

Conduct Rules Scenarios

Accident Causes Office Disruption

Scenario

You are the Chief Executive Office of Friendly Wealth Management Ltd, a small wealth manager and Core Firm for SM&CR purposes.

Bob Smith, is the firm's COO and SMF16. Bob also holds the Prescribed Responsibilities for implementation of the Senior Managers Regime, the Certification Regime and the Conduct Rules.

Bob was knocked off his motorcycle 4 months ago. He spent 6 weeks in intensive care and only returned home 2 weeks ago. Bob is now convalescing but a full recovery is likely to take some time – Bob is still suffering from quite severe headaches and pain in his back. You do not know when (or if) Bob will be able to return to the office.

Friendly Wealth Management Ltd has historically relied on a third-party firm of compliance consultants for assistance with the SM&CR. Bob has no deputy (this position has been vacant for a while) and has left no handover note. It's not clear 'who does what'. Bob is old-school and it was 'all in his head'. In the past you've tried – and failed – to get him to be a bit more organised.

Covid-19 hit the business hard. For the last 12 months you have been busy trying to generate revenue in order to keep the business afloat as well as dealing with the various organisational challenges that Covid-19 has presented. You are aware that they have been a number of "issues" amongst the staff but you haven't had time to look further into the detail as you scramble to 'steady the ship'.

What conduct rules may have been breached? Why?

How should the firm respond?

What controls could have been implemented?