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## **FINAL NOTICE**

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**To:** **Usman Qureshi**

**IRN:** **UXQ01007**

**Dated:** **26 July 2024**

### **ACTION**

1. For the reasons set out in this Final Notice, the Authority hereby makes an order, pursuant to section 56 of the Act, prohibiting Mr Qureshi from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm.
2. The Authority gave Mr Qureshi the Decision Notice, which notified Mr Qureshi of the Authority's decision to take the action specified above.
3. Mr Qureshi 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, the Authority hereby makes the prohibition order set out in paragraph 1 above against Mr Qureshi. The prohibition order takes effect from the date of this Final Notice.

### **SUMMARY OF REASONS**

5. Between 16 January 2018 and 1 May 2019, Mr Qureshi was approved by the Authority to perform the CF8 (Apportionment and Oversight) function at Mayfair Search Group Ltd ("MSGL").
6. On 6 May 2022, at Harrow Crown Court, Mr Qureshi was convicted on indictment, following a trial, of:

- 6.1 One count of engaging in a commercial practice which is a misleading action under Regulation 5(2) of the Consumer Protection from Unfair Trading Regulations 2008 (“the Regulations”); and
  - 6.2 Two counts of knowingly or recklessly engaging in a commercial practice which is unfair under Regulation 3(3) of the Regulations.
7. On 24 June 2022 Mr Qureshi was sentenced to:
- 7.1 12 months imprisonment suspended for 24 months for the count referred to in paragraph 6.1 above; and
  - 7.2 9 months imprisonment suspended for 24 months for each of the two counts referred to in paragraph 6.2 above, imposed concurrently.
8. Mr Qureshi was ordered to pay compensation totalling £17,500, a contribution towards prosecution costs of £10,500, and a victim surcharge of £156. Mr Qureshi was also disqualified from acting as a company director for a period of five years effective from 24 June 2022.
9. Mr Qureshi engaged in criminal activity from the beginning of 2018 until February 2020. This included the period until MSGL ceased to be authorised by the Authority on 1 May 2019. The remainder of the offending occurred either when Mr Qureshi was connected to MSGL (as an unregulated firm) or in connection to his role at Firm A, another unregulated firm. Mr Qureshi was the sole director of MSGL and Firm A, which both traded as New Wave Driving School.
10. On the basis of the facts and matters set out in this Notice, it appears to the Authority that Mr Qureshi is not a fit and proper person to perform any functions in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm. His convictions demonstrate a clear and serious lack of integrity such that he is not fit and proper to perform regulated activities. In concluding that it is appropriate to impose the prohibition order proposed in paragraph 1, the Authority has had regard to all relevant circumstances, including the relevance and materiality of the offences, and the severity of the risk posed by Mr Qureshi to consumers and to confidence in the UK financial system. The Authority considers that it is appropriate to take this action to advance its consumer protection and integrity objectives (sections 1C and 1D of the Act, respectively).

## **DEFINITIONS**

11. 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 Qureshi on 30 May 2024;

“EG” means the Enforcement Guide;

“FIT” means the Authority’s Fit and Proper Test for Employees and Senior Personnel, forming part of the Handbook;

“the Handbook” means the Authority’s Handbook of rules and guidance;

“Mr Qureshi” means Usman Qureshi;

“MSGSL” means Mayfair Search Group Ltd;

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

“the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber);

## **FACTS AND MATTERS**

12. From 16 January 2018 until 1 May 2019, Mr Qureshi was approved by the Authority to perform the CF8 (Apportionment and Oversight) function at MSGSL, a firm that was authorised by the Authority from 9 March 2015 until 1 May 2019 to carry on certain regulated activities, including credit broking.
13. From the beginning of 2018 until August 2019, whilst working at MSGSL (including as an approved person until 1 May 2019), Mr Qureshi committed the following criminal offence:
  - 13.1 one count of knowingly or recklessly engaging in a commercial practice which is unfair under Regulation 3(3) of the Regulations.
14. From November 2018 until February 2020, whilst connected to Firm A, Mr Qureshi committed the following criminal offences:
  - 14.1 one count of knowingly or recklessly engaging in a commercial practice which is unfair under Regulation 3(3) of the Regulations; and
  - 14.2 one count of engaging in a commercial practice which is a misleading action under Regulation 5(2) of the Regulations.
15. These offences affected over 20 consumers who were people of limited means, some of whom had to borrow from finance providers to pay for the services offered by New Wave Driving School. MSGSL (trading as New Wave Driving School) used its credit broking permissions to refer the consumers to the finance providers to obtain the credit to pay for its services. This activity continued after MSGSL ceased to be authorised by the Authority. Those victims who did not use the finance providers used the bulk of their savings. However, the services were not delivered by MSGSL, or the other unregulated firm, as advertised. This caused direct financial harm to those consumers, who lost £63,000.
16. In addition to the harm caused to consumers, Mr Qureshi’s conduct also caused direct harm to two of the finance providers. The finance companies identified the issues facing New Wave Driving School, based on the number of complaints they were receiving from customers, and reported those concerns to Mr Qureshi. However, despite this, Mr Qureshi continued to operate, resulting in the finance companies having to compensate New Wave Driving School’s customers to whom they had provided finance, but who had not received the services paid for. The loss to the finance companies totalled £281,000.
17. On 6 May 2022 Mr Qureshi was convicted following a trial at Harrow Crown Court. He was sentenced on 24 June 2022 as set out at paragraphs 7 and 8 above.

18. At the sentencing hearing, the judge made the following remarks regarding Mr Qureshi's conduct:

18.1 This was, *"a persuasive sales operation to persuade people to take up the service which was offered. Part of the persuasion ...was that... consumers could work around existing work requirements because they could obtain the tuition and the training locally. ... The reality was... very different. Often testing simply wasn't available, or...it was offered at... a geographical distance which was simply impractical."*

18.2 Regarding the level of offending the judge remarked, *"The real gravity of this offending... is that the majority of these customers were people of very limited means. They had to borrow... the cost of training and tuition which you charged. If they had money it was often the bulk of their savings which they paid in... the real harm here is that they were, in effect, encouraged on false pretences to sign up to your company... and then found themselves unable, in a number of cases, to complete the training and, indeed suffered financial loss."*

18.3 Regarding Mr Qureshi's culpability the judge noted that he was not being sentenced on the basis he was dishonest. However, *"once [MSGSL] got into financial difficulty, no steps were taken to... look out for the consumers."* Indeed, the judge commented that the finance companies identified the issues facing New Wave Driving School and reported those concerns to Mr Qureshi. However, Mr Qureshi continued to operate when, *"you knew that there was an issue and it was an ongoing issue and that your company was not providing the service advertised..."* The judge further remarked, *"The finance companies... had to compensate people they had provided finance to who could not get the training."*

#### **LACK OF FITNESS AND PROPRIETY**

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

20. FIT 1.3.1G states that the Authority will have regard to a number of factors when assessing an individual's fitness and propriety. FIT 1.3.1BG(1) states that among the most important considerations when assessing the fitness and propriety of a person is that person's honesty, integrity and reputation.

21. The facts and serious nature of Mr Qureshi's offences show he lacks integrity. In particular:

21.1 Mr Qureshi's offending involved being knowingly or recklessly engaged in an unfair commercial practice and being engaged in a misleading commercial practice, over a long period of time, which directly affected consumers and caused them to suffer financial loss; and

21.2 Mr Qureshi's offending continued despite his partner finance providers alerting him to consumer complaints. Despite this he took no steps to protect his customers.

#### **Prohibition**

22. Enforcement Guide (EG) 9.1.1 provides that the power to prohibit an individual will be exercised by the Authority to achieve its statutory objectives, which include both securing

an appropriate degree of protection for consumers and protecting and enhancing the integrity of the UK financial system.

23. EG 9.5.1 provides that when considering making a prohibition order against an individual who is not an authorised person, exempt person or exempt professional firm the Authority will consider the severity of the risk posed by the individual, and may prohibit the individual where it considers this is appropriate to achieve one or more of its statutory objectives.
24. Taking into account the nature of the offences Mr Qureshi participated in, the convictions arising from his participation, the fact that Mr Qureshi's offending took place over a long period of time, including when he was an approved person, and is linked to a regulated activity that MSGL was authorised to carry on by the Authority, and his lack of fitness and propriety due to his lack of integrity, the Authority considers it is appropriate to prohibit Mr Qureshi from performing any function in relation to any regulated activity carried on by an authorised person, exempt person or exempt professional firm.

## **PROCEDURAL MATTERS**

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

### **Decision Maker**

26. The decision which gave rise to the obligation to give this Final Notice was made by the Regulatory Decisions Committee (RDC). The RDC is a committee of the Authority which takes certain decisions on behalf of the Authority. The members of the RDC are separate to the Authority staff involved in conducting investigations and recommending action against firms and individuals. Further information about the RDC can be found on the Authority's website:

<https://www.fca.org.uk/about/committees/regulatory-decisions-committee-rdc>

### **Publicity**

27. Section 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 Authority must publish such information about which this Final Notice relates as the Authority considers appropriate.
28. 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 Qureshi or prejudicial to the interest of consumers or detrimental to the stability of the UK financial system.
29. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

**Authority Contact**

30. For more information concerning this matter generally, Mr Qureshi should contact Stuart Doyle at the Authority (direct line: 020 7066 0245).

**Jeremy Parkinson**  
**Enforcement and Market Oversight Division**

## **ANNEX**

### **RELEVANT STATUTORY PROVISIONS**

1. The Authority's operational objectives are set out in section 1B(3) of the Act and 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."
3. Regulation 3 of the Consumer Protection from Unfair Trading Regulations 2008 ("the Regulations) states:

"(1) Unfair commercial practices are prohibited.

(2) Paragraphs (3) and (4) set out the circumstances when a commercial practice is unfair.

(3) A commercial practice is unfair if-

  - (a) it contravenes the requirements of professional diligence; and
  - (b) it materially distorts or is likely to materially distort the economic behaviour of the average consumer with regard to the product.

(4) A commercial practice is unfair if-

  - (a) it is a misleading action under the provisions of regulation 5 [...]"
4. Regulation 5 of the Regulations states:

"(1) A commercial practice is a misleading action if it satisfies the conditions in either paragraph (2) or paragraph (3).

(2) A commercial practice satisfies the conditions of this paragraph –

  - (a) if it contains false information and is therefore untruthful in relation to any of the matters in paragraph (4) or if it or its overall presentation in any way deceives or is likely to deceive the average consumer in relation to any of the matters in that paragraph, even if the information is factually correct; and

(b) it causes or is likely to cause the average consumer to take a transactional decision he would not have taken otherwise.

5. Regulation 8(1) of the Regulations provides that a trader is guilty of an offence if he knowingly or recklessly engages in a commercial practice which contravenes the requirements of professional diligence under regulation 3(3)(a) and the practice materially distorts or is likely to materially distort the economic behaviour of the average consumer with regard to the product under regulation 3(3)(b).
6. Regulation 9 of the Regulations states that a trader is guilty of an offence if he engages in a commercial practice which is a misleading action under regulation 5.

## **RELEVANT REGULATORY PROVISIONS**

7. 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**

8. The Authority's policy in relation to exercising its power to issue a prohibition order is set out in EG.
9. EG 9.1 explains the purpose of prohibition orders in relation to the Authority's regulatory objectives.
10. 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, among 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.
11. EG 9.3.2 sets out the matters which the Authority may take into account when deciding whether to make a prohibition order against an approved person. These include: whether the individual is fit and proper to perform functions in relation to regulated activities (noting the main assessment criteria set out in FIT 2.1, 2.2 and 2.3) (EG 9.3.2(2)); the relevance and materiality of any matters indicating unfitness (EG 9.3.2(5)); the length of time since the occurrence of any matters indicating unfitness (EG 9.3.2(6)); and the severity of the risk which the individual poses to consumers and to confidence in the financial system (EG 9.3.2(8)).
12. 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.



13. 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.

### **The Fit and Proper test for Employees and Senior Personnel**

14. FIT sets out the criteria that the Authority will consider when assessing the fitness and propriety of a candidate for a controlled function, and may consider when assessing the continuing fitness and propriety of approved persons.
15. 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.
16. FIT 2.1.1G provides 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.
17. In relation to convictions for criminal offences, FIT 2.1.1A G states that: If any staff being assessed under FIT has a conviction for a criminal offence, the firm should consider the seriousness of, and 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.
18. FIT 2.1.3 G provides a list of (non-exhaustive) matters to which the Authority will have regard when determining a person's honesty, integrity and reputation. These include:
  - (1) whether the person has been convicted of any criminal offence; this must include, where provided for by the Rehabilitation Exceptions Orders to the Rehabilitation of Offenders Act 1974 or the Rehabilitation of Offenders (Northern Ireland) Order 1978 (as applicable), any spent convictions; particular consideration will be given to offences of dishonesty, fraud, financial crime or an offence under legislation relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, banking, other financial services, insolvency, consumer credit companies, insurance, consumer protection, money laundering, market manipulation and insider dealing, whether or not in the United Kingdom;
  - (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; and

- (12) whether the person has ever been disqualified from acting as a director or disqualified from acting in any managerial capacity.