

Press release: Court winds up Store First and related companies

The trial to wind-up Store First Limited, Store First Blackburn Ltd, Store First St Helens Ltd, Store First Midlands Ltd and SFM Services Ltd started on 15 April 2019 at the Manchester District Registry of the High Court and was presided over by HHJ Hodge QC.

On 30 April 2019 the court made an order shutting down Store First and three of the related companies by consent between those four companies and the Secretary of State. The Official Receiver has been appointed as liquidator.

The petition to wind up Store First Midlands Ltd was dismissed, also by consent between the parties.

The court heard that Store First commenced trading in May 2011, acquiring and developing purpose-built self-storage buildings on 15 sites around the UK. 12 of the sites were owned by Store First Limited, while the remaining sites were laterally owned by Store First Blackburn and Store First St Helens.

Storage units on the 15 sites were divided up into different sized 'store pods' before being offered as investment products. Target investors included members of the public, pension providers on behalf of their clients as part of a self-invested personal pension (SIPPs) and small self-administered schemes (SSASs), as well as three occupational pension schemes.

Between March 2011 and August 2016 the company sold approximately 22,600 store pods, securing just over £209 million worth of investments. Nearly a quarter of the investors are based outside the UK.

Investors were then given the option to grant an immediate sublease back to either Store First or SFM Services. In-return, the investor obtained the benefit of the sub-lease and secured income from customers who rented the store pod.

The fourth company wound up, SFM Services, began trading in late 2011 and was responsible for managing the 15 sites. The company also acted as a letting agent on behalf of investors, charging them a management fee, while collecting ground rents and other charges due from investors, as well as selling packaging materials to users of the store pods.

However, complaints were received by the Insolvency Service, which triggered a confidential investigation into the activities of the companies using statutory Companies Act powers.

Investigators established that investors were provided with misleading information – supported by customer testimonials – about the value of the store pods, levels of returns and the ability to exit from their investments. Customers were also mis-sold unauthorised insurance that covered the contents of the pods.

Scott Crighton, Chief Investigator for the Insolvency Service, said:

“These four companies unscrupulously secured millions of pounds worth of investments using a variety of methods that misled investors, particularly those with pension savings.

“The court rightly recognised the sheer scale of the problem caused by Store First’s sales of a flawed business model, based on misrepresentation and misleading information and has shut down these companies in recognition of the damage done to investors retirement plans.”

All public enquiries concerning the affairs of the company should be made to: The Official Receiver, Public Interest Unit, 2nd Floor, 3 Piccadilly Place, London Road, Manchester, M1 3BN. Email: PIU.North_StoreFirst@insolvency.gov.uk.

The 15 storage centres were located in Blackburn, Burnley, Rochdale, Barnsley, Liverpool, Cheshire Oaks, Wakefield, Glasgow, Preston, Derby, Leeds, St Helens, Manchester, Northampton and Nottingham.

The companies wound-up by the court were:

- Store First Limited, company registration number 07463355
- Store First Blackburn Limited, company registration number 07951785
- Store First St Helens Limited, company registration number 09664578
- SFM Services Limited, company registration number 07160642

The petitions were presented on 11 May 2017 under s124A of the Insolvency Act 1986. The Official Receiver was appointed as liquidator of the companies on 30 April 2019 by HHJ Hodge QC, a Judge of the High Court.

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.

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

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