



Type of Order: DISCIPLINARY CONSENT ORDER

Date of Order: 12 March 2019

Committee name: INVESTIGATION COMMITTEE

Details of IP: **Susan Wriglesworth** and **Thomas Fox**, formerly of Creditfix Ltd , IPA members and Licensed Insolvency Practitioners (IPs).

Summary of complaint: This Order is made in relation to a complaint that Mrs Wriglesworth and Mr Fox breached the Insolvency Code of Ethics paragraph 4(c), fundamental principle of professional competence and due care in that:

- 1) between 1 July 2016 and 1 July 2017, the aggregate sum of £506,811, covering various Individual Voluntary Arrangement was drawn without authority; and on three Individual Voluntary Arrangements the aggregate sum of £1,600 was drawn without authority, and
- 2) between April 2016 and July 2017, remuneration totalling [at least £105,042] was drawn without authority from 947 Individual Voluntary Arrangements where agreement to variations to supervisor fees by debtors was not obtained.

Accordingly, Mrs Wriglesworth and Mr Fox were found liable to disciplinary action under the IPA's Articles of Association.

The Committee agreed that this complaint should be against both IPs as the wrongdoing identified arose from a systemic failure and occurred on cases across both portfolios. The IPs were jointly appointed, and both had a duty to ensure that the systems were adequate.

Summary of sanctions: Allegation 1
The Common Sanctions Guidance provides for a severe reprimand and a fine of between £2,000 and a fine equivalent to the level of the unauthorised fee drawn, or £10,000, whichever is greater when unauthorised remuneration has been drawn, depending on the seriousness.

The Committee opined that even though it did not conclude that the conduct was deliberate or dishonest it was 'Serious' with reference to the Common Sanctions Guidance. In mitigation it was noted the effort undertaken to repay the live estates and that a system had been implemented to try to address the matter. The

allegations were accepted, and the Insolvency Practitioners have tried to rectify the matter. There was no suggestion that the firm had profited from this matter overall. However, the aggravating factors are the significant number of cases that this matter affects, and the sums involved; on each individual case the amounts would not be too substantial but in aggregate are considerable. It was also noted that this conduct is repeated.

The Investigation Committee decided to impose a disciplinary order that Mrs Wriglesworth and Mr Fox be severely reprimanded and fined £75,000;

Allegation 2

The Common Sanctions Guidance provides for a severe reprimand and a fine of between £2,000 and £7,500 where there is a failure to comply with the fundamental principle of professional competence and due care in 'Serious' cases. This issue was essentially a one-off occurrence that affected a portfolio of cases. However, the amounts drawn were not insignificant.

The Investigation Committee imposed a disciplinary order that Mrs Wriglesworth and Mr Fox be severely reprimanded and fined £5,000.

The above sanctions are applied to both IPs given the application to their joint portfolio of cases and responsibility to ensure that appropriate systems were in place.