



Fined duo join St James's Place

Hannah Stodell | 19-Mar-2009

St James's Place has taken on two directors of a firm which was recently fined £28,000 for failing to provide suitable advice.

Chorley-based IFA Legacy Financial Planning is no longer listed as authorised on the FSA register but the firm's two previous directors, Mark Chester and Brendon Utley, are now actively registered under St James's Place Wealth Management, as of February 23.

In January, the FSA fined Legacy £28,000 for failing to adequately advise investors on risk and any disadvantages of recommending transactions.

The regulator found that the firm failed to make and retain records which demonstrated the suitability of its advice in accordance with regulatory requirements.

Chester and Utley were the only two approved persons at the firm.

Legacy appointed an external compliance consultant to undertake a past business review of a percentage of sales of certain products and pay redress where unsuitable advice has led to loss.

St James's Place, which is 40 per cent owned by HBOS, currently has 1,340 partners and is looking to add 100 a year to its multi-tie model. The company has previously come under attack from Sifa for promoting itself as being able to receive referrals from solicitors, even though, under Law Society rules, only whole of market advisers can gain such referrals.

CBK Colchester principal Peter Chadborn says: "Any IFA that wants to become a St James's Place partner in doing so must be admitting that their whole of market business model does not work. St James's Place services the high end of the market but a lot of people would say they are still IFA wannabes."

SJP confirmed the move but would not comment further.

Source: Money Marketing

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