

Extended restrictions for bankrupts who overdrew their bank account

Raymond P Booth (46), of Skegness, and Sarah Ann Stephenson (35) of Bridlington, East Yorkshire, were business partners in two Bridlington companies. In December 2016 they opened a joint bank account together.

Only £8 was ever deposited in the account but, within the same month, the pair proceeded to make a series of large transactions despite knowing they did not have the funds to complete them or access to an overdraft facility.

Sarah Stephenson made six online payments worth almost £3,000 to two personal bank accounts. She also issued four cheques against the account totalling £22,500. All of these payments were allowed by the bank in error.

Raymond Booth issued three cheques against the account worth over £140,000, which were also honoured in error by the bank. He attempted to issue eleven further cheques, worth almost £180,000, but the bank did not accept the transactions.

The bank petitioned for the pair to be declared bankrupt. Sarah Stephenson was handed a bankruptcy order in October 2018 by the County Court at Scarborough. Raymond Booth was declared bankrupt by the County Court at Boston in February 2019. Control of both their estates passed to the Official Receiver.

Bankruptcy restrictions are usually lifted after a year but, owing to the seriousness of the pair's actions, the Official Receiver pursued extended restrictions.

The Secretary of State accepted a bankruptcy restrictions undertaking for nine years from Sarah Stephenson on 22 August 2019, and an undertaking for eight years from Raymond Booth on 11 September 2019.

Effective from those dates, neither bankrupt can borrow more than £500 without disclosing their bankrupt status, or act as a company director without the court's permission, among other restrictions.

Alan Draycott, Deputy Official Receiver for the Insolvency Service, said:

Raymond Booth and Sarah Stephenson tried to gain financially by abusing their bank. Their actions are completely unacceptable, and these extended restrictions will limit their financial freedom for years to come.

The Insolvency Service protects economic confidence in the UK by ensuring there are consequences for misconduct. This case should act as a warning to others tempted to mis-use their bank accounts to line their own pockets.

Raymond P Booth is of Skegness, and his date of birth is July 1973. Details of his Bankruptcy Restrictions Undertaking are available on the [Individual Insolvency Register](#).

Sarah Ann Stephenson is of Bridlington and her date of birth is December 1983. Details of her Bankruptcy Restrictions Undertaking are available on the [Individual Insolvency Register](#).

Bankruptcy restrictions are wide ranging. The effects are the same whether you are subject to a Bankruptcy Restrictions Order or to an undertaking. It is an offence if you:

- do not disclose your status as a person subject to bankruptcy restrictions to a credit provider if you wish to get credit of £500 or more.
- carry on business in a different name from the name in which you were made bankrupt, you must disclose to those you wish to do business with the name (or trading style) under which you were made bankrupt.
- act as the director of a company or take part in its promotion, formation or management unless you apply to the court for permission to do so.
- act as an insolvency practitioner, or as the receiver or manager of the property of a company on behalf of debenture holders.

Further guidance on the additional effects of a bankruptcy restrictions order or undertaking is [available](#).

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

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