

Press release: Bankruptcy restriction for man who gambled money borrowed from family

This follows an investigation by the Insolvency Service, which found representations were made to family and friends to get money, which was used for online spread betting and to fund his lifestyle.

Mr Patel entered into a 11 year bankruptcy restrictions' undertaking on 18 December 2017, by the restrictions set out in insolvency law that a bankrupt is subject to until they are discharged from bankruptcy (normally 12 months) until 2028.

Between 2013 and 2017, Mr Patel made false representations to family and friends to obtain loan funds of £390,000, saying that the funds were to be used as a venture investment. He used £238,451 of these funds to finance online spread betting, with the majority of the remaining funds being used to fund Mr Patel's lifestyle. Mr Patel's actions directly resulted in him becoming insolvent with total liabilities of £403,753.

Mr Patel was declared bankrupt on 26 July 2017 with a deficiency of £386,238. Mr Patel was interviewed at the Official Receiver's office at which time he stated that around December 2012 he began online spread betting and initially used his savings to fund this. However once his money ran out he obtained funds from family and friends and used the money he received to continue gambling.

The loans were covered by formal agreements which stated that Mr Patel would hold the investment funds for the duration of 12 months during which time the investor would not be able to withdraw the capital invested.

Mr Patel advised family and friends that the funds were to be used as a venture investment but he was in fact using the funds to finance his online spread betting and, from June 2015 onwards, to fund his living expenses with a very small amount being used to repay a couple of the lenders.

In January 2017 when all the money had been exhausted he ceased gambling and sought advice regarding his financial situation following which in July 2017 he made his own application for bankruptcy.

Commenting on the bankruptcy restriction, Gerard O'Hare, an Official Receiver at the Insolvency Service said:

Where a bankrupt has taken undue risks with creditors' money, he should not expect to do so without repercussions, particularly when others suffer financial loss as a result.

A bankruptcy restriction in these circumstances will serve to provide creditors with a degree of protection, and it will also act as a deterrent to the bankrupt not to act in a similar manner in the future.

Notes to editors

Mr Shared Dayaram Patel is of Leicester and his date of birth is January 1966. The Bankruptcy Order was made on his own petition

If the Official Receiver considers that the conduct of a bankrupt has been dishonest or blameworthy in some other way, he (or she) will report the facts to court and ask for a Bankruptcy Restrictions Order (BRO) to be made. The court will consider this report and any other evidence put before it, and will decide whether it should make a BRO. If it does, the bankrupt will be subject to certain restrictions for the period stated in the order. This can be from 2 to 15 years.

The bankrupt may instead agree to a Bankruptcy Restrictions Undertaking (BRU) which has the same effect as an order, but will mean that the matter does not go to court.

These are restrictions set out in insolvency law that the bankrupt is subject to until they are discharged from bankruptcy – normally 12 months and include that bankrupts:

- must disclose their status to a credit provider if they wish to get credit of more than £500;
- who carry on business in a different name from the name in which they were made bankrupt, they must disclose to those they wish to do business with the name (or trading style) under which they were made bankrupt;
- may not act as the director of a company nor take part in its promotion, formation or management unless they have a court's permission to do so;
- may not act as an insolvency practitioner, or as the receiver or manager of the property of a company on behalf of debenture holders;

Additionally, a person subject to a Bankruptcy Restrictions Order/Undertaking or a Debt Relief Restrictions Order/Undertaking,

- may not be a Member of Parliament in England or Wales.

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](#).

Contact Press Office

Media enquiries for this press release – 020 7674 6910 or 020 7596 6187

Press Office

The Insolvency Service

4 Abbey Orchard Street
London
SW1P 2HT

Email

press.office@insolvency.gsi.gov.uk

Media Manager

020 7596 6187

This service is for journalists only. For any other queries, please contact the Insolvency Enquiry line on 0300 678 0015.

For all media enquiries outside normal working hours, please contact the Department for Business, Energy and Industrial Strategy Press Office on 020 7215 1000.

You can also follow the Insolvency Service on:

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[News story: Fast Track applications coming soon](#)

Applications to the Fast Track Apprenticeship scheme will be opening soon. You can pre-register for the programme by sending your email address to: fasttrack.preregister@cabinetoffice.gov.uk. This lets us know you intend to apply and enables us to notify you when the application window opens.

[News story: Digital solutions for independent living: apply for funding](#)

[Glasgow's Health and Social Care Partnership](#) has up to £450,000 to invest in the development of a remote digital alarm monitoring system that will help people with complex needs to live independent lives at home.

There is £150,000 to fund a series of feasibility studies into potential solutions, and a further £300,000 that could support the development of the 2 most promising ideas in a second phase.

Supporting independent living in Glasgow

The partnership wants to use technology to help more people live independent lives at home.

Digital technologies, including ambient sensors, GPS trackers and video technology, are already in use in the health sector, but they work in isolation and do not combine with Glasgow's main telecare platform.

Glasgow Health and Social Care Partnership is being supported in this

competition by the [Can Do Innovation Challenge Fund](#). It is seeking solutions using the SBRI (Small Business Research Initiative) programme.

[Find out more about SBRI and how it works.](#)

System must manage risks in the home

Projects are being asked to develop a remote digital alarm monitoring system that can help with the management of risks in the home and that links into Glasgow's existing telecare platform.

Solutions must:

- be easy to use and understand for people with poor mobility, hearing or eyesight
- highlight risks consistently and safely
- connect to the existing platform so the user can access the services they need, regardless of supplier
- be cost effective
- be efficient to install and maintain and have a 'plug and play' design

Competition information

- the competition opens on 19 February 2018, and the deadline for registration is at midday on 25 April 2018
- it is open to any organisation that can demonstrate a route to market for its idea
- we expect phase 1 contracts to be worth up to £30,000 and last up to 6 months
- we expect phase 2 contracts to be worth up to £150,000
- successful projects will attract 100% funded development contracts
- a briefing event will be held in Glasgow on 14 March 2018

[Find out more about this competition and apply.](#)

[Press release: Director disqualified for selling company assets for own benefit](#)

The disqualification order was granted at Perth Sheriff Court following an investigation by the Insolvency Service. The disqualification commenced on 20 December 2017 and is effective until 20 December 2024.

Mr McFarlane's ban relates to his selling off company assets for his own benefit whilst creditors were left unpaid.

Gilmour McFarlane (29) was the sole director of Garden Haulage Limited. From 2009 the company hired out plant and machinery in addition to labour and carried out contractual work, primarily for farms. The company went into liquidation on 28 August 2015 with an estimated deficiency to its creditors of £38,670.

The investigation by the Insolvency Service found that at a time when the company was insolvent, Gilmour McFarlane caused it to dispose of plant and machinery to a third party for a sum of £55,000 plus VAT while on the same day Gilmour McFarlane settled a personally guaranteed loan to that party. This transaction was to the detriment of HMRC and other creditors of the company.

The investigation also found that for the period from at least 1 September 2014 to 28 August 2015, Gilmour McFarlane failed to preserve or deliver up adequate accounting records for Garden Haulage Limited as a consequence of which it has not been possible to establish the true financial position of the company, how other assets were dealt with and whether all sums due to the company were collected in.

Robert Clarke, Group Leader of Insolvent Investigations North at the Insolvency Service said:

The period of this disqualification reflects the fact that when a company fails to keep adequate financial records it is simply not possible to determine whether there has been other, more serious, impropriety in relation to the management of its affairs.

Furthermore, directors who put their own personal financial interests above those of customers and creditors damage confidence in doing business and are corrosive to the health of the local economy.

Notes to editors

Gilmour McFarlane's date of birth is April 1988.

Gilmour McFarlane was appointed as director of Garden Haulage Limited (company number SC364384) on 21 August 2009 and remained a director throughout the company's trading. Garden Haulage Limited had a registered office of 66 Tay Street, Perth, PH2 8RP.

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](#).

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[News story: Regulatory Excellence Awards: it's time to showcase your work](#)

At the Office for Product Safety and Standards, we want to showcase the outstanding work you do to help British business comply with regulation – giving them the confidence to invest and grow, whilst protecting our communities.

The Regulatory Excellence Awards recognise regulatory organisations, individual businesses and trade associations that have achieved positive outcomes through good practice.

Entrants will have to demonstrate excellent use of better regulation tools and principles, such as [Primary Authority](#), [Better Business for All](#), the [Regulators' Code](#) and / or consideration of regulatory impact on business growth.

This is your chance to shine, share work with your peers and widen the impact it has around the country!

The Awards are open to anyone involved in delivering better regulation – e.g. local authorities, national regulators, businesses and trade associations.

- Individuals, teams or organisations can be nominated; by others and / or themselves
- The completed [Awards entry form 2018](#)
(MS Word Document, 79KB)

must be returned to the Office for Product Safety and Standards by 18 May

- You can post or email entries. Scanned entries are acceptable
- Entrants may supply a short (max one minute) supporting video
- Short external endorsements may be included with entries
- Additional material is not required and will not be considered

Entrants may receive a follow-up call from us. Judging and the announcement of finalists will take place in June.

Winners will be announced at a special full day showcase on 20 June, where we will share details of how we can help our local and national partners, hear from regulators, and have time for networking and refreshments.