

Hebburn engineering boss banned for Bounce Back Loan abuse

Michael Hansen, 42, from Hebburn has been disqualified as a director for 10 years after overstating the turnover of his engineering firm to claim a £40,000 Bounce Back Loan to which his business was not entitled.

Hansen was the sole director of MH Property & Engineering Services Limited, which was incorporated in 2019 and traded as a property and engineering firm from Monkton Lane in Hebburn until it went into liquidation in November 2021.

When the company's turnover decreased during the pandemic, Hansen applied for a Bounce Back Loan to help support his business, stating the company's turnover to be £160,000.

Bounce Back Loans were a government scheme to help businesses to stay afloat during the Covid pandemic. Companies could apply for a loan of between £2,000 and £50,000, up to a maximum of 25% of their turnover. The money was to be used for the economic benefit of the company, under the rules of the scheme.

MH Property and Engineering Limited struggled to recover the custom it lost during the pandemic and went into liquidation, owing more than £42,000 and triggering an investigation by the Insolvency Service.

Investigators discovered that during the company's first year of trading, up to June 2020, MH Property and Engineering Limited's turnover was £8,294 and the company had therefore received nearly £38,000 more than it had been entitled to through the Bounce Back Loan scheme.

They also found that around £14,000 had later been withdrawn or paid out of the company's bank account, followed by a transfer of around £24,600 to Hansen himself between November 2020 and August 2021.

Hansen was unable to show investigators that the money had been used for the economic benefit of the company.

The Secretary of State for Business, Energy and Industrial Strategy accepted a disqualification undertaking from Michael Hansen after he did not dispute that he had overstated the turnover of MH Property and Engineering Services Limited to gain more than £37,900 to which it was not entitled, and had failed to make sure the money was used for the economic benefit of the company.

His disqualification started on 11 November 2022 and lasts for 10 years. The ban prevents Hansen from directly or indirectly becoming involved in the promotion, formation or management of a company, without the permission of the court.

Mike Smith, Chief Investigator of the Insolvency Service said,

Covid Support Schemes were a lifeline to businesses across the UK protecting jobs and preserving businesses.

We will not hesitate to take action against directors who have abused Covid-19 financial support like this, and Hansen's lengthy ban should serve as a warning to others.

Michael Hansen is of Hebburn and his date of birth is November 1980.

MH Property and Engineering Limited company number 12061331.

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Persons subject to a disqualification order are bound by a [range of restrictions](#).

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