
FINAL NOTICE

To: **Mr Stephen Robert Allen**

Of: 67 Knighton Drive
Woodford Green
Essex
IG8 0NZ

Date: 5 January 2010

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

1 ACTION

- 1.1 For the reasons set out below and pursuant to section 56 of the Financial Services and Markets Act 2000 (“the Act”), the FSA hereby makes an order, prohibiting you, Stephen Robert Allen, from performing any management or controlled function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm. This order takes effect on 7 January 2010.
- 1.2 The FSA gave you a Decision Notice on 16 May 2008 notifying you of the FSA’s decision to take action against you relating to your conduct between September 2004 and September 2005 while performing the CF1 (Director) function at Fabien Risk Services Limited (“Fabien”).
- 1.3 On 13 June 2008, you referred the matter to the Financial Services and Markets Tribunal (“the Tribunal”).

2 REASONS FOR THE ACTION

- 2.1 Your misconduct occurred between September 2004 and September 2005 and related to your lack of knowledge and oversight of the bank accounts used by Fabien for handling client money
- 2.2 In October 2005, Fabien went into creditors’ voluntary liquidation with an estimated deficiency of £701,128 in respect of non-preferential creditors. The sum owed to insurers was £469,741.00 less about £8,500 held in the client money bank account. There was therefore a substantial deficiency in the client money bank account.

2.3 The FSA had previously found that one of your co-directors had deliberately misappropriated clients' money from this bank account to keep Fabien trading and had knowingly concealed, or colluded in the concealment of this improper use of client money. The FSA had also previously found that an employee of Fabien had knowingly complied with requests to misappropriate and use this client money to run Fabien's business.

2.4 The Tribunal, in a written decision dated 2 December 2009 that can be found on the Tribunal's website, found that you lacked competence and capability. The Tribunal noted that you:

"accepted that [your] lack of knowledge of the firm's bank accounts was a neglect of [your] duties and that [you] had failed in [your] duty as a director of the firm." (paragraph 135)

and concluded that:

"because [you] failed in [your] duties as a director of the firm [you] should be prohibited from performing any management or controlled functions." (paragraph 136(2))

3 IMPORTANT

3.1 This Final Notice is given in accordance with section 390 of the Act.

Publicity

3.2 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 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.

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

FSA Contacts

3.4 For more information concerning this matter generally, contact Anna Hynes (direct line: 020 7066 9464) at the FSA.

Tom Spender
Head of Department
FSA Enforcement and Financial Crime Division