
FINAL NOTICE

Complete Cover Limited
83 Mexborough Street
Leeds
West Yorkshire
LS7 3JF

Mr Mohamed Arfaan Mughal
83 Mexborough Street
Leeds
West Yorkshire
LS7 3JF

Date: 14 March 2012

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (“the FSA”) has taken the following action:

1. ACTION

- 1.1. By an application received by the FSA on 24 September 2010 (the “Application”) Complete Cover Limited (“Complete Cover”) applied under section 60 of the Financial Services and Markets Act 2000 (“the Act”) for approval of Mr Mohamed Arfaan Mughal (“Mr Mughal”) to perform the controlled functions of CF1, CF8 and RIM.
- 1.2. For the reasons listed below the FSA has refused the Application.

2. REASONS FOR THE ACTION

- 2.1. By its Warning Notice dated 18 November 2011 (the "Warning Notice"), the FSA gave you notice that it proposed to take the action described above and you were given the opportunity to make representations to the FSA about that proposed action.

- 2.2. No representations having been received by the FSA from you within the time allowed by the Warning Notice, the default procedures in paragraph 2.3.2 of the FSA's Decision Procedure and Penalties manual permitted the FSA to treat the matters referred to in its Warning Notice as undisputed. By its Decision Notice dated 30 January 2012 ("the Decision Notice"), the FSA gave you notice that it had decided to take the action described above.
- 2.3. Under section 133(1) of the Act, you had 28 days from the date the Decision Notice was given to refer the matter to the Upper Tribunal (formerly known as the Financial Services and Markets Tribunal). No referral was made to the Upper Tribunal within this period of time or to date.
- 2.4. Under section 390(1) of the Act, the FSA, having decided to refuse the Application and there having been no reference of that decision to the Tribunal, must give you this Final Notice of its refusal.
- 2.5. The FSA decided to refuse the Application and to give this Final Notice as it is not satisfied that Mr Mughal is a fit and proper person to perform the controlled functions to which the Application relates.

Relevant statutory provisions

- 2.6. The FSA may grant an application for approval under section 60 of the Act only if it is satisfied that the person in respect of whom the application is made is a fit and proper person to perform the controlled function to which the application relates (section 61(1) of the Act).

Relevant guidance

- 2.7. The Fit and Proper test for Approved Persons (FIT) sets out the criteria that the FSA will consider when assessing the fitness and propriety of a person to perform a particular controlled function.
 - (1) The most important considerations include the person's competence and capability (FIT 1.3.1).
 - (2) In assessing fitness, the FSA will take account of the activities of the firm for which the controlled function is to be performed, the permission held by that firm and the markets within which it operates (FIT 1.3.2).
 - (3) In determining a person's competence and capability, the matters to which the FSA will have regard include (FIT 2.2.1G) whether the person has demonstrated by experience and training that the person is suitable, or will be suitable if approved, to competently perform the controlled functions.

Facts and Matters Relied Upon

- 2.8. Complete Cover applied for Mr Mughal to perform the CF1 (Director) function, CF8 (Apportionment and Oversight) function and RIM (Responsible for Insurance Mediation) function. The CF8 function is not applicable due to Complete Cover's business type and was therefore removed. The FSA is not satisfied as to Mr Mughal's competence as a result of his lack of relevant experience both of the insurance

industry and the UK regulatory framework, and as a result of his failure to deal with the FSA in the manner to be expected of a candidate for approval, by not responding in appropriate timescales to FSA requests.

2.9. Mr Mughal informed the FSA that he has the following experience:-

(1) He previously worked for a business consultancy firm, as a general manager responsible for business and marketing development between February 2008 and July 2010.

(2) Prior to this, he worked for a marketing company, as an Office Manager responsible for management of staff and business development between April 2004 and January 2008.

2.10. Mr Mughal confirmed that he has no experience in insurance business in an email to the FSA dated 22 November 2010, in which he stated that he would be working towards achieving relevant qualifications while recruiting someone with relevant qualifications as soon as possible *“to raise our company profile”*. He also stated in that email that *“I ... have found out that once I have been registered, we will get all the relevant product training and knowledge for [sic] the insurance company’s compliance teams before we start dealing with any of their products”*. Mr Mughal made the same point in a letter to the FSA of 15 June 2011 and also stated that he would be using an external compliance company *“for our compliance”*.

2.11. Despite applying to be the person ‘responsible for insurance mediation’ at the applicant and to hold CF1 and CF8, in an email to the FSA on 10 August 2011, Mr Mughal stated: *“I will not be directly involved in insurance mediation activity as I will only take any details from the clients and pass it either over to [an employee] or will give them the quotation generated based on the details provided and then pass it over to [the employee] to complete the policy for the client. I will not at any stage be completing or submitting policy as I do not hold the relevant qualification”*.

2.12. Further, in a telephone conversation with the FSA on 5 September 2011, Mr Mughal said that he did not wish to gain any relevant qualification (contrary to what he stated in his email of 22 November 2010) prior to obtaining FSA authorisation.

2.13. In addition, the FSA has had to chase Mr Mughal on a number of occasions for answers to basic questions about his business plan, which should have been simple matters for Mr Mughal to deal with.

2.14. Based upon the above information, the FSA does not consider Mr Mughal to have the requisite experience and therefore competence and capability necessary to carry out the controlled functions to which the application relates.

Concerns as to fitness and propriety

2.15. On the basis of the above information, the FSA is not satisfied that Mr Mughal is a fit and proper person to perform the functions to which the application relates.

2.16. The FSA is not satisfied as to Mr Mughal’s competence and capability as he does not have any relevant experience of either the insurance industry or the UK regulatory framework.

3. CONCLUSIONS

- 3.1. On the basis of the facts and matters described above, the FSA is not satisfied that Mr Mughal is a fit and proper person to perform the controlled functions to which the Application relates.

4. IMPORTANT NOTICES

- 4.1. This Final Notice is given to you pursuant to Section 390(1) of the Act.

Publication

- 4.2. 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 the 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 you or prejudicial to the interests of consumers.
- 4.3. The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

FSA Contact

- 4.4. For more information concerning this matter generally, you should contact James Borley, Manager in Permissions at the FSA (direct line 020 7066 5340 / email: james.borley@fsa.gov.uk).

Nicholas Mears
on behalf of the Chair of the Regulatory Transactions Committee