

THIS WEEK AT THE UK REGULATORS 10 SEPTEMBER 2018

Individuals sentenced for boiler room fraud

On 4 September at Southwark Crown Court, five individuals (Mr Charanjit Sandhu, Mr Hugh Edwards, Mr Stuart Rea, Ms Jannine Lewis and Mr Ryan Parker) were sentenced to a total of 17.5 years' imprisonment following the second largest criminal investigation and prosecution ever pursued by the FCA (Operation Tidworth).

Another individual, Mr Michael Nascimento, who has been described by the FCA as the "instigator and main beneficiary" of the fraud, will be sentenced separately on 14 September.

The six defendants were charged by the FCA with offences of conspiracy to defraud, fraud, money laundering and perverting the course of justice and breaches of the Financial Services and Markets Act 2000, and either pleaded guilty or were convicted by the jury.

Between July 2010 and April 2014, the individuals persuaded members of the public to purchase shares in a company that owned land on the island of Madeira, with promises made of substantial returns of between 125 and 228 per cent and increases in value in the shares. Shares were sold through companies called Morgan Forbes (UK) Ltd, First Capital Wealth Ltd, Bishops of Mayfair Ltd, Wallberg Dillion Reid Ltd and Sterling Capital Corporation Ltd. In fact, no returns were ever paid and investors incurred losses totalling approximately £28 million. The FCA has confirmed that proceedings have been commenced under the Proceeds of Crime Act 2002 to recover and return investors' funds.

<https://www.fca.org.uk/news/press-releases/five-sentenced-fca-prosecution-28m-investment-fraud>

FCA appoints new Director of Competition

On 5 September, the FCA announced that Mr Sheldon Mills, who is currently Senior Director of Mergers and State Aid at the Competition and Markets Authority, will be the FCA's new Director of Competition with effect from November 2018.

<https://www.fca.org.uk/news/press-releases/fca-appoints-new-director-competition>

Thirty second guide: The week in overview

The main enforcement development last week was the handing down of sentences totalling 17.5 years to five individuals convicted of fraud and other offences following the second largest criminal investigation and prosecution ever pursued by the FCA. The individual regarded as the mastermind and main beneficiary of the boiler room scheme will be sentenced next week. In other developments, the FCA announced the appointment of a new Director of Competition with effect from November 2018 and it confirmed that various small firms (two credit unions and an FX firm) entered into administration.

Credit unions and FX firm enter administration

In separate releases, the FCA has confirmed that Dial-A-Cab Credit Union Limited and Harp Credit Union Limited entered administration on 4 September and that Premier FX Limited entered administration on 13 August.

<https://www.fca.org.uk/news/statements/dial-cab-credit-union-limited-harp-credit-union-limited-enter-administration>

<https://www.fca.org.uk/news/statements/information-customers-premier-fx-limited>

FCA warnings

Name of firm	Date of warning	Details
Bidwell Capital Ltd	3 September 2018	Clone firm https://www.fca.org.uk/news/warnings/bidwell-capital-ltd-clone-authorized-firm
Gabriela Kouklova	3 September 2018	Clone firm https://www.fca.org.uk/news/warnings/gabriela-kouklova-clone-authorized-firm
Meacock Capital	3 September 2018	Clone firm https://www.fca.org.uk/news/warnings/meacock-capital-clone-authorized-firm
Tullett Prebon	3 September 2018	Clone firm https://www.fca.org.uk/news/warnings/tullett-prebon-clone-authorized-firm
Ticceo	3 September 2018	Clone firm https://www.fca.org.uk/news/warnings/ticceo-clone-authorized-firm
Stocktradeinvest Limited	3 September 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/stocktradeinvest-limited
Benford Heritage Credit Union Limited	4 September 2018	Clone firm https://www.fca.org.uk/news/warnings/benford-heritage-credit-union-limited-clone-fca-authorized-firm
Our Mortgage Hub	4 September 2018	Clone firm https://www.fca.org.uk/news/warnings/our-mortgage-hub-clone-fca-authorized-firm
Blue Trading / Bluetrading.com / Blue Group	5 September 2018	Unauthorised firm https://www.fca.org.uk/news/warnings/blue-trading-bluetradingcom-blue-group

Name of firm	Date of warning	Details
Richmond Investing	6 September 2018	Clone firm https://www.fca.org.uk/news/warnings/richmond-investing-clone
St. James's Place	7 September 2018	Clone firm https://www.fca.org.uk/news/warnings/st-james-place-clone-fca-authorized-firm
Carna Capital	7 September 2018	Clone firm https://www.fca.org.uk/news/warnings/carna-capital-clone-fca-authorized-firm

Policy developments

	FCA	PRA
	Proposed developments	
Consultation papers	<p>On 7 September, the FCA published its Quarterly Consultation Paper No 22 (CP 18/24) seeking views on proposed miscellaneous minor changes to rules and guidance.</p> <p>Deadline for responses: 7 October 2018 (chapter 3); 7 November 2018 (chapter 2)</p> <p>https://www.fca.org.uk/publication/consultation/cp18-24.pdf</p>	

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