
FINAL NOTICE

To: **Peter Dean**

Of: **UK Finance House Limited**

Individual reference: **PFD01031**

Date: **8 April 2009**

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (“the FSA”) gives you final notice about the imposition of a financial penalty, the withdrawal of your individual approval, and an order prohibiting you from performing any function in relation to any activity carried on by any authorised person, exempt person or exempt professional firm:

1. ACTION

1.1. The FSA gave you a Decision Notice on 3 April 2009 which notified you that the FSA has decided to take the following action:

- (1) to impose a financial penalty of £17,500 on you, pursuant to section 66 of the Financial Services and Markets Act 2000 (“the Act”) for failing to comply with Statement of Principle 6 of the FSA’s Statements of Principle and Code of Practice for Approved Persons (“APER”);
- (2) pursuant to section 63 of the Act, to withdraw the approval granted to you to perform controlled functions, in relation to UK Finance House Limited (“UKFH”); and

- (3) to make an order pursuant to section 56 of the Act, prohibiting you 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”).
- 1.2. You confirmed on 3 April 2009 that you will not be referring the matter to the Financial Services and Markets Tribunal.
- 1.3. Accordingly, for the reasons set out below, the FSA has today withdrawn your approval and made a Prohibition Order against you, which has effect from today and shall be without limit of time. The FSA also imposed a financial penalty on you of £17,500.
- 1.4. You agreed to settle at an early stage of the FSA's investigation. You therefore qualified for a 30% (stage 1) reduction in penalty, pursuant to the FSA's executive settlement procedures. Were it not for this discount, the FSA would have imposed a financial penalty of £25,000 on you.

2. REASONS FOR THE ACTION

- 2.1. The FSA has concluded, on the basis of the facts and matters described below, that you are not fit and proper to carry out any functions in relation to regulated activities carried on by authorised persons and you should be prohibited from doing so.
- 2.2. In the opinion of the FSA you are not fit and proper because you have failed to demonstrate the minimum standards required in terms of competence and capability by carrying on the regulated activity of mortgage lending through a separate firm which did not hold the appropriate FSA authorisation, in breach of the general prohibition in section 19 of the Act.
- 2.3. The FSA has further concluded that you have failed in your capacity as a director performing controlled function 1 (Director) (“CF1”) and controlled function 8 (Apportionment and Oversight) (“CF8”), because you failed to act with due skill care and diligence in managing the business of UKFH in breach of APER 6. In particular, you:

- (1) failed to realise that third party mortgage introducers were acting on behalf of UKFH without its authority and issuing documents in your name without your knowledge or permission;
- (2) failed to realise that a mortgage introducer used by UKFH arranged a significant proportion of UKFH's regulated mortgage contracts, without its permission to do so;
- (3) failed to realise that your co-director was signing off regulated mortgage applications as being prepared by himself, when they were, in fact, prepared by a third party;
- (4) failed adequately to monitor the work carried out by staff employed at UKFH;
- (5) failed to make suitable arrangements to control and supervise UKFH during your extended absences;
- (6) failed adequately to supervise the staff of UKFH;
- (7) failed to notice, and therefore to prevent, false information being supplied to mortgage lenders by UKFH;
- (8) failed to notice and therefore to prevent UKFH from being used to further financial crime; and
- (9) failed to take adequate remedial action in 2006 when you became aware that UKFH may have been used to further financial crime.

2.4. The FSA has concluded that the nature and seriousness of the breaches outlined above warrants the imposition of a financial penalty. Accordingly, the FSA has imposed a financial penalty on you of £17,500.

2.5. In addition, as a result of the nature and seriousness of the breaches outlined above, the FSA concluded that you have failed to meet minimum regulatory standards in terms of competence and capability and are not fit and proper to perform any functions in relation to regulated activities carried on by authorised persons, exempt persons and exempt professional firms.

Accordingly the FSA has withdrawn your approval and made a Prohibition Order against you.

- 2.6. This action supports the FSA's market confidence, consumer protection and financial crime reduction objectives.

3. RELEVANT STATUTORY AND REGULATORY PROVISIONS

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

4. FACTS AND MATTERS RELIED ON

Background

- 4.1. You were approved by the FSA on 31 October 2004 to perform the controlled functions of CF1 and CF8 at UKFH. You are a director of UKFH and there is one other director. You are also a Director of Edgecrest Ltd ("Edgecrest"), which is not authorised by the FSA.
- 4.2. UKFH has been authorised by the FSA to advise on and arrange regulated mortgage contracts since 31 October 2004. UKFH employed three advisers; you, your co-director, and one other employed adviser. UKFH operated from two offices - one in Bournemouth and one in Poole. You were based in the Poole office and your co-director worked from the Bournemouth office of UKFH.

Unauthorised Business

- 4.3. Lending money to an individual secured by way of a first legal charge on land in the United Kingdom, property at least 40% of which is used, or intended to be used, as or in connection with a dwelling by the borrower is a regulated activity unless an exclusion applies. No exclusion applies in this case. Any firm carrying out such an activity therefore requires authorisation from the FSA. Edgecrest is not, and has never been, authorised by the FSA. However, the FSA has found evidence to indicate that you, as director, have engaged in this type of lending through Edgecrest.

- 4.4. At interview you stated that Edgecrest was a company which arranged home improvement works for its customers. You stated that secured loans were made to customers to facilitate this, but the security for the lending was not perfected by way of a first legal charge over the customer's property and that Edgecrest did not engage in any lending which constituted a regulated activity.
- 4.5. The file of one of Edgecrest's clients – "Client One" – was reviewed by the FSA and found to contain a mortgage offer dated 22 January 2007 in respect of a secured loan for £27,580 from Edgecrest to Client One. The loan agreement was signed by both you and the client.
- 4.6. Client One's file also contains correspondence between you and the Land Registry which reveals that a first legal charge over Client One's property was registered in favour of Edgecrest on 23 January 2007. The property over which the charge was taken was Client One's residential home.
- 4.7. In an interview with the FSA on 31 October 2008 you said that the transaction was not carried out by you personally, but by a member of Edgecrest staff. You subsequently told the FSA that you were hospitalised at the time of the transaction and were presented with a number of documents by a member of Edgecrest staff, some of which included the documentation pertaining to Client One's mortgage. You said that due to your personal situation, you did not study the documentation closely before signing it.
- 4.8. Given that Client One's loan agreement was signed by you and you entered into correspondence with the Land Registry in order to perfect the first legal charge over the client's property, the FSA considers that you have engaged in unauthorised business by providing secured lending from Edgecrest by way of a first charge mortgage over Client One's main dwelling.
- 4.9. You are required to demonstrate competence and capability in conducting your business. The FSA considers that by failing properly to check documentation prior to signing it you have not demonstrated competence and capability in carrying on your business. The FSA further considers that your failure had serious consequences and resulted in your involvement in the arrangement of a regulated mortgage contract through a firm which was not authorised by the

Third party introducers

- 4.10. UKFH used a number of introducers to obtain mortgage clients. These introducers would source and bring clients to UKFH's Bournemouth office. The introducers were not employed by UKFH. However, two of these introducers acted as though being employed by UKFH and had, amongst other matters, liaised with mortgage clients and issued documents in their own name on UKFH headed paper.
- 4.11. At interview you stated that Introducer A had been providing mortgage business to the Bournemouth office of UKFH since you introduced him to your co-director in 2002. You stated that it was your intention that Introducer A would increase UKFH's mortgage customer volumes. Indeed, between 2002 and 2006, Introducer A introduced approximately 80% of UKFH's mortgage clients at the Bournemouth office.
- 4.12. However, the FSA has discovered that Introducer A exceeded the role of introducer by arranging mortgages for 70 to 80% of the customers he introduced to the Bournemouth office of UKFH.
- 4.13. The FSA reviewed 21 client files from the Bournemouth office of UKFH. In nine of those client files the FSA found evidence that Introducer A had acted as the mortgage arranger.
- 4.14. File reviews conducted by the FSA further revealed documents issued in January 2008 by Introducer B, who operated out of UKFH's Poole office, but was not employed by UKFH and did not have authority from it to arrange client mortgages. The documents reviewed by the FSA indicate that Introducer B was involved in arranging mortgages for clients and were issued in his own name on behalf of UKFH.

- 4.15. Furthermore, at interview you stated that an employee of Edgecrest, who ran the Poole office of UKFH in your absence, had arranged a mortgage for a client without your knowledge, using documents issued in your own name.
- 4.16. You are required to exercise due skill, care and diligence in managing the business of UKFH for which you are responsible. As the holder of the CF1 and CF8 functions, this includes the overall management of UKFH, as well as dealing with the apportionment of responsibilities and overseeing the establishment and maintenance of systems and controls in particular.
- 4.17. The FSA considers your shortcomings, in failing to notice third parties were regularly acting on behalf of UKFH without its authority to do so, and issuing documents in your name without your knowledge or permission, are particularly serious because they demonstrate your lack of control of, and failure to monitor adequately, UKFH which exposed it to the risk of being used for financial crime. These failings demonstrate that you have not exercised due skill, care and diligence, and have failed to control your business properly. You have therefore breached APER 6.

Your absences from UKFH

- 4.18. At interview you told the FSA that you had on a number of occasions been away from UKFH for extended periods on business. You stated that during a week you could be absent from Sunday to Thursday on those occasions. You also said that in recent years you were incapacitated through three periods of serious illness, each of which spanned a number of months.
- 4.19. During these periods of illness and absence due to business commitments, you were unable to maintain the required level of involvement with the business. You said that in your absence regulated mortgage business from the Poole office would be referred to your co-director at the Bournemouth office of UKFH.
- 4.20. During the periods of extended absence away from UKFH there were no procedures in place to ensure either your co-director or UKFH was properly supervised.

- 4.21. As holder of the CF1 and CF8 functions you are responsible for managing the business of UKFH and, in particular, dealing with the apportionment of responsibilities and overseeing the establishment and maintenance of appropriate systems and controls. The FSA considers that by failing to engage sufficiently with UKFH's affairs or to put into place measures which ensured UKFH was properly supervised during your periods of absence from UKFH you have failed to demonstrate you have carried out your responsibilities with due skill, care and diligence. Your failings in this regard are particularly serious because your lack of oversight provided an opportunity for UKFH to be exploited for financial crime. You have therefore breached APER 6.

Monitoring and supervision

- 4.22. The FSA has reviewed the continuing personal development files of both you and your co-director. These files include documents entitled:
- (1) *"Observation Record"*, which is a record of a supervisor's observations on an adviser's practice during a mortgage sale;
 - (2) *"Customer full file review checklist"*, which is a record of checks made by a supervisor following the completion of a mortgage;
- 4.23. No such documents have ever been completed for either you or your co-director.
- 4.24. At interview you stated that some checks were carried out using UKFH's computerised system. However, these checks focussed on the existence of documents rather than assessing the adequacy of their completion or their compliance with the required regulatory standards.
- 4.25. You have therefore failed to carry out or ensure sufficient monitoring of the work carried out by UKFH. You have further failed to demonstrate that UKFH's monitoring process was sufficiently robust to ensure it was compliant with the standards the FSA requires of an authorised firm. These failings are particularly serious since effective monitoring would have alerted you to the following:

- (1) Documents being completed and issued in your name without your knowledge or permission;
- (2) Introducer B purporting to carry on business on behalf of UKFH when he neither had its authority to do so, nor was employed by UKFH;
- (3) Introducer A acting as a mortgage arranger for UKFH without authority to do so;
- (4) Your co-director signing off applications declaring himself to be the adviser when they were in fact prepared by Introducer A;
- (5) Inaccuracies and inconsistencies in mortgage files, including income inflation, false identity documents for clients, and multiple contradictory accountant's certificates to support client self-certification income declarations; and
- (6) Evidence on client files indicating that UKFH was used for financial crime.

4.26. The FSA concludes that by failing to adequately monitor the work of UKFH you failed to discharge your functions as CF1 and CF8 holder with sufficient skill, care and diligence. You therefore failed to comply with APER 6.

Failure to take sufficient action following the removal of Introducer A

4.27. Your co-director became aware that Introducer A was using the regulated mortgage business of UKFH for the purposes of furthering financial crime, during July 2006. UKFH subsequently ceased its involvement with him.

4.28. The FSA has seen no evidence that you took sufficient steps to establish the severity or extent of issues arising from the conduct of regulated mortgage business by Introducer A, and your co-director's involvement with it. You did not therefore seek to ascertain, or subsequently know, the consequences of their actions for UKFH, or its clients.

4.29. Your failure to react to that situation was particularly serious because it was possible that UKFH was being used to further financial crime. The FSA

considers that in failing to take adequate steps to assess the extent of the problem or take adequate remedial action you have failed to exercise your functions as CF1 and CF8 holder at UKFH with due skill, care and diligence in breach of APER 6.

5. ANALYSIS OF MISCONDUCT AND PROPOSED SANCTIONS

- 5.1. The FSA has considered whether you are a fit and proper person to continue to perform some or any functions in relation to regulated activities. In doing so, the FSA has considered its findings in Section 4 above with regard to the statutory and regulatory requirements referred to in Section 3 and the Annex.
- 5.2. You conducted business which was regulated by the FSA through Edgecrest, which did not hold the appropriate permission from the FSA to engage in such business, in breach of the general prohibition in section 19 of the Act.
- 5.3. The FSA has also found that you failed, as CF1 and CF8, to discharge your responsibilities as director and for apportionment and oversight. You did this by:
 - (1) Failing to monitor your co-director, employees, and mortgage introducers;
 - (2) Failing to monitor adequately the regulated mortgage business written by UKFH;
 - (3) Failing to participate actively in the business for extended periods, and failing to ensure UKFH was properly supervised during those times; and
 - (4) Failing to prevent UKFH from being exposed to the risk of being used to further financial crime.
- 5.4. As a result, the FSA considers that you lack competence and capability and that therefore you are not fit and proper to carry on functions in relation to any regulated activity carried on by any authorised person, exempt person or

exempt professional person. The FSA has therefore decided to exercise its power to make a prohibition order in the terms proposed.

Financial penalty

- 5.5. The breaches of APER set out above are sufficiently serious to merit the imposition of a substantial financial penalty. In determining the level of financial penalty, the FSA has had regard to all the relevant circumstances of the case and the factors set out in DEPP, extracts from which are set out in the annex to this Notice. Prior to 28 August 2007 the FSA's policy in relation to financial penalties was contained in the Enforcement Manual ("ENF"). Therefore, although the references in this Notice are to DEPP, the FSA has also had regard to the relevant sections of ENF.

Deterrence

- 5.6. The principal purpose of the imposition of this penalty is to promote high standards of regulatory conduct by deterring approved persons from acting in this way.
- 5.7. In determining the appropriate level of penalty, the FSA has had regard to the need to ensure those who are approved persons demonstrate appropriate levels of competence and manage their business in accordance with FSA rules and regulation. The FSA considers that a significant penalty should be imposed to demonstrate to you and others the seriousness with which the FSA regards your failure to do so.

The fact that the penalty is being imposed on an individual, rather than a firm

- 5.8. In determining the appropriate level of penalty, the FSA has taken into account that enforcement action may have a greater impact on an individual than on a body corporate and that it may be possible to achieve effective deterrence by imposing a smaller penalty on an individual than on a body corporate.

Previous action taken in relation to similar findings

- 5.9. In determining the appropriate sanction, the FSA has taken into account sanctions imposed by the FSA on other authorised persons for similar behaviour.

The nature, seriousness and impact of the breach

- 5.10. Having regard to the seriousness of the breaches and the risk they posed to the FSA's statutory objectives of maintaining confidence in the financial system and reducing financial crime, the FSA has imposed a penalty of £17,500 on you.

Withdrawal of approval and prohibition

- 5.11. The FSA has concluded that your conduct demonstrates a lack of competence and capability and that you are not therefore fit and proper to carry out any functions in relation to any regulated activities carried on by any authorised persons.
- 5.12. It is, therefore, necessary and proportionate, in order to achieve its regulatory objectives, for the FSA to exercise its powers to withdraw your approval and make a Prohibition Order against you.

6. DECISION MAKER

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

7. IMPORTANT

- 7.1. This Final Notice is given to you in accordance with section 390 of the Act.

Manner of and time for Payment

- 7.2. The financial penalty of £17,500 must be paid in full by you in instalments as agreed with the FSA. Payment in full is to be received by 5 June 2009.

If the financial penalty is not paid

- 7.3. If all or any of the financial penalty is outstanding on the due dates, the FSA may recover the outstanding amount as a debt owed by you and due to the FSA.

Publicity

- 7.4. 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.
- 7.5. The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

FSA contacts

- 7.6. For more information concerning this matter generally, you should contact Catherine Harris (direct line: 020 7066 4872 /fax: 020 7066 4873) of the Enforcement Division of the FSA.

Signed:

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Georgina Philippou
Head of Department
FSA Enforcement Division

Annex

STATUTORY PROVISIONS, REGULATORY GUIDANCE AND POLICY

1. Statutory provisions

- 1.1. The FSA's statutory objectives, set out in section 2(2) of the Act, are: market confidence; public awareness; the protection of consumers; and the reduction of financial crime.

General Prohibition

- 1.2. Under section 19 of the Act, no person may carry on a regulated activity in the United Kingdom, or purport to do so, unless he is an authorised person or an exempt person. This prohibition is referred to as the general prohibition.

Withdrawal of approval

- 1.3. The FSA has the power pursuant to section 63 of the Act to withdraw an approval given under section 59, if the FSA considers that the approved person is not a fit and proper person to perform the function to which the approval relates.

Prohibition

- 1.4. Under section 56 of the Act, if it appears to the FSA that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by an authorised person, exempt person or exempt professional firm, the FSA may make a prohibition order.
- 1.5. The effect of making a prohibition order is to prohibit an individual from performing functions within authorised firms and to prohibit authorised firms from employing the individual to perform specific functions. Such an order may relate to:
- (1) a specified function, any function falling within a specified description, or any function (section 56(2)); and

- (2) a specified regulated activity, any regulated activity falling within a specified description, or all regulated activities (section 56(3)(a)).

Financial penalty

- 1.6. Section 66 of the Act provides that the FSA may take action against a person if it appears to the FSA that the person is guilty of misconduct and the FSA is satisfied that it is appropriate in all the circumstances to take action against him. Misconduct includes failure by an approved person to comply with a statement of principle. The action that may be taken by the FSA includes the imposition of a penalty on the approved person of such amount as it considers appropriate.

2. Regulatory Guidance

FSA's policy for exercising its power to withdraw its approval and/or make a prohibition order

- 2.1. The FSA's effective use of the power under section 63 of the Act to withdraw approval from an approved person helps ensure high standards of regulatory conduct by preventing an approved person from continuing to perform the controlled function to which the approval relates if he is not a fit and proper person to perform that function. Where it considers this is appropriate, the FSA may prohibit an approved person, in addition to withdrawing their approval.
- 2.2. The FSA will consider making a prohibition order where it appears that an individual is not fit and proper to carry out functions in relation to regulated activities carried on by firms. The FSA may exercise these powers where it considers that to achieve any of its statutory objectives it is necessary to prevent an individual from carrying out any function in relation to regulated activities. The FSA policy in relation to the decision to withdraw its approval and/or make a prohibition order is set out in Chapter 9 of the Enforcement Guide ("EG").

- 2.3. EG 9.4 sets out the general scope of the FSA's powers in this respect, which include the power to make a range of prohibition orders depending on the circumstances of each case and the range of regulated activities to which the individual's lack of fitness and propriety is relevant. EG 9.5 provides that the scope of a prohibition order will vary according to the range of functions which the individual concerned performs in relation to regulated activities, the reasons why he is not fit and proper and the severity of risk which he poses to consumers or the market generally.
- 2.4. EG 9.9 provides that when deciding whether to make a prohibition order against an approved person and/or withdraw its approval, the FSA will consider all the relevant circumstances of the case, which may include (but are not limited to):
- (1) whether the individual is fit and proper to perform functions in relation to regulated activities. The criteria for assessing the fitness and propriety are set out in FIT 2.1 (Honesty, integrity and reputation), FIT 2.2 (Competence and capability) and FIT 2.3 (Financial soundness);
 - (2) Whether, and to what extent, the approved person has failed to comply with the Statements of Principle issued by the FSA with respect to the conduct of approved persons.
 - (3) the relevance and materiality of any matters indicating unfitness;
 - (4) the length of time since the occurrence of any matters indicating unfitness; and
 - (5) the severity of the risk which the individual poses to consumers and to confidence in the financial system.
- 2.5. EG provides at paragraph 9.23 that the FSA may impose a financial penalty in addition to imposing a prohibition order where it is appropriate to do so.

The FSA's policy on the imposition of financial penalties

- 2.6. The FSA's policy in relation to the imposition of financial penalties is set out

in Chapter 6 of the Decision Procedure and Penalties Manual (DEPP) which forms part of the FSA Handbook. It was previously set out in Chapter 13 of the Enforcement Manual (ENF), to which the FSA has had regard. DEPP 6.1.2 provides that the principal purpose of imposing a financial penalty is to promote high standards of regulatory conduct by deterring persons who have committed breaches from committing further breaches, helping to deter other persons from committing similar breaches and demonstrating generally the benefits of compliant behaviour.

2.7. The FSA will consider the full circumstances of each case when determining whether or not to take action for a financial penalty. DEPP6.2.1G sets out guidance on a non-exhaustive list of factors that may be of relevance in determining whether to take action for a financial penalty, which include the following:

- (1) DEPP6.2.1G(1): The nature, seriousness and impact of the suspected breach.
- (2) DEPP6.2.1G(2): The conduct of the person after the breach.
- (3) DEPP6.2.1G(4): FSA guidance and other published materials.
- (4) DEPP6.2.1G(5): Action taken by the FSA in previous similar cases.

Determining the level of the financial penalty

2.8. The FSA will consider all the relevant circumstances of a case when it determines the level of financial penalty. DEPP6.5.2G sets out guidance on a non exhaustive list of factors that may be of relevance when determining the amount of a financial penalty, which include:

- (1) the nature and extent of any financial crime facilitated, occasioned or otherwise attributable to the breach (DEPP 6.5.2 G (2) (e)); and
- (2) whether the person has given no apparent consideration to the consequences of the behaviour that constitutes the breach. (DEPP 6.5.2 (3) (d)).

3. Regulatory Requirements

(i) APER

- 3.1. APER sets out the Statements of Principle in respect of approved persons and conduct which, in the opinion of the FSA, does not comply with the relevant Statements of Principle. It further describes factors to be taken into account in determining whether an approved person's conduct complies with a Statement of Principle.
- 3.2. APER 3.1.3G stipulates that when establishing compliance with, or a breach of, a Statement of Principle, account will be taken of the context in which a course of conduct was undertaken, including the precise circumstances of the individual case, the characteristics of the particular controlled function and the behaviour to be expected in that function.
- 3.3. APER 3.1.4G states that an approved person will only be in breach of a Statement of Principle if they are personally culpable, that is, where their conduct was deliberate or where their standard of conduct was below that which would be reasonable in all the circumstances.

In this case, the FSA considers the most relevant Statements of Principle to be Statement of Principle 6 ("APER 6") under which an approved person performing a significant influence function must exercise due skill, care and diligence in managing the business of the firm for which he is responsible in his controlled function.

- 3.4. APER 4.6 gives examples of conduct which does not comply with Statement of Principle 6. This includes:
- (1) failing to take reasonable steps to adequately inform himself about the affairs of the business for which he is responsible (APER 4.6.3E);
 - (2) disregarding an issue or part of the business once it has been delegated (APER 4.6.7E(1)); and

- (3) failing to supervise and monitor adequately the individual or individuals to whom responsibility for dealing with an issue or authority for dealing with a part of the business has been delegated (APER 4.6.8).

(ii) Fit and Proper Test for Approved Persons

- 3.5. The section of the FSA handbook entitled “FIT” sets out the Fit and Proper test for Approved Persons. The purpose of FIT is to outline the main criteria for assessing the fitness and propriety of a candidate for a controlled function and FIT is also relevant in assessing the continuing fitness and propriety of an approved person.
- 3.6. In this instance the criteria set out in FIT are relevant in considering whether the FSA may exercise its powers to prohibit and/or withdraw approval of an individual in accordance with EG 9.8.
- 3.7. FIT 1.3 provides that the FSA will have regard to a number of factors when assessing a person’s fitness and propriety. The most important considerations include the person’s competence and capability.
- 3.8. In determining a person’s competence and capability FIT 2.2 provides that the FSA will have regard to matters including, but not limited to, those set out in FIT 2.2.1G. These include:
 - (1) whether the person satisfies the relevant FSA training and competence requirements in relation to the controlled function the person performs or is intended to perform (FIT 2.2.1G(1)); and
 - (2) whether the person has demonstrated by experience and training that the person is able, or will be able if approved, to perform the controlled function (FIT 2.2.1G(2)).