

Commission finds misconduct by charity that claimed to deliver public safety messages via Bluetooth

[An inquiry](#) by the Charity Commission into the charity Public Safety Charitable Trust (PSCT) has concluded that there was misconduct and/or mismanagement by the trustees.

The charity will be removed from the register of charities once the liquidator's final report and forms are submitted to Companies House to dissolve the company.

The charity was set up to broadcast public service messages to communities via Bluetooth equipment situated close to shopping centres in towns and cities across the country. It claimed to have broadcast to approximately 2 million people.

The charity took out leases on empty properties and placed equipment in them to broadcast information about crime in the area. Businesses received a reduction in their business rates for leasing properties to a charity, and in return paid a donation to PSCT.

When the inquiry opened, the charity held approximately 2,000 leases for properties in 240 local authorities.

The Commission first engaged with the charity in October 2011 after concerns regarding business rates relief claimed by the charity were raised by several local authorities that subsequently took the charity to court.

The matter eventually came to the Court of Appeal in May 2013, which found solely operating Bluetooth transmitters in premises was not sufficient for charitable purposes. As a result of this judgement, the charity became liable for approximately £17 million in business rates on the premises it leased.

The Commission opened a statutory inquiry at the time, but this was placed on hold after a compulsory liquidation petition was issued by the Insolvency Service and the charity began to be wound up on 8 July 2013.

The Commission's inquiry found the trustees contracted with Commercial Link Ltd ("CL") as the sole provider of the Bluetooth technology, equipment and services to the charity, and the company had control over the charity's records and administration – to the exclusion of the trustees.

The inquiry also found the trustees could not show they had acted in the charity's interests in leasing properties and subjecting the charity to the risks of financial loss for business rates. The trustees claimed to have taken adequate legal advice, although as part of the agreement with CL the charity retained responsibility for any liabilities and the trustees did not show any evidence as to how they mitigated for this risk.

The trustees have been disqualified. Mark Ferguson was disqualified for 9 years on 25 May 2017 and Christine Sutton was disqualified for 5 years, from 15 July 2015 from acting as company directors by the Insolvency Service, in accordance with the criteria set out in the Directors Disqualification Act 1986, and as a consequence, from being trustees or holding a senior position at a charity, for their conduct in this matter.

Amy Spiller, head of the investigations team at the Charity Commission, said:

Being a charity is meaningful – we expect trustees to be accountable and demonstrate their worth to the public and donors. The trustees of Public Safety Charitable Trust could not show this, instead they undermined the meaning of charity by enabling businesses to avoid paying business rates, resulting in the charity taking on huge liabilities they could not afford and consequently costing the charity's future. It's right that trustees have been disqualified and the charity will be removed from the register.

Ends