
FINAL NOTICE

To: Paul Michael Grant

IRN: PMG00013

Dated: 12 February 2020

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against Mr Grant.
2. The Authority gave Mr Grant the Decision Notice, which notified Mr Grant that, for the reasons given below and pursuant to section 56 of the Act, the Authority had decided to make an order prohibiting him from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm.
3. Mr Grant has not referred the matter to the Tribunal within 28 days of the date on which the Decision Notice was given to him.
4. Accordingly, for the reasons set out below, the Authority hereby makes an order pursuant to section 56 of the Act prohibiting Mr Grant 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 takes effect from 12 February 2020.

DEFINITIONS

5. The definitions below are used in this Final Notice (and in the Annex):

“the Act” means the Financial Services and Markets Act 2000;

“the Authority” means the Financial Conduct Authority;

“the Decision Notice” means the Decision Notice issued to Mr Grant on 17 December 2019;

“EG” means the Authority’s Enforcement Guide;

“FIT” means the Fit and Proper Test for Approved Persons and specified significant-harm functions sourcebook;

“Mr Grant” means Paul Michael Grant;

“the Handbook” means the Authority’s Handbook of rules and guidance;

“the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber); and

“the Warning Notice” means the Warning Notice issued to Mr Grant on 28 November 2019.

RELEVANT STATUTORY PROVISIONS

6. The statutory and regulatory provisions relevant to this Final Notice are set out in the Annex.

SUMMARY OF THE REASONS

7. The Authority has concluded, on the basis of the facts and matters and conclusions described in the Warning Notice, and in the Decision Notice, that Mr Grant is 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, as his conduct demonstrates a clear and serious lack of honesty, integrity and reputation. Specifically, Mr Grant:
 - (a) was convicted on 18 October 2018, of 11 counts of fraud by abuse of position and three counts of theft; and
 - (b) was sentenced on 11 January 2019 to five years and six months imprisonment.

FACTS AND MATTERS RELIED ON

8. Between 2003 and 2016 Mr Grant held various controlled functions at three authorised firms. He ceased to be approved on 3 May 2016, shortly after the police had been alerted to his offending.
9. On 18 October 2018, Mr Grant entered guilty pleas at Croydon Magistrates Court to 11 counts of fraud by abuse of position and three counts of theft. On 11 January 2019, Mr Grant was sentenced at the Crown Court at Croydon to 5 years and six months imprisonment. Mr Grant’s offences were committed when he was approved by the Authority to perform controlled functions and in fact involved the abuse of his position as a financial advisor.
10. In his sentencing remarks, HHJ Flahive commented on the features of Mr Grant’s case. Mr Grant dishonestly persuaded clients, some of whom were vulnerable, to invest their money with him. Instead of putting these funds into investments he paid it into his personal bank accounts, spending approximately £2.1 million over the prolonged period of his offending. Mr Grant paid small amounts back, deceiving his victims into thinking that these sums were profits on their non-existent investments.

11. In sentencing, HHJ Flahive stated that Mr Grant *'committed fraud, while occupying a position, that of a financial advisor, in which you were expected to safeguard, or not to act against the financial interest of your various clients. You have dishonestly abused your position, intending to make a gain for yourself... you abused the trust of many, many who though they were friends of yours... after significant planning and over a significant number of years, with a large number of victims, you have deliberately targeted them so that they could be deprived of their money. This deliberate targeting of people, some of whom are vulnerable, and it strikes me in hearing the way in which you were acting that some of those were deliberately targeted because of their vulnerability.'*

DECISION MAKER

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

IMPORTANT

13. This Final Notice is given to Mr Grant in accordance with section 390 of the Act.

Publicity

14. The Authority must publish such information about which this Final Notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such information would, in the opinion of the Authority, be unfair to Mr Grant or prejudicial to the interests of consumers.
15. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority Contact

16. For more information concerning this matter generally, Mr Grant should contact Antonella Pavone at the Authority (direct line: 0207 066 5222).

Martin Butcher
Enforcement and Market Oversight Division

ANNEX

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives include securing an appropriate degree of protection for consumers (section 1C of the Act) and protecting and enhancing the integrity of the UK financial system (section 1D of the Act).
2. Section 56(1) of the Act provides:

"The [Authority] may make a prohibition order if it appears to it that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by –

(a) an authorised person,

(b) a person who is an exempt person in relation to that activity, or

(c) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity."

RELEVANT REGULATORY PROVISIONS

3. In exercising its power to make a prohibition order, the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as EG. The relevant main considerations in relation to the action specified above are set out below.

The Enforcement Guide

4. The Authority's policy in relation to exercising its power to issue a prohibition order is set out in EG.
5. EG 9.1 explains the purpose of prohibition orders in relation to the Authority's statutory objectives.
6. EG 9.2 sets out the Authority's general policy on making prohibition orders. In particular:
 - (a) EG 9.2.1 states that the Authority will consider all relevant circumstances, including whether enforcement action has been taken against the individual by other enforcement agencies, in deciding whether to make a prohibition order;
 - (b) EG 9.2.2 states that the Authority has the power to make a range of prohibition orders depending on the circumstances of each case; and
 - (c) EG 9.2.3 states that the scope of a prohibition order will depend on, amongst other things, the reasons why the individual is not fit and proper and the severity of risk he poses to consumers or the market generally.

7. EG 9.5.1 states that where the Authority is considering whether to make a prohibition order against someone who is not an approved person, the Authority will consider the severity of the risk posed by the individual and may prohibit him where it considers that it is appropriate to achieve one or more of the Authority's statutory objectives.
8. EG 9.5.2 provides that, when considering whether to exercise its power to make a prohibition order against someone who is not an approved person, the Authority will consider all the relevant circumstances of the case. These may include, but are not limited to, the factors set out in EG 9.3.2. Those factors include: whether the individual is fit and proper to perform functions in relation to regulated activities (noting the criteria set out in FIT 2.1, 2.2, and 2.3); the relevance and materiality of any matters indicating unfitness; the length of time since the occurrence of any matters indicating unfitness; and the severity of the risk which the individual poses to consumers and to confidence in the financial system.

Fit and Proper Test for Approved Persons

9. The Authority has issued guidance on the fitness and propriety of individuals in FIT.
10. FIT 1.3.1BG(1) states that the most important considerations when assessing the fitness and propriety of a person to perform a controlled function include that person's honesty, integrity and reputation.
11. FIT 2.1.1G states that in determining a person's honesty, integrity and reputation, the Authority will have regard to all relevant matters including, but not limited to, those set out in FIT 2.1.3G. It notes, amongst other things and by way of example, that:

"... conviction for a criminal offence will not automatically mean an application will be rejected. The [Authority] treats each candidate's application on a case-by-case basis, taking into account the seriousness of, and the circumstances surrounding, the offence, the explanation offered by the convicted person, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual's rehabilitation."
12. FIT 2.1.3G(1) states that the matters referred to in FIT 2.1.1G include, but are not limited to, whether a person has been convicted of any criminal offence, noting that particular consideration will be given to certain offences including those of dishonesty, fraud and financial crime (amongst other things).