

REGULATED ACTIVITIES – prohibition order – whether Applicant a fit and proper person to perform functions in relation to regulated activities carried on by an authorised person – no – use of forged documents – whether abuse of process to go behind court decisions in which forged documents accepted as valid - no

**FINANCIAL SERVICES AND MARKETS TRIBUNAL
Case No FIN/2006/0008**

GEORGE ROBERT PIGGOTT

Applicant

-and-

FINANCIAL SERVICES AUTHORITY

Respondent

**Tribunal: Andrew Bartlett QC (Chairman)
Mr P V Burdon
Mrs C E Farquharson**

Sitting in public in London on 5, 6, and 11 December 2006 and in Manchester on 8 December 2006

Date of written decision: 2 January 2007

The Applicant appeared in person

For the Respondent Simon Gerrish

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DECISION

INTRODUCTION

1. This case arises from the issue by the Financial Services Authority (“the Authority” or “the FSA”) of a prohibition order against the applicant, who is primarily known as “Robert Piggott”, in a decision notice dated 26 April 2006 pursuant to s 56 of the Financial Services and Markets Act 2000 (“the Act” or FSMA”). The order prohibited him from performing any function in relation to any regulated activity carried on by any authorised person.
2. The Authority contends that the order was justified by a series of acts by the applicant over a period of time, both in respect of his conduct towards consumers in connection with regulated and unregulated activities and in respect of his dealings with the Authority and with other bodies, including potential employers and the Financial Ombudsman Service (“FOS”). The Authority submits that Mr Piggott entirely failed to understand the protective nature of the regulatory system, and the standards to which he was expected to adhere. It is alleged that he sought to intimidate those with whom he disagreed, provided conflicting, inadequate responses to reasonable enquiries by the Authority, and knowingly resorted to reliance on forged documents.
3. The Authority’s case is that he is not a fit and proper person to perform any function in relation to a regulated activity carried on by an authorised person, and that a prohibition order is required in pursuance of the regulatory objectives (FSMA s 2), in particular the protection of consumers.
4. On 20 May 2006 the applicant referred the notice to the Tribunal pursuant to s 57(5) of the Act. He contends that the issue of the prohibition order was not appropriate.

5. On this reference the Tribunal has power to consider any evidence relating to the subject-matter, whether or not it was available to the Authority at the time of the prohibition order; and the Tribunal's duty is to determine what (if any) is the appropriate action for the Authority to take in relation to the matter referred: FSMA s 133(3)(4).
6. The reference raises a legal issue concerning whether it is an abuse of process for the Authority and the Tribunal to go behind earlier court decisions in which forged documents were accepted as valid. We address this in paragraph 43 below.
7. It is necessary in the course of this decision for us to make some reference to Mr Piggott's father, George Douglas Piggott ("Mr Piggott senior"), and to his brother, Simon Piggott. Where we use the expression "Mr Piggott" without more, this is a reference to the applicant himself.

PROHIBITION ORDERS

8. In relation to the Authority's power to prohibit an individual, section 56 of the Act provides:

"(1) Subsection (2) applies if it appears to the Authority that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by an authorised person.

(2) The Authority may make an order ("a prohibition order") prohibiting the individual from performing a specified function, any function falling within a specified description or any function."

9. By s 56(4) of the Act, breach of a prohibition order is a criminal offence.
10. Pursuant to section 157(1) of the Act, the Authority has issued specific guidance on the use of its powers pursuant to section 56.
11. The FSA Handbook provides:

ENF 8.6.1 G Where the FSA considers making a prohibition order against an individual employed or formerly employed by a firm who is

not an approved person, it may make an order only on the grounds that the individual is not fit and proper to carry out functions in relation to regulated activities carried on by an authorised person.

ENF 8.6.1A G Where the individual concerned is not an approved person, the FSA will not have the option of withdrawing approval, nor will it generally have the option of exercising its disciplinary powers in relation to the individual concerned and therefore a prohibition order may be the only appropriate action available. In these cases, the FSA will consider the severity of the risk posed by the individual. It may prohibit the individual where it considers it necessary to achieve the FSA's regulatory objectives of maintaining market confidence in the financial system, promoting public awareness, protecting consumers and preventing financial crime.

ENF 8.6.2 G When considering whether to exercise its power to make a prohibition order against an individual employed or formerly employed by a firm who is not an approved person, the FSA will consider those factors set out in ENF 8.5.2 G (1), ENF 8.5.2 G (3), ENF 8.5.2 G (5) and, if relevant, ENF 8.5.2 G (2) (in relation to conduct when an individual was an approved person) and ENF 8.5.2 G (6).

ENF 8.5.2 G When it decides whether to exercise its power to make a prohibition order against an approved person, the FSA will consider the following factors:

(1) whether the individual is fit and proper to perform functions in relation to regulated activities. The criteria for assessing the fitness and propriety of approved persons are contained in FIT 2.1 (Honesty, integrity and reputation); FIT 2.2 (Competence and capability) and FIT 2.3 (Financial soundness). The criteria include:

(a) honesty, integrity and reputation; this includes an individual's openness and honesty in dealing with consumers, market participants and regulators and ability and willingness to comply with

requirements placed on him by or under the Act as well as with other legal and professional obligations and ethical standards;

(b) competence and capability; this includes an assessment of the individual's skills to carry out the controlled function that he is performing; and

(c) financial soundness; this includes whether the individual has been the subject of any judgment debts or awards in the United Kingdom or elsewhere that are continuing or were not satisfied within a reasonable period;

(2) whether and to what extent, the approved person has:

(a) failed to comply with the Statements of Principle; or

(b) been knowingly concerned in a contravention by the relevant firm of a requirement imposed on the firm by or under the Act (including the Principles and other rules);

(3) the relevance, materiality and length of time since the occurrence of any matters indicating unfitness;

...

(5) the severity of the risk which the individual poses to consumers and to confidence in the financial system;

(6) the previous disciplinary record and general compliance history of the individual including whether the FSA (or any previous regulator) has previously imposed a disciplinary sanction on the individual.

EVIDENCE

12. We heard oral evidence from former customers, Mr Rowbotham, Mr Slaughter, Mr Glover, Mr and Mrs May, and Mr Nuttall, and from Mr Murtagh, who had worked for Mr Piggott's company. We also received

the statement of Mrs Nuttall (whom Mr Piggott chose not to cross-examine, but without accepting the veracity of her statement). We received expert evidence from a graphologist, Dr Audrey Giles.

13. Generally speaking the witnesses of fact appeared to us to be doing their best to assist the Tribunal with their recollections, save that we had some reservations about one aspect of the evidence of Mr Nuttall, which we explain below. We had no reservations about the evidence of Dr Giles.
14. Mr Piggott intended to call Lisa Freeman, who was formerly married to his brother, Simon Piggott. She did not provide a witness statement and did not attend the Tribunal, notwithstanding the service of a witness summons at her last known address. Mr Piggott explained that the purpose of her evidence would have been to show that Mr Piggott senior and Mr Piggott's mother, Ann Piggott, were capable of forgery.
15. There were also before us more than a dozen lever arch files of documentary evidence. With some exceptions, the most important parts of the documentary evidence either formed exhibits to the witness statements or were contained in a core volume. There was also a record of an interview with Mr Piggott conducted by FSA investigators on 10 January 2005. Mr Piggott did not dispute the accuracy of the record of interview. We admitted this evidence pursuant to rule 19(3) of the Financial Services and Markets Tribunal Rules 2001.
16. The Authority accepted that the burden of proof lay on them to establish that Mr Piggott was not a fit and proper person and that a prohibition order should be made. The relevant standard of proof is the ordinary civil standard of the balance of probabilities. In relation to the allegations of forgery we have reminded ourselves of the guidance given by Lord Nicholls in *Re H* [1996] 1 All ER 1 at 16-17:

“When assessing the probabilities the court will have in mind as a factor, to whatever extent is appropriate in the particular case, that the more serious the allegation the less likely it is that the event occurred and, hence, the stronger should be the evidence before the court

concludes that the allegation is established on the balance of probability. Fraud is usually less likely than negligence. ... Built into the preponderance of probability standard is a generous degree of flexibility in respect of the seriousness of the allegation. ... this does not mean that where a serious allegation is in issue the standard of proof required is higher. It means only that the inherent probability or improbability of an event is itself a matter to be taken into account when weighing the probabilities and deciding whether, on balance, the event occurred. The more improbable the event, the stronger must be the evidence that it did occur before, on the balance of probability, its occurrence will be established.”

17. Mr Piggott chose not to give evidence himself. Before that decision became irrevocable he confirmed to us that he understood that we would decide the reference on the evidence that was placed before us.
18. In certain circumstances a tribunal may be entitled to draw adverse inferences from the absence or silence of a witness who might be expected to have material evidence to give on an issue in an action: *Wisniewski v Central Manchester Health Authority* [1998] EWCA Civ 596. Mr Piggott gave us an explanation for his decision not to give evidence. In the particular circumstances of this case we did not consider that we should draw any adverse inferences from that decision, or from his explanation for it, and the Authority expressly refrained from suggesting that we should do so.
19. Where we state facts in our Decision, either they are matters that were not in dispute or they are our findings based upon the evidence that we received.

GENERAL MATTERS

20. Before 1998 Mr Piggott senior traded on his own account as Redbank Financial Services from his home address, Redbank House, Wargrave Road, Warrington. Mr Piggott began working with him in 1998. In 1999 they set up together a limited company “Redbank Financial Services

Limited”, which we shall call “RFSL” or “the company”, and made appropriate applications to the PIA. They both became directors of the company. In some instances we shall refer to “Redbank”: where we do this, it is either unclear or unimportant for present purposes whether the entity dealing with the customer was Redbank Financial Services or RFSL.

21. RFSL provided to the PIA an undertaking to treat any investment business previously conducted by Redbank Financial Services as investment business carried out by itself. This purported to be signed by the directors, Mr Piggott senior on 26 July 2000 and Mr Piggott on 4 December 2000. Before us Mr Piggott questioned the authenticity or date of the undertaking, so far as his own signature was concerned, but expressly accepted that the undertaking was validly given on behalf of RFSL. The significance of this undertaking, so far as the issues in the reference are concerned, is limited, being merely that RFSL undertook to the regulator an obligation to honour any awards made against Redbank Financial Services in respect of services provided before the date of the undertaking.
22. The company traded initially from Redbank House, but from 1 January 2001 it took a lease of premises at Sankey Chambers, 47 Sankey Street, Warrington. The Piggotts also ran an estate agency called Redbank Properties from the ground floor of the same address in Sankey Street. Notepaper used for Redbank Properties was ambiguous as to whether the estate agency was the same as the company or was a different entity.
23. On 1 December 2001 the authorisation of RFSL was transferred to the FSA. Mr Piggott was approved to perform controlled functions CF 1 (director) and CF 21 (investment adviser), and Mr Piggott senior was approved in respect of CF 1.
24. In about June 2002 Mr Piggott and his father fell out. Mr Piggott said in interview that he discovered that his father had been diverting estate agency commissions into his own pocket. On 13 September 2002 Mr Piggott senior submitted to Companies House his resignation as a director

of RFSL (purporting to be with effect from 1 January 2001, which Mr Piggott told us was the date of commencement of the term of the lease).

25. The matters relied on by the Authority occurred, or are alleged to have occurred, both before and after the resignation of Mr Piggott senior in September 2002.
26. According to Mr Piggott in interview, he sold the lease of the Sankey Street premises in about October 2002. Thereafter Mr Piggott used his home address for trading, and the company's registered office was at the company's accountant's address. In about April 2003 the dispute between Mr Piggott and his father reached a new pitch. Serious allegations were made, and the police were involved. Mr Piggott moved to the Brighton area in order to be far away from his father. RFSL more or less ceased active trading at around this time. At its own request RFSL's authorisation by the FSA was eventually cancelled in July 2004. In August 2004 the company was compulsorily wound up pursuant to a petition presented by an unpaid creditor.
27. In February 2004 Berkeley Wodehouse Associates Ltd applied for approval of Mr Piggott to carry out controlled functions as an investment adviser. The application was withdrawn in April 2004. Sussex Independent Financial Advisors made a similar application in September 2004, and this was withdrawn in January 2005, shortly after Mr Piggott had been interviewed on behalf of the Authority.
28. Mr Piggott was the subject of an FSA investigation report, which was completed in November 2005. This was followed by a warning notice (December 2005), a Decision Notice (April 2006), and the reference to this Tribunal (May 2006).

THE ROWBOTHAMS

29. In February 2001 the Rowbothams contacted Redbank for assistance with obtaining a mortgage. Mr Piggott visited them at their home on 20 February 2001, and the Rowbothams signed an application form for the

mortgage. Further documentation followed in the post. Mr Rowbotham had said that he wanted a repayment mortgage with Woolwich, but the offer which Mr Piggott obtained was for an endowment mortgage. This led to a second meeting on 19 March 2001. At the second meeting Mr Piggott produced a quotation for life insurance and said that, if the Rowbothams did not take out the life insurance, Redbank would charge 2% of the mortgage amount as a fee for arranging the mortgage. The documentation originally supplied had made no mention of any such fee.

30. Mr Rowbotham agreed to take out the cover provided there were separate policies on his life and his wife's life. Mr Piggott's follow up letter of 20 March 2001 made reference to a joint life policy. It said that a revised quotation was being sent, but none was enclosed. Mr Piggott contended that this letter was in fact itself the revised quotation, but Mr Rowbotham told us that he did not read it in that sense; nor do we. The letter also stated that it was a condition of the mortgage that buildings and contents insurance be taken out through Redbank with Axa.
31. Despite at least six chasing telephone calls Mr Rowbotham heard nothing further from Redbank. He used a life policy that he had taken out elsewhere and arranged the mortgage with Woolwich direct.
32. After the Rowbothams moved house they suffered a burst pipe, and contacted Mr Piggott again concerning the house insurance. It became apparent that there was no policy in place. Mr Piggott contended in his letter of 8 May 2001 that cover was in place as from 1 May. This proved not to be the case. As mentioned in Mr Rowbotham's letter of 13 May 2001, Mr Piggott then suggested that Mr Rowbotham overcome this difficulty by lying about the date on which the burst pipe was suffered. Mr Rowbotham declined to do so.
33. Commencing on 22 May 2001 the Rowbothams received a number of documents from commercial recovery agents acting for Redbank demanding payment of £2,800 or larger sums, including a final demand, a seven day bankruptcy notice, and formal notice of insolvency proceedings.

The Rowbothams instructed solicitors, who applied to the Court to have the statutory demand set aside. RFSL then commenced proceedings in the Warrington County Court seeking payment of a service charge of £2,240, statutory demand costs of £383.13 and court costs. The case was subsequently transferred to Macclesfield.

34. In about January 2002 as part of the Court disclosure process RFSL in support of its case produced photocopy Terms of Business and a photocopy Financial Planning Questionnaire containing an acknowledgment of receipt of the Terms of Business. Both documents apparently bore the Rowbothams' signatures, dated 20 February 2001.
35. The Rowbothams had not seen these documents before, and instructed a graphologist, who concluded that the signatures had been produced by mechanical means, ie, they had been copied from genuine signatures. Objection was taken by RFSL, and in March 2003 a further graphologist was selected by Mr Piggott from a shortlist provided by the Rowbothams. The second graphologist came to the same conclusion, based on the copies supplied by the Rowbothams; the copy documents supplied by RFSL for analysis were supplied after the graphologist had prepared her report. (The documents were re-examined for the purposes of the current reference by Dr Audrey Giles. Her conclusion was the same.)
36. RFSL failed to attend the hearing at Macclesfield on 16 April 2003. The claim was struck out with costs. No costs have been paid by RFSL to the Rowbothams.
37. Mr Piggott drew attention to the undisputed fact that RFSL's conditions as to charging were made known to the Rowbothams on the second visit, in March 2001, and he suggested that RFSL therefore did not need to rely on earlier evidence of the Rowbothams' acceptance of the terms of business. The explanation for the forged documents which Mr Piggott put forward in cross-examination of Mr Rowbotham was that Mr Rowbotham himself forged the documents (presumably as part of a cunning ploy to discredit

RFSL in the proceedings). Mr Rowbotham emphatically rejected this suggestion.

38. Having heard Mr Rowbotham give evidence, and having considered the issues in the County Court proceedings, the contemporaneous documentation and the overall probabilities, we reject without any hesitation the contention that Mr Rowbotham somehow obtained two further examples of Redbank documentation and forged his and his wife's signatures on them.
39. We have reminded ourselves of the proper approach to the burden of proof and have anxiously considered whether the circumstances are susceptible of an innocent explanation. We do not think they are. Our conclusion is that the documents were deliberately forged by or on behalf of RFSL in order to seek to support its case against the Rowbothams. We are unable to say whether they were forged by Mr Piggott or by someone else, but, since it was Mr Piggott who dealt with the Rowbothams on 20 February 2001 and thereafter, and Mr Piggott who dealt with the County Court proceedings on behalf of RFSL, we conclude that he either knew or ought to have known that they were forged. We consider the question whether Mr Piggott had actual knowledge of the forgeries below, after reviewing the cases of other customers.

THE SLAUGHTERS

40. Mr Piggott's dealings with the Slaughters began at an earlier date than his dealings with the Rowbothams. His first contact with them was in March 2000. We find as follows:
 - (1) The original Terms of Business which the Slaughters signed in Mr Piggott's presence on 4 March 2000 made no provision for remuneration for Redbank.
 - (2) The mortgage and insurance initially offered through Redbank were not what the Slaughters wanted, and had to be altered.

(3) The Slaughters took out an insurance policy through Redbank. After they surrendered it they received demands from Redbank for payment.

(4) After they complained, Mr Piggott and his father visited them on 12 January 2001. Following this meeting, Mr Piggott senior sent them a mortgage fee agreement on which their signatures had been forged.

(5) RFSL pursued the Slaughters via court proceedings. The Slaughters were unrepresented and did not obtain evidence from a graphologist. At Altrincham County Court on 3 July 2001 the Judge heard evidence, including evidence from Mr Piggott that the copy mortgage fee agreement bearing the Slaughters' signatures was a true copy, and upheld RFSL's claim.

(6) The Slaughters paid the judgment sum and sought to appeal.

(7) They received a letter from the Court dated 4 September 2001 which informed them that, because they had paid the judgment sum, they were not entitled to appeal. We can only attribute that letter to incompetence on the part of the Court staff. It was plainly incorrect, but the Slaughters, not being legally represented, were not aware of the error, and accepted what it said.

(8) In March 2002 the Slaughters were contacted by Mr Rowbotham, to whom they provided a statement for the purpose of the proceedings brought against him by Redbank.

(9) On 29 April 2002 Redbank wrote to Mr Slaughter accusing him of perjury and stated that he would be sued for libel.

(10) The Slaughters instructed solicitors, obtained graphology evidence which proved the forgery, and commenced proceedings in the Warrington County Court for the recovery of the monies that they had paid under the judgment. They attempted to serve proceedings at

RFSL's registered office, but the papers were returned, and they were unable to effect service.

(11) Mr Slaughter then took matters into his own hands, leafleting the Brighton area to which Mr Piggott had by then moved. This resulted in accusations of harassment by Mr Piggott against Mr Slaughter and further contacts with Mr Piggott, in particular a lengthy telephone conversation, which Mr Slaughter recorded, in which Mr Piggott asserted that he had the original signed agreement, that Mr Slaughter could not prove fraud, and that Mr Slaughter was a "scam artist" and "con artist". The Authority produced for our assistance a transcript of the call. In cross-examination Mr Piggott put to Mr Slaughter that the call did not take place and had been made up. Having heard Mr Slaughter's evidence and having read the transcript, we are satisfied that the call took place.

41. Mr Piggott objected to the admissibility of the transcript on the ground that the call was recorded without his knowledge. The evidence showed that he had previously made intimidating calls to the Slaughters; in our view he should consequently have expected that the call might be recorded and is in no position to complain.
42. Mr Piggott also argued that it was not open to the Authority or the Tribunal, or to Mr Slaughter and Dr Giles in their evidence, to go behind the finding of Altrincham County Court in RFSL's favour and conclude that the mortgage fee agreement was forged.
43. The question of the proper approach of this Tribunal to the findings of other courts or tribunals was discussed in a different context in *Elliott v FSA*, 11 July 2005. There the question was the extent to which the applicant was bound by previous adverse findings made by the Solicitors Disciplinary Tribunal. The present case is not analogous. Whatever the precise limits of the abuse of process doctrine recognised in *Hunter v Chief Constable of the West Midlands Police* [1982] AC 529 and other cases, we do not consider that it should be applied in the present case, where (1) Mr

Slaughter was misinformed by the County Court itself that he had no right of appeal, (2) he sought to reopen the matter in the County Court, but was unable to serve the proceedings on RFSL, (3) the present reference arises out of action taken by the FSA, who were not parties to the County Court proceedings, (4) the statutory function of this Tribunal includes a regulatory function for the protection of consumers, and (5) the evidence raises a case of fraud. As Lord Bingham said in *HIH Casualty and General Insurance Limited v Chase Manhattan Bank* [2003] UKHL 6 at paragraph 15:

“... fraud is a thing apart. This is not a mere slogan. It reflects an old legal rule that fraud unravels all: fraus omnia corrumpit. It also reflects the practical basis of commercial intercourse. Once fraud is proved, ‘it vitiates judgments, contracts and all transactions whatsoever’: Lazarus Estates Ltd v Beasley [1956] 1 QB 702 at 712, per Denning LJ.”

In a case where forgery is plainly proved by the evidence before us, it would be inappropriate for us to exclude that artificially from our deliberations.

44. The forgeries of Mr and Mrs Slaughter’s signatures were confirmed by the evidence which we received from Dr Giles.
45. Mr Piggott in his Defence maintained that the forgeries were not made by him and could have been made by either his father or Mr Slaughter. We are satisfied on the evidence that they were not made by Mr Slaughter.
46. In our judgment Mr Piggott’s evidence to the Altrincham County Court, that the copy mortgage fee agreement bearing the Slaughters’ signatures was a true copy, was untrue. He either knew or ought to have known that it was untrue.

THE GLOVERS

47. In 2001 the Glovers arranged an ISA through Mr Piggott with Legal & General. In January 2003 they cancelled the ISA. Redbank wrote to the Glovers, threatening to enforce payment of a 2% charge. Mr Glover spoke to Mr Piggott on the telephone and pointed out that he and his wife had not signed any documentation entitling Redbank to a 2% fee. They subsequently received, under cover of a compliments slip, a single photocopied sheet of paper containing part of the Terms of Business, including a clause concerning a 2% fee, and purporting to bear the signatures of Mr and Mrs Glover.
48. They did not recall signing any such Terms, and complained to the police. RFSL did not issue proceedings and the Glovers heard no more of the matter from RFSL.
49. When Mr Glover gave evidence before us, he rejected the suggestion put to him by Mr Piggott in cross-examination, that he told Mr Piggott that he had signed his wife's signature.
50. In our judgment, this was another example of an attempt by RFSL to use a forged document to claim remuneration from customers.

THE MAYS

51. Mr and Mrs May were married on 11 May 2001.
52. On 15 June 2000 Mr Piggott visited them and they signed an application form for an Abbey National mortgage. This was nearly a year before their marriage. Mrs May signed in her then name of Marjorie Turton. Mr Piggott did not advise them of any circumstances in which fees would be payable. At a further meeting on 19 July 2000 they signed an application for a Legal & General flexible mortgage plan involving an ISA and a life policy. Mrs Turton (as she then was) was declined for life cover because of a recent history of breast cancer, but they completed the purchase of a new house on 16 August 2000.

53. On 29 August 2000 CGU Life wrote to Mrs Turton, mis-spelling her name as “Turnton”, enclosing a copy application form for a life policy and asking for details of her financial adviser. The application form and the direct debit instruction contained within it both purported to be signed by her. She was surprised to receive this, as she had not signed any such application to CGU Life. Her signatures did not look right. She and Mr May presumed that Mr Piggott must have been responsible for the completion of the form and decided to have no more to do with him. (We noted that both in interview (transcript of 3rd tape, p26) and during cross-examination Mr Piggott spoke of “Turnton”, rather than “Turton”.)
54. A considerable time later, they cancelled their Legal & General ISA. On 4 April 2002 Redbank wrote to them, referring to the cancellation and claiming a 2% fee of £1,410. Mr May replied, protesting that he had not been advised of any such fee, and asking for an explanation of the forged signatures on the CGU application and for evidence of his agreement to the terms of business relied on.
55. RFSL commenced proceedings in the Warrington County Court. The Mays engaged solicitors. During disclosure RFSL produced a photocopy Enquiry Form containing a declaration, purporting to be signed and dated by Mr and Mrs May on 15 June 2000, that they had read and agreed to the Terms of Business. They both gave evidence to us that they had not signed this Form. The latter signature was by “M May”, but the date was nearly a year before the wedding, and the form itself showed that at the material time Mrs May was known as Mrs Marjorie Turton (mis-spelled on the form as “Turnton”).
56. Mr and Mrs May both told us, and we accept, that the signatures on the CGU Life application and on the Enquiry Form were not written by them and therefore must have been forged.
57. RFSL failed to attend the trial. The claim was struck out and costs of £4,739 were awarded in the Mays’ favour. Mr Piggott stated in interview that he afterwards objected to the costs order, and it was overturned, but

this was wrong; what in fact happened was that his application was dismissed and further costs of £587 were awarded against RFSL. Nothing has been paid to the Mays.

MR JENNINGS

58. The FSA relied on a signed statement from Mr Jennings. He was unwilling to come and give evidence to us and the Authority did not apply for a witness summons. In a written communication the reasons he gave for not attending included that he was afraid he would lose his self-control and assault Mr Piggott. Given his unwillingness to attend, we consider we should be very cautious about accepting the evidence in his statement. His former girlfriend Lyn Evans was also involved in the transactions. We had no statement from her.
59. Mr Jennings was sued by RFSL. In the proceedings Mr Jennings alleged forgery of signatures by RFSL on an application to Scottish Provident for life insurance and on a financial planning questionnaire, but he did not obtain a graphologist's report and chose not to attend the hearing. Judgment was given in favour of RFSL.
60. Having concluded in the case of the Slaughters that we should not be deterred from having regard to the reality of the matter as demonstrated by the evidence, we take the same approach here. We weigh in the balance the court's decision against Mr Jennings and in favour of RFSL, but in our view neither the Authority nor the Tribunal is bound by it.
61. The evidence of Dr Giles showed that probably, but not conclusively, the signatures of Mr Jennings and Lyn Evans on the Scottish Provident documents were forged. We accept her evidence on this.

ACTUAL KNOWLEDGE OF FORGERIES

62. Mr Piggott has not produced a single original document relating to any of the forgeries. He stated in his email to the Tribunal dated 23 October 2006 that he had no originals in his possession. While there could be reasons for

original papers no longer being available to him, we note that in his telephone conversation with Mr Slaughter on 16 February 2006 he stated that he held one of the original documents. In the same email to the Tribunal he stated his belief that forgeries could only be proved from original documents and not from copies. This belief was not correct. The forgeries in respect of which we have received expert evidence in this case were made by exact mechanical reproduction of genuine signatures, which could be deduced from copies in the manner explained by Dr Giles.

63. We remind ourselves again of the guidance in *Re H* [1996] 1 All ER 1 at 16-17. Given the very small number of people involved in RFSL, Mr Piggott's role as director, his direct personal dealings with the customers, his personal involvement in the various successful or unsuccessful attempts to sue the customers, and the number of similar cases of forged documents, it seems to us that we can be satisfied to a high degree of probability that he knew that he was relying on forged documents in the cases of the Rowbothams, the Slaughters, the Glovers, the Mays, and Mr Jennings and Lyn Evans.
64. The possibility that the forgeries, or some of them, were actually effected by someone else, whether Mr Piggott senior or other persons, does not impact on this finding. For all we know, Mr Piggott may be right to allege that other members of his family are dishonest and capable of forgery. We cannot say who effected the forgeries, but we are satisfied that Mr Piggott knew he was relying on forged documents.

THE NUTTALLS

65. Mr Nuttall was not a sophisticated investor. From time to time he put money into various shares which he read about in the newspaper, and which Mr Piggott confirmed to him were good buys. He became concerned during 2001 about poor investment performance and Mr Piggott came to his house in February 2002 to discuss the matter.
66. Mr Piggott persuaded him to put up £5,000 in cash on the basis that Mr Piggott would use it to make up Mr Nuttall's losses. Shortly afterwards a

further £5,000 was taken out of his wife's investments for the same purpose. Both tranches were handed over in cash at RFSL's premises, the first to a woman who said she was Mr Piggott's wife and the second to a woman who said she was Mr Piggott's mother.

67. Before us Mr Piggott denied receipt of the £10,000 and suggested that it was paid over (not to him) towards purchase of a Spanish property. We note that in his letters to the FOS dated 5 November 2002 and 24 January 2003, which gave his account of the circumstances, he did not deny receipt of the £10,000. There was no such denial until Mr Piggott's letter of March 2006 responding to the FSA's Warning Notice. Mr Nuttall told us, and we accept, that Mr Piggott confirmed his receipt of the money to Mr Nuttall on the telephone. He told Mr Nuttall that he had placed the money on increases of the Dow Jones, and that if the Dow Jones went up so many points the Nuttalls would receive £50 per point. At some point Mrs Nuttall told Mr Piggott on the telephone that they could not afford to lose their money.
68. After many attempts to contact Mr Piggott to find out what was going on, Mr Nuttall learned that he had lost the £10,000. Mr Piggott stated that he could get the money back if further funds were placed with him. Mrs Nuttall withdrew £3,000 from her savings. By June 2002 the £3,000 had been lost in the same way.
69. The Nuttalls wrote a letter of complaint to Redbank on 18 June 2002, and followed this up by a complaint to the Financial Ombudsman Service.
70. Mr Nuttall gave evidence that he did not know what Mr Piggott intended to do with the Nuttalls' money, but we found this unpersuasive. His letter of 18 June 2002 refers to instructions that "*any money placed on the financial market must be withdrawn before close of business each day*", and the FOS decision refers to Mr Nuttall having maintained that Mr Piggott "*advised him of a way to make up his investment losses by betting on an index*".

71. Redbank were not authorised to conduct business in spread bets. Mr Piggott's case was (among other things) that the transactions were of a personal nature and not conducted through Redbank. We were not convinced by this: Mr Piggott was the Nuttalls' financial adviser, the £10,000 was handed over at Redbank's office address, and the cheque for £3,000 was sent to the address on the business card which Mr Piggott had given to Mr Nuttall (the business card did not indicate that the address was in fact his home address). More importantly, the proposed transactions were not suitable investments for the Nuttalls, and Mr Piggott ought to have advised the Nuttalls against them. We have no evidence to show what actually happened to the money.
72. Prior to the FOS decision Mr Piggott sought to intimidate Mr Nuttall, first by a threat made in a letter of 5 November 2002 to the FOS, and repeated on the telephone on 6 January 2003, to sue for damages for libel in accusing RFSL of spread betting, and secondly by an unjustified statutory demand for £20,000 served on 3 March 2003. The threat of libel proceedings was not followed through, and the statutory demand was withdrawn after the intervention of solicitors on Mr Nuttall's behalf.
73. In November 2003 the FOS awarded £14,000 plus interest to the Nuttalls. Mr Piggott did not pursue through the Courts his challenge to the jurisdiction of the FOS. The award has not been paid.

MR MURTAGH

74. From September 2001 to December 2002 Mr Murtagh was engaged by RFSL as a self-employed adviser on the basis of a written contract which provided for a 50/50 split of commissions between him and RFSL.
75. During 2002 Mr Murtagh discovered that RFSL were only paying him 40% instead of the agreed 50%.
76. In early 2003 Mr Piggott contacted him on the telephone to complain about a short witness statement that he had provided for Mr Piggott senior

for use in proceedings between the father and son. During the conversation Mr Piggott made threats to Mr Murtagh of serious physical violence.

CONDUCT IN RELATION TO EMPLOYMENT

77. After Mr Piggott moved to the Brighton area and was seeking a new position, he instructed a financial services recruitment agency called SGL Solutions. We have seen the CV which they issued on his behalf. It was apparently based on information provided by him. It falsely referred to “*the sale of his two enormously successful Financial Services businesses in Cheshire*”. There was no such sale. We judge it to be unlikely that this false statement arose by reason of some innocent mistake.
78. In September 2004 Sussex IFA wrote to RFSL seeking a reference for Mr Piggott, at his suggestion. The request posed some 20 questions to be answered concerning Mr Piggott. This was some 15 months after RFSL had ceased active trading and was after its compulsory liquidation. The letter was addressed to 47 Sankey Street, which RFSL had vacated in about October 2002.
79. A reply dated 30 September 2004 was supplied, purporting to be from RFSL at that address, and signed “George Piggott”. A subsequent query was raised by Sussex IFA, and this was replied to by fax, purporting to be from the same address (mis-spelled as “Sakey Chambers”), and again from “George Piggott”.
80. Many of the answers given to the questions were false. The date given for commencement of employment by RFSL was prior to RFSL’s incorporation. Nothing was revealed about Mr Piggott’s involvement in court proceedings or customer complaints, with the sole exception of an FOS matter concerning a Mrs Sheridan.
81. Given the breakdown in relations between Mr Piggott and his father, it would be against reason to infer that the favourable false reference was provided by Mr Piggott senior. We also note that Mr Piggott was in touch with the new tenant of 47 Sankey Street concerning the receipt of post

(transcript of 3rd interview tape, p26). We conclude that the reference was provided by Mr Piggott himself, and that he was personally responsible for the false answers, and indeed for the whole charade of pretending to provide a reference from his former employer.

DEALINGS WITH THE FSA

82. Mr Piggott has been consistently unco-operative in his dealings with the Authority and has failed in his duty to provide full, accurate and truthful information.
83. Mr Piggott was written to on 27 March 2003 requesting much detailed updating information which he ought to have supplied to the Authority. After some inconclusive correspondence the FSA by letter of 9 May 2003 set a deadline of 16 May 2003 for a detailed response. Mr Piggott responded by email on 19 May 2003 with much information on his father's alleged misdeeds, but not squarely addressing the FSA's questions. The Authority made further written requests for information on 8 September 2003, 16 January 2004, 5 May 2004, and 17 May 2004. The Authority expressly warned him by email of 24 May 2004 that failure to provide proper answers would result in his being recorded as uncooperative, in breach of his regulatory obligations. Satisfactory responses were never received from him.
84. On 9 January 2004, in connection with his proposed employment by Berkeley Wodehouse Associates Ltd, Mr Piggott signed a Form A "Application to perform controlled functions under the approved persons regime". On 17 September 2004 he signed a similar form in connection with his proposed employment by Sussex IFA Ltd. On each form, below a reminder that knowingly or recklessly giving the FSA false or misleading information could constitute a criminal offence, he signed a declaration that the information was accurate and complete to the best of his knowledge and belief. The information on the two forms was materially conflicting in many respects, and was incomplete and misleading. Discrepancies included his correct name, his National Insurance number,

his dates of residence at his current and previous address, his dates and places of former employment and reasons for leaving, and details of other directorships. He did not volunteer any information about any of the court or FOS proceedings we have referred to above, such as those concerning the Rowbothams, the Mays or the Nuttalls.

85. The formal interview with FSA investigators which took place on 10 January 2005 was of a general and introductory nature. The intention was to hold a further interview dealing with the specific matters of concern. To the request for a further interview Mr Piggott replied by email:

“I am not back in the UK until July 2005, i am working abroad due to the fact that the FSA has refused me.

Just send you decision then i can straight for the appeal ...” [sic]

86. On 14 April 2005 the FSA formally required him to provide his postal address and contact telephone number pursuant to FSMA s 171(1) and 172(1) by 19 April 2005, and asked for his preference for an interview date. On 26 April 2005 he replied by email, without giving a postal address or telephone number and without stating any preferred date for the interview.
87. We add that it was apparent both from Mr Piggott’s interview and from his Defence that he was unable to keep in his mind the difference between the FSA and the FOS. This did not speak well of his knowledge and competence, or of his awareness and understanding of the regulatory framework within which he was required to operate.

SUMMARY

88. We conclude from the evidence that-

(1) In his dealings with customers and in the courts Mr Piggott knowingly relied on forged documents. He also recommended lying to an insurance company.

(2) He repeatedly failed to implement accurately the instructions he received from clients. We also observe that a recurrent theme in the evidence was the difficulty that customers and others had in contacting him in order to progress their business or deal with queries.

(3) He sought to intimidate others with threats of litigation, with verbal abuse, and, in the case of Mr Murtagh, with threats of physical violence.

(4) He gave false and incomplete information to prospective employers and to the Authority, including an inaccurate CV, a bogus reference, and inaccurate details on applications.

(5) He persistently failed to co-operate and be open with the FSA.

(6) He left behind a trail of unpaid debts. Many who dealt with him suffered loss and have not been compensated.

89. The Authority relied additionally on a number of lesser matters, which we have not found it necessary to consider.

CONCLUSION

90. We have set out the relevant criteria at paragraphs 8 and 11 above.

91. In our judgment there is only one conclusion realistically open to us, which is to find that Mr Piggott is not a fit and proper person to perform any function in relation to any regulated activity carried on by any authorised person, and that the making of a prohibition order was and is the appropriate action for the Authority to take.

92. Our decision is unanimous.

Signed

Andrew Bartlett QC,

Chairman