

Bounce Back Loan fraudster jailed

Abdulrazag Zagroba, 54, from Manchester, appeared at Manchester Crown Court on Friday 24 June 2022 where he was sentenced to 24 months before Recorder Hudson.

This was the first successful criminal prosecution of a bounce bank loan fraudster for the Insolvency Service, which also saw Abdulrazag Zagroba disqualified from acting as a director for 7 years.

The court heard that Zagroba was sole director of Amigo Pizza (Manchester) Ltd, incorporated in January 2020. The company operated a pizza takeaway business in the Stretford area of Manchester until it was dissolved in October the same year.

Zagroba's application to dissolve the company was originally signed on 17 June 2020 but less than two weeks later, he applied for a Bounce Back Loan of £20,000.

Zagroba did not disclose to the bank that the company was already in the process of being dissolved and he signed the loan declaration stating the company would be able to make repayments. By the time the loan was due to be repaid in June 2021, the company had already been dissolved.

The terms of the Bounce Back Loan were clear that funds could only be used for business purposes and not personal use.

However, when interviewed under caution by Insolvency Service investigators, Zagroba admitted to having no intention of using the Bounce Back Loan for the business.

Zagroba claimed that he arranged for friends to travel with around £14,000 in cash to give to his family abroad. He used the remaining £6,000 to buy a car and insurance.

He pleaded guilty to charges of fraudulently claiming Covid-19 financial support to which he was not entitled contrary to the Companies Act 2006 and the Fraud Act 2006 at Manchester City Magistrate's Court on 9 May.

Julie Barnes, Chief Investigator at the Insolvency Service said:

Covid loans were designed to support viable businesses during the pandemic. Abdulrazag Zagroba, however, cynically sought to exploit the covid loan scheme and by dissolving his company, he intended to frustrate any attempt by the lender from taking action to recover the outstanding loan.

This sentence should serve as a warning to others who engaged in this behaviour, and they should come clean and repay the money before it is too late.

Notes to editors

Abdulrazag Zagroba of Manchester and his date of birth is January 1968.

Amigo Pizza (Manchester) Ltd – CR0 12406923).

The sentence result was announced at Manchester Crown court by Miss Recorder Hudson:

- Section 2 Fraud Act 2006 (Fraud by false representation) – 24 months' imprisonment (immediate)
- s1007 Companies Act 2006 – aggravated striking off offence – 20 months' imprisonment (to run concurrently).

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