

FINAL NOTICE – SUMMARY OF CONTENTS

Date of issue: 25 November 2004

Angus McKay

The FSA has refused an application for Part IV Permission from Angus McKay, a sole trader who applied to carry on business under the FSA's new regulatory regime for mortgages and general insurance. The application was refused as Mr McKay does not satisfy Threshold Condition 5 (suitability).

Mr McKay's company applied for membership of the PIA on 24 June 1994. Between that date and 6 September 1996, the PIA was compelled to chase the firm repeatedly for further information which was provided very slowly or not at all. On September 1996 the firm's application was rejected. The grounds for rejection were that:

- The firm had not provided evidence that it could meet the financial resource requirements, despite numerous requests for the information.
- It had not explained the existence of large sums outstanding to various product providers.
- The firm had failed to disclose the existence of these debts.

The firm appealed to the Membership and Disciplinary Tribunal, but subsequently went into voluntary liquidation and withdrew its appeal on the 21 November 1996.

Mr McKay was employed by an authorised firm in June 1999. On 15 March 2001 he was dismissed. The facts surrounding his dismissal were that:

- Mr McKay charged unauthorised arrangement fees and overcharged survey fees in six cases. Mr McKay admitted to charging an arrangement fee in one case, although he claimed that he had made the charge because he did not trust the client and was going to pay the arrangement fee to the Bank of Scotland. The firm confirmed with the Bank of Scotland that they do not charge up front arrangement fees. The client stated that Mr McKay had represented to him that he was a principle of the firm (which he was not) and that the cheque should be made out to him personally for income tax reasons.
- Mr McKay was given the right to appeal his dismissal but did not do so.

Mr McKay failed to disclose any of the above matters when applying for authorisation.

The FSA considers that these matters demonstrate that Mr McKay does not have the necessary honesty, integrity and reputation to be considered a fit and proper person and therefore does not satisfy Threshold Condition 5 (suitability).

Mr McKay did not make representations to the FSA, nor did he refer the matter to the independent Financial Services and Markets Tribunal.