

Conduct Rules Scenarios

Backdating Documents

Scenario

Hilary is a Certification Employee. She is an independent financial advisor working for Trusty Wealth Management Ltd.

Hilary has been working from home due to lockdown. She has been juggling her role as a financial advisor with home schooling. As a result she has fallen behind on her work in general, and her paperwork in particular.

Hilary forgets to make ISA submissions before the April deadline on behalf of a number of clients. Rather than confess to the mistake, she backdates all of her ISA forms to the day before the deadline.

The issue does not become apparent until an external audit, conducted 9 months after the ISA deadline, asks for evidence surrounding the ISA discussions Hilary had with her client. At this point it becomes evident that Hilary could not have submitted the ISA forms ahead of the deadline.

What conduct rules may have been breached? Why?

How should the firm respond?

What controls could have been implemented?