

Mr David Strachan
Director
Financial Services Authority
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London E14 5HS

Ms N K-Dit-Rawé
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(By Recorded Delivery)

4 June 2005

Your ref: 33379

**Clarification of position regarding Martin Russell Jones, managing agents,
Premier Suite, 115 Premier House, 112 Station Road, Edgware, Middlesex HA8 7BJ (Previously at
5 Watford Way, London NW4 3JL)**

Dear Mr Strachan

Further to my letter to you of 24 April 2005, I received the attached dated 12 May 2005¹ which does not deal adequately with my complaint.

I note the statement in the letter that "...only the firm's insurance mediation activities are subject to regulation" by the FSA. However, I understand the firms your Office regulates are required to meet certain high level principles, which might be compromised by their behaviour in other areas.

1. FSA's "Factors" / "selection criteria" / "basic requirements" for authorisation

I am very surprised that your Office accepted the application from Martin Russell Jones in view of the decision of the Leasehold Valuation Tribunal against its client - and therefore against MRJ given that it is acting on behalf of its client – which demonstrates the firm's own serious misconduct. (Points in my complaint against MRJ include, among others: 1.1.1.7, 1.1.1.15, 1.1.1.27.1, 1.1.1.32, 1.1.1.33, 1.1.1.41.2, 1.2.2.6, 1.2.7.2, 1.4.1., 1.4.2., 106, 128, 158, 160 and section 6).

In this context, I draw your attention to Ms Joan Doreen Hathaway filing - under a 'Statement of Truth' - a false claim against me (and 10 other residents) in West London County Court. (Points 1.2.1.4, 1.2.2.1, 1.2.2.3, 107, 108, 154, 157, 158, 160, 241, 250, 251 and section 5 of my complaint).

On 1st July 2004, West London County Court endorsed a Consent Order between myself and MRJ's client for £6,350. It reads:

"The Claimant having received the sum of £6,350.85 from the Second Defendant, this action has been settled following the determination by the Leasehold Valuation Tribunal of an identical claim, in a report dated 17 June 2003"

(References to the Consent Order in my complaint against MRJ are included, among others, under points 1.1.1.16, 1.1.1.27.1 and section 10).

To this day, Martin Russell Jones has not implemented the 17 June 2003 determination by the tribunal – and nor is this determination reflected in the 2003 certified accounts for the block. (Apparently, MRJ did not inform the accountant of the action through the tribunal).

In addition, in October 2004 MRJ sent me another demand for £14,450 – with no explanation whatsoever. In other words, **the dispute, started in 2002, is ongoing.**

¹ 05.05.12 – Letter from Mr T Mulholand, Consumer Contact Centre, Regulatory Services Business Unit, Financial Services Authority

Your 24 April Office reply to my request to "*explain the factors that determined your decision to approve their authorisation*" was "*It is not our practice to comment on the specific issues which have led to a firm being authorised*". I am not asking for personal details. I am asking for the "*factors*", if you prefer the "*selection criteria*", if you prefer – taking from the subsequent sentence in the letter from your Office: "*the basic requirements*" – which lead to a firm being authorised by your Office.

As a member of the public, encouraged to believe that an FSA registered business is an endorsement of reliability / sound business practice, I believe that I am entitled to ask this question. I am aware of other examples where the FSA has authorised firms and individuals, without regard to their previous misconduct, and subsequently had cause to regret its decision.

I draw your attention to the firm's website (<http://www.m-r-j.co.uk/>) which currently states:

"We offer a unique and personalised approach, individually tailored to our clients, whose needs and expectations are of paramount importance to us,

Martin Russell Jones provide property owners, prospective purchasers and tenants an honest, reliable and professional service"

2. Confirmation of MRJ's authorisation by the FSA to hold statutory trust funds

It is my understanding that firms are required to hold client money in a manner that you prescribe.

By virtue of section 42 of the Landlord and Tenant Act 1987, my service charge contributions (including my contribution to the building's insurance costs) must be held in trust.

Can you please confirm that MRJ has the authority to hold statutory trust funds under the permissions that the FSA has granted to the firm.

3. Unlike the RICS, the FSA was established by statute

The 12 May 2005 letter states that your Office wishes to await the outcome of my complaint to the RICS before taking any action.

I would remind you that the RICS is a self-regulatory body whose primary function is to protect the interests of its members, like MRJ. By contrast, the FSA is an independent body – established by statute.

I also understand that your Office's rules require the firm to have its own robust complaints system in place.

I await the outcome of your independent investigation into this firm, uninfluenced by the views of its own trade union.

Yours sincerely

N K-Dit-Rawé