

# Market Bulletin

Ref: Y5347

<b>Title</b>	Enforcement Proceedings – Mr Gregory White
<b>Purpose</b>	To provide information regarding enforcement proceedings
<b>Type</b>	Event
<b>From</b>	William Rayner Secretary to the Lloyd's Enforcement Board
<b>Date</b>	15 September 2021
<b>Deadline</b>	N/A
<b>Related links</b>	N/A

In proceedings before the Lloyd's Enforcement Board, Mr Gregory White has accepted one charge of discreditable conduct. This relates to his involvement in the facilitation of loans between members of the Society who were clients of his employer, in return for which Mr White received substantial sums as commission.

The following terms have been agreed by the parties and approved by the Lloyd's Enforcement Board:

- a) Mr White will be censured in the terms set out in the attached Notice of Censure;
- b) Mr White will pay a fine of £96,019.18;

- c) Mr White's permission, consent or right to transact, or be concerned or interested in the transaction of insurance business or classes of business at Lloyd's will be suspended for a period of 17 months; and
- d) Mr White will make a contribution of £5,510 in respect of Lloyd's costs in bringing the proceedings.

The Notice of Censure gives details of the matters giving rise to these proceedings.

## **Notice of Censure**

### **Mr Gregory White**

In proceedings brought before the Lloyd's Enforcement Board, Mr Gregory White has accepted one charge of discreditable conduct. This relates to his involvement in the facilitation of loans between members of the Society who were clients of his employer, in return for which Mr White received substantial sums as commission.

### **Background**

Mr White was a Private Client Director at Hampden Agencies Limited ("**Hampden**"), one of the members' agents operating in the Lloyd's market.

The charge faced by Mr White stems from his relationship with a former client of Hampden, to whom Mr White introduced other members of Lloyd's. Mr White was involved in facilitating a total of 16 loans from the latter to the former over a two year period, in respect of which he received commission totalling £221,168.

It was in no way part of Mr White's role at Hampden to facilitate such loans, still less to receive personal undisclosed, substantial commissions in return for doing so. Mr White was not authorised by Hampden to engage in such activities and he did not declare his activities to Hampden, despite clear policies, of which Mr White was aware, that required him to do so.

Mr White's activities presented a clear conflict of interest between Mr White and his employer as well as between Mr White and his employer's clients.

Mr White's actions were compounded by the fact that when the loans were investigated by trustees in bankruptcy he misled both the trustees in bankruptcy and his employers as to the nature of his activities.

### **Misconduct accepted**

Mr White has accepted a charge of discreditable conduct in that he:

- a. Conducted himself in a way which brought his personal and commercial interests into conflict with the commercial interests of his employer and clients of his employer;
- b. Breached his fiduciary obligations to act in the best interests of Hampden clients by accepting commission payments;
- c. Failed to declare his commercial arrangement with one of his employer's clients to his employer to enable relevant regulatory checks to be conducted;
- d. Failed to recognise the potential for conflicts of interest with other clients of Hampden;
- e. Initially failed to inform investigating Trustees-in-Bankruptcy of the true nature of the commission payments;
- f. Omitted to declare the commission payments on his tax returns;
- g. Facilitated an introduction of two persons for the purposes of obtaining loans for the former client of Hampden without appropriate regulatory checks and approvals;
- h. Acted in a manner which has or is liable to bring Lloyd's and the Lloyd's market into disrepute.

### Settlement terms

As a result of Mr White accepting his misconduct, the following terms have been agreed between the parties and approved by the Lloyd's Enforcement Board –

- e) Mr White will be censured in the terms set out in this Notice of Censure;
- f) Mr White will pay a fine of £96,019.18;
- g) Mr White's permission, consent or right to transact, or be concerned or interested in the transaction of insurance business or classes of business at Lloyd's will be suspended for a period of 17 months; and
- h) Mr White will make a contribution of £5,510 in respect of Lloyd's costs in bringing these proceedings.

In agreeing the suspensions and fines, the Lloyd's Enforcement Board has accepted a 30% discount on the suspension and fine that it would have applied. This is because Mr White settled these proceedings at the earliest opportunity. Without the discount, the suspension would have been two years and the fine would have been £137,170.25.

Although Mr White has benefitted financially from his actions, ultimately he has not retained any of that financial benefit, including as a result of tax payments and penalties, the costs of dealing with this matter and the fact that a substantial loan that he himself made has not been repaid. Accordingly, Lloyd's has not considered it necessary to make any order as to restitution.

### **Mitigation**

In assessing the penalties, account has been taken of mitigating factors, including the following:

1. Mr White has co-operated fully with Lloyd's investigations into the relevant matters and settled these proceedings at the earliest opportunity without the need for a contested hearing.
2. Mr White has not previously been the subject of any regulatory enforcement action.
3. Mr White falls within a number of enforcement jurisdictions and the repercussions of his conduct are not limited to the action taken by Lloyd's.

### **Lloyd's Enforcement Board**