

Press release: Binary options company shut down over false and misleading claims

Eclipse Finance Limited (Eclipse), was incorporated on 9 October 2015 and the company's registered office is at International House 776-778 Barking Road, London E13 9PJ. The company claimed to be operating a binary options scheme.

Binary options trading is a form of fixed-odds betting on movements in financial markets. A binary option is a financial option in which the payoff is either some fixed monetary amount or nothing at all.

The court heard evidence that following complaints received about the company's methods, the Insolvency Service investigated and petitioned for the company to be shut down, in the public interest.

The court also heard that:

- Eclipse traded through a virtual office facility in London and made false and misleading claims in persuading people from Britain and all over the world to invest in a bogus Binary Options scheme, which has since been wound up in the High Court on 26 June 2018
- the company claimed to be in the business of binary trading, but all the known investors lost significant sums, averaging over £50,000 each. Losses reported to Action Fraud totalled over £600,000
- potential investors were subject to high pressure sales tactics with misrepresentations being made as to the returns that would be made on investments. Trading was then apparently carried out with investors' funds without authorisation and monies were removed from investors' accounts without authorisation

The company then blamed these losses on the hacking of their computer system. This was claimed to have happened on two separate occasions but no evidence of this was provided to victims or to the investigators.

Other investors reported that their accounts were simply drained of funds without explanation and that the company then failed to respond to all attempts at contact.

Commenting on the case, Irshard Mohammed, Investigation Supervisor at the Insolvency Service, said:

Eclipse Finance Limited attracted investors with the promise of high returns but these to be unfounded and investors suffered heavy losses as a result.

The Financial Conduct Authority have warned consumers of the high risks of Binary Options trading, but in this case no evidence has been found that the company engaged in such trading. Instead they used the false promise of high returns to attract investment and then disappeared.

These winding-up proceedings show that the Insolvency Service will use the weight of its powers to take firm action against companies that operate in such an unscrupulous way.

The company was wound up on 26 June 2018 and the Official Receiver has been appointed as liquidator.

Notes to editors

Eclipse Finance Limited, company registration number 09818512, was incorporated on 9 October 2015. The company's registered office is at International House 776-778 Barking Road, London E13 9PJ, that of a virtual office provider.

The petition to wind-up Eclipse Finance Limited was presented under s124A of the Insolvency Act 1986 on 03 May 2018. The company was wound up on 26 June 2018 and the Official Receiver has been appointed as liquidator.

Binary options trading is a form of fixed-odds betting on movements in financial markets. A binary option is a financial option in which the payoff is either some fixed monetary amount or nothing at all.

By virtue of the appointment of the Official Receiver all public enquiries concerning the affairs of the company should be made to: The Official Receiver, Public Interest Unit, 2nd Floor, 4 Abbey Orchard Street, London SW1P 2HT. Email: piu.south@insolvency.gsi.gov.uk.

Company Investigations, part of the Insolvency Service, uses powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK on behalf of the Secretary of State for Business, Energy & Industrial Strategy (BEIS).

Further information about live company investigations is available [here](#)

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 7674 6910 or 020 7596 6187

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