



FCA bans Terry Farr

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The Financial Conduct Authority (FCA) has prohibited former Martins Brokers (UK) Ltd ('Martins') broker Terry Farr from performing any function in relation to any regulated financial activity, on the basis that he acted dishonestly and lacked integrity, and as a result is not fit and proper to perform any function in relation to any regulated activity.

The FCA found that between 19 September 2008 and 25 August 2009, Mr Farr arranged nine wash trades. The purpose of the wash trades was to obtain unwarranted brokerage payments for Martins with no legitimate commercial purpose. Arranging wash trades in this way is inherently dishonest.

Wash trades are risk-free trades, with the same party, in pairs that cancel each other out and for which there is no legitimate commercial purpose.

Mark Steward, Executive Director of Enforcement and Market Oversight at the FCA, said:

'There was no legitimate reason for Mr Farr to make these trades and his actions were motivated by greed. His actions mean he has no place in financial services.'

'Today's ban reflects our commitment to making sure that people working in financial services act with integrity.'

Mr Farr formerly worked as a broker and held the position of Manager on the Japanese Yen (JPY) Desk at Martins. He arranged transactions in a range of JPY products, including cash, forwards and derivatives, between banks and other financial institutions.

Mr Farr encouraged a trader at UBS to believe that Mr Farr was willing to attempt to influence the JPY LIBOR submissions of other banks at the trader's request. In return, the trader entered into the wash trades to reward Mr Farr for his perceived assistance. The brokerage Martins received as a result of the wash trades was not for any form of legitimate service and was unrelated to any proper purpose for which brokerage payments may be made. Mr Farr was aware that the wash trades were improper but arranged them in any event and proactively sought to conceal them in his dealings with traders.

Mr Farr's motivation for arranging the wash trades was profit and his own personal financial gain. As a consequence of the wash trades, Martins received unwarranted brokerage of £258,151.09. Mr Farr knew that this increased the bonus pool available to him and his colleagues on the JPY Desk.

The FCA commenced its investigation into Mr Farr in 2011. However, the FCA suspended its investigation due to the criminal investigation and ensuing prosecution of Mr Farr by the Serious Fraud Office for alleged conspiracy to defraud in relation to the Yen LIBOR rate submissions. Mr Farr was acquitted at the conclusion of the trial on 27 January 2016.

Notes to editors

1. [The Final Notice for Terry Farr](#)
2. [The Final Notice for Martins Brokers \(UK\) Ltd](#)
3. [The FCA has previously taken action against two individuals in this case David Caplin and Jeremy Kraft](#)

4. On 1 April 2013 the Financial Conduct Authority (FCA) became responsible for the conduct supervision of all regulated financial firms and the prudential supervision of those not supervised by the Prudential Regulation Authority (PRA).
 5. The FCA has an overarching strategic objective of ensuring the relevant markets function well. To support this, it has three operational objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the UK financial system; and to promote effective competition in the interests of consumers.
 6. Find out more information [about the FCA](#).
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