
FIRST SUPERVISORY NOTICE

To: Frensham Wealth Limited**Address: Flat 9
Bridge House
Bridge Street
Walton-on-Thames
Surrey
KT12 1AL****FRN: 506029****Dated: 25 November 2021****ACTION**

1. For the reasons given below and pursuant to section 55J of the Act, the Authority has decided to vary the permission granted to Frensham Wealth Limited pursuant to Part 4A of the Act, by removing all regulated activities from the Firm with immediate effect. Accordingly, the Firm's Part 4A permission no longer includes the regulated activities of:
 - (a) advising on investments (except on Pension Transfers and Pension Opt Outs);
 - (b) arranging (bringing about) deals in investments;
 - (c) making arrangements with a view to transactions in investments;
 - (d) advising on a home reversion plan;
 - (e) advising on regulated mortgage contracts;
 - (f) arranging (bringing about) a home reversion plan;
 - (g) arranging (bringing about) regulated mortgage contracts;
 - (h) making arrangements with a view to a home reversion plan;

- (i) credit broking;
 - (j) advising on Pension Transfers and Pension Opt Outs;
 - (k) advising on P2P agreements; and
 - (l) agreeing to carry on a regulated activity.
2. The Authority has further decided to impose on the Firm with immediate effect the following requirements, pursuant to section 55L of the Act, namely that:
- (a) the Firm must by 4.00 p.m. on 6 December 2021 notify in writing all customers of the variation of the Firm's permission and confirm to the Authority that it has done so;
 - (b) the Firm must by 4.00 p.m. on 6 December 2021 either update its website <http://www.frenshamwealth.co.uk> to state that it does not have permission to conduct any regulated activities, or remove its website from the internet, and (in either case) confirm to the Authority that it has done so; and
 - (c) the Firm must secure and preserve all records and/or information (physical or electronic) relating to all business or transactions involving the carrying on of one or more regulated activities which the Firm is or has been permitted to carry on from its systems in their original form, or in a copy proved to be identical to the source material. These must be retained in a form and at a location within the United Kingdom, to be notified to the Authority in writing by 6 December 2021, such that they can be provided to the Authority, or to a person nominated by the Authority, promptly on its request.

REASONS FOR ACTION

- 3. On the basis of the facts and matters described below, the Authority considers that it is appropriate to take the above-mentioned action.
- 4. The Authority has serious concerns about the Firm. It considers that the Firm is failing, or is likely to fail, to satisfy the Suitability Threshold Condition and the Appropriate Resources Threshold Condition.
- 5. The Authority also considers that the action is desirable in order to advance its operational objectives of 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). The Firm's sole director and SMF holder has been prohibited by the Authority from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm and the Firm does not have any person performing SMFs and managing its affairs. As a result, the Authority considers the Firm poses a risk to consumers and to confidence in the integrity of the UK financial system.

DEFINITIONS

6. The definitions below are used in this First Supervisory Notice:
 - a. "the Act" means the Financial Services and Markets Act 2000;
 - b. "the Authority" means the Financial Conduct Authority;
 - c. "Appropriate Resources Threshold Condition" means the threshold condition set out in paragraph 2D of Schedule 6 to the Act;
 - d. "COND" means the Threshold Conditions module of the Handbook;
 - e. "the Firm" means Frensham Wealth Limited;
 - f. "Mr Frensham" means Jon Frensham (formerly known as Jonathan James Hunt);
 - g. "the Handbook" means the Authority's Handbook of rules and guidance;
 - h. "RDC" means the Regulatory Decisions Committee of the Authority (see further at paragraph 24 below);
 - i. "SMF" means senior management function(s);
 - j. "Suitability Threshold Condition" means the threshold condition set out in paragraph 2E of Schedule 6 to the Act; and
 - k. "the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber).

FACTS AND MATTERS

The Firm

7. The Firm has been authorised since 19 August 2009. The Firm's permissions, set out at paragraph 1 above, primarily permit it to conduct financial advice activities.
8. The Authority has recently made an order prohibiting Mr Frensham, the Firm's sole director, from performing any functions in relation to any regulated activities and withdrawing the approval given to him under section 59 of the Act to perform SMFs.

Prohibition and withdrawal of approval

9. On 1 October 2020, the Authority issued a Decision Notice in respect of Mr Frensham. The Authority considered that Mr Frensham was not a fit and proper person on the basis that he lacked integrity and reputation. The Authority decided to withdraw his approval to perform his SMFs and to make an order prohibiting him from performing any functions in relation to regulated activity.
10. Mr Frensham referred the Authority's Decision Notice to the Tribunal. On 31 August 2021, the Tribunal unanimously dismissed Mr Frensham's reference.

11. On 17 September 2021, following the Tribunal's Decision, the Authority issued a Final Notice:
 - a) withdrawing, pursuant to section 63 of the Act, the approval given to Mr Frensham under section 59 of the Act to perform SMF3 (Executive Director), SMF16 (Compliance Oversight) and SMF17 (Money Laundering Reporting Officer); and
 - b) prohibiting Mr Frensham, the Firm's sole director and SMF, pursuant to section 56 of the Act, from performing any functions in relation to regulated activity carried on by any authorised person, exempt person or exempt professional firm.

Current position

12. The Firm remains authorised. Its website, <http://www.frenshamwealth.co.uk>, advertises "financial advice services". It has also informed the Authority that it could take its website down but, to date, it has not done so.
13. It has informed the Authority that it will transfer its customer business to another authorised firm but has not suggested that it will employ additional resource prior to such transfer.

CONCLUSION

14. The regulatory provisions relevant to this First Supervisory Notice are set out in the Annex.

Failure to comply with the Threshold Conditions

15. The Authority has serious concerns about the Firm's compliance with the Threshold Conditions.
16. The Authority considers that the Firm is failing, or is likely to fail, to satisfy the Appropriate Resources Threshold Condition because its resources are not appropriate in relation to the regulated activities it carries on, or purports to carry on according to its website. As set out at paragraphs 12 to 13 above:
 - 1) its website remains active and advertises "financial advice services" in circumstances where the sole SMF of the Firm has been prohibited; and
 - 2) it has informed the Authority that it will transfer its customer business to another authorised firm, but has not suggested that it will employ additional resource prior to such transfer.
17. The Authority therefore considers that the Firm has failed to appoint any staff capable of conducting the regulated activities it is purporting to carry out according to its website and for which customers previously engaged the Firm.
18. Further, the Authority considers that the Firm is breaching the Suitability Threshold Condition in that it is not a fit and proper person having regard to all the circumstances, as its affairs (including communications with the Authority) are being managed by a prohibited individual. The Firm does not employ any individuals to manage its affairs (and hold SMFs) who the Authority can be confident have the adequate skills and experience and may be expected to act with probity. There has

been no suggestion by the Firm that it will employ additional resource prior to a transfer of business or wind-down. Accordingly it appears that the Firm's business is not being, and will not be, managed in such a way as to ensure that its affairs are conducted in a sound and prudent manner.

Risks to operational objectives

19. In addition, from the facts and matters described above, and having regard to its regulatory objectives the Authority has concerns that:

- a. the use by the Firm of its status as a regulated entity to advertise financial advice services creates, at a minimum, a serious risk of confusion to consumers;
- b. The Authority has received assurances from Mr Frensham that he has not been conducting any regulated activities through the Firm. However, Mr Frensham lacks integrity and, in particular, has been found by the Tribunal to have failed on multiple occasions to comply with his duty of candour and transparency in his communications with the Authority. Accordingly, the Authority does not consider that it can have any confidence in Mr Frensham's statements as to the Firm's current activities and, in particular, whether the Firm is continuing to conduct any regulated activities in circumstances where the Firm, through its website, continues to purport to offer such services.

20. As a result, without action to remove the Firm's permissions and to either remove the Firm's website or place a clarification on it in the terms set out in paragraph 2(b) above, there is a risk that potential new customers or other market participants may form the impression that the Firm is able to meet the Authority's minimum standards. This could expose consumers to potential loss and allow the industry to gain the erroneous impression that firms are allowed to operate when in breach of the Threshold Conditions.

21. The Authority therefore considers that this action is appropriate and proportionate in order to advance its consumer protection and market integrity objectives.

PROCEDURAL MATTERS

22. This First Supervisory Notice is given to the Firm under section 55Y(4) and in accordance with section 55Y(5) of the Act.

23. The following paragraphs are important.

Decision Maker

24. This decision was taken by the Chair of the 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>

The Tribunal

25. The Firm has the right to refer the matter to which this First Supervisory Notice relates to the Tribunal. Under paragraph 2(2) of Schedule 3 of the Tribunal Procedure (Upper Tribunal) Rules 2008, the Firm has 28 days from the date on which this First Supervisory Notice is given to it to refer the matter to the Tribunal.
26. A reference to the Tribunal can be made by way of a signed reference notice (Form FTC3) and filed with a copy of this First Supervisory Notice. The Tribunal's contact details are: The Upper Tribunal, Tax and Chancery Chamber, 5th Floor, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL (telephone: 020 020 7612 9730; email: uttc@hmcts.gsi.gov.uk).
27. For further information on the Upper Tribunal (including the power to vary time periods) the Firm should refer to the HM Courts and Tribunal Service website which will provide guidance and the relevant form to complete. The relevant page on HM Courts and Tribunal Service website can be accessed via the following link:

<http://www.justice.gov.uk/forms/hmcts/tax-and-chancery-upper-tribunal>
28. A copy of Form FTC3 must also be sent to Tania Dratcu at the Authority, 12 Endeavour Square, London, E20 1JN at the same time as filing a reference with the Tribunal.

Representations

29. The Firm has the right to make written and oral representations to the Authority (whether or not it refers this matter to the Tribunal). The deadline for providing written representations and/or notifying the Authority that the Firm wishes to make oral representations is 13 December 2021, or such later date as may be permitted by the Authority. The address for doing so is:

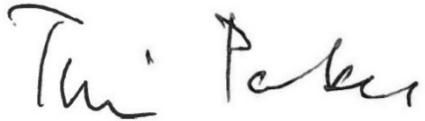
Jack Williams
Decision-Making Committees Secretariat
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

Publicity

30. The Firm should note that section 391 of the Act requires the Authority, when the First Supervisory Notice takes effect (and this First Supervisory Notice takes immediate effect), to publish such information about the matter as it considers appropriate.

Contacts

31. For more information concerning this matter generally, the Firm should contact Tania Dratcu at the Authority (direct line: 020 7066 6764).
32. If the Firm has any questions regarding the procedures of the Regulatory Decisions Committee, it should contact Jack Williams (direct line: 020 7066 3192).

A handwritten signature in black ink that reads "Tim Parkes". The signature is written in a cursive style with a large initial 'T' and a long, sweeping underline.

Tim Parkes
Chair, Regulatory Decisions Committee

ANNEX

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives established in section 1B of the Act include the consumer protection objective. Section 1C (1) of the Act provides that the consumer protection objective is "securing an appropriate degree of protection for consumers".
2. The Authority's market integrity operational objective is set out in section 1D of the Act as "protecting and enhancing the integrity of the UK financial system". The integrity of the UK financial system includes "its soundness, stability and resilience (section 1D (2)(a) of the Act). The integrity of the UK financial system also encompasses public confidence in the financial system and the firms which operate within it.
3. Section 55J of the Act allows the Authority to vary or cancel the permission of an authorised person to carry on a regulated activity if it appears to the Authority (among other things) that the authorised person is failing, or is likely to fail, to satisfy the threshold conditions (section 55J (1)(a)); or that it is desirable to exercise the power in order to advance one or more of the Authority's operational objectives (section 55J (1)(c)). The permission may be varied by removing a regulated activity from those to which the permission relates. This power is referred to as the Authority's own initiative variation power.
4. Section 55L of the Act allows the Authority to impose a new requirement on an authorised person or to vary a previous requirement, if it appears to the Authority (among other things) that the authorised person is failing, or is likely to fail, to satisfy the threshold conditions (section 55L (2)(a)); or that it is desirable to exercise the power in order to advance one or more of the Authority's operational objectives (section 55L (2)(c)). This power is referred to as the Authority's own-initiative requirement power.
5. Section 55N of the Act allows a requirement to be imposed under section 55L of the Act so as to require the person concerned to take or to refrain from taking specified action (section 55N (1)).
6. Section 55Y of the Act allows the Authority's own-initiative variation power or its own initiative requirement power to take effect immediately (or on a specified date) only if the Authority, having regard to the ground on which it is exercising its own-initiative variation power or its own initiative requirement power, reasonably considers that it is necessary for the variation, or the imposition or variation of the requirement to take effect immediately (or on that date).
7. Section 391 of the Act provides that:

" [...]

(5) When a supervisory notice takes effect, the [Authority] must publish such information about the matter to which the notice relates as it considers appropriate.

(6) The [Authority] may not publish information under this section if in its opinion, publication of the information would be –

(a) unfair to the person with respect to whom the action was taken (or was proposed to be taken),

(b) prejudicial to the interests of consumers

[...]

(7) Information is to be published under this section in such manner as the [Authority] considers appropriate."

8. The Appropriate Resources Threshold Condition in paragraph 2D of Schedule 6 to the Act provides, in relation to a person ("A") carrying on or seeking to carry on regulated activities which do not consist of or include a PRA-regulated activity, that:

"The resources of A must be appropriate in relation to the regulated activities that A carries on or seeks to carry on."

[...]

The matters which are relevant in determining whether A has appropriate non-financial resources include –

- a) The skills and experience of those who manage A's affairs;
- b) whether A's non-financial resources are sufficient to enable A to comply with—
 - (i) requirements imposed or likely to be imposed on A by the Authority in the exercise of its functions, or
 - (ii) any other requirement in relation to whose contravention the Authority would be the appropriate regulator for the purpose of any provision of Part 14 of this Act."

9. Paragraph 2E of Schedule 6 to the Act provides:

"Suitability

"A [i.e. an authorised person] must be a fit and proper person having regard to all the circumstances, including—

[...]

- (a) A's connection with any person;
- (b) the nature (including the complexity) of the regulated activities that A carries on or seeks to carry on;
- (c) the need to ensure that A'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 A 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, where A has so complied or is so complying, 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;

(f) whether A'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;

[...]"

RELEVANT HANDBOOK PROVISIONS

The Threshold Conditions

10. The section of the Handbook entitled 'Threshold Conditions' (COND) gives guidance on the Threshold Conditions. COND 1.2.3G provides that the Authority may exercise its own-initiative powers under either section 55J or section 55L of the Act if, among other things, a firm is failing to satisfy any of the Threshold Conditions or is likely to do so.
11. COND 2.4.2G(2) provides that, in the context of the Appropriate Resources Threshold Condition, the Authority will interpret the term 'appropriate' as meaning sufficient in terms of quantity, quality and availability and 'resources' as including all financial resources, non-financial resources and means of managing its resources.
12. COND 2.5.4G provides 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, the Suitability Threshold Condition.

Imposing requirements on the Authority's own initiative

13. EG 8.2.1 provides that the Authority will have regard to its statutory objectives and the range of regulatory tools that are available to it, when it considers how it should deal with a concern about a firm. The Authority will also have regard to: (1) the responsibilities of a firm's management to deal with concerns about the firm or about the way its business is being or has been run; and (2) the principle that a restriction imposed on a firm should be proportionate to the objectives the Authority is seeking to achieve.
14. EG 8.2.3 provides that the Authority will exercise its formal powers under section 55J or 55L of the Act, where the Authority considers it is appropriate to do so to ensure a firm meets its regulatory requirements. EG 8.2.3(1) specifies that the Authority may consider it appropriate to exercise its powers where it has serious concerns about a firm or the way its business is being or has been conducted.

Use of the own-initiative powers in urgent cases

15. EG 8.3.1 states that the Authority may impose a requirement so that it takes effect immediately or on a specified date if it reasonably considers it necessary for the requirement to take effect immediately (or on the date specified), having regard to

the ground on which it is exercising its own-initiative powers.

16. EG 8.3.2 provides that the circumstances in which the Authority will consider exercising its own initiative power as a matter of urgency include where the information available to it indicates serious concerns about the firm or its business that need to be addressed immediately (EG 8.3.2(1)).
17. EG 8.3.3 sets out a non-exhaustive list of situations in which the Authority will consider exercising its own-initiative power as a matter of urgency. EG 8.3.3(1) suggests that the Authority may consider urgent own-initiative action if there is information indicating a significant loss, risk of loss or other adverse effects for consumers, where action is necessary to protect their interests.
18. EG 8.3.4 states that the Authority will consider the full circumstances of each case when it decides whether an urgent variation of Part 4A permission, or an imposition of a requirement, is appropriate. These include: the extent of any loss or risk of loss or other adverse effect on consumers (EG 8.3.4(1)); and the impact which the use of the Authority's own-initiative powers will have on the firm's business and on its consumers (EG 8.3.4(9)).