
FINAL NOTICE

To: Synergys Ethical Limited

Of: 11 Tower View
Whitwell
Hitchin
Hertfordshire
SG4 8AT

FRN: 313521

Dated: 8 January 2010

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS ("the FSA") gives Synergys Ethical Limited ("Synergys") final notice of the cancellation of Synergys' Part IV permission:

1. THE ACTION

- 1.1. The FSA gave a Decision Notice on 8 January 2010 which notified Synergys that the FSA had decided, pursuant to section 45 of the Financial Services and Markets Act 2000 ("FSMA"), to cancel the permission granted to Synergys pursuant to Part IV of FSMA ("Synergys' Part IV permission").
- 1.2. Synergys agreed that it would not be referring the matter to the Financial Services and Markets Tribunal.
- 1.3. Accordingly, for the reason set out below, the FSA hereby cancels Synergys Part IV Permission. The cancellation of Synergys' Part IV permission takes effect from 8 January 2010.

2. REASONS FOR THE ACTION

- 2.1. By a First Supervisory Notice dated 1 October 2008 (“First Supervisory Notice”), an extract of which is attached as Annex A of this Notice, Synergys’ Part IV permission was varied by removing all regulated activities with immediate effect.
- 2.2. Section 45(3) of FSMA requires that, if, as a result of a variation of a Part IV permission under that section, there are no longer any regulated activities for which the authorised person concerned has permission, the FSA must, once it is satisfied that it is no longer necessary to keep the permission in force, cancel it.
- 2.3. The FSA is so satisfied and accordingly has a duty to cancel Synergys’ Part IV permission.

3. DECISION MAKERS

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

4. PUBLICITY

- 4.1 Sections 391(4), 391(6) and 391(7) of FSMA 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.
- 4.2. The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

FSA contacts

- 4.3. For more information concerning this matter generally, please contact Paul Howick (direct line: 020 7066 7954) of the Enforcement and Financial Crime Division of the FSA.

Signed:

.....

Tom Spender
Head of Department
FSA Enforcement and Financial Crime Division

ANNEX A: EXTRACT FROM A FIRST SUPERVISORY NOTICE ISSUED TO SYNERGYS ETHICAL LIMITED ON 1 OCTOBER 2008

“Summary

- 2.1 The FSA has concluded, on the basis of the facts and matters described below, that Synergys is failing to satisfy the threshold conditions set out in Part 1 of Schedule 6 to FSMA (the "threshold conditions") in that, in the opinion of the FSA, its resources are not adequate in relation to the regulated activities it has permission to carry on and it has failed to pay due regard to the interests of a customer and treat it fairly.
- 2.2 The FSA also considers, on the basis of those facts and matters, that it is necessary, in order to protect the interests of consumers, for the action specified above to take immediate effect.

...

Facts and matters relied on

- 2.27 Synergys became authorised by the FSA on 14 January 2005 to carry on insurance mediation business.
- 2.28 Synergys has failed to satisfy the FSA that it has maintained compliant PII since its previous policy expired on 17 November 2007.
- 2.29 In addition, in August 2005 Synergys received £3,642 from a customer for the purpose of renewing a Locum Insurance policy. However, Synergys failed to:
- ensure that insurance was put in place, despite receiving a premium for that purpose;
 - provide a full and valid explanation of why no policy was put in place, despite providing confirmation to the customer that such insurance was in place and

that payment would be made on a claim which the client had entered against the policy;

- respond promptly and substantively to the client's repeated requests for information as to the progress of its claim, and
- repay promptly the premium to the client following an offer to do so.

Conclusion

2.30 The facts and matters described above lead the FSA, having regard to its regulatory objectives, which include the protection of consumers, to the following conclusions:

- by failing to satisfy the FSA that it has maintained compliant PII, Synergys is failing to make adequate provision in respect of its liabilities, including contingent and future liabilities, in breach of FSA Principle 4. That failing is material in relation to the regulated activities for which it has permission and it therefore fails to satisfy Threshold Condition 4: Adequate resources;
- by its actions, Synergys has unreasonably caused financial loss to a customer, which is a material breach of FSA Principle 6 in that Synergys has failed to have due regard to the interests of its customer and to treat it fairly;
- by virtue of its breach of Principle 6, Synergys has failed to satisfy the FSA that it is conducting its business soundly and prudently and in compliance with proper standards or that it will do so in future. Synergys has also demonstrated that it is not ready, willing and organised to comply with the requirements and standards under the regulatory system. Synergys is therefore failing to satisfy Threshold Condition 5: Suitability, and
- the risk of loss or other adverse effect on consumers by Synergys' failings, which are material breaches of requirements imposed upon it by the FSA's rules, causes the FSA to have very serious concerns about Synergys such that the exercise of the FSA's own-initiative power to vary Synergys' Part IV

permission with immediate effect is an appropriate response to those concerns.”

END OF EXTRACT