

BARRY DAVYS

FINAL NOTICE

SUMMARY OF THE MATTER TO WHICH THE NOTICE RELATES

Date of Issue: 30 May 2006

The FSA has refused an application made by Strathardle Asset Management Ltd ("SAML") under section 60 of the Financial Services and Markets Act 2000 for the approval of Barry Davys to perform the Controlled Functions of Director (CF1), Apportionment and Oversight (CF 8), Compliance Oversight (CF10), Money Laundering (CF 11) and Investment Adviser (CF21). As a consequence of this refusal, the FSA has also refused an application by SAML for Part IV Permission as a personal investment firm and general insurance intermediary.

Mr Davys was the sole trader of The Davys Partnership (TDP) from 1986 to 2000. Having sold the business to another firm, Mr Davys failed to deal satisfactorily with complaints which arose from business he had written as TDP. In particular, he failed to deal in a satisfactory manner with correspondence from the FSA, the Financial Ombudsman Service and the complainants themselves and/or their representatives. Mr Davys maintained that he did not realise he was liable for these complaints because TDP had ceased trading in 2000. The FSA considered that, if this belief was honestly held, then Mr Davys' lack of understanding of his responsibilities as a sole trader raised concerns over his competency and capability to be approved to perform the governing and required functions of another firm for which he would be the sole executive performing governing and required controlled functions.

On 1 December 2005 the Regulatory Transactions Committee of the FSA issued a Warning Notice to Mr Davys that it intended to refuse the application from SAML for his approval for the Controlled Functions applied for. The Committee also issued a Warning Notice in respect of the application from SAML for Part IV permission as a consequence of the proposed refusal of Mr Davys.

Mr Davys made written and oral representations against the Warning Notices to the Regulatory Decisions Committee (RDC). On 24 February 2006, the RDC issued Decision Notices refusing the applications from Mr Davys and SAML on the grounds that it considered Mr Davys was not a fit and proper person because he:

- (a) had contravened the requirements and standards of the regulatory system;
- (b) had been the subject of a justified complaint;

- (c) had not demonstrated his readiness and willingness to comply with the requirements and standards of the regulatory system and his other legal obligations; and
- (d) had conducted himself in a way that raises serious concerns over whether he has demonstrated by his experience and training that he has the competency and capability to perform governing and required controlled functions.

As a result of its refusal to approve the application from Mr Davys, the RDC considered that SAML did not satisfy Threshold Condition 4 (adequate resources) and Threshold Condition 5 (suitability).

Neither SAML nor Mr Davys referred the matter to the independent Financial Services and Markets Tribunal.