

How IFAs facilitate pension theft with impunity!

By Peter O'Donnell
10 Oct 2023

INTRODUCTION



Power

Toothless Regulator



Autonomous Agencies



Source of funds



Credibility



The Insolvency Service
Impunity

The participants

1. Usually offshore criminal enterprise investment companies
2. Rogue regulated financial advisors offered 30% commission
3. Financial services regulator with no interest in supervising financial advisers
4. FCA says it protects clients through the FOS and FSCS, but all are autonomous
5. Vulnerable clients advised to make better pension investment decisions
6. Rogue regulated pension administration operators fail to act in clients' interests

How IFAs act with impunity

1. The FCA advises the public to trust IFAs because they're regulated. However, such protection is only provided by the FOS and FSCS, which are not permitted to discipline regulated companies or people.
2. IFAs market pension investment improvement to clients. Have commissions paid into private offshore accounts.
3. Start Newco ready to Phoenix operations
4. When clients discover their pensions are empty, they complain
5. Company reject complaints and expect many clients will go to the FOS
6. Understand that FOS can find against your firm but have no power to enforce and FCA is not and will not take action.
7. Find friendly insolvency practitioner to wind up company
8. Continue with new company and spend ill-gotten millions

Kick them
whilst they're
down

1. Steal client records
2. Ensure Newco has £10k capital adequacy required by regulator to operate
3. Look after liquidator with guaranteed payment
4. Work with CMC or law firm to earn from client complaints against Oldco
5. Create bogus clone of Oldco and promise clients to pay upfront for guaranteed recovery of investments

Trade as a respectable IFA

1. IPs won't report bad director behaviour because that is FCA's job
2. Insolvency Service won't uphold complaints against IPs
3. No complaints will go to IP regulators
4. Access stolen funds offshore via family trusts
5. Remember that FOS and FSCS have no power to act against directors
6. Understand that FCA very rarely acts against directors for being dishonest and deceitful with clients and when they do only fines result

Argent Wealth Ltd (disclaimer)

1. Argent incorporated Nov 2009 by David Hardman
2. FCA regulated April 2000
3. Trading name **Carlton Smith Private Wealth**
4. FCA approved persons: David Hardman and Nicholas **Carlton-Smith**
5. Three pension complaints upheld by FOS: Feb 2015, Jun 2021 and Aug 2021
6. DMH Private Wealth Ltd incorporated by David Hardman Jun 2014, FCA regulated **4 Jan 2016** with trading name **Carlton Smith Private Wealth** and no capital adequacy until FY 2020/2021
7. Why have two FCA regulated firms with the same director trading concurrently?
8. All complaints based on misadvising pension investment transfers – no FCA action
9. David Hardman ceased being FCA regulated with **Argent Dec 2019**
10. Argent placed into Creditors Voluntary Liquidation Jul 2021 with Richard Rendle

Argent Wealth in Liquidation

1. Liquidator's Statement of Affairs Jul 2021

- Estimated cash assets £233,058
- Non-secured creditors:
 - Trade & Expense £3,840
 - Employees £13,056
 - Registered individuals (directors' loans) £ 148,813
 - Client complaints £500k
- Total deficiency (£436,025)

2. Liquidator's Report Jul 2022

- Asset realisations £320,358
- Rendle prevented FCA from contacting clients
- Rendle refused to accept FSCS "that clients were misadvised"
- FSCS lodged claims £881,025 for four client complaints (£220k loss each client)
- Rendle paid himself £105,730
- Rendle did not sell client records although approached, one by close contact of NSL

Press releases

1. **FT Adviser Jan 21, 2022 “British Steel adviser fails with 17 claims at FSCS.** Argent Wealth Ltd was an independent financial advisory firm that was one of the companies associated with the British Steel Pension Scheme scandal. You may also know them under their trade names of **Carlton Smith Private Wealth**, Orchard Financial Planners, Morley James Asset Management, and Lifestyle Wealth Management.”

2. **The Disturbing Saga of Argent Wealth's Misleading Advice**

“Argent Wealth, a renowned independent financial advisory (IFA) firm, shattered the hopes and financial security of British Steel workers with their misleading recommendations. Between 2016 and 2018, and an estimated **1,500** British Steel workers were advised by Argent Wealth to transfer out of their final salary pension scheme.

However, a thorough review by the financial ombudsman revealed that in many cases, this advice was deemed unsuitable, plunging these individuals into financial uncertainty.”

Peter O'Donnell complaints history re Argent

1. 24 Jan 2022 – offered Richard Rendle to undertake contingent fee regulatory misfeasance investigation of Argent - REJECTED
2. 23 Feb 2022 – wrote to Rendle expressing concern that he was not acting in the best interests of creditors –THREATENED ME WITH LEGAL ACTION
3. 21 Mar 2022 – wrote to MP Nick Smith who leads cross party parliamentary action group investigating financial malfeasance
4. 25 Mar 2022 – made complaint about Rendle with Insolvency Service Complaints Team – NO CASE TO ANSWER
5. 9 Jun 2022 – appeal REJECTED
6. 13 Sep 2022 – wrote to head of collections at FSCS re need for action against Hardman – advised FSCS cannot take action against directors
7. 29 Sep 2022 – complained to the FCA about failures by Hardman and the Rendle – ACKNOWLEDGED BUT NO ACTION TAKEN
8. 7 Mar 2023 – complained to the IS that their complaints policy for IFAs and complaints about IPs was inadequate and flawed!
9. 4 May 2023 – invited to have Zoom call with IS Complaints Team to PLACATE me – No Further Action

Recent news

CITYWIRE 28 SEP 2023

FCA fines Darren Reynolds £2.2m over ‘dishonest’ British Steel transfers
Reynolds advised on 670 pension transfers, including 150 BSPS transfers, where he placed customers into investments ‘he knew were not suitable for them’. The regulator has also fined Andrew Deeney £397,400 and banned him from working in financial services. Deeney provided Active Wealth (UK) clients with unsuitable advice that led to him making £200,000 in commission payments.

Deeney then acquired the client bank of Active Wealth (UK) using a new firm he established, Fortuna Wealth Management. At Fortuna, Deeney ‘repeatedly sought to mislead the FCA about his role in advising customers to invest in high-risk investments’.

By June, the Financial Services Compensation Scheme (FSCS) had paid out £19.8m over Active Wealth (UK). The regulator said that without the £85,000 cap on FSCS compensation, the payouts would have totalled £42.3m.

That is how IFAs facilitate pension theft with impunity!

