

---

**FINAL NOTICE**

---

To: **UK Finance House Limited**  
Of: **Bank Chambers, 2a Longfleet Road, Poole, Dorset,  
BH15 2HT**  
Firm Reference: **303117**  
Date: **8 April 2009**

**TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London, E14 5HS (the "FSA") gives UK Finance House Limited ("UKFH") final notice of a decision to cancel the permission granted to the Firm to carry on regulated activities.**

**1. ACTION**

- 1.1. The FSA gave UKFH a Decision Notice on 3 April 2009 which notified it that for the reasons listed below and pursuant to section 45 of the Financial Services and Markets Act 2000 (the "Act"), the FSA has decided to cancel the permission granted to UKFH pursuant to Part IV of the Act ("UKFH's permission").
- 1.2. UKFH confirmed on 3 April 2009 that it will not be referring the matter to the Financial Services and Markets Tribunal.
- 1.3. Accordingly, for the reasons set out below and having agreed with UKFH the facts and matters relied on, the FSA has today cancelled the Firm's Part IV permission.

## **2. REASONS FOR THE ACTION**

- 2.1. By Decision Notices dated 3 April 2009 the FSA decided to withdraw the individual approvals of the two directors of UKFH. The FSA has concluded, on the basis of this and the facts and matters described below, that UKFH fails to satisfy the Threshold Conditions set out in Part 1 of Schedule 6 to the Act (the "Threshold Conditions"). UKFH has inadequate resources in relation to the regulated activities that it has permission to carry on. Specifically, UKFH has inadequate human resources, as the only two directors have been prohibited as outlined above, and therefore fails to satisfy Threshold Condition 4 (Adequate Resources).

## **3. RELEVANT STATUTORY AND REGULATORY PROVISIONS**

### **Relevant statutory provisions**

- 3.1. The FSA's regulatory objectives are set out in section 2(2) of the Act and include the protection of consumers, market confidence and the reduction of financial crime.
- 3.2. Section 41 and Schedule 6 of the Act set out the Threshold Conditions which are conditions that the FSA must ensure a firm will satisfy, and continue to satisfy, in relation to all of the regulated activities for which it has permission.
- 3.3. The FSA is authorised by sections 45(1) and (2) of the Act to cancel an authorised person's Part IV permission where it appears that an authorised person is failing, or likely to fail, to satisfy the Threshold Conditions.
- 3.4. Paragraph 4 of Schedule 6 to the Act sets out Threshold Condition 4 (Adequate Resources) which provides that the resources of the person concerned must, in the opinion of the FSA, be adequate in relation to the regulated activities that he seeks to carry on or carries on.

### **Relevant handbook provisions**

- 3.5. In exercising its power to cancel a Part IV permission, the FSA will have regard to relevant provisions in the FSA Handbook. The main provisions relevant to the action specified above are set out below.

Threshold Condition 4: Adequate resources (Paragraph 4, Schedule 6 to the Act) – COND 2.4

- 3.6. COND 2.4.2G(1) provides that Threshold Condition 4 requires the FSA to ensure that a firm has adequate resources in relation to the specific regulated activity or regulated activities which it seeks to carry on, or carries on.
- 3.7. COND 2.4.2G(2) provides that the FSA will interpret the term "adequate" as meaning sufficient in terms of quantity, quality and availability, and "resources" as including all financial resources, non-financial resources and means of managing its resources such as, for example, human resources.

**Relevant guidance**

- 3.8. In exercising its power to cancel a Part IV permission, the FSA will also have regard to relevant regulatory guidance, particularly in the Enforcement Guide.

The Enforcement Guide ("EG")

- 3.9. EG 8.13(1) provides that the FSA will consider cancelling a firm's Part IV permission using its own-initiative powers contained in section 45 of the Act where the FSA has very serious concerns about a firm, or the way its business is or has been conducted.

#### **4. FACTS AND MATTERS RELIED ON**

- 4.1. UKFH was granted authorisation by the FSA on 31 October 2004 to conduct regulated mortgage business.
- 4.2. UKFH has two directors who perform controlled functions in relation to its regulated activities.
- 4.3. By Decision Notices dated 3 April 2009 the FSA decided to withdraw the individual approvals granted to UKFH's two directors, and prohibited them from performing any function in relation to any regulated activity carried on by any authorised or exempt person, on the basis that the FSA considers them not to be fit and proper persons.
- 4.4. UKFH has no other persons approved to perform controlled functions in relation to the regulated activities that it has permission to carry on.

#### **Conclusions**

- 2.15 The facts and matters described above lead the FSA, having regard to its regulatory objectives which include the protection of consumers, market confidence and the reduction of financial crime, to conclude that UKFH is failing to satisfy Threshold Condition 4 (Adequate Resources) as it does not have adequate human resources..

#### **5. DECISION MAKER**

- 5.1. The decision which gave rise to the obligation to give this Final Notice was made by the Settlement Decision Makers on behalf of the FSA.

#### **6. IMPORTANT**

- 6.1. This Final Notice is given to you in accordance with section 390 of the Act.

#### **Publicity**

- 6.2. 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 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.

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

**FSA contacts**

- 6.4. For more information concerning this matter generally, you should contact Catherine Harris (direct line: 020 7066 4872 /fax: 020 7066 4873) of the Enforcement Division of the FSA.

Signed:

.....

**Georgina Philippou**  
**Head of Department**  
**FSA Enforcement Division**