

# Bankrupt sentenced for hiding inheritance from trustee

Lee Davis (55), of Blyth, Northumberland, appeared at Newcastle Crown Court on Friday (11 December) before Judge Prince where he was sentenced to six months imprisonment suspended for 12 months.

The court heard that Lee Davis was declared bankrupt in April 2016 following a petition by the tax authorities having failed to pay taxes he owed.

A month before bankruptcy, however, Lee Davis received more than £33,000 in inheritance from his father's estate. Lee Davis then transferred half of the funds to his wife and paid other creditors he owed, without repaying the tax authorities.

The offence came to light when the Official Receiver examined Lee Davis' records and uncovered that he had failed to declare all his assets, including the inheritance.

The Official Receiver established that months after his bankruptcy, Lee Davis obtained a £1,900 loan from a pawnbroker in Newcastle upon Tyne without disclosing that he was a bankrupt.

Due to the risk Lee Davis posed to creditors, in 2017 the Official Receiver successfully secured a 5-year Bankruptcy Restrictions Order in the County Court at Newcastle-upon-Tyne.

He pleaded guilty to three charges.

Julie Barnes, Chief Investigator at the Insolvency Service, said: "Lee Davis claimed he did not know he had to tell the Official Receiver about money he had already received and instead hid more than £33,000 that should have gone to the creditors he owed.

"This sentence should act as a warning for others who are considering bankruptcy from hiding or disposing of their assets and that such offences are viewed as serious by the courts and the Insolvency Service."

Notes to editors

Lee Davis is of Blyth and his date of birth is September 1965

Lee Davis pleaded guilty to the following charges on 11 December 2020:

- Between the 4th March 2016 and 6th April 2016, being a bankrupt, in the period of five years ending with the commencement of the bankruptcy, you made or caused to be made transfers of your property, namely the monies you received from the probate of the estate of Robert Thomas Davis.

- Between the 9th November 2016 and 16th November 2017, obtained credit up to the sum of £1,900.00 from Newcastle Jewellery Company Ltd without informing The Newcastle Jewellery Company Ltd that he was an un discharged bankrupt.
- On 15th April 2016, being a bankrupt, you made a material omission in a statement made under section 291 of the Insolvency Act 1986 in relation to your affairs, in that you failed to disclose the monies received from the probate of the estate of Robert Thomas Davis.

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