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## FINAL NOTICE

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To: **Mortgage Healthcare Limited**  
FRN: **433287**  
Address: **16 Hamilton Street  
Broughty Ferry  
Dundee  
DD5 2NR**  
Date: **27 July 2010**

**TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (“the FSA”) gives Mortgage Healthcare Limited, final notice about the decision to cancel the Part IV permission granted to it to carry on regulated activities:**

### **1. ACTION**

- 1.1. The FSA gave Mortgage Healthcare Limited (“the Firm”) a Decision Notice on 27 July 2010 (“the Decision Notice”) which stated that, pursuant to section 45 of the Financial Services and Markets Act 2000 (“the Act”), it had decided to cancel the Part IV permission granted to the Firm. This was because the Firm was failing to satisfy Threshold Condition 4 (Adequate Resources) and Threshold Condition 5 (Suitability) set out in Schedule 6 to the Act.
- 1.2. The Firm agreed to settle at any early stage of the FSA’s investigation. Accordingly, the FSA has today cancelled the Firm’s Part IV permission.

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

- 2.1. By a Final Notice dated 27 July 2010, having concluded that Ronald Winton (“Mr Winton”) is not a fit and proper person pursuant to section 63 of the Act, the FSA withdrew Mr Winton’s approval to perform the controlled function of CF1 (Director).

- 2.2. Mr Winton was the only approved person and director at the Firm. For the reasons given in the FSA's Final Notice dated 27 July 2010, the FSA concluded that Mr Winton did not have the necessary competence and capability to ensure that the Firm meets its regulatory requirements. Therefore, the Firm was not able to satisfy the FSA that it is fit and proper having regard to all the circumstances.
- 2.3. As Mr Winton was not fit and proper, the Firm failed to satisfy the threshold conditions set out in Schedule 6 to the Act (the "Threshold Conditions") in that the Firm did not have adequate resources in relation to the regulated activities it sought to carry on. Specifically, the Firm did not have adequate human resources (Threshold Condition 4). In addition, as the FSA concluded that Mr Winton was not fit and proper, the Firm was likely to fail to satisfy Threshold Condition 5 (Suitability).

### **3. STATUTORY PROVISIONS, REGULATORY REQUIREMENTS AND GUIDANCE**

- 3.1. The relevant statutory provisions, regulatory guidance and policy are set out as an Annex to this Notice.

### **4. DECISION MAKER**

- 4.1. The decision that gave rise to the obligation to give this Final Notice was made on behalf of the FSA by Margaret Cole, Director of Enforcement and Financial Crime Division, and Lesley Titcomb, Director of Small Firms and Contact Division, being Settlement Decision Makers for purposes of the FSA's Decision Procedure and Penalties Manual.

#### **IMPORTANT**

- 4.2. This Final Notice is given to the Firm in accordance with section 390 of the Act. The following statutory rights are important.

#### **Confidentiality and publicity**

- 4.3. Sections 391(4), 392(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. 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 the Firm or prejudicial to the interests of consumers.
- 4.4. The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

#### **FSA contacts**

- 4.5. For more information concerning this matter generally, the Firm should contact Chris Walmsley of the Enforcement and Financial Crime Division of the FSA (direct line: 020 7066 5894).

**Tom Spender**  
**Head of Department**  
**FSA Enforcement and Financial Crime Division**

## ANNEX

### STATUTORY PROVISIONS, REGULATORY GUIDANCE AND POLICY

- 1) The FSA's regulatory objectives, as set out in section 2(2) of the Financial Services & Markets Act ("FSMA"), include market confidence, the protection of consumers and the reduction of financial crime.
- 2) Section 41 and Schedule 6 to FSMA set out the threshold conditions, which are conditions that the FSA must ensure a firm will satisfy, and continue to satisfy, in relation to regulated activities for which it has permission.
- 3) Paragraph 4 of Schedule 6 to FSMA states that the resources of the person concerned must, in the opinion of the FSA, be adequate in relation to the regulated activities that he seeks to carry on, or carries on (threshold condition 4: Adequate Resources).
- 4) Paragraph 5 of Schedule 6 to FSMA states that the person concerned must satisfy the FSA that he is a fit and proper person having regard to all the circumstances including the need to ensure that his affairs are conducted soundly and prudently (threshold condition 5: Suitability).
- 5) The FSA's Handbook includes guidance as to the threshold conditions ("COND"). COND 2.4.2G(2) states that the FSA will interpret the term "*adequate*" in relation to threshold condition 4 as meaning sufficient in terms of quantity, quality and availability, and "*resources*" as including all financial resources, non-financial resources and means of managing resources; for example, capital, provisions against liabilities, holdings of or access to cash and other liquid assets, human resources and effective means by which to manage risks.
- 6) 2.4.4G(2)(c) states that the FSA will consider in this context whether there are any implications for the adequacy of the firm's resources arising from the history of the firm; for example, whether the firm has been adjudged bankrupt.
- 7) COND 2.5.4G and COND 2.5.6G give guidance as to whether a firm satisfies threshold condition 5. They state that the FSA will have regard to whether, among other things:
  - (1) the firm is conducting its business with integrity and in compliance with proper standards (COND 2.5.4G(2)(a)), including whether the firm has been open and co-operative in all its dealings with the FSA in accordance with Principle 11 of the FSA's Principles for Businesses,
  - (2) is ready, willing and organised to comply with the requirements and standards under the regulatory system (COND 2.5.6G(1)); and
  - (3) whether the firm has contravened, or is connected with any person who has contravened, any provision of FSMA or the regulatory system (COND 2.5.6G(4)).