

The Financial Services Tribunal's decision said the FSCA's reasons for sanctioning Quinton Moorcroft included:

- Moorcroft was the sole director and in control of Pioneer FX. The applicant opened a multi-account-manager (MAM) trading account at IFX Brokers Holdings (Pty) Ltd on 11 March 2019. IFX is an FSP that offers a trading platform for clients to trade in derivative instruments.
- The MAM account arrangement at IFX enabled Moorcroft to link client accounts (the copy accounts) to his trading account (the master account). Every transaction entered on the master account was executed in the copy accounts (proportionally), to the extent that the copy account was funded.
- The clients signed up with IFX to copy-trade with Moorcroft on his MAM account, which enabled him to make trading decisions on their behalf. He caused the trades to be executed on their accounts, thus conducting intermediary services without being authorised to do so in terms of the FAIS Act.
- The Authority found that Moorcroft contravened section 7(1) of the FAIS Act in that he conducted financial services as defined in the FAIS Act; and/or that he caused Pioneer FX to contravene section 7(1); and/or that he attempted, or conspired with, aided, abetted, induced, incited or procured Pioneer FX to contravene section 7(1) in a material way.

Following an inspection of the affairs of Pioneer FX, the FSCA also relied upon the following for its decisions:

- In his marketing material, Moorcroft stated: "I, Quintin Moorcroft, have a trading account with IFX Brokers, a South African broker, FSCA-registered FSP 48021. This is a management account in my own name, and we use Metatrader 4 as a trading platform. So, you open a live account with a minimum of R750 and link it to my account (MAM). I execute forex and indices trades on my account, then the trades automatically duplicate to your account on a daily basis from Monday to Friday."
- The MAM account arrangement at IFX enabled Moorcroft to link a total of 276 client accounts from 11 March 2019 to 5 July 2019 to his account (such clients are referred to as copy traders). The clients collectively deposited R2 788 957.13 into their accounts over the period. Every transaction entered in the master account was executed in the copy accounts (proportionally), to the extent that the copy accounts were funded.
- The clients signed a power of attorney that allowed Moorcroft to trade on their behalf. Upon perusing the power of attorney, the FSCA found that:

- The applicant was reflected as the trading agent and was authorised to purchase and sell securities on margin or otherwise for the client's account and at the risk of the client; and
- IFX was authorised to follow the applicant's instructions in every respect relating to the client's trading account.
- From 11 March 2019 to 4 August 2019, Moorcroft entered into transactions on the master account and caused copy accounts to execute the transactions for his clients.
- Moorcroft claimed and was paid commission by his clients. He admitted to receiving about R250 000 in commission since March 2019.
- On 10 July 2019, the funds in the master account (the clients' funds representing provision for margin calls) were exhausted because of trading losses. This resulted in Moorcroft no longer being able to enter transactions into the IFX system on behalf of clients.
- Moorcroft admitted that he advised clients on their trading decisions.