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## FINAL NOTICE

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**Sunrise Brokers LLP**  
4 Triton Square  
Regent's Place  
London  
NW1 3HG

**Mr Timothy Young**

**Date of birth: 26 March 1965**

**12 May 2016**

### **ACTION**

1. By an application dated 4 March 2014 Sunrise Brokers LLP applied under section 60 of the Act for approval of Mr Timothy Young to perform the CF30 Customer controlled function.
2. The Application is incomplete.
3. For the reasons listed below, the Authority has refused the Application.

### **SUMMARY OF REASONS**

4. Both Sunrise and Mr Young failed to provide the information requested by the Authority on 13 March 2014. This information was requested from Sunrise and Mr Young on four separate occasions between 1 July 2014 and 8 December 2014, in order to assist the Authority in its determination of the Application.
5. In the absence of this information the Authority cannot be satisfied with regard to Mr Young's fitness and propriety to carry out the controlled function applied for. In particular, Sunrise and Mr Young have failed to satisfy the Authority in respect of his honesty, integrity and reputation.

6. By its Warning Notice, dated 18 December 2015, the Authority gave notice that it proposed to refuse the Application and that Sunrise and Mr Young were entitled to make representations to the Authority about that proposed action.
7. As no representations were received by the Authority from Sunrise or Mr Young 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.
8. By its Decision Notice, dated 18 March 2016, the Authority gave Sunrise and Mr Young notice that it had decided to take the action described above.
9. Sunrise and Mr Young had 28 days from the date the Decision Notice was given to refer the matter to the Tribunal. No referral was made to the Tribunal within this period of time or to date.
10. 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 Sunrise and Mr Young Final Notice of its refusal.
11. The Authority refuses the Application and to gives this Final Notice as the Authority is not satisfied that, on the basis of the facts and matters described below, Mr Young is a fit and proper person to perform the controlled functions to which the Application relates. In particular the Authority considers that Mr Young has displayed a lack of regard for the process of approval and has failed to demonstrate 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.

## **DEFINITIONS**

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

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

"the Application" means the application referred to in paragraph 1 above.

"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 18 March 2016 given to Sunrise and Mr Young by the Authority.

"Mr Young" means Mr Timothy Young, the candidate.

"the RTC" means the Regulatory Transactions Committee.

"Sunrise" means Sunrise Brokers LLP, the applicant firm.

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

"the Warning Notice" means the warning notice dated 18 December 2015 given to Sunrise and Mr Young by the Authority.

## **FACTS AND MATTERS**

### **Lack of evidence of fitness and propriety**

13. The Application was received by the Authority on 4 March 2014. No details were provided with regard to Mr Young's previous employer.
14. On 13 March 2014, an email was sent by the Authority to Sunrise requesting the following under section 60(3) of the Act:
  - i. details of the due diligence they had performed when considering Mr Young to be fit and proper for the role applied for; and
  - ii. copies of the regulatory references they obtained from Mr Young's former employer prior to submitting the Application.
15. Reminders were sent on 21 March 2014, 3 April 2014, 19 May 2014 and 20 May 2014.
16. On 20 May 2014, Sunrise provided the following:
  - i. an internal fitness and propriety questionnaire completed by Mr Young, as evidence of its due diligence; and
  - ii. a brief reference from Mr Young's former employer confirming Mr Young's dates of employment.
17. The reference and the due diligence provided were insufficient for the purposes of determining the Application, in that it contained no information as to the fitness and propriety of Mr Young. In particular it did not state the reason for Mr Young leaving his previous employer.

### **Regulatory process - Mr Young's failure to engage in regulatory process**

18. On 1 July 2014, the Authority wrote to Sunrise and to Mr Young requesting full details of the due diligence conducted by Sunrise and full references. The Authority explained that the failure to provide this information would result in the Application being determined based upon the information received to date and that this might result in a recommendation to the RTC that it issue Sunrise and Mr Young with a Warning Notice. No response was received to this letter from either Sunrise or Mr Young by the stated deadline of 14 July 2014.
19. On 18 July 2014, the Authority wrote to Sunrise and Mr Young noting the lack of a response to its previous letter of 1 July 2014 and reiterating that Sunrise's failure to provide the outstanding information would result in the Application being determined based upon the information received to date and that this might result in a recommendation to the Authority's RTC that it issue Sunrise and Mr Young with a Warning Notice. No response was received to this letter from Mr Young by the stated deadline of 31 July 2014. Sunrise however replied on 28 July 2015 and advised the Authority that it wished to withdraw support for the Application.
20. On 9 October 2014, the Authority wrote to Sunrise and Mr Young requesting the outstanding information, or a Form B. The Authority reiterated that Sunrise's failure to provide the outstanding information would result in the Application being determined based upon the information received to date and that this might result in a recommendation to the Authority's RTC that it issue Sunrise and Mr Young with a Warning Notice. No response was received from Sunrise or Mr Young by the stated deadline of 23 October 2014.

21. On 30 October 2014, Sunrise informed the Authority that it wished to withdraw the Application, as it had not received a satisfactory reference from Mr Young's previous employer. It informed the Authority that Mr Young no longer worked at Sunrise and had not responded to requests to complete a Form B to withdraw the Application. The letter posted to Mr Young was returned to the Authority.
22. On 8 December 2014, the Authority wrote to Sunrise and Mr Young, restating the concerns of its letter dated 9 October 2014. The Authority reiterated that Sunrise's failure to provide either the requested information or a completed Form B would result in the Application being determined based upon the information received to date and that this might result in a recommendation to the RTC that it issue Sunrise and Mr Young with a Warning Notice. Sunrise responded reiterating its intention to withdraw the Application, but that it had not received a response from Mr Young. The letter posted to Mr Young was returned to the Authority marked "addressee gone away."
23. On 15 December 2014, the Authority emailed Sunrise confirming that the Application could not be withdrawn without Mr Young's consent. It was explained that if a Form B was not received, the Application would need to be referred to the Authority's RTC. The Authority advised that if the RTC agreed with our recommendation that a Warning Notice would be issued to Sunrise and Mr Young.
24. On 13 March 2015, and 10 April 2015, the Authority wrote to Sunrise requesting up-to-date contact details for Mr Young. On 24 June 2015, Sunrise provided the Authority with an email address for Mr Young. To date, the Authority has received no further response from Sunrise.
25. On 2 July 2015 and 11 August 2015, the Authority emailed Mr Young directly with regard to the Application. To date, the Authority has received no response from Mr Young and all subsequent correspondence sent to his postal address has been returned marked 'addressee gone away.'

## **IMPACT ON FITNESS AND PROPRIETY**

26. The regulatory provisions relevant to this Final Notice are referred to in Annex A.
27. Although Sunrise appears to have made attempts to gather the information the Authority had requested and to contact Mr Young, both Sunrise and Mr Young failed to provide the Authority with the information it reasonably considered necessary to enable it to determine the Application. The Authority sent both Sunrise and Mr Young four separate letters referring to the fact that a failure to provide the information requested might result in Sunrise and Mr Young being given a warning notice proposing to refuse the Application. In light of the above, and given that Mr Young did not give consent to the withdrawal of the Application, the Authority determined the Application based upon the information received to date.
28. The Authority considers that it cannot be satisfied that Mr Young is fit and proper to perform the controlled function to which the Application relates. In particular, the Authority considers that the information received to date gives rise to serious concerns as to Mr Young's honesty, integrity and reputation pursuant to FIT 2.1 with respect to the following, about which no explanation has been provided:
  - (1) Mr Young has failed to disclose the circumstances in which he left his previous employer; and
  - (2) In failing to provide this information and to respond to the letters and emails the Authority sent to him, Mr Young has displayed a lack of regard

for the process of approval and failed to demonstrate 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.

## **IMPORTANT NOTICES**

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

### **Publication**

30. 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 Sunrise or Mr Young or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

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

### **Authority contacts**

32. For more information concerning this matter generally, contact Jagjit Sahota, Manager, Approved Persons, Passporting and Mutuals Department at the Authority (direct line: 020 7066 4694 / email: jagjit.sahota@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 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**

3. 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.
4. The most important considerations to which the Authority will have regard include the person’s honesty and integrity, competence and capability and their financial soundness (FIT 1.3.1G).
5. 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).
6. In determining a person’s honesty, integrity and reputation, the matters to which the Authority will have regard include:
  - (1) 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)).