

Press release: 17-year bans for claims management bosses after breaching regulations

Clifford Martin Stanford has been disqualified from acting as a director for 11 years for his conduct as director of Cerys-Angharad Ltd (Cerys) and Ifonic Plc (Ifonic).

And Timothy Mark Schubert has also been disqualified from acting as a director for 6 years in relation to his conduct as a director of Ifonic.

The order disqualifying the directors was made in the High Court on 27 November 2017 by Deputy Registrar Kyriakides.

The Insolvency Service found that members of the public had complained to Trading Standards and the Ministry of Justice (MOJ) about Cerys, which resulted in the MOJ conducting an investigation into the company's claims management procedures.

It was found that Cerys engaged in unfair trading practices in breach of the Conduct of Authorised Persons Rules 2006 and 2013 ("COAPRs") and had failed to comply with the Compensation (Claims Management Services) Regulations 2006.

Cerys misled the public in sales calls regarding claims services offered, fees charged and cancellations. Services paid for by customers were not provided and fees were deducted from customers without their authorisation. Customers also complained of Cerys' failure to issue a refund of up-front fees paid.

Despite the MOJ issuing warnings, the company failed to rectify the breaches, resulting in Cerys voluntarily surrendering its authorisation to provide claims management services.

The Insolvency Service then looked into the activities of Ifonic and found that following the closure of Cerys in March 2014, Ifonic acquired over 4,000 of Cerys' existing clients and promised to honor the terms and conditions of their contracts including an assurance that all those due a refund of fees would be paid. Ifonic also entered a number of contracts with new clients.

However, existing and new clients of Ifonic experienced similar problems to those at Cerys and submitted complaints to the Legal Ombudsman and the MOJ.

The complaints received included claims that Ifonic provided misleading information in sales calls, had failed to address complaints and provide the service customers had paid for, taken unauthorised payments from customers and failed to issue refunds of up-front fees to customers who had cancelled their contracts within the cooling-off period.

The Insolvency Service found that similar to Cerys, Ifonic engaged in unfair trading practices in breach of the Conduct of Authorised Persons Rules 2013 and 2014 ("COAPRs") and therefore failed to comply with the Compensation (Claims Management Services) Regulations 2006.

Despite the MOJ issuing warnings, Ifonic failed to rectify the breaches, resulting in Ifonic voluntarily surrendering its authorisation to provide claims management services.

Robert Clarke, Investigations Group Leader at the Insolvency Service said:

The Compensation (Claims Management Services) Regulations 2006 provide protection to the general public from unfair sales techniques by agents for companies operating within the claims management sector.

When company directors do not comply with legislation that is designed to protect customers and avoidable losses result, the Insolvency Service will seek lengthy periods of disqualification.

This should serve as a warning to other directors who may feel tempted to breach customer protection legislation. The Insolvency Service will rigorously pursue directors who deliberately mislead and breach the trust of customers.

The Insolvency Service is grateful for the assistance provided by The Ministry of Justice, Trading Standards and The Legal Ombudsman in achieving this outcome.

Mr Clifford Martin Stanford is of Swansea and his date of birth is October 1954.

Mr Timothy Mark Schubert is of Swansea and his date of birth is November 1982.

The disqualification orders were pronounced by Deputy Registrar Kyriakides. Simon McLoughlin appeared as counsel, for the Secretary of State and the defendants neither appeared nor were represented.

Cerys-Angharad Ltd (CRN 07073557) which was incorporated on 12 November 2009, traded in claims management: cold calling members of the public and offering claims management services including mis-sold payment protection insurance and mortgages. Cerys traded from Princess House, Princess Way, Swansea, SA1 3LW. Cerys ceased trading on 20 March 2014 and was dissolved on 5 January 2016.

Ifonic Plc (CRN 03772954) was placed into Creditors' Voluntary Liquidation (CVL) on 17 June 2015 with a deficiency as regards creditors of £600,243. The company which was incorporated on 19 May 1999, traded in claims management, offering claims management services including mis-sold payment protection insurance and bank charges reclaims. Ifonic traded from 3rd Floor, Princess House, Princess Way, Swansea, SA1 3LW.

On 27 November 2017, Disqualification Orders were made against Mr Stanford and Mr Schubert on behalf of the Secretary of State, effective from 18 December 2017, for a period of 11 and 6 years respectively.

A disqualification order 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 a disqualification order but do not involve court proceedings.

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

The Insolvency Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures.

BEIS' mission is to build a dynamic and competitive UK economy that works for all, in particular by creating the conditions for business success and promoting an open global economy. The Criminal Investigations and Prosecutions team contributes to this aim by taking action to deter fraud and to regulate the market. They investigate and prosecute a range of offences, primarily relating to personal or company insolvencies. The agency also authorises and regulates the insolvency profession, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

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

Media enquiries for this press release – 020 7637 6498 or 020 7596 6187

You can also follow the Insolvency Service on: