the Case Estimates that were contained on the System but did not take into account the Reserve Increase Lists or the Whiteboards.

5.10 When the Actuaries reported on and certified the adequacy of the Company's overall reserves, they did not take into account the Reserve Increase Lists or the Whiteboards, because they were not told about them.

5.11 As set out above, the Company's overall reserves included (1) the total of the Case Estimates; and (2) a provision for IBNR. That provision for IBNR was calculated by means of an extrapolation exercise conducted by reference to, amongst other things, the Company's Case Estimates. Thus, any understatement in the Company's Case Estimates that was not compensated for would result, and did result, in both of these components of the Company's overall reserves being understated.

5.12 The practices set out above resulted in the certificate provided by the Actuaries in relation to the Company's reserves, and included in the Group's published accounts for at least the years 1999 and 2000, being made on a false basis because the Company's Case Estimates were not, as the Actuaries believed them to be, updated as and when new information became available.

Your Knowledge

5.13 The use of Off-Claims System Lists as set out above was contrary to the Company's stated policies and good practice. The FSA has considered, in particular, the extent to which you knew that Off-Claims System Lists (1) were being maintained; (2) knew were not being taken into account in calculating the Company's overall reserves; and (3) were not disclosed to the Actuaries.

5.14 The FSA has concluded that you were fully aware, from late 1997, and certainly from July 1999 until the Company entered into provisional liquidation in June 2001, that Off-Claims System Lists were being maintained in that:

5.14.1 During the course of 1997, when Company staff informed you that reviews of Case Estimates, such as 1-4-1 Audits, had identified some Case Estimates where an increase was warranted, and some Case Estimates where a decrease was warranted, you would ask for the decreases to be input straight away onto the System but would question the validity of the increases.

5.14.2 On 7 August 1998, you were copied in on a memo from a senior Company employee to Mr Bright, the Company's Managing Director, that stated

"During the [1-4-1 Audit] [a senior Company employee] will provide regular reports which we will need to meet too [sic] discuss including how to manage the reserves through."

5.14.3 In July 1999, the process of Off-Claims System Lists became more formalised. On 21 July 1999, a senior Company employee sent a memo to Mr Bright which stated, in relation to certain categories of insurance claims, *"the following instructions have been issued:- … All reserve increases which are identified on pending claims (and do not relate to payments) will be put on a weekly spreadsheet and sent to me. Each week, I will, therefore, receive a list of all proposed reserve increases on pending claims and a separate summary of the audit activity. I will report to you on a weekly basis. I trust this is in order."*

5.14.4 A copy of the 21 July memo was forwarded to you on 28 July 1999 together with the first weekly report of proposed Case Estimate increases and summary of audit activity. The covering memo stated, *"Please let me know if you want the information in any other format. I confirm I will keep you updated with the figures."*

5.14.5 From July 1999 onwards, you were regularly updated in relation to the extent of the Off-Claims System Lists. For example:

(a) On 11 November 1999, you were provided with a document entitled "Outstanding Reserves" which indicated that the outstanding reserve increases relating to one area of the Company's business totalled £14.4 million.

(b) On 6 January 2000, Mr Condon, the Company's Deputy Managing Director, sent you a memo which stated:

"I refer to the report dated 4th January. I notice that this particular month accentuates a lot of big movements in the month, effectively at settlement, with many reserves left at woefully inadequate levels prior to settlement date.

"We both know why this occurs but, surely, it cannot be what we want to see reflected.

"Perhaps we can discuss."

(c) On 26 May 2000, you were sent a memo by a senior employee informing you that the outstanding reserve increases totalled £16.578 million.

(d) On 19 July 2000, you were sent a memo by the same Company employee who had sent the 21 July memo referred to at 5.14.3 above indicating that the format of the regular updates was to be changed so that they showed, on separate spreadsheets (1) Reserve Increase Lists alone; and (2) Reserve Increase Lists plus all Whiteboard cases. You

were informed that the Reserve Increase Lists alone amounted to £13.948 million and the Reserve Increase Lists plus the Whiteboards amounted to £32.130 million.

(e) On 24 October 2000, you were sent a memo attaching spreadsheets showing that the outstanding Whiteboard claims in one area of the Company's business amounted to £36.188 million.

(f) On 14 November 2000, you were sent a spreadsheet showing that the cumulative total of the outstanding reserves not entered on the System was £79.991 million.

(g) On 18 December 2000, you were sent a memo from a senior Company employee showing that the outstanding Whiteboard claims in one area of the Company's business amounted to £34.993 million and an e-mail showing that the outstanding Whiteboard claims in another area amounted to £28.318 million.

(h) On 2 March 2001, you were sent an e-mail attaching a copy of the Whiteboard for one area of the Company's business showing that outstanding Whiteboard cases in this area amounted to £28.725 million. On the same day you also received a copy of the Whiteboard for another area of business showing that outstanding Whiteboard cases in that area amounted to £20.046 million.

5.14.6 Throughout 1999 and 2000, you personally prevented Company employees from inputting Case Estimates held on the Off-Claims System Lists on to the System.

Your Concealment of the Company's Actual Practice and Misleading the Actuaries

5.15 The FSA has also concluded that you were fully aware from late 1997, and certainly from July 1999 until the Company entered provisional liquidation in June 2001, that the information contained in the Off-Claims System Lists was not being taken into account in calculating the Company's overall reserves and was not being disclosed to the Actuaries. In fact, you took positive steps to mislead the Actuaries and to conceal the existence of the Off-Claims System Lists from them in that:

5.15.1 Between January 1997 and June 2001, you (together with Mr Condon until February 2000) represented the Company at meetings with the Actuaries.

5.15.2 As Finance Director, you were responsible for (1) the calculation of the Company's overall reserves; and (2) providing the technical information to the Actuaries that they required in order to conduct their review of the Company's overall reserves. At no time did you take the Off-Claims System Lists into account in calculating the Company's overall reserves and at no time did you inform the Actuaries that there were Reserve Increase Lists and Whiteboards that contained Case Estimates that had not been input onto the System nor included in the information with which the Actuaries had been provided.

5.15.3 On 12 November 1998, you attended a meeting with the Actuaries and either represented or did not correct the representation that *"Top management do not directly interfere with the setting of individual case estimates. The policy in handling claims has not changed. … Estimates are updated as soon as new information comes in."* You knew, as a result of the matters set out at paragraphs 5.14.1 and 5.14.2 above, that this statement was untrue and you therefore acted dishonestly in making this representation or failing to correct this statement.

5.15.4 On 3 February 1999, Mr Condon wrote to the Actuaries inviting them *"in formulating [their] projections to rely to a great extent on the verbal assurances of both Dennis Lomas and myself that actions have been taken and are complete whereby administration is up-to-date, claims handling and technical procedures are fully implemented and, in particular, the same basic underwriting disciplines which have served us so well within the Provincial account are fully implemented.."* You knew, as a result of the matters set out at paragraphs 5.14.1 and 5.14.2 above, that the assurances that you had given were untrue and you therefore made them dishonestly.

5.15.5 At a meeting on 18 February 2000, the Actuaries asked how the same reserving process could have resulted in such a low figure for 1999 compared to 1998. However, you failed to inform the Actuaries of either the Whiteboard or the Reserve Increase Lists. In the light of your knowledge at the time (see 5.14.1 to 5.14.5(b) above), you acted dishonestly in failing to inform the Actuaries of the practices involving the Off-Claims System Lists.

5.15.6 At a further meeting on 21 February 2000, the Actuaries again pressed you for an explanation of the low Case Estimates on the London Market General Liability account. You stated that you had no knowledge of any formal or informal change in reserving philosophy, or any statement which might influence reserving during 1999 or late 1998. In the light of your knowledge of the Off-Claims System Lists, you knew that this statement was untrue and you therefore made it dishonestly.

5.15.7 At a meeting on 11 December 2000, you complained to the Actuaries that the Company had strengthened its Case Estimates but that the Actuaries had not taken account of this. You knew that this statement was untrue and you therefore made it dishonestly.

Misleading Company Staff and Frustrating the Audit

5.16 The FSA has also concluded that you took deliberate steps to mislead Company staff about the Company's overall reserves and to conceal the Off-Claims System Lists from the Company's external auditors (the "Auditors") in that:

5.16.1 You informed Company employees who were involved in preparing the Off-Claims System Lists that you were taking the Case Estimates being maintained on those lists into account when calculating the Company's overall reserves and that adequate provision would be made in order to account for the reserves

that were not on the System. You knew that this statement was untrue and therefore made it dishonestly.

5.16.2 In about September 2000, the Company recruited an in-house actuary. You did not inform him about the existence of the Off-Claims System Lists and so he did not take those matters into account in preparing his calculations in relation to the Company's reserves.

5.16.3 During a visit to the Company by the Auditors, you instructed Company staff to "*wipe the Whiteboard*" and thereby conceal the existence of the Off-Claims System Lists from the Auditors.

5.17 In the circumstances, the FSA considers that, throughout a sustained period you (1) knew that the Company's overall reserves were understated; and (2) dishonestly concealed material information from and positively misled the Actuaries, knowing that this would result in the Actuaries' certificate as to the adequacy of the Company's overall reserves being provided on a false basis; (3) dishonestly misled Company staff in relation to the Company's overall reserves; and (4) frustrated the proper operation of the Company's audit by instructing Company staff to conceal the Off-Claims System Lists from the Auditors.

Reinsurance

5.18 In 2000, the Company entered into a reinsurance contract with certain reinsurers (the "Reinsurers") for a particular class of business in order to bridge the gap between the Actuaries' calculation of appropriate reserves and the reserves held at the time by the Company.

5.19 In 2001, the Company sought to extend that reinsurance protection for its reserves in other classes of business by entering into three further reinsurance contracts (the "Reserve Contracts").

5.20 However, during the course of negotiations that took place in January and February 2001, you became aware that the Reinsurers would not enter into the Reserve Contracts unless the Company also entered into other reinsurance contracts that constituted a "pay-back" arrangement to the Reinsurers (the "Pay-Back Contracts").

5.21 On 13 February 2001, you were sent, by way of an attachment to an e-mail from the Company's reinsurance brokers (the "Brokers"), drafts of five reinsurance contracts. In addition to the Reserve Contracts, these included two proposed Pay-Back Contracts being (1) a contract that obliged the Company to cede a minimum level of premiums to the Reinsurers over the period 2001 to 2005 where the minimum level of premiums assumed significant amounts of growth in the Company's business; and (2) a contract that involved the Company providing reinsurance to the Reinsurers. You discussed these contracts with the Brokers.

5.22 On 21 February 2001, you were sent, by way of an attachment to an e-mail from the Brokers, draft slips for the Reserve Contracts and the first of the Pay-Back Contracts referred to in paragraph 5.21 above. That afternoon, you faxed to the Actuaries copies

of the draft slips for the Reserve Contracts but not a copy of the draft slip for the Pay-Back Contract. Nor did you inform the Actuaries of this Pay-Back Contract.

5.23 On 1 March 2001, you received, by way of attachment to an e-mail from the Brokers, updated draft slips for the Reserve Contracts and a number of Pay-Back Contracts. In addition to the contracts referred to in paragraph 5.21 above, the Pay-Back Contracts now included (1) two contracts that amended the terms of the Reserve Contracts so as to make them less favourable to the Company; (2) two contracts that amended pre-existing reinsurance contracts between the Company and the Reinsurers so as to make them less favourable to the Company; and (3) a contract known as a "Wrap-Up Policy", which was intended to ensure that, if the Reinsurers still suffered an overall loss under the reinsurance contracts entered into between the Company and the Reinsurers when taken together (including the Reserve Contracts and the other Pay-Back Contracts), the Company would reimburse the Reinsurers for those losses. In other words, the intention of the Wrap-Up Policy was to render the overall series of transactions between the Company and the Reinsurers entirely circular.

5.24 On 5 March 2001, you attended a meeting of the board of directors of the Group. At that meeting Mr Bright referred to the Reserve Contracts (but not to any of the Pay-Back Contracts) and explained that the Company had been asked to provide a Letter of Representation to the Auditors which stated that the Reserve Contracts *"are final and there are no side agreements with reinsurers, or other terms in effect, which allow for the modifications of terms under the reinsurance arrangements."* He was questioned by a Group director about the nature of the reinsurance arrangements and did not refer to the Pay-Back Contracts in his response. The Group Board subsequently approved the Letter of Representation and Mr Bright signed it.

5.25 The Auditors were provided with the Letter of Representation and copies of the Reserve Contracts and, on 6 March 2001, the Auditors duly signed the Group accounts for the year-end 31 December 2000. The Company announced its preliminary results to the market on 6 March 2001.

5.26 You knew that Mr Bright's statements to the Group Board and the Auditors were not correct. However, you did not, either at the board meeting or afterwards, inform the Board about the Pay-Back Contracts or question what Mr Bright told the Board, even though you knew that the Reinsurers had required the Company to enter into the Pay-Back Contracts. In particular, you knew that there were side agreements with the Reinsurers as you had been involved in negotiating those side agreements over the previous two months.

5.27 The Group Board and the Auditors only discovered the existence of the Pay-Back Contracts on 14 May 2001. The Company did not become aware of the Wrap-Up Policy until after 17 June 2001 (on which date it entered into provisional liquidation).

5.28 In the circumstances, the FSA considers that you knowingly permitted the Group Board and the Auditors to be misled as to the circumstances surrounding the making of the Reserve Contracts by failing to inform the Group Board and the Auditors about the Pay-Back Contracts of which you were aware, knowing that Mr Bright's

representations to the Group Board and the Auditors were incorrect. You therefore acted dishonestly.

6. CONVICTION FOR CONSPIRACY TO DEFRAUD AND REPRESENTATIONS

Conviction for Conspiracy to Defraud

6.1 You were convicted on 23 October 2007 of conspiracy to defraud by dishonestly withholding claims data from the Company's actuaries and conspiracy to defraud by making incomplete disclosure of all actual or intended agreements between the Company and its re-insurers. Your convictions arose out of the same circumstances as the facts and matters relied on in the Warning Notice.

6.2 You were sentenced to four years imprisonment for each count of conspiracy to defraud, to run concurrently, and you were disqualified as a company director for ten years.

6.3 In sentencing Judge Rivlin made the following observations in relation to your conduct:

"… Mr Lomas, you admitted in evidence that in 1999 you knew that the data was, as you put it, being inappropriately kept off the system, although you did not believe that this was a dishonest policy and that it had been corrected by the end of that year. However, you accepted that, as from about May 2000, you were indeed a party to a deliberate policy that claims data should be kept away from actuaries and that this ran on for many months and in money terms into tens of millions of pounds. I am satisfied that you knew of the fraud and at the very least tacitly agreed to it before this date, certainly by the end of July 1999 when you received certain important documentation from [an employee].

"As time wore on you became more and more deeply involved. In addition and very seriously you played your part in [dishonestly making incomplete disclosure of all actual or intended agreements between the Company and its re-insurers]. *In relation to that matter, the evidence shows that you were well in the know and concerned with negotiations that ultimately led to the dishonest outcome at which they were aimed.*

"I have no doubt that in your case too you were led into this dishonesty by Mr Bright and that you … felt yourself unable to resist. I consider it entirely feasible that as time wore on … you became increasingly frightened and shocked by what was happening and the extent to which you were becoming sucked into this criminal behaviour, but very sadly you did not have the character to say, 'enough is enough', and to do something about it.

As an experienced Chartered Accountant and Finance Director, you were in a position of great trust. Indeed, … you were trusted by everyone in Independent to a greater degree than your co-defendants. …"

6.4 The FSA notes this conviction and your disqualification as a company director for ten years.

Representations on the Warning Notice

6.5 By its Warning Notice dated 24 November 2005, the FSA gave notice that it proposed to take the action described above and you were given the opportunity to make representations to the FSA about that proposed action.

6.6 You did not make substantive representations to the FSA about the matters set out in the Warning Notice. In these circumstances the FSA regards these matters as undisputed.

7. CONCLUSIONS

7.1 The FSA has concluded that, in the light of the matters set out above you have demonstrated a failure to act with honesty and integrity in functions for which you would, under the Act, need approval to perform. The FSA notes that your convictions arise out of circumstances substantially similar to the facts and matters relied on in the Warning Notice.

7.2 Consequently, the FSA has reached the conclusion that you lack honesty and integrity and are not, therefore, fit and proper to perform any function in relation to any regulated activity carried on by any authorised or exempt person or exempt professional firm and that a prohibition order is appropriate. In reaching this conclusion, the FSA has considered the fact that you were not an Approved Person when you were employed by the Company.

7.3 The FSA has also had regard to ENF 8. This indicates that, in deciding whether to make a prohibition order, the FSA will consider the FSA's regulatory objectives and the provisions of FIT 2. The FSA has therefore had regard to the criteria for fitness and propriety set out at FIT 2 and the regulatory objectives of the FSA as set out in section 2 of the Act.

8. DECISION MAKER

8.1 The decision that gave rise to the obligation to give this Final Notice was made by the Regulatory Decisions Committee.

9. IMPORTANT

9.1 This Final Notice is given to you under section 56 and in accordance with section 390 of the Act. The following statutory rights and obligations are important.

Publicity

9.2 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 these 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 you or prejudicial to the interests of consumers.

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

FSA contacts

9.4 For more information concerning this matter generally, you should contact Helena Varney at the FSA (direct line: 020 7066 1294/fax: 020 7066 1295).

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Tracey McDermott
Head of Department
FSA Enforcement Division