

Debt bosses' failings lead to £7.6 million shortfall in funds

Darren Dean Varden (54), of Bury, Lancashire, and Philip Andrew Nuttall (58), of Congleton, Cheshire, were directors of Varden Nuttall Limited, a debt solutions provider based in Bury.

Philip Nuttall was an insolvency practitioner, licenced to act in relation to insolvent individuals and companies. Together with a small team at Varden Nuttall, he administered Individual Voluntary Arrangements (IVAs) – formal agreements between a debtor and their creditors to pay back money owed.

At its peak, the company handled over 3,000 IVAs but neither Philip Nuttall nor Darren Varden properly fulfilled their duties as directors, failing to adequately supervise the bank accounts that held the IVA funds.

In August 2015 a major accounting discrepancy was noticed and, following an internal investigation, an estimated £6.6 million shortfall was identified.

Philip Nuttall was obliged to inform his regulatory body and, after an assessment of his conduct, the regulatory body took the decision to revoke Philip Nuttall's licence in early March 2016.

Varden Nuttall Limited entered administration shortly afterwards. After realising the scale of the financial shortfall, the appointed administrators filed civil action against the two directors in May 2017.

Darren Varden accepted personal liability for the shortfall, and entered an IVA rather than declaring bankruptcy.

Philip Nuttall, however, disputed the allegations and the matter went to trial in May 2018. As a result of the court proceedings, he was made personally liable for the shortfall, too, found by the court to be £7.6 million.

Varden Nuttall's administrators had also filed a report on the directors' conduct to the Insolvency Service, which triggered an investigation in September 2016.

Upon closer scrutiny, investigators uncovered further misconduct by the pair.

Varden Nuttall was one of several companies owned by Release Money Group (RMG) Limited, an umbrella company of which both men were also directors. Despite knowing there was a potential shortfall at Varden Nuttall and that, due to a cross-guarantee held by the bank, group assets could be required to settle it, from October 2015 Philip Nuttall and Darren Varden acted to remove assets from RMG.

They recycled monies around other management companies through an elaborate trust scheme to wipe out two director's loans with a combined value of more

than £1.6 million that they had taken out through RMG. These assets would likely have been used to help reduce the shortfall at Varden Nuttall.

The Secretary of State has since accepted disqualification undertakings from Phillip Nuttall and Darren Varden, for 9 and 7 years respectively. The pair are disqualified from being involved, directly or indirectly, in the formation, promotion, or management of a company without leave from the court.

Anthea Simpson, Chief Investigator for the Insolvency Service, said:

Philip Nuttall and Darren Varden abused the trust of their clients, people suffering with debt problems, by failing to adequately oversee the company's financial transactions. That alone would have justified their disqualifications in this case but they compounded the issue when they used a convoluted trust scheme to repay loans that would otherwise have been assets in the administration.

This conduct has resulted in Philip Nuttall and Darren Varden being prevented from acting as directors again for lengthy periods of time.

Philip Andrew Nuttall is of Congleton, Cheshire (formerly New Mills, Derbyshire) and his date of birth is February 1961. His ban, effective from 17 July 2019 lasts for 9 years. His licence to act as an Insolvency Practitioner was withdrawn by the ICAEW with effect from 1 April 2016.

Darren Dean Varden is of Bury, Greater Manchester, and his date of birth is June 1965. His ban, effective from 11 April 2019 lasts for 7 years.

Varden Nuttall Limited (Company Number 04669168).

Release Money Group (RMG) Limited (Company Number 07154076).

Other companies which formed the Release Money Group were:

- Debt Release Direct Ltd (Company Reg no. 04730443), which was incorporated on 10 April 2003, and went into Administration on 24 March 2017
- Your Claim Refunded Ltd (Company Reg no. 07398617), which was incorporated on 06 October 2010, and went into Administration on 25 October 2016

[More information on Individual Voluntary Arrangements \(IVAs\).](#)

A Disqualification Order or a Disqualification Undertaking has the effect that, without specific permission of a Court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or

- management of a company or limited liability partnership
- be a receiver of a company's property

Disqualification Undertakings are the administrative equivalent of Disqualification Orders but do not involve court proceedings. Persons subject to a disqualification are bound by a [range of other restrictions](#).

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

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