
FINAL NOTICE

To: **FT Investment & Insurance Consultants**
Of: **27 Church Street**
Lancaster
Lancashire
LA1 1LP

Dated: **12 March 2004**

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (“the FSA”) gives you final notice about a decision to cancel the permission granted to FT Investment & Insurance Consultants (“FTIIC”) to carry on regulated activities.

1. ACTION

The FSA gave FTIIC a Decision Notice on 23 January 2004 (“the Decision Notice”) which notified FTIIC that for the reasons listed below and pursuant to section 45 of the Financial Services and Markets Act 2000 (“the Act”), the FSA had decided to cancel the permission granted to FTIIC pursuant to Part IV of the Act (“FTIIC’s Part IV permission”).

2. REASONS FOR ACTION

On the basis of the facts and matters and the conclusions described in its Warning Notice dated 17 December 2003 and in the Decision Notice, it appears to the FSA that FTIIC has failed to satisfy the threshold conditions set out in Schedule 6 of the Act in that the FSA is not satisfied that FTIIC is fit and proper in all the circumstances, including the need to ensure that its affairs were conducted soundly and prudently.

By virtue of section 45(1)(a) of the Act, which gives the FSA the power to cancel a firm's Part IV permission if it is considered appropriate to do so, the FSA has today cancelled FTIIC's Part IV permission.

3. IMPORTANT

This Final Notice is given to FTIIC 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 Final Notice relates. Under those provisions, the FSA must publish such information about the matter to which this Final 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 FTIIC or prejudicial to the interests of consumers.

The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

FSA Contacts

For more information concerning this matter generally, you should contact Matthew Fann at the FSA (direct line: 020 7066 5328 /fax: 020 7066 9720).

Julia Dunn
Head of Retail Selling – Enforcement Division

EXTRACT FROM WARNING NOTICE DATED 17 DECEMBER 2003

REASONS FOR ACTION

Facts and matters relied on

FTIIC is an independent financial adviser firm, with offices in Lancaster and Dalton-in-Furness and permission under Part IV of the Act to carry on the following regulated activities:

- a) advising (excluding pension transfers/opt-outs);
- b) agreeing to carry on a regulated activity;
- c) arranging (bringing about) deals in investments;
- d) making arrangements with a view to transactions in investments;

FTIIC is constituted as a partnership between Mark Fullalove and John Tinkler.

By its letter dated 4 April 2003 FTIIC, having been unable to obtain professional indemnity insurance, gave notice to the FSA that it had taken the decision to cease trading and was agreeable to the cancellation of its Part IV permission. However, under paragraph 6.4.3.2(2) of the Supervision Manual in the FSA's Handbook ("SUP"), the FSA will not grant an application for cancellation of permission until a firm can demonstrate that it has ceased carrying on all regulated activities. To that end the FSA by its letter dated 29 April 2003 required FTIIC to provide certain information. The FSA also required FTIIC to pay the outstanding balance, amounting to £3,555.52, of the financial penalty imposed on FTIIC on 7 August 2002 in respect of FTIIC's failures to conduct its Pensions Review in accordance with regulatory guidance ("the Penalty").

Since 4 April 2003 the FSA has had no communication from FTIIC. Five letters sent to FTIIC at its principal place of business in Lancaster over the period April to October 2003 have elicited no response and neither the telephone number at that office nor the telephone number at FTIIC's Dalton-in-Furness office is now recognised. Furthermore FTIIC has still not paid the balance of the Penalty.

Since it appears that FTIIC has moved away without having given the FSA any notice of a change of its principal place of business or any other form of communication, the FSA has no means of effectively monitoring compliance by FTIIC with the requirements and standards of the regulatory system.

FTIIC's failure to communicate with the FSA constitutes a breach of SUP Rule 15.5.4 which requires a firm to give reasonable advance notice of a change in its principal place of business and the date of the change. Furthermore, both that failure and FTIIC's failure to pay the outstanding balance of the Penalty constitute breaches of Principle 11 of the FSA's Principles for Businesses under which a firm must deal with its regulators in an open and co-operative way.

Conclusions

The facts and matters described above lead the FSA, having regard to its regulatory objectives which include the protection of consumers, to the following conclusions:

- FTIIC, by failing to communicate with or respond to communications from the FSA and to pay the balance of the Penalty, has failed to demonstrate the openness and co-operation that the FSA required of it and that it is ready and willing to comply with the requirements and standards under the regulatory system;
 - these failures demonstrate that FTIIC is failing to conduct its business in compliance with proper standards and therefore to satisfy threshold condition 5: Suitability;
 - these failures are significant in the context of the suitability of FTIIC, in that they present a risk to the FSA's consumer protection objective;
 - FTIIC is therefore failing to satisfy the threshold conditions in relation to the regulated activities for which it has Part IV permission.
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