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**FIRST SUPERVISORY NOTICE**

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To: **Nasreen Begum Hussain trading as My Insurance Solutions**

Of: **6 Rawson Place  
Bradford  
West Yorkshire  
BD1 3QQ**

FSA Reference  
Number: **499794**

Dated: **3 July 2012**

**ACTION**

1. 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 vary the permission granted to Nasreen Begum Hussain trading as My Insurance Solutions (“Mrs Hussain”) pursuant to Part IV of the Act (“Mrs Hussain’s Part IV permission”), by removing all of her regulated activities with immediate effect. Accordingly, Mrs Hussain’s Part IV permission no longer includes the regulated activities of:
  - (a) Advising on investments (except on Pension Transfers and Pension Opt Outs);
  - (b) Agreeing to carry on a regulated activity;
  - (c) Arranging (bringing about) deals in investments;
  - (d) Assisting in the administration and performance of a contract of insurance;
  - (e) Dealing in investments as agent; and
  - (f) Making arrangements with a view to transactions in investments.

2. The FSA has further decided to vary Mrs Hussain's Part IV permission by imposing the following requirements, pursuant to section 43 of the Act, namely that Mrs Hussain:
  - (a) may not hold or control client money;
  - (b) must within 14 days notify in writing all clients for her regulated activities that she is no longer permitted by the FSA to carry on regulated activities; and
  - (c) must within 14 days provide the FSA with a copy of the written notification sent to all clients for her regulated activities pursuant to (b) above, together with a list of all clients to whom such notification has been sent.

### **REASONS FOR ACTION**

3. On the basis of the facts and matters described below, Mrs Hussain is failing to satisfy the threshold conditions set out in Schedule 6 to the Act (the "Threshold Conditions"). In the opinion of the FSA, Mrs Hussain has failed to:
  - (a) satisfy the FSA that she is fit and proper to conduct regulated activities as she has failed to demonstrate that she as the authorised sole trader has day to day control of the business which is using her authorisation;
  - (b) satisfy the FSA that her firm has competent and prudent management in that she has failed to demonstrate that she understands the FSA's requirements in relation to her business; and
  - (c) Mrs Hussain's firm appears to be being managed and controlled by other individuals.

### **FACTS AND MATTERS RELIED ON**

4. Mrs Hussain was granted authorisation as a sole trader by the FSA on 4 June 2009 to conduct insurance mediation business.
5. Mrs Hussain has failed to demonstrate that she has day to day control of the business which is using her authorisation, or that she understands the FSA's requirements in relation to her business.
6. Mrs Hussain is not acting as the principal of her sole trader firm, is not in day to day control of her business, and her firm appears to be managed and controlled by other individuals.
7. Mrs Hussain has failed to co-operate with the FSA in that she failed to respond adequately, or at all, to repeated requests from the FSA to provide information to the FSA confirming that she fully understands and is aware of the regulatory obligations and requirements in relation to her firm.

## FAILINGS

8. The regulatory provisions relevant to this First Supervisory Notice are set out in the Annex.
9. From the facts and matters described above the FSA, having regard to its regulatory objectives, has reached the following conclusions:
  - Mrs Hussain is failing to satisfy Threshold Condition 5 (Suitability) as the FSA is not satisfied that she is fit and proper to conduct regulated activities. Specifically, Mrs Hussain's firm does not have a competent and prudent management;
  - the information available to the FSA regarding Mrs Hussain's failure to understand the regulatory requirements applicable to, or exercise control over, her business, causes the FSA to have very serious concerns about Mrs Hussain and her business which need to be addressed immediately, such that the exercise of the FSA's own-initiative power to vary Mrs Hussain's Part IV permission with immediate effect is an appropriate and reasonable response to those concerns;
  - Mrs Hussain has failed to comply with Principle 11 in that she has not been open and co-operative in all her dealings with the FSA, namely by failing to respond appropriately, or at all, to the FSA's repeated requests that she provide confirmation that she understands and is aware of the regulatory obligations and requirements in relation to her firm;
  - by failing to comply with Principle 11, Mrs Hussain has failed to satisfy the FSA that she is ready, willing and organised to comply with the requirements and standards under the regulatory system;
  - Mrs Hussain has therefore failed to satisfy the FSA that she is conducting her business soundly and prudently and in compliance with proper standards or that she is a fit and proper person having regard to all the circumstances (and those failures are significant in the context of her suitability to remain authorised); and
  - Mrs Hussain is therefore failing to satisfy the Threshold Conditions in relation to her permitted regulated activities, and it is desirable to exercise the FSA's own initiative power to vary Mrs Hussain's Part IV permission with immediate effect, and to add the requirements referred to at paragraph 2 of this First Supervisory Notice; and
  - specifically, the variation of Mrs Hussain's Part IV permission should take immediate effect to address the FSA's serious concern that Mrs Hussain's firm does not have a competent and prudent management.

## **PROCEDURAL MATTERS**

### **Decision Maker**

10. The decision which gave rise to the obligation to give this First Supervisory Notice was made by the Deputy Chairman of the Regulatory Decisions Committee.
11. This First Supervisory Notice is given to Mrs Hussain under section 53(4) and in accordance with section 53(5) of the Act, and is being served on Mrs Hussain at her place of business as last notified to the FSA. The following statutory rights are important.

### **The Tribunal**

12. Mrs Hussain has the right to refer the matter to which this First Supervisory Notice relates to the Upper Tribunal (the "Tribunal"). The Tax and Chancery Chamber is the part of the Tribunal which, amongst other things, hears references arising from decisions of the FSA. Under paragraph 2(2) of Schedule 3 of the Tribunal Procedure (Upper Tribunal) Rules 2008, Mrs Hussain has 28 days from the date on which this First Supervisory Notice is given to her to refer the matter to the Tribunal.
13. A reference to the Tribunal can be made by way of a reference notice (Form FTC3) signed by Mrs Hussain and filed with a copy of this First Supervisory Notice. The Tribunal's contact details are: The Upper Tribunal, Tax and Chancery Chamber, 45 Bedford Square, London WC1B 3DN (telephone: 020 7612 9700; email: [financeandtaxappeals@tribunals.gsi.gov.uk](mailto:financeandtaxappeals@tribunals.gsi.gov.uk)).
14. Further details are contained in "Making a Reference to the UPPER TRIBUNAL (Tax and Chancery Chamber)" which is available from the Tribunal website:  
  
<http://www.tribunals.gov.uk/financeandtax/FormsGuidance.htm>
15. Mrs Hussain should note that a copy of the reference notice (Form FTC3) must also be sent to the FSA at the same time as filing a reference with the Tribunal. A copy of the reference notice should be sent to Alexander Banerjea at the FSA, 25 The North Colonnade, Canary Wharf, London E14 5HS.

### **Representations**

16. Mrs Hussain has the right to make written and oral representations to the FSA (whether or not she refers this matter to the Tribunal). If Mrs Hussain wishes to make written representations she must do so by 6 August 2012 or such later date as may be permitted by the FSA. Written representations should be made to the Regulatory Decisions Committee and sent to Philip Bellars, Regulatory Decisions Committee Professional Support Services. The Regulatory Decisions Committee Professional Support Services' address is: 25 The North Colonnade, Canary Wharf, London E14 5HS. If Mrs Hussain wishes to make oral representations, she should inform the FSA of her intention to do so by 16 July 2012. If Mrs Hussain does not notify the FSA by 16 July 2012, she will not, other than in exceptional circumstances, be able to make oral representations.

## **Publicity**

17. Mrs Hussain should note that section 391 of the Act requires the FSA when the First Supervisory Notice takes effect (and this First Supervisory Notice takes immediate effect), to publish such information about the matter as it considers appropriate.

## **FSA contacts**

18. For more information concerning this matter generally, Mrs Hussain should contact Alexander Banerjea at the FSA (direct line: 020 7066 7206 / fax: 020 7066 7207).
19. If Mrs Hussain has any questions regarding the procedures of the Regulatory Decisions Committee, she should contact Philip Bellars (direct line: 020 7066 2894).

**Martin Hagen**

**Deputy Chairman, Regulatory Decisions Committee**

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**ANNEX TO THE FIRST SUPERVISORY NOTICE ISSUED BY THE FINANCIAL SERVICES AUTHORITY TO NASREEN BEGUM HUSSAIN TRADING AS MY INSURANCE SOLUTIONS ON 3 JULY 2012**

**RELEVANT STATUTORY PROVISIONS**

1. The FSA's regulatory objectives established in section 2(2) of the Act include the protection of consumers.
2. The FSA is authorised by section 45 of the Act to exercise the following powers:
  - to vary an authorised person's permission where it appears to the FSA that such person is failing to satisfy the Threshold Conditions;
  - to vary an authorised person's permission where it is desirable to do so to protect the interests of consumers;
  - to vary such a permission by removing a regulated activity from those for which the permission is given; and
  - to include any provision in the permission as varied that could be included if a fresh permission were being given in response to an application under section 40 of the Act, including the imposition pursuant to section 43(1) of the Act of such requirements as the FSA considers appropriate.
3. Section 43(2) of the Act states that a requirement may be imposed to require the person concerned to take, or refrain from taking, specified action.
4. Section 43(3) of the Act states that a requirement may extend to activities which are not regulated activities.
5. Section 53(3) of the Act allows such a variation to take effect immediately if the FSA reasonably considers that it is necessary for the variation to take effect immediately.
6. Paragraph 5 of Schedule 6 to the Act sets out Threshold Condition 5 which provides that:

“The person concerned must satisfy the Authority that he is a fit and proper person having regard to all the circumstances, including-

[...]

  - (b) the nature of any regulated activity that he carries on or seeks to carry on; and
  - (c) the need to ensure that his affairs are conducted soundly and prudently.”

## RELEVANT HANDBOOK PROVISIONS

7. In exercising its power to vary a Part IV permission, the FSA must have regard to relevant provisions in the FSA Handbook of Rules and Guidance (the "Handbook"). The main provisions relevant to the action specified above are set out below.

### Relevant Principle

8. Principle 11 (Relations with regulators) requires a firm to deal with its regulator in an open and co-operative way, and to disclose to the FSA appropriately anything relating to the firm of which the FSA would reasonably expect notice.

### Guidance concerning the relevant Threshold Condition

9. Guidance on Threshold Condition 5 is set out in Chapter 2.5 of the Part of the Handbook entitled Threshold Conditions ("COND").

#### Guidance concerning - Threshold Condition 5: Suitability (paragraph 5, Schedule 6 to the Act)

10. COND 2.5.1UK reproduces the relevant statutory provision that the person concerned must satisfy the FSA that he is a fit and proper person having regard to all the circumstances, including, among other things, the need to ensure that his affairs are conducted soundly and prudently.
11. COND 2.5.4G(2)(b) provides that in determining whether a firm will satisfy and continue to satisfy Threshold Condition 5, the FSA will have regard to all relevant matters, including whether a firm has a competent and prudent management.
12. COND 2.5.4G(3) states that the FSA will take into account relevant matters only to the extent that they are significant in the context of the suitability of the firm.
13. COND 2.5.6G(1) permits the FSA, when forming its opinion as to whether a firm is conducting its business with integrity and in compliance with proper standards, to have regard to relevant matters, including whether:
  - the firm has been open and co-operative in all its dealings with the FSA and is ready and willing to comply with the requirements and standards under the regulatory system and other legal obligations; and
  - the firm has contravened, among other things, the requirements of the regulatory system, which include the Threshold Conditions, the FSA Principles and other rules.
14. COND 2.5.7G(3) permits the FSA, when determining whether a firm has competent and prudent management, to have regard to relevant matters, including whether the governing body of the firm is made up of individuals with an appropriate range of skills and experience to understand, operate and manage the firm's regulated activities.

## **OTHER RELEVANT REGULATORY PROVISIONS**

15. The FSA's policy in relation to its enforcement powers is set out in the Enforcement Guide (EG), certain provisions of which are summarised below.
16. EG 8.1(1) reflects the provisions of section 45 of the Act that the FSA may use its own-initiative power to vary or cancel the permission of an authorised firm where a firm is failing or is likely to fail to satisfy the Threshold Conditions.

### Varying a firm's Part IV permission on the FSA's own-initiative

17. EG 8.1B provides that the FSA will have regard to its regulatory objectives and the range of regulatory tools that are available to it, when it considers how it should deal with a concern about a firm.
18. EG 8.3 provides that the FSA will exercise its formal powers under section 45 of the Act, where the FSA considers it is appropriate to ensure a firm meets its regulatory requirements. EG 8.3(1) specifies that the FSA may consider it appropriate to exercise its powers where it has serious concerns about a firm or the way its business is being or has been conducted.
19. EG 8.5 provides examples of the circumstances in which the FSA will consider using its power to vary a permission, including where the firm appears to be failing, or appears to be likely to fail, to satisfy the threshold conditions because, for instance, the firm appears not to be a fit and proper person to carry on a regulated activity.
20. Examples given at EG 8.5(1)(b) of circumstances where a firm appears not to be fit and proper to carry on a regulated activity, include where:
  - 1) a firm has not been managed competently and prudently and has not exercised due skill, care, and diligence in carrying on one or more, or all, of its regulated activities (EG 8.5(1)(b)(ii)); and
  - 2) where it has breached requirements imposed on it by or under the Act (including the Principles and the rules) and the breaches are material in number or in individual seriousness (EG 8.5(1)(b)(iii)).

### Use of the own-initiative power in urgent cases

21. EG 8.6 states that the FSA may impose a variation of permission so that it takes effect immediately or on a specified date if it reasonably considers it necessary for the variation to take effect immediately (or on the date specified), having regard to the ground on which it is exercising its own-initiative power.
22. EG 8.7 provides the circumstances in which the FSA will consider exercising its own initiative power as a matter of urgency, including where the information available to it indicates serious concerns about the firm or its business that need to be addressed immediately (EG 8.7(1)).
23. EG 8.8 provides a list of situations which will give rise to such serious concerns. Specifically, EG 8.8(4) includes where circumstances suggest a serious problem within



a firm or with a firm's controllers that call into question the firm's ability to continue to meet the threshold conditions.

24. EG 8.9 sets out the factors the FSA may consider in addition to the full circumstances of each case when it decides whether an urgent variation of Part IV permission is appropriate. In particular, EG 8.9(1) states a factor is the extent of any loss, or risk of loss, or other adverse effect on consumers, and EG 8.9(8) states that the FSA may consider the firm's conduct once a particular issue has been identified, including any steps that the firm has taken to address the issue and its past history, management ethos and compliance culture.