



Case Number: FSP64/2025

In the matter between:

ANUSHA SINGH

Applicant

and

FIRST NATIONAL BANK, A DIVISION OF FIRSTRAND BANK LIMITED Respondent

DECISION

Panel members: S. MAHABEER SC
 S. MARITZ
 X. KHANYILE

Hearing date: 11 March 2026

Date of decision: 20 March 2026

Summary: Application in terms of section 230 of the Financial Sector Regulation Act, 2017 for reconsideration of a decision to debar due to non-compliance with section 7(1) of Board Notice 194 of 2017 (Determination of Fit and Proper Requirements for Financial Services Providers)

Introduction

1. The applicant was debarred by the respondent on 5 August 2025 in terms of section 14(1) read with section 13(2)(a) of the Financial Advisory and Intermediary Services Act, 2002 (the “FAIS”). Briefly, the relevant provisions of the FAIS provide that as a financial services provider (“FSP”) must at all times be satisfied that its representatives, when rendering a financial service on its behalf, are competent to act and comply with the fit and proper requirements under the Act. Specifics on what comprises the fit and proper requirements are provided for in Board Notice 194 of 2017.
2. The applicant applies in terms of section 230 of the Financial Sector Regulation Act, 2017 (the “FSR”) for a reconsideration of the decision to debar her.

A Survey of the Facts

3. The applicant was employed by the respondent. An employment contract was concluded in 2013.
4. In about 2022, a pre-existing client of the respondent approached the applicant who was acquainted with the client through previous investment and savings advice which the applicant had given her.
5. At the time that the client approached the applicant, the client had an amount of R2 million invested through a Discovery Invest Guaranteed Income Plan (“*the Discovery Policy*”) from which she was receiving returns

of R9,125.00 per month. The client initially sought advice from the applicant on how she could access R50,000.00 from her investment through the Discovery policy. There is disparity in the amount apparently required by the client – it seems that, initially, the client required R50,000.00 and she subsequently received various amounts, including R100,000.00. It matters not what the correct amount that the client requested is. What is significant is the undisputed fact that the client had at no stage indicated that she required payment of the capital sum invested under the Discovery policy.

6. The applicant claims to have advised the client in English and Zulu of all her options to access the amount requested. Those options, according to the applicant, excluded surrendering the policy in its first year.
7. The applicant was familiar with an entity trading as Value Added Solutions (VAS), duly represented by one Sean Lacey. According to the applicant, the respondent had previously done business with (in her words “*worked with*”) VAS. In order to access the R50,000.00, the applicant advised the client to cede her policy to VAS.
8.
 - 8.1 On 22 April 2024, Mr Lacey offered to purchase the client’s Discovery policy in an amount of R1,508,586.00.
 - 8.2 The email comprising the offer to purchase is sent from Mr Lacey’s email address at VAS but his signature purports to be on behalf of a different entity, Secondary Assurance Services (Pty) Ltd

(FSP8480). We mention this as a matter of curiosity but on the facts in this matter nothing turns on the peculiarity.

9. Also on 22 April 2024, the client signed a declaration in respect of the Discovery investment acknowledging *inter alia* that:-

9.1 other options were open to her as an alternative to the sale of the policy;

9.2 she understood the impact of alienating the policy on her financial planning;

9.3 she was aware that should she require cash now, there are other options available to her such as lodging the policies as security for a loan;

9.4 she required an immediate emergency advance payment of R100,000.00 and this was the reason for the sale of the policy;

9.5 she understood that penalties would be incurred by her as a result of the sale;

9.6 she wished to proceed with the sale of the Discovery policy.

10. The Discovery policy was then ceded to VAS.

11. In consequence of the cession:-

- 11.1 the applicant received a payment from VAS; and
- 11.2 the client received R1,508,586.00 of which R1.2 million was re-invested with Discovery, R200,000.00 was placed in a “*Maximiser*” account and R100,000.00 was left in her current account.
12. The respondent was alerted to the cession by a forensic investigator at Discovery and commenced its own investigation.
13. The respondent discovered that between June 2022 and June 2024, the applicant had been paid R260,000.00 by VAS.
14. A statement was obtained from the client who asserted that she had invested R2 million through the respondent with Discovery and had been receiving returns of R9,125.00 per month. Her request to the applicant was limited to R50,000.00 of the same (Discovery) investment. Pursuant to the applicant’s advice and the resultant cession, the client lost approximately R500,000.00 of her capital investment with Discovery and her monthly returns were reduced to about R7,000.00.
15. The applicant confirmed at the hearing that she had received R50,000.00 from VAS for the client’s transactions – essentially, from the cession of the policy in favour of VAS. Additionally, the applicant collected commission as a result of the client’s subsequent re-investment with Discovery of R1.2 million.
16. The applicant was dismissed from her employment as a result of these events. The debarment decision followed thereafter.

The Grounds of Debarment and for Reconsideration

17. The grounds for the debarment are located in the Notice of Debarment dated 5 August 2025 in response to charges that the applicant does not meet or no longer complies with the requirements referred to in section 13(2)(a) (fit and proper requirements that can result in debarments for FAIS representatives) in relation to fit and proper requirements of honesty, integrity and good standing the respondent found that:-

17.1 the applicant acted against the client's best interests;

17.2 the applicant displayed a lack of ethical conduct and integrity;

17.3 the applicant had abused her mandate and prioritised personal gain;

17.4 the applicant contravened or failed to comply with a provision of the FAIS and its subordinate legislation in a material manner in that:-

17.4.1 the applicant accepted undisclosed financial interest and placed herself in a position of conflict of interest;

17.4.2 the applicant earned double commission and engaged in "*policy churning*";

17.4.3 the applicant omitted material information and breached the disclosure duties;

- 17.5 the applicant was found guilty of all charges and to no longer comply with the fit and proper requirements in that she no longer meets the requirements of honesty, integrity and good standing. As a necessary consequence of the foregoing, the respondent debarred the applicant.
18. The applicant's reconsideration application is dated 21 August 2025. The discernible grounds for reconsideration may be summarised as follows:-
- 18.1 the applicant was acquainted with the client;
- 18.2 the applicant discharged her obligation to advise the client by presenting her with all the options;
- 18.3 the applicant acted on the client's instructions in facilitating the policy cession;
- 18.4 the applicant communicated with the client in Zulu and English;
- 18.5 the initiation of new Discovery policy for the investment of the R1.2 million subsequent to the cession constituted new business for which the applicant was entitled to earn commission;
- 18.6 the client did in fact receive R100,000.00. which is the amount she had required;
- 18.7 the applicant believed that nothing improper arose from directing the Discovery policy cession to VAS as the respondent and VAS had

previously conducted business together and the respondent had not informed her that she was not allowed to do business with VAS;

18.8 the payment received from VAS was for the referral of the business arising from the cession and were accepted in good faith;

18.9 it was advisable for the client to avoid the tax liability which would result from her exercising any other option save for ceding the Discovery policy;

18.10 the respondent ought to have exercised leniency and not proceeded to debar her.

Analysis

19. Section 14(1) of the FAIS governs the debarment of representatives. In terms of this provision, an authorised FSP must ensure that any representative who no longer complies with the requirements referred to in section 13(2)(a) or who has contravened or failed to comply with any provision of the Act in a material manner, is prohibited by such provider from rendering any new financial service by withdrawing the authority to act on behalf of the provider, and by removing the representative's name and the name of the key individuals of the representative from the register.

20. In *Financial Services Board v Barthram and Another* 2018 (1) SA 139, the Supreme Court of Appeal considered the debarment of a representative for failure to meet the fit and proper requirements. At paragraph [16] the Court emphasised that:-

“The debarment of the representative by a FSP is evidence that it no longer regards the representative as having either the fitness and propriety of competency requirements. A representative who does not need those requirements lacks the character qualities of honesty and integrity or lacks competence and thereby poses a risk to the investing public generally. Such a person ought not to be unleashed on an unsuspecting public and it must therefore follow that any representative debarred in terms of section 14(1) must, perforce, be debarred on an industry-wide basis from rendering financial services to the investing public.”

21. On the facts that are common cause, we concur with the respondent that the applicant:-

21.1 failed to act in the best interests of the client;

21.2 did not advise the client fully of all options available that would enable her to access the monies required;

21.3 the applicant’s advice to the client that the client was precluded within a year of commencement of the investment from accessing any part of the funds she had required contradicts the applicant’s contention that she did in fact advise the client fully. As the respondent points out, the Discovery investment commenced on

31 January 2023. The client had approached the applicant in about 2024, over two years following the commencement of the investment. Further, the policy document contains a clause titled “*Access to your Investment*”, which includes advice on surrendering the guaranteed component of the policy. This provision contains no time bar as to prevent the client from a full or partial surrender as to enable her to access that part of the investment which she required;

21.4 the applicant’s advice to the client on tax saving is unconvincing given the relatively modest size of the investment and the returns of R109,500.00 per annum;

21.5 the applicant did not take all steps as were necessary to ensure that the client fully understood the transaction referred to in the declaration. In our view, more was required of the applicant as a financial adviser dealing with a client whose primary language, on the evidence before us, was not English and may not completely have been aware of all options open to her;

21.6 the applicant directed the policy purchase to a third party (VAS) and received a financial reward in consequence;

21.7 at the hearing, the applicant submitted that she received R50,000.00 from VAS as a “*token of gratitude*”. The amount she received exceeds the annual threshold of R1,000.00 set by the respondent for financial interests from third parties and reinforces the existence of an undisclosed and impermissible financial benefit.

This is expressly provided for in the employment contract which the parties had concluded in 2013;

- 21.8 the applicant's receipt of payments from VAS was in breach of Clause 5.5 of her employment contract which expressly prevented her from *"accepting any incentive, award or reward or any other form of inducement for business written, from any person or company, without the specific prior written approval of senior management"*;
- 21.9 the applicant withheld from the respondent the fact that she had derived a financial benefit from VAS as a result of the advice given to the client and from the ensuing transactions. To compound matters, the applicant or VAS concealed these *"tokens of gratitude"* by mischaracterising the payment references as *"chairs"*, *"bicycles"*, *"tyres"* and so on. It is apparent that this was to conceal the financial incentives which VAS rewarded the applicant with for directing business to it;
- 21.10 the applicant withheld from the respondent other financial arrangements with VAS which was sustained over a two year period – the cumulative R260 000.00 located by the respondent in her bank statements - and which led to the respondent's doubt over the applicant's honesty, integrity and loyalty to the respondent and its clients;

- 21.11 the applicant acted in conflict of interest in the performance of her obligations as a financial adviser in relation to the client's transactions which led to the cession of the Discovery policy.
22. In the circumstances, we agree that the applicant's conduct demonstrates a series of material failures to comply with the fit and proper requirements, particularly those of honesty, integrity and good standing.
23. Our view accordingly is that there is no basis to interfere with the respondent's decision to debar the application.

Order

The application for reconsideration is dismissed.

DATED AT DURBAN THIS 20th DAY OF MARCH 2026.

___*Sgd Adv S Mahabeer SC*___

MAHABEER SC
On behalf of the Panel