
FINAL NOTICE

United Claims Management Limited

14 May 2021

1. ACTION

- 1.1 By its Application dated 24 May 2019, UCM applied under section 55A of the Act for Part 4A permission to carry on the following regulated activities under the RAO: seeking out, referrals and identification of claims or potential claims; advice, investigation or representation in relation to a financial services or financial product claim; and agreeing to carry on a regulated activity.
- 1.2 The Application is incomplete.
- 1.3 The Authority has refused the Application for the reasons summarised below.

2. SUMMARY OF REASONS

- 2.1 In particular, and as explained in greater detail below, the Authority considers that:
 - a) Several factors indicate that UCM's sole director (Susan Ann Popplewell) is not competent to manage the Firm in compliance with all regulatory requirements.
 - b) An unsuitable individual (Keith Popplewell) exercises a significant influence over and/or has a significant role at the Firm. Mr Popplewell is Ms Popplewell's husband and was previously the managing director of TPO (The Pensions Office Limited – a previously authorised financial advice firm which went into liquidation in 2015).

- c) UCM has repeatedly supplied incorrect and contradictory information to the Authority and the previous claims management regulator (the CMR) concerning UCM's business and concerning Mr and Ms Popplewell.
 - d) UCM disregarded warnings from the CMR concerning UCM's retention and use of data relating to TPO's clients, and ignored instructions from the CMR to delete it.
 - e) Overall, the Authority cannot be satisfied that UCM is a fit and proper person or that it has appropriate human resources in place.
- 2.2 For the reasons set out in this Notice, the Authority cannot ensure that UCM will satisfy, and continue to satisfy, the threshold conditions set out in Schedule 6 of the Act.
- 2.3 By its Warning Notice dated 04 November 2020, ("the Warning Notice") the Authority gave notice that it proposed to refuse the Application and that the Firm was entitled to make representations to the Authority about that proposed action.
- 2.4 After considering written representations received from the Firm on the Warning Notice, by its Decision Notice dated 9 April 2021 ("the Decision Notice") the Authority gave the Firm notice that it had decided to take the action described above.
- 2.5 The Firm 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.
- 2.6 Under section 390(1) of the Act, the Authority, having decided to refuse the Application and there having been no reference of that decision to the Tribunal, must give the Firm a Final Notice of its refusal.

3. DEFINITIONS

3.1 The definitions below are used in this Decision Notice:

"the Act" means the Financial Services and Markets Act 2000;

"the Application" means the application referred to in paragraph 1 above;

"the Authority" means the Financial Conduct Authority;

"CMR" means Claims Management Regulator, the organisation responsible for the regulation of claims management companies before 1 April 2019;

"COND" means the part of the Authority's Handbook entitled 'Threshold Conditions';

"the Decision Notice" means the decision notice dated 9 April 2021 given to the Firm by the Authority

"the Firm" or "UCM" means United Claims Management Limited;

"FSCS" means the Financial Services Compensation Scheme;

"RAO" means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

"the RDC" means the Regulatory Decisions Committee of the Authority (see further under Procedural Matters below);

"SIPPs" means Self-Invested Personal Pensions;

"Threshold Conditions" means the threshold conditions set out in Schedule 6 to the Act;

"TPO" means The Pensions Office Limited, a dissolved company with company number 03260445; and

"the Tribunal" means the Upper Tribunal (Tax & Chancery Chamber).

"the Warning Notice" means the warning notice dated 04 November 2020 given to the Firm by the Authority.

4. FACTS AND MATTERS

Background

- 4.1 The Firm is a claims management company of which Ms Sue Popplewell is the sole director and shareholder. Between December 2013 and 31 March 2019, the Firm held authorisation from the CMR to carry on claims management activities.
- 4.2 On 1 April 2019, the Firm became regulated by the Authority with temporary permissions. It applied for full permission on 24 May 2019, during the application period directed by the Authority.
- 4.3 The Firm focuses on compensation claims concerning mis-sold SIPPs, pension buyout bonds, and unsuitable pension transfer advice. The Firm's claims fall under the Authority's claims management regime, and the Firm must be authorised by the Authority to carry out the activities set out in its business plan.
- 4.4 The Firm charges a success fee of 15% of the gross compensation that is secured for a customer.

UCM's connection with TPO and Mr Popplewell

- 4.5 TPO was a financial advice firm authorised under the Act in which Ms Popplewell (UCM's sole shareholder and director) and Mr Keith Popplewell (her husband) each held a 50% shareholding at the relevant times. Mr Popplewell was TPO's sole director at the relevant times.
- 4.6 In a letter to TPO dated 13 June 2013, the Authority outlined its concerns regarding TPO's failure to meet its regulatory responsibilities. TPO agreed to seek a voluntary variation of its permissions. TPO went into liquidation in 2015. The Authority's concerns identified in the 2013 letter related to (inter alia) TPO's systems and controls, including a lack of sufficient oversight and training for non-regulated staff, a templated approach to portfolio recommendations, and a failure adequately to assess clients' attitudes to risk.
- 4.7 UCM was incorporated on 31 July 2013 – shortly after the Authority sent its 13 June 2013

letter to TPO - with Ms Popplewell as its sole director and shareholder. UCM was regulated by the CMR from 29 December 2013 onwards.

- 4.8 According to UCM's business plan, TPO went into liquidation in March 2015 "as a result of receiving an influx of claims for the provision of unsuitable pension transfer advice".
- 4.9 Following TPO's failure, Mr Popplewell signed an undertaking on 4 January 2017 under the Company Directors Disqualification Act 1986, resulting in his disqualification from (inter alia) holding a company directorship for a period of 9 years. The disqualification undertaking records (inter alia) that: "Solely for the purposes of the CDDA and for any other purposes consequential to the giving of a disqualification undertaking, I [Mr Popplewell] do not dispute the following matters: I was a director of The Pensions Office Limited, which went into Creditors Voluntary Liquidation on 9 March 2015"; "Since at least 16 July 2012 I misused my position as an 'Approved Person' with the regulatory authority by failing to ensure that The Pensions Office ('TPO') properly advise[d] its clients on the transfer of low-risk personal and occupation (sic) pension products into Self-Invested Personal Pensions ('SIPPs') and failing to advise clients on the high risk unregulated underlying investment, much of which was into 'Storepod' investments"; and "TPO also failed to take into account financial circumstances, needs and objectives and attitude to risk when advising clients and failed to ensure that adequate systems, controls, risk analysis and management information were put in place ...".
- 4.10 UCM submitted 166 compensation claims to FSCS on behalf of clients who believed that they had previously suffered loss as a result of TPO's conduct.
- 4.11 According to the FSCS, these claims submitted by UCM to FSCS had, as at 25 April 2019, resulted in compensation payments by FSCS to 137 UCM clients of between £1,178.16 and £50,000, and totalling £5,609,144.84.
- 4.12 Claim documents submitted by UCM to the FSCS contain serious criticisms of the advice and services provided by TPO to its clients for which Mr Popplewell was responsible and indicate that he and TPO breached applicable regulatory requirements. For example, one claim document states that "...we [UCM] strongly suggest [Mr L] was negligently assisted to transfer away from [his] Pension Scheme to an investment that represented a much higher level of risk than was suitable for his attitude to risk. [Mr L's] attitude to risk is noted as being 'medium' but I note from our own questionnaire that his knowledge and understanding of investments and investment strategy is 'very low'. The transfer was facilitated knowing the client was to invest in an unregulated illiquid investment and the high risk nature of these investments was not properly explained to our client."
- 4.13 UCM submitted a business plan to the Authority which stated that "Keith [Mr Popplewell] is responsible for reviewing suitability reports and assessing the merits of a claim and drafting letters of claim. ... Sue [Ms Popplewell] worked as an Administrator at a regulated pension advisory firm prior to setting up UCM Keith spearheads work on complex cases and Sue oversees the less complex claims". However, according to a letter from UCM's solicitors of 12 March 2020, Ms Popplewell was not employed by TPO, and Mr Popplewell is responsible at UCM only for staff training and provision of technical assistance.
- 4.14 The Authority is concerned that Mr Popplewell may have a significant role at and influence over UCM. He has significantly greater business and financial services experience than Ms Popplewell. UCM's solicitors say that the description of Mr Popplewell's significant responsibilities at UCM in UCM's business plan was incorrect and that his role is limited to "technical assistance" and "training". But during an interview with the Authority Ms

Popplewell stated that Mr Popplewell also does customer-facing work: "he will phone clients and speak to them, because they know him obviously and they'll speak to him". In addition, Ms Popplewell indicated that UCM relies heavily on Mr Popplewell in relation to technical matters: he is "in control of the complicated bits". The contradictory information supplied by UCM to the Authority and the CMR concerning Mr Popplewell's role at UCM is further commented upon below.

UCM's use of TPO customer data

- 4.15 UCM acquired a portion of TPO's client database from TPO's liquidator.
- 4.16 The CMR sent a letter of warning to the Firm on 20 March 2017 in relation to UCM's use of these client data for marketing purposes. The CMR instructed UCM to cease using the TPO data because it considered that UCM had not exercised due diligence (as required by the CMR's Conduct of Authorised Persons Rules 2014) to check that the consumer data had been obtained and used in compliance with the Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003.
- 4.17 A letter from UCM's solicitors to the CMR of 12 April 2017 accepted that UCM had failed to conduct due diligence but argued that there were various extenuating circumstances and gave the CMR assurances of future compliance.
- 4.18 The TPO data appear to have been used by UCM for a purpose (marketing claims management services) other than that for which clients supplied the data to TPO (pension transfer and advice) and appear to have been retained for a number of years after TPO clients supplied their data to TPO. UCM's conduct in holding and using the TPO data appears to have contravened (inter alia) principles 1, 2 and 5 under the Data Protection Act 1998.
- 4.19 On 13 July 2017, the CMR sent an email to Ms Popplewell in the following terms:

"Dear Mrs Popplewell,

We have contacted the Information Commissioner's Office to seek their advice on the fair processing notices which you intend to send to the former clients of The Pensions Office Ltd.

The Information Commissioner's Office have responded and advised us that they do not believe it would be fair for you to send these notices to the former clients of The Pensions Office Ltd, as you do not provide the same services as The Pensions Office Ltd once did.

Therefore you must not send fair processing notices to any of the former clients of The Pensions Office Ltd. Additionally, to ensure your compliance with General Rule 5 of the Conduct of Authorised Persons Rules 2014, General Rule 15 of the Conduct of Authorised Persons Rules 2014 and Principle 5 of the Data Protection Act 1998 you must not retain the data of the former clients of The Pensions Office Ltd.

...

Principle 5 of the Data Protection Act 1998 states: 'Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that

purpose or those purposes’.”

- 4.20 The Authority’s staff visited UCM’s offices in April 2019. Ms Popplewell informed the Authority at this point that the Firm had started using the TPO data again for marketing. The Authority requested and obtained an undertaking from the Firm to cease using and delete the data.
- 4.21 Ms Popplewell appears to have disregarded the CMR’s clear warning in July 2017 that UCM must not use or retain the TPO client data. Instead of deleting the data in July 2017 as instructed by the CMR, UCM retained the data for later use.
- 4.22 A letter from UCM’s solicitors to the Authority dated 12 March 2020 states that: UCM still held and again used the TPO client data for marketing in March 2019; “our clients did not feel comfortable using this [TPO client] data but did so based upon the advice of [a compliance consultant] (on the basis of a ‘legitimate interest’)”; and “Ms Popplewell openly admitted this use of the data to the Authority (at a visit in 2019, because she felt uncomfortable regarding its use ...)”.
- 4.23 The Authority is concerned that UCM’s conduct in relation to the TPO data reflects a pattern of poor judgement and ignorance of, or disregard for, legal and regulatory requirements on the part of Ms Popplewell. In particular, with TPO having breached the due diligence requirement under the CMR’s 2014 rules and having received a formal letter of warning from the CMR, and an email instructing UCM to delete the data, Ms Popplewell should have taken strong steps to ensure that UCM made no further unlawful use of the TPO data. Instead, UCM continued to hold the TPO data despite the CMR’s July 2017 warning that it must not be retained, and then used the data again for marketing on the basis of advice about which Ms Popplewell “felt uncomfortable”. As she was “uncomfortable” and apparently concerned that the compliance consultant’s advice may be incorrect, Ms Popplewell should not have relied on it and should at the very least have sought advice from an acknowledged expert on data protection and privacy law, or referred the matter to the firm’s regulator.

Management competence

- 4.24 As part of the assessment of the Application, Ms Popplewell was invited to the Authority’s offices for an interview. During this interview, her answers to the interviewers’ questions gave rise to a number of further concerns regarding her knowledge, experience and skills as a director of a regulated firm.
- 4.25 When asked about the regulatory responsibilities of a director, Ms Popplewell was not able to provide specifics and could not identify any rules, in the Authority’s Handbook or otherwise.
- a) She answered: “It’s treating customers fairly, and being open, very transparent to your clients. Your paperwork has to be compliant to send out to the clients, because I was informed that we had to have a one page summary which we do now, on the back of the terms and conditions. We normally take ... with a client, we normally gather up facts on a fact find, to see if they are a viable for a claim or not. If they’re not, then we’ll inform them that we’re not.”
 - b) When specifically pressed about the role of a director, Ms Popplewell said “Well, I just, manage the company as I see fit, follow the rules and regulations of yourselves, compliance, accountants. Everything really.”

- 4.26 When asked which rules or parts of the Authority’s Handbook would be used to determine whether pension advice was suitable – which would be a significant part of an assessment of a client’s potential pension mis-selling claim – Ms Popplewell could not identify any. The Authority considers this to reflect a significant lack of understanding of the role of a director of a regulated firm, particularly as UCM is dealing with complex cases relating to pensions, where specific knowledge is essential to being able to provide oversight.
- a) In relation to the Handbook’s suitability rules, Ms Popplewell said “I’m going to struggle on that one” and then asked “Can I come back to that? I can come back to it”. Ms Popplewell also told the Authority that she “check[s] his [Mr Popplewell’s] files ... I check everything. I check everything that goes out. I mean, I sign the majority of the stuff off.”
 - b) Since Ms Popplewell cannot name or identify the key rules used to determine fundamental elements of whether pension advice was adequate, the Authority does not consider that she can provide the relevant oversight.
- 4.27 When asked at interview, Ms Popplewell struggled to explain what a conflict of interest is. Initially, Ms Popplewell did not appear to understand the question. Eventually, Ms Popplewell was unable to provide a specific and articulate response and could not explain what was in the Firm’s conflicts of interest policy.
- 4.28 In relation to her former 50% shareholding in TPO, Ms Popplewell said that she was unaware of the payment of dividends by TPO in 2012 and 2013 and insisted that she “didn’t know about [being a shareholder of TPO] until when it came out in the open”.
- 4.29 During her interview with the Authority, Ms Popplewell stated that Mr Popplewell’s disqualification undertaking signed in 2017 related to his bankruptcy. However, the undertaking quoted from above states that Mr Popplewell’s disqualification resulted from (inter alia) his misconduct while managing TPO. Ms Popplewell’s confusion in this regard indicates that she failed to conduct proper due diligence in respect of Mr Popplewell before giving him important responsibilities at UCM.
- 4.30 Ms Popplewell’s interview answers and actions suggest that she has not exercised the relevant oversight both recently and in the past and lacks the knowledge and judgement required of the director of a regulated firm. There is no evidence to suggest that this has changed.

Incorrect and contradictory information repeatedly supplied to the Authority and CMR

- 4.31 According to the business plan submitted by UCM to the Authority in 2019 with the Application:
- i. “Prior to setting up UCM Sue [Ms Popplewell] worked as an Administrator at [TPO – the failed advisory firm previously owned by Mr and Ms Popplewell]”;
 - ii. “Keith [Mr Popplewell] spearheads work on complex cases [at UCM] and Sue oversees the less complex claims”; and
 - iii. “Keith is responsible for reviewing suitability reports and assessing the merits of a claim and drafting letters of claim”.

- 4.32 UCM's solicitors in a letter dated 12 March 2020 asserted that these statements (and several others) in the business plan were incorrect and were added to the business plan by UCM's compliance consultants without Ms Popplewell "carrying out a thorough check of the contents". UCM's solicitors further asserted that "Mr Popplewell's role within UCM is to provide training and technical assistance to staff [whereas] all cases are run by either Mrs Popplewell or other staff members" and that "Mr Popplewell provides training and technical expertise only".
- 4.33 The Authority is not satisfied that the explanation provided by UCM's solicitors is correct.
- i. As noted above, Ms Popplewell indicated during the interview with the Authority that Mr Popplewell does customer-facing work: "he will phone clients and speak to them, because they know him obviously and they'll speak to him". There is no acknowledgement of this in the letter from UCM's solicitors. The client-facing work described by Ms Popplewell falls outside the "training and technical assistance" to which Mr Popplewell's role is said to be limited.
 - ii. Ms Popplewell stated during the interview with the Authority that Mr Popplewell is "in control of the complicated bits" of UCM's work whereas she and others at UCM control "admin": "So, I've said, you know, you [Mr Popplewell] might be good with the technical side, but you leave the admin to us. The admin goes in one pot and that's where it stays and it comes to us, and we're in control of that. And you [Mr Popplewell] can be in control of the complicated bits. But he's got no control over that business. He can't agree to anybody or do anything without my say so." While Ms Popplewell's claim that Mr Popplewell has "no control over that business" is consistent with the position as described by UCM's solicitors, her admission that Mr Popplewell "is in control of the complicated bits" other than "admin" undermines this and indicates that Mr Popplewell's role extends beyond "training and technical assistance".
 - iii. When asked during interview with the Authority "how has his [Mr Popplewell's] role changed since he's come on board", Ms Popplewell replied "It's just the same".
 - iv. By email dated 9 September 2020, the Authority asked Ms Popplewell, or UCM's solicitors (after having Ms Popplewell check their response carefully), to confirm whether it was indeed UCM's position that Mr Popplewell has no significant influence at UCM and that his role is limited to "training and technical assistance". Ms Popplewell was also asked to confirm whether she stood by her statement to the Authority during interview that Mr Popplewell's present role at UCM is "just the same" as it was when he first began to work for UCM in 2013 or whether there had been changes in his role and, if so, what those changes were and when they occurred. By letter dated 16 September 2020, UCM's solicitors confirmed (inter alia) that: Mr Popplewell "has no significant influence in the day to day management of UCM's business"; his "role is limited to training and technical assistance"; he "does not oversee client files"; and his role is presently "just the same" as it was when he joined UCM in 2013 and has not significantly changed over time, except that "the need for training and technical input from Mr Popplewell has gradually diminished over time".
 - v. The answers provided by Ms Popplewell and UCM's solicitors on 16 September 2020 are contradicted by earlier statements made by Ms Popplewell and other solicitors acting for UCM.

- vi. An application submitted to the CMR, with a declaration of accuracy signed by Ms Popplewell on 22 August 2013, names Mr Popplewell as an "individual with significant influence" over UCM. This contradicts the 16 September 2020 assertion by UCM's solicitors and Ms Popplewell that Mr Popplewell does not have, and has not previously had, significant influence over UCM.
- vii. In a 2016 audit report relating to UCM, the CMR recorded that: "It was apparent at audit that Mr Keith Popplewell (Sue Popplewell's spouse) has a significant influence in the day to day management of [UCM's] business. You employ two staff ... who are responsible for operations"; "Keith Popplewell confirmed that he has worked within Financial Services for over 30 years and within pensions for most of that time. Keith explained he is heavily involved in [UCM's] business. He will oversee a file where any technical queries lie and also provide training where and when appropriate"; and "At audit you [Ms Popplewell] confirmed that prior to running United Claims Management you previously worked within Administration. You also stated that you previously worked for Keith Popplewell's now liquidated business [TPO] and as a result increased your knowledge surrounding pensions."
- viii. The above statements in the CMR's 2016 audit report concerning Mr and Ms Popplewell were confirmed as "accurate" and "correct" by UCM's former solicitors in a letter dated 10 May 2016. These statements by UCM's former solicitors in 2016 contradict the assertions in 2019 and 2020 by UCM's new solicitors and Ms Popplewell that (inter alia): Mr Popplewell's role is, and has since 2013 been, limited to "training and technical assistance"; he has no significant influence over UCM; he does not "oversee" client files; and Ms Popplewell did not work for TPO.
- ix. In the light of these contradictions in the information supplied by UCM, its present and former solicitors and Ms Popplewell to the Authority and the CMR, the Authority considers that Mr Popplewell may in fact have and since 2013 at all times have had the "significant influence" over UCM which Ms Popplewell confirmed to the CMR in 2013 and which the CMR noted in its 2016 audit report. By stating otherwise, Ms Popplewell has provided inconsistent or inaccurate statements either to the Authority or to the CMR.

4.34 Ms Popplewell during interview told the Authority that UCM had disclosed Mr Popplewell's role at UCM to consumers harmed by TPO when offering them UCM's claims management services. When asked "So, did you tell them when you wrote to customers that Keith Popplewell was working in the firm?", she replied "Yes". Ms Popplewell further on 16 December 2019 emailed to the Authority in Microsoft Word format a template letter purporting to reflect the text of the introductory letters sent by UCM to TPO clients. However, on at least one occasion, UCM appears to have written to a consumer harmed by TPO and to have offered him UCM's claims management services in relation to the losses caused by TPO without disclosing the role of Mr Popplewell (TPO's managing director) at UCM. UCM's letter to one TPO client dated 27 June 2016 and signed by Ms Popplewell differed from the unsigned Microsoft Word template letter which she supplied to the Authority, and did not refer to Mr Popplewell or UCM's connection with TPO. The Authority is therefore not satisfied that Ms Popplewell provided the Authority with correct information when stating that Mr Popplewell's role at UCM was disclosed to TPO clients.

4.35 In response to a question posed by the Authority, UCM failed to disclose as part of its Application that it had been criticised by the CMR in the March 2017 letter of warning concerning the TPO data. UCM disclosed only an earlier letter of warning sent by the CMR in April 2016.

- 4.36 On the signed Individual Form submitted as part of the Application, Ms Popplewell failed to disclose: that she was a shareholder of a firm (TPO) that had gone into liquidation; that TPO's permissions were varied through a voluntary requirement; or that TPO had been involved in an investigation of Mr Popplewell's conduct by the Insolvency Service.
- 4.37 In their letter dated 12 March 2020 to the Authority, solicitors for UCM stated that:
- i. "Mrs Popplewell contacted ICO [the Information Commissioner's Office] in 2017, by telephone, to seek guidance on the issue [of UCM holding and using data relating to TPO's customers], but the ICO stated that it was not their place to comment and referred her back to the MOJ [i.e. the CMR]. An individual at the MOJ subsequently told Mrs Popplewell during a telephone conversation that he had received confirmation from the ICO that she could use the data. Mrs Popplewell requested confirmation in writing, but never received the written confirmation."
 - ii. "It should be noted that the MOJ had previously been aware of the position and did not ask our clients to delete the data".
- 4.38 However, these statements made by UCM's solicitors are directly contradicted in several significant respects by Mr Edwards's 13 July 2017 email to Ms Popplewell, which is quoted from above. In reality, the MOJ told Ms Popplewell clearly and in writing that:
- i. UCM must not retain the TPO customer data; and
 - ii. ICO had given advice to the CMR indicating that UCM should not use the data.
- 4.39 The Authority considers that Ms Popplewell and UCM have repeatedly provided incorrect and contradictory information to the Authority and the CMR on significant issues. The Authority is not satisfied that it can rely on, or place faith in, information supplied to it by UCM and Ms Popplewell.

5. IMPACT ON THE THRESHOLD CONDITIONS

- 5.1 The statutory and regulatory provisions relevant to this Final Notice are referred to below and in Annex A.
- 5.2 In the light of the facts and matters set out above and for the reasons set out above and below, the Authority cannot ensure that, if the Application were granted, UCM would satisfy, and continue to satisfy, threshold conditions 2D (Appropriate resources) and 2E (Suitability).

Threshold condition 2D: Appropriate resources

- 5.3 As regards threshold condition 2D, a firm's resources must be appropriate in relation to the regulated activities conducted or proposed. COND 2.4.2G(2) states that 'appropriate resources' includes financial and 'non-financial resources' such as human resources, effective means by which to manage risks and any systems, controls, plans or policies that the firm maintains. In this context, the Authority will interpret the term 'appropriate' as meaning sufficient in terms of quantity, quality and availability. Consideration will be given to whether these resources are sufficient to enable the firm to comply with the requirements imposed or likely to be imposed on the firm by the Authority in the course of the exercise of its functions.

- 5.4 In the light of all the facts and matters set out in this Decision Notice, the Authority considers that the Firm has not demonstrated that it has sufficient non-financial (human) resources to understand, willingly comply with and implement regulatory requirements.
- 5.5 This arises in particular from: Ms Popplewell's inadequate answers to competence questions during the Authority interview; her decision to give Mr Popplewell influence over and a role at UCM seemingly without carefully considering the reasons for his disqualification; UCM's reliance on Mr Popplewell at the very least for "training and technical assistance to staff" despite his failings in these and other areas while at TPO; UCM's holding and use of the TPO data in breach of legal and regulatory requirements and despite the CMR's warnings and despite Ms Popplewell being "uncomfortable" with use of the data; and the incorrect and contradictory information repeatedly supplied by UCM and Ms Popplewell to the Authority and the CMR.
- 5.6 The Authority is concerned that Ms Popplewell (UCM's sole director) does not have adequate skills, experience and judgement to manage UCM's affairs in compliance with regulatory requirements.
- 5.7 Further, UCM's "basis of claim" documents, the Authority's 2013 letter to TPO and the disqualification undertaking signed by Mr Popplewell indicate that Mr Popplewell caused or allowed TPO to commit serious breaches of the Authority's rules concerning (inter alia) the treatment of customers and systems and controls. There is no evidence to indicate that Mr Popplewell now has a proper understanding of the Authority's rules. The Authority considers that Mr Popplewell's responsibility for (at the very least) training and Ms Popplewell's heavy reliance on him in relation to technical matters mean that UCM has inadequate resources in respect of (at the very least) training and technical advice.
- 5.8 In light of all the concerns identified in this Decision Notice in relation to UCM, Ms Popplewell and Mr Popplewell, the Authority does not consider that it can ensure that, were the Application to be granted, the Firm satisfies, and would continue to satisfy, threshold condition 2D (appropriate) resources.

Threshold condition 2E: Suitability

- 5.9 Threshold condition 2E(a), (c), (d), (e) and (f) requires that (inter alia) a firm must be a fit and proper person having regard to all the circumstances, including: (a) the firm's connection with any person; (c) the need to ensure that the firm's affairs are conducted in an appropriate manner having regard in particular to the interests of consumers and the integrity of the UK financial system; (d) whether the firm has complied and is complying with requirements imposed by the Authority in the exercise of its functions or requests made by the Authority relating to the provision of information to the Authority and the manner of that compliance; (e) whether those who manage A's affairs have adequate skills and experience and have acted and may be expected to act with probity; and (f) whether the firm's business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner.
- 5.10 COND 1.3.3CG states that, when assessing the Authority's threshold conditions, the Authority may have regard to any person appearing to be, or likely to be, in a relevant relationship with the firm, in accordance with section 55R of the Act (Persons connected with an applicant). For example, a firm's controllers, its directors or partners, other persons with close links to the firm (see COND 2.3), and other persons that exert influence on the firm which might pose a risk to the firm's satisfaction of the Threshold Conditions, would be in a relevant relationship with the firm.

- 5.11 In the light of all the facts and matters set out in this Decision Notice, the Authority is not satisfied that UCM is a fit and proper person. These matters are relevant to threshold condition 2E(a), (c), (d), (e) and (f). In particular, the Authority considers the following to be relevant: Ms Popplewell's inadequate answers to competence questions during the interview with the Authority; her decision to give Mr Popplewell a significant role at UCM without undertaking adequate due diligence; Mr Popplewell's influence over and role at UCM despite his failings while at TPO; UCM's holding and use of the TPO data in breach of legal and regulatory requirements when Ms Popplewell was "uncomfortable" with their use and had apparently disregarded the CMR's warnings; and the incorrect and contradictory information repeatedly supplied by UCM and Ms Popplewell to the Authority and CMR. The Authority considers that, despite his role being limited in name to training and technical assistance, Mr Popplewell could still exert significant influence over UCM.
- 5.12 In the light of all the concerns identified in this Decision Notice in relation to UCM, Ms Popplewell and Mr Popplewell, the Authority does not consider that it can ensure that, were the Application to be granted, the Firm satisfies, and would continue to satisfy, threshold condition 2E (suitability). The Authority is not satisfied that UCM is a fit and proper person.

6 REPRESENTATIONS

- 6.1 Annex B contains a brief summary of the key representations made by UCM and how they have been dealt with. In making the decision which gave rise to the obligation to give this Notice, the Authority has taken into account all of the representations made by UCM, whether or not set out in Annex B

Publication

- 7.1 Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Notice relates. Under those provisions, the Authority must publish such information about the matter to which this 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 you or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.
- 7.2 The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contacts

- 7.3 For information concerning this matter generally, contact Greg Williams, Manager, Claims Management Companies Department at the Authority (direct line: 020 7066 1475 / email: Greg.williams@fca.org.uk).

Sarah Rapson

On behalf of the Regulatory Transactions Committee

ANNEX A – REGULATORY PROVISIONS RELEVANT TO THIS DECISION NOTICE

Relevant Statutory Provisions

1. Section 55A(1) of the Act provides for an application for permission to carry on one or more regulated activities to be made to the appropriate regulator. Section 55A(2) defines the “appropriate regulator” for different applications.
2. Section 55B(3) of the Act provides that, in giving or varying permission, imposing or varying a requirement, or giving consent, under any provision of Part 4A of the Act, each regulator must ensure that the person concerned will satisfy, and continue to satisfy, in relation to all of the regulated activities for which the person has or will have permission, the threshold conditions for which that regulator is responsible.
3. The threshold conditions that relate to the current application are set out in Part 2 of schedule 6 of the Act. In brief, the threshold conditions relate to:
 - (1) Threshold condition 2B: Location of offices
 - (2) Threshold condition 2C: Effective supervision
 - (3) Threshold condition 2D: Appropriate resources
 - (4) Threshold condition 2E: Suitability
 - (5) Threshold condition 2F: Business model

Relevant provisions of the Authority’s Handbook

Threshold Conditions - COND

4. In exercising its powers in relation to the granting of a Part 4A permission, the Authority has regard to guidance published in the Authority’s Handbook, including the part entitled ‘Threshold Conditions’ (“COND”). Provisions relevant to the consideration of the current application include those set out below.

General guidance

5. COND 1.3.2G(2) states that, in relation to threshold conditions 2D to 2F, the Authority will consider whether a firm is ready, willing and organised to comply on a continuing basis with the requirements and standards under the regulatory system which will apply to the firm if it is granted Part 4A permission.
6. Under COND 1.3.3AG, in determining the weight to be given to any relevant matter, the Authority will consider its significance in relation to the regulated activities for which the firm has, or will have, permission, in the context of its ability to supervise the firm adequately, having regard to the Authority’s statutory objectives. In this context, a series of matters may be significant when taken together, even though each of them in isolation might not give serious cause for concern.
7. COND 1.3.3BG provides that, in determining whether the firm will satisfy, and continue to satisfy, the Authority’s threshold conditions, the Authority will have regard to all relevant matters, whether arising in the United Kingdom or elsewhere.

8. COND 1.3.3CG provides that, when assessing the Authority threshold conditions, the Authority may have regard to any person appearing to be, or likely to be, in a relevant relationship with the firm, in accordance with section 55R of the Act (Persons connected with an applicant). For example, a firm's controllers, its directors or partners, other persons with close links to the firm (see COND 2.3), and other persons that exert influence on the firm which might pose a risk to the firm's satisfaction of the Authority's threshold conditions, would be in a relevant relationship with the firm.

Threshold condition 2D: Appropriate Resources

9. COND 2.4.2G(2) states that the Authority will interpret the term 'appropriate' as meaning sufficient in terms of quantity, quality and availability, and 'resources' as including all financial resources (though only in the case of firms not carrying on, or seeking to carry on, a PRA-regulated activity), non-financial resources and means of managing its resources; for example, capital, provisions against liabilities, holdings of or access to cash and other liquid assets, human resources and effective means by which to manage risks.
10. COND 2.4.2G(3) states that high level systems and control requirements are in SYSC. The Authority will consider whether the firm is ready, willing and organised to comply with these and other applicable systems and controls requirements when assessing if it has appropriate non-financial resources for the purpose of threshold condition 2D.

Threshold condition 2E: Suitability

11. COND 2.5.2G(2) states that the Authority will also take into consideration anything that could influence a firm's continuing ability to satisfy threshold condition 2E. Examples include the firm's position within a UK or international group, information provided by overseas regulators about the firm, and the firm's plans to seek to vary its Part 4A permission to carry on additional regulated activities once it has been granted that permission.
12. COND 2.5.3G(1) states that the emphasis of threshold condition 2E is on the suitability of the firm itself. The suitability of each person who performs a controlled function will be assessed by the Authority and/or the PRA, as appropriate, under the approved persons regime (see SUP 10 (Approved persons) and FIT). In certain circumstances, however, the Authority may consider that the firm is not suitable because of doubts over the individual or collective suitability of persons connected with the firm.
13. COND 2.5.4G(2) states that examples of the kind of general considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, threshold condition 2E include, but are not limited to, whether the firm:
 - (a) conducts, or will conduct, its business with integrity and in compliance with proper standards;
 - (b) has, or will have, a competent and prudent management; and
 - (c) can demonstrate that it conducts, or will conduct, its affairs with the exercise of due skill, care and diligence.

ANNEX B - REPRESENTATIONS

1. UCM's representations (in italics), and the Authority's conclusions in respect of them, are set out below.

UCM's current position

2. *Notwithstanding that UCM does not accept that all of the findings in the Notice are fair, UCM does not wish to contest the specific findings and instead would prefer to concentrate on addressing the remedial steps which UCM could take to satisfy the Authority. UCM recognises that there are shortcomings with regard to the operation of UCM, despite the efforts which have been made by Ms Popplewell to comply with all of the regulatory requirements. UCM is willing to make any changes required by the Authority.*
3. *UCM accepts that contradictory information was submitted to the Authority, including information provided to the Authority in the Claims Management Compliance business plan dated 24 May 2019, and that this is not acceptable. Poor advice provided to the firm in the past had led to inaccurate information being sent to the Authority. UCM now has new advisers with whom the firm will have regular discussions and reviews in order to ensure that all regulatory matters are complied with.*
4. *UCM does not dispute its use of client data from TPO for marketing in March 2019 despite a clear warning in July 2017 that it ought not to do so.. This was an error, and was acknowledged in April 2019 when the Authority's staff visited UCM's offices. UCM had been advised by an external compliance consultant that it was entitled to do so, but UCM accepts that the advice UCM had received was wrong. All of the TPO client data was deleted in April 2019 following the Authority's visit, so the issue has been remedied.*
5. *UCM's clients have been extremely well served by the firm for many years. No claims have been brought against UCM, and only one complaint raised in several years, relating solely to the level of fees. The Authority should take this into account when making its decision.*
6. The Authority notes UCM's acknowledgment of some its previous shortcomings, and its willingness to improve.
7. However, the Authority does not consider it acceptable for a regulated firm to provide contradictory information to the Authority. The Authority ought to be able to rely on its

regulated firms to provide it with accurate information. In all the circumstances, it is not satisfied that UCM can be relied on to do so.

8. The Authority also considers that, notwithstanding any advice UCM may have received, by failing to take heed of the CMR's clear warning in July 2017 not to use TPO's client data, UCM showed a pattern of poor judgment and disregard for regulatory requirements.
9. Whilst the Authority acknowledges the lack of customer complaints, this is not a sufficient indicator of UCM's ability to satisfy the Threshold Conditions.
10. In all the circumstances, the Authority does not consider that UCM is able to satisfy the Threshold Conditions.

Proposed remedial action

11. *UCM proposes to change Ms Popplewell's role so that she is limited to an administrative role and no longer supervising the operation of UCM, thereby rendering Ms Popplewell an employee of the business and removing her from being in a position to manage the business.*
12. *UCM proposes to remove Mr Popplewell entirely from any role in UCM, such that the Authority can be satisfied that Mr Popplewell's involvement in the business will no longer be a live concern. UCM will also move its premises to central Sheffield and Mr Popplewell will not attend those offices.*
13. *UCM is taking steps to identify an individual to supervise the operation of UCM.*
14. *There is no intention to take on any further work, and UCM has not taken on new cases for several months; once existing claims have concluded, the business will be closed. UCM is also seeking to instruct professionals to deal with the sale of UCM as well as its book of business.*
15. The Authority notes that, despite being in a reduced role, it is proposed that Ms Popplewell would still retain her 100% shareholding in UCM and would therefore be able to exert control over any new director appointed.
16. The Authority does not consider that the proposed office relocation is a sufficient safeguard against any further involvement by Mr Popplewell in UCM. The Authority notes

that no more than preparatory steps have been taken to appoint a new director to supervise the operation of UCM and that no such new director has yet been identified.

17. Whilst UCM has put forward potentially remedial steps, the Authority notes that these have yet to be taken. Even if they were, for the reasons set out above, the Authority considers that they would be insufficient for it to be able to ensure that UCM satisfies and would continue to satisfy the Threshold Conditions.