

Ms M. Reid
Consumer Contact Centre
Regulatory Services Business Unit
Financial Services Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

Ms N K-Dit-Rawé
3 Jefferson House
11, Basil Street
London SW3 1AX

(By Recorded Delivery)

4 July 2005

Your ref: 33379

**Martin Russell Jones, managing agents,
Premier Suite, 115 Premier House, 112 Station Road, Edgware, Middlesex HA8 7BJ (Previously at
5 Watford Way, London NW4 3JL)**

Dear Ms Reid

Thank you for your letter dated 20 June 2005. You state *“Following on from this we are unable to provide you with any more information regarding the FSA’s authorisation of Martin Russell Jones (MRJ) than what we stated in our letter of 12 May 2005. This is due to confidentiality restrictions placed upon us by the Financial Services and Markets Act 2000”*

Given that MRJ’s authorisation to undertake insurance business can be seen on the FSA’s website, I assume that if it had authorisation to hold trust fund monies, it would, likewise, be displayed on the FSA’s website. Indeed, given the purpose of the information which is to assist the public in the selection of a ‘reliable’ advisor, why should the public be able to see one authorisation and not the other? Why should the authorisation to hold trust fund monies be kept under a veil of secrecy?

In light of this - and on the assumption that the application form MRJ had to complete in order to get its FSA authorisations included a question asking whether or not it handled trust fund monies (a question that should certainly be on the form) - I conclude that MRJ replied that it did not. Which, of course, is a false answer.

I draw your attention to, for example, the fact in her 15 July 2002 letter¹ Ms Joan Doreen Hathaway, MRJ, was asking from residents the total sum of £735,000 (as can be seen from the attached). In addition, MRJ held c. £140,000 of contingency fund monies. In other words, a total of nearly **£1 million**. Following a decision by the Leasehold Valuation Tribunal – which had the effect of reducing the sum demanded by £500,000 (includes use of the contingency fund), MRJ did not implement the tribunal’s decision. Instead, in his 2 August 2004² letter, Mr Barrie Martin, MRJ, was back demanding the sum of £670,000 from residents (as can be seen from the attached).

I refer you to, among others, the following points in my 2 February 2005 complaint to the RICS against MRJ: 1.1.1.7, 1.1.1.17, 1.1.1.41.2, 117 and 154.

I also draw your attention to the attached 15 April 2005³ reply from Mr Roger Clement, Pridie Brewster, chartered accountants, who certified the accounts for Jefferson House: *“... we were not made aware of the Leasehold Valuation Tribunal determination of 17 June 2003 at the time that we were preparing our certificate”*. This was in reply to my letter of 30 March 2005⁴ in which, among others, I challenged the

¹ Ms Hathaway’s letter to “All flat owners”, dated 15 July 2002

² Mr Barrie Martin’s letter to “All lessees”, dated 2 August 2004

³ 15 April 2005 letter to me, from Mr Roger Clement, Pridie Brewster, Chartered Accountants

⁴ My letter to Ms Hathaway, dated 30 March 2005

number of accounts in which residents' money was said to be held. I have not as yet heard back from Mr Clement – and therefore do not know what steps, if any, have been taken.

However, you make no reference in your letter to the fact that I had enclosed my 2 February 2005 complaint with my 24 April 2005⁵ letter to Mr David Strachan (as can be seen from the attached), as you state *"We have passed a copy of your letter [i.e. my letter of 4 June 2005 to Mr David Strachan] to the supervisor of Martin Russell Jones for their information"*.

You end your letter by stating *"We realise this can be frustrating but would reassure you that all information is carefully considered before we decide what action, if any, we take"*.

I must say that the responses I have received from your Office to date have led me to lose the confidence I had in the FSA. Namely, that if a business is FSA authorised, as a member of the public, I could trust it.

On the basis of my above analysis (further reinforced by recent media reports e.g. the case of the individual with a criminal conviction for stealing client's money who had been granted an authorisation by the FSA – and proceeded to defraud his clients of the sum of £2.8 million), I have now come to the conclusion that the FSA's processing of applications is seriously flawed.

And worse still, when unacceptable methods of operating are reported, the FSA cannot even be bothered to investigate. I refer to your Office's reply of 12 May 2005: *"... could I ask you to inform the FSA of the final outcome of your complaint filed with the RICS"*

Yours sincerely

N K-Dit-Rawé

Cc.
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Director
Financial Services Authority
25 The North Colonnade
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⁵ My 24 April 2005 letter to Mr David Strachan

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