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Decision Document

Parliamentary Commissioner for Standards

Mr David Warburton MP

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Summary

Following a complaint from a member of the public, I opened a formal inquiry on 21 June 2022. In summary, my inquiry considered whether Mr Warburton had breached the Code of Conduct for Members (“the Code”) in the following ways:

- 5 a) By failing to register a loan provided by Castlebrook Associates Limited in August 2017 (paragraph 14);
- b) By undertaking paid advocacy on behalf of Mr Roman Joukovski when supplying a letter of reference to the Financial Conduct Authority (FCA) on 12 March 2021 (paragraph 12); and
- 10 c) By failing to declare the loan from Castlebrook Associates Limited in the letter of reference sent to the FCA (paragraph 14).

During my inquiry, I established that the loan had been provided to Mr Warburton by Mr Roman Joukovski in August 2017 through an intermediary company, Castlebrook Associates Limited (Seychelles). I also established that the loan was for
15 a personal matter and was not provided on a free or concessionary basis. My inquiry established that during the period that the loan was active (it was repaid in March 2022), Mr Warburton assisted Mr Joukovski in his dealings with the FCA. I determined that this assistance was provided in a personal capacity. I was also satisfied on the evidence that the loan had not influenced Mr Warburton's words or
20 actions as a Member.

Mr Warburton told me that he did not register the loan at the time because it was “...entirely unconnected with either my role as an MP or any parliamentary activities” and also told me “in no way did (the loan) ever influence my words or actions as a Member. Nor could it have done”.

25 After taking advice from the Registrar of Members' Financial Interests, I concluded that the loan should have been registered under Category 8 of the Register of Members' Financial Interests as a miscellaneous financial interest. I reached this conclusion because an onlooker might have reasonably thought that at the time the loan was provided it had the potential to influence Mr Warburton's words or actions
30 as a Member. I decided that the failure to register the loan amounted to a breach of paragraph 14 of the Code.

I also concluded that the loan should have been declared when Mr Warburton wrote to the FCA about Mr Joukovski on 12 March 2021. This is because an onlooker might reasonably have thought that the loan was either influencing the words in Mr
35 Warburton's reference or had influenced Mr Warburton's decision to write a

reference. I decided that the failure to declare the loan when writing to the FCA amounted to a further breach of paragraph 14 of the Code.

5 However, I decided that the letter of reference submitted by Mr Warburton did not amount to paid advocacy and was not a breach of paragraph 12 of the Code. This is because the letter sent by Mr Warburton did not suggest that the FCA should take any positive action in respect of Mr Joukovski, nor did it make any representations on Mr Joukovski's behalf. I was therefore satisfied that the letter was not seeking to confer "*a financial or material benefit*" on Mr Joukovski. I was also mindful that the letter was submitted substantially outside the six-month time limit set by the
10 House's paid advocacy rules.

After weighing several factors, I decided that the two breaches of paragraph 14 of the Code could be resolved using the rectification process under Standing Order No. 150. Mr Warburton agreed to rectify his breach of the rules, and wrote to me on 8 November 2022 accepting my decision, acknowledging and apologising for the
15 breach. As part of the rectification process, Mr Warburton also agreed to have the loan from Castlebrook Associates Limited belatedly added to the Register of Members' Financial Interests.

21 November 2022

Resolution letter: David Warburton MP

I wrote to you on 21 June 2022 to tell you that I had begun an inquiry into your allegation that Mr David Warburton MP had breached paragraphs 12 and 14 of the Code of Conduct for Members.

- 5 I have now concluded my inquiry. I found two breaches of paragraph 14 of the Code in relation to the registration and declaration of a loan provided by Castlebrook Associates Limited. I also concluded that Mr Warburton has not breached paragraph 12 of the Code. I have carefully considered the nature of the two breaches and the circumstances involved, and I have decided that this inquiry should be concluded
10 through the rectification procedure that is available to me under Standing Order No. 150.

- As part of the rectification process, Mr Warburton has acknowledged and apologised for his breach of the rules. He has also agreed that his entry in the Register of
15 Members' Financial Interests should be amended to show the loan from Castlebrook Associates Limited. The full rationale for my decision can be found in my letter to Mr Warburton, dated 3 November 2022 (item 11 in the written evidence pack), which you can access once the evidence pack has been published.

I will publish my decision and the written evidence pack shortly on my webpages and I will report the outcome to the Committee on Standards in due course.

- 20 Thank you for bringing this matter to my attention. I confirm that the matter is now closed.

21 November 2022

Written evidence

1. Email from the Complainant to the Commissioner, 19 April 2022

I am writing because I am concerned that David Warburton, MP for Somerton and Frome, has broken the Code of Conduct for Members of Parliament, and to ask you
5 to investigate.

Mr Warburton is reported to have used his parliamentary office to lobby a regulator on behalf of someone from whom he had received a £150,000 loan, which he never declared.

I therefore allege that Mr Warburton has broken paragraphs 12 and 14 of the Code,
10 which state, respectively:

"No Member shall act as a paid advocate in any proceeding of the House."

and

*"Members shall fulfil conscientiously the requirements of the House in
15 respect of the registration of interests in the Register of Members' Financial Interests. They shall always be open and frank in drawing attention to any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders."*

20 **Background**

On 9th April 2022, The Times reported that Mr Warburton took £150,000 from Roman Joukovski in the form of a loan in 2017, but did not register it in the Register of Members' Financial Interests. According to the report:

*"Joukovski agreed to provide a £150,000 loan from a family foundation
25 to help the MP to buy a £1.2 million former vicarage in the village of Oakhill, Somerset, which Warburton planned to operate as an Airbnb. The loan deal, at an interest rate of 8 per cent, was signed on August 22, 2017."*

That loan has never appeared on the Register.

30 On 10th April 2021, The Sunday Times published a letter from Mr Warburton to the Financial Conduct Authority (FCA), using parliamentary stationery and dated 12th March 2022. In the letter, which he describes as "a reference on behalf of Roman

Joukovski”, Mr Warburton writes: *“in my judgement he is extremely capable and an honest and straightforward person whom I trust.”* Nowhere in the letter does Mr Warburton declare the loan he received from Mr Joukovski.

5 The Sunday Times reported that, a month before receiving the loan, Mr Warburton *“produced detailed advice on how to reverse Joukovski’s status with the regulator”*. It also said:

10 *“To this day, it is unclear who repaid the loan or precisely why. Two sources insist it was repaid in March this year. A friend of Joukovski claimed it was settled at the end of 2019, but did not provide evidence supporting this assertion.”*

Paid advocacy

Mr Warburton was effectively being paid by Mr Joukovski in the form of a loan. His use of parliamentary stationery to advocate for Mr Joukovski to the FCA was therefore paid advocacy, which is clearly prohibited under paragraph 12 of the Code.

15 Chapter 3, paragraph 2 of the Guide to the Rules relating to the Conduct of Members states:

20 *“Taking payment in return for advocating a particular matter in the House is strictly forbidden. Members may not speak in the House, vote, or initiate parliamentary proceedings for payment in cash or kind. Nor may they make approaches to Ministers, other Members or public officials in return for such payment.”*

I allege that Mr Warburton broke that rule by approaching the FCA in return for payment from Mr Joukovski in the form of a loan.

25 In addition, Mr Warburton’s failure to register the loan or to declare it in his letter to the FCA are clear breaches of paragraph 14 of the Code.

Failure to register

If the loan was indeed effectively payment for Mr Warburton’s services, as I submit, then he was obliged to register it under Category 1 (Employment and earnings) in chapter 1 of the Guide.

30 If, however, you find – contrary to my submissions – that the loan did not count as earnings, Mr Warburton was still obliged to register it under Category 3 (Gifts, benefits and hospitality from UK sources), which under chapter 1, paragraph 23 of the Guide includes loans.

Failure to declare

Under chapter 2 of the Guide, Mr Warburton was also obliged to declare this interest when relevant *“in any communication, formal or informal, with those who are responsible for matters of public policy, public expenditure or the delivery of public services”* – including written communications with public officials (paragraph 7.e).
5 His letter to the FCA was clearly subject to that obligation.

In summary, I believe that David Warburton has committed three clear, serious breaches of the Code of Conduct for Members of Parliament:

1. Approaching public officials in return for payment, in breach of paragraph 12.
- 10 2. Failing to register an interest, in breach of paragraph 14.
3. Failing to declare an interest in written communication with public officials, in breach of paragraph 14.

I therefore request that you investigate these allegations, and examine Mr Warburton’s conduct to determine whether he has committed any further breaches
15 of the Code.

I look forward to hearing from you.

Enclosure 1, article in The Times by David Brown, 9 April 2022 (not reproduced here)

20 **Enclosure 2, article in The Sunday Times by Gabriel Pogrund, 10 April 2022 (not reproduced here)**

19 April 2022

2. Letter from the Commissioner to Mr David Warburton MP, 21 June 2022

Following receipt of an allegation I have received from [name redacted] about your compliance with paragraphs 12 and 14 of the House of Commons Code of Conduct for Members of Parliament (“the Code”), I have decided to open a formal inquiry. I
25 enclose a copy of [name redacted]'s submission and the media reporting that underpins his complaint.

The scope of my inquiry

My inquiry will focus on the allegation that you have acted in breach of paragraph 12 of the Code by undertaking paid advocacy on behalf of Mr Roman Joukovski when writing to the Financial Conduct Authority (FCA) on 12 March 2021.

5 I will also consider whether your registration on 13 April 2022 of a loan provided by Castlebrook Associates Limited in August 2017 amounts to a breach of paragraph 14 of the Code. I will also consider whether failing to declare that loan when writing to the FCA on 12 March 2021 amounts to a further breach of paragraph 14 of the Code.

The relevant rules of the House

10 The overarching rules are found in the Code. Paragraphs 12 and 14 of the Code states:

12. No Member shall act as a paid advocate in any proceeding of the House.

15 *14. Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Financial Interests. They shall always be open and frank in drawing attention to any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders.*

20 The Guide to the rules relating to the conduct of Members, which is appended to the Code, contains more detail about paid advocacy and the registration and declaration of interests. I have appended the relevant sections to this letter.

Next steps

25 I would welcome your comments on the allegation that your alleged actions have amounted to breaches of paragraphs 12 and 14 of the Code. Any other points you wish to make to help me with this inquiry would also be welcome. I would also be grateful for your answers to the following specific questions. Please can you provide any evidence to support your responses when you reply to this letter.

- 30 1. Please can you explain the nature of any relationship between Castlebrook Associates Limited and Mr Roman Joukovski.
2. Please can you confirm why the loan from Castlebrook Associates Limited was not registered within the 28-day deadline set by the House.

3. Please can you confirm when the discussions started with Castlebrook Associates Limited and/or Mr Joukovski about the provision of this loan. According to the Sunday Times article of 9 April 2022, discussions started in July 2017.
- 5 4. When was the loan repaid?
5. Please can you outline the circumstances that led to your letter of reference of 12 March 2021 for Mr Joukovski being submitted to the FCA? Please be clear who asked you to write the letter and if anyone provided you with the wording to use in your letter.
- 10 6. Did you consider declaring your loan from Castlebrook Associates Limited/Mr Joukovski when submitting your letter of reference of 12 March 2021 to the FCA? If you did consider making a declaration, please outline why you decided not to make a declaration.
- 15 7. Have you made any other representations to the FCA or any other public officials or any Ministers about Mr Joukovski or on his behalf? If you have, please provide me with a copy and outline the circumstances behind those representations.
- 20 8. According to the Sunday Times article of 9 April 2022, on 21 July 2017 you produced detailed guidance for Mr Joukovski to assist him with his dealings with the FCA. Please can you outline the circumstances that led to that advice being provided and also share with me a copy of that advice.

Important information

25 My inquiries are conducted in private. However, following the decision taken by the House on 21 April 2021, I will shortly publish on my webpages the fact that I am conducting an inquiry about your alleged breach of the Code of Conduct. If contacted, my office will not comment on any aspect of this specific inquiry to third parties. They will answer direct factual questions about the processes I follow, and the standards system more generally, but will not provide any comment or details about the particulars of this inquiry.

30 This letter and any subsequent correspondence between us in connection with this inquiry is protected by parliamentary privilege. It should be kept confidential until the outcome of my inquiry is published. The same requirement extends to [name redacted].

35 The Members' Services Team (MST) can support and signpost you and/or your staff to appropriate support services. You can contact them confidentially [content

redacted] for a range of issues, including support with handling the impact of media attention.

Procedure

5 I enclose a copy of the Commissioner's Information Note, which sets out the procedure for inquiries. Please note that this has not yet been updated to reflect the changes flowing from the decision of 21 April 2021.

10 While I do not, at this stage, know whether it will be necessary to interview you about this matter, it would be open to you to be accompanied at any such interview. I am, of course, very happy to meet with you at any stage if you would find that helpful.

I should say now, as a matter of courtesy, that I may seek the advice of the House authorities and others as part of this inquiry. If I do so, I will share that correspondence with you.

15 Information provided to me during the course of my inquiry will be retained, and disposed of, in accordance with the House of Commons' Authorised Records Disposal Policy.

Potential outcomes

20 Inquiries are generally concluded in one of three ways. If the evidence does not substantiate the allegation, it will not be upheld. If the evidence demonstrates a breach of the rules, I may, in circumstances defined by Standing Order No. 150, uphold the allegation and conclude the inquiry using the rectification procedure, without making a referral to the Committee on Standards. Where an allegation is not upheld or is rectified, the investigation material, including our correspondence, will be published on the Parliament website.

25 If I uphold the allegation, and it is either unsuitable for the rectification procedure, or you do not accept my decision, I must make a referral to the Committee on Standards. My memorandum to the Committee will be published as an appendix to the Committee's own Report.

30 Regardless of the outcome of my inquiry, I must emphasise that all the relevant evidence, including our correspondence, will be published when this inquiry is concluded. I routinely redact the personal data of third parties unless it is relevant to my decision(s). Please tell me if you provide sensitive material that you think I should redact. I will consider carefully any such request.

Action

I would be grateful to have your response to this letter as soon as possible and no later than 5 July 2022.

If you would prefer me to communicate with you by a different email address, please give the details when you reply to this letter.

5 [Content redacted]

Thank you for your cooperation with this matter.

Enclosure 1: Email from the complainant, 19 April 2022 - see item 1 above

Enclosure 2, Mr Warburton's letter to the Financial Conduct Authority, 12 March 2021

10 I am writing this reference on behalf of Roman Joukovski. I was introduced to him through a mutual friend some four years ago, since when I have met him on numerous occasions.

15 I know Roman both socially and also in relation to his business activities. Dealing with him during this period I have formed a positive view of Roman; in my judgement he is extremely capable and an honest and straightforward person whom I trust.

I am happy to provide any further information that might assist the FCA in its assessment of Roman.

21 June 2022

20 **3. Email from Mr David Warburton MP to the Commissioner, 24 August 2022**

1. Please can you explain the nature of any relationship between Castlebrook Associates Limited and Mr Roman Joukovski.

25 I'm afraid I have no knowledge of the relationship at all. Roman was the major shareholder in Dolfin, a financial services company, which owned or had many subsidiaries. He also, I believe, had various Trusts and other interests, including Castlebrook, which he chose to be the lender for the commercial mortgage deposit loan (details below).

2. Please can you confirm why the loan from Castlebrook Associates Limited was not registered within the 28-day deadline set by the House.

5 The loan was a commercial loan, provided by a company for a private mortgage deposit at non-preferential terms (8% interest rate, plus £3,000 arrangement fee, bank transfer fees and lender's costs) and entirely unconnected with either my role as an MP or any parliamentary activities. It is therefore, like any other commercial loan, not eligible for registration.

10 Earlier this year, when the member of my staff forwarded all related emails from my parliamentary inbox to the Sunday Times following my mention to her of the loan and Roman's name, the 'story' appeared in the papers (with a number of inaccuracies). I then contacted the registrar wondering whether perhaps I had misunderstood the guidelines. Having received them from him, I was again entirely satisfied that the loan should not be, or have been, registered.

Here is confirmation from Legal Counsel in August 2021 (on taking out the loan) that the loan was not related to my position as an MP:

Subject: Loan Agreement

15 *Date: 21 August 2017 at 12:27:45 BST*

Hi David

I am very well thank you and hope you are too.

Revised agreement

20 *I attach a slightly revised loan agreement with our changes shown in track. As you will see the majority of the changes are practical rather than substantive. The two substantive points worth mentioning in this email are:*

25 *MP's register of financial interests. We have included a warranty (at clause 10.2) confirming that the loan does not need to be disclosed on the register of MP's financial interests as it is not being made in connection with your role as MP.*

30 *Consumer credit regime. We have amended clause 3 to make it absolutely clear that this loan is to fall within the "business purposes exemption" to the consumer credit regime. In order for the loan to fall within that exemption, in addition to including appropriate wording in the loan agreement, you will need to sign the attached statement (which is in a form prescribed by the FCA).*

Next steps

If you are happy with our changes, please can you let me have your account details for inclusion in clause 9.1. I will then update the agreement and circulate a clean copy for execution by the parties.

[name redacted]

5 *Legal Counsel*

The loan was also from a source outside the UK so, should it need to be registered, I believe it ought to be registered under Category 5: Gifts and benefits from sources outside the UK. As you know, this relates to benefits which relate in any way to an MP's membership of the House or parliamentary or political activities, if provided
10 by a source outside the UK either free or at concessionary rates, including:... e) loans or credit arrangements.

As above, the loan was neither free nor at any concessionary rates and was not related to my parliamentary or political activities.

In addition, the code states:

15 *42. Members should not register under this category:*

*a) Benefits which could not reasonably be thought by others to be related to membership of the House or to the Member's parliamentary or political activities, for example purely personal gifts or benefits from partners or family members, or loans or mortgage arrangements on
20 commercial terms. However, both the possible motive of the giver and the use to which the gift is to be put should be considered. If there is any doubt, the benefit should be registered*

In terms of the possible motive of the giver and the use to which the gift was put, the giver was effectively Roman Joukovski himself. I first met him by happenstance
25 while I was with a friend of mine and acquaintance of Roman's - [name redacted] - in the Polo Bar of the Westbury Hotel in 2016. Subsequently, having got to know him a little more, I tried to help him in connection with his difficulties with the FCA. This was, again, entirely unrelated to anything to do with Parliament or my being an MP. It was related to my business experience prior to becoming an MP and my
30 experience in particular of dealing with the FCA and ability to help him build a Board of City professionals, some of whom had been non-executive directors of my business which I sold in 2008 - Pitch Entertainment Group. Roman had few, if any, contacts in the City or within the financial community.

I gave him a document outlining proposed action that could be taken to help Dolfin
35 based on my professional experience, but nothing came of it. At no time did I receive any payment or remuneration for either that initial proposal or the introduction I

made. Nor did I ever do, or have I ever done, any work of any kind for either Dolfin or Roman. And the proposal and introductions - of course - had nothing to do with parliamentary activities.

5 In the end, I did indeed manage to introduce him in March 2018 to [name redacted], who had previously chaired my business some 11 years before I became an MP and is my wife's uncle. [Name redacted], who was previously CEO of the Prudential, MD of Midland Bank and finance director of the BBC, then joined Mr Joukovski's Board to assist his business and I stepped away.

10 **3. Please can you confirm when the discussions started with Castlebrook Associates Limited and/or Mr Joukovski about the provision of this loan. According to the Sunday Times article of 9 April 2022, discussions started in July 2017.**

15 I believe I first mentioned my searching banks for a mortgage deposit loan to Roman in early August 2017 over dinner. On the 17th August he initiated my introduction to the legal team at Dolfin, who progressed the loan, which was agreed and began on commercial terms in late August.

4. When was the loan repaid?

Last instalment was fully repaid on the 9th March 2022.

20 **5. Please can you outline the circumstances that led to your letter of reference of 12 March 2021 for Mr Joukovski being submitted to the FCA? Please be clear who asked you to write the letter and if anyone provided you with the wording to use in your letter.**

25 During the two-and-a-half years following my mortgage loan with Castlebrook, I continued to see Roman socially (for drinks, dinners, his son's Bar Mitzvah, etc), though not in any capacity professionally. [Name redacted] had assembled a Board and he and Roman occasionally updated me on the company's efforts to clear up Roman's past dealings with the FCA while also restructuring his business.

30 On 25th Feb 2021, Roman mentioned to me that he had engaged a law firm to advise on the best course of action, and they had asked him to obtain personal references. Knowing Roman personally, though not in depth professionally, I was delighted to give him a personal reference, and [name redacted], Partner at Cameron McKenna Nabarro Olswang LLP, got in touch with a draft letter for me, which I altered slightly and submitted.

35 As I mentioned on the call with [the Commissioner], my only error in this whole episode was in using parliamentary paper for this reference, and I realise - and fully accept - that this was inappropriate. I certainly regret doing so, and certainly would

not make that mistake again. The reference was wholly a private personal reference on Roman's character.

5 **6. Did you consider declaring your loan from Castlebrook Associates Limited/Mr Joukovski when submitting your letter of reference of 12 March 2021 to the FCA? If you did consider making a declaration, please outline why you decided not to make a declaration.**

10 Absolutely not - my reference was completely unrelated in any way to the outstanding loan, and was a personal reference for a friend to the FCA - it was (as the loan itself was) in no way whatever related to parliament or any parliamentary work.

7. Have you made any other representations to the FCA or any other public officials or any Ministers about Mr Joukovski or on his behalf? If you have, please provide me with a copy and outline the circumstances behind those representations.

15 None whatever, either before or since.

8. According to the Sunday Times article of 9 April 2022, on 21 July 2017 you produced detailed guidance for Mr Joukovski to assist him with his dealings with the FCA. Please can you outline the circumstances that led to that advice being provided and also share with me a copy of that advice.

20 As I've described above, knowing Roman socially it was clear from conversation that he needed help to his business, and specifically in his past affairs with the FCA (or FSA, as it then was). I suggested that I may be able to help him as, prior to standing for parliament, my business life meant that I had several contacts and some experience which could be valuable to him.

25 Despite the size and complexity of his operations, his connections in the London business community were extremely limited, and I considered that he had mishandled his relationship with the City regulators. I wrote the attached (or it may possibly be below) proposal which I thought may provide the foundations for a business relationship. It is also signed by [name redacted] - the mutual acquaintance
30 who had first introduced me to Roman some years before.

In the event, although Roman seemed to appreciate the outline document, it was never used and went no further. Instead I introduced him to others in the business world who - in all honestly - were better placed to assist him.

Enclosure 1: Roman Joukovski - FCA Proposal, undated (not reproduced here)

24 August 2022

4. Letter from the Commissioner to Mr David Warburton MP, 26 August 2022

5 Thank you for your email of 24 August 2022 with your responses to my initial questions. Your reply is helpful and has enabled me to form a clearer picture of the issues involved in my inquiry. However, your response has also generated some further questions that I would be grateful if you could answer by **12 September 2022** please.

- 10 1. Why did you decide to accept the offer of a loan from Mr Joukovski rather than using a commercial or “high street” lender? Please could you share a copy of the final signed loan agreement with me (I will hold the agreement in confidence and will only publish, or summarise, those relevant details, if any, that are necessary to explain my final decision).
- 15 2. You have told me that emails from your parliamentary account about the loan were leaked to the Sunday Times. Please can you share with me:
 - 15 a) All the emails sent to or from your parliamentary account to Mr Joukovski, Castlebrook Associates Limited, and Dolfin that were about the loan.
 - b) All the emails sent to or from your parliamentary account to Mr Joukovski about his dealings with the Financial Conduct Authority.
 - 20 c) Any other emails related to the loan or Mr Joukovski’s dealings with the Financial Conduct Authority that you wish to share with me and which you think will assist my inquiry.
- 25 3. You have told me that earlier this year you contacted the Registrar of Members’ Financial Interests about the registration of the loan. Please can you share with me all the emails you exchanged with the Registrar.
- 25 4. You have told me that you do not think the loan from Mr Joukovski meets the criteria for registration. If that is the case, please could you outline why you emailed me on 13 April 2022 to register the loan?
- 30 5. You have also told me that if the loan does meet the criteria for registration, it would fall to be registered under Category 5 as being from a source outside the UK. Please can you outline why you consider the loan to have been provided from a source outside the UK.

Once I have your further response, I am likely to take my own advice from the Registrar of Members’ Financial Interests about the necessity of registering the loan from Mr Joukovski in the Register of Members’ Financial Interests. If I do contact

the Registrar for his advice, I will notify you of this step and subsequently share the advice with you for your comments.

Thank you for your continued co-operation with my inquiry.

26 August 2022

5 **5. Letter from the Commissioner to Mr David Warburton MP, 9 September 2022**

10 Following the announcement that has been made regarding the death of Her late Majesty Queen Elizabeth II, all Parliamentary Business is suspended. I am writing to inform you that I am suspending all investigations to observe this period of national mourning. I will not therefore expect a response to my letter of 26 August during this period and will contact you once I resume investigations with an updated deadline.

15 Her late Majesty's life was one of dedication and service and her loss will be felt profoundly by us all. I would like to take the opportunity to highlight that you can access wellbeing support via the Individual Assistance Programme (IAP). Provided by Health Assured, the IAP is an independent and confidential support service for MPs. The service is available 24 hours a day, 7 days a week, 365 days per year for emotional and practical support.

9 September 2022

20 **6. Email from Mr David Warburton MP to the Commissioner, 21 September 2022**

25 **1. Why did you decide to accept the offer of a loan from Mr Joukovski rather than using a commercial or "high street" lender? Please could you share a copy of the final signed loan agreement with me (I will hold the agreement in confidence and will only publish, or summarise, those relevant details, if any, that are necessary to explain my final decision).**

30 My wife and I had a property from which we wanted to move and then rent out before selling it. Our funds for the buy-to-let mortgage deposit fell short, but high street or commercial lenders don't provide unsecured loans for £150,000 (except possibly to the very wealthy). We tried bridging finance, but they all require a second charge over the property which the mortgage company (RBS) would not accept.

35 Talking socially to Roman about this, he said that he might be willing to provide the funds through a commercial loan from his business, as he was a good friend and I was stuck, it was on beneficial terms for his company, it was a small amount of

funding relative to his business, and we hoped to sell the house and clear the loan before its term (in the event, we couldn't as the house failed to sell).

Loan agreement attached here [see enclosure 1].

5 **2. You have told me that emails from your parliamentary account about the loan were leaked to the Sunday Times. Please can you share with me:**

a. All the emails sent to or from your parliamentary account to Mr Joukovski, Castlebrook Associates Limited, and Dolfin that were about the loan.

There were no emails sent to or from my parliamentary account relating in any way to the loan to Mr Joukovski, Castlebrook Associates Limited or Dolfin.

10 **b. All the emails sent to or from your parliamentary account to Mr Joukovski about his dealings with the Financial Conduct Authority.**

There were no emails sent to or from my parliamentary account relating in any way to the FCA matter to Mr Joukovski, Castlebrook Associates Limited or Dolfin.

15 **c. Any other emails that related to the loan or Mr Joukovski's dealings with the Financial Conduct Authority that you wish to share with me and which you think will assist my inquiry.**

20 The only email from my parliamentary account relating to either was one sent by me from my parliamentary email to my own personal home email account on the 28th Jan 2018 with no subject or content other than the draft FCA proposal attached. This was sent from my flat in London where I had been working on it - where I only had my parliamentary email - to my personal email in order to continue working on it at home.

25 **3. You have told me that earlier this year you contacted the Registrar of Members' Financial Interests about the registration of the loan. Please can you share with me all the emails you exchanged with the Registrar.**

[See enclosure 2]

4. You have told me that you do not think the loan from Mr Joukovski meets the criteria for registration. If that is the case, please could you outline why you emailed me on 13 April 2022 to register the loan?

30 When the media wrote extensively about me in April, describing the loan as being to a "dodgy" Russian, implying strongly that I had broken standards regulations and searching for any possible link between him and anyone in the public eye e.g. Prince

Harry - indeed anything which might colour me in the worst possible light, it was a very difficult time. [content redacted].

5 I was concerned that the press were right, and that my understanding of the registration guidelines back in 2018 may have been wrong. [Content redacted], I was not very clear thinking, and [content redacted] I was trying to tackle things.

I had meant to email the registrar of interests rather than you - my apologies - which is why my email is certainly far from as formal as it would have been to you! I was not operating entirely coherently... but attempting to put things right which, it transpired, I do not believe needed any attention.

10 **5. You have also told me that if the loan does meet the criteria for registration, it would fall to be registered under Category 5 as being from a source outside the UK. Please can you outline why you consider the loan to have been provided from a source outside the UK.**

15 The loan was from one of Roman's overseas businesses (for reasons best known to himself, as can be seen on the loan agreement): Castlebrook Associates Seychelles, Trident Chambers, PO Box 1388, Victoria, Mahe, Seychelles (Reg: 038250).

20 I'm not entirely sure whether that means it falls under Category 5, but I would think so. Assuming so, I understood that it should be registered if it relates "*in any way to my membership of the House or parliamentary or political activities, if provided by a source outside the UK either free or at concessionary rates, including... e)loans or credit arrangements*". It was not related in any way whatever to membership of the House or any parliamentary or political activity, and was not at free or concessionary rates. It related solely to my friendship with Roman. And the interest rate, redemption and arrangement fees were all extremely high.

25 If, given Roman's personal status as a UK citizen, it falls under a UK commercial loan - as described - I do not think it ought to be registered either, as a commercial mortgage deposit loan totally unrelated to parliament.

30 This is the conclusion I (and legal counsel) came to at the time, otherwise - I should emphasise - I would of course have registered it. I had absolutely no reason not to - which is why, given the press attention, I reconfirmed it early this year.

Enclosure 1: Copy of the loan agreement between Mr David Warburton MP and Mr Roman Joukovski (not reproduced here)

Enclosure 2: Emails between Mr David Warburton MP and the Registrar of Members' Financial Interests

35 a) **Email from Mr Warburton to the Commissioner, 13 April 2022**

With apologies for the extremely late addition - the reasons for which will no doubt become more clear in the coming weeks - please could you add the following to my register of interests?

Loan from Castlebrook Associates Limited

5 Date : 17/8/2017

Amount : £150,000

Loan is fully repaid

Do please let me know if you need more at this stage, and many thanks indeed.

b) From the Registrar to Mr Warburton, 14 April 2022

10 The Commissioner passed on your email to me as I am the Registrar of Members' Financial Interest.

15 In order to complete this registration we will need some more information. This will be either a category 2(b) or category 3 donation depending on whether the loan was in connection with your parliamentary activities. I have attached the relevant forms which set out what is required.

In addition to the information required on the form, you will need to supply the start and end date of the loan, whether the loan was provided at a preferential rate, and what the loan was used for.

When we have that information, we will draft an entry for your approval.

20 **c) From Mr Warburton to the Registrar, 19 April 2022**

25 I'm not quite sure how to register it, as each of these forms refer to a donation, but this wasn't any kind of donation, but an unsecured loan with interest from a company, not an individual, for a house deposit. And nothing to do with my work. Effectively it was like a mortgage - which is why I didn't register it at the time (as with other mortgage property loans). It is now fully repaid with interest, so no donation was made at any time.

Do let me know what you think, and thanks again for your help and guidance.

d) From Mr Warburton to the Registrar, 24 April 2022

5

Just wondering whether you had any thoughts on the below? To clarify, this was a non-preferential (8%) interest unsecured loan from a company for a mortgage deposit. So much like an overdraft, credit card, car loan or mortgage, I'm not sure how to register it (and assumed it was not necessary). It was fully repaid with the interest.

e) From the Registrar to Mr Warburton, 27 April 2022

From what you have explained, this would not need to be registered under Category 2. However, Category 3: Gifts, benefits and hospitality from UK sources require Members to register:

10

Any benefits which relate in any way to their membership of the House or political activities, if provided by a UK source either free or at concessionary rates, including:

a) event or travel tickets;

b) hospitality in the UK, including receptions, meals and accommodation;

15

c) gifts such as clothing or jewellery;

d) club subscriptions and memberships;

e) loans or credit arrangements;

f) discount cards.

Paragraph 25 of the Guide states that Members should not register:

20

(a) Benefits which could not reasonably be thought by others to be related to membership of the House or to the Member's parliamentary or political activities; for example, purely personal gifts or benefits from partners or family members. However, both the possible motive of the giver and the use to which the gift is to be put should be considered. If there is any doubt, the benefit should be registered;

25

If you believe that the offer of this loan could reasonably be thought to be related to your position as an MP or related to your parliamentary or political activities, then you should register it.

30

Should you decide to register this, we will require the following additional information (highlighted in green):

Name of donor: Loan from Castlebrook Associates Limited

Address of donor: _____

5 Amount of donation, or nature and value if donation in kind: £150,000 loan for a mortgage deposit, at a rate of 8% per [month/annum/other], from [date] to [date]

Date received: 27 June 2019 (start date of loan) – [end date of loan]

Date accepted: 27 June 2019 (start date of loan)

Donor status: company, registration _____

I hope this is helpful.

10 **f) From Mr Warburton to the Registrar, 3 May 2022**

15 Just to confirm, as the mortgage deposit loan was made to me entirely personally and without any connection whatever with my position as an MP or related to any parliamentary or political activities and it would be wholly unreasonable to think otherwise, it is clear that it ought not to be registered and should not have been registered at the time.

21 September 2022

7. Letter from the Commissioner to Mr David Warburton MP, 22 September 2022

Thank you for your email of 21 September 2022 and the accompanying attachments.

20 Your reply has prompted two final matters of clarification, which I would be grateful if you could address by **3 October 2022** please.

25 On 23 August 2022 you told me that *“Earlier this year...(a) member of my staff forwarded all related emails from my parliamentary inbox to the Sunday Times following my mention to her of the loan”*. Your choice of the word “emails” suggests the existence of more than one email on your parliamentary account that concerned the loan from Mr Joukovski.

The Sunday Times article of 9 April 2022 also allegedly quotes correspondence reportedly sent by you to Mr Joukovski. The article states that:

5 *In January 2018, Warburton wrote to Joukovski saying he was “conscious that things have been a little quiet” on the FCA front, but assuring him: “I have a meeting on Wednesday with the people who have been looking at your FCA position for me (on a redacted no names basis). I intend to then at last be able to pin things down in terms of timings.”*

And

10 *On 19 February 2018, Warburton told Joukovski that after a long delay he had finally got an update on the FCA status. Delivering would be “tough, but not necessarily impossible”. He said he would “obviously” need character references from some upstanding citizens, such as himself and [Name redacted]. “It is by no means certain, but definitely worth trying for,” he determined.*

However, on 21 September 2022 you told me that:

15 *There were no emails sent to or from my parliamentary account relating in any way to the loan to Mr Joukovski, Castlebrook Associates Limited or Dolfin.*

And

20 *There were no emails sent to or from my parliamentary account relating in any way to the FCA matter to Mr Joukovski, Castlebrook Associates Limited or Dolfin.*

25 You will understand that I am confused as to how your former member of staff forwarded emails from your parliamentary account about the loan to the Sunday Times if no such emails existed, and I am not clear how the Sunday Times could have obtained its quotes other than via the unauthorised disclosure of your parliamentary emails by your former member of staff. To assist my understanding, and to clear up these discrepancies, I would be grateful if you could please:

- 30
1. Confirm your final position as to the existence of any emails from or to your parliamentary account that relate in any way to the loan from Mr Joukovski. If such emails do exist, please share them with me.
 2. Confirm, if the quotes in the Sunday Times are accurate, whether the article is quoting from emails sent to or from your parliamentary account and, if so, share those emails with me and any other emails sent to or from your parliamentary account that concern Mr Joukovski’s dealings with the FCA.

I am keen to avoid misunderstandings and to ensure that my final decision is based on a full and accurate understanding of the facts, so please do share any other information or details with me that you think will assist my understanding of the correct position.

- 5 Once I have your response, I will be able to proceed to seek advice from the Registrar of Members' Financial Interests and to then bring my inquiry to a close.

Thank you for your continued cooperation with this matter.

22 September 2022

10 **8. Email from Mr David Warburton MP to the Commissioner, 26 September 2022**

1. Confirm your final position as to the existence of any emails from or to your parliamentary account that relate in any way to the loan from Mr Joukovski. If such emails do exist, please share them with me.

- 15 I can emphasise further that absolutely no emails were ever sent or received from my parliamentary account in any way either relating to my mortgage deposit loan or the FCA. In fact the only email ever sent to Roman (to which he did not reply) from my parliamentary account was an invitation sent to all potential donors to a performance of the National Youth Orchestra, as part of my (former, until this all began) role as chair of the APPG for Music and (also former) trusteeship of the NYO.

- 20 **2. Confirm, if the quotes in the Sunday Times are accurate, whether the article is quoting from emails sent to or from your parliamentary account and, if so, share those emails with me and any other emails sent to or from your parliamentary account that concern Mr Joukovski's dealings with the FCA.**

- 25 Yes, the quotes from the Sunday Times are accurate, but these are from personal emails sent to and from my own personal, home email (the one I am using now) - totally unrelated to parliament or its work in any way whatsoever.

To be completely transparent, I have attached copies of these emails, along with their entire threads below. As this is personal email correspondence and nothing to do with work, can I ask you please not to publish or pass these on to anyone?

- 30 To help further, I have also attached (again personal, so please do not share if I may ask?) correspondence relating to my mortgage deposit loan.

As you can see, neither of these have anything to do with parliament, my role as an MP, or anything else other than their private and personal content.

I can understand how they got to the Sunday Times journalist, though the Digital Services' investigation is still ongoing - [content redacted].

5 When a meeting, dinner, etc goes into my parliamentary diary, in the 'details' section I put (if I set it up) recent correspondence, attendees, notes, etc., so that I know what was last said and am up to speed, as I'm sure many do. My staff also do this for me when arranging events and meetings. It's probably unnecessary to give examples, but I've attached a couple of these - one from today and one from a dinner with Roman some years ago.

10 All details and notes in the diary for the other meetings with Roman in the diary are missing. They appear to have been removed, and I hope Digital Services will be able to firmly confirm.

15 In my previous answers I mentioned that all related emails have been leaked to the Sunday Times. This includes (transparently, as I did not share them) not only the above, but also emails relating as described before, to Jacob Rees-Mogg's office, my email to the Blockchain APPG secretariat, and more importantly a number of emails relating to [name redacted], the constituent who was my co-proposer in the draft FCA document which was sent through my email account to myself at home, as mentioned before. Emails from [name redacted] about his personal issues with
20 planning which were in my parliamentary account as part of day-to-day casework went to Private Eye and the Guardian, who investigated by contacting him (and found nothing of interest).

I must also emphasise that my proposal to Dolfin in the end came to nothing and I passed Roman on (as you can see in the email thread) to my wife's uncle [name redacted], who was much better placed to help such a business. [Name redacted] is
25 formerly CEO of the Prudential, MD of Midland Bank, Chair of the Britannia Building Society, FD of the BBC, etc., so has much more relevant experience. Again, this introduction has nothing to do with my work. And, as even the Sunday Times said, I received nothing in terms of remuneration of any kind.

30 I have also included (attached) a short thread from my last correspondence with Roman, after these allegations and their related claims were in the press. Again, may I ask whether these could be not published, etc? As you can see, he asked me whether I was content with details of the loan being passed on. He certainly did not pass on our private correspondence, which the press received by other means.

35 I can only say that, as when I first talked with the Commissioner about this, I believe that I am guilty of one error in this - writing the personal reference for my friend on parliamentary paper, for which I am sincerely sorry and certainly have never done before and will never repeat.

Do please let me know if there are any more questions - I could not be more keen to help clarify everything through this extremely strange time.

Enclosure 1: Extracts from Mr Warburton's diary (not reproduced here)

Enclosure 2 and 3: Personal correspondence between Mr Warburton and Mr Joukovski from Mr Warburton's private email address including the Sunday Times quotes referenced above (not reproduced here)

- 5 **Enclosure 4 and 5: Personal correspondence between Mr Warburton and legal counsel from Mr Warburton's private email address about the loan arrangements (not reproduced here)**

26 September 2022

10 **9. Letter from the Commissioner to the Registrar of Members' Financial Interests, 5 October 2022**

I would like to ask your advice on an inquiry I am conducting about Mr David Warburton MP. In summary, I am considering whether Mr Warburton has breached of paragraph 14 of the Code of Conduct for Members by failing to register a loan and then declare that loan when writing to the Financial Conduct Authority.

- 15 Please could I have your opinion on the issues below; it would be helpful to understand the factors you took into account when forming your opinion. I have attached the evidence gathered during my inquiry to assist your response.

- 20
- Should the loan received by Mr Warburton from Mr Roman Joukovski in August 2017 have been registered under either Category 3 or 5 of Chapter 1 of the Guide to the Rules relating to the Conduct of Members ("the Guide").
 - Alternatively, should the loan have been registered as a miscellaneous financial interest under Category 8 of Chapter 1 of the Guide.
 - Should the loan have been declared when Mr Warburton wrote to the
- 25 Financial Conduct Authority on 12 March 2021.

Please could I have your reply by 14 October 2022.

Thank you for your assistance.

Enclosure 1: Evidence obtained in the inquiry to date (not reproduced here)

5 October 2022

10. Letter from the Commissioner to Mr David Warburton MP, 5 October 2022

Thank you for your email of 26 September 2022, and for the information you provided.

- 5 In my letter to you of 22 September 2022, I said that I would seek the assistance of the Registrar of Members' Financial Interests. Today I have written to the Registrar and a copy of that letter is included for your information (minus the attachment shared with the Registrar, which is the correspondence we have exchanged during my inquiry).
- 10 Once I have received the Registrar's reply, I will write to you again regarding next steps. In the meantime, this matter remains protected by parliamentary privilege and should continue to be kept confidential.

Enclosure 1: Letter from the Commissioner to the Registrar of Members' Financial Interests, 5 October 2022 - see item 9 above

15 *5 October 2022*

11. Email from the Registrar of Members' Financial Interests to the Commissioner, 14 October 2022

- 20 Thank you for your letter of 5 October 2022, seeking information in relation to the investigation into Mr David Warburton. I have set out my answers to your questions below.

If you need any further advice, please do not hesitate to contact me.

1. Should the loan received by Mr Warburton from Mr Roman Joukovski in August 2017 have been registered under either Category 3 or 5 of Chapter 1 of the Guide to the Rules relating to the Conduct of Members ("the Guide").

- 25 Paragraph 23 (e) of the Guide to the Rules states that loans or credit arrangements should be registered under Category 3: Gifts, benefits and hospitality from UK sources, if the source is from the UK. Paragraph 40 of the Guide sets out similar requirements for registering under Category 5: Gifts and benefits from sources outside the UK, if the source is from outside of the UK.
- 30 Therefore, the category under which the loan to Mr Warburton could have been registered would depend on the source of the loan. If the loan came direct from Castlebrook Associates Limited, whose registered office is overseas, it would have been registered under Category 5. If the loan came from Mr Joukovski, it would be

registered under Category 3 as it appears from the evidence bundle that he is a British citizen.

Both categories include guidance on what Members should not register which is set out below:

5 *Paragraphs 25 (a):*

10 *Benefits which could not reasonably be thought by others to be related to membership of the House or to the Member's parliamentary or political activities; for example, purely personal gifts or benefits from partners or family members. However, both the possible motive of the giver and the use to which the gift is to be put should be considered. If there is any doubt, the benefit should be registered;*

Paragraph 42 (a):

15 *Benefits which could not reasonably be thought by others to be related to membership of the House or to the Member's parliamentary or political activities, for example purely personal gifts or benefits from partners or family members, or loans or mortgage arrangements on commercial terms. However, both the possible motive of the giver and the use to which the gift is to be put should be considered. If there is any doubt, the benefit should be registered;*

20 It would have been for Mr Warburton to come to a decision on whether the loan met the tests set out in either paragraph.

As you will have seen from the email exchanges between Mr Warburton and the Registry Office, Mr Warburton came to the decision that the loan was an entirely private matter and therefore did not register the loan.

25 **2. Alternatively, should the loan have been registered as a miscellaneous financial interest under Category 8 of Chapter 1 of the Guide.**

Members are required to register under Category 8:

30 *a) Any relevant financial interest or material benefit which does not clearly fall into one of the other categories, including any shareholding which falls below the relevant threshold, or any other financial asset, including an asset held in trust, if the Member nevertheless considers that it meets the test of relevance; in other words, that it might reasonably be thought by others to influence his or her actions or words as a Member; and*

5 *b) Any other interest, if the Member considers that it might reasonably be thought by others to influence his or her actions or words as a Member in the same way as a financial interest. This might include an unpaid employment or directorship, or directorship of a company not currently trading, non-practising membership of a profession, or a fund established to defray legal costs arising out of the Member's work, but from which no benefit has yet been received.*

10 It was open to Mr Warburton to register the loan under this Category, had he had come to the decision that the loan met the test of relevance set out in paragraph (a) above.

15 Had Mr Warburton explained the support and introductions he was offering Mr Joukovski when in receipt of the loan, we would have advised that even though he considered the loan a private matter, the connection between the loan and the support he was offering Mr Joukovski would, in our opinion, meet the test of relevance. Therefore, we would have advised that he register this loan under Category 8. That said, the decision to do so would remain with Mr Warburton.

3. Should the loan have been declared when Mr Warburton wrote to the Financial Conduct Authority on 12 March 2021

20 Paragraph 2 of Declarations of Members' Interests (Chapter 2 of the Guide) sets out the principles of declarations:

25 *The declaration of interests ensures that Members, the public and others are made aware at the appropriate time, in proceedings of the House and on other occasions, of any interest relevant to those proceedings or to the actions or words of a Member. The requirement to declare an interest complements the registration requirements and applies from the time the House first sits after the Member is elected and to almost every aspect of a Member's parliamentary duties. It covers a broader range of interests than registration.*

30 The requirement for declarations (set out in paragraph 4) cover a wide range of financial interests, including:

(a) past financial interests (normally limited to those active within the last twelve months);

35 *(c) expected future interests, if the Member's plans have moved beyond vague hopes and aspirations and reached the stage where the Member has a reasonable expectation that a financial benefit will accrue;*

(d) financial interests of a sort which do not require registration, including for example blind trusts, and interests which fall below the financial thresholds;

5 *(e) financial interests which require registration but have not yet appeared in the published Register;*

The guide goes on to explain when a Member must declare an interest. This includes:

e) When approaching others:

10 *Members must declare a relevant interest in any communication, formal or informal, with those who are responsible for matters of public policy, public expenditure or the delivery of public services. That includes communications with Ministers, either alone or as part of a delegation: with other Members; with public officials (including the staff of government departments or agencies and public office holders). If those communications are in writing, then the declaration should be*

15 *in writing too; otherwise it should be oral.*

Had Mr Warburton sought advice from the Registry Office, we would have explained to him the rules on declarations. In particular we would have highlighted that staff of the FCA were public officials and that the connection between Mr Joukovski and Castlebrook Associates Limited in relation to the loan could be considered a relevant

20 interest under the rules. Therefore, we would have advised Mr Warburton to make the necessary declaration at the beginning of the letter.

14 October 2022

12. Letter from the Commissioner to Mr David Warburton MP, 18 October 2022

25 In my letter of 5 October 2022, I explained that I would be seeking the advice of the Registrar of Members' Financial Interests. I have now received his advice and I enclose a copy for your response and comments, particularly in relation to the Registrar's advice about the possible registration of the loan from Mr Joukovski as a Category 8: Miscellaneous interest.

30 Please could you reply by **26 October 2022**. In the meantime, our correspondence remains protected by parliamentary privilege and I must ask that you continue to maintain the strict confidentiality of the inquiry.

Enclosure 1: Email from the Registrar of Members' Financial Interests to the Commissioner, 14 October 2022 - see item 11 above

18 October 2022

13. Email from Mr David Warburton MP to the Commissioner, 23 October 2022

5 I'm grateful to the Commissioner for looking at this, and would be grateful also if my thanks could be passed on to the Registrar for his work.

10 First, I must emphasise strongly that if the mortgage loan should have been registered, I would certainly have done so. There was literally no reason for me not to - no purpose in not doing so. Having read the guidelines and sought advice, it seemed clear - and still appears clear - that this private commercial debt had nothing to do with my work.

15 I must also say that I rather wish I had registered the loan, which would have avoided all this attention. But I hope it's transparent why I did not - I certainly did not expect anyone to be particularly interested in was simply a commercial loan at commercial rates from a financial company for a mortgage deposit for a house. As I said to the Registrar, just as a mortgage, a car loan or any other bank loan.

I'm very happy to respond to the points made in his advice:

1. Should the loan received by Mr Warburton from Mr Roman Joukovski in August 2017 have been registered under either Category 3 or 5 of Chapter 1 of the Guide to the Rules relating to the Conduct of Members ("the Guide").

20 I'm relieved that the Registrar both clarifies my view that, coming directly from an overseas company, it would have fallen under Category 5, and that it would have been for me to come to a decision whether to register the loan.

2. Alternatively, should the loan have been registered as a miscellaneous financial interest under Category 8 of Chapter 1 of the Guide.

25 Again, I'm relieved that the decision here should have been mine, and I hope that my reasons for believing it utterly irrelevant to my work are plain. In no way did it ever influence my words or actions as a Member. Nor could it have done. It was just a personal loan which I repaid.

30 I stress that I understand the recommendation that, even though it was a private matter, the Registrar would have advised that it seemed to meet the test of relevance. So, naturally, if in any doubt in the future I will certainly immediately seek advice and act accordingly. Nevertheless, I'm sure you will appreciate that I am again relieved that in this case the decision was mine to make, and I do hope my reasons at the time are both understandable and reasonable.

3. Should the loan have been declared when Mr Warburton wrote to the Financial Conduct Authority on 12 March 2021.

- 5 I must admit that I did not realise that writing to a body such as the FCA in a purely personal capacity unrelated to any parliamentary activity at all attracted anything in terms of the guide to Members' interests and it wouldn't have occurred to me to mention any financial link - however tenuous and however unrelated to a personal reference for a friend - in a private reference letter. Seeking guidance from the Registrar on the content of such a letter to a third party body also did not come to mind at all, and I obviously regret that this was the case.
- 10 I also recognise that such ignorance is not a justification, and I underline that - in any circumstance in the future - no matter how doubtful the connection or link to anything related to parliament, I will always get that advice. And follow it. And my sincere apologies again for what was a thoughtless use of parliamentary headed paper. This has also never happened before and certainly will never again.
- 15 Again, my thanks to all for their work on this - it has certainly been a testing and learning experience and I'm sorry to have brought all this to you.

23 October 2022

14. Letter from the Commissioner to Mr David Warburton MP, 3 November 2022

- 20 Thank you for your email of 23 October 2022 with your response to the earlier advice provided by the Registrar of Members' Financial Interests ("the Registrar"). Having considered the evidence carefully, I now have sufficient information to make a decision on the allegations that you breached:
- 25 a) Paragraph 14 of the Code of Conduct for Members ("the Code") by failing to register a loan provided by Castlebrook Associates Limited in August 2017;
- b) Paragraph 12 of the Code by undertaking paid advocacy on behalf of Mr Roman Joukovski when writing to the Financial Conduct Authority (FCA) on 12 March 2021; and
- 30 c) Paragraph 14 of the Code when failing to declare the loan from Castlebrook Associates Limited in your correspondence to the FCA on 12 March 2021.

My decision

I have considered our correspondence, the published rules, including those contained in the Guide to the Rules relating to the Conduct of Members (“the Guide”), advice from the Registrar, as well as your response to that advice. I have decided that the loan should have been both registered and declared, finding breaches of paragraph 14 of the Code and upholding allegations a) and c) above. I have also decided that your letter to the FCA did not amount to paid advocacy, finding no breach of paragraph 12 and not upholding allegation b) above. For the reasons outlined below, I do not intend to refer this matter to the Committee on Standards for consideration. Instead, I have decided to conclude this matter using the rectification process provided by Standing Order No. 150.

Background

You were first returned as a Member of Parliament at the May 2015 general election. In 2016 you were introduced to Roman Joukovski, a British citizen, by a mutual friend. In July 2017 you, and your mutual friend, produced a briefing document for Mr Joukovski to assist him with his ongoing dealings with the FCA. You signed that document in your capacity as a Member of Parliament. In August 2017 you mentioned to Mr Joukovski you were in the process of searching for a mortgage. Mr Joukovski offered to provide you with a loan as you were having difficulties in securing a mortgage from a high street lender. By the end of the month, a loan had been arranged for £150,000 through Castlebrook Associates Seychelles, a subsidiary chosen by Mr Joukovski as the provider of the loan. The loan agreement was signed in your capacity as Member of Parliament and contained a clause specifying that the loan need not be registered with the Parliamentary Commissioner for Standards. You have also told me that all the correspondence about the loan was managed through your personal email account.

In early 2018 you continued to assist Mr Joukovski in his dealings with the FCA, including introducing him to a family member who had previous business experience and other business contacts. You have told me that all your help for Mr Joukovski was coordinated through your personal email account and that this assistance had no connection with your parliamentary activities. You have also told me that in March 2018 you stepped away from assisting Mr Joukovski but have continued to see Mr Joukovski socially.

You also told me that you have not made any representations to the FCA (bar the letter referenced in the allegations) or any other public officials or any Ministers about Mr Joukovski. You also confirmed that you introduced Mr Joukovski to another Member of Parliament and also put him in touch with an APPG (but I am mindful that these actions are not unusual and could have been taken in respect of any constituent).

In February 2021, Mr Joukovski advised you that he had taken legal advice on how to resolve his outstanding issues with the FCA and that advice had recommended obtaining personal references. You agreed to be a personal referee and amended a

draft letter, before submitting a final version of the reference to the FCA on 12 March 2021 on your personal parliamentary stationery and signed in your capacity as Member of Parliament.

5 On 9 March 2022 you made the final repayment to Castlebrook Associates Seychelles and cleared the loan.

Rationale – Registration of the loan

10 You have told me that you did not register the loan at the time because it was “...entirely unconnected with either my role as an MP or any parliamentary activities”. You have also told me that you contacted my office on 13 April 2022 to register the loan purely as a response to media articles that contained information that had been leaked from your office. Once you obtained more information from the Registrar during April and May 2022, you reconfirmed to the Registrar on 3 May 2022 your intention not to register the loan, stating;

15 *“as the mortgage deposit loan was made to me entirely personally and without any connection whatever with my position as an MP or related to any parliamentary or political activities and it would be wholly unreasonable to think otherwise, it is clear that it ought not to be registered and should not have been registered at the time”*

20 In my view, there are three categories under which the loan could potentially have been registered. Firstly, it could have required registration under either category 3 or 5 of the Guide, both of which relate to gifts, benefits, and hospitality including loans. Category 3 is used to register such interests provided from a UK source and category 5 for interests provided by non-UK sources. Both categories contain the same requirements for registration, which is laid out at paragraphs 23 and 40
25 respectively:

“Under this category Members must register: Any benefits which relate in any way to their membership of the House or political activities, if provided...either free or at concessionary rates...”

30 It is my opinion that the loan cannot be said to have been provided either free or at a concessionary rate. The loan was provided on a non-preferential basis of 8% interest rate, plus a £3,000 arrangement fee, bank transfer fees and lender’s costs. The UK base interest rate was significantly lower than 8% in August 2017 and I think it likely that a commercial loan from a high street lender would have been provided on more attractive terms. As I am not satisfied that the loan was either free or
35 provided at a concessionary rate, it is my conclusion that the loan did not need to be registered under category 3 or 5.

Alternatively, the loan might have needed registering under category 8, which is the miscellaneous category. The requirements for registering a financial interest under this category are laid out at paragraph 55 a) of the Guide and are wide in nature:

5 *Any relevant financial interest or material benefit which does not*
clearly fall into one of the other categories, including any shareholding
which falls below the relevant threshold, or any other financial asset,
including an asset held in trust, if the Member nevertheless considers
that it meets the test of relevance; in other words, that it might
10 *reasonably be thought by others to influence his or her actions or*
words as a Member;

You have said about the loan:

In no way did it ever influence my words or actions as a Member. Nor
could it have done.

15 I accept that there is no evidence that the loan influenced your words or actions as
a Member. However, I disagree that the loan did not have the potential to influence
your words or actions. The loan was for a large sum of money, almost twice the
annual salary of a Member in 2017.¹ The loan was provided by someone whom you
had only known for a short period of time and had only met after becoming a
20 Member. The loan was also provided by someone who you knew was experiencing
ongoing issues with a UK financial regulator. You continued to assist that person
with their dealings with the regulator, albeit in a personal capacity. In my opinion,
an onlooker might have reasonably thought that the loan had the capacity to
influence your words or actions as a Member.

25 For these reasons, it is my opinion that the loan was a relevant financial interest that
should have been registered to satisfy the overall aim of transparency that
underpins the registration of outside financial interests. The failure to register the
loan amounts to a breach of paragraph 14 of the Code.

30 I note that the loan was provided through Castlebrook Associates Seychelles, and
not directly from Mr Joukovski, but this does not change my conclusion. It was Mr
Joukovski who decided to provide you with the loan and who authorised its
payment. The fact that a third-party subsidiary company was the mechanism for the
payment of the funds to you does not, in my view, change the ultimate provider of
the loan, which was Mr Joukovski, or the loan's capacity to influence your words or
actions as a Member.

35 **Rationale – Paid advocacy**

¹ <https://www.theipso.org.uk/mps-pay-and-pensions>

It was alleged by the complainant that the reference you supplied to the FCA on 12 March 2021 amounted to paid advocacy. The rules on paid advocacy are laid out at paragraph 8 of Chapter 3 of the Guide:

The rules place the following restrictions on Members:

5 a) *When initiating proceedings or approaches to Ministers, other Members or public officials. Subject to paragraph 10 below, Members must not engage in lobbying by initiating a proceeding or approach which seeks to confer, or would have the effect of conferring, any financial or material benefit on an identifiable person from whom or*
10 *an identifiable organisation from which they, or a family member, have received, are receiving, or expect to receive outside reward or consideration, or on a registrable client of such a person or organisation;*

15 b) *When participating in proceedings or approaches to Ministers, other Members or public officials. Members may lobby by participating in such proceedings or approaches which would confer a financial or material benefit on the identifiable person from whom or identifiable organisation from which they, or a family member, have received, are receiving or expect to receive outside reward or consideration (or on a*
20 *registrable client of such a person or organisation) provided that they have not initiated those proceedings or approaches and that their approach or participation does not seek to confer benefit exclusively on that person or organisation (or on their client) and provided that that person or organisation (or their client) has not initiated the event.*

25 Your letter of reference was written at Mr Joukovski's request. On that basis, I have concluded that you did not initiate an approach as defined by paragraph 8a, above, but instead participated in an approach as defined by paragraph 8b.

30 According to the FCA website,² the Authority is established to "regulate the conduct of 50,000 firms in the UK to ensure that our financial markets are honest, competitive and fair" and their remit is "set by the Government and Parliament". I am therefore satisfied that the FCA can be reasonably classed as public officials for the purposes of paragraph 8b; the full definition of "public officials" is provided at paragraph 17 of Chapter 3 of the Guide:

35 *all those who are responsible for matters of public policy, public expenditure or the delivery of public services. The term therefore*

² <https://www.fca.org.uk/>

includes all staff of government departments and agencies and public office holders

Under paragraph 8b you would have been free to have participated in the approach to the FCA without constraint, if the approach did not seek an exclusive benefit for Mr Joukovski and if Mr Joukovski had not initiated the approach. As neither of those criteria are met (as the letter of reference was solely about Mr Joukovski and was submitted at his request i.e. he initiated the approach), this means you were not allowed to participate in an approach that “*would confer a financial or material benefit*” on Mr Joukovski. In my view, a letter of personal reference that is merely factual in nature cannot be said to be an approach that necessarily seeks to “*confer a financial or material benefit*”. Your letter does not suggest that the FCA should take any positive action in respect of Mr Joukovski, nor does it make any representations on Mr Joukovski’s behalf. I am therefore not satisfied that your letter of reference can be fairly said to amount to paid advocacy and it is my conclusion that paragraph 8b has not been breached.

I am also mindful that paragraph 10 of Chapter 3 of the Guide places a time limit on the application of the paid advocacy rules:

The restrictions under the lobbying rules apply for six months after the reward or consideration was received. A Member can free him or herself immediately of any restrictions due to a past benefit by repaying the full value of any benefit received from the outside person or organisation in the preceding six month period.

Your letter of reference, or approach, was submitted to the FCA in March 2021. This is approximately 3.5 years after the loan, or outside reward or consideration, was provided by Mr Joukovski. In my opinion, the date the loan was provided, not its final date of repayment, is the correct date to use for assessing the six-month period referred to above. This is because, the alternative approach, i.e. using the final date of repayment as the start of the six-month restricted period, would be to change and extend the application of paragraph 10, which has been laid down by the House. In my view, your participation in the approach to the FCA therefore falls outside the application of the paid advocacy rules.

For these reasons, I have concluded that the paid advocacy rules and paragraph 12 of the Code have not been breached.

Rationale – Declaration of the loan

Paragraph 4 of Chapter 2 of the Guide sets out the requirements for the declaration of an interest:

Members are required, subject to the paragraphs below, to declare any financial interests which satisfy the test of relevance...

The test of relevance referred to above is outlined at paragraph 5 and states:

5 *The test of relevance is whether those interests might reasonably be thought by others to influence his or her actions or words as a Member.*

Interests do not always need to be declared by Members, but in my opinion your letter of reference of 12 March 2021 is captured under paragraph 7 of Chapter 2 of the Guide:

10 *Subject to paragraphs 1 to 6 of this chapter, Members must declare a relevant interest:*

e) When approaching others: Members must declare a relevant interest in any communication, formal or informal, with those who are responsible for matters of public policy, public expenditure or the delivery of public services.

15 This is because, and as I have already concluded above, I consider the FCA to be a body that is *“responsible for matters of public policy, public expenditure or the delivery of public services”*.

20 I agree with the Registrar that the declaration of the loan would have been appropriate because, although the loan was supplied through an intermediary company, an onlooker might reasonably have thought that the outstanding loan was influencing the words in your reference or, alternatively, was influencing your decision to submit a reference. This is because, although your personal relationship with Mr Joukovski was more established by the time of your reference, the loan remained outstanding and was for a large sum of the money. The FCA were entitled
25 to be aware of that financial interest so that they could appropriately assess and weigh your reference.

For this reason, the failure to declare the loan when writing to the FCA on 12 March 2021 amounts to a further breach of paragraph 14 of the Code.

Next Steps

30 Although the loan was for a large sum of money, and it was accepted several years ago, which means the Register has been incomplete for an extended period, I consider the use of the rectification process under Standing Order No. 150 to be appropriate. This is because:

- The loan was a one-off financial interest;
- There is no evidence that your entry in the Register of Members' Financial Interests is otherwise inaccurate or incomplete;
- 5 • There is no evidence to show that the loan did influence your words or actions as a Member and the evidence shows that you made reasonable efforts to keep your relationship with Mr Joukovski separate to your parliamentary activities;
- The evidence shows that your failure to declare the loan to the FCA was a one-off incident;
- 10 • There is no evidence that the missed declaration affected any FCA decision-making; and
- The failures to register and declare the loan were, in my opinion, inadvertent due to a misapplication of the rules of the House rather than a deliberate attempt to mislead.
- 15 To use the rectification process, the Committee would generally expect the Member to have acknowledged and apologised for their breach of the rules, and to have taken any steps necessary to rectify the breach. In cases concerning the registration of interests, the relevant entry in the current Register is amended to bold italic type and an appropriate explanatory note added. The amended entry then remains
- 20 on the Register for a period of one year.

If you are content for me to conclude the inquiry in this way, please write to me with the following by 14 November 2022:

- a) Confirmation you have accepted my decision;
- b) A clear acknowledgement that you have breached the rules;
- 25 c) An apology for both breaches; and
- d) Your agreement to have the loan belatedly added to the Register for a twelve-month period in the manner described above.

If you agree to my proposal, I will share my written evidence pack with you, so that you can check its factual accuracy before publication. I will also report the outcome

30 to the Committee on Standards in due course as a matter of routine. I will also ask the Registrar to update the Register accordingly.

If you do not accept my decision, you should tell me the reasons for that by reply. After which, I will prepare a memorandum to the Committee on Standards, so that they may consider the matter. I would give you the opportunity to see and comment on a draft of the memorandum, but the content would be for me alone.

- 5 In the meantime, our correspondence remains protected by parliamentary privilege, and I must ask that you continue to maintain the strict confidentiality of the inquiry.

3 November 2022

15. Email from Mr David Warburton MP to the Commissioner, 8 November 2022

- 10 My thanks for your letter of 3rd November in which you set out your decision on the loan I took out some years ago and its inclusion in the Register of Members' Interests.

I am grateful for your time and the thoroughness with which you have looked at this matter, and I can see both your reasoning and your application of the rules.

- 15 In the light of these, it would indeed be right for me to fully accept your decision, and I do so without reservation. And in so doing, I accept that not registering the loan under category 8, the miscellaneous category, of the Guide, as laid out in paragraph 55(a) was a breach of the Code. And further I accept that, when writing to the FCA on 12th March 2021, I ought to have drawn attention to the loan as described in
20 paragraph 7 of Chapter 2 of the Guide, and not doing so therefore breached the Code.

I apologise - again without reservation - for these breaches which, however inadvertent, do amount to material breaches of the Code to which Members must adhere. And I of course am very happy to have the loan belatedly added to the Register in the manner you describe.

- 25 *8 November 2022*