

Corporate & Financial Weekly Digest

Posted at 1:00 PM on February 11, 2011 by [Edward Black](#)

Former City Executive Banned for Performing a Significant Influence Function without FSA Approval

On February 9, the UK Financial Services Authority (FSA) announced that it had banned Daniel Hassell, formerly a consultant at Vantage Capital Markets LLP, from working for a regulated financial services firm. The FSA found that Mr. Hassell had performed a significant influence function at Vantage without FSA approval.

Vantage had three capital partners. Mr. Hassell's job title was consultant. The majority of Vantage's brokerage business was previously owned by Mr. Hassell. That business line generated around half of Vantage's revenues. Although Mr. Hassell was not a capital partner at Vantage, he received approximately one third of Vantage's profits, was, on occasion, presented as an owner in correspondence and generally exercised a significant influence over the firm.

When Vantage was formed, it had applied for Mr. Hassell to be an approved person. At that time he was being investigated by the FSA and the application was withdrawn.

In February 2007, the FSA told Mr. Hassell that he was no longer being investigated. Despite this, the FSA said that it would not approve him to perform a significant influence function due to issues arising from the investigation. Notwithstanding the FSA's statement to Vantage, Mr. Hassell continued to exercise a significant influence over the firm, as the FSA discovered in a supervisory visit in 2009.

In June 2010, the FSA fined Vantage £700,000 (approximately \$1.1 million), after stage one discount, for failing to prevent Mr. Hassell from performing a significant influence function.

FSA Managing Director of Enforcement and Financial Crime Margaret Cole said: "Hassell acted in a significant influence role without FSA approval. This was despite the fact that he knew that the FSA did not regard him as a suitable person to manage the firm. Ensuring that the right people are running firms is a key element in our regulatory regime. Individuals who act without FSA approval can expect a tough response from the FSA."

Click [here](#) to read the final notice for Mr. Hassell.

Click [here](#) to read the final notice for Vantage.