

Bogus claims boss sentenced

Haroon Karim (35) appeared at Nottingham Magistrates Court on 2 February 2022 where he pleaded guilty to failing to preserve company accounting records before District Judge Grace Leong.

The claims management boss was fined more than £25,000, as well as being disqualified from running companies for 2 years, to run concurrently with the 7-year ban Haroon Karim received in 2018.

During proceedings, the court heard that Bramcote-based Haroon Karim ran several claims management companies, assisting people with personal injury claims following road traffic collisions.

One of the companies based in Nottingham, ACA Accident Claims Assistant Ltd, entered into Creditors Voluntary Liquidation in August 2016, which triggered an investigation by the Insolvency Service.

Investigators, however, were frustrated in their enquiries as Haroon Karim failed to deliver the company's records despite repeated requests.

The claims management boss went on to tell investigators he had delivered the records to another party but could not verify this when questioned.

Further enquiries uncovered bank records demonstrating that Haroon Karim spent company money on unnecessary expenses despite having company debts. One of these purchases was a designer suit worth £1,000, which the claims management boss claimed he bought to attend an awards ceremony.

With a lack of records, neither the Liquidator nor the Insolvency Service were able to establish what happened to the company's tangible assets. This led to Haroon Karim signing a seven-year disqualification undertaking in July 2018.

A criminal investigation was then launched into the claims management boss' conduct, which resulted in Haroon Karim being charged on three counts, including: failing to deliver up books and records to the liquidator; failing to cause ACA Accident Claims Assistant Ltd to keep accounting records; and failing to preserve company accounting records.

A trial was set for 2 February 2022 before Haroon Karim pleaded guilty and was sentenced with a fine of £20,000 and costs of £5,715.34.

In separate proceedings, Haroon Karim was sentenced to six months for contempt of court. This was in connection with a claim brought by an insurance company in September 2017 after Haroon Karim had forged a claimant's signature without their knowledge to start insurance compensation proceedings.

Julie Barnes, Chief Investigator for the Insolvency Service, said:

Haroon Karim was evasive throughout our enquiries and with a lack of company records was unable to explain exactly what happened to the company assets – something we'll never know.

But the court recognised the severity of the claims management boss' misconduct and have not only extended his ban from running limited companies but ordered Haroon Karim to pay a substantial fine.

We hope this serves as a stark warning to company directors that they have clear responsibilities and if they are not upheld, could lead to disqualifications and even criminal prosecutions.

Haroon Karim is from Bramcote, Nottingham, and his date of birth is May 1986

In February 2021, Haroon Karim was charged with:

- failing to deliver up books and records to the liquidator contrary to section 208(1)(c) Insolvency Act 1986
- failing to cause ACA to keep accounting records, contrary to Section 387 Companies Act 2006
- failing to preserve company accounting records contrary to section 389 Companies Act 2006.

Haroon Karim was director of:

- ACA Accident Claims Assistant Ltd (Company number: 08544451)
- ACA Claims Ltd (Company number: 08077710)
- Easy Go Hire Ltd (Company number: 10166615)
- Medical Healthcare Services Ltd (08831871)

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings. Persons subject to a disqualification order are bound by a [range of other restrictions](#).

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