

Press release: Lettings management boss banned for abusing tenants' deposits

Kari Jade Ridout (46), from Blandford Forum, Dorset, was the sole director of Woodhouse Residential Lettings Limited, a lettings management company that began trading in 2013 predominately in the Dorset area.

As part of its services, Woodhouse Residential Lettings operated a government-backed custodial deposit scheme where in accordance with the Housing Act 2004 the company would safely hold onto tenants' deposits on behalf of their landlords.

But just four years after the company had started to trade, Woodhouse Residential Lettings entered into Creditors Voluntary Liquidation in May 2017.

Independent insolvency practitioners were appointed to wind-up the business before submitting their report to the Insolvency Service. This triggered an investigation which found that Kari Ridout failed to safeguard more than £34,000 worth of deposits.

Investigators established that over two years between May 2015 and the date the company went into liquidation, Woodhouse Residential Lettings collected thousands of pounds worth of deposits from tenants in relation to at least 24 properties but did not pay them into the custodial deposit scheme.

Instead, the £34,000 was spent, along with general working capital, on the expenses of running the company.

On 16 November 2018, the Secretary of State accepted a disqualification undertaking from Kari Ridout for 6 years, after she admitted failing to ensure that deposits taken from tenants by the company totalling at least £34,610 were safeguarded, as required by the Housing Act 2004.

Effective from 7 December 2018, Kari Ridout is banned for 6 years from acting as a director or directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company.

Jane Knight, the Insolvency Service's Deputy Head of Insolvent Investigations, said:

Kari Ridout failed to safeguard the deposits she was entrusted to hold onto, resulting in losses to both landlords and tenants.

Her conduct fell short of what is required of a director of a limited liability company and her disqualification will act as a deterrent to others from similar conduct in the future.

Kari Jade Ridout resides in Blandford Forum, Dorset and her date of birth is April 1972

Woodhouse Residential Lettings Ltd (Company Reg. no. 08055636).

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.

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

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