

# Bankruptcy restrictions for student who took out Bounce Back Loan

Kurt John Barkhuizen, 28, from Scunthorpe, applied for and received a £50,000 Bounce Back Loan in June 2020. But Kurt Barkhuizen was not running a business at the time and was not eligible for any funding through the scheme, which was providing assistance to companies during the pandemic lockdown.

The Insolvency Service looked into the case when Kurt Barkhuizen petitioned for bankruptcy in April 2021, with debts in excess of £30,000 on top of the Bounce Back Loan.

When questioned, Kurt Barkhuizen said that he had intended to sell his home to clear his debts and start a car dealership business buying and selling second-hand cars using his car mechanic skills. He told investigators that he had been clear to the lender that his business was not yet trading at the point he applied for the loan.

Kurt Barkhuizen said he had not been able to proceed with his business plans due to the start of the pandemic, as lockdown meant car auctions were cancelled, and the sale of his house also fell through.

However he spent nearly £30,000 of the Bounce Back Loan to buy and insure a car, which he then sold for £10,000. Kurt Barkhuizen spent just over £8,000 on services for his would-be business, including premises, a van and tools, and made payments of more than £4,300 to creditors, but used the remainder of the funds on living expenses.

The Secretary of State for Business, Energy and Industrial Strategy accepted a 9-year bankruptcy restrictions undertaking from Kurt John Barkhuizen, which commences on 7 February 2022.

As a result, he is under a number of restrictions, including not being able to borrow more than £500 without disclosing his bankrupt status, and he cannot act as a company director without the court's permission.

Fiona Newman, Deputy Official Receiver at the Insolvency Service, said:

Kurt Barkhuizen took out a Bounce Back Loan but failed to ensure this was used for business purposes as the terms of the loan set out. He also had considerable debts at the time and has failed to return any money to creditors.

We will not hesitate to impose bankruptcy restrictions in these circumstances.

## **Notes to editors**

Kurt John Barkhuizen is of Scunthorpe and his date of birth is January 1994.

Details of Kurt John Barkhuizen's undertaking is available on the [Individual Insolvency Register](#)

Bankruptcy restrictions are wide ranging. The effects are the same whether you are subject to a bankruptcy restrictions order or to an undertaking. Guidance on the main statutory consequences flowing from a [bankruptcy restrictions order or undertaking](#).

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