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## FINAL NOTICE

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**To:** **Stephen Alan Fox**

**Address:** **HMP The Mount  
Molyneaux Avenue  
Bovingdon  
Hemel Hempstead  
HP3 0NZ**

**Individual  
Reference  
Number:** **SAF01086**

**Dated:** **19 September 2017**

### **ACTION**

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against Mr Fox.
2. The Authority gave Mr Fox the Decision Notice, which notified Mr Fox 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 Fox 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 Fox 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 19 September 2017.

## **SUMMARY OF REASONS**

5. 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 Fox 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 Fox:
- (a) was convicted, upon his own confession, on 5 September 2016 of one count of theft; and
  - (b) was sentenced on 27 September 2016 to four years' imprisonment.

## **DEFINITIONS**

6. 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 Fox dated 22 June 2017;
  - "EG" means the Authority's Enforcement Guide;
  - "FIT" means the Fit and Proper Test for Approved Persons and specified significant-harm functions sourcebook;
  - "the Handbook" means the Authority's Handbook of rules and guidance;
  - "the Prohibition Order" means the order prohibiting Mr Fox, pursuant to section 56 of the Act, from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm;
  - "SJS" means S J Stoddart Limited (In Liquidation);
  - "the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber); and
  - "the Warning Notice" means the Warning Notice given to Mr Fox dated 30 May 2017.

## **RELEVANT STATUTORY PROVISIONS**

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

## **FACTS AND MATTERS RELIED ON**

8. Mr Fox was previously approved by the Authority to perform the following controlled functions at SJS, including between 14 January 2005 and 4 April 2016, the CF1 (Director) controlled function.
9. In addition, between 14 January 2005 and 4 April 2016, Mr Fox was the individual responsible for insurance mediation at SJS.
10. On 5 September 2016, Mr Fox was convicted at Luton Crown Court of one count of theft. In particular, between 7 October 2014 and 6 August 2015, Mr Fox stole

£273,774.51 belonging to SJS. Mr Fox committed the offence whilst he was approved by the Authority to perform a controlled function in relation to SJS.

11. On 27 September 2016, Mr Fox was sentenced to four years' imprisonment for this offence.
12. In her sentencing remarks, HHJ Tayton QC stated that Mr Fox had been transferring money from SJS's bank account to his personal bank account instead of paying that money to insurance companies. In addition, HHJ Tayton QC commented that, in committing the offence, Mr Fox committed a breach of trust and there was a high degree of loss, which resulted in SJS being put into liquidation. HHJ also stated that the offence was aggravated by the fact that Mr Fox's actions resulted in SJS's clients being unknowingly left without insurance.

### **DECISION MAKER**

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

### **IMPORTANT**

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

### **Publicity**

15. 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 Fox or prejudicial to the interest of consumers.
16. 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**

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

**John Kirby**  
**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).