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## **FINAL NOTICE**

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**To: Gerard McStravick**  
**trading as Fast Track Mortgage and Finance Consultants**

**Date of birth: 1 September 1961**

**Dated: 22 May 2008**

**TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (the "FSA") gives you final notice about the following action**

### **1. ACTION**

1.1. The FSA gave you a Decision Notice dated 21 April 2008 ("the Decision Notice") which notified you that the FSA had decided:

- (1) to make a prohibition order, pursuant to section 56 of the Act, to prevent you, Gerard McStravick trading as Fast Track Mortgage and Finance Consultants, from performing any function in relation to any regulated activity carried out by an authorised person, exempt person or exempt professional firm (the "Prohibition Order"); and
- (2) to cancel, pursuant to section 45 of the Financial Services and Markets Act 2000 (the "Act"), the permission granted to you pursuant to Part IV of the Act ("your Part IV permission").

- 1.2. You have not referred the matter to the Financial Services and Markets Tribunal within 28 days of the date on which the Decision Notice was given to you.
- 1.3. Accordingly, the FSA has today cancelled the permission granted to you and hereby makes an order, pursuant to section 56 of the Act, prohibiting you from performing any function in relation to any regulated activity carried out by an authorised person, exempt person or exempt professional firm. The Prohibition Order takes effect from 22 May 2008.

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

- 2.1. On the basis of the facts and matters and conclusions described in the Warning Notice issued to you on 11 March 2008 ("the Warning Notice"), and in the Decision Notice, the FSA concluded that you pose a risk to lenders and, therefore, to confidence in the financial system. Action should be taken against you in support of the FSA's financial crime objective because you have failed to meet minimum regulatory standards in terms of honesty and integrity, which includes an obligation to comply with the requirements and standards of the regulatory system and to be candid and truthful in all your dealings with any regulatory body.
- 2.2. A copy of the relevant extract of the Warning Notice is attached to and forms part of this Notice.

## **3. DECISION MAKER**

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

## **4. IMPORTANT**

- 4.1 This Final Notice is given to you in accordance with section 390 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 Notice relates 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.

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

#### **FSA contacts**

- 4.4 For more information concerning this matter generally, you should contact Chris Walmsley (direct line: 020 7066 5894 / fax: 020 7066 5895) of the Enforcement Division of the FSA.

Jonathan Phelan  
Head of Department  
FSA Enforcement Division

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### **EXTRACT FROM WARNING NOTICE DATED 11 MARCH 2008**

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

- 2.1. The FSA has concluded that you, Gerard McStravick, should not remain an authorised person and that you are not a fit and proper person to carry out any function in relation to any regulated activities carried on by any authorised person, exempt person or exempt professional firm.
- 2.2. On the basis of the facts and matters summarised below, and set out in more detail in section 4 of this notice, the FSA has concluded that you have failed to meet minimum regulatory standards in terms of honesty and integrity, which includes an obligation to comply with the requirements and standards of the regulatory system and to be candid and truthful in all your dealings with any regulatory body.
- 2.3. You were knowingly involved in the submission of at least 13 false mortgage applications to lenders. On three of these applications, the same employer address (the "Address") was given for three different employers, none of whom were based at the Address. This was known to you as the Address is both owned and occupied by a close

relative of yours. You also provided false and misleading information to investigators during a compelled interview.

- 2.4. As a sole trader you are the authorised person and are responsible for the day-to-day activities and running of Fast Track. You are also the sole qualified mortgage adviser.
- 2.5. You pose a risk to lenders and therefore to confidence in the financial system. Also this action should be taken against you in support of the FSA's financial crime objective.

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

### **Background**

- 5.1. You, trading as Fast Track, are an authorised person and a sole trader. You operated as a mortgage broker based in the Belfast area and were the only adviser.
- 5.2. You became authorised on 31 October 2004 to carry on the following regulated activities in relation to regulated mortgage contracts:
  - (1) agreeing to carry on a regulated activity;
  - (2) advising on regulated mortgage contracts; and
  - (3) arranging regulated mortgage contracts.
- 5.3. You became authorised on 14 January 2005 to carry on the following regulated activities in relation to insurance mediation:
  - (1) advising (ex pension transfers/opt outs);
  - (2) arranging deals in investments; and
  - (3) making arrangements.

### **False mortgage applications**

- 5.4. The FSA's initial enquiries established that you had submitted six mortgage applications during 2005 which contained false information as to the applicants' incomes and employers' details, and these mortgages were also supported by false documents (e.g. false pay slips and false P60 forms).

- 5.5. In three of the applications, the employers' addresses were declared to be the Address which is owned and occupied by a close relative of yours. One of the employers purportedly operating from the stated Address was the Northern Ireland Passport Office.
- 5.6. In a compelled interview, you denied being aware of the submission of these six false applications and stated that a former employee of yours, Employee A, who had worked for you between April 2005 and August 2006, was responsible for all the applications. The FSA subsequently interviewed Employee A who denied having submitted the applications.
- 5.7. You also said that, at the time of the applications, the Address had been sold and then subsequently rented to a friend of Employee A and that Employee A's remuneration was commission based (i.e. determined by the volume of completed mortgages) and that this may have motivated her to submit "fraudulent" applications. You told the FSA that the former employee had relocated to the Republic of Ireland.
- 5.8. A further seven mortgage applications processed before and after Employee A worked for you were then reviewed by the FSA. These were also found to contain false information as to the applicants' incomes and employers' details.
- 5.9. In addition, the FSA has found that a close relative of yours was at the relevant times, and continues to be, the owner and occupier of the Address, and that Employee A's remuneration was not commission-based. Employee A continues to reside in the Belfast area and, when she was interviewed, she said that she had never relocated to the Republic of Ireland.
- 5.10. You had personal knowledge of key aspects of the false information given to lenders, you were the only mortgage adviser and the sole trader principal of Fast Track, and the sequence of events contradicts the explanation you have put forward. Accordingly, the FSA has concluded that you were knowingly involved in the submission of false mortgage applications.

## **6. ANALYSIS OF MISCONDUCT AND PROPOSED SANCTION**

- 6.1. The FSA has considered whether you are a fit and proper person. In assessing your honesty, integrity and reputation, the FSA has had regard to:

- (1) your knowing involvement in the submission of at least 13 false mortgage applications, demonstrating a lack of honesty and integrity.
  - (2) false and misleading statements made by you to the FSA about Employee A's remuneration, the ownership and occupation of the Address, and about Employee A being the person who submitted false mortgage applications to lenders. Your failure to be candid and truthful demonstrates a lack of honesty and integrity.
- 6.2. The FSA considers that you pose a serious risk to lenders, and to confidence in the financial system, and also that action should be taken in support of the FSA's financial crime objective.
- 6.3. The facts and matters described above have led the FSA to conclude that you are failing, and are likely to continue to fail to satisfy Threshold Condition 4 (Adequate resources) and Threshold Condition 5 (Suitability). The FSA therefore has a duty to cancel your Part IV permission.
- 6.4. These facts and matters have also led the FSA to conclude that you are not a fit and proper person. The FSA therefore considers that it is necessary to prohibit you, pursuant to section 56 of the Act, from performing any functions in relation to any regulated activities carried out by any authorised person, exempt person or exempt professional firm.