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## FINAL NOTICE

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**Celtic Business Services Ltd  
The Baker Suite  
Grover House  
Grover Walk  
Corringham  
Essex  
SS17 7LS**

**Mr Trevor Alan Oakley  
20 Cameron Close  
Stanford Le Hope  
Essex  
SS17 8EY**

9 January 2019

**RE: Final Notice – Celtic Business Services Ltd**

We would like to clarify that this Final Notice relates to an application from Celtic Business Services. The notice outlines concerns relating to a Mr Trevor Alan Oakley and states;

'the FSA considers that Mr Oakley is not a fit and proper person to conduct the regulated activities in the respect of which his approval is sought by the firm.'

This notice relates only to the individuals and firm named and thus does not relate to any other individual sharing the same or a similar name.

We would encourage readers of this notice to carefully consider the specific details when conducting their own due diligence in relation to the individuals named. In particular similarities in geographical location and age may also need to be considered.

If further clarification is required regarding the subject of this notice we would encourage the reader to contact the FCA directly.

**12 October 2012**

**ACTION**

1. By an application dated 23 August 2011 (“the Application”) Celtic Business Services Ltd (“CBS”) applied under section 60 of the Financial Services and Markets Act 2000 for approval of Trevor Alan Oakley (“Mr Oakley”) to perform the controlled function(s) of:
  - i. CF1 director function;
  - ii. CF10 compliance oversight function;
  - iii. CF11 money laundering reporting function;
  - iv. CF28 systems and controls function;
  - v. CF29 significant management function;
  - vi. CF30 customer function; and
  - vii. RIM – the person responsible for insurance mediation.

The Application is incomplete.

2. For the reasons listed below, the FSA has refused the Application.

**SUMMARY OF REASONS**

3. By its Warning Notice dated 7 August 2012 (“the Warning Notice”) the FSA gave notice that it proposed to refuse the Application and that CBS and Mr Oakley were entitled to make representations to the FSA about that proposed action.
4. As no representations have been received by the FSA from CBS or Mr Oakley within the time allowed by the Warning Notice, the default procedures in paragraph 2.3.2 of the FSA’s Decision Procedure and Penalties Manual apply, permitting the FSA to treat the matters referred to in its Warning Notice as undisputed and, accordingly, to give a Decision Notice.
5. By its Decision Notice dated 18 September 2012 (“the Decision Notice”), the FSA gave CBS and Mr Oakley notice that it had decided to take the action described above.
6. Under section 133(1) of the Act, CBS and Mr Oakley had 28 days from the date the Decision Notice was given to refer the matter to the Upper Tribunal (formerly known as the Financial

Services and Markets Tribunal). No referral was made to the Upper Tribunal within this period of time or to date.

7. Under section 390(1) of the Act, the FSA, having decided to refuse the Application and there having been no reference of that decision to the Tribunal, must give CBS and Mr Oakley Final Notice of its refusal.
8. CBS has failed to provide the information required by the FSA, and in the absence of the information sought, the FSA is not satisfied that Mr Oakley is a fit and proper person to perform the controlled functions to which the Application relates. In particular, the FSA is not satisfied that Mr Oakley has the integrity or honesty necessary for him to be a fit and proper person, because:
  - i. Mr Oakley has failed to disclose to the FSA his criminal convictions, including a conviction for an offence of dishonesty;
  - ii. Mr Oakley has failed to disclose to the FSA the fact that he was investigated and prosecuted for mortgage fraud;
  - iii. Mr Oakley has failed to provide the FSA with information about the winding-up of an FSA-authorized firm of which he was principal;
  - iv. Mr Oakley has generally been neither candid nor truthful in his dealings with the FSA and has displayed a lack of understanding or regard for the process of authorisation; and
  - v. the underlying matters which Mr Oakley failed to disclose to the FSA give rise to serious concerns about his ability to conduct the affairs of the firm with honesty and integrity.

## **DEFINITIONS**

9. The definitions below are used in this Final Notice.

“the Act” means the Financial Services and Markets Act 2000

“the FSA” means the Financial Services Authority

## **FACTS AND MATTERS**

### **Failure to disclose criminal convictions**

10. Form A is the part of the Application in which the applicant firm is required to disclose matters relevant to the fitness and propriety of the candidate for whom approval is sought. In this case, Mr Oakley is one of only two directors and two proposed mortgage advisers for CBS and is the

FSA's point of contact for the Application. The FSA understands him to have personally completed the Form A in respect of his own candidacy, hereinafter referred to as "Mr Oakley's Form A".

11. In completing his Form A, Mr Oakley answered "No" to section 5.01, which asks:

***Has the candidate ever been convicted of any offence (whether spent or not and whether or not in the United Kingdom)***

***i. Involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, preventing the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty; or***

***ii. Relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing?***

12. Mr Oakley also answered "No" to section 5.02, which asks:

***Has the candidate any convictions for any offences (whether spent or not and whether or not in the United Kingdom) other than those in 5.01 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?***

13. The FSA has information that, on 26 June 1970 at Southend Magistrates Court, Mr Oakley was convicted of:

- i. theft from a motor vehicle;
- ii. taking a conveyance without authority; and
- iii. driving without insurance.

14. The FSA also has information that, on 9 May 1977 at Southend Crown Court, Mr Oakley was convicted of:

- i. causing death by reckless driving; and
- ii. being in charge of a motor vehicle while unfit through drink or drugs.

15. The FSA also has information that, on 2 June 1993 at Rochford Magistrates Court, Mr Oakley was convicted of an offence of failing to surrender to bail.

16. None of the above convictions resulted in a significant penalty; in each case Mr Oakley was fined.
17. On 6 December 2011, the FSA asked Mr Oakley to revisit section 5 of his Form A, stating that “*the FSA takes non-disclosure very seriously*”. On 9 December, Mr Oakley responded to the FSA, saying that “*I also takes non disclosure very seriously [sic]*”. However, he did not at this point disclose his criminal convictions.
18. On 17 January 2012, the FSA again wrote to Mr Oakley, this time specifically referring to his criminal convictions dating from 1970 and 1977. On 19 January, Mr Oakley emailed a response to the FSA, in which he did not dispute that he had the convictions in question, but in which he appeared to minimise or dispute his guilt of the offences of which he was convicted. The response provided no explanation or apology for the failure to disclose the convictions in his application for approval.
19. On 20 January 2012, the FSA wrote to Mr Oakley asking him why he had not disclosed the convictions. Mr Oakley replied, on 24 January, that he had that day spoken to a solicitor who had informed him that these matters were “*spent and not applicable*”.
20. In a further email sent on 31 January, the FSA referred Mr Oakley to the wording of sections 5.01 and 5.02, which require disclosure of convictions “*whether spent or not*” and again asked him why he had not disclosed the convictions. In an emailed response on 3 February, Mr Oakley stated that he had been “*unaware*” that he had failed to disclose details of his convictions as they were “*part of my pass life which had been forgotten*” [sic].

#### **Failure to disclose an investigation into an allegation of misconduct or malpractice**

21. Mr Oakley answered “No” to question 5.09 of Form A, which asks:

*Is the candidate, or has the candidate ever been, the subject of an investigation into allegations of misconduct or malpractice in connection with any business activity?*

22. Section 6 of Form A includes the following requirement:

*If there is any other information that the candidate or the firm considers to be relevant to the application, it must be included here.*

23. Mr Oakley did not at this point provide any details of any investigation into his conduct.
24. However, information obtained by the FSA suggests that Mr Oakley was subject to a criminal investigation that is likely to have related to a business activity and which in any event the FSA considers is relevant to the Application. In 1998 Mr Oakley was arrested and charged by Essex police with mortgage fraud against Nationwide Building Society (“the mortgage fraud proceedings”). The matter proceeded to the Crown Court and either the indictment was stayed by the court or Mr Oakley was acquitted (in any event he was not convicted).

25. When prompted to revisit section 5 of his Form A by the FSA in December 2011 (in correspondence referred to above), Mr Oakley did not provide any details of the mortgage fraud proceedings.
26. On 17 January 2012 the FSA wrote to Mr Oakley asking him specifically about the proceedings. In his response dated 19 January, Mr Oakley said:

*“I was acquitted of all fraud charges by a high court judge and my QC Robin Gray & Kenneth Alloatt both said it never happen forget it*

*this was after 13 years of harassments and threats by the police because I would not give them information on a clients I informed them return with written authority from the clients or a court warrant for the file we can not proceed further.*

...

*The very nice policeman informed me he would return and cause me many problems [sic]”*

27. On 20 January, the FSA sought further information about the proceedings, including the name of the court at which the matter had been heard, whether Mr Oakley had been arrested and interviewed by police in connection with the offence and whether he had been employed as an IFA at the time of the allegation. Mr Oakley responded by email on 24 January, stating that the information sought was “*not applicable*” because the matter had been stayed as an abuse of process.
28. On 31 January, the FSA once again asked for further information about his criminal convictions and about the mortgage fraud proceedings. Mr Oakley responded to questions about his criminal convictions but again failed to provide any more detail in relation to the mortgage fraud proceedings. He added this:

*“the ex-police officer with in your office [FSA] who are requesting this information are aware of the answers to all the questions you keep asking. [sic]”*

29. The FSA asked Mr Oakley on a number of occasions whether he had been arrested or interviewed by the police in connection with any other criminal offences. In his email of 31 January already referred to, Mr Oakley addressed these requests in the following manner:

*“You ask me have I previously been the subject of a criminal investigation/proceedings for fraud in your, with respect every day in the life of an IFA there always some one saying Fraud this relates to every question on an application form, if you ask the persons to whom you report to they will inform you of the same I do not consider that being interviewed by police over clients as any thing more, than the normal day in the life of an IFA estate agents accountants solicitors etc. [sic]”*

### **Failure to provide information about or subsequently disclose the winding-up of a firm of which Mr Oakley was principal**

30. Mr Oakley was previously principal of a firm called PBF Financial Ltd (“PBF”) and was approved by the FSA to carry out the following controlled functions for that firm:

- i. CF1 (Director), held from 31/10/2004 to 30/11/2011;
- ii. CF8 (Appointment and Oversight), held from 31/10/2004 to the 31/03/2009; and
- iii. RIM (person responsible for insurance mediation) held from 14/01/2005 to 30/11/2011.

31. These controlled functions are similar to those in respect of which he now applies for approval.

32. In his Form A Mr Oakley answered “Yes” to question 5.11 which asks:

***Has any company, partnership or unincorporated association of which the candidate is or has been a controller, director, senior manager, partner or company secretary been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with creditors?***

33. Mr Oakley added the following further information at the end of the form:

*“PBF Financial ceased trading 22/2/10*

*As directed by the shareholders and company accountants due to market conditions and cost of the dispute with the revenue the company ceased trading”*

34. PBF had been authorised by the FSA, which meant that the FSA had dealt with the firm during 2010 and 2011, particularly in relation to its financial position, and had corresponded with it. The FSA’s records contain information about PBF that the FSA considers is relevant to the current application for Mr Oakley’s approval.

35. The FSA’s records show that, on 15 November 2010, the FSA was made aware that a winding-up order had been presented to the High Court in relation to PBF. The FSA then contacted PBF on a number of occasions, requesting information about the order and PBF’s financial circumstances, but received no substantive information in response.

36. On 16 December 2010 the FSA made a written request for information to Mr Oakley as principal of PBF, reminding him that the firm must maintain adequate capital resources to meet the Threshold Conditions. The FSA did not receive a reply.

37. On 5 February 2011 the FSA sent a further letter, stating that a failure to provide the FSA with the full circumstances of the winding-up petition and sufficient information about the firm’s financial position would be a breach of Principle 11, which requires firms to deal with the FSA in an open and co-operative way. The letter required a response by 11 February.

38. On 11 February Mr Oakley replied to the FSA on behalf of PBF by letter, stating that he had had problems with his emails but that as far as he was aware *“all request’s made by FSA have been replied to”*. The letter included no substantive response to the FSA’s questions or concerns but stated that Mr Oakley would write further. The FSA has no record of receiving any further correspondence from Mr Oakley in relation to PBF.
39. On 25 February 2011 PBF was wound-up on a petition from Her Majesty’s Revenue and Customs (“HMRC”). On 6 June 2011 PBF entered compulsory liquidation as a result of an unpaid debt to HMRC. Mr Oakley failed to inform the FSA of either of these events at the time that they occurred or subsequently in his current Form A.
40. On 22 September 2011, in correspondence relating to the current application for Mr Oakley’s approval, the FSA asked Mr Oakley to expand on his statement in his Form A regarding PBF. Mr Oakley replied on 23 September, repeating that the firm had ceased trading.
41. On 6 December 2011, as described above, the FSA asked Mr Oakley to revisit his Form A, including section 5. On 9 December, Mr Oakley replied, stating that *“PBF Financial is on all my forms as been in receivership since 23/02/2011 the FSA is aware of this it is on a reply to the questions [sic]”*. This email was the first time that Mr Oakley had disclosed to the FSA that PBF was ‘in receivership’ as opposed to merely having ‘ceased trading’ at the direction of its shareholders and accountants.

## **IMPACT ON FITNESS AND PROPRIETY**

42. The regulatory provisions relevant to this Final Notice are referred to in Annex A.
43. In respect of Mr Oakley’s failure to disclose his criminal convictions, the FSA considers that the requirement imposed on Mr Oakley by sections 5.01 and 5.02 of the Form A was clear. Mr Oakley failed to disclose six separate criminal convictions in response to this requirement, including a conviction for theft, an offence of dishonesty. The convictions did not result in significant penalties (in each case Mr Oakley was fined) but several of them were for serious offences. All of the convictions were old and spent, but one of them, the conviction for failing to surrender to bail in 1993, was much more recent than the others. In light of all of these factors, the FSA considers that Mr Oakley’s ultimate explanation that he forgot to disclose the convictions lacks credibility and considers it more likely that he either deliberately ignored the requirement to disclose spent convictions or failed to notice it.
44. Further, the FSA considers the answers provided by Mr Oakley when asked questions by the FSA about the convictions to have been incoherent and evasive, indicating a persistent reluctance to be open about the convictions, even when asked direct questions by the regulator. The FSA considers that in respect of his criminal convictions Mr Oakley has been neither candid nor truthful in his dealings with the FSA and has failed to demonstrate a readiness and willingness to comply with the requirements and standards of the regulatory system.



45. Further, the more recent conviction for failing to surrender to bail, an offence that necessarily involves disregard for the order of a criminal court, in and of itself gives rise to concerns about Mr Oakley's fitness and propriety. The FSA also notes that Mr Oakley has failed to disclose the circumstances leading to this conviction. If he failed to surrender to bail in 1993, he must have been on bail in criminal proceedings then. The proceedings in question cannot have related to any of his other criminal convictions or to the allegation of mortgage fraud, because the dates of those matters are, respectively, 1970 and 1977, and 1998. Therefore, the fact of Mr Oakley's conviction for failure to surrender to bail implies that he has been investigated for and charged with a further criminal offence about which he has chosen to tell the FSA nothing.
46. In respect of Mr Oakley's failure to disclose the proceedings against him for mortgage fraud, the FSA considers that the fact that he had been investigated, arrested, charged and prosecuted in relation to an allegation of mortgage fraud should have been disclosed in his application for approval, irrespective of the final outcome of the case. The FSA considers that this would be so whether or not the matter could be said to be "*in connection with any business activity*", as the matter is clearly relevant to an application for approval as a mortgage adviser and should have been disclosed in any event under section 6 of the form.
47. The FSA considers Mr Oakley's failure to disclose the mortgage fraud proceedings in his Form A to be a further serious instance of his general lack of candour in dealing with the FSA. In addition, the FSA considers that Mr Oakley's explanation for his failure to disclose this allegation, which appears to be that his barrister had told him to forget all about it, demonstrates either a lack of willingness to co-operate with the FSA, or a lack of understanding of what is required of him as an approved person.
48. Further, Mr Oakley's failure to disclose the detailed circumstances of the mortgage fraud proceedings despite repeatedly being asked to do so means that the FSA is unable to satisfy itself that those circumstances would not have a material effect on its assessment of Mr Oakley's fitness and propriety.
49. In relation to Mr Oakley's response to the FSA's question as to whether he had ever been investigated for any other criminal offences, the fact that Mr Oakley appears to consider it to be routine for an IFA to be accused of fraud and/or interviewed by the police, and the fact that he considers that response to be an appropriate one to a question asked by the FSA raises further serious doubts as to his honesty and integrity. His failure to disclose at this stage the proceedings that must have given rise to his 1993 conviction for failure to surrender to bail is a further demonstration of his lack of candour.
50. In respect of Mr Oakley's treatment of the demise of PBF, the FSA considers that at the time at which Mr Oakley completed the Form A in respect of his current application, he would have been aware that PBF had been wound up rather than merely having "*ceased trading*", and that the distinction between these two outcomes is material. The FSA considers that the lack of information provided by Mr Oakley about PBF in his Form A and/or the potentially misleading nature of the information that he did provide, represent further instances of his general failure to be candid in his dealings with the FSA.

51. Further, the history of PBF, and the lack of information provided by Mr Oakley to the FSA when he was principal of that firm in relation to its winding-up, suggests that the lack of candour and openness displayed in respect of his current application is part of a pattern of behaviour by Mr Oakley towards the FSA.
52. The FSA considers that all of the above matters give rise to serious concerns about Mr Oakley's honesty and integrity and therefore about his fitness and propriety to perform the controlled functions in respect of which approval is sought. Therefore, in accordance with section 61(1) of the Act, the FSA had decided to refuse the application for approval in respect of Mr Oakley.

## **IMPORTANT NOTICES**

53. This Final Notice is given under section 390 (1) of the Act.

### **Publication**

54. 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 the 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 Celtic Business Services Ltd and Trevor Oakley or prejudicial to the interests of consumers.

### **FSA contacts**

55. For more information concerning this matter generally, contact James Borley, Manager, Permissions Department at the FSA (direct line:020 7066 5340 /email: james.borley@fsa.gov.uk.

**Graeme McLean**  
**Chair of the Regulatory Transactions Committee**

## **ANNEX A – REGULATORY PROVISIONS RELEVANT TO THIS FINAL NOTICE**

### **Relevant Statutory Provisions**

1. The FSA may grant an application for approval under section 60 of the Act only if it is satisfied that the person in respect of whom the application is made is a fit and proper person to perform the controlled function to which the application relates (section 61(1) of the Act).
2. Section 61(5) of the Act allows a person who makes an application under section 60 of the Act to withdraw the application, but only with the consent of the candidate.
3. Section 62(3) of the Act requires the FSA, if it decides to refuse the application, to issue a Decision Notice to each of the interested parties.
4. Section 62(5) of the Act defined ‘interested parties’ as including the applicant, and the person in respect of whom the application is made.

### **Relevant provisions of the FSA’s Handbook**

5. The Fit and Proper test for Approved Persons (“FIT”) sets out the criteria that the FSA will consider when assessing the fitness and propriety of a person to perform a particular controlled function.
6. The most important considerations to which the FSA will have regard include the person’s honesty, integrity and reputation, their competence and capability and their financial soundness (FIT 1.3.1G).
7. If a matter comes to the FSA’s attention which suggests that the person might not be fit and proper, the FSA will take into account how relevant and important that matter is (FIT 1.3.4G).
8. In determining a person’s honesty, integrity and reputation, the matters to which the FSA will have regard include:
  - (1) whether the person has been convicted of any criminal offence; particular consideration will be given to offences of dishonesty, fraud, financial crime or other offences under legislation relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, banking and or other financial services, insolvency, consumer credit companies, insurance, and consumer protection, money laundering, market manipulation or insider dealing (FIT 2.1.3G (1));
  - (2) whether the person has been the subject of any adverse finding or any settlement in civil proceedings, particularly in connection with investment or other financial business, misconduct, fraud or the formation or management of a body corporate (FIT 2.1.3G (2));

- (3) whether the person has been the subject of, or interviewed in the course of, any existing or previous investigation or disciplinary proceedings, by the FSA, by other regulatory authorities (including a previous regulator), clearing houses and exchanges, professional bodies, or government bodies or agencies (FIT 2.1.3G (3));
- (4) whether the person is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any potential proceedings or of any investigation which might lead to those proceedings (FIT 2.1.3G (4));
- (5) whether the person has contravened any of the requirements and standards of the regulatory system or the equivalent standards or requirements of other regulatory authorities (including a previous regulator), clearing houses and exchanges, professional bodies, or government bodies or agencies (FIT 2.1.3G (5));
- (6) whether the person has been the subject of any justified complaint relating to regulated activities (FIT 2.1.3G (6));
- (7) whether the person has been involved with a company, partnership or other organisation that has been refused registration, authorisation, membership or a licence to carry out a trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated, or has been expelled by a regulatory or government body (FIT 2.1.3G (7));
- (8) whether, as a result of the removal of the relevant licence, registration or other authority, the person has been refused the right to carry on a trade, business or profession requiring a licence, registration or other authority (FIT 2.1.3G (8));
- (9) whether the person has been a director, partner, or concerned in the management, of a business that has gone into insolvency, liquidation or administration while the person has been connected with that organisation or within one year of that connection (FIT 2.1.3G (9));
- (10) whether the person, or any business with which the person has been involved, has been investigated, disciplined, censured or suspended or criticised by a regulatory or professional body, a court or Tribunal, whether publicly or privately (FIT 2.1.3G (10));
- (11) whether the person has been dismissed, or asked to resign and resigned, from employment or from a position of trust, fiduciary appointment or similar;
- (12) whether the person has ever been disqualified from acting as a director or disqualified from acting in any managerial capacity (FIT 2.1.3G (12));
- (13) 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.

9. In determining a person's competence and capability, the matters to which the FSA will have regard 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));
  - (2) whether the person has adequate time to perform the controlled function and meet the responsibilities associated with that function (FIT 2.2.1G (3)).
  
10. In determining a person's financial soundness, the matters to which the FSA will have regard include:
  - (1) whether, in the United Kingdom or elsewhere, the person has made any arrangements with his creditors, filed for bankruptcy, had a bankruptcy petition served on him, been adjudged bankrupt, been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order), offered a bankruptcy restrictions undertaking, had assets sequestrated, or been involved in proceedings relating to any of these (FIT 2.3.1G (2)).