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**FINAL NOTICE**

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To: **OCS Property and Financial Services Limited**

Of: **555 Barking Road**

**London E6 2LW**

Date: **13 June 2008**

**TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (the "FSA") gives OCS Property and Financial Services Limited (the "Firm"), final notice about a decision to cancel the permission granted to the Firm to carry on regulated activities**

**1. ACTION**

1.1. The FSA gave the Firm a Decision Notice on 13 June 2008 (the "Decision Notice") which notified it that, for the reasons listed 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 the Firm pursuant to Part IV of the Act ("the Firm's Part IV permission").

1.2. The Firm agreed that it would not be referring the matter to the Financial Services and Markets Tribunal. Accordingly, the FSA has today cancelled the Firm's permission.

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

2.1. By a Final Notice dated 13 June 2008, having concluded that Muhammad Asim Iqbal is not a fit and proper person to perform any function in relation to regulated activity, pursuant to section 56 of the Act, the FSA made an order prohibiting Mr Iqbal from performing any controlled function in relation to any regulated activities.

2.2. By a Final Notice also dated 13 June 2008, having concluded that Muhammad Adnan Ashraf is not a fit and proper person to perform significant influence controlled functions, pursuant to section 56 of the Act, the FSA made an order prohibiting Mr Ashraf from performing any controlled function in relation to any regulated activities.

2.3. Mr Iqbal and Mr Ashraf were the only directors of the Firm, and the only approved persons at the Firm.

2.4. By prohibiting Mr Iqbal and Mr Ashraf from performing any controlled function in relation to any regulated activity, on the basis that they are not fit and proper, there are no approved persons within the Firm.

2.5. In these circumstances, the Firm is failing to satisfy the threshold conditions set out in Schedule 6 to the Act (the "Threshold Conditions") in that, in the opinion of the FSA, the Firm does not have adequate resources in relation to the regulated activities it seeks to carry on. Specifically, the Firm does not have adequate human resources (Threshold Condition 4).

2.6. In addition, the Firm does not satisfy the FSA that it is fit and proper having regard to all the circumstances, including the need to conduct its business with integrity and in compliance with proper standards, the need to have a competent and prudent management, and the overall need to ensure that its affairs are conducted soundly and prudently (Threshold Condition 5).

### **3. RELEVANT STATUTORY AND REGULATORY PROVISIONS**

#### **Statutory Provisions**

- 3.1. The FSA's regulatory objectives as set out in section 2(2) of the Act are: market confidence; public awareness; the protection of consumers and the reduction of financial crime.
- 3.2. Section 41 and Schedule 6 of the Act 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.
- 3.3. Paragraph 4 of Schedule 6 to the Act 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).
- 3.4. Paragraph 5 of Schedule 6 to the Act states that the person concerned must satisfy the FSA that he is a fit and proper person having regard to all the circumstances including a) his connection with any person; b) the nature of any regulated activity that he carries on or seeks to carry on; and c) the need to ensure that his affairs are conducted soundly and prudently (Threshold Condition 5: Suitability).
- 3.5. The FSA is authorised by section 45(2) of the Act to cancel an authorised person's Part IV permission where it appears that an authorised person is failing, or likely to fail, to satisfy the Threshold Conditions.

#### **The FSA's policy for exercising its power to cancel Part IV permission**

- 3.6. In exercising its power to vary a firm's Part IV permission, the FSA must have regard to general guidance given by the FSA, as defined by section 158 of the Act. The FSA's policy in relation to the decision to cancel a firm's permission is set out in Chapter 8 of the Enforcement Guide ("EG").
- 3.7. EG 8.13(1) provides that the FSA will consider cancelling a firm's Part IV permission using its own-initiative powers contained in section 45 of the Act, as detailed in paragraph 3.5 above, where the FSA has very serious concerns about a firm, or the way its business is or has been conducted.

**Guidance concerning Threshold Condition 4: Adequate resources (Paragraph 4, Schedule 6 to the Act) – COND 2.4**

- 3.8. COND gives guidance on the Threshold Conditions set out in or under Schedule 6 to the Act (COND 1.2.1G).
- 3.9. COND 2.4.1D 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.
- 3.10. COND 2.4.2G(2) provides that the FSA will interpret the term 'adequate' as meaning sufficient in terms of quantity, quality and availability, and 'resources' as including all financial resources, non-financial resources and means of managing its resources such as, for example, human resources.

**Guidance concerning Threshold Condition 5: Suitability (Paragraph 5, Schedule 6 to the Act) – COND 2.5**

- 3.11. COND 2.5.1D states that the person concerned must satisfy the FSA that he is a fit and proper person having regard to all the circumstances including his connection with any person and the need to ensure that his affairs are conducted soundly and prudently.
- 3.12. COND 2.5.3G(1) provides that the FSA may, in certain circumstances, consider that a firm is not suitable because of doubts over the individual or collective suitability of persons connected with the firm.
- 3.13. COND 2.5.4G provides that, in determining whether a firm will satisfy and continue to satisfy Threshold Condition 5, the FSA will have regard to all relevant matters arising including whether a firm conducts its affairs with integrity and in compliance with proper standards (COND 2.5.4G(2)(a)), and whether it has a competent and prudent management (COND 2.5.4G(2)(b)).

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

##### **Background**

4.1. The Firm became authorised by the FSA on 31 May 2005 to carry on the following regulated activities:

- (1) Advising (excluding Pension Transfers/Opt Outs) with regards to insurance mediation;
- (2) Agreeing to carry on a regulated activity with regards to insurance mediation;
- (3) Arranging deals in investments with regards to insurance mediation;
- (4) Making arrangements with regards to insurance mediation;
- (5) Advising on regulated mortgage contracts;
- (6) Arranging regulated mortgage contracts; and
- (7) Making arrangements with regards to regulated mortgage contracts.

4.2. Mr Iqbal was approved by the FSA on 31 May 2005 to perform the controlled functions of CF1 (Director) and CF8 (Apportionment and Oversight) at the Firm, and is also responsible for insurance mediation. Mr Iqbal was the Firm's only adviser. Mr Ashraf was approved from the same date to perform the controlled function of CF1 (Director).

##### **Background to the FSA's action**

4.3. The FSA conducted an investigation into the Firm and as a result of which identified serious concerns about Mr Iqbal and Mr Ashraf and their lack of honesty and integrity.

4.4. The FSA's concerns about the conduct of Mr Iqbal are set out more fully in the Final Notice dated 13 June 2008 given to Mr Iqbal by the FSA making an order against him prohibiting him from performing any controlled functions with regards to any regulated activity.

4.5. The FSA's concerns about the conduct of Mr Ashraf are set out more fully in the Final Notice dated 13 June 2008 given to Mr Ashraf by the FSA making an order against him prohibiting him from performing any controlled functions with regards to any regulated activity.

## **5. CONCLUSION**

5.1. The facts and matters described above lead the FSA, having regard to its regulatory objectives which include maintaining confidence in the financial system and helping to reduce financial crime, to conclude that the Firm is failing, and is likely to fail, to satisfy Threshold Condition 4 (Adequate resources) and Threshold Condition 5 (Suitability).

## **6. DECISION MAKER**

6.1. The decision which gave rise to the obligation to give this Final Notice was made by Settlement Decision Makers on behalf of the FSA.

## **7. IMPORTANT**

7.1. This Final Notice is given to the Firm accordance with section 390 of the Act.

### **Publicity**

7.2. 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 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 you or prejudicial to the interests of consumers.

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

### **FSA contacts**

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

Jonathan Phelan  
Head of Department  
FSA Enforcement Division