

Type of Order: DISCIPLINARY CONSENT ORDER

Date of Order: 11 July 2022

Committee name: REGULATION AND CONDUCT COMMITTEE

Details of IP: **Phillipa Smith of Smith & Barnes Insolvency Practitioners Limited** an IPA member and Licensed Insolvency Practitioner (IP).

Summary of complaint: This Order is made in relation to a complaint that Miss Smith in her role as Liquidator of four companies, breached the Fundamental Principle of Professional Competence and Due Care of the Insolvency Ethics Code when she:

1. Failed to take sufficient steps to verify employee' claims before submitting RP14A forms to the redundancy payments service.
2. Failed to carry out independent verification of the information provided to her by Company directors before submitting the RP14As.

Accordingly, Miss Smith was found liable to disciplinary action under the IPA's Articles of Association.

Summary of sanctions: The Common Sanctions Guidance provides for a severe reprimand and fine of £5,000, as a starting point, where there has been a more serious breach of the Fundamental Principle of Professional Competence and Due Care.

The Committee considered that the repeated course of conduct and the substantial loss to the National Insurance Fund were aggravating factors.

The Committee also noted that due to suspicions raised internally, Miss Smith was able to place payment of claims on hold in relation to one company identified in the allegation and refrain from submitting RP14As in relation to two further companies (which were not included in the allegation). That coupled with the implementation of a revised employee claims checklist offered some mitigation.

Overall, the Committee considered that the aggravating factors outweighed the mitigating factors, and therefore, an increased fine was needed to reflect that.

The Regulation and Conduct Committee imposed a disciplinary order that Miss Smith be severely reprimanded, fined £6,000.