1. Warning Notice Statement

1.1 The Financial Conduct Authority (the "FCA") gave each of the following three individuals a warning notice on 10 August 2021 proposing to take action (including the proposed imposition of financial penalties) in respect of the conduct summarised in this statement:

- An individual working at a retail advisory stockbroker whilst an approved person.
- An independent financial adviser working at an advisory firm whilst an approved person.
- Another independent financial adviser working at the same advisory firm whilst an approved person.

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 decides that no further action should be taken, the FCA will publish a notice of discontinuance provided it has the individual's consent.

1.2 The following is a summary of the reasons why the FCA gave each of the individuals a warning notice:

- The FCA considers that the three individuals failed to act with integrity in carrying out their controlled function(s) in breach of Statement of Principle 1 contained within the FCA's Statements of Principle and Code of Practice for Approved Persons (APER).
- The conduct collectively took place between January 2015 and November 2017.

1.3 In particular, the FCA considers that:

- The individuals each played an integral role in a pension scam and colluded together to ensure that customers were recommended to switch/transfer their existing pension funds into a self-invested personal pension (SIPP) which would be invested into certain high-risk and mainly illiquid investments in investment companies seeking to raise funds;
- In return, the investment companies were requested to make substantial marketing and other payments to the individuals. In total, the scam generated approximately £5.9 million in such payments to the individuals and others involved in it;
- The individuals were motivated by financial benefit. In particular, the FCA considers the decisions made by the individual working at the retail advisory stockbroker and the advice provided by the independent financial advisers were driven by profit, were inevitably unsuitable and exposed all customers to a very significant risk of detriment and, in many cases, actual loss; and

- The individuals deliberately concealed their receipt of marketing commissions and other payments from customers.

1.4 The FCA considers that the individuals' conduct summarised above amounts to a lack of integrity.