

## Behaviours and the Conduct Rules / Fitness & Propriety breaches

The following table provides examples of behaviours that may result in a Conduct Rules or Fitness and Propriety breach for different types of staff under SM&CR.

It is intended to be used by firms to aid them in setting their assessment policies for Conduct Rules breaches and provide some examples of areas for consideration in investigation and assessment.

Firms should consider their own disciplinary and breach policies against one off or persistent behaviours. A one-off or accidental instance is unlikely to lead to a breach however it is likely that an intentional or consistently repeated occurrence would lead to a breach.

In all cases intentional poor behaviour or dishonesty in the workplace should be considered against CR1

Behaviour	Senior Manager		Certified Person / Non Exec NED		Conduct Rules Staff	Notes
	Conduct	Fitness	Conduct	Fitness	Conduct	
Fare evasion	No	Yes	No	Yes	No	Additional consideration given to time period and repetition of offence
Driving conviction	No	Possibly	No	Possibly	No	Consideration to the disclosure to the firm including time period and manner than the actual offence
Shoplifting conviction	No	Possibly	No	Possibly	No	Consideration to the role undertaken by the individual
Racial harassment (out of workplace - conviction)	No	Yes	No	Yes	No	Consider further investigation to determine if ever expressed in the workplace (CR1)
Sexual harassment (in the workplace)	CR1	Yes	CR1	Yes	CR1	
Not securely disposing of internal paperwork containing customer information (e.g. putting in bin rather than shredder)	CR2 CR4	No	CR2 CR4	No	CR2 CR4	More likely to be CR4 however also relevant to CR2.

Behaviour	Senior Manager		Certified Person / Non Exec NED		Conduct Rules Staff	Notes
	Possibly	No	Possibly	No		
Sending client statement to wrong address	Possibly	No	Possibly	No	Possibly	Consider whether it was intentional, how it occurred and actions after (CR2)
Failure to update client records with change in circumstance (e.g. divorce)	CR2 CR4	No	CR2 CR4	No	CR2 CR4	
Failure to log a complaint	CR2 CR4	No	CR2 CR4	No	CR2 CR4	
Reporting incorrect MI on SLA performance	CR2	No	CR2	No	CR2	
Taking annual leave without arranging cover for role	SMCR1	No	Possibly	No	Possibly	Consider whether it was intentional and who held responsibility to arrange cover for the role (CR2)
Failure to complete annual AML training		No	No	No	No	
Failure to pass on client instructions to deal in a timely manner	SMCR1 CR2 CR4	No	CR2 CR4	No	CR2 CR4	
Failure to action client instructions to deal in a timely manner	SMCR1 CR2 CR4	No	CR2 CR4	No	CR2 CR4	

### Reporting Conduct Rule Breaches

Conduct Rule breaches should be reported to FCA if the answer to the following two questions is yes:

1. Has a Conduct Rule breach occurred?
2. Has that breach resulted in disciplinary action being taken as defined in the FCAs rules?