

Courts shut down rogue volume IVA provider

Vanguard Insolvency Practitioners Limited, MDN Consultancy Limited, Newtco Limited and KIS Financial Consultancy Limited were wound-up in the public interest on 12 May 2022 at the High Court in Manchester before His Honour Judge Hodge.

Petitions were submitted to the court by the Insolvency Service, on behalf the Secretary of State for Business, Energy and Industrial Strategy. The Official Receiver has been appointed liquidator of the companies.

The court heard that Vanguard was a 'volume' Individual Voluntary Arrangement (IVA) provider that enabled people in debt to come to an arrangement with their creditors to pay all or part of their debts.

Vanguard charged customers a fee for facilitating their arrangements, which were supervised by Vanguard's licensed insolvency practitioner.

Following complaints about Vanguard's practices, however, the Insolvency Service launched confidential enquiries before investigators uncovered serial abuse of the payments made by Vanguard's customers.

Vanguard traded from 2016 and used third-party suppliers to help administer the IVAs and realise debtors' assets. By April 2020 Vanguard had more than 14,000 IVA cases under its management.

Investigators found that between August 2018 and June 2020, Vanguard made payments to various third-party suppliers totalling almost £9 million from their customers' estates under the guise of expenses or disbursements.

Some of the third parties under a fee sharing arrangement would then make payments to MDN Consultancy and KIS Financial Consultancy, who were connected to Vanguard through close personal or family relationships.

Further enquiries discovered that Vanguard's licensed insolvency practitioner, responsible for overseeing the IVAs, did not properly explain to customers what their fees were being used for.

Investigators concluded that Vanguard's practices lacked transparency as did the activities of its licensed insolvency practitioner.

The winding up proceedings were initially defended by Vanguard and the connected companies. But before trial, the four companies confirmed they would not oppose the proceedings without making any admissions. At trial the Court was content to wind up the companies.

The Judge commented that it was of particular concern that the director of Vanguard seemed incapable of seeing anything wrong in the company's failure to disclose to creditors and debtors the mechanism that was used to pay money

from the IVA estates, effectively for the benefit of himself and his companies.

Claire Entwistle, Assistant Director of Investigation and Enforcement Services for the Insolvency Service, said:

Following a complex and lengthy investigation, the court recognised the severity of Vanguard and the connected companies' activities before closing them down for good.

This sends a strong message to volume IVA providers that if they do not deal with their cases properly and there is evidence of abuse, we will take strong action to protect customers and stop them.

The winding up petitions have not affected the position of any of the IVAs previously under Vanguard's control. These were taken on by another provider some time ago and consumers should continue to make payments in accordance with the terms of their agreement. Any customers who are concerned should get in touch with their IVA provider in the usual way.

The government recently [consulted on making changes to the insolvency practitioner regulatory regime](#), including whether firms offering insolvency services should be subject to regulation, and will be issuing its response in due course.

Customers

Vanguard's IVA cases were transferred previously and are being serviced by a separate IVA provider, Oakfield. Customers are recommended to direct queries relating to their IVAs to Oakfield.

The Official Receiver

All public enquiries concerning the affairs of the companies should be made to: The Official Receiver, Public Interest Unit, 16th Floor, 1 Westfield Avenue, Stratford, London, E20 1HZ. Telephone: 0300 678 0015
Email: piu.or@insolvency.gov.uk.

The Official Receiver has been appointed as Liquidator of the companies and has legal responsibilities to wind-down the affairs of the company to achieve an orderly liquidation, while realising the assets of the company for the benefit of the company's creditors.

The Official Receiver has a duty to investigate the causes of failure of the company as part of the liquidation process, including the conduct of the directors.

Company information

Vanguard Insolvency Practitioners Limited (Company number: 09610770) was incorporated on 27 May 2015. The company's registered office was at National

House, 80-82 Wellington Road North, Stockport, Cheshire, United Kingdom, SK4 1HW. The company was wound up by the High Court of Justice, Business and Property Courts of England and Wales, in Manchester on 12 May 2022.

MDN Consultancy Limited (Company number: 09614459) was incorporated on 29 May 2015. The company's registered office was at National House, 80-82 Wellington Road North, Stockport, Cheshire, United Kingdom, SK4 1HW. The company was wound up by the High Court of Justice, Business and Property Courts of England and Wales, in Manchester on 12 May 2022.

Newtco Limited (Company number: 07371916) was incorporated on 10 September 2010. The company's registered office was at National House, 80-82 Wellington Road North, Stockport, Cheshire, United Kingdom, SK4 1HW. The company was wound up by the High Court of Justice, Business and Property Courts of England and Wales, in Manchester on 12 May 2022.

KIS Financial Consultancy Limited (Company number: 12099856) was incorporated on 12 July 2019. The company's registered office was at National House, 80-82 Wellington Road North, Stockport, Cheshire, United Kingdom, SK4 1HW. The company was wound up by the High Court of Justice, Business and Property Courts of England and Wales, in Manchester on 12 May 2022.

About the Insolvency Service

[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 and Industrial Strategy (BEIS).

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