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## DECISION NOTICE

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To: Holmesdale Building Society  
Of: 43 Church Street  
Reigate  
Surrey  
RH2 0AE  
United Kingdom

Firm Reference Number: 206037

And –

To: Dean Fensome  
Of:

Date: 5 July 2018

### **ACTION**

1. For the reasons set out in Section 1 of this Notice and pursuant to section 61(2B)(b) of the Financial Services and Markets Act 2000 (“the Act”), the Prudential Regulation Authority approves the application dated 2 February 2018 (“the Application”) for Dean Fensome (“the

Candidate”) to perform Senior Manager Function 1 (Chief Executive) (“SMF1”) role at Holmesdale Building Society (“the Firm”) for a limited period commencing on a date to be determined and terminating on the earlier of 31 December 2018 or the effective date of completion of a proposed merger between the Firm and Skipton Building Society (“Skipton”) (the “Proposed Merger”).

## **PROCEDURAL MATTERS**

2. The procedural matters set out in Section 2 are important.

## **RELEVANT STATUTORY AND REGULATORY PROVISIONS**

3. The relevant statutory and regulatory provisions are set out in Section 3.

## **DEFINITIONS**

4. The definitions below are used in this Decision Notice.

“the Act” means the Financial Services and Markets Act 2000

“the Application” means the Form A application dated 2 February 2018 submitted by the Firm for the Candidate to perform the SMF1 role at the Firm

“the Candidate” means Dean Fensome

“the Firm” means Holmesdale Building Society

“HMP” means the PRA’s Heads of Division and Managers Panel

“Notice” means this Decision Notice

“the PRA” means the Prudential Regulation Authority

“the Proposed Merger” means the proposed merger between the Firm and Skipton

“Skipton” means Skipton Building Society

“SMF1” means Senior Manager Function 1 – Chief Executive

“the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber)

“the Tribunal Procedure Rules” means The Tribunal Procedure (Upper Tribunal) Rules 2008 (SI 2008/2698) (as amended)

## **HMP Chair**

**SECTION 1 OF THE DECISION NOTICE ISSUED BY THE PRUDENTIAL  
REGULATION AUTHORITY TO HOLMESDALE BUILDING SOCIETY AND DEAN  
FENSOME ON 5 JULY 2018**

**REASON FOR THE ACTION**

1. The reason for the PRA's approval of the Firm's Application for the Candidate to perform the SMF1 role at the Firm for a limited period is that it is desirable to do so in order to advance the PRA's objective of promoting the safety and soundness of PRA-authorised persons (section 2B(2) of the Act).
2. Pursuant to section 2B(3), this objective is to be advanced primarily by (a) seeking to ensure that the business of PRA-authorised persons is carried on in a way which avoids any adverse effect on the stability of the UK financial system, and (b) seeking to minimise the adverse effect that the failure of a PRA-authorised person could be expected to have on the stability of the UK financial system. The adverse effects mentioned in section 2B(3) may, in particular, result from the disruption of the continuity of financial services.
3. An appropriately staffed firm and effective Chief Executive function is essential to ensuring a firm is run in a prudent, safe and sound manner. This approval will advance the PRA's objective as it will ensure the Firm is appropriately staffed; the SMF1 role will be allocated for a limited period to the Candidate, whom the PRA is satisfied is fit and proper to perform the SMF1 role at the Firm on a time limited basis, pending completion of the Proposed Merger.
4. This approval is intended to allow sufficient time for completion of the Proposed Merger with Skipton, including a decision from the members of the Firm as to whether to proceed with the Proposed Merger.

**FACTS AND MATTERS RELIED UPON**

**Background**

5. The Firm is authorised by the PRA and regulated by the PRA and FCA.

6. The Candidate has been approved to perform Senior Management Function 2 (Chief Finance function) at the Firm since November 2017.
7. Following resignation of the previous SMF1, an interim Chief Executive Officer was appointed until the end of February 2018.
8. The Firm's Application was received by the PRA on 2 February 2018 for the Candidate to perform SMF1 at the Firm.
9. Having assessed the Firm's Application, the PRA is satisfied as to the Candidate's fitness and propriety to perform the SMF1 role at the Firm on a time limited basis as required pursuant to section 61(1)(b) of the Act.
10. The members of the Firm will vote on the Proposed Merger on 25 July 2018 and it is expected that the Proposed Merger will complete on 1 October 2018. If the Proposed Merger completes, the Candidate will resign and cease to be a director of the Firm. However, it is not currently clear if the Proposed Merger will proceed to completion. The skills required to perform the SMF1 role in the run-up to the Proposed Merger will be materially different from those needed if the Proposed Merger does not proceed to completion. Accordingly, there is sufficient uncertainty over the future nature and requirements of the SMF 1 role at the Firm that the PRA considers that the most proportionate course of action is to approve the Candidate on a time limited basis.
11. If the Firm wishes to appoint the Candidate for the SMF1 role permanently, it would need to submit an application to remove the time limit on the approval or, should a time-limited approval lapse, submit a new application for approval of the Candidate.
12. Pursuant to section 61(2B)(b) of the Act, the PRA may grant a senior manager application that is made under section 60 of the Act so as to give approval for a limited period only if it appears to the PRA that it is desirable to do so in order to advance any of its objectives (section 61(2C)(b) of the Act).
13. The PRA considers that it is appropriate in these circumstances to approve the Firm's Application for the Candidate to perform the SMF1 role at the Firm for a limited period pending completion of the Proposed Merger.

14. The Firm and the Candidate have consented to the PRA's approval of the Firm's Application for the Candidate to perform the SMF1 role at the Firm for a limited period to commence from a date to be determined and terminating on the earlier of 31 December 2018 or the effective date of completion of the Proposed Merger.

## **ACTION**

15. For the reasons given in this Notice, and pursuant to section 61(2B)(b) of the Act, the PRA approves the Application for a limited period to commence from a date to be determined and terminating on the earlier of 31 December 2018 or the effective date of completion of the Proposed Merger.

**SECTION 2 OF THE DECISION NOTICE ISSUED BY THE PRUDENTIAL  
REGULATION AUTHORITY TO HOLMESDALE BUILDING SOCIETY AND DEAN  
FENSOME ON 5 JULY 2018**

**PROCEDURAL MATTERS**

**Decision-Maker**

1. The decision which gave rise to the obligation to give this Notice was made by HMP.
2. This Notice is given to the Firm and the Candidate pursuant to section 62(3) of the Act. The following statutory provisions are important.

**The Tribunal**

3. The Firm and Candidate have the right to refer the matter to which this Notice relates to the Tribunal. The Tax and Chancery Chamber is the part of the Tribunal which, among other things, hears references arising from decisions of the PRA.
4. Reference to the Tribunal is made by way of a reference notice (Form FTC3) signed by the person making the reference (or on their behalf) and filed with a copy of this Notice. The Tribunal's correspondence address is: Fifth Floor, Rolls Building, Fetter Lane, London EC4A 1NL. In accordance with paragraph 2(2) of Schedule 3 of the Tribunal Procedure Rules, the reference must be received by the Tribunal no later than 28 days after this Notice is given.
5. Further details are available from the Tribunal website: <https://www.gov.uk/courts-tribunals/upper-tribunal-tax-and-chancery-chamber>.
6. A copy of Form FTC3 must also be addressed to HMP and sent to PRA HMP Secretariat at the PRA, 20 Moorgate, London EC2R 6DA at the same time as filing a reference with the Tribunal.

**Access to evidence**

7. Section 394 of the Act does not apply to this Notice.

**Confidentiality and publicity**

8. Sections 391(1A), 391(4), 391(6A) and 391(7) of the Act apply to the publication of information about the matter to which this Notice relates.
9. Pursuant to section 391(1A) of the Act, a person to whom this Notice is given or copied may not publish the Notice or any details concerning it unless the PRA has published the Notice or those details.
10. Pursuant to section 391(4) of the Act, the PRA must publish such information about the matter to which a Decision Notice or Final Notice relates as it considers appropriate. Any Final Notice issued by the PRA in due course may therefore contain reference to any of the content of this Notice.
11. The PRA considers that it is appropriate to publish this Notice and does not consider that publication would be unfair to the candidate or prejudicial to the safety and soundness of the firm.

**PRA contacts**

12. For more information concerning this matter generally, the Firm and/or Candidate should contact PRA HMP Secretariat at the PRA.

**SECTION 3 OF THE DECISION NOTICE ISSUED BY THE PRUDENTIAL  
REGULATION AUTHORITY TO HOLMESDALE BUILDING SOCIETY AND DEAN  
FENSOME ON 5 JULY 2018**

**RELEVANT STATUTORY AND REGULATORY PROVISIONS**

1. Under section 2B(1) of the Act, in discharging its general functions, the PRA is required, so far as is reasonably possible, to act in a way which advances its general objective.
2. Under section 2B(2) of the Act, the PRA's general objective is: promoting the safety and soundness of PRA-authorised persons.
3. Under section 2B(3) of the Act, the PRA's general objective is to be advanced primarily by seeking to ensure that the business of PRA-authorised persons is carried on in a way which avoids any adverse effect on the stability of the UK financial system and seeking to minimise the adverse effect that the failure of a PRA-authorised person could be expected to have on the stability of the UK financial system.
4. Under section 2B(4) of the Act, the adverse effects mentioned in section 2B(3) of the Act may, in particular, result from the disruption of the continuity of financial services.
5. Under section 59 of the Act, an authorised person ("A") must take reasonable care to ensure that no person performs a controlled function under an arrangement entered into by A in relation to the carrying on by A of a regulated activity, unless that person is acting in accordance with an approval given by the appropriate regulator under this section.
6. Under section 60 of the Act, an application for the PRA's approval under section 59 of the Act may be made by the authorised person concerned.
7. Under section 61(2B)(b) of the Act, the PRA may grant a senior manager application made under section 60 of the Act so as to give approval only for a limited period.

8. Under section 61(2C)(b) of the Act, the PRA may exercise its power under section 61(2B)(b) of the Act only if it appears to the PRA that it is desirable to do so in order to advance any of the PRA's objectives.
9. Under section 61(3) of the Act, the PRA must before the end of the period for consideration of an application received under section 60 of the Act determine whether to (a) grant the application or (b) to give a warning notice under section 62(2) of the Act.
10. Under section 62(2) of the Act, if the PRA proposes to refuse the application or to grant the application subject to conditions or for a limited period (or both), it must give a warning notice to the Firm and the Candidate.
11. Pursuant to section 62(3) of the Act, if the PRA decides to refuse the application or to grant the application subject to conditions or for a limited period (or both), it must give a decision notice to the Firm and the Candidate.
12. Pursuant to section 62(4) of the Act, if the PRA decides to refuse the application or to grant the application subject to conditions or for a limited period (or both), the Firm and/or the Candidate may refer the matter to the Tribunal.
13. Pursuant to section 390(1) of the Act, if the PRA has given a Decision Notice and the matter was not referred to the Tribunal in the time specified by the Tribunal Procedure Rules the PRA must issue a Final Notice.



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**FINAL NOTICE**

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To: Holmesdale Building Society  
Of: 43 Church Street  
Reigate  
Surrey  
RH2 0AE  
United Kingdom

Firm Reference Number: 206037

And –

To: Dean Fensome  
Of:

Date: 5 July 2018

**ACTION**

1. For the reasons set out in Section 1 of this Notice and pursuant to section 61(2B)(b) of the Financial Services and Markets Act 2000 (“the Act”), the Prudential Regulation Authority approves the application dated 2 February 2018 (“the Application”) for Dean Fensome (“the

Candidate”) to perform Senior Manager Function 1 (Chief Executive) (“SMF1”) role at Holmesdale Building Society (“the Firm”) for a limited period commencing on the date hereof and terminating on the earlier of 31 December 2018 or the effective date of completion of a proposed merger between the Firm and Skipton Building Society (“Skipton”) (the “Proposed Merger”).

## **PROCEDURAL MATTERS**

2. The procedural matters set out in Section 2 are important.

## **RELEVANT STATUTORY AND REGULATORY PROVISIONS**

3. The relevant statutory and regulatory provisions are set out in Section 3.

## **DEFINITIONS**

4. The definitions below are used in this Final Notice.

“the Act” means the Financial Services and Markets Act 2000

“the Application” means the Form A application dated 2 February 2018 submitted by the Firm for the Candidate to perform the SMF1 role at the Firm

“the Candidate” means Dean Fensome

“the Firm” means Holmesdale Building Society

“HMP” means the PRA’s Heads of Division and Managers Panel

“Notice” means this Final Notice

“the PRA” means the Prudential Regulation Authority

“the Proposed Merger” means the proposed merger between the Firm and Skipton

“Skipton” means Skipton Building Society

“SMF1” means Senior Manager Function 1 – Chief Executive

“the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber)

“the Tribunal Procedure Rules” means The Tribunal Procedure (Upper Tribunal) Rules 2008 (SI 2008/2698) (as amended)

## **HMP Chair**

**SECTION 1 OF THE FINAL NOTICE ISSUED BY THE PRUDENTIAL REGULATION AUTHORITY TO HOLMESDALE BUILDING SOCIETY AND DEAN FENSOME ON 5 JULY 2018**

**REASON FOR THE ACTION**

1. The reason for the PRA's approval of the Firm's Application for the Candidate to perform the SMF1 role at the Firm for a limited period is that it is desirable to do so in order to advance the PRA's objective of promoting the safety and soundness of PRA-authorized persons (section 2B(2) of the Act).
2. Pursuant to section 2B(3), this objective is to be advanced primarily by (a) seeking to ensure that the business of PRA-authorized persons is carried on in a way which avoids any adverse effect on the stability of the UK financial system, and (b) seeking to minimise the adverse effect that the failure of a PRA-authorized person could be expected to have on the stability of the UK financial system. The adverse effects mentioned in section 2B(3) may, in particular, result from the disruption of the continuity of financial services.
3. An appropriately staffed firm and effective Chief Executive function is essential to ensuring a firm is run in a prudent, safe and sound manner. This approval will advance the PRA's objective as it will ensure the Firm is appropriately staffed; the SMF1 role will be allocated for a limited period to the Candidate, whom the PRA is satisfied is fit and proper to perform the SMF1 role at the Firm on a time limited basis, pending completion of the Proposed Merger.
4. This approval is intended to allow sufficient time for completion of the Proposed Merger, including a decision from the members of the Firm as to whether to proceed with the Proposed Merger.

**FACTS AND MATTERS RELIED UPON**

**Background**

5. The Firm is authorised by the PRA and regulated by the PRA and FCA.
6. The Candidate has been approved to perform Senior Management Function 2 (Chief Finance function) at the Firm since November 2017.

7. Following resignation of the Firm's previous SMF1, an interim Chief Executive Officer was appointed until the end of February 2018.
8. The Firm's Application was received by the PRA on 2 February 2018 for the Candidate to perform SMF1 at the Firm.
9. Having assessed the Firm's Application, the PRA is satisfied as to the Candidate's fitness and propriety to perform the SMF1 role at the Firm on a time limited basis as required pursuant to section 61(1)(b) of the Act.
10. The members of the Firm will vote on the Proposed Merger on 25 July 2018 and it is expected that the Proposed Merger will complete on 1 October 2018. If the Proposed Merger completes, the Candidate will resign and cease to be a director of the Firm. However, it is not currently clear if the Proposed Merger will proceed to completion. The skills required to perform the SMF1 role in the run-up to the Proposed Merger will be materially different from those needed if the Proposed Merger does not proceed to completion. Accordingly, there is sufficient uncertainty over the future nature and requirements of the SMF 1 role at the Firm that the PRA considers that the most proportionate course of action is to approve the Candidate on a time limited basis.
11. If the Firm wishes to appoint the Candidate for the SMF1 role permanently, it would need to submit an application to remove the time limit on the approval or, should a time-limited approval lapse, submit a new application for approval of the Candidate.
12. Pursuant to section 61(2B)(b) of the Act, the PRA may grant a senior manager application that is made under section 60 of the Act so as to give approval for a limited period only if it appears to the PRA that it is desirable to do so in order to advance any of its objectives (section 61(2C)(b) of the Act).
13. The PRA considers that it is appropriate in these circumstances to approve the Firm's Application for the Candidate to perform the SMF1 role at the Firm for a limited period pending completion of the Proposed Merger.
14. The Firm and the Candidate have consented to the PRA's approval of the Firm's Application for the Candidate to perform the SMF1 role at the Firm for a limited period to commence from the

date hereof and terminating on the earlier of 31 December 2018 or the effective date of completion of the Proposed Merger.

## **ACTION**

15. For the reasons given in this Notice, and pursuant to section 61(2B)(b) of the Act, the PRA approves the Application for a limited period to commence on the date of this Notice and terminating on the earlier of 31 December 2018 or the effective date of completion of the Proposed Merger.

**SECTION 2 OF THE FINAL NOTICE ISSUED BY THE PRUDENTIAL REGULATION AUTHORITY TO HOLMESDALE BUILDING SOCIETY AND DEAN FENSOME ON 5 JULY 2018**

**PROCEDURAL MATTERS**

**Decision-Maker**

1. The decision which gave rise to the obligation to give this Notice was made by HMP.
2. This Notice is given to the Firm and the Candidate pursuant to section 390(1) of the Act. The following statutory provisions are important.

**Confidentiality and publicity**

3. Sections 391(4), 391(6A) and 391(7) of the Act apply to the publication of information about the matter to which this Notice relates.
4. Pursuant to section 391(4) of the Act, the PRA must publish such information about the matter to which a Final Notice relates as it considers appropriate. However, pursuant to section 391(6A) of the Act, the PRA may not publish information if, in its opinion, publication would be unfair to the Firm and/or Candidate or prejudicial to the safety and soundness of PRA-authorized persons.
5. The PRA considers that it is appropriate to publish this Notice and does not consider that publication would be unfair to the candidate or prejudicial to the safety and soundness of the firm.

**PRA contacts**

6. For more information concerning this matter generally, the Firm and/or Candidate should contact PRA HMP Secretariat at the PRA.

**SECTION 3 OF THE FINAL NOTICE ISSUED BY THE PRUDENTIAL REGULATION AUTHORITY TO HOLMESDALE BUILDING SOCIETY AND DEAN FENSOME ON 5 JULY 2018**

**RELEVANT STATUTORY AND REGULATORY PROVISIONS**

1. Under section 2B(1) of the Act, in discharging its general functions, the PRA is required, so far as is reasonably possible, to act in a way which advances its general objective.
2. Under section 2B(2) of the Act, the PRA's general objective is: promoting the safety and soundness of PRA-authorized persons.
3. Under section 2B(3) of the Act, the PRA's general objective is to be advanced primarily by seeking to ensure that the business of PRA-authorized persons is carried on in a way which avoids any adverse effect on the stability of the UK financial system and seeking to minimise the adverse effect that the failure of a PRA-authorized person could be expected to have on the stability of the UK financial system.
4. Under section 2B(4) of the Act, the adverse effects mentioned in section 2B(3) of the Act may, in particular, result from the disruption of the continuity of financial services.
5. Under section 59 of the Act, an authorised person ("A") must take reasonable care to ensure that no person performs a controlled function under an arrangement entered into by A in relation to the carrying on by A of a regulated activity, unless that person is acting in accordance with an approval given by the appropriate regulator under this section.
6. Under section 60 of the Act, an application for the PRA's approval under section 59 of the Act may be made by the authorised person concerned.
7. Under section 61(2B)(b) of the Act, the PRA may grant a senior manager application made under section 60 of the Act so as to give approval only for a limited period.

8. Under section 61(2C)(b) of the Act, the PRA may exercise its power under section 61(2B)(b) of the Act only if it appears to the PRA that it is desirable to do so in order to advance any of the PRA's objectives.
9. Under section 61(3) of the Act, the PRA must before the end of the period for consideration of an application received under section 60 of the Act determine whether to (a) grant the application or (b) to give a warning notice under section 62(2) of the Act.
10. Under section 62(2) of the Act, if the PRA proposes to refuse the application or to grant the application subject to conditions or for a limited period (or both), it must give a warning notice to the Firm and the Candidate.
11. Pursuant to section 62(3) of the Act, if the PRA decides to refuse the application or to grant the application subject to conditions or for a limited period (or both), it must give a decision notice to the Firm and the Candidate.
12. Pursuant to section 62(4) of the Act, if the PRA decides to refuse the application or to grant the application subject to conditions or for a limited period (or both), the Firm and/or the Candidate may refer the matter to the Tribunal.
13. Pursuant to section 390(1) of the Act, if the PRA has given a Decision Notice and the matter was not referred to the Tribunal in the time specified by the Tribunal Procedure Rules the PRA must issue a Final Notice.