



**Financial Conduct Authority**

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## **FINAL NOTICE**

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**Warranty Management Services  
Limited  
Warranty Suite  
Thame House  
Thame Road  
Haddenham, Aylesbury  
HP17 8HU**

**Andy Pattni**

**Date of birth: 4 September 1985**

11 November 2016

### **ACTION**

1. By an application dated 15 April 2014 ("the Application") Warranty Management Services Limited ("WMSL") applied under section 60 of the Financial Services and Markets Act 2000 ("the Act") for approval of Mr Andy Pattni ("Mr Pattni") to perform the controlled function of CF1 (AR).
2. The Application is incomplete.
3. For the reasons listed below, the Authority has refused the Application.

### **SUMMARY OF REASONS**

4. By its Warning Notice dated 22 June 2016 ("the Warning Notice") the Authority gave notice that it proposed to refuse the Application and that WMSL and Mr Pattni was entitled to make representations to the Authority about that proposed action.
5. As no representations were received by the Authority from WMSL or Mr Pattni within the time allowed by the Warning Notice, the default procedures in paragraph 2.3.2 of the Authority's Decision Procedure and Penalties Manual apply, permitting the Authority to treat the matters referred to in its Warning Notice as undisputed and, accordingly, to give a Decision Notice.

6. By its Decision notice dated 19 September 2016 ("the Decision Notice"), the Authority gave WMSL and Mr Pattni notice that it had decided to take the action described above.
7. WMSL and Mr Pattni had 28 days from the date the Decision notice was given to refer the matter to the Upper Tribunal. No referral was made to the Upper Tribunal within this period of time or to date.
8. 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 WMSL and Mr Pattni Final Notice of its refusal.
9. The Authority has decided to refuse the Application and to give this Final Notice as the Authority is not satisfied that Mr Pattni is a fit and proper person to perform the controlled functions to which the Application relates; in particular Mr Pattni has failed to satisfy the Authority in respect of his honesty and integrity and he has failed to demonstrate financial soundness.

## **DEFINITIONS**

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

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

"the Application" means the Form A received from WMSL on 15 April 2014 for Mr Pattni to be approved to perform CF1 (AR).

"the Authority" means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority.

"the Decision Notice" means the decision notice dated 19 September 2016 given to WMSL and Mr Pattni by the Authority.

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

"the Warning Notice" means the warning notice dated 22 June 2016 given to WMSL and Mr Pattni by the Authority.

## **FACTS AND MATTERS**

11. The Application was received by the Authority on 15 April 2014.
12. The following further information was requested from WMSL under section 60(3) of the Act, on 25 April 2014:
  - i. full details of the due diligence WMSL performed in considering Mr Pattni to be fit and proper for the role applied for;
  - ii. copies of the regulatory references obtained;
  - iii. copy of a current credit check carried out on Mr Pattni;
  - iv. full details of the role and responsibilities for the role applied for;

- v. details of WMSL's proposed supervision and monitoring; and
  - vi. a signed copy of Long Form A.
13. On 8 August 2014 WMSL provided the following information:
- i. a director and secretary report; and
  - ii. a signed copy of Long Form A.
14. On 15 August 2014 WMSL was asked to provide the following information in support of the Application:
- i. a copy of a credit check on Mr Pattni;
  - ii. an assets and liabilities statement for Mr Pattni including full details of income and expenditure; and
  - iii. a revised Fitness and Propriety section of the Form A.
15. The Authority did not receive a response to this request for further information.
16. On 6 August 2015 the Authority wrote to both WMSL and Mr Pattni informing them that a failure to provide the outstanding information would result in the application being determined based upon the information received to date and that this would most likely result in a recommendation to the Authority's Regulatory Transactions Committee ("RTC") that it issue WMSL and Mr Pattni, with a Warning Notice. No response was received to this letter by the deadline set of 20 August 2015. The letter posted to WMSL was signed for on 7 August 2015, while the letter to Mr Pattni was returned to the Authority by the Royal Mail as it was not called for.
17. On 2 September 2015 the Authority wrote to both WMSL and Mr Pattni, noting the lack of a response to its previous letters of 6 August 2015 and reiterating that a failure to provide the outstanding information would result in the application being determined based upon the information received to date and that this would most likely result in a recommendation to the Authority's RTC that it issue WMSL and Mr Pattni, with a Warning Notice. No response was received to this letter by the deadline set of 16 September 2015. The letter to WMSL was delivered and signed for on 3 September 2015, while the letter to Mr Pattni was delivered and signed for on 3 September 2015 at 11:57.
18. On 25 September 2015 the Authority wrote to both WMSL and Mr Pattni, noting the lack of a response to its previous letters of 2 September 2015 and reiterating that a failure to provide the outstanding information would result in the application being determined based upon the information received to date and that this would most likely result in a recommendation to the Authority's RTC that it issue WMSL and Mr Pattni, with a Warning Notice. No response was received to this letter by the deadline set of 9 October 2015. The letter to WMSL was delivered on 28 September 2015 and signed for, while the letter to Mr Pattni was delivered on 5 October and signed on 5 October 2015.

## **IMPACT ON FITNESS AND PROPRIETY**

19. The regulatory provisions relevant to this Final Notice are referred to in Annex A.

20. WMSL and Mr Pattni have failed to respond to three separate requests for the provision of information required to allow the Authority to determine the Application. The Authority must therefore determine the Application based upon the information received to date and has decided that it cannot be satisfied that Mr Pattni is fit and proper to perform the controlled function applied for.

21. Details of the Authority's concerns are set out below:

- i. Mr Pattni's honesty, integrity and reputation pursuant to FIT 2.1 with respect to his lack of response to communications from the Authority with regard to the Application;
- ii. The honesty, integrity and reputation of Mr Pattni pursuant to FIT 2.1 with respect to the non-disclosure in the Application of a CCJ entered against him; and
- iii. The financial soundness of Mr Pattni pursuant to FIT 2.3 with respect of the CCJ entered against Mr Pattni on 23 October 2013.

## **IMPORTANT NOTICES**

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

## **Publication**

23. 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 Authority must publish such information about the matter to which this Final Notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the Authority, be unfair to WMSL or Mr Pattni or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

24. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

## **Authority contacts**

25. For more information concerning this matter generally, contact Pat Knox, Senior Manager, Approved Persons, Passporting and Mutuels Department at the Authority (direct line: 020 7066 4868 / email: pat.knox@fca.org.uk).

**Hilary Bourne**  
**on behalf of the Regulatory Transactions Committee**

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

### **Relevant Statutory Provisions**

1. The Authority 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 60(3) of the Act allows the Authority to require an applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application.
3. Section 62(5) of the Act defined 'interested parties' as including the applicant, and the person in respect of whom the application is made.
4. Section 390(1) of the Act requires the Authority, if the matter was not referred to the Tribunal within the time required by the Tribunal Procedure Rules, to issue a Final Notice.

### **Relevant provisions of the Authority's Handbook**

5. The Fit and Proper test for Approved Persons ("FIT") sets out the criteria that the Authority 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 Authority will have regard include the person's honesty and integrity and financial soundness (FIT 1.3.1BG).
7. If a matter comes to the Authority's attention which suggests that the person might not be fit and proper, the Authority 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 Authority 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 Authority, 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 (FIT 2.1.3G (11));
  - (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 (FIT 2.1.3G (13)).
9. In determining a person's financial soundness, the matters to which the Authority will have regard include:
- (1) whether the person has been the subject of any judgment debt or award, in the United Kingdom or elsewhere, that remains outstanding or was not satisfied within a reasonable period (FIT 2.3.1G (1));

- (2) 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)).