

Conduct Rules Scenarios

Non-Financial Misconduct

Scenario

Steve is a star salesman (and Certification Employee) for Best Brokers Ltd.

Following a night out with some friends just before Christmas, Steve has too much to drink. Rather than get a taxi home or book into a hotel, Steve decided to drive home. In his drunken state, Steve drove straight over a roundabout and crashed into a lamp post. Fortunately, nobody else was involved in the incident.

Steve was charged with drink-driving and found guilty.

Steve mentioned the drink-driving charge to his line manager, Jenny. Jenny is the Senior Manager in charge of the sales function within Best Brokers Ltd.

Jenny, aware that her compensation is linked to that of her team and that Steve is her star-performer, chose not to escalate the matter. This was Steve's first transgression and she's pretty sure that he's learned his lesson. Jenny is also aware of the fact that she is under pressure from the board to increase revenue and concludes that nobody will thank her for taking action against Steve.

What conduct rules may have been breached? Why?

How should the firm respond?

What controls could have been implemented?