The Financial Conduct Authority (the FCA) gave three individuals warning notices on 16 July 2021 proposing to take action in respect of conduct summarised in this statement.

IMPORTANT: a warning notice is not the final decision of the FCA. The individuals have 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 decision notices. 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 decision notices are issued, the individuals have 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 decides that no further action should be taken, the FCA will publish a notice of discontinuance provided it has the individuals' consent.

The following is a summary of the reasons why the FCA gave the individuals warning notices:

The FCA considers that:-

- Between 1 June 2016 and 29 July 2016, the individuals, who were traders at a bank, deliberately engaged in market abuse contrary to Article 15 of the Market Abuse Regulation ((EU) No 596/2014) (in respect of behaviour occurring or on after 3 July 2016 when the Regulation came into force in the UK) and contrary to section 118(5) of the Financial Services and Markets Act 2000 (in respect of behaviour occurring prior to 3 July 2016).
- Specifically, the individuals, in the course of their role at the bank, placed large orders for futures on a trading platform that they did not intend to execute ("Misleading Orders") on the opposite side of the order book to small orders which they did intend to execute ("Genuine Orders"). They carried on this pattern of placing Misleading Orders on the opposite side of the book to Genuine Orders both individually (where one individual placed both the Misleading Orders and the Genuine Orders) and in conjunction with each other (where two or three of the individuals placed the Misleading Orders and the Genuine Orders between them).
- Through the Misleading Orders, the individuals falsely represented to the market an intention to buy or sell when their true intention was the opposite. The individuals' intention in placing the Misleading Orders was to facilitate the execution of the Genuine Orders.

The FCA considers that the individuals' behaviour constituted market abuse within the meaning of Article 12 of the Regulation and in contravention of Article 15 of the Regulation; also within the meaning of and in contravention of section 118(5) of the Act. This is because in placing the Misleading Orders they gave false and misleading signals and a false or misleading impression as to the supply or demand of the futures to which the Misleading Orders related.