

Insights

FCA FINES AN EMPLOYEE FOR INSIDER DEALING

Oct 24, 2025

SUMMARY

On 13 October 2025 the [FCA fined](#) an employee for insider dealing for selling his own and close family member's entire shareholding whilst in possession of, and using, inside information. The FCA has imposed a financial penalty of £100,281 (reduced from £126,575).

THE FACTS

Mr Dwane had extensive experience in financial services and was an Approved Person between 1 December 2001 and 8 December 2019. In May 2021 he joined ITM Power Plc ('ITM' or the 'company'), an AIM company as a Capital Markets Adviser, working nominally two days a week, providing ad hoc support to the Investor Relations Team by reviewing draft RNS announcements and probing investor presentations. In May 2021, Mr Dwane signed ITM's Share Dealing Policy and Dealing Code, confirming he understood that he must not deal in shares if in possession of inside information and in February 2022, he received a company-wide email emphasising that all employees were required to seek clearance to deal prior to dealing. In response Mr Dwane replied *"I am very familiar with share dealing compliance! And will ensure that I indeed seek any necessary permissions."*

Despite this Mr Dwane repeatedly failed to obtain clearance before dealing in the company's shares and between March and September 2022 he executed multiple transactions without requesting clearance.

CRITICAL EVENTS

- On 25 October 2022, ITM held a board meeting where the audit committee discussed warranty issues with potentially material consequences. The Nomad advised that the company would need to update the market with an unscheduled announcement once a more definitive position was agreed. A draft announcement was to be progressed without delay so the company could be in a position to release an announcement once it had the facts to do so.

- At 08:55:21s on 26 October 2022, Senior Manager A emailed a Teams meeting invitation with the subject "Warranty RNS call" to Mr Dwane and others. The company explained that it sought Mr Dwane's assistance in relation to the prospective RNS announcement because: "*... our thought was he has a unique perspective of having been a fund manager, how would a fund manager read this RNS and how would they react to it? So he was well placed to support us in the drafting.*"
- At 08:56:45s there was a call between Senior Manager A and Mr Dwane when Mr Dwane was notified of a 10.00am call to discuss an RNS about warranty provisions. This was followed at 08:58:09s by an email attaching a draft RNS which concluded by stating that ITM would provide further guidance on revenue, production and expected warranty provisions in its Trading Update in December 2022.
- Between 09:00 and 09:04 Mr Dwane sold 105,000 ITM shares on behalf of himself and family members (First Sales Tranche). The FCA has not identified any other intervening event after the call that might have prompted Mr Dwane to enter into these transactions.
- At 09:58, the "Warranty RNS call" meeting started to finalise the draft RNS and the latest version was sent to Mr Dwane at 10:02. Mr Dwane also received a powerpoint presentation during the call which summarised key messages: the announcement this morning; revenue recognition weighted towards 2nd half of year/inherent risk; warranty costs uncertain; and potential deferral of projects in negotiation.
- Approximately one minute after the call ended Mr Dwane sold a further 20,000 shares (Second Sales Tranche). Mr Dwane's share portfolio was now at zero.
- On 27 October 2022, ITM released the Trading Update disclosing manufacturing issues including delays and a material increase in warranty provision, which could lead to a revision of its EBITDA loss guidance. ITM's share price subsequently fell from 104.45 to a low of 66.02, a decrease of approximately 37%. Between 09:00 and 14:36 Mr Dwane purchased 180,00 ITM shares at an average price of 78.17.

FAILINGS

The FCA found that at the time of the First and Second Sales Tranches, Mr Dwane was in possession of inside information which was of a precise nature, within the meaning of Article 7(1) of the UK Market Abuse Regulation, which had not been made public, relating directly to ITM's shares, and which, if it had been made public, would have been likely to have had a significant effect on the prices of ITM's shares, in that it was information a reasonable investor would have been likely to use as part of the basis of his or her investment decisions. Mr Dwane was in possession of, and used, the information when he executed both the First and the Second Sales Tranches.

LESSONS TO BE LEARNED AND PRACTICAL TIPS

- This is another example of the importance of robust share dealing compliance procedures. Companies must ensure that all employees and consultants who may have access to inside information or other confidential information that could potentially be or become inside information about the company are subject to, and fully aware of, applicable restrictions and clearance procedures. It is equally important for companies to exercise caution when clearance is given and if there is any doubt or an ongoing investigation into the existence of inside information, a company should err on the side of caution and clearance should not be granted.
- Even preliminary knowledge that a potentially price-sensitive announcement is being prepared can constitute inside information. The notification of the initial scheduled “Warranty RNS” call was sufficient to enable Mr Dwane to conclude that such an announcement would be likely to have a significant effect on the price of ITM’s shares.
- Companies should consider implementing systems to actively monitor and verify compliance with pre-clearance requirements and investigate patterns of trading around corporate announcements. In this case even though the company had previously sent Mr Dwane, between May 2021 and September 2022, 11 emails informing him that he was in possession of information at those times and reminding him of the share dealing restrictions, Mr Dwane had failed to obtain prior clearance before dealing.
- Companies should:
 - consider conducting regular audits of employees' understanding of the share dealing rules and provide regular training on the requirements; and
 - maintain comprehensive records of who has access to inside information and when. Mr Dwane was only added to the company’s insider list after the Second Sales Tranche.

This is an area the FCA is actively monitoring and will continue to use its full range of powers to clamp down on all types of market abuse.

PRIMARY MARKET BULLETIN NO.59 - DELAYED DISCLOSURE OF INSIDE INFORMATION

Whilst preparing this briefing, the FCA have published a further edition of [Primary Market Bulletin](#) examining, amongst other matters, the results of its review of issuers’ compliance with the rules on delayed disclosure of inside information (DDII).

KEY FINDINGS

- The review revealed a 39% decrease in DDII notifications submitted per day compared to the FCA's 2020 review. Whilst market conditions may influence notification volumes, the FCA noted that such a significant decline was unexpected.
- The highest volume of notifications related to 'Mergers and Acquisitions', 'Business Updates', and 'Placings and other Corporate Finance'.
- The overall average period between the date of the decision to delay disclosure and the date when the inside information was publicly disclosed was 35.2 days—an unexpected increase of approximately 7 days. The FCA acknowledges that various factors may account for this increase. However, it emphasises that the longer inside information disclosure is delayed, the less likely it is that the conditions permitting such delay will continue to be met, particularly regarding the maintenance of confidentiality.

ISSUER OBLIGATIONS DURING THE DELAY PERIOD

During the delay period, issuers must:

- Disclose inside information as soon as possible if confidentiality can no longer be ensured.
- Draw up and maintain insider lists to reduce the risk of unlawful disclosure of inside information.

RELATED CAPABILITIES

- M&A & Corporate Finance
- Securities & Corporate Governance
- UK Public Company

MEET THE TEAM



Tom Bacon

Co-Author, London

tom.bacon@bclplaw.com

[+44 \(0\) 20 3400 3706](tel:+442034003706)



Tessa Hastie

Co-Author, London

tessa.hastie@bclplaw.com

[+44 \(0\) 20 3400 4516](tel:+442034004516)

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be “Attorney Advertising” under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP’s principal office and Kathrine Dixon (kathrine.dixon@bclplaw.com) as the responsible attorney.