
FINAL NOTICE

To: **The Mortgage Times Group Limited**

Of: **247 Tottenham Court Road
London
W1T 7QX**

FSA Reference Number: **303007**

Dated: **25 January 2010**

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

1. ACTION

1.1 The FSA gave TMTG a Decision Notice on 23 December 2009 (the “Decision Notice”) which notified TMTG that for the reasons given below and pursuant to Section 45 of the Financial Services and Markets Act 2000 (the “Act”), the FSA had decided to cancel the permission granted to TMTG pursuant to Part IV of the Act (“TMTG’s Part IV permission”).

1.2 TMTG was informed of its statutory right to make a reference to the Financial Services and Markets Tribunal (the “Tribunal”), but it has not referred the Decision Notice to the Tribunal within 28 days of the date on which the Decision Notice was given to TMTG.

1.3 Accordingly, the FSA has today cancelled TMTG’s Part IV permission.

2. REASONS FOR ACTION

- 2.1 On the basis of the facts and matters and conclusions described in its Warning Notice dated 28 September 2009 (the “Warning Notice”) (an extract from which is attached to and forms part of this Final Notice), and in the Decision Notice, the FSA has concluded that TMTG is failing to satisfy the Threshold Conditions set out in Schedule 6 to the Act (the “Threshold Conditions”).
- 2.2 This is because, in the opinion of the FSA, TMTG’s resources are not adequate in relation to the regulated activities it has permission to carry on, and TMTG is therefore failing to satisfy Threshold Condition 4 (Adequate resources). On the same basis, TMTG is also considered to be in breach of Principle 4 (Financial prudence) of the FSA’s Principles for Businesses.

3. DECISION MAKER

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

4. IMPORTANT

- 4.1 This Final Notice is given to TMTG in accordance with Section 390(1) of the Act.
- 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 Final 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 TMTG 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 contact

- 4.7 For more information concerning this matter generally, TMTG should contact Pauline Cheng at the FSA (direct line: 020 7066 5228).

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John Kirby
FSA Enforcement and Financial Crime Division

**EXTRACT FROM THE WARNING NOTICE DATED 28 SEPTEMBER 2009 ISSUED
TO THE MORTGAGE TIMES GROUP LIMITED**

“2. REASONS FOR PROPOSED ACTION

Facts and matters relied on

- 2.18 TMTG became authorised by the FSA on 31 October 2004 to carry on regulated mortgage business and has since extended its permitted regulated activities as follows:
- (1) on 14 January 2005 to include insurance mediation business;
 - (2) on 6 April 2007 to include home finance business in relation to home reversion plans; and
 - (3) on 16 April 2008 to include advising on and arranging designated investment business.
- 2.19 TMTG is subject to a requirement in MIPRU 4.2.2R that it must maintain at all times capital resources of the higher of £5,000 and 2.5% of the annual income from its regulated activities. TMTG’s Retail Mediation Activities Return (“RMAR”) for the period ended 31 December 2008 reported regulated business income of £9,343,136 in that period. TMTG’s capital resources requirement is therefore £233,578, being 2.5% of that annual income figure.
- 2.20 In its audited accounts for the year ended 31 December 2008, TMTG reported capital resources of £23,682. TMTG made verified interim profits in the period to 31 March 2009 of £138,789, which increased its capital resources by the same amount. TMTG’s capital resources includes an amount of £899,953 owed to TMTG by its parent undertaking, The Mortgage Times Group Holdings Limited (“TMTGH”). The FSA considers that the full amount of the debt owed to TMTG by TMTGH should be deducted from TMTG’s capital resources, because the FSA is not satisfied as to the recoverability of that debt for the following reasons:
- (1) no evidence that TMTGH has the resources to repay the debt has been provided to the FSA;
 - (2) no evidence that there is a binding agreement to the effect that TMTGH’s shareholders would provide funding to TMTGH to repay the debt has been provided to the FSA; and
 - (3) no evidence that TMTGH’s shareholders could promptly fund the debt repayment has been provided to the FSA.
- 2.21 The FSA has asked TMTG to deduct the debt from its capital resources. TMTG’s position after this deduction is negative capital resources of £737,482, a shortfall of £971,060 against the requirement of £233,578.
- 2.22 TMTG has failed to rectify the capital resources deficit despite being given adequate opportunity to do so.

Conclusions

2.23 The facts and matters described above lead the FSA, having regard to its regulatory objectives, to the following conclusions:

- TMTG is failing to meet the requirement set out in MIPRU 4.2.2R and MIPRU 4.2.11R(1), that it must, at all times, maintain capital resources equal to or in excess of its relevant capital resources requirement of £5,000 and 2.5% of the annual income from its regulated activities;
- by virtue of failing to main adequate financial resources, TMTG is also in breach of Principle 4 (Financial prudence); and
- that failing is significant and material in relation to the regulated activities for which TMTG has permission and TMTG is therefore failing to satisfy Threshold Condition 4 (Adequate resources).”

END OF EXTRACT