

FINAL NOTICE – SUMMARY OF CONTENTS

Date of issue: 28 October 2004

Thomas Blewitt

The FSA has refused an application for Part IV Permission from Thomas Blewitt, 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 Blewitt does not satisfy Threshold Condition 5 (suitability).

Mr Blewitt worked as a Financial Adviser for an authorised firm from 1993 to 2001. In 2001, two cases of potential 'churning' by Mr Blewitt were identified as a result of routine monitoring by the firm's compliance department of surrendered policies. 'Churning' is the surrender of an existing investment in favour of another with no justification or advantage to the customer. Further investigation identified another six potential cases of churning. Mr Blewitt was suspended by the firm in July 2001; he resigned in September 2001.

A compliance investigation into his work carried out by the firm, completed in April 2002, found a number of instances of serious misconduct and malpractice in relation to customers. Evidence for the report was gathered through interviews with 56 of Mr Blewitt's customers and from questionnaires completed by 191 others.

The most serious findings were that Mr Blewitt had:

- churned investment business on 29 occasions;
- § issued inappropriate advice on 19 occasions;
- § failed to issue 'Reason Why' Letters;
- § forged signatures on sales documentation;
- § not disclosed charges/commission to customers; and
- § given advice outside his authorisation.

The firm also noted that fact finds prepared by Mr Blewitt appeared to be inaccurate, incomplete or even falsified.

15 of the 29 customers who were identified as having been subject to churning suffered a loss. In total, 64 customers had been compensated a total of £117,763 by the firm by July 2002.

The FSA considers that these matters demonstrate that Mr Blewitt 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 Blewitt did not make representations to the FSA, nor did he refer the matter to the independent Financial Services and Markets Tribunal.