

To: **Eurosure Investment Services Limited**
Of: 126 London Road, Boston, PE21 7HB
Date: 29 January 2003

FINAL NOTICE

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS ("FSA") gives you final notice about issuing a statement of public censure.

THE INTERIM TRIBUNAL

The Disciplinary Committee of the Personal Investment Authority ("PIA") referred you to the PIA Membership and Disciplinary Tribunal on 14 September 2001 pursuant to Rule 10.1.2(3). Those proceedings were incomplete disciplinary proceedings at 1 December 2001 and were referred by FSA to the Financial Services and Markets Act Interim Tribunal. In accordance with the directions given by the Interim Tribunal the FSA is taking the following action:-

THE STATEMENT OF PUBLIC CENSURE

The FSA imposes a statement of public censure on you ("the public censure") in the following terms:-

In relation to its conduct of the Pensions Review, Eurosure Investments Services Ltd (Eurosure) has contravened the requirements imposed upon it by virtue of the Financial Services and Markets Act 2000 and associated transitional provisions. In particular, visits by the FSA's Pensions Review Monitoring Department in August 2000 and April 2001 revealed that, in breach of PIA Rules 1.3.1(6), 1.3.1(2)(a), 7.2.2(3) and 7.2.3, Eurosure had failed to take reasonable steps to conduct the Pensions Review in accordance with the prescribed standards ("the Guidance") in that it:

- (i) Failed accurately identify its starting population;
- (ii) Failed accurately to exclude cases from the Review in accordance with the Guidance;

- (iii) Failed to conduct its Pension Review in a timely manner and in accordance with the Guidance. In particular, Eurosure failed to meet the 31 December 1998 deadline for completing Phase 1 of the Pensions Review;
- (iv) Failed to close cases in accordance with the Guidance.
- (v) Failed to take all reasonable steps to monitor the Pensions Review conducted by its Appointed Representatives.

This Statement will be published on or after 29 January 2003 and shall be published on FSA's Public Register and website.

REASONS FOR THE PUBLIC CENSURE

Introduction

Eurosure was authorised by PIA to conduct investment business from 5 September 1994. Since 1 December 2001 Eurosure has been authorised, for those purposes, by the FSA. The public censure is in respect of Eurosure's failures to conduct its pension's review in accordance with the Guidance, details of which are set out below.

Relevant Statutory Provisions

The Public Censure arises as a result of your failure to comply with PIA Rule 1.3.1(6), 1.3.1(2)(a), 7.2.2(3) and 7.2.3 as particularised below.

The Public Censure is imposed under S.205 of the Financial Services and Markets Act 2000 ("the Act").

In imposing the public censure, FSA is exercising its power under S.205 of the Act in order to give effect to and implement the determination and directions of the Interim Tribunal pursuant to Article 58(4) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Partly Completed Procedures) Order 2001 ("the PCP Order").

Therefore, in accordance with Article 61(5) of the PCP Order, Sections 207 and 208 of the Act do not apply to this Notice.

Relevant Guidance

In deciding to impose the Public Censure in reliance upon the facts and matters described herein, the FSA has had regard to the guidance published in Annex D of "PIA's Approach to Discipline - Statement of Policy" (December 1995). The following paragraphs in particular are relevant for the reasons stated:

- (1) *Paragraph 3 a (i)* -The breaches may have exposed clients to actual or potential harm by not conducting the pensions review and mailing exercise in a timely manner, including a failure to expedite the remedial action required as a consequence of PRMD's findings. Further, by incorrectly excluding a number of cases, clients may not have received compensation even though they were entitled;

- (2) *Paragraph 3 b (i)* – The breaches were not reported by Eurosure. The breaches were initially identified by PRMD at their monitoring visit in August 2000;
- (3) *Paragraph 3 b (ii)* – Following the August 2000 PRMD monitoring visit, Eurosure failed to expedite the remedial action required and by the time of the April 2001 verification visit, much of this had not been completed. Following the April 2001 verification visit, Eurosure continued to implement the remaining corrective action required but this has still not been completed.

Facts and Matters Relied On

The FSA considers that in breach of PIA Rules 1.3.1(6), 1.3.1(2)(a), 7.2.2(3) and 7.2.3 Eurosure failed to take reasonable steps to conduct the Pensions Review in accordance with the Guidance in that it:-

- (i) Failed accurately identify its starting population;
- (ii) Failed accurately to exclude cases from the Review in accordance with the Guidance;
- (iii) Failed to conduct its Pension Review in a timely manner and in accordance with the Guidance. In particular, Eurosure failed to meet the 31 December 1998 deadline for completing Phase 1 of the Pensions Review;
- (iv) Failed to close cases in accordance with the Guidance.
- (v) Failed to take all reasonable steps to monitor the Pensions Review conducted by its Appointed Representatives.

IMPORTANT

This notice is sent to you in accordance with section 390(1) of the Act.

PUBLICITY

Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this notice relates. Under those provisions, the FSA must publish such information about the matter to which this notice relates as the FSA considers appropriate. The information may be published in such manner as the FSA considers appropriate. However, the FSA may not publish information if such publication would, in the opinion of the FSA, be unfair to you or prejudicial to the interests of consumers.

The FSA intends to publish a press release reflecting the terms of this Notice.

FSA CONTACTS

For more information concerning this matter generally, please contact Martin Cole at the FSA (direct line: 020 7676 1706/fax: 020 7676 1707).

Signed:.....

Dated:.....

Julia Dunn

Head of Retail Selling

Enforcement Division