

Publicity Notices

Formal Warnings Pursuant to Conduct Rule 4.5.3

In 2024 Formal Warnings were issued to seven IPA licensed Insolvency Practitioners (IPs) for:

1. A breach of the Fundamental Principle of Professional Behaviour of the Insolvency Code of Ethics when the IP, as successor liquidator, filed a progress report for the period of the former Office Holder's appointment as liquidator, without his consent, and that wrongly implied it had been approved by him.
2. A breach of the Fundamental Principle of Professional Competence and Due Care of the Insolvency Code of Ethics, when two IPs in their role as joint Administrators:
 1. Failed to obtain the required consent from the secured creditors to extend the Administration at the first anniversary pursuant to Paragraph 78 of Schedule B1 of the Insolvency Act.
 2. Incorrectly allocated Counsel's fees as being drawn from the Administration estate and failed to recognise this error prior to the closure of the Administration.
 3. Failed to prepare and issue a progress report for the correct period of 8 April 2020 to 7 October 2020, in accordance with Rule 18.6 of the Insolvency Rules.
 4. Issued a final report to creditors that failed to comply with the relevant Rule of the Insolvency Rules and Statement of Insolvency Practice ('SIP') by:
 - a) Failing to include information relevant to creditors, including key information regarding the VAT position and details of the trading account.
 - b) Failing to correctly split the expenses in the final report.
3. A breach of the Fundamental Principle of Professional Competence and Due Care of the Insolvency Code of Ethics, when the IP, in his role as Supervisor of an Individual Voluntary Arrangement (IVA):
 - (a) failed to conclude the debtor's IVA in a timely manner; and
 - (b) failed to respond adequately to the debtor's emails requesting an update about the closure of her IVA.
4. A breach of the Fundamental Principle of Professional Behaviour of the Insolvency Code of Ethics when the IP overclaimed £3,384.77 from the Coronavirus Job Retention Scheme.
5. A breach of the Money Laundering and Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, when the IP failed on two cases to verify the identity of the customer prior to the establishment of a business relationship and failed to maintain case specific evidence of the level of risk on one of those.
6. A breach of the Fundamental Principle of Professional Competence and Due Care of the Insolvency Code of Ethics when the IP put forward a variation proposal to creditors without properly verifying the debtor's income and expenditure.
7. A breach of the Fundamental Principles of Professional Competence and Due Care and Professional Behaviour of the Insolvency Code of Ethics, when the IP, in his role as the sole IP and

a director of the Insolvency Practice, did not have sufficient procedures in place to satisfy himself that any advertising or other form of promotional activity complied with relevant codes of practice in relation to marketing.