

Press release: 28 years' ban for directors of consumer credit broker which took money without permission

The individuals disqualified are: Mark Robert Kennedy for 8 years; David John Carter Mullins for 8 years; Edward John Booth for 7 years; and Christopher Brotherton for 5 years.

All four were the directors who had responsibility for SMM trading with lack of commercial probity from October 2013 whereby SMM:

- induced members of the public to provide bank/credit card details so that SMM could take money without their knowledge or consent
- did not provide services in accordance with which representations
- made misleading statements in respect of refunds to its customers, company bankers and FCA when challenged
- did not carry out any work for its upfront fee
- charged customers who had already paid an upfront one-off fee, monthly fees without their permission, knowledge or any clear explanation or justification

Kennedy, Mullins and Booth shared responsibility for allowing SMM's website to remain active, resulting in £181,393 being taken from individual bank accounts, after SMM had agreed with Financial Conduct Authority (FCA) to remove from public access and sight all such offending websites.

At liquidation on 31 August 2014 SMM had liabilities totalling £357,628, with assets estimated to be £6,000.

SMM traded as an internet credit broker from August 2011 using the trading styles/brand names MoneyGaGa (to October 2013); Loan Zoo; Loan Junction; and i-loans direct. After October 2013 SMM allowed one of Mr Kennedy's other businesses to trade his brand thelloan through SMM.

Up to October 2013 SMM had utilised a platform designed by a former director. That platform was dispensed with and a new platform was introduced by Mr Kennedy, who provided technical expertise and finance to support SMM. Mr Kennedy was only formally appointed as a director of SMM between 30 May 2014 and 11 June 2014, though was the key individual in its operation after October 2013.

Customers came to SMM via other companies (described as 'affiliates') websites, called 'pingtrees'. Customers searched for loans online and input their details. SMM paid for these leads and the customers' details would be prepopulated into SMM's website. The customer base for SMM was, in the majority, individuals who had been turned down by lenders.

SMM duped its 'customers', who were searching for loans, into paying a

brokerage fee of up to £69. SMM effectively did nothing in return for that fee. Its websites and correspondence with customers – and its merchant service provider – made misrepresentations which delayed the refunding of sums to customers. The directors then misled the FCA in stating that SMM's websites had been shut down, when in fact they had not, resulting in even more moneys being extracted.

SMM also directed customers/enquiries to other brokers, with the consequence that these people were exposed to the potential to be charged a number of times by similar brokers.

In May 2014 the FCA made contact with SMM who promised to make changes to its processes and remove or amend certain webpages. These changes were not done as SMM had promised and the company entered a creditor's voluntary liquidation on 31 July 2014.

The Insolvency Service investigation, found that SMM:

- induced members of the public, via its website payment pages, to provide bank or credit card details in order that SMM could deduct a brokerage and/or membership fee without the customers' knowledge and or consent. It did not make it clear that a fee would be taken nor what that fee would be
- changed its wording on fee charging in March 2014 but by April 2014 it had reverted back as it had affected SMM's revenue
- failed to provide the service in accordance with which representations had been made
- told customers that SMM needed to notify the individual lenders it had contacted on the customers' behalf as a justification for not making refunds immediately. SMM did not contact lenders.
- did not, as it claimed to its bankers and customers, compare loan products from a wide range of lenders
- implied to its bankers that customers saw its home pages and arrived at the website prior to a Payment Page, which was knowingly not the case
- provided screenshots to the company bankers that were different to the website operated by SMM and in particular included an opt-in box for the Terms and Conditions on the Payment Page, which was absent on the website
- did not carry out any work for its upfront fee. All customers received the same 'offers', many of which were unsuitable for the customers' needs. As a result SMM was unable to ascertain what loans, if any, had been secured by its customers
- commenced to charge customers who had already paid an upfront one off fee monthly fees of £4.99 in May 2014 with no apparent justification

The Financial Ombudsman Service received 656 customer complaints about SMM between January 2014 and May 2014. On 20 May 2014, SMM informed the Financial Conduct Authority that the websites would be taken down by "...no later than 10am tomorrow", and thereby made inoperative. Email traffic between the director showed them discussing how the websites would have the appearance of being off-line and unviewable or accessed publicly including "we can always 'take them down' for now like theloan appears taken down but we all know is

not." Between 21 May 2014 and 30 May 2014 the websites remained live and operating, resulting in at least a further £181,393 being removed from customers.

Commenting on the disqualifications, Cheryl Lambert, Chief Investigator at the Insolvency Service, said:

This company was a shark feasting in a pool of the most vulnerable and financially distressed. It took advantage of their desperation for immediate funds, and its own technical expertise, to induce the unwary into a trap from which it was difficult to escape.

The system that was created resulted in some of the least financially sophisticated members of society having their banking and personal details pinged around a school of sharks to create a feeding frenzy.

This was utterly cynical and thoroughly reprehensible commercial activity.

The disqualification of the four people directly responsible is a warning to all directors. The Insolvency Service is continuing to pursue the rogues, chancers and recklessly greedy. There will be a direct personal consequence to the activities undertaken behind the corporate veil.

The Insolvency Service would like to thank the Financial Conduct Authority for their co-operation in this case.

Notes to editors

Secure My Money Ltd (CR0 07713650) was incorporated on 29 July 2011. Its registered office before liquidation was Beechfield House Winterton Way Macclesfield Cheshire SK11 0LP. It traded via the internet with a physical presence at Beechfield House, Winterton Way, Macclesfield, Cheshire SK11 0LP.

Secure My Money Ltd was placed into liquidation on 31 July 2014 with Jonathan Elman Avery-Gee and Stephen Leonard Conn of CG&Co of 17 St Ann's Square, Manchester M2 7PW appointed joint liquidators. Secure My Money Ltd was dissolved on 9 March 2017.

The Secretary of State accepted an 8 year undertaking from Mark Robert Kennedy (DOB November 1964) on 25 September 2017. The disqualification commenced on 16 October 2017 and Mark Robert Kennedy is of Monte Carlo,

Monaco, 9800.

The Secretary of State accepted an 8 year undertaking from David John Carter Mullins (DOB February 1980) on 29 November 2016. The disqualification commenced on 20 December 2016 and Edward John Booth is of Stockport, Cheshire.

The Secretary of State accepted a 7 year undertaking from Edward John Booth (DOB December 1986) on 6 September 2016. The disqualification commenced on 27 September 2016 and Edward John Booth is of Stockport, Cheshire.

The Secretary of State accepted a 5 year undertaking from Christopher Brotherton (DOB December 1985) on 6 September 2016. The disqualification commenced on 27 September 2016 and Christopher Brotherton is of Clwyd.

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

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.

All public enquiries concerning the affairs of the company should be made to: Cheryl Lambert, Head of Outsourced Investigations, Investigations and Enforcement Services, The Insolvency Service, 3rd Floor, Abbey Orchard Street, London SW1P 2HT. Tel: 0207 596 6117. Email: Cheryl.Lambert@insolvency.gsi.gov.uk.

Media enquiries for this press release – 020 7674 6910 or 020 7596 6187

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