

Type of Order: DISCIPLINARY CONSENT ORDER

Date of Order: 8 November 2023

Committee name: REGULATION AND CONDUCT COMMITTEE ('the Committee')

Details of IP: **Kieran Bourne of Cromwell Insolvency Limited** an IPA member and Licensed Insolvency Practitioner (IP).

Summary of complaint: This Order is made in relation to; an allegation that Kieran Bourne in his role as;

Allegation 1. Liquidator of several companies, breached the Fundamental Principle of Professional Competence and Due Care of the Insolvency Code of Ethics when he:

- 1. Failed to take sufficient steps to verify employees' claims before submitting the RP14As to the Redundancy Payments Service.*
- 2. Failed to carry out independent verification of the information provided to him by the companies' directors before submitting the RP14As.*
- 3. Failed to raise any concerns with the Redundancy Payments Service as to the veracity of the employees' claims, either before or after submitting the RP14As.*

Allegation 2. potential liquidator/liquidator of several companies, breached Statement of Insolvency Practice (SIP) 1 and Regulation 13 of the Insolvency Practitioners Regulations 2005 when he failed to keep contemporaneous records to evidence his meetings with directors/ shareholders during which identification documents were produced and verified.

Allegation 3. as a potential liquidator/liquidator of two companies, breached the fundamental principle of Professional Competence and Due Care of the Insolvency Code of Ethics and Regulation 27 and/or Regulation 28 of the Money Laundering, Terrorist Financing and Transfer Funds (Information on the Payer) Regulations 2017 ('MLR17') when he failed to carry out due diligence and verify the identity of the entity paying his fees.

Summary of sanctions: Allegation 1. The Common Sanctions Guidance ('CSG') provides for a Severe Reprimand and a fine of £5,000, as the starting point for a serious breach of the Fundamental Principle of Professional Competence and Due Care.

The Committee agreed that the repeated course of conduct (it had occurred in seven cases) and potential loss of public funds were both aggravating factors.

The Committee imposed a disciplinary order that Mr Bourne be severely reprimanded and fined £10,000.

Allegation 2. The CSG provides for a Severe Reprimand and a fine of £5,000 as the starting point for a serious breach of a SIP, the Insolvency Act and rules and regulations thereunder.

The Committee did not identify any mitigating factors to take into consideration, however it decided that the repeated nature of the conduct was an aggravating factor.

The Committee decided to impose a disciplinary order that Mr Bourne be Severely Reprimanded and fined £6,000.

Allegation 3. The Committee agreed that whilst the breach was proven on both competence and the MLR17 Regulations, but the conduct was more accurately encapsulated as a breach of MLR17. The AML Guidance provides for a Severe Reprimand and a fine of £8,000 as a starting point, for a failure to conduct adequate Customer Due Diligence.

The Committee did not identify any mitigating or aggravating factors to take into consideration. The Committee decided to impose a disciplinary order that Mr Bourne be Severely Reprimanded and fined £8,000.

Overall Sanction

The Committee agreed to impose a disciplinary order that Mr Bourne be Severely Reprimanded, fined £24,000 and pay costs of £13,110.