

Press release: Investment boss banned after misappropriating client's £800,000

On 27 March 2018 the County Court at Lincoln made a disqualification order banning Stewart Mark Groves from being a director of a limited company for 10 years.

Stewart Groves (37), of Bawtry, Doncaster, was the director of Rapid Finance Ltd. Incorporated in August 2013, the company was set-up to make investments on behalf of a single investor.

With an initial investment of half-a-million pounds, Stewart Groves managed the company under a shareholder and loan agreement.

However, the court ordered the company be wound up in September 2015 following petitions by the sole investor, which triggered further investigations by the Insolvency Service.

Investigators revealed that instead of making legitimate investments, Stewart Groves transferred a significant proportion of the money he was trusted to invest into his own accounts.

To cover his tracks, Stewart Groves twice supplied false reports to the investor, including falsified bank statements and accounts, so that they believed he was investing as agreed. These reports encouraged further investments of more than £300,000.

Over the course of two years, more than £800,000 was invested in the company and more than £700,000 of it was transferred to accounts belonging to him and connected parties, without the investor being made aware.

Effective from 17 April 2018, Stewart Groves is 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.

Gerard O'Hare, Chief Investigator for the Insolvency Service, said:

Stewart Groves intentionally misled the company's sole investor into believing his funds were being invested securely and the false reports supplied even lead to more money being provided.

This behaviour will not be tolerated and this ban should serve as a warning to other directors tempted to act in a similar way that they have a duty to act in the best interests of the company – not themselves.

There has been a separate criminal investigation into Stewart Groves by South Yorkshire Police that found him guilty of fraud by misrepresentation and has led to an eight-and-a-half-year prison term.

Stewart Groves is of Bawtry, Doncaster, and his date of birth is May 1982.

Rapid Finance Limited (Company number 08632668).

The order was pronounced by Deputy District Judge Cooper in the County Court at Lincoln.

Alan Draycott appeared for the Insolvency Service and Mr Delaney the solicitor for the Defendant and the Defendant in person.

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](#).

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

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