

Courts wind-up debt collection company

Redwood Business Management Ltd, based in Newcastle upon Tyne was wound-up in the public interest on 3 February 2020 at the High Court in Manchester before Deputy District Judge Brightwell. The Official Receiver has been appointed liquidator of the company.

The court heard that Redwood Business Management was incorporated in June 2017 with registered offices in Shieldfield, Newcastle Upon Tyne.

The Insolvency Service became aware of concerns regarding Redwood Business Management's trading activities and instigated confidential enquiries.

Investigators established that the company, trading under the name 'Rojen Recovery Services', had cold-called prospective clients offering to collect outstanding debts that were due to them.

The company charged a fee of 18.5% of the outstanding debt, with that fee supposedly being added to the amount that Redwood would recover from the debtor.

Almost £1million was paid into Redwood Business Management's bank account between June 2017 and August 2019. This was made up of recoveries made by Redwood Business Management from debtors, as well as payments from clients for court fees and other charges which, Redwood Business Management claimed, were necessary to pursue recovery claims on behalf of the clients concerned.

While the accounting records of Redwood Business Management were not sufficient to properly account for the monies received by the company, investigators were able to establish that Redwood had collected debts that had not been paid over to its clients.

The court wound-up the company on the ground that it traded with a lack of commercial probity because it made false and misleading statements to its clients, failed to account for monies collected on behalf of clients, charged fees to clients in circumstances where no such fees were due and charged excessive fees to clients.

The court also accepted that the company, and the individuals in control of it, failed to cooperate fully with the investigation and failed to keep adequate accounting records.

David Hope, Chief Investigator for the Insolvency Service, said:

Redwood Business Management operated in a cynical manner throughout its trading history. It charged clients substantial fees for services that were not required or not provided and at the same time, collected debts that it did not pay on to its clients. Thankfully, the court has now put a stop to the company's activities, preventing further harm.

All public enquiries concerning the affairs of the company should be made to:

Redwood Business Management Ltd – company registration number 10811888 – was incorporated on 9 June 2017. The company's registered office is at 194 Portland Road, Shieldfield, Newcastle Upon Tyne, Tyne And Wear, United Kingdom, NE2 1DJ.

The petition was presented under s124A of the Insolvency Act 1986 on 3 December.

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.](#)

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