

# HEARING

## DISCIPLINARY COMMITTEE OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

### REASONS FOR DECISION

**In the matter of:** Mr James Robert Marchant

**Heard on:** Monday, 16 March 2026

**Location:** Remote via Microsoft Teams

**Committee:** Mr Tom Hayhoe (Chair)  
Ms Jo Royden-Turner (Accountant)  
Mr Geoff Baines (Lay)

**Legal Adviser:** Mr Charles Apthorp

**Persons present  
and capacity:**

Ms Hena Patel (Case Presenter on behalf of ACCA)  
Ms Aimee Murphy (Hearings Officer)  
Mr James Marchant  
Mr David Orchard (Mr Marchant's representative)

**Summary:** Allegations 1, 2 and 3d proved by admission, Allegations 3a, 3c, 4a, 4c, 4d, 5a  
found proved  
Allegations 3b and 4b not proved

**Sanction:** Severe reprimand

**Costs:** £14,000

1. The Committee confirmed that it was not aware of any conflicts of interest in relation to the case.

2. In accordance with Regulation 11(1)(a) of the Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014 ("the Regulations"), the hearing was conducted in public.
3. The hearing was conducted remotely through Microsoft Teams.
4. ACCA was represented by Ms Hena Patel, Counsel, and Mr Marchant, who was in attendance, was represented by Mr David Orchard, his Solicitor.

## **ALLEGATIONS**

Mr James Robert Marchant, a member of ACCA:

1. Is or was a designated member and therefore a specified person in relation to Croucher Needham (Essex) LLP, a relevant or former relevant firm, which entered administration on 04 October 2023 by reason of which he is liable to disciplinary action pursuant to bye-law 8(a)(vii).
2. Is or was a director and therefore a specified person in relation to Croucher Needham Ltd, a relevant or former relevant firm, which entered liquidation on 08 November 2023 by reason of which he is liable to disciplinary action pursuant to bye-law 8(a)(vii).
3. Is or was a director of Croucher Needham Ltd and/or a designated member of Croucher Needham (Essex) LLP either or both of which:
  - a) Failed to be ready at all times to account for assets, namely clients' monies paid over to Croucher Needham Ltd and/or Croucher Needham (Essex) LLP by clients of Croucher Needham Ltd and/or Croucher Needham (Essex) LLP, to any individuals entitled to that accounting;
  - b) Failed to ensure that the sums withdrawn from client bank accounts did not exceed the total of the monies held for the time being in the account of the client concerned;
  - c) Failed at all times to maintain accurate records and controls (e.g. by way of reconciliations) so as to show clearly the monies they had received, held, and paid on

account of their clients, and the details of any other monies dealt with by them through a client account, clearly distinguishing the monies of each client from the monies of other clients and from the firm's monies;

- d) From 01 January 2017 to 06 September 2023 misrepresented to clients that they either or both were regulated for a range of investment business activities in the United Kingdom by ACCA when they were not.

4. Mr Marchant's conduct was:

- a) In respect of Allegation 3(a) contrary to Section 350.5(d) of ACCA's Code of Ethics & Conduct.
- b) In respect of Allegation 3(b) contrary to Section 350.17 of ACCA's Code of Ethics & Conduct.
- c) In respect of Allegation 3(c) contrary to Section 350.27 of ACCA's Code of Ethics & Conduct.
- d) In respect of Allegation 3(d) contrary to the Fundamental Principle of Behaviour.

5. By reason of any or all of the matters set out at allegations 3 and 4 above, Mr Marchant is:

- a) Guilty of misconduct pursuant to bye-law 8(a)(i): or in the alternative:
- b) Liable to disciplinary action pursuant to bye-law 8(a)(iii) in respect of any or all the matters set out at Allegations 3 (a) to (d) and 4 (a) to (d).

## **DECISION ON FACTS, ALLEGATIONS AND REASONS**

- 5. The Committee had considered the following documents: a Hearing Bundle (pages 1 to 276), a tabled additional bundle (pages 1 to 5), a service bundle (pages 1 - 19), a Case Management form (pages 1 to 14), the Defence Submissions (pages 1 to 17) and Closure File Note L2Y (pages 1 to 33).
- 6. At the outset of the hearing Mr Marchant admitted allegations 1,2 and 3d, which the Committee found proved on his admission.

## BACKGROUND

7. Mr Marchant has been a member of ACCA since 1999 and became a director of Croucher Needham (Essex) Ltd on the 01 April 2014 and a designated member of Croucher Needham LLP on the same date.
8. On 30 August 2023 [Person A][PRIVATE], [Person A] was a director of Croucher Needham Ltd and a designated member of Croucher Needham (Essex) LLP. Both firms were registered with ACCA. [Person A] fellow directors and partners were Mr James Marchant, an ACCA member and ICAEW member, and two other ICAEW members.
9. In the days following [Person A] [PRIVATE], it became known that clients of Croucher Needham and others had been persuaded to transfer monies to Croucher Needham accounts under [Person A] control. [Person A] had persuaded those persons that Croucher Needham would be able to obtain a better rate of bank interest than those persons could achieve from their own bank. It transpired, however, that [Person A] was misappropriating these monies and by the time of his death approximately £25m of the monies transferred to his control was missing. In essence, [Person A] had been [PRIVATE]
10. In the aftermath of [Person A] [PRIVATE] Mr Marchant and the other partners contacted Croucher Needham's clients, the police, ACCA and ICAEW. Mr Marchant also suggested that Croucher Needham's clients submit complaints to ACCA. In due course, ACCA received a total of fifteen complaints from clients of Croucher Needham or others who had lost money.
11. The matters identified for investigation pursuant to ACCA's Complaints and Disciplinary Regulations 2014 in relation to the firms were:
  - (i) Croucher Needham failed to adhere to client money rules;
  - (ii) Croucher Needham misappropriated client monies;
  - (iii) Croucher Needham failed to provide details of the firm's PII cover;
12. Croucher Needham Ltd ("Limited") ceased trading and entered into liquidation on 14 October 2023

and Croucher Needham (Essex) LLP (“LLP”) ceased trading and is in Administration.

13. Mr Marchant referred himself to ACCA on the 24 October 2023 in accordance with his obligations under Bye-law 8 (vii ) as his firm was entering into the insolvency process.
14. ACCA opened a complaint against Mr Marchant in January 2025 setting out the allegations to which he was invited to respond and serving requests for information. Mr Marchant responded in detail on the 14 February 2025 accepting that he was liable to disciplinary action as a consequence of the firms entering into liquidation. He accepted he was the designated member and therefore a specified person in relation to the LLP. He stated inter alia that:

".... that Limited had not traded for a number of years. I therefore had no cause to believe or to suspect that any client account facilities were being provided to or operated for such clients by or on behalf of Limited.

- a. I became aware only after the death of [Person A] that he had been holding out to clients and to non-clients the availability of client money facilities through Limited.
- b. With such facilities being offered by [Person A] in the name of Limited as a front to his personal, undisclosed, and undiscovered fraudulent activity, I concede that Limited should have accounted to depositors in respect of monies placed with Limited, but I reiterate that such monies were deposited with, and held by, Limited without my knowledge.
- c. Although I must therefore accept that Limited failed to be ready at all times to account for client monies paid over to it to any individuals entitled to that accounting, I must reiterate that prior to the investigations initiated by myself, ..... following [Person A][PROVATE]. In support of this, I would refer you once again to the ACCA’s File Closure Note dated 9 December 2024."

He went on to state:

"If, despite [Person A] conducting his personal activities fraudulently and without my knowledge, Limited should be deemed responsible for maintaining accurate records and controls in relation to matters which (by ACCA’s own acknowledgment neither I, nor the other partners of the business were (or should have been)) aware so as to show clearly the monies it had received, held, and paid

on account to its clients, and the details of any other monies dealt with through a client account, clearly distinguishing the monies of each client from the monies of other clients, and from the other monies of Limited, then I must reluctantly acknowledge that Limited failed to do so. I would also reiterate, however, that [Person A] knowledge of his own fraudulent activities cannot be attributed to either Limited or LLP (and thereby their other officers) in circumstances where he was also defrauding Limited and LLP."

and

"I repeat my previous responses. Subject to these, I acknowledge that LLP did not at all times maintain accurate records and controls (e.g. by way of reconciliations) so as to show clearly the monies it had received, held, and paid on account of its clients, and the details of any other monies dealt with by it through a client account, clearly distinguishing the monies of each client from the monies of other clients and from the LLP's monies. I maintain, however, that any such failings were due entirely to [Person A] fraud which was perpetrated without my knowledge... "

15. In respect of allegation 3d Mr Marchant stated that:

"I acknowledge that from on, or about 01 January 2017 to on or about 06 September 2023, Limited and/or LLP inadvertently misrepresented to clients in email signatures that one or both was regulated for investment business activities in the United Kingdom by ACCA. The inclusion of such wording in the email signatures was an oversight. The email footer had been automatically added to all outgoing emails through our IT system and had not been updated as required on 1 January 2017. Such oversight was remedied, and the email wording was rectified as soon as it was discovered."

16. Mr Marchant went on to state that he had no responsibility for the operation or management of the business's bank accounts because those duties fell on [Person A] as the finance partner and he had arranged for the bank statements to be sent to his home address as he "*did not want the staff opening and reading them*". He went on to state that on the 17 July 2023 he had requested access to all bank accounts in [Person A] absence. Mr Marchant had some notes relating to draft management accounts prepared by [Person A] but there was a lack of formal meetings and scrutiny of the firm's client accounts.

17. Mr Marchant also acknowledged that Croucher Needham Limited had failed to maintain accurate

records and controls in respect of monies received and the management of client accounts and the LLP did not at all times maintain accurate records and controls to show clearly the monies it had received, held and paid on account of its clients.

18. Mr Marchant prepared and served a defence statement setting out his position which reiterated the account provided as part of the ACCA investigation and maintained that the failings were entirely due to [Person A] fraud.
19. At the outset of the hearing Ms Patel on behalf of ACCA submitted that Allegations 1 and 2 were capable of proof by reference to the Companies House records and Mr Marchant's admissions.
20. Ms Patel submitted that Allegations 3 a - d were capable of proof by reference to the responses of Mr Marchant and the documents in the bundle. In respect of allegations 4a - d she referred the Committee to the relevant parts of the Code of Ethics and Conduct and submitted that if findings were made in respect of allegations 3a - d then it would follow that Mr Marchant had acted contrary to sections 350.5(d), Section 350.17 and section 350.27 of the Code and contrary to the fundamental Principle of Professional Behaviour.
21. Ms Patel made submissions in respect of allegation 5a, Misconduct and referred the Committee to the case of *Roylance* and stated that misconduct was a matter of professional judgment for the Committee.

## **MEMBERS RESPONSE**

22. Mr Orchard in his submissions, made on behalf of Mr Marchant, explained that Mr Marchant was a victim of [Person A] dishonesty and, as set out in his written submissions, that the fraudulent conduct of [Person A] should not be attributed to Mr Marchant and that he should not be personally responsible for the system failures that resulted from a sophisticated fraud deliberately concealed from him.
23. Mr Orchard relied upon the fundamental principles of agency law and referred the Committee to *Stone & Rolls Ltd v Moore Stephens* [2009] UKHL 39; *Bilta (UK) Ltd v Nazir* [2015] UKSC 23 and provided a rationale that " *it would be absurd and unjust to attribute a fraudster's knowledge to his victim. If A defrauds B, B is not treated as "knowing" about the fraud simply because A knew about it*". He further submitted that it was reasonable for Mr Marchant to rely upon [Person A] given their long-standing relationship and the 'absence of red flags.'

24. Mr Orchard in submissions also provided an account of the use of probate accounts, which should have been closed, following the end of the provision of probate services by Carter Needham, that had remained open and were used by Mr [Person A] to receive funds from clients and others which formed part of the 'Ponzi scheme'.

## **DECISION ON FACTS/ALLEGATION(S) AND REASONS**

25. The Committee considered the oral submissions carefully, reviewed the exhibits, took account of the written submission of ACCA and the defence statement filed on behalf of Mr Marchant and the oral submissions made on his behalf. The Committee received advice from the Legal Advisor, which it accepted.

### **Allegation 3a**

26. The Committee found allegation 3a proved.
27. The Committee noted that it was admitted that Mr Marchant was a director of the limited company and a designated member of the LLP from 01 April 2014 to the date of liquidation of the firm and LLP. Both positions engaged responsibilities for management of the firm and LLP. The Committee determined that there were a number of 'red flags', contrary to Mr Orchard's submissions. These included the failure to have proper management systems in place, the acceptance of sending of bank statements to [Person A] home address, preventing independent scrutiny of the client accounts and that the only other person who had sight of the statements was [Person A] partner. The Committee also noted that the firm was a medium sized firm having four partners, around 30 employees and several hundred clients and as such could be expected to have relevant controls in place.
28. The Committee determined that there was a failure to account for client assets paid over to the firm and LLP. It noted, by Mr Marchant's admission that at least some of the persons providing funds were clients, and it determined that such persons were depositing funds into an account in the name of and held by Croucher Needham.
29. The Committee also determined that it would expect a director and/or designated member to require and have sufficient assurance that the accounts including for assets including client money would correctly represent what funds were held on behalf of their parties. It determined that there was an

obligation on Mr Marchant to perform his duties with reasonable care, skill and diligence and in that regard it noted the lack of formal management accounts and absence of robust reporting arrangements over the nine year period. It therefore found allegation 3a proved.

### **Allegation 3b**

30. The Committee found allegation 3b not proved.
31. The Committee noted that there was a lack of evidence of what sums were withdrawn at what dates and determined that it was unable to reach conclusions whether the sums withdrawn exceeded the total of monies held in those accounts relating to individual clients. It therefore found allegation 3b not proved.

### **Allegation 3c**

32. The Committee found allegation 3c proved.
33. The Committee noted Mr Marchant's account of the operation of the systems at the firm and LLP and its findings set out above at 3a. It determined that there was a failure to maintain accurate records and controls in respect of clients and client accounts, and therefore found allegation 3c proved.

### **Allegation 3d**

34. As set out above Allegation 3d was proved by admission.

### **Allegation 4a**

35. The Committee found allegation 4a proved.
36. The Committee noted its findings above at 3a and the wording of Section 350.5(d) and determined that Mr Marchant was in breach of his obligation under the Code of Ethics and Conduct in that having been entrusted with money or other assets belonging to others had failed to account for them. It therefore found allegation 4a proved.

### **Allegation 4b**

37. The Committee found allegation 4b not proved.
38. Having found Allegation 3b not proved it therefore followed that Allegation 4 b was not proved.

#### **Allegation 4c**

39. The Committee found allegation 4c proved.
40. The Committee noted its findings above at 3c and the wording of Section 350.27 and determined that Mr Marchant was in breach of his obligation under the Code of Ethics and Conduct in that the firm had not maintained accurate records and controls as required.

#### **Allegation 4d**

41. The Committee found allegation 4d proved.
42. The Committee noted that the misleading information had been placed on the website and included in email footers for a number of years and as such misled the members of the public about the status of the firm to accept investments for a prolonged period. It determined such a significant breach was contrary to the fundamental principle of professional behaviour and brought discredit on the profession.

#### **MISCONDUCT AND LIABILITY TO DISCIPLINARY ACTION**

43. The Committee considered the seriousness of the allegations found proved and admitted. It determined that the breaches found proved were serious failures and not minor or technical breaches. It determined that the failure to have in place robust reporting arrangements and not to act on the 'red flags' identified above fell far below the standards expected of a professional accountant. It therefore determined that the misconduct was serious and found Allegation 5a proved.
44. Having determined that allegation 5a was found proved it did not go on to determine allegation 5b, being put in the alternative to 5a.

#### **SANCTION AND REASONS**

45. The Committee considered what sanction, if any, to impose, taking into account all it had read in the bundle of documents, ACCA's Guidance for Disciplinary Sanctions, and the principle of proportionality. It had also listened to the submissions of Ms Patel and noted Mr Orchard's written and oral submissions on sanction and the legal advice from the Legal Adviser, which it accepted.
46. The Committee considered the available sanctions in increasing order of severity having decided that it was not appropriate to conclude the case with no further action.
47. The Committee was mindful of the fact that its role was not to be punitive and that the purpose of any sanction was to protect members of the public, maintain public confidence in the profession and in ACCA, and to declare and uphold proper standards of conduct and performance.
48. The Committee first considered the seriousness of the conduct of Mr Marchant. It considered that the conduct was very serious and undermined the reputation of the profession.
49. The Committee considered whether any mitigating or aggravating factors featured in this case. The Committee accepted that there were no previous findings against Mr Marchant, save those relating to the insolvency of the Firm and LLP which had been dealt with by another regulator. The Committee also took into consideration the fact that he had responded in full to the requests for information from ACCA regarding the investigation, fully cooperated and had made early admissions in relation to allegation 1 and 2 and had admitted allegation 3d at the beginning of the hearing.
50. The Committee took into account that Mr Marchant had been misled by [Person A] over many years.
51. As for aggravating factors, the Committee found Mr Marchant had failed throughout to show an appropriate level of insight, particularly with regard to the responsibilities he had as director and designated member.
52. The aggravating factors also included:
  - A serious departure from standards.
  - Failure to comply with professional standards over 9 years.
  - Lack of professional scepticism and/or due diligence.
  - Financial impact of the misconduct.

- That two firms had become insolvent.
  - Failed to take basic steps to protect members of the public.
53. On the basis of its findings, the Committee concluded that neither taking no action nor an admonishment would not represent a sufficient and proportionate outcome. Such a sanction would not adequately reflect the seriousness of the Committee's findings.
54. The Committee then considered whether a reprimand would be an appropriate sanction. On balance, and reflecting on the criteria suggested in the Guidance, the Committee concluded a reprimand would not represent a sufficient and proportionate outcome given the seriousness of the misconduct, the lack of insight and impact on the reputation of the profession.
55. The Committee considered a severe reprimand. It took into account Mr Marchant had been misled by [Person A], his early admissions and previous good character and assessed the risk of repetition of future misconduct as low. In particular the Committee took into account the assurances received about the enhanced governance processes in place at the new firm which Mr Marchant and others had set up, and the fact that Mr Marchant and others had reported their concerns to ACCA, other regulators and the police at the earliest opportunity. It also took into account the long period he had been an ACCA member without blemish.
56. Given the serious breaches which occurred over a prolonged period and the impact on public confidence in the profession it determined that a severe reprimand was the appropriate and proportionate sanction.

## **COSTS AND REASONS**

57. ACCA applied for Costs. The Committee had been provided with a detailed costs schedule and a simple costs schedule relating to ACCA's claim for costs.
58. The Committee concluded that ACCA was entitled to be awarded costs against Mr Marchant, given the majority of allegations had been found proved against him. The amount of costs for which ACCA applied was £15,406.50. The Committee did not consider that the claim was unreasonable, but the hearing had taken less time than estimated which needs to be reflected in the amount awarded.
59. Mr Marchant had provided ACCA with documentary evidence of his means in advance of the hearing,

which indicated that he had the means to pay ACCA reasonable costs.

60. In all the circumstances, and in exercising its discretion, the Committee considered that it was reasonable and proportionate to award costs to ACCA in the reduced sum of £14,000.

**Order**

61. The Committee made the following order:

- a. Mr Marchant be severely reprimanded.
- b. Mr Marchant shall make a contribution to ACCA's costs in the sum of £14,000.

**Mr Tom Hayhoe**  
**Chair**  
**17 March 2026**

