

20 October 2022



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Insolvency and the Current Climate

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Topics



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1. **Headline Issues**
2. **Insolvency Landscape**
3. **The options available to LA's**

Recent Findings



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- **Bounce Back Loan fraudster jailed**

Director of Manchester pizza takeaway who fraudulently claimed £20,000 Bounce Back Loan has been jailed for 2 years

- **Director banned after each of his four companies wrongly claimed Bounce Back Loans**

Rotherham-based director overstated turnover for his four construction contractor companies to secure £200,000 Covid-19 financial support to which he was not entitled.

Recent Findings



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- **7-year ban for Manchester takeaway boss who abused Covid-19 support schemes**

Company wrongly claimed £50,000 of taxpayer support during the pandemic through Eat Out to Help Out and furlough schemes.

- **Director of Blackburn automotive business banned for 8 years**

Director of vehicle body repair company took £50,000 Bounce Back Loan even though company was no longer trading.

Pre Covid



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- **North-East restaurateur banned for tax abuse**
- **Ban for manufacturing director caught breaching disqualification**
- **Property developers disqualified for tax avoidance**
- **Second-hand car dealers banned for 14 years**
- **Former BHS director disqualified for 10 years**
- **Repeat offender double glazing boss disqualified for 11 years**

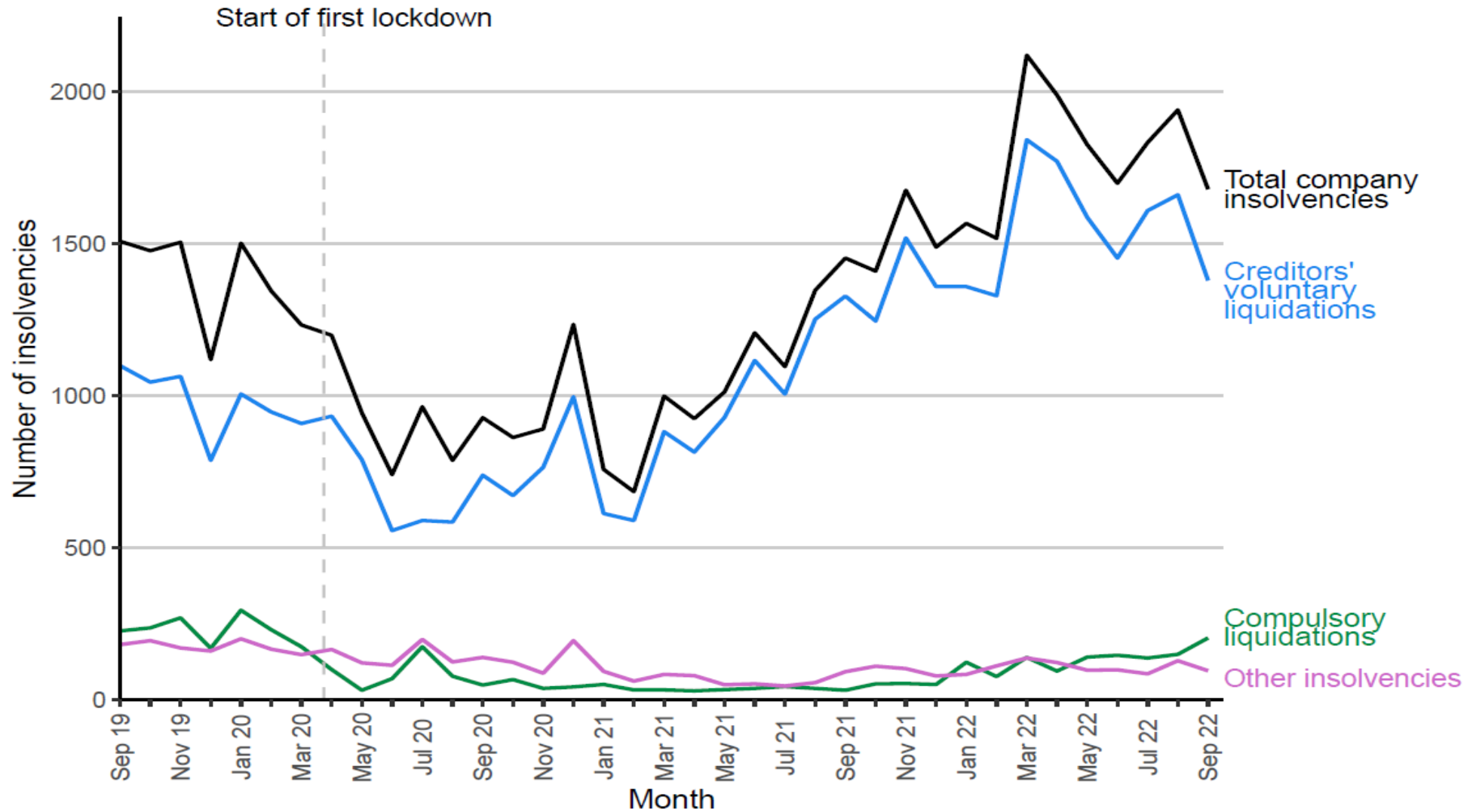
Insolvency Landscape

Corporate Insolvency



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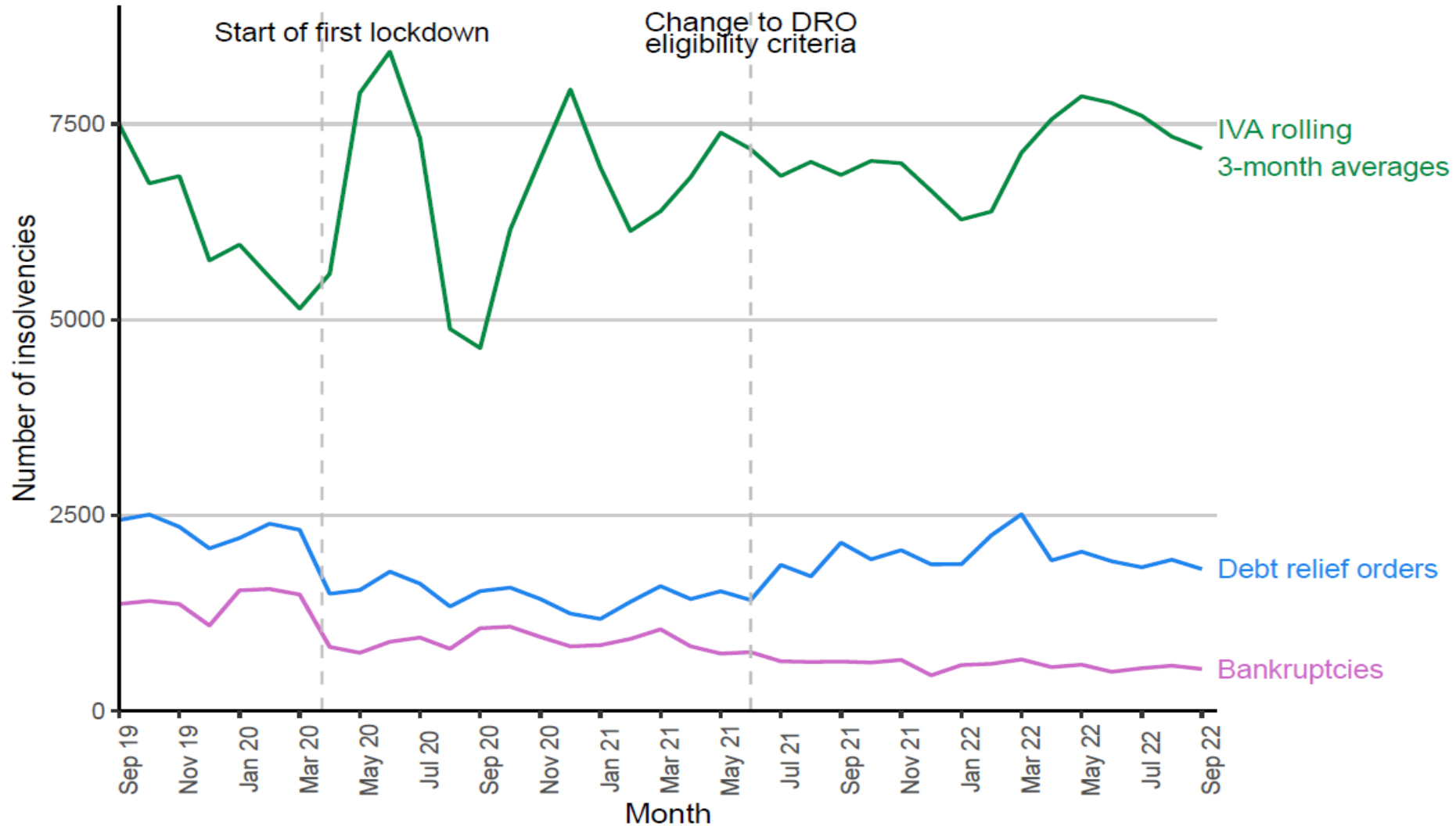
Current Insolvency Climate

Personal Insolvency



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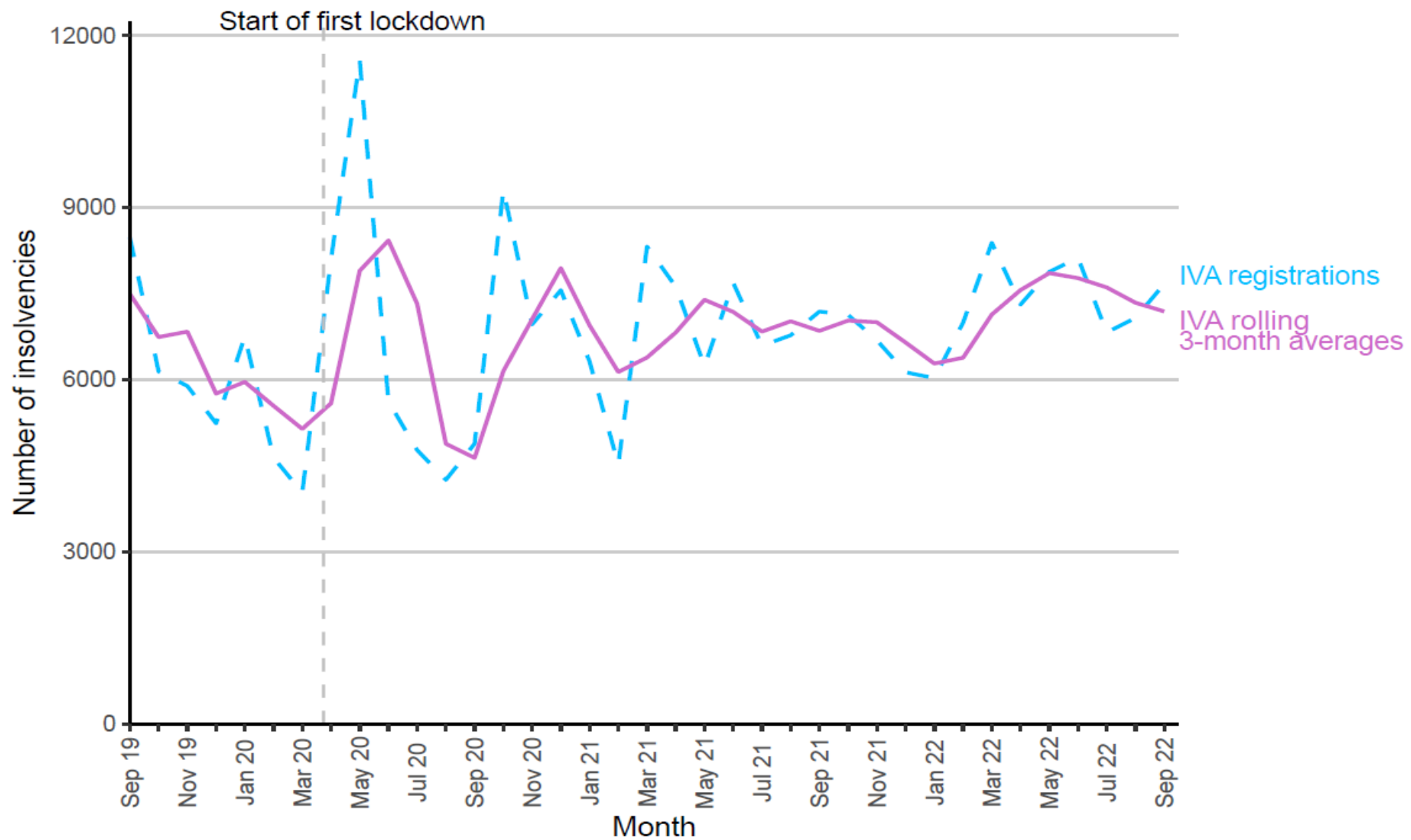
Current Insolvency Climate

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The Insolvency Service Monthly Statistics September 2022

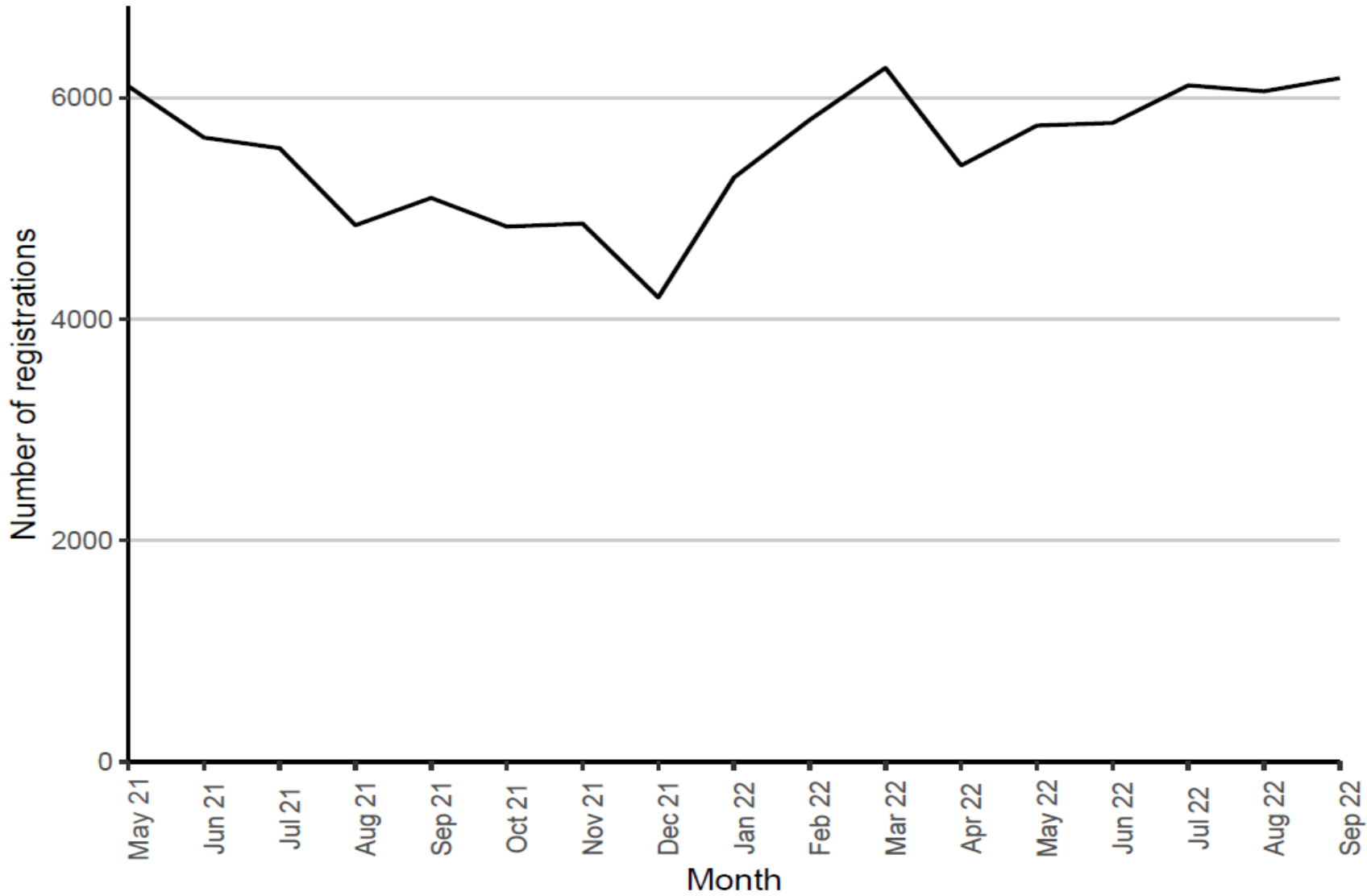
Current Insolvency Climate

Personal Insolvency - Breathing Space



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The Insolvency Service Monthly Statistics September 2022



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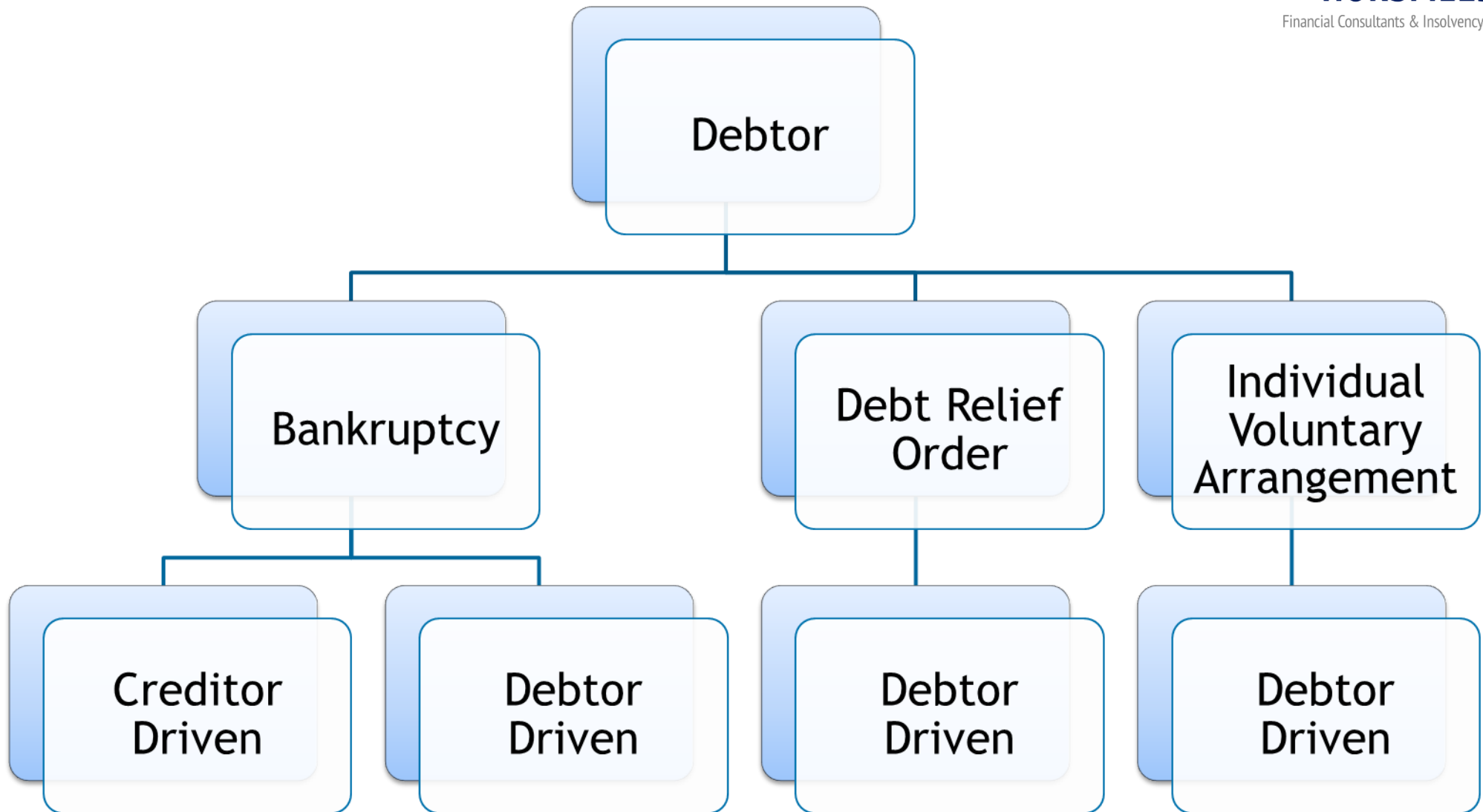
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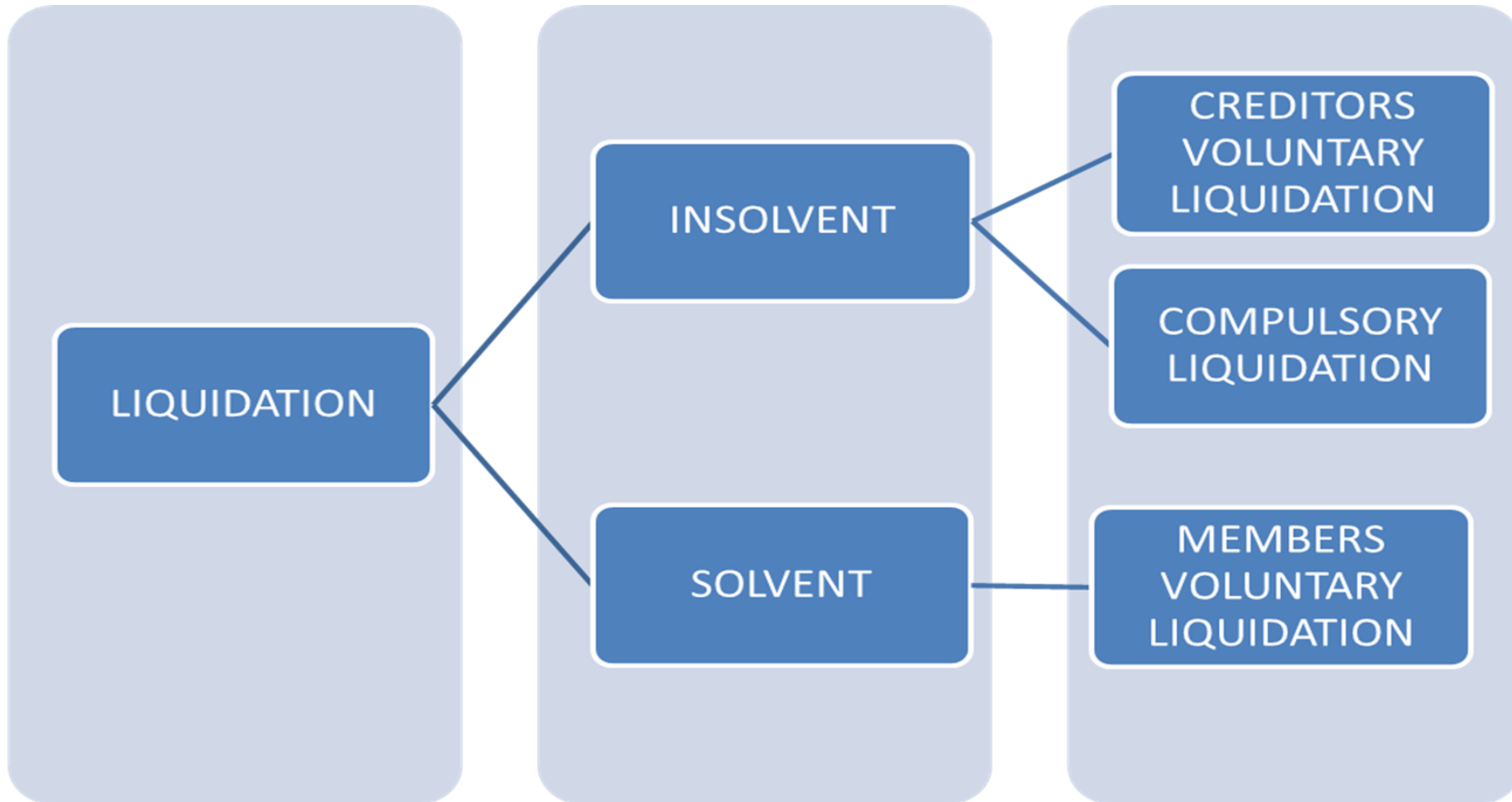
- Return of Crown Preference on 1 December 2020
- End of CIGA restrictions
- The Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Act
- Insolvency Fees



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Case Study

The £ Store Sole Trader



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- Option to start bankruptcy proceedings
- Debtor proposes IVA
- Advice to proceed with bankruptcy
- LA paid £173,638 vs £26,000 on principal debt of £239,898
- LA's costs fully covered

Case Study

Bankruptcy Mr A U



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- Made bankrupt 2012
- 2019 bankrupt tries to sell shop and residential accommodation
- Trustee appointed 2019
- Local Authority paid in full for 2012 NNDR and CT liability
- Statutory interest at 8% paid in addition to debt

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