Jersey Financial Services Commission

Public Statement

Withdrawal of directions

Mr James Nicholls (Mr Nicholls)
Date of Birth: 27 February 1967
Issued: 10 November 2021

Financial Services (Jersey) Law 1998 (**FS(J)L**)

1 Action

1.1 The Jersey Financial Services Commission (**JFSC**) issues this public statement under Article 25(a) of the FS(J)L with respect to the withdrawal of directions previously issued to Mr Nicholls under Article 23 of the FS(J)L.

2 January 2015 directions

2.1 In January 2015, further to a finding of the Board of Commissioners (**the Board**) that Mr Nicholls had displayed a lack of competence, the JFSC issued directions to Mr Nicholls under Article 23(1) of the FS(J)L and directions under the equivalent provisions of the Banking Business (Jersey) Law 1991, the Collective Investment Funds (Jersey) Law 1988, and the Insurance Business (Jersey) Law 1996. These directions placed restrictions and controls on Mr Nicholls' role and activities within the finance industry in Jersey. A public statement was issued in respect of the directions.

2.2 The directions prohibited Mr Nicholls from holding any key person or principal person position in the business of any registered person.

2.3 The directions also applied controls such that (i) Mr Nicholls could not perform any function in the business of any registered person that would involve, whether singly or jointly, authority to control client assets or provide advice to or exercise discretion for or on behalf of clients, and (ii) Mr Nicholls was required to copy all written correspondence arising from his activities as an employee of a registered person to specified senior personnel of that registered person as soon as reasonably practicable.

3 September 2015 directions

3.1 The JFSC may vary or withdraw directions upon receipt of an application from a subject under Article 23(6) of the FS(J)L and under equivalent provisions of the other regulatory laws.

3.2 Mr Nicholls submitted an application in June 2015 to withdraw the parts of the January 2015 directions that imposed the controls, after successfully completing a relevant qualification. In September 2015, the Board reviewed the submission from Mr Nicholls and agreed to remove the controls. The JFSC issued updated directions, which meant that he was only prohibited from holding a principal or key person position within the Industry. The JFSC also issued an updated public statement.

4 Application for withdrawal of remaining directions

4.1 Mr Nicholls made an application to the JFSC for the withdrawal of the remaining directions, in support of which he submitted substantial information and documentation for the JFSC's review.

4.2 Following careful consideration of Mr Nicholls' submissions, the Board agreed to exercise the JFSC's statutory power and has withdrawn the directions in their entirety. In reaching this decision, the Board took into account the following:

4.2.1 Mr Nicholls had considered the adverse findings previously made against him by the JFSC, and produced information to demonstrate his insight into his actions.

4.2.2 He provided an explanation and evidence of how qualifications he had obtained, the continued professional development (CPD) he had undertaken and work experience he had gained, demonstrated his understanding of topics such as good corporate governance, the duties of directors, ethics, the protection of vulnerable customers, and managing conflicts of interest.

4.2.3 Mr Nicholls had completed at least 35 hours of relevant CPD each year from 2013 to 2020 inclusive, such CPD being relevant to the previous JFSC findings against him.

4.2.4 He provided evidence that since the JFSC findings, no adverse issues had been raised by his employers and he had acted with demonstrable competence during his employment, with a track record of having worked successfully for several years in financial services. The evidence included a number of annual appraisals, which described an employee who made a significant positive contribution to his employer.

4.2.5 His experience and skill set had been enhanced through working closely with the boards and compliance personnel of different registered persons, which had impacted positively on his competence.

4.2.6 Written representations of strong support for Mr Nicholls had been made by four senior professionals, such individuals being independent of Mr Nicholls' personal life.

5 Conclusion

5.1 The JFSC concluded it was no longer necessary and proportionate in all the circumstances that directions remained in respect of Mr Nicholls under the FS(J)L and under the other regulatory laws, and, on 3 November 2021, withdrew all directions previously issued to Mr Nicholls.