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## **SECOND SUPERVISORY NOTICE**

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To:           **John Henshall Financial Services Limited**

Of:           **Grosvenor House  
Central Park  
Telford  
Shropshire  
TF2 9TW**

Dated:       **6 October 2004**

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

**1. ACTION**

For the reasons listed below, the FSA has decided not to rescind the variation of the permission granted to John Henshall Financial Services Limited (“JHFSL”) under Part IV of the Financial Services and Markets Act (“the Act”) effected by the First Supervisory Notice issued on 11 August 2004 (“the First Supervisory Notice”), namely by removing all regulated activities with immediate effect.

**2. REASONS FOR ACTION**

**Summary**

The FSA has concluded, on the basis of the facts and matters described in the First Supervisory Notice, that JHFSL is failing to satisfy the threshold conditions set out in

Part 1 of Schedule 6 to the Act in that, in the opinion of the FSA, the resources of JHFSL are not adequate in relation to the regulated activities it carries on.

JHFSL had failed to maintain any professional indemnity insurance ("PII") since 23 June 2003, notwithstanding that FSA Rule 13.1.3 (and subsequently Rule 13.1.4) ("the PII rule") in the Interim Prudential Sourcebook: Investment businesses (IPRU(INV)), requires that every authorised person must effect and maintain at all times adequate professional indemnity insurance cover for all the business activities which it carries on, or for which it is responsible. JHFSL has been offered PII which it has declined to accept, on grounds which are not acceptable to the FSA.

JHFSL made written representations to the FSA on 14 September 2004.

Having had regard to those representations, the FSA remains of the view that there would be a continuing risk to consumers if JHFSL was permitted to resume carrying on without PII cover the regulated activities for which the permission varied by the First Supervisory Notice was granted.

The FSA has therefore concluded that there is no basis on which to rescind the variation of JHFSL's Part IV permission effected by the First Supervisory Notice.

### **3. DECISION MAKER**

The decision which gave rise to the obligation to give this Supervisory Notice was made by the Regulatory Decisions Committee.

### **4. IMPORTANT**

This Supervisory Notice is given to you in accordance with section 53(7) of the Act. The following statutory rights are important.

#### **The Tribunal**

You may refer this matter to the Financial Services and Markets Tribunal ("the Tribunal"). Under section 133 of the Act, you have 28 days from the date this Supervisory Notice was given to refer the matter to the Tribunal or such other period as specified in the Tribunal Rules or as the Tribunal may allow. A reference to the Tribunal is made by way of a written notice signed by you and filed with a copy of this Notice. The Tribunal's address is: 15-19 Bedford Avenue, London WC1B 3AS (telephone 020 7612 9700). The detailed procedures for making a reference to the Tribunal are contained in section 133 of the Act and the Tribunal Rules.

**FSA contact**

For more information concerning this matter, you should contact Fiona Walker at the FSA (direct line: 020 7066 5620 /fax: 020 7066 9722).

**Peter Leaver**  
**Deputy Chairman, Regulatory Decisions Committee**