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## **FINAL NOTICE**

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**To:** Paul Ulliott  
**IRN:** PXU01038  
**Dated:** 15 January 2024

### **ACTION**

1. For the reasons set out in this Final Notice, the Authority hereby makes an order, pursuant to section 56 of the Act, prohibiting Mr Ulliott from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm.
2. The Authority gave Mr Ulliott the Decision Notice, which notified Mr Ulliott of the Authority's decision to take the action specified above.
3. Mr Ulliott 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, the Authority hereby makes the prohibition order set out in paragraph 1 above against Mr Ulliott. The prohibition order takes effect from the date of this Final Notice.

### **SUMMARY OF REASONS**

5. Between 1 December 2018 and 5 September 2019, Mr Ulliott engaged in criminal activity whilst an authorised sole trader and an approved person at an authorised firm.
6. On 17 December 2021, at Kingston-Upon-Hull Crown Court, Mr Ulliott was tried and convicted of handling stolen goods, contrary to section 22(1) of the Theft Act 1968. He was sentenced on the same day to two years and six months' imprisonment, ordered to pay a victim surcharge of £170, and a collection order was made against him.
7. On the basis of the facts and matters set out below, it appears to the Authority that Mr Ulliott 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. His conviction demonstrates a clear and serious lack of honesty and integrity such that he is not fit and proper to perform regulated activities. In reaching this decision, the Authority has had regard to all relevant circumstances, including the relevance and materiality of the offence, and the severity of the risk posed by Mr Ulliott to consumers and to confidence in the UK financial system. The Authority considers that it is appropriate to impose the prohibition order proposed in paragraph 1 to achieve its consumer protection and integrity objectives (sections 1C and 1D of the Act, respectively).

## **DEFINITIONS**

8. The definitions below are used in this Warning 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 given to Mr Ulliott on 29 November 2023;

“EG” means the Enforcement Guide;

“FIT” means the Authority’s ‘Fit and Proper Test for Employees and Senior Personnel’, forming part of the Handbook;

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

“Mr Ulliott” means Paul Ulliott;

“the RDC” means the Regulatory Decisions Committee of the Authority (see further under Procedural Matters below); and

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

“the Warning Notice” means the warning notice given to Mr Ulliott dated 12 October 2023.

## **FACTS AND MATTERS**

9. Until 21 April 2023, Mr Ulliott was an authorised sole trader and as such Mr Ulliott was approved by the Authority to perform the CF11 (Money Laundering Reporting) and SMF17 (Money Laundering Reporting Officer (“MLRO”)) senior management functions between 23 May 2016 and 8 December 2019 and between 9 December 2019 and 21 April 2023 respectively.

10. Mr Ulliott was also approved by the Authority to perform the CF1 (Director) and CF11 (Money Laundering Reporting) controlled functions between 23 May 2016 and 8 December 2019, and the SMF3 (Executive Director) and SMF17 (MLRO) senior management functions between 9 December 2019 and 21 April 2023, for another authorised firm.

11. On 17 December 2021, Mr Ulliott was tried and convicted at Kingston-Upon-Hull Crown Court of handling stolen goods, contrary to section 22(1) of the Theft Act 1968.

12. As stated in Mr Ulliott’s indictment, between 1 December 2018 and 5 September 2019, while Mr Ulliott was an authorised sole trader and an approved person at an authorised firm, Mr Ulliott dishonestly undertook or assisted in the retention, removal, disposal, or realisation of stolen goods, namely, four silver tankards, a pair of swan candlesticks, a sterling silver salt and pepper pot set, a pair of Victorian silver chamber sticks and a silver salver belonging to another, by or for the benefit

of another or dishonestly arranged to do so, knowing or believing the same to be stolen goods.

13. At the sentencing hearing, the judge made the following observations regarding Mr Ulliott's behaviour:

13.1 *"Your account that these were by coincidence delivered to you by a man who you only know as "Smith" and had no contact details for at all is, in my view, total lies."*

13.2 *"Sometimes the auctioneers are pleasantly surprised and the sums achieved are significantly in excess of their estimate. Other times, not. And so it's, in my view, impossible to say with clarity the sum of money that we are talking about. I am prepared to take the view that it's less than £100,000. How much less? It's difficult to tell. But trying to be as fair as I can not only to [the victim's] Estate but also to you, I would take the view that we're talking about a £50,000 sum here..."*

13.3 *"in terms of culpability though, your culpability is high. You were, in my view, on the evidence in possession of very recently stolen goods from a serious domestic burglary." and "you, in my view, went into this particular activity with your eyes open."*

13.4 *"had you immediately recognised the error of your ways and apologised for a misjudgement on your part, then the court would have been in a much better position to show you some leniency. But you lied, first of all by saying nothing and then coming up with, quite frankly, a ridiculous story that no one and the Jury included believed."*

13.5 *"It's obviously relevant that you're now sixty-two and you've no record. But make no mistake about it, this was a serious offence of handling. You stood to gain...significant sums of money from, I'm quite satisfied, a venture where you were aware that this was a high-end house burglary."*

### **Lack of fitness and propriety**

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

15. FIT 1.3.1G states that the Authority will have regard to a number of factors when assessing an individual's fitness and propriety. FIT 1.3.1BG states that the most important factors include the individual's honesty, integrity and reputation.

16. The nature and circumstances of Mr Ulliott's offending demonstrates a serious and clear lack of honesty and integrity. As a result, the Authority considers that Mr Ulliott is not a fit and proper person to perform regulated activities.

### **Prohibition**

17. EG 9.1.1 provides that the power to prohibit an individual will be exercised by the Authority to achieve its statutory objectives, which include both securing an appropriate degree of protection for consumers and protecting and enhancing the integrity of the UK financial system.

18. Taking into account the nature of the offence Mr Ulliott participated in and the serious conviction arising from his participation, and his lack of fitness and propriety due to his dishonesty and lack of integrity, the Authority considers it is appropriate to prohibit Mr Ulliott from performing any function in relation to any regulated activity carried on by an authorised person, exempt person or exempt professional firm.

## **REPRESENTATIONS**

19. Through the Warning Notice, the Authority gave notice that it proposed to take the action described above and Mr Ulliott was given the opportunity to make representations to the Authority about that proposed action.
20. Following receipt of the Warning Notice, an extension request was made on behalf of Mr Ulliott to the deadline for submitting written representations stated in the Warning Notice. The request explained that the correspondence had been received late and that Mr Ulliott would need to inform his legal representative and book an appointment and arrange to respond to the Authority. A Deputy Chair of the RDC considered the extension request and agreed to extend the deadline to 16 November 2023 for Mr Ulliott to submit his written representations.
21. That extended deadline passed, and no further contact was received from, or on behalf of, Mr Ulliott, nor were any written representations received by the Authority from Mr Ulliott. Accordingly, the default procedures in DEPP 2.3.2G permit the allegations/matters described in the Warning Notice, and the Decision Notice, to be regarded as undisputed.

## **PROCEDURAL MATTERS**

22. This Final Notice is given to Mr Ulliott in accordance with section 390(1) of the Act.

### **Decision Maker**

24. The decision which gave rise to the obligation to give this Final Notice was made by the RDC. The RDC is a committee of the Authority which takes certain decisions on behalf of the Authority. The members of the RDC are separate to the Authority staff involved in conducting investigations and recommending action against firms and individuals. Further information about the RDC can be found on the Authority's website:  
<https://www.fca.org.uk/about/committees/regulatory-decisions-committee-rdc>

### **Publicity**

25. Section 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 Authority must publish such information about which this Final Notice relates as the Authority considers appropriate.
26. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the Authority, be unfair to Mr Ulliott or prejudicial to the interest of consumers or detrimental to the stability of the UK financial system.
27. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

### **Authority Contact**

28. For more information concerning this matter generally, Mr Ulliott should contact Danielle Stuart at the Authority (direct line: 020 7066 0185).

**Jeremy Parkinson**  
**Enforcement and Market Oversight Division**

## ANNEX

### **RELEVANT STATUTORY PROVISIONS**

1. The Authority's operational objectives are set out in section 1B(3) of the Act and 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 regulatory 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, among 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.

### **The Fit and Proper test for Employees and Senior Personnel (FIT)**

9. FIT sets out the criteria that the Authority will consider when assessing the fitness and propriety of a candidate for a controlled function, and may consider when assessing the continuing fitness and propriety of approved persons.
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. The main assessment criteria to which the Authority will have regard when assessing the fitness and propriety of a person to perform a particular controlled function are described in FIT 2, by reference to: honesty, integrity and reputation (FIT 2.1); competence and capability (FIT 2.2); and financial soundness (FIT 2.3).
12. FIT 2.1.1 G provides 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 2.1.3 G.
13. In relation to convictions for criminal offences, FIT 2.1.1A G states that: If any staff being assessed under FIT has a conviction for a criminal offence, the firm should consider the seriousness of and circumstances surrounding the offence, the explanation offered by that 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.
14. FIT 2.1.3 G provides a list of (non-exhaustive) matters to which the Authority will have regard when determining a person's honesty, integrity and reputation. These include:
  - 1) whether the person has been convicted of any criminal offence; this must include, where provided for by the Rehabilitation Exceptions Orders to the Rehabilitation of Offenders Act 1974 or the Rehabilitation of Offenders (Northern Ireland) Order 1978 (as applicable), any spent convictions; particular consideration will be given to offences of dishonesty, fraud, financial crime or an offence under legislation relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, banking, other financial services, insolvency, consumer credit companies, insurance, consumer protection, money laundering, market manipulation and insider dealing, whether or not in the United Kingdom;
  - 2) whether the person has been the subject of, or interviewed in the course of, any existing or previous investigation or disciplinary proceedings, by the appropriate regulator, by other regulatory authorities (including a previous regulator), clearing houses and exchanges, professional bodies, or government bodies or agencies;
  - 3) whether the person is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any potential proceedings or of any investigation which might lead to those proceedings;
  - 4) whether the person has contravened any of the requirements and standards of the regulatory system or the equivalent standards or requirements of other

regulatory authorities (including a previous regulator), clearing houses and exchanges, professional bodies, or government bodies or agencies;

- 5) whether the person has been the subject of any justified complaint relating to regulated activities;
  - 6) whether the person, or any business with which the person has been involved, has been investigated, disciplined, censured or suspended or criticised by a regulatory or professional body, a court or Tribunal, whether publicly or privately;
  - 7) whether the person has been dismissed, or asked to resign and resigned, from employment or from a position of trust, fiduciary appointment or similar;
  - 8) whether, in the past, the person has been candid and truthful in all their dealings with any regulatory body and whether the person demonstrates a readiness and willingness to comply with the requirements and standards of the regulatory system and with other legal, regulatory and professional requirements and standards.
15. FIT 2.3.1 G sets out the (non-exclusive) factors to which the Authority will have regard when determining a person's financial soundness. These include:
- 1) whether the person has been the subject of any judgment debt or award, in the United Kingdom or elsewhere, that remains outstanding or was not satisfied within a reasonable period;
  - 2) whether, in the United Kingdom or elsewhere, the person has made any arrangements with their creditors, filed for bankruptcy, had a bankruptcy petition served on them, been adjudged bankrupt, been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order), offered a bankruptcy restrictions undertaking, had assets sequestered, or been involved in proceedings relating to any of these.