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## FINAL NOTICE

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**To:** **Richard Telfryn Jones**

**Date of Birth:** **13 November 1983**

**Individual  
Reference  
Number:** **RTJ01022**

**Dated:** **16 November 2017**

### **ACTION**

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against Mr Jones.
2. The Authority gave Mr Jones the Decision Notice, which notified Mr Jones 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 an authorised person, exempt person or exempt professional firm.
3. Mr Jones 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 Jones from performing any function in relation to any regulated activity carried on by an authorised person, exempt person or exempt professional firm. The Prohibition Order takes effect from 16 November 2017.

## SUMMARY OF REASONS

5. Mr Jones has admitted that he caused false and misleading information to be provided to the Authority by fabricating two letters of reference dated 8 September 2016 and 13 September 2016, which purported to have been sent by Firm B, and providing the letters to Firm D, knowing that Firm D would provide the letters to the Authority in support of the March 2016 Application.
6. Mr Jones also made false and misleading statements to the Authority on 18 November 2016, with the intention of making the Authority believe that he had obtained the 8 September 2016 letter and the 13 September 2016 letter from Firm B, when they were in fact created by him.
7. On the basis of the facts and matters and conclusions described in the Warning Notice, and in the Decision Notice, the Authority considers that Mr Jones's actions directly impugn his honesty, integrity and reputation, and therefore Mr Jones is not a fit and proper person to perform any function in relation to any regulated activity carried on by an authorised person, exempt person or exempt professional firm. The Authority has had regard to all relevant circumstances, including the severity of the risk posed by Mr Jones to consumers and the need to maintain confidence in the UK financial system generally.
8. The Authority therefore considers it is appropriate to impose the Prohibition Order described in paragraph 4 above to advance its consumer protection and integrity objectives (set out in sections 1C and 1D of the Act, respectively).

## DEFINITIONS

9. 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 given to Mr Jones dated 2 October 2017;
  - "EG" means the Authority's Enforcement Guide;
  - "FIT" means the Fit and Proper Test for Approved Persons and specified significant-harm functions sourcebook, part of the Handbook;
  - "the Handbook" means the Authority's Handbook of rules and guidance;
  - "the March 2016 Application" means the application Firm D submitted to the Authority on 4 March 2016 seeking approval for Mr Jones to perform the CF1 (Director (AR)) function in relation to Firm D;
  - "ORB" means ORB Commercial Solutions Limited;
  - "the Prohibition Order" means the order prohibiting Mr Jones from performing any function in relation to any regulated activity carried on by an authorised person, exempt person or exempt professional firm, pursuant to section 56 of the Act;
  - "the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber); and
  - "the Warning Notice" means the Warning Notice given to Mr Jones dated 4 July 2017.

## **RELEVANT STATUTORY PROVISIONS**

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

## **FACTS AND MATTERS RELIED ON**

11. Between 16 February 2011 and 1 July 2013, Mr Jones was an Appointed Representative (AR) of Firm A.
12. From 5 June 2013 to 28 November 2016, Mr Jones was the sole director of ORB.
13. From 3 July 2013 to 11 October 2013, Mr Jones was approved by the Authority to perform the CF1 (Director (AR)) controlled function in relation to Firm C, through his position at ORB.
14. Mr Jones is not currently an approved or authorised person.
15. On 4 March 2016, Firm D submitted an application to the Authority, seeking approval for Mr Jones to perform the CF1 (Director (AR)) controlled function in relation to Firm D.
16. On 6 April 2016, as part of its assessment of the March 2016 Application, the Authority requested that Firm D provide additional information, including regulatory references from Mr Jones' previous employers. Between 6 April 2016 and 17 August 2016, there were a number of communications between Firm D and the Authority in relation to the March 2016 Application, which included the Authority chasing Firm D for the regulatory references.
17. On 9 September 2016, Mr Jones sent an email to Firm D, attached to which was a regulatory reference letter dated 8 September 2016 in relation to ORB, which was addressed "To Whom it May Concern" and which purported to have been sent by a named individual at Firm B in response to a request from Mr Jones. The letter stated that ORB had been a member of Firm B's network for just over three months in 2013 and that "all business that was transacted was done so correctly" and confirmed that "there were regulatory issues" in relation to ORB. Later on 9 September 2016, Firm D sent an email to the Authority, attaching the 8 September 2016 letter.
18. On 13 September 2016, the Authority sent an email to Firm D requesting details of the regulatory issues referred to in the 8 September 2016 letter. On the same day, Firm D forwarded the Authority's query to Mr Jones.
19. Also on 13 September 2016, Mr Jones sent an email to Firm D, attached to which was a revised version of the regulatory reference letter in relation to ORB. The new letter was dated 13 September 2016, and still purported to have been sent by Firm B. The contents of the letter dated 13 September 2016 were the same as the letter dated 8 September 2016, except that it clarified that "there were no regulatory issues" in relation to ORB. Later on the same day, Firm D sent an email to the Authority, attaching the 13 September 2016 letter, and stating in its email that Mr Jones had stated that Firm B had made a typographical error in the 8 September 2016 letter.
20. On 18 November 2016, during a telephone conversation between the Authority and Mr Jones, Mr Jones stated that the 8 September 2016 letter and the 13 September 2016 letter were provided to him by Firm B, and that he had documentation to that effect, which he agree to provide to the Authority.

21. On 22 November 2016, during a telephone conversation between the Authority and Mr Jones that was initiated by Mr Jones, Mr Jones admitted that he fabricated the 8 September 2016 letter and the 13 September 2016 letter.
22. On 6 December 2016, Firm D withdrew the March 2016 Application.
23. On 1 March 2017, Mr Jones was subject to a compelled interview by the Authority. During the interview, Mr Jones admitted that he had deliberately fabricated the 8 September 2016 letter and the 13 September 2016 letter which purported to have been issued by Firm B, that he provided the letters to Firm D and that he foresaw that Firm D would pass the letters to the Authority in support of the March 2016 Application. Mr Jones also admitted that he made false and misleading statements to the Authority during the telephone conversation with the Authority on 18 November 2016, with the intention of making the Authority believe that he had genuinely been sent the 8 September 2016 letter and the 13 September 2016 letter by Firm B.
24. The Authority considers that these facts and matters demonstrate that Mr Jones is dishonest and is not a fit and proper person, and that Mr Jones would pose a risk to consumers and to the integrity of the UK financial system if he was able to perform any function in relation to any regulated activity carried on by an authorised person, exempt person or exempt professional firm. Accordingly, the Authority considers that the Prohibition Order is appropriate in all the circumstances.

## **DECISION MAKER**

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

## **IMPORTANT**

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

## **Publicity**

27. The Authority must publish such information about the matter to 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 publication would, in the opinion of the Authority, be unfair to Mr Jones or prejudicial to the interest of consumers.
28. The Authority intends to publish this Final Notice and such information about the matter to which this Final Notice relates as it considers appropriate.

## **Authority contact**

29. For more information concerning this matter generally, please contact Dilip Vekariya at the Authority (direct line: 020 7066 5520).

**Anna Couzens**  
**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.
12. FIT 2.1.3G states that the matters referred to in FIT 2.1.1G include, but are not limited to, whether, in the past, the person has been candid and truthful in all his 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 (FIT 2.1.3G(13)).