

Neutral Citation: [2026] UKUT 00452 (TCC)

Case Number: UT/2025/000116
UT/2026/000049

UPPER TRIBUNAL
TAX AND CHANCERY CHAMBER

Video Hearing

Financial Services – procedure – jurisdiction of the Tribunal in relation to a final notice – application to reinstate a reference following strike out

Heard on: 11 September 2026
Judgment date: 20 November 2026

Before

JUDGE JONATHAN CANNAN

Between

TAJ EXCHANGE LIMITED

Applicant

and

THE FINANCIAL CONDUCT AUTHORITY

Respondent

Representation:

For the Applicant: Amir Salehi, director of the Applicant

For the Respondent: Nicola Timmins of counsel, instructed by the Financial Conduct Authority

DECISION

INTRODUCTION

1. Taj Exchange Limited ("the Applicant") was registered by the Financial Conduct Authority ("the Authority") as a small payment institution ("an SPI"), providing money remittance services pursuant to the Payment Services Regulations 2017 ("the PSRs"). It was registered with effect from 12 May 2020. One of the conditions for registration as an SPI is registration by HM Revenue & Customs ("HMRC") pursuant to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("the Money Laundering Regulations"). In fact, the Applicant has never been registered by HMRC pursuant to the Money Laundering Regulations.

2. The Authority issued a warning notice to the Applicant on 29 August 2005 informing the Applicant that it proposed to cancel the Applicant's registration as an SPI. Two reasons were given:

(1) The Applicant had never been registered with HMRC pursuant to the Money Laundering Regulations, and

(2) The Applicant had failed to notify the Authority of a significant change in circumstances, namely that its applications to HMRC for registration had been refused.

3. The Applicant made written representations in response to the warning notice. On 26 September 2025 the Authority issued a decision notice informing the Applicant of its decision to cancel the registration as an SPI. The Applicant referred that decision to the Upper Tribunal on 23 October 2025 ("the Original Reference") and the reference was allocated case number UT/2025/000116.

4. In the circumstances set out below, the Original Reference was struck out on 3 March 2026 for non-compliance with an unless order. Notification of the strike out was sent to the Applicant's representative, a firm of chartered accountants called Matplus, on 9 March 2026. Rule 8(5) and (6) of the Upper Tribunal Rules make provision for an application to reinstate a reference which has been struck out. An application must be made within one month of an applicant being notified that the reference has been struck out. No application for reinstatement was made by 9 April 2026.

5. The Authority then issued a final notice on 16 April 2026 cancelling the Applicant's registration as a SPI.

6. The Applicant, through newly appointed solicitors, Five Pillars Law Limited, then engaged with the Tribunal as follows:

(1) On 26 April 2026 it lodged a new reference challenging the Authority's final notice ("the New Reference") which was allocated case number UT/2026/000049.

(2) On 28 April 2026, it made an application for reinstatement of the Original Reference which incorporated an application for relief from sanctions ("the Reinstatement Application"), together with an application to extend time for that application.

7. The Authority has subsequently challenged the jurisdiction of the Tribunal to entertain the New Reference on the basis that there is no statutory provision which provides for a person to challenge a final notice before the Tribunal. The Authority objects to the application to extend time for the Reinstatement Application and to the Reinstatement Application itself.

8. I am concerned therefore with two matters:

(1) Whether there is jurisdiction for the Tribunal to entertain the New Reference, and

(2) Whether to extend time for the Applicant to make the Reinstatement Application and if so whether to reinstate the Original Reference.

9. The Applicant relies on two witness statements from Mr Amir Salehi in connection with these matters. Mr Salehi is the sole director and shareholder of the Applicant. The Authority relies on a witness statement from Sophie Jarratt, a technical specialist in its Enforcement Legal Group. I have taken their evidence into account, together with the written and oral submissions received from both parties.

JURISDICTION IN RELATION TO THE NEW REFERENCE

10. Regulation 10(1) of the PSRs provides that the Authority can cancel the authorisation of a payment institution in certain circumstances. It applies to SPIs by virtue of regulation 15 as if references to authorisation were to registration The circumstances include regulation 10(1)(e) where that person no longer meets certain conditions for registration. The relevant condition for present purposes is the requirement in regulation 14 to be registered by HMRC pursuant to the Money Laundering Regulations.

11. It is common ground that the Applicant has not been registered by HMRC and therefore it does not meet one of the conditions for registration as a SPI. The Applicant has applied to HMRC for registration on five occasions between 2019 and 2025 and has been refused registration on each occasion. On four occasions the refusal was because it failed to respond with required information. On one occasion in December 2025 it was because HMRC considered that the Mr Salehi and the Applicant were not fit and proper persons to be registered. The Applicant made a sixth application to HMRC for registration on 6 February 2026 and I understand that application remains outstanding.

12. The Authority can also cancel a registration where a person fails to inform the Authority of a major change in circumstances which is relevant to meeting the conditions. It is the Authority's case, which is not disputed, that the Applicant failed to inform the Authority that HMRC had refused registration under the Money Laundering Regulations.

13. Regulation 10 of the PSRs also makes procedural provisions where the Authority seeks to cancel a person's registration as a SPI:

> 10(2) Where the FCA proposes to cancel a person's authorisation, other than at the person's request, it must give the person a warning notice.
>
> (3) The FCA must, having considered any representations made in response to the warning notice—
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> (a) if it decides to cancel the authorisation, give the person a decision notice; or
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> (b) if it decides not to cancel the authorisation, give the person notice of its decision.
>
> (4) If the FCA decides to cancel the authorisation, other than at the person's request, the person may refer the matter to the Upper Tribunal.
>
> (5) Where the period for a reference to the Upper Tribunal has expired without a reference being made, the FCA must as soon as practicable update the register accordingly.

14. There is no reference here to a final notice. However, the provisions of Part 26 (notices) of the Financial Services and Markets Act 2000 ("FSMA") are incorporated into the PSRs by Paragraph 10 Schedule 6 of the PSRs.

15. Section 388 FSMA sets out what a decision notice must contain. It includes by virtue of section 388(1)(e) an indication of the right to refer the decision notice to the Upper Tribunal.

16. Section 390 FSMA makes provision for final notices as follows:

> **390 Final notices**
>
> (1) If a regulator has given a person a decision notice and the matter was not referred to the Tribunal within the time required by Tribunal Procedure Rules, the regulator must, on taking the action to which the decision notice relates, give the person concerned and any person to whom the decision notice was copied a final notice.
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> (2) If a regulator has given a person a decision notice and the matter was referred to the Tribunal, the regulator must, on taking action in accordance with any directions given by –
>
> (a) the Tribunal, or
>
> (b) a court on an appeal against the decision of the Tribunal,
>
> give that person and any person to whom the decision notice was copied the notice required by subsection (2A) .
>
> (2A) The notice required by this subsection is —
>
> (a) in a case where the regulator is acting in accordance with a direction given by the Tribunal under section 133(6)(b), or by the court on an appeal from a decision by the Tribunal under section 133(6), a further decision notice, and
>
> (b) in any other case, a final notice.

17. Section 390(2) makes provision for circumstances where a reference is made to the Tribunal. Where the Authority takes action in accordance with any directions given by the Tribunal it must give the notice required by sub-section (2A). In this case, the Tribunal directed on striking out the Original Reference that "the Authority's decision will take effect". It is clear that the Authority was therefore required to take the action referred to in the decision notice and issue a final notice. In the circumstances of this case, section 390(7) provides that the final notice must give details of the action being taken and state the date on which the action is to be taken.

18. There is no requirement in section 390 for a final notice to include any indication that there is a right to refer the final notice to the Tribunal. The conclusion of the Upper Tribunal in *Banque Havilland SA v Financial Conduct Authority* [2023] UKUT 00136 (TCC) at [57] was that there is no right to refer a final notice to the Tribunal:

> 57. Under FSMA, there are numerous provisions giving the Tribunal jurisdiction in relation to specified decisions made by the Authority. However, what is contained in the relevant provisions of FSMA is exhaustive of the Tribunal's jurisdiction in relation to decisions made by the Authority under the powers given to the Authority in that statute. In many cases FSMA gives the Tribunal jurisdiction over challenges to decisions made by the Authority and contained in Decision Notices. No jurisdiction is given in relation to matters contained in Final Notices or, most importantly, as to whether a Final Notice has been lawfully issued. The Tribunal has no general judicial review function. There are limited rights to commence judicial review proceedings in the Tribunal and to deal with judicial review applications which are transferred to it by the Administrative Court, but none of those powers relate to the lawfulness or otherwise of the issue of Final Notices.

19. The same conclusion was reached by the Upper Tribunal in the context of a purported reference by a third party seeking to challenge a final notice cancelling the registration of a SPI in *KiakiaFx Limited v Financial Conduct Authority* [2026] UKUT 000099 (TCC) at [38] – [40].

20. The New Reference purports to make a reference in relation to the Authority's final notice. For the reasons just given, I am satisfied that the Upper Tribunal does not have jurisdiction to entertain the New Reference.

21. The Applicant appeared in person at the hearing, through its sole director Mr Salehi. It had instructed solicitors until shortly before the hearing of the present applications. Those solicitors served written submissions on behalf of the Applicant which acknowledged the force of the Authority's submission that there was no jurisdiction in relation to the New Reference. However, it was suggested that whilst there was no jurisdiction over the New Reference as a "free-standing matter", if the Original Reference is reinstated it would be open to the Tribunal to consider how that affects the final notice.

22. I do not consider that reinstatement of the Original Reference would affect the final notice which has been issued by the Authority. The provisions in FSMA are carefully structured to provide a procedure for persons to challenge decisions of the Authority. The Authority is required to give a relevant person a warning notice, following which they can make representations to the Authority. If the Authority then gives a decision notice, the notice can be challenged hy way of reference to the Tribunal. In the absence of a challenge, the Authority is required to give a final notice. Where there is a challenge, but that challenge is withdrawn, struck out or determined by the Tribunal, I am satisfied that the Authority is required to issue a final notice in accordance with any directions given by the Tribunal. There are no rights to refer a final notice to the Tribunal precisely because it is final.

23. I do not doubt that if a final notice is issued in error for some reason, then the Authority could cancel the notice even though there may be no statutory provision enabling it to do so. If it refused to do so, then such a decision may be amenable to judicial review. Similarly, if there were some other public law reason to challenge a final notice. However, this Tribunal would not have jurisdiction in relation to such a challenge (see the observations of Judge Herrington in *Banque Havilland* at [56]). In any event, I cannot see that the Authority's decision to issue a final notice in the present case would be susceptible to such a challenge.

24. In the circumstances, I am required by Rule 8(2)(a) of the Upper Tribunal Rules to strike out the New Reference because the Tribunal does not have jurisdiction to entertain that reference.

REINSTATEMENT APPLICATION

25. The Original Reference was struck out following breach of an unless order. The circumstances leading up to that breach are set out in the following paragraphs.

26. The Original Reference was lodged with the Tribunal on 23 October 2025. The reference gave an email address for the Applicant which I shall describe as "amir_blue" and an email address for the Applicant's representative which I shall describe as "matplus.co.uk". The effect of Rule 13 of the Upper Tribunal Rules is that the Tribunal was entitled to use matplus.co.uk as the address to send documents to the Applicant.

27. The Authority served its Statement of Case on 4 December 2025 and it was copied to matplus.co.uk. Subsequent correspondence shows that this was received by Matplus.

28. The Tribunal emailed the parties on 5 December 2025 stating that the Applicant's reply was required by 9 January 2026. This was sent to matplus.co.uk.

29. The Applicant failed to serve its reply by 9 January 2026.

30. The Tribunal emailed matplus.co.uk on 12 January 2026 tasking for urgent confirmation of when it would receive a response to the Statement of Case and the reasons for the delay. The email also stated that if no response was received the matter would be referred to a judge for

directions. On 13 January 2026 the Tribunal emailed both parties stating that if there was no response by 16 January 2026 the matter would be referred to a Judge.

31. The Applicant failed to provide its reply or any response by 16 January 2026.

32. On 26 January 2026 the Tribunal emailed the parties with directions which required the Applicant to confirm to the Tribunal on or before 10 February 2026 that it intended to pursue the Original Reference. By the same date it was required to send to the Tribunal its reply and list of documents. This email was sent to matplus.co.uk.

33. The Applicant failed to comply with those directions or to provide any other response to the Tribunal. The Tribunal therefore made an unless direction on 17 February 2026 as follows:

> IT IS DIRECTED that UNLESS the Applicant:
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> 1. Confirms to the Tribunal on or before 3 March 2026 that it intends to pursue this reference,
>
> AND
>
> 2. Sends to the Tribunal on or before 3 March 2026 its reply to the Authority's statement of case and its list of the documents on which it intends to reply in this reference,
>
> then this reference will be STRUCK OUT automatically without further reference to the parties and the Authority's decision will take effect.

34. It appears that the Tribunal also copied this direction to Mr Salehi at amir_blue, although there is some doubt as to whether it was received. I make no finding in that regard.

35. The Applicant failed to comply with the unless direction with the result that the Original Reference was automatically struck out on 3 March 2026. Notification of the strike out was sent by email to matplus.co.uk and amir_blue on 9 March 2026. The notification indicated the possibility of an application to reinstate the Original Reference and explained that any such application had to be made within one month. The Tribunal also sent this notification by post to the Applicant's registered office which by that time was on Kensington High Street.

36. No application for reinstatement was made by 9 April 2026. On 16 April 2026 the Authority issued its final notice cancelling the Applicant's registration as a SPI. This was sent by email to amir_blue and matplus.co.uk, and by post to an address at Holland Street W8 which was the last known address that the Applicant had notified to the Authority.

37. As previously indicated, the Applicant then instructed solicitors and lodged the New Reference and the Reinstatement Application on 26 and 28 April 2026 respectively.

The Applicant's case

38. The Applicant's case is that Mr Salehi was unaware of any requirement for the Applicant to file a reply or list of documents, and unaware of any of the correspondence in connection with the Original Reference, until he received the final notice by email at amir_blue. On receipt of the final notice he immediately contacted the Authority, instructed Five Pillars Law, lodged the New Reference and made the Reinstatement Application. He says that he has not deliberately failed to comply with any time limit or direction of the Tribunal.

39. Mr Salehi made a witness statement in support of the Reinstatement Application. On the basis of that witness statement and other evidence before me, I am satisfied of the following facts:

> (1) Mr Salehi is a disabled individual. He is a full time wheelchair user who suffers from chronic pain and chronic fatigue. His working hours are materially reduced by reason of his condition and the side effects of his medication. He cannot attend in-person meetings or appointments without assistance. Whilst there is no medical evidence to this

effect, I am prepared to accept Mr Salehi's description of his disability and the effect it has on his capacity to work.

(2) Mr Salehi has invested significant capital and time in building an infrastructure for the Applicant's business, including software and technical development. The evidence before me as to whether the Applicant has in fact commenced trading is inconsistent. The Applicant made annual returns to the Authority in 2020 to 2021 which indicated that it did have income in those years. However, Mr Salehi seems to suggest that this was an error on the part of Matplus and in 2024 the Applicant gave an undertaking to the Authority that it would not carry on business and would place a statement on its website informing customers that it had ceased providing payment services. There is evidence before me that the Applicant has breached those undertakings, at least in relation to the placing of a statement on the website. However, these issues do not go to the heart of these applications and it is not necessary for me to make any findings in this regard.

(3) Mr Salehi is an Iranian national and his elderly parents reside in Tehran. Since the armed conflict which commenced on 28 February 2026 he has been unable to make any meaningful contact with his parents. I am prepared to accept that this has had a profound effect on Mr Salehi and it has caused him worry, sleeplessness and distress since the beginning of March 2026.

(4) Prior to 2026, the Applicant had made five applications to HMRC for registration under the Money Laundering Regulations: on 6 November 2019 (refused on 22 October 2020); on 3 December 2020 (refused on 10 June 2021); on 14 December 2023 (refused on 1 May 2024); on 1 November 2024 (refused on 22 May 2025); and on 8 September 2025 (refused on 23 December 2025).

(5) Mr Salehi instructed Matplus to act on behalf of the Applicant in December 2023. They made three of those applications to HMRC for registration on behalf of the Applicant.

(6) In early 2026, the applicant engaged Calyx Solutions who are a specialist regulatory consultancy. On 6th February 2026, Calyx made a further application to HMRC for registration. As far as I am aware, that application remains outstanding.

40. Mr Salehi says that by reason of his disability he is reliant on third parties for the conduct of administrative and regulatory matters on behalf of the Applicant. It is not clear to me how Mr Salehi might be in a position to fulfil his duties as a director of the Applicant, which cannot be delegated, and yet not be in a position to oversee the administrative and regulatory conduct of the Applicant. However, for present purposes I am prepared to accept that he requires additional time and the assistance of others to engage properly with those matters. I am not prepared to accept on the evidence before me that Mr Salehi is not in a position to detect and remedy the failures of those he engages to assist him.

41. Issues have been raised as to whether Mr Salehi in fact had direct access to the matplus.co.uk email account. It is not necessary for me to determine that factual issue. What is clear is that Mr Salehi did have access at all material times to the amir_blue account, which was his personal email account.

42. Mr Salehi asserts that Matplus has been negligent in its handling of the Applicant's regulatory affairs. In particular, it is said that:

(1) It failed to keep him informed of applications made to HMRC for registration of the Applicant. It did not advise him of the information which HMRC had requested.

(2) It failed to advise Mr Salehi that the Applicant was required to notify the Authority on each occasion that HMRC refused to register the Applicant.

(3) It failed to advise Mr Salehi about any of the communications from the Tribunal after the Original Reference was filed or that directions had been issued by the Tribunal. He first became aware that the Original Reference had been struck out when he received the final notice on 16 April 2026.

(4) It failed to notify changes to the address of the Applicant's registered office and its principal place of business to the Authority.

(5) The fifth application to HMRC on behalf of the Applicant in September 2025 was submitted without the express authorisation of Mr Salehi. Mr Salehi was not advised of the answers given on the application form, the basis on which HMRC refused the application in December 2025 or that he was required to notify the Authority of the refusal.

43. Mr Salehi says that Matplus specifically advised him that the Applicant's registration status with HMRC was in order and that it was legally permitted to commence and continue trading. I make no finding in that regard, or as to the other criticisms levelled at Matplus. The Applicant has not adduced documentary evidence as to its contact and dealings with Matplus. Nor has it adduced any evidence from Matplus as to its contact and dealings with the Applicant. In the circumstances, nothing in this decision should be taken as a criticism by the Tribunal of the conduct of Matplus.

Approach to the Reinstatement Application

44. The Reinstatement Application is out of time. The question of whether time should be extended for the Reinstatement Application overlaps to a significant extent with the question of whether the Applicant should have relief from the sanction of striking out the Original Reference. It seems to me that the application to extend time for the Reinstatement Application and the Reinstatement Application itself stand or fall together. In each case, the Applicant relies on Mr Salehi's disability, the situation in Iran and the alleged negligence of Matplus.

45. In each case, the correct approach derives from the Upper Tribunal decision in *Martland v HM Revenue and Customs* [2018] UKUT 0178 (TCC) which was endorsed by the Court of Appeal in *HM Revenue and Customs* v *Medpro Healthcare Ltd* [2026] EWCA Civ 14. In *Martland*, the Upper Tribunal described the approach at [43] – [46] in the context of the FTT considering whether to grant permission for a late appeal:

> 44. When the FTT is considering applications for permission to appeal out of time, therefore, it must be remembered that the starting point is that permission should not be granted unless the FTT is satisfied on balance that it should be. In considering that question, we consider the FTT can usefully follow the three-stage process set out in Denton:
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> > (1) Establish the length of the delay. If it was very short (which would, in the absence of unusual circumstances, equate to the breach being "neither serious nor significant"), then the FTT "is unlikely to need to spend much time on the second and third stages" – though this should not be taken to mean that applications can be granted for very short delays without even moving on to a consideration of those stages.
> >
> > (2) The reason (or reasons) why the default occurred should be established.
> >
> > (3) The FTT can then move onto its evaluation of "all the circumstances of the case". This will involve a balancing exercise which will essentially assess the merits of the reason(s) given for the delay and the prejudice which would be caused to both parties by granting or refusing permission.

> 45. That balancing exercise should take into account the particular importance of the need for litigation to be conducted efficiently and at proportionate cost, and for statutory time limits to be respected. By approaching matters in this way, it can readily be seen that, to the extent they are relevant in the circumstances of the particular case, all the factors raised in Aberdeen and Data Select will be covered, without the need to refer back explicitly to those cases and attempt to structure the FTT's deliberations artificially by reference to those factors. The FTT's role is to exercise judicial discretion taking account of all relevant factors, not to follow a checklist.
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> 46. In doing so, the FTT can have regard to any obvious strength or weakness of the applicant's case; this goes to the question of prejudice – there is obviously much greater prejudice for an applicant to lose the opportunity of putting forward a really strong case than a very weak one. It is important however that this should not descend into a detailed analysis of the underlying merits of the appeal.

46. In *HM Revenue & Customs v Katib* [2019] UKUT 189 (TCC) the Upper Tribunal also considered whether default by a representative can afford a good reason for a failure to comply with procedural rules. It stated at [54]:

> 54. It is precisely because of the importance of complying with statutory time limits that, when considering applications for permission to make a late appeal, failures by a litigant's adviser should generally be treated as failures by the litigant. In Hytec Information Systems v Coventry City Council [1997] 1 WLR 666, when considering the analogous question of whether a litigant's case should be struck out for breach of an "unless" order that was said to be the fault of counsel rather than the litigant itself, Ward LJ said, at 1675:
>
> > Ordinarily this court should not distinguish between the litigant himself and his advisers. There are good reasons why the court should not: firstly, if anyone is to suffer for the failure of the solicitor it is better that it be the client than another party to the litigation; secondly, the disgruntled client may in appropriate cases have his remedies in damages or in respect of the wasted costs; thirdly, it seems to me that it would become a charter for the incompetent (as Mr MacGregor eloquently put it) were this court to allow almost impossible investigations in apportioning blame between solicitor and counsel on the one hand, or between themselves and their client on the other. The basis of the rule is that orders of the court must be observed and the court is entitled to expect that its officers and counsel who appear before it are more observant of that duty even than the litigant himself. [emphasis added]

47. This approach is consistent with the Court of Appeal in *BPP Holdings Limited v HM Revenue and Customs* [2016] EWCA Civ 121 where at [39] the Senior President of Tribunals emphasised that a represented party is expected to comply with rules and orders in the same way as a litigant in person.

48. In *Medpro*, the taxpayer had argued before the Upper Tribunal that the general rule identified in *Katib* in relation to failures by an adviser was wrong in law and was an improper constraint on the discretion of the tribunal. That argument was accepted by the Upper Tribunal in *Medpro* but rejected by the Court of Appeal. I should therefore apply the general rule in *Katib* that failures by a litigant's adviser should generally be treated as failures by the litigant. It is of course only a general rule, and I must take into account all the circumstances of the case. I must also give particular weight to the importance of the need for litigation to be conducted efficiently and at proportionate cost, and for statutory time limits to be respected.

49. One consequence of the Original Reference being struck out was that there was no reference before the Tribunal. The Authority therefore construed section 390 FSMA, properly in my view, as requiring it to issue a final notice. For the reasons given above, there is no right to challenge a final notice by way of a reference to the Tribunal. At most, there might in certain circumstances be a right to challenge on public law grounds by way of judicial review. In the

absence of such a challenge, reinstating the Original Reference would serve no purpose because the final notice has already been issued.

50. It seems to me that this point is determinative of the Reinstatement Application. However, in case I am wrong on that I shall carry out the 3-stage approach and the balancing exercise required by *Martland* and *Medpro*.

Seriousness and significance of the breach

51. The applicant accepts that the procedural breaches are serious and significant. The Applicant failed to comply with directions requiring service of its reply by 9 January 2026, 10 February 2026 and, following an unless direction, by 3 March 2026. At the same time, the Applicant suggests that there is some mitigation in relation to those breaches. I do not accept the submissions made on behalf of the Applicant in that regard. In particular, it is no mitigation that this was a "documentary procedural failing". Nor does it assist the Applicant's case that the Original Reference was lodged in time.

52. The Reinstatement Application itself was required to be made within one month of being notified of the automatic striking out on 9 March 2026. It was not made until 28 April 2026, which was 19 days out of time. In the context of a one month time limit, 19 days is also a serious and significant breach.

Reasons for the default

53. The Applicant's case is that the reasons for its defaults were outside Mr Salehi's control. In particular it relies upon Mr Salehi's disability and the negligence of Matplus. In relation to the extension of time, Mr Salehi also relies on his difficulties arising from the conflict in Iran.

54. I have accepted that Mr Salehi's disability has an effect on his capacity to work. I have also accepted that this means that he places greater reliance on advisers than might otherwise be the case. However, he is still in a position or at least ought to be in a position to oversee those advisers. That must follow from his position as the sole director of the Applicant.

55. I cannot accept that the reason for the defaults is negligence on the part of Matplus. The Applicant's assertions in relation to alleged negligence of Matplus relies entirely on the evidence of Mr Salehi. There is no documentary evidence to support those assertions and no evidence from Matplus as to its dealings with the Applicant in relation to these proceedings.

56. Mr Salehi's evidence is that Matplus offered to refund fees of £7,938 charged to the Applicant "as a gesture of commercial resolution" for its mishandling of the Applicant's affairs. Mr Salehi says that this offer was later increased to £9,000. Even if that is right, and I make no findings in that regard, it remains the case that Mr Salehi as the sole director ought to have ensured that he had oversight of these proceedings.

All the circumstances

57. I have taken into account all the circumstances in deciding whether to provide relief from sanction and reinstate the Original Reference. The following matters are particularly relevant.

58. Firstly, the nature of the default. The Original Reference was made on 23 October 2025. The Authority served its statement of case on 4 December 2025. Thereafter, the Applicant made no contact with the Tribunal until the New Reference was made on 26 April 2026 and the Reinstatement Application was made on 28 April 2026. That is despite the fact that the Tribunal was communicating with Matplus about its reply to the statement of case and giving directions in that regard. The Tribunal was required to chase compliance by the Applicant culminating in the unless direction dated 3 March 2026 and notification to the Applicant on 9 March 2026 that the Original Reference had been automatically struck out. Even then, the Reinstatement Application was made out of time.

59. I must give particular weight to the to the importance of litigation being conducted efficiently and at proportionate cost, and for statutory time limits to be respected. It was particularly important for the Applicant to comply with the Tribunal's directions in relation to provision of its reply, and to lodge the Reinstatement Application within one month. In the context of financial services cases there is a specific reason for compliance with the one month time limit. That is because the Authority must issue a final notice when the reference is struck out. In this case, the Authority sensibly waited until after the time for seeking reinstatement of the Original Reference had expired.

60. I must also have regard to prejudice to the Applicant if the Original Reference is not reinstated and prejudice to the Authority if it is reinstated.

61. If the Original Reference is not reinstated then the Applicant will lose its opportunity to have the reference determined on the merits. The Applicant will clearly suffer prejudice. It is said on the Applicant's behalf that Mr Salehi's disability should be taken into account in this regard. In particular, the duty under section 20 Equality Act 2010 to make reasonable adjustments and the public sector equality duty under section 149 Equality Act 2910. I have taken into account Mr Salehi's disability in making my findings of fact and in conducting the balancing exercise required by *Martland*.

62. It is suggested that the Applicant and Mr Salehi will be "permanently shut out of payment services regulation" if the Original Reference is not reinstated. I am not satisfied that is the case. There is nothing to prevent the Applicant, Mr Salehi, or another corporate vehicle established by Mr Salehi from seeking registration as a SPI in the future. Any such application would clearly fall to be dealt with by the Authority on its merits.

63. It is said that if the Original Reference is not reinstated, then the business will be destroyed. It is not clear to me on the evidence that there is any significant business being carried on by the Applicant. If the Applicant has been carrying on a money service business, then it has been doing so in breach of regulation 56(1) of the Money Laundering Regulations because it has not been registered by HMRC. In the absence of registration by HMRC there is no lawful business.

64. I am not satisfied that the Applicant would suffer significant prejudice if the Reinstatement Application is refused. It is not registered with HMRC and its applications for registration have been refused on no less that five previous occasions. On one of those occasions it was refused on the basis that it failed the "fitness and propriety" test. The evidence before me does not suggest that the most recent application to HMRC is likely to fare any better than previous applications, even taking into account that the Applicant has instructed a more experienced firm to make the application on its behalf. If that application were to be successful, then there would be no bar to the Applicant making another application to the Authority to be registered as a SPI. The Authority would be bound to deal with that application on its merits and the Applicant would have a right to challenge any refusal.

65. It is said that because of his disability, Mr Salehi is not able to take up alternative employment and he will become bankrupt. There is no evidence as to Mr Salehi's financial circumstances. If Mr Salehi is able to run the Applicant's business, it is not clear to me why he would not be able to set up and run an alternative business. In any event, it is clear that it cannot be said that the Applicant has an established business. It could not lawfully carry on a money service business without being registered by HMRC. This is not a case where removal of registration of a SPI will result in a business ceasing to be able to trade.

66. As a general rule, I should not treat any negligence on the part of Matplus as a good reason for the Applicant's defaults. Even if such negligence had been established, I am not

satisfied that this is a case where I should distinguish between the Applicant and its adviser. Mr Salehi was aware that a reference had been made. However, there is no evidence that he took reasonable steps to ensure that the reference was proceeding expeditiously and in accordance with the Tribunal's rules and directions. I do not accept that the Applicant can avoid the consequences of its default by seeking to put all the blame on Matplus. Nor does Mr Salehi's disability and ill health provide an answer. I do not accept that Mr Salehi, as the sole director of the Applicant, can delegate all responsibility to an adviser without taking steps to oversee the work of that adviser. I do not suggest that it was necessary for Mr Salehi to double check every aspect of the work being carried out by Matplus in relation to the proceedings. However, it was necessary for him to exercise some level of oversight. It does not appear that he exercised any level of oversight in the conduct of the Original Reference.

67. The Original Reference was filed in October 2025 and there is no evidence of any engagement between Mr Salehi and Matplus after the reference was filed as to what would be required of the Applicant and what time limits applied. That is the case up to the end of February. I fully accept that in early March Mr Salehi was facing difficult personal circumstances. However, the unless direction was already in place by that time and I do not consider that the conflict in Iran amounted to a good reason for the Applicant's failure to comply with the unless direction on or before 3 March 2026. I am satisfied that irrespective of the conflict in Iran, the Applicant would not have complied by 3 March 2026.

68. It does not appear to me that the Authority would suffer significant prejudice if the Original Reference were reinstated. However, this is a case where I can take into account the underlying merits. In my view the Applicant's case on the Original Reference is very weak. The Applicant's former solicitors described the merits as "difficult", which appears to be something of an understatement. The Applicant has never been registered with HMRC and the Authority was therefore entitled to cancel its registration as an SPI. Further, there is no evidence that HMRC is likely to register the Applicant following its most recent application.

69. For the sake of completeness, I should say that the following matters relied on by the Applicant have little if any weight:

(1) The Applicant relies on the fact that it has now replaced Matplus with specialist compliance consultants. It appears to be suggested that this is an indication that if the Applicant is permitted to carry on its money service business then it will do so in accordance with the regulatory framework. However, that is the minimum expectation of any business operating in that sector. Similarly, to the extent that this is an indication that the Applicant would in future comply with Tribunal rules and directions then again, that is the minimum expectation.

(2) The Applicant submits that there has been no consumer detriment. Whilst the Authority has not pointed to any consumer detriment, I do not consider that the absence of consumer detriment would have much weight in determining whether the Original Reference should be reinstated.

(3) The Applicant submits that cancellation of its registration as a SPI is disproportionate and that less intrusive measures are available. That goes to the merits of the Original Reference which I have already determined are very weak.

(4) It is said that there is a public interest in having the reference determined on its merits. I do not consider that adds anything to the Applicant's case. What is more significant is the public interest in proceedings being dealt with efficiently, expeditiously and with respect for the Tribunal's rules.

70. Overall, taking all the circumstances into account, I am not satisfied that it is appropriate to extend time for the Reinstatement Application. Even if I had determined to extend time, I would not have reinstated the Original Reference.

CONCLUSION

71. For the reasons given above, I strike out the New Reference and dismiss the Reinstatement Application.

JONATHAN CANNAN
UPPER TRIBUNAL JUDGE

Release date: 20 November 2026