
FINAL NOTICE

To: Alan Taylor

IRN: ART00034

Address: HMP Wayland
A4011EE
Thompson Road
Griston
Thetford
1P25 6RL

Dated: 13 November 2018

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against Mr Taylor.
2. The Authority gave Mr Taylor the Decision Notice, which notified Mr Taylor that, for the reasons given below and pursuant to section 56 of the Act, the Authority had decided to make an order prohibiting him from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm.
3. Mr Taylor has not referred the matter to the Tribunal within 28 days of the date on which the Decision Notice was given to him.
4. Accordingly, for the reasons set out below, the Authority hereby makes an order pursuant to section 56 of the Act prohibiting Mr Taylor from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm. The Prohibition Order takes effect from 13 November 2018.

DEFINITIONS

5. The definitions below are used in this Final Notice (and in the Annex):

“the Act” means the Financial Services and Markets Act 2000;

“the Authority” means the Financial Conduct Authority;

"EG" means the Authority's Enforcement Guide;

"Mr Taylor" means Alan Taylor;

"the Decision Notice" means the Decision Notice issued to Mr Taylor on 12 September 2018;

"FIT" means the Fit and Proper Test for Approved Persons and specified significant-harm functions sourcebook;

"the Handbook" means the Authority's Handbook of rules and guidance;

"the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber); and

"the Warning Notice" means the Warning Notice issued to Mr Taylor on 14 August 2018.

RELEVANT STATUTORY PROVISIONS

6. The statutory and regulatory provisions relevant to this Final Notice are set out in the Annex.

SUMMARY OF THE REASONS

7. The Authority has concluded, on the basis of the facts and matters and conclusions described in the Warning Notice, and in the Decision Notice, that Mr Taylor is not a fit and proper person to perform any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm, as his conduct demonstrates a clear and serious lack of honesty, integrity and reputation. Specifically, Mr Taylor:
 - (a) was convicted, upon his own confession, on 6 March 2018, of one count of conspiracy to defraud, contrary to common law; and
 - (b) was sentenced on 3 May 2018 to six years' imprisonment and was disqualified as a director for 12 years, under section 2 of the Company Directors Disqualification Act 1986.

FACTS AND MATTERS RELIED ON

8. Between 4 September 2003 and 12 April 2016, Mr Taylor held various significant influence and customer facing functions at Taylor and Taylor Associates Ltd (in liquidation).
9. From 1 September 2008, Mr Taylor has been approved by the Authority to perform various significant influence and customer facing functions in relation to Vantage Investment Group Ltd (in liquidation).

10. On 6 March 2018, Mr Taylor was convicted at Norwich Crown Court of one count of conspiracy to defraud, contrary to common law, namely for conspiring to defraud clients of his investment advisory firm by dishonestly causing those clients to invest in a fund set up by him and his brother, Russell Taylor.
11. On 3 May 2018, Mr Taylor was sentenced at Norwich Crown Court to six years' imprisonment for the offence summarised at paragraph 10 above.
12. In his sentencing remarks (made on 3 May 2018), Judge Bate commented on the features of Mr Taylor's case. These features included the position of trust Mr Taylor was in whilst working as an independent financial adviser at Taylor & Taylor Associates Ltd; the prolonged period of time over which Mr Taylor committed the offence (over seven years); and the number of individuals affected by his dishonesty (approximately 172 clients). Judge Bate referred to the means by which Mr Taylor defrauded his clients: he dishonestly caused his clients to invest in the Vantage Trader Index Fund, having advised those clients that the investment was suitable for them; concealed the high-risk and speculative nature of the Fund; failed to disclose his conflict of interest; and advised them to move their funds to a self-invested personal pension scheme without disclosing that their investment would be transferred into the Fund.
13. In sentencing, Judge Bate stated that Mr Taylor's dishonesty had resulted in him obtaining money which he spent on several luxury items that could be traced back to his investors. Judge Bate considered Mr Taylor's culpability and responsibility to be high and remarked that "*This was an elaborate and prolonged joint breach of trust against a large number of your own loyal clients, most of whom were already pensioners or soon to become so.*"

DECISION MAKER

14. The decision which gave rise to the obligation to give this Final Notice was made by the Regulatory Decisions Committee.

IMPORTANT

15. This Final Notice is given to Mr Taylor in accordance with section 388 of the Act.

Publicity

16. The Authority must publish such information about 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 information would, in the opinion of the Authority, be unfair to Mr Taylor or prejudicial to the interests of consumers.
17. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority Contact

18. For more information concerning this matter generally, Mr Taylor should contact Tania Dratcu at the Authority (direct line: 0207 066 6764).

Anna Couzens
Enforcement and Market Oversight Division

ANNEX

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives include securing an appropriate degree of protection for consumers (section 1C of the Act) and protecting and enhancing the integrity of the UK financial system (section 1D of the Act).
2. Section 56(1) of the Act provides:

"The [Authority] may make a prohibition order if it appears to it that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by –

 - (a) an authorised person,
 - (b) a person who is an exempt person in relation to that activity, or
 - (c) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity."

RELEVANT REGULATORY PROVISIONS

3. In exercising its power to make a prohibition order, the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as EG. The relevant main considerations in relation to the action specified above are set out below.

The Enforcement Guide

4. The Authority's policy in relation to exercising its power to issue a prohibition order is set out in EG.
5. EG 9.1 explains the purpose of prohibition orders in relation to the Authority's statutory objectives.
6. EG 9.2 sets out the Authority's general policy on making prohibition orders. In particular:
 - (a) EG 9.2.1 states that the Authority will consider all relevant circumstances, including whether enforcement action has been taken against the individual by other enforcement agencies, in deciding whether to make a prohibition order;
 - (b) EG 9.2.2 states that the Authority has the power to make a range of prohibition orders depending on the circumstances of each case; and
 - (c) EG 9.2.3 states that the scope of a prohibition order will depend on, amongst other things, the reasons why the individual is not fit and proper and the severity of risk he poses to consumers or the market generally.

7. EG 9.5.1 states that where the Authority is considering whether to make a prohibition order against someone who is not an approved person, the Authority will consider the severity of the risk posed by the individual and may prohibit him where it considers that it is appropriate to achieve one or more of the Authority's statutory objectives.
8. EG 9.5.2 provides that, when considering whether to exercise its power to make a prohibition order against someone who is not an approved person, the Authority will consider all the relevant circumstances of the case. These may include, but are not limited to, the factors set out in EG 9.3.2. Those factors include: whether the individual is fit and proper to perform functions in relation to regulated activities (noting the criteria set out in FIT 2.1, 2.2, and 2.3); the relevance and materiality of any matters indicating unfitness; the length of time since the occurrence of any matters indicating unfitness; and the severity of the risk which the individual poses to consumers and to confidence in the financial system.

Fit and Proper Test for Approved Persons

9. The Authority has issued guidance on the fitness and propriety of individuals in FIT.
10. FIT 1.3.1BG(1) states that the most important considerations when assessing the fitness and propriety of a person to perform a controlled function include that person's honesty, integrity and reputation.
11. FIT 2.1.1G states that in determining a person's honesty, integrity and reputation, the Authority will have regard to all relevant matters including, but not limited to, those set out in FIT 2.1.3G. It notes, amongst other things and by way of example, that:

"... conviction for a criminal offence will not automatically mean an application will be rejected. The [Authority] treats each candidate's application on a case-by-case basis, taking into account the seriousness of, and the circumstances surrounding, the offence, the explanation offered by the convicted person, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual's rehabilitation."
12. FIT 2.1.3G(1) states that the matters referred to in FIT 2.1.1G include, but are not limited to, whether a person has been convicted of any criminal offence, noting that particular consideration will be given to certain offences including those of dishonesty, fraud and financial crime (amongst other things).