

Court winds-up online broker after misleading investors

Scothop Limited has been wound up in the public interest in the High Court of Justice Business and Property Courts on 21 June 2022 before ICC Judge Jones. The Official Receiver has been appointed as Liquidator of the company.

The court heard that Scotthop Limited, more commonly known as Genesis11, set itself up as a regulated online broker, with the ability to trade different commodities.

The Insolvency Service, however, received complaints about the practices of the company and launched confidential enquiries into Scotthop Limited's activities before uncovering significant losses to investors.

Investigators uncovered customers were encouraged to invest with the online broker and would often see their investments increase in value, prompting customers to invest further.

When investors attempted to withdraw their funds, they were either charged a substantial fee or their investments significantly reduced in value. Scotthop Limited would then cease contact with investors if they continued to remove funds or did not pay the fee.

Further enquires found that Scotthop Limited claimed to keep funds in segregated third party accounts. But funds were held in accounts in the name of individuals that were not registered as officers of the company.

The financial regulator had no knowledge of Scotthop Limited and throughout the investigation and court proceedings, the individuals connected to or in control of the company's affairs and management failed to engage with the Insolvency Service.

Investigators received information from at least 7 investors who have suffered combined losses of at least £263,000, including one investor who has lost close to £100,000.

At the winding-up hearing, Judge Jones agreed that the company traded without commercial probity and had obtained funds on a false and misleading basis.

The Judge also commented that Scotthop Limited acted with a lack of transparency and that there was an absence of proper records to confirm that investors' funds had been used for a proper purpose or to establish what happened to any funds received.

As part of their duties, the Official Receiver as Liquidator will seek to recover and realise the assets of the company to make returns to creditors.

Edna Okhiria, Chief Investigator for the Insolvency Service, said:

Our investigations identified that Scothop Limited misled investors, illegitimately securing thousands of pounds whilst falsely claiming to be regulated.

Thankfully the court recognised the severity of the company's actions and wound-up Scothop Limited before any more investors lost their money. We hope this outcome serves as a warning to other rogue investment firms that we have the necessary powers to put a stop to unscrupulous misconduct.

All enquiries concerning the affairs of the company should be made to the Official Receiver of the Public Interest Unit: 16th Floor, 1 Westfield Avenue, Stratford, London, E20 1HZ; Email: piu.or@insolvency.gov.uk

Scothop Limited (company number 11748109), was incorporated on 3 January 2019. Its registered address is that of a serviced office provider at 27 Old Gloucester Street, Bloomsbury, London, WC1N 3AX

The appointed director of Scothop Limited at the time of its winding up was Ilie Adascalitei, sole registered director since 22 January 2019.

A petition to restore and wind up the Company was presented by The Secretary of State for Business, Energy and Industrial Strategy on 21 June 2022 in the High Court of Justice, Business and Property Courts in England and Wales (CR 2022-001042), under the provisions of section 124A of the Insolvency Act 1986 following confidential enquiries by Company Investigations under section 447 of the Companies Act 1985, as amended.

Company Investigations, part of the Insolvency Service, uses powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK on behalf of the Secretary of State for Business, Energy & Industrial Strategy (BEIS). Further information about live company investigations is available [here](#).

[Further information about the work of the Insolvency Service, and how to complain about financial misconduct.](#)

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