

**Case Number CO/057/2019**

**Royal Courts of Justice**

**Iain Stamp v Office of The Complaints Commissioner**

**Judicial Review**

**Statement of Case and Evidence Bundle Contents**

### **Summary of Case**

I assert that the FSA engineered a strategy to make my company Integrity Financial Solutions (Integrity) a scapegoat for the failures relating to reckless consumer lending conducted by Halifax Bank of Scotland (HBOS) and Newcastle Building Society (NBS). HBOS and NBS lent (to their retail customers) substantial amounts (circa £250m) to purchase a plan which HBOS and NBS controlled that the FSA has subsequently named GTEPs.

I assert that the FSA knew that the HBOS/NBS business model was deeply flawed. The FSA primarily protected HBOS from the failures of the GTEP plan by creating the perception that Integrity was the GTEP product provider, forced integrity's business to fail, struck a deal with a discredited liquidator which enabled the FSA to transfer compensation payments via the FSCS scheme.

After the liquidation of Integrity I assert that the FSA deliberately set me up to believe via their correspondence with me that I would have no difficulty in obtaining a regulatory licence. I assert that the FSA/FCA never had any intention of providing me with a licence.

I assert that the FCA deliberately frustrated all five of my licence applications, neither accepting them or rejecting them. My last licence application (an appointed representative application on the Stargate Capital Management) made in 2015 was straightaway, but in the FCA's non-routine team without any justification, the FCA then frustrated the application for 16 months by repeatedly asking the same questions and claiming that I had not completed the licence application correctly. I assert that the FCA breached their application time standards and ultimately forced me to withdraw the application via their intimidation of Stargate Capital Management individually Mr Paresh Shah. Stargate and Mr Shah were terrified of the consequences of their continued relationship with me.

A complaint to the FCA was made on my behalf by my MP Caroline Dinenage. I assert that the FSA/FCA deliberately perpetrated a strategy to create a perception that I had breached the General Prohibition via speculation that I had been managing funds without a licence. The FCA ignored comprehensive representations that were provided to them by a regulatory lawyer (Howard Kennedy) prior to the publication of a First Supervisory Notice against Stargate Capital Management. The representations evidenced that I had not breached the general prohibition. I assert that this deliberate perception deception ruined my reputation, businesses and ability to earn a living. I argue that these speculations made by the FCA are a breach of my Human Rights.

I assert that the FSA/FCA tipped off the media and encouraged them to write articles that supported the FSA/FCA agenda of protecting HBOS and NBS. These articles continued the perception deception about me. The effect of these articles ruined my reputation, businesses and ability to earn a living.

I assert that the FSA/FCA abused their powers by ignoring key evidence throughout the period 2009 to 2018 as my testimony did not fit their agenda.

I assert that the FSA/FCA via a deliberate illusionary strategy led me to believe that I was never under any investigation and I was fit and proper. I, therefore, did not make complaints to the FCA until after the prescribed complaint timeframe had elapsed.

I assert that the FSA/FCA used Parliamentary exemptions relating to my third-party rights under the Stargate First Supervisory Notice to avoid an adverse (to the FCA) Upper Tribunal decision via the FCA's use of a Parliamentary immunity which afforded me no third-party rights and excluded me from justice.

I assert that the FSA/FCA abused their powers under the Freedom of Information Act which was deliberately perpetrated by the FSA/FCA to exclude me from access to my files. If I had had access to my records, I would have raised complaints about the FSA/FCA much earlier.

I assert that the FSA/FCA did two deals which were deliberately set up to take away my ability to complain or seek redress through the Upper Tribunal. The first deal was the discredited liquidator (Peter Yeldon). The agreement offered to Peter Yeldon enabled the FSA to make Integrity a scapegoat to protect HBOS/NBS and enabled Peter Yeldon to defraud Integrity for his purposes. This deal was struck between Tom Spender (FCA) and Peter Yeldon, Mr Spender became head of legal at HBOS/Lloyds Bank. The second deal between the FCA and Mr Paresh Shah. Mr Shah was terrified of the FCA and agreed to drop his case against the FCA by withdrawing his Upper Tribunal appeal. Mr Shah executed this deal to end the period of stress that the FCA had put him through. The FCA having achieved this deal tried to strike out my Upper Tribunal hearing. I persisted and was granted a hearing. At the hearing I learned that I had no third-party rights.

I assert that the FCA Complaints Commissioner did not use his discretionary powers to investigate the first phase of my complaint, justifying his non-action on the basis that I have not complained in time. I had complained three times, firstly by my MP Mr George Hollingberry in 2010, secondly by my MP Caroline Dinanage in 2016 and thirdly by my own direct complaint in 2017.

I assert that the FCA Complaints Commissioner has deliberately frustrated the second phase of my complaint relating to the breach of my human rights relating to speculations that I had breached the General Prohibition.

I assert that the FSA/FCA has ruined my businesses:

- Integrity Financial Solutions
- The TEP Factory
- UK Innovative TI
- FX Perpetual
- The Pension Solution Collaboration
- Galaxy Administration Services

I assert that the FSA/FCA has excluded me from making a living by denying me licences which would enable me to employ my qualifications and vast experience in financial services business sector.

I assert that the FSA/FCA ruined my marriage, caused me to sell my assets to fund a divorce settlement and fund my businesses.

I assert that the FSA/FCA via their deliberate perception deception about my honesty has made it extremely difficult for me to raise capital for any business in any sector that I intended to develop.

## **My Judicial Review Justifications:**

1. On the basis that the Complaints Commissioner has rejected my complaint on 21st December 2018 on the first phase of my matter re the Integrity's Final Notice and the series of failed licence applications made by me. I assert that I complained to the FCA Complaints Commissioner as soon as it was reasonably possible for me to know that this was my only course of action. I assert that the FCA Complaints Commissioner should have exercised discretion and investigated the matter. The catalogue of events that preceded my complaint to the FCA Complaints Commissioner started within one year of the Integrity Final Notice in 2010, the letter from George Hollingberry MP was a complaint. I complained again via my MP Caroline Dinanage MP in 2016.

2. The Integrity Final Notice, specifically how the FCA agreed on a deal with a discredited liquidator who accepted the FSA allegations. Why did Margaret Cole not want to review the Integrity Censure which only happened as Tom Spender had struck a deal with Peter Yeldon. Peter Yeldon agreed the deal with Tom Spender to avoid a fine that the FCA speculated was due to be paid by Integrity. There was no fine due to be paid as Integrity had never defended its position at the Upper Tribunal. I assert that Mr Yeldon agreed to the deal put to him by Mr Tom Spender to conceal his dishonesty and enable him to defraud Integrity, its shareholders and creditors. I want a review of why the FSA via Margaret Cole would not re-open the matter as the Censure is inept. The Censure of Integrity has in part destroyed my reputation and ability to earn a living.

3. The licence applications, especially the last one, was put in FCA non-routine team. Why, if as Margaret Cole had confirmed that I was never under investigation why was my application put into the nonroutine team.

4. Why, the FCA (after Caroline Dinnanage MP complained) re the 16 months of long grass excuses interrogated me for 4 ½ hours and kept on asking questions re Integrity and what I had learned.

5. Why the FCA ignored Howard Kennedy representations re UKITI which were submitted to the FCA prior to the issuance of the Stargate Supervisory notice. The FCA had extensive

evidence and representations before the publication of the SCM Supervisory Notice that UKITI was providing an unregulated software and administration service to Stargate.

6. Why the FCA have never accused me directly of breaching the general prohibition and have done nothing to pursue this speculation against me either prior to or after the issuance of the Stargate First Supervisory Notice. The FCA informed Judge Herrington at my UT hearing that they were not pursuing any case against me. I assert that the FCA never had a case against me. The FCA speculations against me and UKITI were deliberately framed to ruin my reputation and destroy my businesses.

7. How is it possible for the FCA to abuse their powers and breach my Human Rights via an exemption which excluded me from justice in my Upper Tribunal hearing, i.e. I had no third party rights.

8. I assert that the FCA intimidation of Stargate was a deliberate strategy to ruin my reputation, businesses, income and capital. There was no evidence of any consumer detriment via the services that Stargate provided, and therefore no justification for the heavy-handed treatment that the FCA put Stargate through.

7. How it is reasonable that the deal the FCA struck with Stargate designed to exclude me from third-party rights also included a condition that Stargate were not permitted to ever work with me again.

9. How is it reasonable that the excessive time (10 months) has passed for the Complaints Commissioner to decide on the damage that has been caused to me by the publication of the Stargate Supervisory Notice and breach of my rights of privacy under the Human Rights act.

## Details of My Case

### Historical background and context

Before its liquidation, Integrity operated a successful IFA business with a client bank primarily built by referrals from accountants and lawyers. Integrity specialised in holistic financial planning for high net worth individuals and business owners. I acted as the CEO and the firm's principal, CF1. I built the business from a sound and strong personal reputation for honesty, transparency and integrity. I was known for being highly technically capable and developed my client bank based upon liability to bring together existing financial products to achieve the wants and needs of my clients who were mostly high net worth individuals and business owners. I have operated at board level on some financial services related companies. My CV is detailed in this link.

<http://www.iaincs.com/>

A timeline presentation is available on this link.

<https://prezi.com/view/CavbzSKNRZrBbkAfh4jH/>

### Timeline

1. **2001 - 2002** Prior to Integrity Financial Solutions Ltd's ("Integrity") involvement with Halifax Bank of Scotland ("HBOS") and Newcastle Building Society ("NBS"), Integrity and a firm of actuaries (WL Consulting Ltd) carried out comprehensive research into the merits of the HBOS and NBS existing Geared Traded Endowment Policy ("GTEP") products. GTEPs were highly diversified across multiple highly rated UK life companies. The TEPs acquired by the investors at a discount to asset share value. The research concluded that a 3% to 5% per annum (between the investment-driven growth rates of Traded Endowment Policies ("TEPs") and the interest cost of debt funding) differential existed across the 30 year research period if the debt equalled the surrender value of the TEPs at the outset. If the debt represented 80% of the surrender value of the policies at the outset a differential of 4% to 7% per annum existed. The research concluded that there was a high probability of a continued existence of the differential as its cause was based on economic fundamentals. [https://en.wikipedia.org/wiki/With-profits\\_policy#References](https://en.wikipedia.org/wiki/With-profits_policy#References) (Item 1)
  - a. The GTEP product was provided by HBOS and NBS for over ten years before Integrity introducing financial planning solutions to the Independent Financial Adviser ("IFA") market. Integrity branded the solutions as the Integrity Maximiser Plan.

2. Other GTEP product providers included RBS, Clydesdale Bank, RBS and Bank of Ireland.
3. Other firms with similar regulatory status to Integrity introduced similar solutions to the IFA market, with the existing HBOS NBS GTEP as the underlying product. These included Beale Dobie, AAP, First Policy, Neville James, Surrenda Link, Policy Portfolio, IPTC, Shepherds and other smaller firms.
4. HBOS and NBS are the GTEP product providers as they performed the following functions, each of which demonstrates their control over their GTEP product. Holding TEPs and single premium bonds (life policies) as security for the lending HBOS and NBS provided. HBOS and NBS held TEPs and single premium bonds under assignment as custodians on behalf of their customers. HBOS and NBS stipulated the types of life policies that could be held under their assignment/custody HBOS NBS provided a debt facility from within their custody account to finance the acquisition of additional TEPs for their customers. HBOS and NBS managed the premium payments on the TEPs held within their GTEP product and managed the receipt and credit of maturing life policies from within their GTEP product, HBOS and NBS collected valuations from the TEP and bond life companies on the life policies within their GTEP product.
5. See Coggle map for further evidence on Integrity's role <https://coggle.it/diagram/WaPg60pGwwABaeFw/e9c0fb076ec55e459104474add720d7251039683f42a0c4aba665bdabfaf966f>
6. By contrast, Integrity specialised in providing solutions (based on existing products including GTEPs from the market) to its own customers as an IFA firm. Integrity's status as an IFA firm is evidenced by its Financial Services Authority ("FSA") regulatory status and permissions and professional indemnity insurance cover and its customer base. Primarily Integrity could not and did not provide products and should be evaluated on what it did and did not do.
7. **7. 2002** Integrity introduced a range of GTEP financial planning solutions to the IFA market; the solutions were called Integrity Maximiser. The Integrity Maximiser solutions relied upon the existing HBOS and NBS GTEP product design, features and TEP criteria. The product design enabled investors to profit from the differential between the life policy growth rates and interest cost of the GTEP product loan. The solutions did not offer any guarantee that a differential would exist and warned the investors that product loan draw-downs were also not guaranteed.
8. The Maximiser solutions were introduced to external IFA firms for the IFA's to market the HBOS and NBS GTEP product to their own customers who were seeking a solution to their financial planning needs.

9. Integrity could not provide GTEP products due to its FSA regulatory status as an IFA, and by the functions it performed. Integrity could not provide loans. The FSA/ Financial Conduct Authority ("FCA") define a company by what it does. Integrity performed the functions of "introducer" to HBOS and NBS, provided administration for HBOS and NBS, the external IFA firms and the TEP Factory. Integrity arranged investments as an IFA for 5% of the GTEPs in question for its own customers.
10. The Upper Tribunal in *Westwood Financial Planners v FCA*
11. As the Upper Tribunal put it in ***Westwood*** (at [25]-[26]):
12. *"The GTEP plan was a single product and recommended to clients as such. The gearing was an important and necessary part of the GTEP plan... it would be wrong to consider the gearing in isolation... the GTEP plan [w]as a single and indivisible product... the gearing had no independent purpose..."*
13. See opinion written by Adam Cloherty (Item 2) re a current group litigation order against HBOS and NBS, the GTEP product providers.
14. *"Given the court's views in **Westwood** (which, ironically, mirrored submissions made by the FCA), it will be difficult for the Banks to sustain this line. The Facilities were at the heart of the Products; the Banks cannot sensibly 'disentangle' the lending element. Mr Stamp takes issue with the "product provider" conclusion in the Integrity Final Notice. This is on the basis that Integrity was not really 'providing' anything: rather, TEP Factory and the Banks were. There is some force in this criticism. The FSA Notice does not explain on what basis it concludes that Integrity was the provider of the Products. Properly understood, although Integrity was promoting or administering significant elements of the Products, it was not actually providing either of the two constituent elements (i.e. the TEPs and the lending). In the language, for example, of "RPPD", the FCA's current guide on the The Responsibilities of Providers and Distributors for the Fair Treatment of Customers, Integrity might perhaps be thought more in the nature of a "distributor" than a "provider" of the Product – although ultimately, and as RPPD recognises<sup>1</sup>, labels are not determinative anyway: one must focus on the actual functions or roles undertaken in a given case. Mr Stamp has also*

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<sup>1</sup> See e.g. §1.15

*raised a series of other issues about the circumstances surrounding the liquidator's agreement of the Final Notice (and his conduct of the matter generally) which we have not considered for the purposes of this opinion but can do so if and when the point arises.*

15. *In any event, whether or not Integrity was the "product provider" (a term which in the present context is not a term of art and which has no particular regulatory definition) is not really the point: what is under review here is the Banks' obligation to treat Customers fairly. The point for present purposes is that even if Integrity was a "product provider" (by reason that it was responsible for administering one of the two aspects i.e. the TEPs, through TEP Factory) then on the approach in **Westwood** it must, at the very least, equally be the case that the Banks were "product providers" also"*

16. I assert that HBOS and NBS breached the following FSA COBs principals.

COBS 2.1.1 (1) A firm must act honestly, fairly and professionally in accordance with the best interests of its client (the client's best interests rule).

COBS 2.1.2 A firm must not, in any communication relating to designated investment business seek to:

(1) exclude or restrict; or

(2) rely on any exclusion or restriction of; any duty or liability it may have to a client under the regulatory system.

COBS 2.1.3 (2) Guidance also states that "The general law, including the Unfair Terms Regulations (for contracts entered into before 1 October 2015) and the Consumer Rights Act 2015, also limits the scope for a firm to exclude or restrict any duty or liability to a consumer.

COBS 2.2.1 (1) A firm must provide appropriate information in a comprehensible form to a client about:

(a) the firm and its services;

(b) designated investments and proposed investment strategies; including appropriate guidance on and warnings of the risks associated with investments in those designated investments or in respect of particular investment strategies;

(c) execution venues; and

(d) costs and associated charges; so that the client is reasonably able to understand the nature and risks of the service and of the specific type of designated investment that is being offered and, consequently, to take investment decisions on an informed basis.

COBS 2.4.3 (1) If a firm (F) is aware that a person (C1) with or for whom it is providing services is acting as agent for another person (C2) in relation to those services, C1, and not C2, is the client of F in respect of that business.

COBS 2.4.4 (1) This rule applies if a firm (F1), in the course of performing MiFID or equivalent third country business, receives an instruction to perform an investment or ancillary service on behalf of a client (C) through another firm (F2), if F2 is:

(a) a MiFID investment firm or a third country investment firm; or

(b) an investment firm that is:

(i) a firm or authorised in another EEA State; and

(ii) subject to equivalent relevant requirements.

F1 may rely upon:

(a) any information about C transmitted to it by F2; and

(b) any recommendations in respect of the service or transaction that have been provided to C by F2.

(3) F2 will remain responsible for:

(a) the completeness and accuracy of any information about C transmitted by it to F1; and

(b) the appropriateness for C of any advice or recommendations provided to C.

(4) F1 will remain responsible for concluding the services or transaction based on any such information or recommendations in accordance with the applicable requirements under the regulatory system.

The IFA firms investigated by the FSA for advising on HBOS NBS GTEP products were frustrated due to the deficient compliance framework at HBOS and NBS.

17. HBOS and NBS have a regulatory responsibility under CONC re their relationship with the distributing IFAs.

## Gough Square Chambers Summary

18. Plevin v Paragon: Summary of Supreme Court decision
19. **CONC 1.2.2**
20. *“Of course, as well as imposing a secondary liability on the creditor for acts or omissions by its common law agents, s140A also imposes a primary duty on the creditor with regards to its own acts or omissions. In Plevin the creditor had no primary duty to assess demands and needs itself, as this role had been specifically assigned by ICOB 1.2.3 to the broker (SC’s judgment [26]). However, where CONC does not assign liability for a particular duty to a person (X) acting on the creditor’s “behalf”, CONC 1.2.2(2) R imposes a primary duty on the creditor to “take reasonable steps to ensure” X’s compliance. Failure to do so would constitute a breach of CONC and doubtless also create an ‘unfair relationship’, as this would be something “done or not done” by the creditor (even though X was not acting on its “behalf” for the purposes of s140A) ”*
21. <https://www.handbook.fca.org.uk/handbook/CONC/1/2.html>
22. **2002** Ron Sandler publishes a Review of Long-Term Savings, the gradual effect of this review had a detrimental effect on with profit life insurance industry and in particular together with lower returns on assets culminated in a reduction in policy bonus rates and change to surrender values from smoothed values to spot values. The effect of these two significant changes, which were unknown to me, caused significant damage to the GTEP investors. Policy bonus rates began to reduce from circa 2006. Also, in and around 2006, policy surrender values moved from smoothed to spot.
23. **2005 \*\*FSA Misguided With Profits (WP) Returns Reforms\*\***
24. <https://www.handbook.fca.org.uk/handbook/COBS/20/5.pdf> (Item 3)
25. [https://en.wikipedia.org/wiki/With-profits\\_policy#References](https://en.wikipedia.org/wiki/With-profits_policy#References) (Item 4)
26. For many years with-profits policies were seen as a safe alternative to deposit accounts for many investors (especially elderly investors). Years of steady, reliable returns in combination with unscrupulous sales tactics from insurers fostered the impression that a 'low-risk' investor should invest in with-profits. This perceived low risk belied the reality of the underlying investment strategies of many insurers who used high equity exposure and high-risk financial instruments to achieve the returns.
27. In the middle of the bear market of the early 2000s the UK regulator (the FSA) imposed a new regulatory regime for with-profit providers, in response to growing consumer complaints following the introduction of market value reductions. The realistic reporting regime had the combined effect of requiring the insurers to move more of

their funds into lower-risk investments (corporate bonds, and gilts) to cover liabilities; and to lower projection rates in line with the new asset mix of the fund to more accurately predict future returns. Industry commentators cite this as the death knell for the with-profits policy.

28. 2002 – 2009 external IFA's arranged 590 GTEP products for their customers, Integrity administered the transactions on behalf of HBOS, NBS and the external IFA's. Integrity arranged circa 60 GTEPs for its customers. Integrity acted as an introducer to HBOS and NBS.

## **29. PERG 8.33 Introducing**

30. Introducing as detailed in the FCA handbook <https://www.handbook.fca.org.uk/handbook/PERG/8/33.html>

31. **2006 – 2009** the FSA carried out a thematic review of GTEPs. Integrity and five other IFA firms were included in the review. The GTEP product providers HBOS and NBS and other GTEP introducers were excluded from the review. The FSA incorrectly asserted that Integrity was a GTEP product provider and had breached COBS principal 7.

32. IFA network firms (which are much bigger and have more compliant resource) were excluded from the FSA's thematic review.

33. 2006 During the FSA Integrity GTEP Investigation, 27 case officers visit Integrity from 2006 to 2010. The FSA allege that Integrity is a TEP Market Maker and GTEP Product Provider, it is neither. TEP Factory (an unregulated supplier of TEPs) sold TEPs to HBOS and NBS. Integrity is an IFA business. The FSA investigation begins on the misguided premise that Integrity is the GTEP product provider and a market maker. Integrity was neither.

34. **2008** as a demonstration of my integrity, I terminated all associations with Richard Clay and blew the whistle to FSA, Serious Fraud Office and Pensions Regulator on ARCK Richard Clay Kathryn Clark <https://www.dropbox.com/sh/odxj4er7nd12hxe/AADPaFohtocaw3-hAWQdW4cna?dl=0> (Items 12 - 15)

35. My whistle blow is ignored, a significant number of retail investors lost unnecessarily following my whistle blow <http://www.telegraph.co.uk/finance/personalfinance/investing/12123516/50m-lost-because-watchdogs-did-nothing.html>

36. **2009** in the middle of the financial crisis the surrender value of TEPs fell up to 40%; the surrender value falls causes margin calls within the HBOS NBS GTEP product. The margin calls will have been highly unlikely if surrender values have been smoothed values as they have been before the Sandler review. The FSAs light-touch regulation of the banks was a significant factor in the cause of the financial crisis and margin calls within the HBOS NBS GTEP product.
37. **2009** Change in Control Application To FSA For Chaser Capital (fund management). The application is blocked (neither approved or denied) by FSA, the Application is put in long grass by FSA. The FSA blocks Integrity from conducting business without justifiable cause. During the application process, the FSA write to Chaser Capital on 5 June 2009.  
<https://www.dropbox.com/s/7hh8qhd2yizw5ms/FSA%20letter%20to%20Chaser%20Capital%205%20June%202009.pdf?dl=0> (Item 16)
38. The FSA letter states that due to an ongoing investigation, the FSA is unable to be satisfied that Iain and Katrina Stamp are fit and proper. This contradicts a statement made later in 2010 by Margaret Cole in a letter to my MP George Hollingbery, Margaret Cole says that Iain and Katrina Stamp were never personally under investigation.
39. [http://www.iaincs.com/docs/cole\\_letter.pdf](http://www.iaincs.com/docs/cole_letter.pdf)
40. **2009** The FSA wrote to all IFAs, telling them they may have miss sold the Integrity GTEP product, the letter was sent to 125 IFA firms and was prejudicial to Integrity causing substantial reputational damage to Integrity and me. The GTEP product was not provided by Integrity it is a HBOS and NBS product. In an exchange between Paul Nedas of Financial Advice Liability and John Tutt in 2009, John Tutt says, *“Specifically, your clients were concerned with GTEP distributors and intermediaries (including - Integrity Financial Solutions Ltd and The Matrix Model Group (UK) Limited”*
41. <https://www.dropbox.com/s/juwnzvl0tpsmdqk/24-02-2012%20FAL%20to%20FSA%20cc%27d%20to%20BOS%20-%20the%20fundamental%20purpose%20of%20the%20close%20collaboration%20between%20Bank%25.pdf?dl=0>
42. **2009** At a meeting between FSA, Paul Adams (Integrity’s director of finance) and I, the FSA asserted that Integrity had breached the threshold regulatory capital requirement as the FSA wanted to ignore a loan of £400,000 which was a credit to the integrity balance sheet. Paul Adams and I argued that Integrity was a solvent business

and had significantly more capital than the threshold for an IFA business. Integrity's auditors included the loan as a genuine asset on Integrity's balance sheet which was signed off by the Integrity directors and accepted by the FSA on previous regulatory returns. The FSA was suddenly and deliberately excluding a £400,000 loan that had been made by Integrity to its holdings company, the loan was a legitimate asset on Integrity's balance sheet and had qualified as threshold capital in previous regulatory returns. Following the meeting the FSA asserted that I had agreed for my holdings company to repay the £400,000 loan, I had not agreed to this at all.

43. **2009** Integrity was facing the risk of substantial claims against it for its own customers and the customers of the 125 IFA firms that had arranged GTEPs with HBOS and NBS. The FSA wrote to all 125 IFA firms that had arranged GTEP products. The FSA implied that Integrity was the GTEP product provider which put Integrity in an impossible position as Integrity's Professional Indemnity insurance did not cover Integrity as a GTEP product provider. The policy covered Integrity as an IFA for arranging GTEPs for its own customers as an IFA, but not the GTEP customers of other IFAs as the GTEP product provider. The FSAs assertion that Integrity was the GTEP product provider brought the risk of uninsured claims against Integrity for compensation payments to the GTEP customers arranged by 125 other IFA firms. Integrity had no prospect of continuing as it was uninsured. Under advisement from Rosenblatt Solicitors and Grant Thornton Integrity's auditors, I put Integrity into creditors voluntary liquidation.

44. **2009** Peter Yeldon of Middleton Partners was referred by Nigel Frudd (a partner at Rosenblatt Solicitors) to act as liquidator. I appointed Peter Yeldon of Middleton Partners as he was highly regarded by Rosenblatt Solicitors. I agreed with Peter Yeldon for him to enable the directors of Integrity to appeal to the Regulatory Decisions Committee during the Integrity liquidation. Peter Yeldon to allow Integrity to challenge the FSA over its allegations that it was the GTEP product provider specifically COBS principle 7, together with a range of other challenges over the FSA's allegations of defective IFA services to Integrity's own customers. Peter Yeldon agreed to enable Integrity to take the matter to the Regulatory Decisions Committee (RDC) and ultimately to the Upper Tribunal.

45. **2009** My holdings company made substantial loan repayments to Integrity (now in liquidation)

46. **2009 – 2010** The FSA proposed a deal to Peter Yeldon that was undisclosed to me at the time. The FSA proposed a public censure of Integrity to Peter Yeldon without any cost to Integrity in liquidation. I was on aware of this deal until it was too late to argue about it as Peter Yeldon had already accepted its terms. The FSA wrote in a letter that I had no third party rights, sent Mr Yeldon a draft warning notice, the FSA did not send me the warning notice. Everybody that dealt with me knew that I was the driving force behind Integrity. I did have third party rights. I should have been given the right

to have argued at the RDC. See Andrew Green QC on my rights under FSMA and my Human Rights (Item 17)

47. **2010** Peter Yeldon breached his agreement with me, did not enable me to argue at the RDC or UT.
48. **2010** The FSA write to Peter Yeldon in a without prejudice letter with a draft Integrity Warning Notice.  
<https://www.dropbox.com/s/w9pswm7qsuqn9iv/Draft%20warning%20notice.pdf?dl=0> (Item 18)
49. <https://www.dropbox.com/s/uxgc3umpe4l66pi/Spender%20to%20Yeldon%20letter%20%281%29.pdf?dl=0> (Item 19)
50. The letter to Peter Yeldon says that I have no third party rights and I am no longer a director of Integrity. Both statements are incorrect. I did have third party rights and I am still a director of Integrity today.
51. **2010** Following acceptance of the FSA's deal it was discovered that Peter Yeldon had defrauded Integrity and its creditors by extracting £350,000 in excessive fees, leaving just £1,000 remaining in the company. Peter Yeldon was subsequently stripped of his insolvency practitioner license for dishonesty.  
<http://economia.icaew.com/news/february-2015/crooked-insolvency-practitioner-fined> (Item 20)
52. **2010** No Integrity FSA decision notice is sent to me, it was published on the FSA website, it has subsequently been deleted now.
53. **2010** Integrity Final Notice, authored by Tom Spender, the notice unchallenged by Integrity, does not mention HBOS or NBS or any of their many COBS rule breaches and CONC responsibilities towards the GTEP distributing IFAs. The Final Notice asserts that Integrity is the GTEP product provider and has breached a range of COBS principals, primarily principle 7. I assert the Integrity notice is a whitewash and is designed to protect HBOS and NBS from their GTEP consumer credit and FSA regulatory responsibilities.
54. Tom Spender, who moved from the FSA to Lloyds as head of legal after the Integrity Final Notice was issued. He draws up an inept Final Notice which identifies Integrity as the product provider which it clearly wasn't and apparently fails to identify any reason why HBOS or NBS needed to ensure that the loans being granted by them from

their products were suitable for the potential claimants or even mention their role. I believe that Tom Spender did this without any fear of repercussion or referral to the Upper Tribunal because the Integrity censure was accepted by the liquidator and Integrity could not challenge the notice. (FYI Although the actions of the liquidator could be considered to be acting in the creditors' interests which could have been considered appropriate, Peter Yeldon had already extracted all but £1,000 from the company by his unjustified fees of £350,000.) Peter Yeldon was subsequently removed from the Institute due to his theft of liquidated companies' assets, including the annual renewal fees accruing and the liquid assets of the company. Mr Spender wrote subsequent several Final Notice's against IFAs but does not describe the product as an Integrity product, it is described as a GTEP product. Several other final notices were written by other authors about GTEPs, none of which suggested in any way that they were provided by Integrity.) The Notice says:

55. *"Integrity confirmed on 27 April 2010 that it will not be referring the matter to the Upper Tribunal (Tax and Chancery Chamber). 1.3. Integrity was the provider of the GTEP product and also advised customers though its IFA practice to invest in this product"*
56. No such confirmation was given by any Integrity director on 27 April 2010, any confirmation must have been made by the liquidator Peter Yeldon.
57. The FSA Integrity Final Notice says:
58. *"Integrity was the provider of the GTEP product and also advised customers though its IFA practice to invest in this product" "On the basis of the facts and matters described below, the FSA has decided to issue a public censure of Integrity for breaches of Principles 7 and 9 and related FSA Handbook rules due to failures in its direct sales of GTEP products and for breaches of Principle 7 and related FSA Handbook rules in relation to its role as the provider of the GTEP product during the relevant period"*
59. **2010** I tried to reopen the matter with the FCA via my member of parliament, George Hollingbery MP, who wrote a letter to the FSA. Margaret Cole of the FCA's reply to my MP is here [http://www.iaincs.com/docs/cole\\_letter.pdf](http://www.iaincs.com/docs/cole_letter.pdf) (Item 21)
60. Margaret Cole of the FSA's letter to George Hollingbery MP states that, *"It is important to note that Mr and Mrs Stamp were never personally under investigation and no finding that identifies and prejudices them as individuals has been published"*
61. In a letter from the FSA to Chaser Capital dated 5 June 2009 - which I had sight of some years later as part of a subject access request under the Data Protection Act. The FSA states, *"As there is an ongoing investigation by the FSA into Integrity Financial Solutions Ltd, where Mr & Mrs Stamp currently hold roles of a significant influence,*

*Permissions is unable to be satisfied that Mr & Mrs Stamp are fit and proper whilst the investigation is ongoing" The statements are contradictory; I assert that the letter from Margaret Cole to George Hollinbery was deliberately misleading.*

62. In Final Notices issued by the FCA since 2009, it is stated that six IFA firms including Integrity miss-sold the GTEP product to their customers. Apart from the Integrity Final Notice the FSA do not describe the GTEP product as an Integrity product, it is referred to as a GTEP. The Final Notices do not mention the role of HBOS or NBS. Large IFA firms that promoted the GTEP products were never investigated by the FCA, HBOS and NBS have never been investigated by the FCA relating to their GTEP product. No other similar businesses to Integrity or TEP Factory that introduced similar solutions to the IFA market has ever been investigated by the FCA. The Financial Services Compensation Scheme ("FSCS") classified Integrity as a failed GTEP product provider and has subsequently paid out substantial compensation claims to GTEP investors. I assert that FSCS compensation payments have been made in error as HBOS and NBS regulatory breaches have been ignored, the IFAs in default were frustrated due to the HBOS NBS regulatory breaches and Integrity was not the GTEP product provider.
63. **2010 to 2017** there are many media articles about me as CEO of Integrity, the failed GTEP product provider, the articles have destroyed my reputation. <http://citywire.co.uk/new-model-adviser/news/advisers-complain-integrity-lost-clients-thousands/a386560> (Item 22)
64. **2010** Myself and my wife Katrina Stamp Apply to FSA for IKSIM (Fund Management). The application, made as a variation of permissions is blocked (neither approved or denied) by FSA. The application is put in long grass by FSA. The FSA blocked me from conducting regulated business without any justifiable cause.
65. 2012 The FSCS payout to HBOS NBS GTEP investors leaves substantial GTEP investor with unrecovered losses. <https://www.moneymarketing.co.uk/fsa-censures-integrity-financial-solutions-over-g geared-tep-sales/> (Item 23)
66. 2012 Patrick Green QC is commissioned to write an opinion for the Financial Services Compensation Scheme (FSCS) - <https://www.fscs.org.uk/> A non expert MOJ regulated claims manager Paul Nedas acts in bad faith, collects data from me and distorts it. The opinion [https://www.dropbox.com/s/lodq3u7nv6xo61p/03-08-2014%20Integrity%20FSCS%20Opinion%203%208%2014%20%28copy%29\\_1%20%28copy%29%20%283%29.pdf?dl=0](https://www.dropbox.com/s/lodq3u7nv6xo61p/03-08-2014%20Integrity%20FSCS%20Opinion%203%208%2014%20%28copy%29_1%20%28copy%29%20%283%29.pdf?dl=0) (Item 24) is further influenced by the FSA Integrity Final Notice which wrongly states Integrity is the GTEP product provider. It is not. The opinion speculates that Integrity may have been in joint venture with HBOS in fraud, deception and misrepresentation. The opinion is influenced by the Integrity final notice written by Tom Spender. [www.moneymarketing.co.uk/integrity-financial-solutions-classed-as-an-intermediary-for-fscs-purposes/](http://www.moneymarketing.co.uk/integrity-financial-solutions-classed-as-an-intermediary-for-fscs-purposes/) (Item 25)

67. **2013** I apply to the FCA to take control of Catalyst. The application is put in the long grass, neither approved or denied by FSA. I withdrew the application in fear of FCA persecution.
68. **2014** SCM, UKITI and Hantec Markets Ltd ("Hantec") executed a service level agreement ("SLA") on 11 November 2014. The SLA detailed the roles and responsibilities of the parties, dealing spreads were paid directly to UKITI under the original SLA. On 14 September 2015 Hantec wanted to amend the SLA excluding UKITI and to pay dealing spreads direct to SCM, a replacement SLA excluding UKITI and paying dealing spreads to SCM is executed on 1 December 2015. Hantec suggested that UKITI could receive dealing spreads directly if it became an AR on SCM. On 29 September 2015, SCM made an AR application to the FCA via its compliance consultant, Bliby Consultancy LLP, reference 0000721106 to add UKITI as AR to SCM as the principal firm. The application was made via FCA Connect in the usual way.
69. **2015** SCM apply to the FCA for UKITI to become an Appointed Representative (AR) at SCM. The application is put in the long grass, neither approved or denied by FCA.
70. SCM carried out due diligence on UKITI prior to licensing UKITI's algorithmic FX trading software in 2012. SCM refreshed their due diligence prior to making the UKITI AR application. SCM expected the UKITI application to be processed by FCA like all the others it has previously made, to be approved (or rejected) in the usual way.
71. During the application period (29 September 2015 to January 2017) SCM has no regulatory issues.
72. During the application period (29 September 2015 to January 2017) SCF has no regulatory issues.
73. The AR application to add UKITI as an AR does not follow the same course as SCM's 14 previous AR applications.
74. For 16 months, SCM's AR application is neither approved or rejected by the FCA.
75. SCM is asked the same questions on a repeated basis by FCA.
76. The correspondence between SCM, UKITI and the FCA during the AR application is (Items 26 and 27).

77. As part of the AR application, Mr Iain Stamp (the director of UKITI) is required to make an approved person application to perform a CF1 function at SCM's proposed AR, UKITI.
78. As part of the approved person application, the FCA asks Mr Stamp to only complete sections 5 and 6 of the Form A. This is duly provided in January 2016.
79. Not until 31 March 2016 does the FCA decide that Mr Stamp needs to complete the entire Form A.
80. When SCM queries why the FCA's statutory clock is not ticking, the FCA says that SCM has not answered questions correctly, yet the FCA does not inform SCM what questions are not answered correctly. SCM answered all of the FCA's questions fully, accurately and promptly.
81. The correspondence between SCM and the FCA regarding the FCA's statutory clock is (Item 28).
82. SCM believes that the FCA timescale for approving an AR application is statutory.
83. SCM believes the FCA's conduct and deliberate delays regarding the UKITI AR application is an abuse of the system.
84. The following link (Item 29) on the FCA's website states (in relation to approved person applications), *"We are legally obliged to decide on an application within 90 days of receiving it. But if we need more information from your firm, the statutory 'clock' will be stopped until we get that information."* <https://www.fca.org.uk/firms/approved-persons/how-we-process-approved-personapplications>
85. In an appeal to the SCM Second Supervisory Notice at the Upper Tribunal, SCM says: *"With great reluctance, Mr Stamp agreed for SCM to submit a UKITI Appointed Representative (AR) application to the FCA. Mr Stamp explained to me that he had previously submitted four approved persons applications to the FCA between 2009 and 2015, on each occasion his applications were neither accepted or rejected by the FCA, each followed a similar pattern of seemingly irrelevant questions and answers that went backwards and forwards between Mr Stamp and the FCA which led ultimately to Mr Stamp's withdrawal of his applications. The FCA has not provided any reason why Mr Stamp would not be considered fit and proper to perform a controlled function for SCM's proposed AR, UKITI. In the absence of a reason as to why Mr Stamp would not be considered fit and proper to perform a controlled function, SCM reasonably expected the AR application to be granted. The continued frustration of the AR application (neither approving nor rejecting it) has damaged SCM, UKITI and Mr Stamp"*

86. *"SCM refreshed its UKITI due diligence prior to making the UKITI AR application to the FCA in September 2015. SCM however expected the UKITI application to be processed by the FCA like all the others it has previously made, to be approved (or rejected) in the usual way".*
87. *"During the application period (29 September 2015 to January 2017) SCM has no regulatory issues"*
88. *"The UKITI AR application did not follow the same course as SCM's 14 previous AR applications, it is immediately referred to the FCA's non routine team. SCM questioned why the application was non routine, the FCA referred to Mr Stamp's role at Integrity Financial Solutions (Integrity) as the reason"*
89. *"For 16 months, SCM's AR application is neither approved or rejected by the FCA"*
90. *"The FCA focused many of its questions on what Mr Stamp had learned whilst acting as the CF1 at Integrity"*
91. *"Mr Stamp provided SCM with a letter from Margaret Cole of the FCA in response to a letter from Mr Stamp's MP George Hollingbery in from 2010. The letter confirms that Mr Stamp had never been under any FCA investigation and gives the impression that Mr Stamp would have no difficulty in achieving approved person status. The letter from Margaret Cole confirms that the FCA is unwilling to reopen the integrity final notice which had never been challenged by Mr Stamp or any of the directors of Integrity as Integrity was in creditors voluntary liquidation and under the control of Middleton Partners, Mr Peter Yeldon who had accepted the assertions made by Tom Spender of the FCA regarding Mr Spender's unproven assertions that Integrity had breached the FCA's principles under COBS as a GTEP product provider. Mr Stamp has evidence to me via an opinion written by a leading barrister who has comprehensively reviewed the Integrity Final Notice in connection with a current group litigation claim on behalf of 650 GTEP investors introduced to Halifax Bank of Scotland (HBOS) and Newcastle Building Society (NBS) by Integrity. The barrister's opinion confirms that HBOS and NBS were the GTEP product providers not Integrity as asserted in the Integrity Final Notice by the FSA. Mr Stamp subsequently discovered under a contact access request a copy of a letter from the FCA to Chaser Capital (a company that Mr Stamp had put in a change of control application to the FCA) that he and his wife Mrs Stamp were under investigation in 2009 relating to their activities at Integrity. Mr Stamp has explained to me that had he known that he and Mrs Stamp had been under FCA investigation he would have challenged the FSA's final notice against Integrity via the RDC and Upper Tribunal. No such challenges made by Mr Stamp due to the statements made in Margaret Coles letter to George Hollingbery MP in 2010. Mr Stamp has also informed me that there is no opportunity for him to challenge the FCA either via the Upper Tribunal or undertake*

*a judicial review as the Integrity Final Notice was issued more than six years ago and is now time barred”*

92. *“As part of the UKITI AR application, Mr Stamp (the director of UKITI) is required by the FCA to make an approved person application to perform a CF1 function as SCM's proposed AR, UKITI”*
93. *“As part of the approved person application, the FCA asks Mr Stamp to only complete sections 5 and 6 of the Form A. This is duly provided in January 2016”*
94. *“Not until 31 March 2016 does the FCA decide that Mr Stamp needs to complete the entire Form “.*
95. *“When SCM queries why the FCA's statutory clock is not ticking, the FCA says that SCM has not answered questions correctly, yet the FCA does not inform SCM what questions are not answered correctly. SCM answered all of the FCA's questions fully, accurately and promptly”*
96. *“SCM believes that the FCA timescale for approving an AR application should follow a statutory six months timeframe. The application process lasted 16 months, was repeatedly frustrated by the FCA's abuse of the time clock”*
97. *“At the outset of SCM's relationship with UKITI, SCM was aware that UKITI had been involved in various arrangements with a similar, if not, in some cases, the same structures that were in place for FX Perpetual between SCM, Hantec/Vibhs Financial Ltd (as brokers) and UKITI”*
98. *“Mr Stamp firms have licensed similar software to other fund managers, Independent Portfolio Managers Ltd (“IPM”), Emerging Asset Management Ltd and Catalyst Fund Management Ltd and these firms have transmitted trade signals from my firm's designed algorithms to the brokerages. Host Capital Ltd also offered to work with a software license from one of Mr Stamp's companies”*
99. *“Other brokerage firms that Mr Stamp's firms have worked in the past under similar or the same arrangements include GFT, London Capital Group Ltd (“LCG”), Alpari, GO Markets and Think Forex”*
100. *“If SCM has aided and abetted Mr Stamp then so have the other fund managers and all the brokers Mr Stamp's firms have worked with”*
101. *“Mr Stamp has evidenced to me a compliance opinion from an expert, and FCA CF10 registered individual dated 30 December 2016 which states that, in their opinion, UKITI was not conducting any regulated activity”*

102. *“Mr Stamp informs me that the FCA (at the time, the FSA) looked into his firm's relationship with IPM with similar arrangements. If the FCA had any concerns, action would have been taken against IPM. No action was taken. Mr Stamp also informs me that in a litigation case one of his firms was taking up against LCG for damages, the High Court judge looked into this type of structure between IPM Mr Stamps firm and LCG. LCG alleged that Mr Stamps firm was operating without an FCA licence. The High Court judge did not support LCGs assertions that Mr Stamps firm was providing investment management services. LCG paid a settlement to Mr Stamps firm. Mr Stamp also informs me that the Ombudsman looked into this type of structure between IPM, Mr Stamps firm and LCG. The Ombudsman did not support LCGs assertions that Mr Stamp was providing investment management services, the Ombudsman instructed LCG to pay out to their customers”*
103. *“Mr Stamp informs me that his firm was receiving 100% of the dealing spreads as a license fee provision of its software to IPM”*
104. *“Mr Stamp informs me that K&L Gates represented his firm in his firm's damages claim against LCG with a counsel opinion from Charles Marquand. LCG was represented by Pinsent Masons. LCG attempted to have the damages claim thrown out due to their assertion that LSC had no right to the dealing spreads as it was unregulated, and its license of software to IPM was in some way a breach of FCA principles. The High Court judge threw out LCGs assertions, and the LSC matter went ahead at the High Court. LCG settled the claim in Mr Stamp's firms favour”*
105. *“Furthermore, Mr Stamp informs me that despite LCG defending itself for two years against complaints made to the Financial Ombudsman Service (“FOS”), FOS found against LCG with LCG subsequently settling claims over commission rebating errors it made on the accounts operated under a similar structure to the SCM UKITI structure”*
106. *“The following link on the FCA's website states (in relation to approved person applications), “We are legally obliged to decide on an application within 90 days of receiving it. But if we need more information from your firm, the statutory ‘clock’ will be stopped until we get that information.”*  
<https://www.fca.org.uk/firms/approved-persons/how-we-process-approved-personapplications>
107. I met my member of parliament, Caroline Dinenage MP. On 9 December 2016, Ms Dinenage writes to Andrew Bailey, CEO of the FCA to raise concerns about the farcical process via the abuse of the time clock and length of time elapsed with the UKITI AR application.

108. I believe that the letter from Caroline Dinenage MP letter to Andrew Bailey caused an intensification of the persecution against me and was the catalyst for the FCA's subsequent investigation of SCM. SCM say in their appeal to the FCA Second Supervisory Notice *"the FCA have breached statutory process and acted in bad faith"*
109. As part of the AR application, and following Caroline Dinenage MP's letter on 9 December 2016, I was invited to attend an interview at the FCA on 15 December 2016 ostensibly to discuss the UKITI AR application. I assert that the 'interview' to is an interrogation. The 'interview' lasts four and a half hours, was taped. I believe that the interview was designed to entrap me. At the beginning of the interrogation the FCA ask me why I am not legally represented. I answered *"why would I need legal representation"*. The interview focuses in large part on Integrity and what I had learned about Integrity and unregulated things I was doing.
110. UKITI, had also designed and developed CVaR (conditional value at risk) ETF fund management software system based on dynamic volatility rebalancing. The software is designed to constrain downside risk within annual constraint levels of -3% to -25%. The software was thoroughly tested and demonstrated a 95% mathematical confidence level of complying with the risk constraint levels. SCM had licensed the CVaR software from UKITI and had planned to market its fund management services under the trade name of Wealth Fortress DFM. SCM and UKITI had recruited regulated and unregulated counterparties in collaboration to offer a pension switch and transfer service. SCM as a fund manager, an IFA firm WDFS as an adviser, a SIPP trustee, Red Swan, a marketing company, Pensions Legal and an administration company, eparaplanner. SCM aimed to manage pension funds at the Red Swan SIPP via its licence of the UKITI CVaR software in a similar way to its licence of the FX Perpetual algorithmic software.
111. Wealth Fortress DFM was a registered trading name of SCM from 5 December 2016 to 2 February 2017, as can be seen on the FCA register.
112. Following the FCA interrogation on 15 December 2016, the FCA wrote to Pensions Legal. SCM were relying on Pensions Legal to generate new business via its leads supply to IFA firm WDFS Ltd. The FCA made contact with WDFS Ltd and Red Swan. The effect of the FCA contact caused Pensions Legal, WDFS Ltd and Red Swan to cease their involvement with SCM and the pension collaboration. SCM believes that the FCA's contact to these counterparties was in bad faith as it caused considerable damage to SCM and UKITI.
113. SCM believes that the FCA misunderstood SCM's intended pension fund management services did not carry out sufficient research to establish its merits and failed to understand the design features of the CVaR volatility proposition. The

pension collaboration could no longer proceed due to the FCA's intervention. SCM and UKITIs businesses were severely damaged by the FCA's deliberate dismantling the pension collaboration.

114. I am informed by WDFS that during the FCA's call to WDFS Ltd's compliance officer, the FCA assert that elements of the SCM investment proposition was high risk and that WDFS Ltd should not recommend the proposition to one of its clients. The FCA did not base their assertions on any research or fact as it did not understand the SCM Wealth Fortress DFM CVaR strategy, the strategy's primary purpose was to manage within predetermine risk constraints and achieve this via dynamic rebalancing of the ETF's. The strategy is very similar to that employed by Scalable Capital <https://uk.scalable.capital/> who regard this type of fund management "*The Future of Investing. Today*"
115. "The FCA in the SCM First Supervisory Notice assert that "*supervision has evidence that the wealth Fortress DFM may have been marketed to retail pension investors for which they have not been suitable. Supervision has seen no evidence that SCM is in practice providing investment management services to the wealth Fortress DFMs*" Neither WDFS or any other IFA had recommended the SCM Wealth Fortress DFM portfolios. The FCA failed to establish the arrangements that SCM had made to licence the CVaR volatility software from UKITI and how SCM had structured its control of the system and the setting of its parameters.
116. **2017** On 5 January 2017, the FCA's supervision department visit SCM
117. **2017** During February 2017, the FCA starts an investigation into SCM. The FCA wants SCM to submit to an s.166 review and VREQ which would impose restrictions on all SCM activities.
118. **2017** On 8 February 2017, SCM attend a meeting at the FCA's offices.
119. **2017** On 16 February 2017, in a letter from Russell Moore of the FCA, SCM is requested to sign a Voluntary Requirements form ("VREQ") to cease all activities. The FCA is insistent upon SCM signing the VREQ"
120. **2017** SCM did not sign the VREQ as to do so would cause SCM's activities and income to stop entirely. It would then be nonsensical to SCM to submit to an s.166 review as SCM could not afford to instruct an s.166 review. If the s.166 review had identified any weaknesses at SCM, it would be impossible to rectify them as SCM would have no business ventures left. Moreover, SCM was being asked to sign the VREQ to cease all activities before the FCA had (i) provided any evidence of alleged wrongdoings and (ii) ascertained any weaknesses. (iii) cautioned SCM or UKITI or Mr Stamp. SCM believes that the FCA insisting on SCM signing a VREQ without any evidence of wrongdoing or establishing any weaknesses in SCMs business was a breach of FCA process and in bad faith. SCM

would have agreed to a s.166 review on the basis of carrying on with SCMs business ventures. If the s.166 review identified any weaknesses, SCM would have put them right. This approach would have been in the spirit of the FCAs attestation policy.

121. **2017** Daniel Tunkel of Howard Kennedy (SCM appointed lawyer) describe the s.166 as a "*fine before the event*". More than that, the FCA's actions are contrived. The FCA attempted to bully SCM into following a nonsensical process that is not in the best interests of SCM or its customers.
122. **2017** I assert that the FCA simply want to ruin me and UKITI, and use the investigation of SCM to do so whilst UKITI and I have no third party rights.
123. **2017** On 14 March 2017, Mr Shah attends a meeting at the FCA's offices
124. **2017** Mr Shah informed me that the FCA acted in an irregular and improper fashion in that: 1) SCM has never been cautioned; and 2) On two occasions, the FCA press SCM to correspond with their investors in a manner that breaches privilege against self-incrimination. I assert that the FCA was attempting to entrap SCM (and, by inference, Mr Stamp and UKITI) while not following its own procedures.
125. **2017** Howard Kennedy informs the FCA that closing FX Perpetual managed accounts (for which SCM is the investment manager using UKITI software under licence) will result in consumer detriment by SCM's clients losing money.
126. **2017** SCM categorically deny the FCA's speculations that *SCM "may have has placed UKITI in a position where its activities amount to breach of the General Prohibition"*
127. **2017** SCM offers to sign the VREQ on the basis that, in the best interests of investors, FX Perpetual continues running with SCM or via a replacement investment manager. This course of action is reasonable as 98% of the FX Perpetual investors want to continue with their SCM managed accounts. There are no complaints from FX Perpetual account holders. The FCA is warned by Howard Kennedy that the closure of FX Perpetual will cause client losses. The FCA ignore the warning. The FCA initially indicated to SCM that they would be willing to consider the appointment of a replacement investment manager, they later change their minds and are not interested in this. The FCA cause consumer detriment by forcing the closure of FX Perpetual, and its incomplete trades.
128. **2017** SCM was criticised by the FCA for a difference in FX Perpetual client account values between realised trades and unrealised trades. Some of the unrealised trades were hedged trades. The policy of hedging is clearly stated in

the FX Perpetual literature. During the early part of 2017, the difference between realised and unrealised trades was circa 20%. By the time that the FCA compelled SCM to terminate the FX Perpetual programme on 30 June 2017, the difference in client account values between realised trades and unrealised trades was circa 11%. SCM believes that the differential would have been reduced to 0% by October 2017. This significant improvement (in a short space of time), allied with the fact that the majority of FX Perpetual investors wished to maintain their accounts causes consumer detriment.

129.       **2017** The FCA provides no evidence to support their speculation that SCM and UKITI may have breached the general prohibition nor that SCM has aided and abetted UKITI by SCM giving regulatory legitimacy, no evidence is provided, as no such evidence exists.
130.       **2017** The FCA has frustrated SCM's complaint made in Daniel Tunkel's letter of 23 May 2017.
131.       **2017** The FCA has deferred their investigation of the SCM the complaint because *"your complaint is connected with, or arises from, some form of continuing action by the FCA"*
132.       **2017** SCM is given no time by the FCA to rectify any alleged weaknesses. SCM believes that if there are any weaknesses, SCM should be given a reasonable amount of time to put things right. The FCA has an attestation procedure described on its website. Its described as a supervisory tool for putting things right, ensuring that regulated firms – and senior managers within them – are clearly accountable for taking the actions the FCA requires on specific issues. No such procedure was offered to SCM.
133.       **2017** Howard Kennedy wrote to the FCA with a detailed rebuttal of the FCAs allegations on 29 June 2017; the letter covered in detail why UKITI were not providing fund management services. The FCA ignore this letter. The FCA issue a First Supervisory Notice to SCM dated 27 June 2017.
134.       **2017** On 23 June 2017, Howard Kennedy wrote to the FCAs Regulatory Transactions Committee. SCM confirms that while it can comply with many of the actions required of it by the FCA, it objects to terminating relationships concerning FX Perpetual on the basis that:
  135.       *"it objects to the reasoning that the FCA has adopted;*
  136.       *it requires time to make proper representations;*

137. *it is invidious for the FCA to require termination before SCM making proper representations;*
138. *FX Perpetual is SCM's main income stream;*
139. *the FCA's course of action is not in the best interest of investors and will cause consumer detriment"*

140. **2017** On 7 July 2017, the FCA publishes a Revised SCM First Supervisory Notice.. The First Supervisory Notice is dated 27 June 2017 but not published until 7 July 2017. The first publication of the notice is un-redacted. The notice makes false, unfounded speculations about "*UKITI and its director*". Howard Kennedy's letter to the FCA with a detailed rebuttal of the FCAs speculations on 29 June 2017 is ignored. The SCM First Supervisory Notice names UKITI and its director which can only be me. SCM has informed me that they believe "*the use of Supervisory Notices by the FCA is an abuse of their powers*" I assert that the FCA have deliberately used the SCM First and Second Supervisory Notices as a tool to damage UKITI and my reputation.

141. **2017** I have taken legal advice over the matter, the advice confirmed that "*there appears to be nothing Mr Stamp can do about it apart from complaining to the FCA*". Based upon the way I have been treated by the FSA FCA since 2009 I have no faith in receiving fair treatment from the FCA in any such complaint procedure. I assert that the FCA's issuance of the SCM First Supervisory Notice which specifically references UKITI and me is a deliberate strategy employed by the FCA to destroy my reputation and an abuse of the intended purpose of the FCA's powers to use First Supervisory Notices as this type of notice is intended to prevent ongoing consumer detriment. SCM has been shut down prior to the issuance of the SCM First Supervisory Notice and has agreed with the FCA not to undertake any further regulated business activity. I have no third-party rights to challenge the FCA, I assert that the use of the SCM First Supervisory Notice is a deliberate strategy to further ruin UKITI and my reputation whilst I have no third party rights to challenge it.

142. **2017** As a result of being named in the First Supervisory Notice (generically as "UKITI's director Mr Stamp) an article is published by Citywire. The article makes unfounded allegations made in the SCM First Supervisory Notice. I assert that natural justice should be afforded to me and I should be given the opportunity to defend UKITI and my position. I further assert that this is a breach of my human rights.

143.

<https://publications.parliament.uk/pa/cm201617/cmselect/cmtreasy/maxwellisation/a-review-of-maxwellisation-24-11-16.pdf>

144. **2017** UKITI was relying upon SCM's outsourcing arrangements with UKITI for its revenues. Despite Daniel Tunkel's vigorous arguments and evidence provided to the FCA to support SCM's position, the FCA published the First Supervisory Notice regardless. SCM's and UKITI revenue streams from FX Perpetual and anticipated revenues the pension collaboration are destroyed. I assert that the FCA has destroyed these revenue streams in a deliberate strategy that makes it close to impossible for SCM and UKITI and I to afford expert legal representation at the Upper Tribunal.

145. **2017** On 29 June 2017, Daniel Tunkel confirms to the FCA SCM and SCF's (reluctant) compliance with the Revised First Supervisory Notice. Howard Kennedy's letter raises a number of issues with the FCA. Amongst other things:

*"The FCA insists on a s.166 report which is a "fine before the event*

*The FCA has not satisfactorily explained why a s. 166 report is needed or is of use.*

*Official complaints are (and remain) unanswered, including a complaint of the conduct of those involved in the First Supervisory Notice, chiefly Mr Moore.*

*The FCA speculates that SCM and UKITI have acted in criminal conduct. Yet, SCM nor Mr Stamp have never been cautioned.*

*Compelled closure of FX Perpetual has caused consumer detriment.*

*Evidence of the roles that each party to FX Perpetual performed was provided to the FCA by SCM and Howard Kennedy before the issue of the SCM supervisory notice. The FCA ignored these representations has produced no evidence to support its allegations of breach of the General Prohibition"*

146. **2017** SCM informed me that they had comprehensively responded to the FCA re the SCM supervisory notice on 31 July 2017. SCM includes evidence that it acts as investment manager for FX Perpetual and evidence of the arrangements in place with each of its ARs. Furthermore, in relation to FX Perpetual, SCM has assessed every client for suitability. SCM would not undertake this assessment if it was acting in breach of the General Prohibition as the FCA speculate"

147. **2017** On 31 July 2017, UKITI and I apply to have the matters heard at the Upper Tribunal.

148. **2017** In a letter dated 2 August 2017, the FCA tries to exclude SCMs representations sent to the FCA by Howard Kennedy that relate to UKITI and FX

Perpetual. FCA asks SCM to confirm in writing that SCM does not wish the FCA to consider the written representations made on SCM's behalf by Howard Kennedy as set out in their letter of 29 June 2017. SCM has no intention of doing so. SCM confirms to the FCA that it does wish the FCA to consider the written representations made on SCM's behalf by Howard Kennedy as set out in their letter of 29 June 2017. I assert that the FCA is acting in bad faith in a deliberate attempt to exclude evidence designed to prejudice UKITI and me.

149. **2017** On 1 September 2017, SCM informed me that the FCA's statement of the case against SCM is submitted to the Upper Tribunal. The FCA redacted their statement of case in *SSCM/SCF v FCA* (case no. FS/2017/011) by taking references to UKITI and its director out.
150. **2017** *SCM inform me that the FCA write to the Upper Tribunal on 18 September 2017. The FCA suggests to Judge Herrington that a case management hearing should not be held until after the RTC has issued its decision. I assert that the FCA is trying to decide upon the matter whilst excluding UKITI and me with any opportunity to argue my position.*
151. **2017** I assert that the FCA's actions generally are predetermined and deliberate, evidence is ignored and distorted. Complaints made to the FCA by SCM, or by SCM's law firm Howard Kennedy from April and May 2017 have been deliberately frustrated by the FCA.
152. **2017** SCM inform me that the RTC have now considered the SCM matters and the FCA has continued on the same path with no amendment to their position.
153. **2017** I asked for an extension to submit my evidences, the extension was granted. The RTC made their decision without considering my evidences and stated in their notes that were sent to SCM with the decision that I failed to submit evidence in time. The FCA also sent SCM a supplementary Enforcement Document for the RTC Meeting on 26th Oct. The FCA said that I was given the opportunity to provide written submissions in respect of the FSN by 28th Sept 2017 but had not done so. Subsequently, the RTC on 16th Oct requested any submissions to be made by 23rd Oct. I sent the FCA my submissions on 20th Oct within the deadline. I assert that the FCA RTC deliberately make their decision at by ignoring my evidences whilst falsely claiming that I had not submitted the evidences within time.
154. **2017** *I am informed by SCM that the FCA compel SCM to cease all activities. SCM have no revenue streams. The firms are essentially put out of business. SCM inform me that they have no faith in the Regulatory Transactions Committee. SCM is afraid to attend it. SCM believe the outcome is already predetermined by the FCA*

*“All of the following eleven documents were sent by SCM to the FCA on 31 July 2017:*

*Technology Services agreement between SCM and UKITI;*

*Service level agreement between SCM, UKITI and Hantec Markets Ltd;*

*Service level agreement between SCM, UKITI and VIBHS Financial Ltd;*

*SCM FX Perpetual brochure;*

*SCM FX Perpetual managed account application form and power of attorney;*

*SCM FX Perpetual monthly performance flyer;*

*A comprehensive manual on how SCM outsources services to 'the cloud';*

*Example correspondence that SCM has sent to one of its FX Perpetual account holders at VIBHS Financial Ltd;*

*Example correspondence that SCM has sent to one of its FX Perpetual account holders at Hantec Markets Ltd;*

*Partial transcript of my interview with the FCA from 15 December 2016 which explains in detail the nature of the relationship between UKITI and SCM; and*

*Letter from Daniel Tunkel of Howard Kennedy (representing SCM and SCF) to the Regulatory Transactions Committee dated 29 June 2017. Section 3 of the letter is titled 'FX Perpetual', the most pertinent detail being 'The roles of the parties' at parts 3.4 through 3.8 and 'Role of UKITI'*

*2017 I have made five applications to become an FSA FCA approved person since the Integrity Final Notice, each application is neither accepted or rejected by the FCA the applications are simply put in the long grass”*

155. **2017** Following legal advice I withdraw my UKITI and Stamp Upper Tribunal appeals as I have no third-party rights.

156. **2017** In a letter from Martin Watts of the FCA dated first of December 2017 to the Upper Tribunal, Mr Watts states that. *“The authorities admit that, while acknowledging the tribunal’s powers to restrict the matters on which UKITI Mr Stamp may make submissions, permitting them to make submissions at the outset is likely to result in unnecessary additional time and expense for all parties concerned”* I want to submit evidences and submissions to be taken into account by the Upper Tribunal as it will provide context and background to the matters being considered at the Upper Tribunal relating to SCM.

157. **2017** On 16 February 2017, I submitted a Notification for Change in Controller application of SCM (a Section 178 notice) to the FCA. The application reference was CIC/191763/KE. I planned to restructure SCM, improve its systems and controls and provide a bigger and better infrastructure. A business plan and all requested submissions were made to the FCA by me.
158. **2017** The FCA replied on 22 February 2017 to state that the application was incomplete but do not state what is incomplete.
159. **2017** On 1st March 2017, SCM ask me to withdraw the change in Controller application (a Section 178 notice) to the FCA with reference was CIC/191763/KE. SCM informed me that it is fearful of the FCA and further repercussions and persecution.
160. **2017** SCM informes me that SCM is unaware of the FCA making the same allegations of aiding and abetting UKITI against Hantec and Vibhs Financial Ltd (the FCA authorised trade execution brokers for FX Perpetual). If SCM has aided and abetted UKITI then so has Hantec and Vibhs Financial Ltd.
161. **2017** At the outset of SCM's relationship with UKITI, I made SCM aware that UKITI had been involved in various arrangements with a similar, if not, in some cases, the same structures that were in place for FX Perpetual between SCM, Hantec/Vibhs Financial Ltd (as brokers) and UKITI.
162. My firms have licensed similar software to other fund managers, Independent Portfolio Managers Ltd ("IPM"), Emerging Asset Management Ltd and Catalyst Fund Management Ltd and these firms have transmitted trade signals from my firm's designed algorithms to the brokerages.
163. Other brokerage firms that my firms have worked in the past under similar or the same arrangements include GFT, London Capital Group Ltd ("LCG"), Alpari, GO Markets and Think Forex.
164. If SCM has aided and abetted UKITI then so have the other fund managers and all the brokers my firms have worked with.
165. I have an opinion from a compliance expert and FCA CF10 registered individual dated 30 December 2016 which states that, in their opinion UKITI was not conducting any regulated activity.

166. UKITI is not conducting any investment business. The CF10's at Hantec, Vibhs Financial Ltd sign up to SLAs between SCM their firm and UKITI. If they had concerns, they would not have signed the SLAs and conducted business with SCM and UKITI.
167. **2013** The FCA (at the time, the FSA) investigated IPM, LSC, my firm had a similar arrangements with IPM as UKITI does with SCM. If the FCA had any concerns, action would have been taken against IPM and LSC. No action was taken.
168. **2013** A High Court judge looked into this type of structure between IPM, LSC and LCG. LCG alleged that LSC was operating without a licence. The High Court judge did not support LCGs assertions that LSC was providing investment management services. LCG paid a settlement to LSC. The Ombudsman looked into this type of structure between IPM, LSC and LCG. LCG alleged that LSC was operating without a licence. The Ombudsman did not support LCGs assertions that LSC was providing investment management services, LCG paid out to their customers. LSC took LCG to the High Court for damages for lost dealing spread income caused by failures at LCG and breach of contract.
169. LSC earned 100% of the dealing spreads as a license fee for software rental.
170. K&L Gates represented LSC with a counsel opinion from Charles Marquand. LCG were represented by Pinsent Masons. LCG attempted to have the damages claim thrown out due to their assertion that LSC had no right to the dealing spreads as it was unregulated, and its license of software to IPM was in some way a breach of FCA principles. The High Court judge threw out LCGs assertions and the LSC matter went ahead at the High Court. LCG settled the claim in LSCs favour.
171. Furthermore, despite LCG defending itself for two years against complaints made to the Financial Ombudsman Service ("FOS"), FOS found against LCG with LCG subsequently settling claims over commission rebating errors it made on the accounts operated under the same structure.
172. **2017** I am informed by SCM that in their appeal to the Stargate Second Supervisory Notice to the Upper Tribunal, Stargate says:
173. Managing investments
174. The FCA has not relied upon any specific regulatory provisions in support of their speculation that UKITI may have been managing investments.

175. Managing investments is a specified activity under Art 37 of the Regulated Activities Order if it involves the exercise of discretion. It involves some kind of deal execution as opposed to merely making arrangements.
176. In legal advice that I have received. *“The creation, development and maintenance of the software by UKITI does not amount to investment management. Many fund managers rely on automated systems. UKITI created the algorithms, the algorithms under SCM control automatically transmitted trade positions to SCM appointed currency brokers Hantec markets (HML) and Variance (VIBHS) via its artificial intelligence design as currency prices moved. The whole purpose of the software is to by-pass any manual decision making as positions are traded. The FCA’s observation that there is no evidence of SCM making any decisions itself misses the point, systems that operate under artificial intelligence make decisions based on their pre set and SCM approved parameters”*
177. If the FCA persist in their speculation that SCM may have been aiding and abetting UKITI, *“and in light of the prevalence of this type of software in the fund management market (which will only increase), many other fund managers would also be aiding and abetting their retained software providers”* irrespective of whether the software was coded in-house or via an outsource arrangement as is the case between SCM and UKITI.
178. I assert that SCM performed all of the functions one would expect of a fund manager, including controlling the parameters of the software, monitoring all open trade positions via its online access to the brokerage accounts which were set up under SCMs name and control at HML and VIBHS and via an additional online MT4 reporting application.
179. SCM, UKITI and HML entered into a Service Level Agreement on 11 November 2014. The conditions are as follows:
180. SCM was the provider of discretionary investment management services for the managed accounts;
181. UKITI designed and created trading systems and strategies that are employed by SCM who transmit them to HML for the execution of trades. “No regulated activities are conducted”;
182. UKITI would be paid (i) dealing fees at “5 pip round turn”; (ii) performance fees at 30% subject to a 6% annual hurdle rate, and (iii) account set up fees at 2% of the investment amount;

183. HML's responsibilities included custodian and banking services, trade pricing and trade execution;
184. SCM's responsibilities included "investment management, including trading strategies and risk management applied";
185. UKITI's responsibilities included "ongoing design, amendment, improvement and creation of financial solutions for clients involving FX trading";
186. UKITI "does not require regulatory approval to conduct its activities and maintain its responsibilities within this document. However UKITI will, at all times, operate within any applicable legal and regulatory framework required, and will endeavour to operate using best practice".

SCM, UKITI and VIBHS entered into a Service Level Agreement on 1 April 2016 in very similar terms.

The FX Perpetual Information Brochure contained the following information, so far as is relevant:

It stated that FX Perpetual was a product managed by SCM, who was authorised and regulated by the FCA.

It explained that FX Perpetual was a "fully automated systematic algorithmic trading system that operates in real time".

SCM had ultimate control over the software and controlled the switching on and off of the algorithms. The instruction by the FCA for SCM to close all positions at HML, which is complied with by SCM in June 2017 is evidence itself of SCMs control.

187. The FCA have published a paper on the use of algorithms by fund managers, much of the guidance has yet to come into force as its part of MIFID II <https://www.fca.org.uk/mifid-ii/8-algorithmic-and-high-frequency-trading-hft-requirements>

188. The FCA rejected my complaint made in April 2017 stating there was insufficient evidence had not complained in time.

189. The FCA Complaints Commissioner rejected the first phase of my complaint and did not use his discretion justifying this on the basis that I had not complained in time.

190. The FCA Complaints Commissioner after a period of 11 months has still not passed his judgement on the second phase of my complaint relating to the alleged breach of my Human Rights.

This statement is true to the best of my knowledge and belief. If it is used in evidence I understand that I will be liable for prosecution if I have wilfully stated in it anything that I know to be false or do not believe to be true.

**Signed** \_\_\_\_\_

**Iain Clifford Stamp**

**Date** \_\_\_\_\_

**Evidence Bundle 1**

**Tab 1**

Andrew Green QC, Report into the FSA's enforcement actions following the failure of HBOS.

Contents, Introduction Scope and Conclusions. Recommendations

**Tab 2**

Review of the reports into the failure of HBOS.

Index, Conclusions and Recommendations

**Tab 3**

Cultural change in the FCA, PRA Bank of England.

The Executive Summary

**Tab 4**

Integrity HBOS introducer agreement

**Tab 5**

GTEPs and FSA letter to IFAs

**Tab 6**

Integrity FSA permissions

**Tab 7**

Integrity P.I. insurance

**Tab 8**

FSA Investigation summary (Katrina Stamp Integrity's compliance officer)

Letter from Katrina Stamp FSA

**Tab 9**

Summary of FSA GTEP related IFA Final Notices

Geared portfolios a popular choice "The Telegraph"

Knowlden Titlow FSA Final Notice (Authored by Jonathan Phelan head of FSA Enforcement)

Garrison Finance Centre FSA Final Notice (authored by Tom Spender head of FSA enforcement)

Westwood Upper Tribunal Decision

**Tab 10**

Alasdair Sampson letter to Integrity's liquidator and FSA prior to Integrity Censure

**Tab 11**

FSA want inter company loan repaid by Integrity's holdings company. Integrity forced into liquidation

Integrity liquidation, I want to challenge the FSA speculations re Integrity

**Tab 12**

Integrity Financial Solutions FSA Final Notice (Censure authored by Tom Spender head of FSA enforcement)

Critique of Integrity Final Notice by Terry Franks compliance expert

Terry Franks CV

Citywire article re Integrity Censure

**Tab 1**

Response from Margaret Cole (Head of Enforcement FSA) to George Hollingbery MP relating to Integrity Final Notice

**Tab 2**

FSCS classify Integrity a failed product provider FSCS pay GTEP investors out, diverting attention away from HBOS/NBS the GTEP product providers

**Tab 3**

Chaser Capital Freedom of Information correspondence re FSA investigation  
Freedom of information response FSA

**Tab 4**

Peter Yeldon Crooked insolvency Practitioner fined  
Middleton Partners un-attempted professional negligence claim  
Grant Thornton claim against Middleton Partners Practice Bond

**Tab 5**

Tom Spender becomes head of Lloyds/HBOS legal department

**Tab 6**

UK Innovative Traded Instruments (UKITI) Appointed Representative application under Stargate Capital Management Umbrella  
Application is put in the Non-Routine team  
Sixteen months of correspondence

**Tab 7**

Caroline Dinenage MP letter to FCA  
FCA service standard  
Andrew Bailey Reply

**Tab 8**

FCA Interrogation  
Part 1 – 5

**Tab 9**

UKITI Stargate change of control application  
FCA rejection

**Tab 10**

Howard Kennedy representations to FCA prior to FCAs issuance of Stargate First Supervisory

Howard Kennedy letters to FCA

Erin Hitchen opinion UKITI services to Stargate

UKITI technology service level agreement with Stargate x 2

FCA email claiming that I did not submit representations to FCA RTC within the deadline

UKITI and my reply to FCA

Stargate First Supervisory Notice

Citywire article

Re-Issued Stargate First Supervisory Notice

**Tab 11**

Skeleton Argument at Upper Tribunal

Judge Herrington Upper Tribunal Decision (I have no Third Part Rights)

**Tab 12**

Advice from Counsel re FSA/FCA Misfeasance and Human Rights breaches

Complaint correspondence

Complaint rejection

Correspondence with FCA RTC

**Tab 12**

FCA try to block my Upper Tribunal hearing

Patrick Green QC opinion re-HBOS NBS

My FCA complaint

The FCA complaints Commissioner's rejection of the first phase of my complaint

Correspondence with the FCA and FCA Complaints Commissioner