

Warning notice statement 14/9

The Financial Conduct Authority (the FCA) gave an individual a Warning Notice on 6 March 2014 proposing to take action in respect of the conduct summarised in this statement.

IMPORTANT: a warning notice is not the final decision of the FCA. The individual has the right to make representations to the Regulatory Decisions Committee (RDC) which, in the light of those representations, will decide on the appropriate action and whether to issue a decision notice. The RDC is a Committee of the FCA Board which decides whether the FCA should give certain statutory notices described as within its scope by the FCA's Handbook.

If a decision notice is issued, the individual has the right to refer the matter to the Upper Tribunal which would reach an independent decision on the appropriate action for the FCA to take, if any.

If either the RDC or the Upper Tribunal decide that no further action should be taken, the FCA will publish a notice of discontinuance provided it has the individual's consent.

The following is a summary of the reasons why the FCA gave the individual a Warning Notice:

- The FCA considers that, the individual, who was approved to perform the significant influence function of director at an insurance mediation firm, failed to manage the business of the firm with due skill, care and diligence and failed to ensure that the firm complied with the relevant requirements and standards of the regulatory system, in contravention of Statements of Principle 6 and 7 of the FCA's Statements of Principle and Code of Practice for Approved Persons.
- In particular, the FCA considers that the individual, between 1 April 2011 and 30 June 2012:
 - failed to take adequate steps to remain informed about the business and financial affairs of the firm, by relying solely on general verbal assurances as to the state of the business;
 - failed to probe or challenge any verbal assurances made about the firm, despite having no reasonable basis to consider that the person making those verbal assurances had the necessary skills and competence to make them; and
 - paid insurance premiums of another entity into a client premium bank account of the firm and received personal payments from such account.