

[Insolvency Service cracks down on Bounce Back Loan abusers](#)

Three directors have been banned following investigations which found that nearly £100,000 worth of Bounce Back loans had been inappropriately applied for, or misused. The Bounce Back Loan (BBL) scheme ran to March 2021 and provided loans of up to £50,000 to help businesses survive the impact of COVID-19.

9 year ban for director of cleaning company

N&S Solutions Ltd was a cleaning services company incorporated in June 2018. Since October 2018 Rafael Henrique Scher, 38, had been the only director. The company entered administration in August 2019 with debts of around £150,000. It later entered liquidation on 23 June 2020.

The Insolvency Service investigation found that Rafael Scher used N&S Solutions to apply for a Bounce Back Loan of £30,000 on 15 May 2020. This was despite the company being insolvent and had already ceased to trade, meaning there was no prospect of repayment of the loan.

Rafael Scher used the £30,000 loan to pay £29,940 to a single trade creditor, but ignored other creditors with sizable debts, and also the company's tax liabilities which amounted to over £94,000.

Rafael Scher signed a disqualification undertaking which prevents him from acting as a director for 9 years. The disqualification starts on 25 October 2021.

Nottingham chicken takeaway duo each have bankruptcy restrictions extended for 8 years

Mujeebullah Khan, 34, and Muhammed Omair Javaid, 33, ran Chunky Chicken, a local Nottingham takeaway until December 2019, when they sold the business.

However Mujeebullah Khan improperly applied for a government-backed Bounce Back Loan of £50,000 in the business name after the sale of the company. The money was used to repay a business creditor and who was also a relative of Muhammed Omair Javaid.

Both Mujeebullah Khan and Muhammed Omair Javaid made themselves bankrupt on 24 May 2021, citing debts of over £200,000 that included the Bounce Back Loan.

Both Mujeebullah Khan and Muhammed Omair Javaid signed bankruptcy undertakings that extend their restrictions for 8 years. This means they are limited to what credit they can access, as well as not being able to act as a company director without the permission of the court.

8 years of bankruptcy restrictions for Nuneaton publican

Malcolm Wilks, 57, ran the Royal Oak pub in Nuneaton since 2014. At the start of the pandemic in March 2020, the pub closed for lockdown and Wilks entered into an Individual Voluntary Arrangement (IVA) and began to claim Universal Credit. The pub later reopened and traded for a few hours a week until it finally closed in November 2020 due to the reintroduction of COVID-19 restrictions.

On 11 November 2020 Malcolm Wilks received a Bounce Back Loan of £19,000. A day later, the supervisor of his IVA terminated the agreement, and confirmed to the Insolvency Service that Wilks had only made 2 repayments.

As a result of the Insolvency Service investigation, it was established that Wilks transferred nearly £17,000 of the Bounce Back Loan into his personal bank accounts. From there, he paid over £4,100 to his ex-girlfriend and spent £1,120 on online gambling. Nearly £3,500 was withdrawn in cash and cannot be accounted for. Only £6,500 was allocated as wages for himself to cover the period when he wasn't working.

Separately, Wilks also received £1,100 in business rates refunds in December 2020, just weeks prior to declaring himself bankrupt. He received a further £10,500 in subsequent weeks but failed to disclose this to the Official Receiver.

On 27 September 2021, Malcolm Wilks signed a bankruptcy restriction undertaking that extends the duration of his bankruptcy for 8 years, starting on 18 December 2021.

Alan Draycott, the Deputy Official Receiver, said:

The Government loan schemes have provided a lifeline to millions of businesses across the UK – helping them to continue trading during the pandemic and protecting millions of jobs. As these three cases show, the Insolvency Service will not hesitate to investigate and use our powers against those who abused the COVID-19 support schemes.

Notes to editors

All directors have a duty to ensure their companies maintain proper accounting records. The use of a Bounce Back Loan must be for the benefit the business and never for personal use. Failure to account for how a Bounce Back Loan was used, or using it for personal payments, can result in being disqualified as a director or the extension of bankruptcy restrictions.

Rafael Henrique Scher is from Milton Keynes and his date of birth is in January 1983.

N&S Solutions Ltd (Company number 11420824) was incorporated on 18 June 2018. Rafael Henrique Scher signed a disqualification undertaking on 4 October

2021. His ban is effective from 25 October 2021 and lasts for 9 years.

The disqualifications prevent them from directly or indirectly becoming involved in the promotion, formation or management of a company without the permission of the court.

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 other restrictions](#).

Mujeebullah Khan is of Nottingham and his date of birth is 30 September 1987

Details of Mujeebullah Khan's bankruptcy restrictions undertaking (BRU) is available on the [Individual Insolvency Register](#).

Muhammed Omair Javaid is of Nottingham and his date of birth is 8 April 1988.

Details of Muhammed Omair Javaid's BRU is available on the [Individual Insolvency Register](#)

Both Mujeebullah Khan and Muhammed Omair Javaid signed bankruptcy undertakings that extend their restrictions for 8 years. The extension to their restrictions begins on 24 May 2022.

Malcolm Wilks is of Nuneaton and his date of birth is 16 February 1964.

Details of Malcolm Wilks' BRU is available on the [Individual Insolvency Register](#)

Malcolm Wilks signed a bankruptcy undertaking that extends his restrictions for 8 years. The extension of his restrictions begins on 18 December 2021.

Bankruptcy restrictions are wide ranging. The effects are the same whether you are subject to a bankruptcy restrictions order or to an undertaking. Guidance on the main statutory consequences flowing from a [bankruptcy restrictions order or undertaking](#).

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

Contact Press Office

You can also follow the Insolvency Service on: