Financial Services Tribunal

THE FINANCIAL SERVICES TRIBUNAL

CASE NO. A5/2026

In a matter between:

KYLE BARRY TILTMAN Applicant

and

FINANCIAL SECTOR CONDUCT AUTHORITY Respondent

TRIBUNAL PANEL: PJ Veldhuizen and LTC Harms

Date of hearing:

Date of Decision: 9 July 2026

Summary: Debarment and Penalty Imposed by the Financial Sector Conduct Authority – Honesty and Integrity – Application for Reconsideration in relation to the debarment, period of debarment and the quantum of the penalty.

DECISION

A: INTRODUCTION

1. The Applicant brings this application in terms of section 230 of the Financial Sector Regulation Act No 9 of 2017 ("the FSR Act") for the reconsideration of the Respondent's decision dated 8 December 2025 to impose a joint and several administrative penalty of R12,559,192.00 on the him and the

Relocations Group (Pty) Ltd and to debar the him for a period of fifteen (15) years in terms of Section 153(1)(a) and (c) of the FSR Act.

2. The Applicant applies for reconsideration of the debarment in its entirety, or alternatively, its duration and/or the quantum of the penalty.

B: RELEVANT FACTUAL BACKGROUND

3. The Respondent conducted an investigation and arrived at findings that the Applicant had caused The Relocations Group, and its predecessor South African Relocations (Pty) Ltd trading as SA Relocations ("the companies"), to contravene financial sector laws.

4. The aforementioned investigation revealed that the companies had conducted unauthorised insurance business by providing clients additional cover which constituted insurance. This unauthorised insurance business was extensive, with more than 16,000 policies issued and a premium value in excess of R12,500,000.00.

5. In this regard, the Respondent found that:

   a. the Applicant and SA Relocations had contravened Section 7(1) of the Short Term Insurance Act No 53 of 1998 ("STI Act") during the period 17 May 2018 and 30 June 2028 and that Applicant and SA Relocations had contravened Section 5(1) of the Insurance Act No 18 of 2018 ("Insurance Act") during the period 1 July 2028 until 11 October 2022; and

   b. the Applicant and The Relocations Group had contravened Section 5(1) of the Insurance Act No 18 of 2018 ("Insurance Act") during the period 11 October 2022 to 23 January 2024.

6. The Respondent also found that the Applicant had interfered with and hindered the investigation, which amounted to a contravention of section 139(1), (2) and (4) of the FSR Act.

C: THE APPLICATION FOR RECONSIDERATION

7. Upon receipt of the Respondent’s Notice of Intended Administrative Sanction, the Applicant did not challenge the Respondent’s findings. In this application, the Applicant challenges the findings directly and suggests that he “*operated a relocation service as a bailee for reward*” and that the “*all-risk*” cover was a “*contractual expansion of the common law liability*”.

8. Notwithstanding the above contention, the Applicant initially suggested a reduction of the penalty to R250,000.00 but in this application seeks to have it set aside in totality. Similarly with the debarment, the Applicant initially proposed that the period be reduced to less than three years but now seeks to have the debarment set aside entirely.

D: REQUIREMENTS TO BE A FINANCIAL SERVICES REPRESENTATIVE

9. The fit-and-proper requirements for a financial services representative are established under the Financial Advisory and Intermediary Act 37 of 2002 ("the FAIS Act") and are detailed in Board Notice 194 of 2017. These requirements encompass several key areas, but for the purposes of this application, the Honesty, Integrity and Good Standing requirements are essential to consider. Obviously, information indicating conduct in contravention of the financial sector law is evidence that a person does not meet these requirements.

10. These requirements are designed to ensure that representatives act with due skill, care, and diligence, prioritising clients' interests and maintaining the integrity of the financial services industry.

E: RELEVANT LEGAL PRINCIPLES REGARDING DEBARMENT BY THE FSCA

11. Section 153(1) of the FSR Act outlines the provisions for the debarment of an individual by the FSCA as opposed to the debarment by a Financial Services Provider under section 14 of the FAIS Act.

12. In short, the FSCA may issue a debarment order against an individual who has materially contravened a financial sector law.

13. In consideration of the period of debarment, the FSCA is enjoined to consider the:
   a. Seriousness of the allegations levelled against the individual.
   b. The actual or potential prejudice suffered.
   c. The negative impact the alleged conduct had on the financial industry as a whole.

F: RELEVANT FACTORS REGARDING PENALTIES IMPOSED BY THE FSCA

14. Section 167(1) and (2) of the FSR Act outline the factors to be considered by the Respondent when imposing a penalty. The aforemention sections read as follows:

(1) The responsible authority for a financial sector law may, by order served on a person, impose on the person an appropriate administrative penalty, that must be paid to the financial sector regulator, if the person—

(*a*) has contravened a financial sector law; or

(*b*) has contravened an enforceable undertaking accepted by the responsible authority.

(2) In determining an appropriate administrative penalty for particular conduct—

(*a*) the matters that the responsible authority must have regard to include the following—

(i) The need to deter such conduct;

(ii) the degree to which the person has co-operated with a financial sector regulator in relation to the contravention; and

(iii) any submissions by, or on behalf of, the person that is relevant to the matter, including mitigating factors referred to in those submissions; and

(*b*) without limiting paragraph (a), the matters that the responsible authority may have regard to include the following—

(i) The nature, duration, seriousness and extent of the contravention;

(ii) any loss or damage suffered by any person as a result of the conduct;

(iii) the extent of any financial or commercial benefit to the person, or a juristic person related to the person, arising from the conduct;

(iv) whether the person has previously contravened a financial sector law;

(v) the effect of the conduct on the financial system and financial stability;

(vi) the effect of the proposed penalty on financial stability;

(vii) the extent to which the conduct was deliberate or reckless.

G: DISCUSSION

The Debarment

15. It is trite that the Respondent has a legal duty to ensure that the Applicant met the fit and proper requirements set out in the FAIS Act, and where his conduct falls short thereof, they were obliged to debar him in terms of Section 153 of the FSR.

16. The Applicant's most recent explanation that he was a bailee for reward is unsustainable on the facts. It is readily apparent that the Applicant, as the corporate controller of the companies, was conducting an unlawful insurance business. Put differently, the conduct had all the characteristics of the insurance, namely:
    a. The payment of a premium or arrangement to pay a premium.
    b. An undertaking to meet an insurance obligation.
    c. The indemnification of loss.
    d. The occurrence of an uncertain risk.

17. The FSCA's reasoning in debarring the Applicant cannot be faulted, and the procedural challenges have no merit.

The Period of the Debarment

18. The period of debarment is not a matter that the Tribunal would interfere with unless, the Applicant could demonstrate:
    a. Bias.
    b. Substantial reasons.
    c. The capricious or arbitrary exercise by the Respondent of its discretion.
    d. The exercise by the Respondent of its discretion upon a wrong principle.

19. The test is not whether the Tribunal considers a lesser penalty to be appropriate but rather whether any of the factors set out above are present. They are not, and the Tribunal is therefore not to intervene on this issue.

The Penalty Imposed

20. Similarly, the quantum of the penalty is a matter of the Respondent’s discretion, and there are no factors that would induce the Tribunal to interfere with the Respondent’s decision. To the contrary, the Applicant has conducted himself, wilfully, in an obstructive manner, and has raised spurious defences after initially having accepted the Respondent’s findings.

21. The consequences of the penalty suggested by the Applicant (i.e. his potential insolvency) are not a factor to be considered by the Tribunal in this application.

G: CONCLUSION

22. In the circumstances, the Tribunal can find no grounds to interfere with the Respondent's decision to debar the Applicant, the length of such debarment, and the penalty imposed.

ORDER: The application for reconsideration is dismissed.

Signed on 9 July 2026

__*Sgd PJ Veldhuizen*_____

PJ VELDHUIZEN & LTC HARMS