

Press release: Car dealer disqualified from acting as a director for 10 years

On 9 June 2017 at the County Court at Coventry Judge Jones at the made a disqualification order against Mr Warland that he could not act as a director for ten years from 30 June 2017.

An Insolvency Service investigation found that the company sold five motor vehicles belonging to customers under sale or return agreements and failed to pass on the money from the sales – totaling at least £174,450 – to the customers.

The company went into liquidation on 24 October 2014, owing an estimated £573,502 to creditors.

Aldona O' Hara, Investigation Leader, Insolvent Investigations Midlands & West at the Insolvency Service, said:

The Insolvency Service will rigorously pursue company directors who deliberately breach the trust of customers. Fair treatment of customers and creditors is essential for business confidence which is, in turn, essential for economic growth.

This disqualification is a reminder to others tempted to do the same that the Insolvency Service will rigorously pursue enforcement action to seek and remove from them the privilege of trading with limited liability to protect the public for a lengthy period.

Notes to editors

Choice Vehicles Ltd (CR0 No. 05438683) was incorporated on 28 April 2005 and traded from Wharf Farm, Trinity Marina, Coventry Road, Hinckley, Leicestershire, LE10 0NB.

Kevin James Warland (date of birth: 2 April 1977) was the appointed director from incorporation on 28 April 2005 to the date of the creditors' voluntary liquidation on 24 October 2014.

The company went into liquidation on 24 October 2014. On 9 June 2017, the County Court Sitting at Coventry made a Disqualification Order against Kevin James Warland, from 30 June 2017, for 10 years.

The matters of unfit conduct upon which the Secretary of State's claim was based were that:

Between 2 January 2014 and 31 July 2014, Kevin James Warland failed

to ensure Choice Vehicles Ltd (Choice) adhered to the terms and conditions contained within its sale or return agreement's in respect of customer vehicles. As a result Choice sold five motor vehicles, but failed to remit the agreed amounts to customers. At the date of liquidation these five customers submitted claims in the liquidation proceedings totalling £174,450 in respect of monies owed to them.

Choice commenced trading in April 2005 as a seller of motor vehicles.

On 02 January 2014, Choice entered into a sale or return motor vehicle agreement with a customer, (Customer A) to sell the customer's vehicle for an agreed price of £73,000 and remit the agreed amount to the customer on sale of the vehicle within ten days of receipt of the proceeds in cleared funds. The subsequent agreed price was £68,000. On or around 14 April 2014 Choice sold the vehicle, but no monies were paid to Customer A within the specified ten days.

Following enforcement action taken by Customer A, on 22 July 2014 a County Court Judgment was registered against Choice for £70,426 and on 12 August 2014 a writ of control was obtained. Following enforcement action payments totalling £35,000 (includes legal costs and interest) were made to Customer A. At the date of liquidation, £47,502 (includes legal costs and interest) remained unpaid to Customer A.

On 26 April 2014, Choice entered into a sale or return motor vehicle agreement with a customer, (Customer B) to sell the customer's vehicle at an agreed price of £60,000. Choice also agreed to settle the outstanding finance due to a third party. The subsequent agreed price was £58,000. Choice sold the motor vehicle and paid £4,400 to Customer B, but no monies were paid to settle the outstanding finance. At the date of liquidation £53,449 remained unpaid to the third party, which Customer B is paying personally. Customer B is a creditor in the Liquidation for £53,449.

On 30 May 2014, Choice entered into a sale or return motor vehicle agreement with a customer, (Customer C) to sell the customer's vehicle at an agreed price of £31,000 and remit the agreed amount to the customer on sale of the vehicle within ten days of receipt

of the proceeds in cleared funds. The subsequent agreed price was £29,000. On 21 August 2014 Choice sold the vehicle but no monies were paid to the customer on sale of the vehicle. On 01 September 2014 by way of security Choice gave the customer a key and log book of a third party motor vehicle. This motor vehicle subsequently disappeared.

On 15 September 2014, Mr Warland entered into an instalment plan with Customer C to pay £29,500. Payments totalling £5,000 were made to the instalment plan and a further payment of £2,000 was made by Mr Warland. At the date of liquidation £22,500 remained unpaid to Customer C.

On 19 July 2014, Choice entered into a sale or return motor vehicle agreement with a customer, (Customer D) to sell the customer's vehicle at an agreed price of £19,000 and remit the agreed amount to the customer on sale of the vehicle within ten days of receipt of the proceeds in cleared funds. Choice sold the vehicle but no monies were paid to the customer on sale of the vehicle. At the date of liquidation the full amount of £19,000 remained unpaid to Customer D.

On 31 July 2014, Choice entered into a sale or return motor vehicle agreement with a customer, (Customer E) to sell the customer's vehicle for an agreed price of £33,000 and remit the agreed amount to the customer on sale of the vehicle within ten days of receipt of the proceeds in cleared funds. The subsequent agreed amount was £32,000. Choice sold the vehicle on or around 20 August 2014, but no monies were paid by Choice to Customer E. At the date of liquidation the full amount of £32,000 remained unpaid to Customer E.

At the date of liquidation a total of £174,450 remained unpaid to these five customers.

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

Persons subject to a disqualification order are bound by a [range of other

restrictions](

<https://www.gov.uk/government/publications/corporate-insolvency-effect-of-a-disqualification-order>

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.

Media enquiries for this press release – 020 7596 6187

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