

## Question Set F

### For other stakeholders

#### **Please note all of these points before answering:**

- If you have any questions please contact Andy Agathangelou, Chair of the APPG's Secretariat, at [Email](#)
- Only reply to this question set if it applies to you.
- This Call for Evidence is being handled by the APPG's [Secretariat](#) and support staff, who will collate the evidence and provide it to [the APPG's members](#).
- Respondents' information will only be shared as necessary to enable the successful completion of the exercise and it will not be shared beyond the scope of this Call for Evidence.
- Please note that we ask respondents to only give evidence that they are free to provide. It is entirely the responsibility of the respondent to ensure they take into account any agreement(s) they may have entered into.
- Respondents may choose to skip answering any of the questions if they wish.
- It is for each respondent to decide whether their name and/or their responses are put into the public domain.

#### **The process to follow**

- Select the question set that relates to you. You may respond to more than one question set if you have different experiences of contact with the FCA.
- Download it, as a Word document, and save it on your computer.
- Provide your answers after each question.
- Please leave blank any questions that don't apply to you or that you do not wish to answer.
- Save the completed document on your computer.
- Please email it to Andy Agathangelou, **by 5pm on Monday 15th November**, at [Email](#)

#### **Other important points to note**

- This exercise is about gathering evidence on what people think about the FCA; it is not about providing any assistance, guidance or advice on any case a respondent may have against the FCA, or any other entity.
- Respondents are asked to only provide answers to the questions given.
- Respondents are asked to not provide any supplementary evidence or documentation.

## Question Set F

### For other stakeholders

#### **Your Details**

Name:

Mark Learmont

Company/Business (if applicable):

Retired Managing Director of Lindley Financial Management Ltd, Current Co -Chair of CIRAG with John Rawicz Szczerbo

Address including postcode:

REDACTED

Email address:

REDACTED

Mobile telephone number:

REDACTED

#### **Permissions**

- Do you give permission that your name is put into the public domain?
  - Please enter Yes or No. ....Yes
- Do you give permission that your response is put into the public domain? Yes
  - Please enter Yes or No. .... (With Email address, phone number and postal address redacted).

## Questions

1. Please tell us about yourself and outline, just briefly to begin with, how you came to interact with the Financial Conduct Authority?

(Please type your answer here. Thank you.) I became involved with the Connaught problem at the first meeting of investors and IFAs which was held at the motorcycle museum in Birmingham in 2012. I had recommended a number of clients to enter into this investment on the basis of the information memorandum that had been issued by capita.

2. What is your interest in, or connection with, the FCA? I had no involvement with the FCA other than to be regulated by them with my own personal company. I have never met anybody from the FCA or had visited them in my working life which started in 1987 on my resignation from the Army

3. Briefly describe the interactions you have personally had with the FCA. I was principally involved in obtaining an MP to head an APPG into the Connaught Income Fund series one affair. The MP's name was Guto Bebb and he was instrumental in helping us as an APPG right through until promotion meant that he could not take this on any further. Mr Bebb managed to instigate a Westminster Hall debate and one in the House of Commons during his time as head of the APPG. Sadly, he had to give up that role and this was then taken on by Kirsten Oswald an SNP MP who did her level best in trying to move this whole saga forward. It was at an APPG meeting that I first met Mark Steward the director of Enforcement at the FCA who was summoned to the APPG and immediately described us as a "kangaroo court" and who felt that he could not give the full length of time to the meeting due to children issues. I then arrange to have a meeting with him along with John Rawicz-Szczerbo (JRC) at Canary Wharf in his office prior to the Capita restitution being made. That meeting was frightening in that it showed that the FCA had paid little attention, nor had asked IFAs for their input into the situation. It also highlighted the fact that they had not seen a lot of the evidence that George Patellis had, as I reminded Mr. Steward at that meeting that the evidence was still in George Patellis's rucksack at the bottom of a cupboard in his flat not 3 miles away. It must be remembered that my principle role in all of the discussions that went on was on the political side of things at the same time as representing the IFAs who had either lost their businesses or being forced by FOS directives to enter into an arrangement with clients.

4. In broad terms, what have your dealings with the FCA been like? Frankly appalling. I have been accused of being rude, wrong in my assertions but yet nobody has ever answered the questions that I posed to Mr. Steward and his team of senior officials at the FCA nor have they answered any of the emails that I have sent on IFAs' behalf.
5. Have you ever witnessed any actions or conduct that, in your reasonable belief, breached any law, regulatory code or applicable or relevant policy? If so, please explain which law, code or policy you believe was breached. In my view the whole of the Connaught fiasco breached every kind of justice in financial services that it was possible to do so from the very beginning the FCA, FOS and the FSCS Went out of their way to scapegoat IFAs and put the blame entirely on them. FOS were as big a culprit of this and Ms Wayman's appearance in front of the APPG was staggering in what she said to an elected MP and the group as a whole. I can give you the verbatim comments from that meeting if required but essentially, it confirmed that she could make up her own mind on anything and not follow FCA guidelines in any decision that she came to.
6. Have you experienced situations where interacting with the FCA has been helpful to either yourself or others? If so, please explain what made the interaction(s) helpful. No
7. What are your thoughts on whether the FCA lacks the powers that it needs; or conversely, that it doesn't make good use of the powers it already has? It is my view that the FCA is a regulatory organisation staffed principally by civil servants who have little knowledge on their brief and who tend to concentrate on minor things rather than major financial crime. They have the powers already to investigate but they will prefer to ignore the bigger picture in favour of attacking the smaller sector in the financial services market and the sector that has the least complaints against it.
8. Have you experienced any difficulties or shortcomings in your interactions with the FCA? Yes. Promises to look into matters raised that were then conveniently ignored
9. Have you experienced the FCA being reluctant to give clear answers to questions? Yes, see all of above and supporting evidence to this submission

10. What is your perception of the culture of the FCA, and what do you think of it? From my experience the FCA are not fit for purpose and that there should be a radical shakeup of the regulation in our industry staffed by people who have either been in the industry or who have an excellent grounding in it
  
11. Have you ever complained officially about the FCA; if so to whom? What happened, and how do you feel about what happened? What feedback, if any, have you had about your complaint? How helpful was the feedback? How long has it taken for your complaint to be processed? Yes, to the individual investigator Raj Parker when he was doing his investigation into the Connaught affair. It is interesting to note that far from being independent Mr Parker is now engaged by the FCA in a legal capacity having done his report. This is almost as much of a coincidence as Capita being awarded a major contract by the government so soon after having had to make the restitution payment to Connaught shareholders
  
12. What do you think about the possibility of conflict of interest issues at the FCA? Yes this whole affair demonstrates just such conflict.
  
13. Do you believe there should be spot checks by the FCA on regulated and/or unregulated entities, perhaps similar to the spot-checks by VAT inspectors No, not necessary, they simply need to act all intelligence given to them either in the form of whistle blowing or of members doing their statutory duty in reporting misdemeanours and crimes
  
14. What positives are there about the FCA that you would like to comment on? I can think of none. Far too many people refuse to engage with them on the basis that they may well end up out of business due to ridiculously silly rules. It cannot be healthy to have that sort of relationship with the very people that you are seeking to regulate
  
15. If you could change three things about the FCA, what would they be?
  
16. The FCA is undertaking a Transformation Project. Do you have any comments to make about that?
  
17. Are there any other comments that you would like to make?

~~ END ~~

Thank you

The attachments below are all concerned with my fight to obtain Justice. I suspect that your Secretariat will need to redact certain things in these missives, but they do give a picture as to what we were and STILL ARE fighting for.

I suspect that we will need a substantial phone conversation to discuss all of this

With Kind Regards

Mark Learmont

From: IndependentInvestigation.ConnaughtIncomeFund  
<IndependentInvestigation.ConnaughtIncomeFund@fca.org.uk>

Sent: 28 February 2020 15:27

To: Mark Learmont [REDACTED]

Cc: 'John Rawicz-Szczerbo' [REDACTED] GEORGE PATELLIS

[REDACTED] Mark Bishop [REDACTED]

Bouchier, Geoff [REDACTED] GJH Private

[REDACTED]

Subject: Re: Your Review

Dear Mr Learmont

Thank you very much for your email below and for the follow up emails containing the further information of 15:11 and 15:12 today, which we appreciate must have taken considerable time and effort to compile. The contents of this correspondence have been noted and will be considered as part of the Independent Review.

Yours sincerely

The Independent Reviewer's team

For and on behalf of the Independent Reviewer

From: Mark Learmont [REDACTED]

Sent: 27 February 2020 19:17

To: IndependentInvestigation.ConnaughtIncomeFund  
<IndependentInvestigation.ConnaughtIncomeFund@fca.org.uk>

Cc: 'John Rawicz-Szczerbo' [REDACTED] GEORGE PATELLIS

[REDACTED] Mark Bishop [REDACTED]

Bouchier, Geoff [REDACTED] GJH Private

Subject: RE: Your Review

Dear Raj and Team,

First of all may I apologise for the inordinate length of time that it has taken me to write to you. A combination of ill health, work and trying to sell my business has had me working 14 hour days.

May I first of all thank you for your very valuable time when we met and I now write with my specific points of the day and supporting literature. I found your open mindedness refreshing and you were certainly open to hear what I had to say even if it was off record.

I remind you that I visited in my Capacity as Co-Chair of CIRAG as you had already seen and met John Rawicz-Sczcerbo, George Patellis, Mark Bishop and I believe Geoff Bouchier from Duff and Phelps. My particular area of concern is the treatment of IFA's with regard to the payments made by Duff and Phelps on the instructions of the FCA. We realised that these payments were made within the last two years but they can be traced back to actions and instructions given before 10 March 2015. Incidentally I still cannot understand the reasoning behind this review only going up to that date as so much questionable activity went on after it and still goes on to this day.

It is still my belief that a certain amount of collusion occurred between the FCA and Capita and possibly the Treasury during the discussions on how they could best extricate themselves from the mess that they found themselves in following all the evidence presented to them. You will remember that I told you that I had written to Mark Steward, the Director of Enforcement after our meeting asking some very specific

questions. He never answered these questions then and to this day. In fact he accused me of being wrong and downright rude. This was somewhat rich coming from a man who told the APPG meeting in the House of Commons that it was a Kangaroo Court!!

IFA's were complained to and cases sent to FOS. I told you of Ms Wayman's response to me in an APPG meeting which defied all belief and staggered our MP APPG chairman (he simply could not believe what he had just heard). Her organisation then found in favour of every claim on the basis of mis-selling. In the final decision letters there was a uniformity of reply which categorically stated that IFA's should pay the clients plus an outrageous amount of interest (which certainly Capita did not have to) and in return the clients should by Deed of Assignment transfer their shares in the fund to the IFA, individual or pension fund of those paying out. It specially stated that the reason for doing this was that that individual, firm or pension fund could benefit from any further payout of whatever sort.

You therefore can imagine the dismay that when the redress was paid, the IFA's, individuals and Pension Funds were excluded on the grounds that the Redress was "never designed to compensate IFA's" I take great issue with this as the IFA's, individuals and pension funds were all legitimate shareholders as stated that they should be by FOS. So not only is this discrimination, in my view it is possibly illegal and certainly immoral particularly as part of its remit, it should be looking after IFA's as well as clients. What further mystifies me is that they actually did pay out to one company - Bigmore Associates who had done as requested by FOS. So not only do we have a situation where IFA's were supposed not to be compensated, but they actually did to one!!!

This an outrageous state of affairs and you will see that once again IFA's have been stitched up by a Regulatory system that neither listens to them, acts upon evidence given by them and who obfuscate to such a degree that PI Insurers have no idea what they are proposing so that they then do not offer terms to IFA's - is there an ulterior motive here.

One further and different point here. Can someone please explain to clients and IFA's alike why the police, SFO and other crime fighting agencies have not become involved despite John R-S informing the Police in 2012.



Raj, when one looks at the reports from The Complaints Commissioner from numerous people including George Patellis, when one looks at the overwhelming evidence of a Regulator having not done its job and one looks at what must be collusion between major organisations (some of which think that they are beyond the law), then I for worry about our Democracy for which I dedicated 8 years of my life defending.

I will send you all the supporting documents by e-mail tomorrow once I have sorted them into readable bundles.

Kind regards

Mark

Mark Learmont DipFA

Consultant/Director

[REDACTED]  
Lindley Logo Small

Spring Villa, 16 Church Lane, Brighouse, West Yorkshire. HD6 1AT

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From: IndependentInvestigation.ConnaughtIncomeFund  
<IndependentInvestigation.ConnaughtIncomeFund@fca.org.uk>

Sent: 02 January 2020 15:50

To: Mark Learmont [REDACTED]

Subject: Automatic reply: Your Review

Raj Parker, the Independent Reviewer, thanks you very much for your email.

A member of the Independent Reviewer's support team will be in contact if further specific information is required.

On behalf of,

Raj Parker, the Independent Reviewer

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