

## FINAL NOTICE – SUMMARY OF CONTENTS

**Date of issue: 28 October 2004**

### **Mirza Beg trading as Central Financial Services**

The FSA has refused an application for Part IV Permission to carry on mortgage and general insurance business from Mirza Beg trading as Central Financial Services as it was not satisfied that Mr Beg is a fit and proper person to perform the role of sole trader at the firm concerned. Accordingly, the FSA is not satisfied that Central Financial Services meets Threshold Condition 4 (Suitability).

In August 1998 the PIA (one of the predecessors of the FSA) rejected Mr Beg's application for Individual Registration as it was unable to satisfy itself as to the following criteria:

- honesty and reputation – as Mr Beg had failed to disclose an outstanding debt owed to a Building Society; and
- solvency and financial standing – as Mr Beg had failed to satisfy this debt.

In May 1999, Central Financial Services, of which Mr Beg was the sole trader, was expelled from PIA membership as a result of the firm ceasing to be 'fit and proper' for the following reasons:

- Mr Beg failed to disclose relevant information to PIA.
- Mr Beg supplied inaccurate information in a mortgage application to a Building Society.
- Mr Beg's application for Individual Registration had already been refused by the PIA.

In June 1999 FSA issued a written warning to Mr Beg in relation to an advertisement that had recently appeared in a local newspaper which indicated that his firm, Central Financial and Property Services, was providing services in respect of endowments, pensions and PEPs, which were investment products for which the firm had no authorisation to deal. The advertisement also stated that the firm was regulated by the PIA, which was not true as membership of the PIA had stopped in May 1999 as a result of the expulsion. The advertisement was subsequently withdrawn, and no further action was taken by the PIA.

Mr Beg failed to disclose the following information in his current application:

- the previous rejection of his application for individual registration, and the related firm expulsion.
- the full facts around the expulsion. When prompted, he disclosed the undeclared CCJ which affected his application in the past, but did not disclose that one of the other factors contributing to the firm's expulsion related to his lies on a mortgage application.

- A County Court Judgement ("CCJ") that had been registered against him in the past.
- the fact that he received a written warning relating to an advertisement issued by Central Financial Services after it was expelled.

The FSA believes that this conduct reflects on Mr Beg's fitness and propriety. The PIA's rejection of Mr Beg's application for Individual Registration, the PIA's expulsion of Central Financial Services, the CCJ registered against him, and the FSA investigation of an advertisement issued by him were all matters that clearly fell within the ambit of the questions asked on the application form and his failure to disclose them were serious breaches of the regulatory obligation to be open and co-operative with the regulatory authority.

In light of the matters set out above, the FSA has concluded that it is unable to satisfy itself that Mr Beg is a fit and proper person to carry out the role of sole trader of Central Financial Services. In turn, this means that the FSA cannot ensure Central Financial Services meets Threshold Condition 5 (Suitability) because of its connection with Mr Beg.

Mr Beg did not refer the matter to the independent Financial Services and Markets Tribunal.