

[Insolvency Service newsletter – Winter 2021](#)

Proposals to strengthen insolvency regulation

Following a [Call for Evidence](#) in 2019, the Government has launched a consultation and is inviting views on creating a single regulator for Insolvency Practitioners, as well as extending regulation to firms that offer insolvency services.

The proposals aim to strengthen and modernise the regulatory regime to keep pace with developments in the insolvency market and key changes set out in the [consultation](#) include:

- establishing a single independent regulator to sit within the Insolvency Service, replacing the current four Recognised Professional Bodies
- extending regulation to firms that offer insolvency services, as the current regime only covers individual Insolvency Practitioners
- create a public register of all individuals and firms that offer insolvency services
- create a system of compensation and redress

The proposed changes would apply to England, Scotland and Wales and we're welcoming the industry to submit their views on the [consultation](#), which will run until 25 March 2022. Responses can be e-mailed to IPRegulation.Consulation@insolvency.gov.uk.

New powers for Insolvency Service to crackdown on rogue directors

The Insolvency Service has been [granted new powers](#) to investigate and disqualify company directors who abuse the company dissolution process.

[The Rating \(Coronavirus\) and Directors Disqualification \(Dissolved Companies\) Act](#) received Royal Assent on 15 December 2021 and the legislation will cover England, Scotland, Wales and Northern Ireland.

The new legislation extends the Insolvency Service's powers, on behalf of the Business Secretary, to tackle unfit directors who dissolve companies to avoid paying their liabilities, including repaying Government backed loans put in place to support businesses during the Coronavirus pandemic.

The Act will also mean the Business Secretary is able to apply to the court for an order to require a former director of a dissolved company, who has been disqualified, to pay compensation to creditors who have lost out due to their fraudulent behaviour.

The new powers have been welcomed across the industry and Stephen Pegge, Managing Director of UK Finance, has said that this legislation will provide much needed powers to the Insolvency Service to help hold rogue directors to

account by providing additional deterrents and easier enforcement of the rules.

Diversity and Inclusion Steering Group launches new Action Plan

Over the past year, the Insolvency Service and R3 have been working together to improve inclusion and diversity in the insolvency profession. We are pleased to share that the Insolvency Service and R3 Diversity and Inclusion Steering Group has [now published its Action Plan for 2022](#).

The Action Plan commits the Steering Group to focus efforts in 2022 into four key areas:

- entry into the profession
- progression to associate level, and to partner level
- taking insolvency qualifications, and
- becoming a licence-holder.

The four priority areas aim to help the Steering Group meaningfully boost diversity and inclusion, particularly by helping to build a pipeline of diverse talent in the profession. [Read the Action Plan 2022](#).

Providing direction for 2022: new five-year strategy

In September 2021, we launched our new [five-year strategy](#), setting out how the Insolvency Service will develop its services over the next five years to support businesses, consumers and deliver economic confidence.

The strategy sets out a clear direction of travel to strengthen the UK's insolvency regime and contribute to the UK being the best place in the world to start and grow a business.

The strategy builds on what we've achieved over the last few years but also includes some ambitious new initiatives focused on how we can make best use of our collective skills and expertise to have the greatest impact for our customers and citizens.

Launched alongside our [Annual Plan 21/22](#), which forms year one of that strategy, the strategy aims to ensure that we have an agency fit for the future; one which will support businesses and citizens as the country emerges from the COVID-19 pandemic and helps the UK economy to thrive.

Our seven strategic themes underpin everything that we do and provide the bridge between where we are now and our vision for success.

We already made an impact this year with the launch of Breathing Space in May and the introduction of new Debt Relief Order criteria in June, both of which support people in problem debt.

As we move into the second year of our five-year strategy, we will continue to look at how our planned work aligns to our seven strategic themes and

provides maximum impact and benefits with the overall aim of supporting economic confidence.

Insolvency Service's excellence recognised at industry awards

We're delighted to tell you that we took home two honours at this year's TRI Awards.

The TRI Awards is a landmark event in the insolvency calendar, shining a spotlight and recognising the innovative and highly-skilled work being delivered in the insolvency profession.

Our Policy & Analysis teams won "Insolvency Team" of the year for their work on the Corporate Insolvency & Governance Act (2020), which has helped support companies throughout the pandemic.

And the Best Use of Technology award was presented to our Breathing Space Project Team who took home the honours for the new Breathing Space Scheme that has helped thousands of people in financial difficulty.

We would like to take this opportunity to thank all our colleagues and partners in other Government departments involved in the success of these projects, in particular HMT, for their expertise, hard work and dedication in achieving these results.

Two new directors appointed to senior roles in agency

The Insolvency Service is delighted to announce the appointment of two new directors of our Official Receiver Services and Legal Services directorates.

We welcome back Rob Peck to the agency as Director of Official Receiver Service after 6 years at the Home Office. Rob first joined the Insolvency Service 29 years ago when he was 19 and has served as an Examiner before being the Official Receiver for our Croydon and Brighton offices.

At the Home Office, Rob led 550 staff handling appeals against asylum and immigration decisions and more recently served as Head of Appeals, Litigation and Administrative Review.

Rob will now lead the agency's largest directorate, overseeing the administration and statutory investigation of bankruptcies and compulsory company liquidations.

And Jonathan Lupton has been formally appointed as Director of Legal Services. Jonathan qualified as a solicitor in 1999 after he completed his training contract at a specialist firm of solicitors and licenced insolvency practitioners in Yorkshire.

Throughout his career, Jonathan has specialised in personal and corporate insolvency and is also a qualified Insolvency Practitioner, where he has held a number of personal and corporate insolvency officeholder appointments.

Jonathan has been a partner of a law firm heading up their Insolvency and Business Recovery Team and an Associate Director at a leading Insolvency Litigation Funding Company, before joining the Insolvency Service in January 2019. Jonathan now has responsibility for overseeing the agency's criminal enforcement and civil litigation legal work.

Special Administration Regime for Bulb

On the 24 November 2021, the energy supply company [Bulb entered into a Special Administration Regime \(SAR\)](#). Although the SAR regime for energy supply companies has been in place since 2011, this is the first time it has been used.

The aim of the SAR is to ensure the continuity of supply for Bulb's consumers. Other energy suppliers that have also entered into insolvency have not gone into the energy SAR regime as Ofgem have been able to transfer their customers to other existing energy suppliers.

There are a number of SAR regimes covering other critical sectors of the economy such as utilities provision, education and financial services, all of which are in place to ensure that the continuity of supply of critical services are not interrupted or that an orderly wind up is possible where that is needed.

The Insolvency Service played an important role in advising Government and Ofgem on insolvency practice and regulations to help with setting and running the SAR.

Recent enforcement activity

A [director from Rotherham](#) has been banned for 13 years after fraudulently obtaining £150,000 Covid-19 financial assistance, along with friend who also took £50,000

Bosses of an [East London property lettings company](#) have been banned for a total of 13.5 years after abusing the tax authorities and failing to maintain company records.

[Nottingham electrician](#) failed to pay a VAT Bill of £100,000 has been banned for 5 years.

Essex duo who ran an 'ethical water' investment scheme which took over £800,000 from investors [banned are for a total of 22 years](#).

A [West London wholesaler](#) has been struck off as a director for 7 years after he abused the tax authorities to the value of more than £600,000.

Latest updates to the Insolvency Service blog

The Insolvency Service blog was set up to let those either working or an interest in the Insolvency Service share thoughts and experiences. It's a place for our people across the agency to share personal experiences of the

work they do – work that includes supporting those in financial distress, tackling financial wrongdoing and maximising returns to creditors.

Our newest blogs include [Behind the scenes at the Forward Thinking conference](#) written by our colleague Sarah Littlehales, who describes the build-up and the planning for the recent Forward Thinking conference hosted by the Insolvency Service at Aston University.

[The Shed: A safe place to talk](#) was written by our Continuous Improvement Manager, Dean Cavill who introduces the agency's new network for men 'The Shed'. Spoiler: it's not just for men.