
FINAL NOTICE

To: **Reginald Wapling trading as Bower Insurance Consultants**

Of: **1 Newtown
Fowey
Cornwall
PL23 1JY**

FSA Reference No: **314309**

Dated: **3 November 2008**

TAKE NOTICE: The Financial Services Authority (the "FSA") of 25 The North Colonnade, Canary Wharf, London E14 5HS gives you, Reginald Wapling trading as Bower Insurance Consultants, final notice about a decision to cancel the permission granted to you to carry on regulated activities

1. ACTION

1.1 The FSA gave you a Decision Notice on 2 October 2008 (the "Decision Notice") which notified you 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 you pursuant to Part IV of the Act ("your FSA permission").

1.2 You were informed of your statutory right to make a reference to the Financial Services and Markets Tribunal, but you have not referred the Decision Notice to the Tribunal within 28 days of the date on which the Decision Notice was given to you. Accordingly, the FSA has today cancelled your FSA permission.

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2. REASONS FOR ACTION

- 2.1 On the basis of the facts and matters and conclusions described in its Warning Notice dated 10 July 2008 (the "Warning Notice") (a copy of the relevant extract of the Warning Notice is attached to and forms part of this Notice), and in the Decision Notice, it appears to the FSA that you are failing to satisfy the threshold conditions set out in Part 1 of Schedule 6 of the Act (the "Threshold Conditions") in that, in the opinion of the FSA, your resources are not adequate in relation to the regulated activities you have permission to carry on, and you are therefore failing to satisfy Threshold Condition 4 (Adequate resources).
- 2.2 The FSA is also not satisfied that you are a fit and proper person having regard to all the circumstances, including the need to ensure that your business is conducted soundly and prudently. This is because you have repeatedly failed to comply with the regulatory requirement to submit Retail Mediation Activities Returns ("RMAR") promptly. You have been referred to the FSA's Enforcement Division ("Enforcement") on three separate occasions for these failings.
- 2.3 You have not been open and co-operative in all your dealings with the FSA by failing to respond to the FSA's repeated requests that you submit the RMARs and provide financial information to the FSA, and have thereby failed to comply with Principle 11 of the FSA's Principles for Businesses under which firms must co-operate with the FSA, and to satisfy the FSA that you are ready, willing and organised to comply with the requirements and standards under the regulatory system.
- 2.4 These failures, which are significant in the context of your suitability, lead the FSA to conclude that you are not conducting your business soundly and prudently and in compliance with proper standards and that you are not a fit and proper person, and that you are therefore also failing to satisfy Threshold Condition 5 (Suitability).

3. DECISION MAKER

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 you in accordance with section 390(1) of the Act.

Publicity

- 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 you or prejudicial to the interests of consumers.

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

FSA Contact

- 4.4 For more information concerning this matter generally, you should contact Martin Badcock at the FSA (direct line: 020 7066 1560/fax: 020 7066 1561).

John Kirby
FSA Enforcement Division

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**EXTRACT FROM THE WARNING NOTICE DATED 10 JULY 2008 ISSUED BY
THE FSA TO REGINALD WAPLING TRADING AS BOWER INSURANCE
CONSULTANTS**

2. REASONS FOR ACTION

Summary

- 2.1 The FSA has concluded, on the basis of the facts and matters described below and having taken account of the written representations dated 8 August 2008, that you are failing to satisfy the Threshold Conditions set out in Schedule 6 to the Act (the "Threshold Conditions"). This is because, in the opinion of the FSA, your resources are not adequate in relation to the regulated activities you have permission to carry on, and you are therefore failing to satisfy Threshold Condition 4 (Adequate resources).
- 2.2 The FSA is also not satisfied that you are a fit and proper person having regard to all the circumstances, including the need to ensure that your business is conducted soundly and prudently. This is because you have repeatedly failed to comply with the regulatory requirement to submit Retail Mediation Activities Returns ("RMAR") promptly. You have been referred to the FSA's Enforcement Division ("Enforcement") on three separate occasions for these failings.
- 2.3 You have not been open and co-operative in all your dealings with the FSA by failing to respond to the FSA's repeated requests that you submit the RMARs and provide financial information to the FSA, and have thereby failed to comply with Principle 11 of the FSA's Principles for Businesses under which firms must co-operate with the FSA, and to satisfy the FSA that you are ready, willing and organised to comply with the requirements and standards under the regulatory system.
- 2.4 These failures, which are significant in the context of your suitability, lead the FSA to conclude that you are not conducting your business soundly and prudently and in compliance with proper standards and that you are not a fit and proper person, and that you are therefore also failing to satisfy Threshold Condition 5 (Suitability).

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Facts and matters relied on

- 2.32 You are a sole trader, authorised by the FSA on 14 January 2005 to carry on insurance mediation activity.
- 2.33 You are permitted to handle client money and are therefore subject to a requirement in MIPRU 4.2.2 that you must maintain capital resources of at least £10,000 at all times, and may not use personal assets to make up any shortfall.
- 2.34 Also, as you hold client money in a non-statutory trust you are therefore subject to a requirement in CASS 5.4.4(4)R that you do not handle client money in this way unless you maintain capital resources of at least £50,000 at all times. The financial information provided by you in your latest RMARs demonstrated a capital resources deficit (in respect of the £50,000 level) of £43,940, £47,838 and £42,823 at 4 April

2007, 4 October 2007 and 4 April 2008 respectively. You have provided no proposals to rectify your capital resources deficit.

- 2.35 In addition, despite repeated warnings from the FSA, particularly as to the consequences of being referred to Enforcement for the third time, you have repeatedly failed to submit RMARs to the FSA promptly, and as a result you have been referred to Enforcement on three separate occasions.

Conclusions

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

- you are failing to meet the requirement set out in MIPRU 4.2.2, that you must, at all times, maintain capital resources equal to or in excess of your relevant capital resources requirement of £10,000, and it appears that you have not met that requirement for at least 18 months;
- you are failing to meet the condition in CASS 5.4.4(4) that you may not hold client money in a non-statutory trust unless you maintain at all times capital resources of not less than £50,000;
- these failings are significant and material in relation to the regulated activities for which you have permission and you are therefore failing to satisfy Threshold Condition 4 (Adequate resources);
- you have repeatedly failed to comply with rules that require you to submit the RMAR to the FSA by the due date;
- you have not been open and co-operative in all your dealings with the FSA, in that you have generally ignored requests by the FSA to comply with the requirement to submit the RMAR promptly and often only made any attempts to comply after formal regulatory enforcement action is imminent, and you have failed to respond adequately to the FSA's repeated requests for you to provide accurate financial information;
- you have therefore failed to comply with Principle 11 of the FSA's Principles for Businesses, and have failed to satisfy the FSA that you are ready and willing and organised to comply with the requirements and standards under the regulatory system;
- you have also failed to satisfy the FSA that you are conducting your business soundly and prudently in compliance with proper standards or that you are a fit and proper person having regard to all the circumstances. These failures are significant in the context of your suitability, and
- you are therefore also failing to satisfy Threshold Condition 5 (Suitability).

END OF EXTRACT