

Press release: £4 million of false invoices lands financing boss 10-year ban

David Andrew Marsden (62), from Exeter, was the director of finance company First Capital Factors Limited (FCF). Incorporated in 2009, FCF offered recourse factoring facilities for small and medium businesses where they would buy a company's invoices to provide them with advanced finance.

To be able to purchase their clients' invoices, FCF secured funding from other companies. However, one of FCF's funders spotted irregularities within FCF's portfolio and sought advice from a business advisory firm in August 2016, who agreed that these concerns within FCF's loan book.

The funder used its statutory right as a fixed charge holder to appoint an administrator and following further enquiries, it was discovered that David Marsden instructed a number of his clients to produce false invoices, before he submitted them to FCF's funders to secure illegitimate funds.

FCF operated a back-to-back receivables finance facility, where FCF would assign debts to the funder in exchange for 65% funding. Using this method, David Marsden fraudulently secured close to £4.3 million before transferring money from FCF to other companies he was connected with in order to avoid paying his creditors.

On 18 September 2018, the Secretary of State accepted a disqualification undertaking from David Marsden, after he admitted acting in collusion with certain clients to defraud a back to back receivables finance provider.

Effective from 9 October 2018, Andrew Marsden is now banned for 10 years from directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company.

Martin Gitner, Deputy Head of Insolvent Investigations for the Insolvency Service, said:

All the evidence pointed to Andrew Marsden orchestrating the scheme and he clearly controlled all the companies he colluded with to raise millions of pounds worth of false invoices.

His substantial ban will protect other creditors from suffering losses and improve standards in the marketplace. It should also act as a deterrent to others who may be tempted to misuse invoice finance facilities in order to secure illegitimate funds.

David Andrew Marsden is from Exeter and his date of birth is July 1954.

First Capital Factors Limited (Company Reg no. 07011294) was incorporated in September 2009.

On 18 September 2018, the Secretary of State accepted a disqualification undertaking from David Andrew Marsden, after he admitted acting in collusion with certain client entities to defraud a back to back receivables finance provider.

The fraud was principally conducted by instructing the colluding FCF clients to raise invoices which could be notified to the Back to Back Receivables Finance provider and against which an advance could be requested. As a result, FCF had access to funds in the sum of at least £4,281,000 to which it was not entitled, which can be attributed to funds advanced against the false invoices raised under the direction of Mr Marsden.

His ban is effective from 9 October 2018 and lasts for 10 years.

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 administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, 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.

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