



Type of Order:	DISCIPLINARY CONSENT ORDER
Date of Order:	26 March 2024
Committee name:	REGULATION AND CONDUCT COMMITTEE
Details of IP:	Mark Sands, of London, an Insolvency Practitioners Association (IPA) Member and former Licensed Insolvency Practitioner.
Summary of complaint:	<p>An Order has been made in relation to an allegation that Mr Sands in his role as Nominee of a proposed Individual Voluntary Arrangement ('IVA'), breached the fundamental principle of professional competence and due care of the Insolvency Code of Ethics when he failed to properly verify the debtor's assets and liabilities to ensure that the IVA proposal had a reasonable prospect of being approved and successfully implemented.</p> <p>Accordingly, Mr Sands was found liable to disciplinary action under the IPA's Articles of Association.</p>
Summary of sanctions:	<p>The Common Sanctions Guidance ('CSG') provides for a severe reprimand and a fine of £5,000 as a starting point, where there has been a serious failure to comply with the fundamental principle of professional competence and due care of the Insolvency Code of Ethics.</p> <p>The Committee considered that the conduct fell within the serious category of the CSG because Mr Sands:</p> <ol style="list-style-type: none">1. Accepted the debtor's representations without adequate scrutiny;2. Insufficient work was carried out to establish the validity of the potential claims on which the success of the IVA relied;3. The IVA proposals were so heavily caveated that the creditors would not have been able to make an informed decision, and4. A Court Judge did not think that the IVA proposals were suitable to be put to creditors. <p>In mitigation the Committee accepted that the facts surrounding the case were complex from the start and as Mr Sands is no longer taking</p>

appointments there is minimal risk of repetition. However, it decided that there were aggravating factors in that Mr Sands actions frustrated the Trustee in Bankruptcy attempts to deal with the debtor's bankruptcy, and that Mr Sands has a previous sanction for failing to give proper advice.

The Committee ordered that Mr Sands be severely reprimanded and fined £6,000.