

# Financial Services Authority

Direct line: 0845 602 2185



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

12 May 2005

Our Ref: 33379

Dear Ms N K-Dit-Rawé

## Martin Russell Jones

Thank you for your letter dated 24 April 2005 regarding the authorised firm, Martin Russell Jones.

You asked for an explanation of the factors considered when determining the decision to approve the authorisation of Martin Russell Jones. It is **not our practice to comment on the specific issues which have led to a firm being authorised**, however this firm is one of many thousands that have been acting as an insurance mediator prior to when this activity was brought within the scope of FSA's statutory regulation. Firms undertaking insurance mediation were required to seek authorisation in order to continue business legally and to meet **the basic requirements expected from an authorised firm. Once authorised, a firm is required to comply with the FSA rulebook. Where a firm does not comply we may take disciplinary action.** I should make clear that in respect of Martin Russell Jones, **only the firm's insurance mediation activities are subject to regulation.**

You asked us to confirm whether or not Martin Russell Jones are authorised by the FSA to hold **statutory trust funds. Martin Russell Jones are permitted to hold client money in respect of non-investment insurance contracts. The type of trust fund the firm wishes to keep is left to their own discretion but is subject to the firm maintaining the adequate minimum resources.**

You may wish to note that is a requirement under the rules governing the handling of client money that, **non-investment insurance contract funds must be segregated from all other service charge funds and deposits.** If you are aware Martin Russell Jones are not segregating their insurance contract funds from other business charges please could you let us know.

In the meantime **could I ask you to inform the FSA of the final outcome of your complaint filed with the Royal Institute of Chartered Surveyors.**

I hope this response has helped answer your questions.

Yours sincerely



***T Mulholland (Mr)***  
***Consumer Contact Centre***  
***Regulatory Services Business Unit***