

## Press release: 12-year bankruptcy restriction for man who ran failed £8.5m spread betting scheme

Mr Mudge obtained over £8.5 million from investors for his failed spread betting scheme – the Churchgate Trading Syndicate – between June 2009 and February 2012. An investigation by a specialist team at the Insolvency Service found that investors were promised ‘guaranteed’ returns of 15 per cent every quarter and told their money would be used to trade spread bets.

The Financial Conduct Authority (FCA) obtained interim injunctions against Mr Mudge in February 2012, freezing his assets and preventing him from operating the syndicate.

In a settlement reached in September 2013, Mr Mudge acknowledged that by operating the syndicate without FCA authorisation, he broke the law. The High Court subsequently ordered him to pay £7,010,000 to the FCA to distribute to the Syndicate’s investors.

Mr Mudge was made bankrupt after failing to pay any money to the FCA. Other sums recovered by the FCA funded a small pro-rata return to the investors; they have, nevertheless suffered substantial losses.

Following his bankruptcy on 9 December 2014, the Official Receiver further investigated Mr Mudge’s conduct and on 3 February 2017, the County Court at Cardiff made a bankruptcy restrictions order against him for 12 years.

Commenting on the bankruptcy restrictions order, Ken Beasley, Official Receiver at the Insolvency Service said:

This case is a prime example of the losses that can be incurred via an investment scheme that looks too good to be true. Investors lost over £7,000,000 and Mr Mudge will face severe financial restrictions lasting for 12 years.

Bankruptcy restrictions orders and undertakings are central to protecting not only the bankruptcy process, but the people and organisations owed money who suffer financially from irresponsible or unscrupulous behaviour.

Mark Stuart, executive director of enforcement and market oversight at the FCA, said:

Churchgate is one of several unauthorised spread betting schemes

we've investigated where investors have lost large amounts of money. Spread betting on shares and currencies can be very risky, and it is illegal for someone to trade them in this way on behalf of investors without FCA approval.

We urge investors to check the FCA register before handing over any money for this type of investment, and be very wary of anyone promising high or guaranteed returns on this type of investment – these are often the hallmarks of a scam.

Mr Mudge's period of bankruptcy restriction means that he cannot promote, manage, or be a director of a limited company until February 2029. Further restrictions include that:

- he must disclose his status as a person subject to bankruptcy restrictions to a credit provider if he wishes to get credit of £500 or more
- he may not act as an insolvency practitioner, or as the receiver or manager of the property of a company

Mr Mudge's sanction follows investigation by the Official Receiver at Public Interest Unit (North), a specialist team of the Insolvency Service.

The Official Receiver's investigation found that in addition to acting in breach of the Financial Services and Markets Act 2000, Mr Mudge effectively operated the trading syndicate as a scheme where capital and interest repaid to investors was paid out of the capital payments made by other investors. This gave the impression that the trading syndicate was generating such returns through trading whereas it made significant losses through spread betting.

### **Notes to editors**

Stuart Carl Mudge is of Newport, Gwent and his date of birth is March 1956.

Mr Mudge is therefore bound by the restrictions set out in insolvency law that a bankrupt is subject to until they are discharged from bankruptcy – normally 12 months – until 2029. In addition, he cannot manage or control a company during this period without leave of the court.

The Bankruptcy Restrictions Order was pronounced by HH Judge Keyser, QC, on 3 February, with Mr Mike Smith, Deputy Official Receiver appearing for the Official Receiver and the bankrupt appearing in person. 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](#).

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

You can also follow the Insolvency Service on:

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## **News story: British Embassy Budapest is moving to a new address**

The Embassy is moving to 5-7 Füge utca and is closed until 25 April.

On the 20 April the British Embassy moves out of its building in Harmincad utca after 70 years. We move into an office building at 5-7 Füge utca in the second district of Budapest. This building, which used to be the Dutch Embassy, has been completely renovated to provide the British Embassy, its staff and visitors a modern and fit for purpose working environment.

The Embassy reopens on 25 April, our phone numbers and email addresses remain the same.

In case of consular emergency call the following number: 0036 1 266 2888 except for 20 April when you should call our temporary phone number: 0044 1908 51 6666

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## **Speech: "There has been repeated discrimination against NGOs with a human rights focus."**

Thank you for the opportunity to introduce this draft decision, and I would like to begin by thanking Australia, Belgium, Estonia, Germany, Greece, Ireland, Japan, Nigeria, the United States of America and Uruguay for their co-sponsorship, as well as Bulgaria, Italy, Norway and Sweden who co-sponsored from the floor this morning.

As ECOSOC members, we know that the Sustainable Development Goals will only be achieved through the concerted efforts of multiple stakeholders. Among these are non-governmental organisations who bring energy, expertise and fresh perspectives to our work.

The role of the Committee on Non-Governmental Organisations is set out in ECOSOC Resolution 1996/31. We agree that we need a system to review applications received from NGOs for consultative status with ECOSOC. But the aim should be to enable, not to frustrate, the participation of productive, professional civil society organizations.

When a serious and credible NGO such as Christian Solidarity Worldwide is kept waiting in limbo for seven years, the system is clearly not working as it should.

Over those seven years CSW was considered 14 times by the Committee on NGOs. It participated in good faith in question and answer sessions. It responded fully and promptly to more than 80, often repetitive, questions posed by committee members. It undertook bilateral consultations with every NGO committee member. Yet each time it was deferred.

CSW clearly fulfils every requirement set out in Resolution 1996/31. Its work is directly relevant to ECOSOC. It is in full compatibility with the aims and purposes of the UN Charter, as well as the Universal Declaration on Human Rights and other United Nations human rights covenants. CSW works actively to promote the aims and purposes of the Charter. It even trains other civil society partners to work within the UN system and fully utilise UN mechanisms.

The conclusion we draw is that the NGO Committee's decisions have not been based on the merits of CSW's application. Those concerns are widely shared. And they have been expressed by several Nobel laureates and dignitaries in letters to this Council.

The United Nations Special Rapporteurs for the freedom of opinion and expression, the freedom of peaceful assembly and association, the situation of human rights defenders, minority issues, and the freedom of religion or belief have also written in support of CSW's application.

We agree with them that the repeated arbitrary deferrals by the Committee contravene the principles of non-discrimination, equality, participation, transparency and accountability set out in Resolution 1996/31.

CSW does vital work. It promotes the right to freedom of religion or belief set out in Article 18 of the Universal Declaration on Human Rights and developed in other international instruments. It espouses that right in its entirety. CSW advocates for the rights of all peoples to practice their faith, whatever that faith may be, and also the rights of people who profess no religion.

Recent examples of their work include support for the rights of the Rohingya in Burma, or Myanmar, and the rights of civilians of all faiths caught in the cross-fire of conflict in the Central African Republic.

I wish that CSW were an isolated example of an NGO singled out for repeated deferral by the NGO Committee. But sadly that is not the case. There has been repeated discrimination against NGOs with a human rights focus in particular. Yet we know that human rights, including freedom of religion and belief, are essential to build societies which are secure, prosperous and resilient against extremism.

It's vital that NGOs granted consultative status reflect the full spectrum of issues of concern to ECOSOC and the United Nations. That must include the

promotion and protection of human rights, one of the fundamental pillars of the United Nations.

CSW has waited too long for accreditation. It fully meets the criteria this Council has set for consultative status. Its engagement would benefit this Council and the United Nations. That's why we together with our co-sponsors put forward this draft decision today to grant CSW consultative status.

We do it on their behalf, and on behalf of the many other NGOs whose applications languish in the Committee year after year. We strongly urge positive action by ECOSOC members today to send an uplifting message about the value we attach to NGO engagement and the promotion of human rights.

Thank you.

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## **Speech: "Human rights are intertwined with so much of what the Security Council does."**

Thank you Madam President for calling this important debate. I welcome the clear Security Council support for discussing this issue. I also thank the Secretary-General for his briefing, and strongly agree with all of it.

The United Kingdom is committed to the promotion and protection of human rights worldwide. Not just because this is the right thing to do but also because it is a cornerstone of peace, stability and security and a tool for conflict prevention.

The Security Council has a clear role to play. It is necessary in order for us to do the job the United Nations Charter gave us. It is absolutely not encroachment, for the reasons the Secretary-General so eloquently set out.

Too often after a conflict the international community looks back and concludes that more should have been done at the outset, and that warning signs had not been acted upon. All too often those warning signs involve human rights violations and abuses.

Twenty-five years ago, the Special Rapporteur on extra-judicial executions reported on allegations of killings in Rwanda. A year later, his successor visited Rwanda, and later warned the Commission for Human Rights of his fears of potential genocide. We all know now the consequences of the international community not responding decisively to those concerns. Today the international community is being asked the same questions and given similar warnings in South Sudan, and we need to come up with better answers.

The situation in Syria also shows the clear connection between human rights violations and conflict. A regime faced in 2011 by peaceful protests from its people responded not with reform, but with repression and violence. We have seen where this has led: a civil war; a huge rise in violent extremism; death and forced disappearances; a refugee crisis; regional instability and even the use of chemical weapons against civilians.

The story of Masri, a Syrian man, is sadly just one example. He was arrested after participating in a peaceful protest at the start of the conflict. He was tortured, starved and interrogated over two years in four detention facilities, and then taken to a regime hospital that has been described as a 'slaughterhouse.' A rare survivor, he was taken back to the notorious Sednaya Prison for another year of torture. He was eventually released; but by the time he returned home, he screamed at his own reflection in the mirror. He did not recognise himself; a ghostly skeleton of a human standing where he once stood.

And that's an illustration of why repeated abuses of the veto in this Council to block accountability for violations of international humanitarian law and human rights abuses in Syria are so damaging. They reinforce the Syrian regime's certainty that they can get away carrying out gross violations of human rights with impunity. The United Kingdom will continue to do our utmost to hold accountable the perpetrators of all such violations and abuses.

And that is why the United Kingdom also welcomes, Secretary-General, your continued focus on prevention, and this includes your support for your predecessor's Human Rights Upfront initiative, which seeks to bring the UN system together to prioritise human rights, and work together on cross cutting issues. It also seeks to ensure that the UN does all it can not just to respond to, but to prevent, serious violations or abuses of human rights – and we have seen time and again how detrimental those are to peace and security.

Two institutions of the United Nations are particularly vital to delivering this joined up approach to human rights. First, the High Commissioner for Human Rights and his Office provide invaluable support to UN peace operations. They advise on mandates, they carry out strategic assessment missions to South Sudan, Liberia and Mali, they send technical and operational support missions to Iraq, & Kosovo to name just a few from the last year. We welcome the interactions between this Council and the UN High Commissioner and his Office.

Second, is the Human Rights Council. Like many others, we are concerned when countries with poor human rights records get on to the Human Rights Council. But the Human Rights Council nevertheless plays a central role in responding to human rights violations that pose imminent threats to peace and security. Every country, including the worst offenders, have a Universal Periodic Review, they have to explain policies and actions. The United Kingdom particularly values the role the Human Rights Council plays in overseeing the special rapporteurs and other investigative mechanisms such as Commissions of Inquiry. Crucially for this Security Council's work, these vital tools help provide objective and professionally-gathered information on how potential or

active conflicts are evolving.

Madam President, human rights are intertwined with so much of what the Security Council does. The United Kingdom welcomes this debate. This Council cannot fully discharge our responsibility enshrined in the UN Charter to maintain international peace and security, without addressing human rights every single day.

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## **Speech: “Libya needs urgent progress towards full political reconciliation now more than ever.”**

Thank you Madam President, thank you Martin, thank you Olof for your briefings.

And at the outset, let me express to you Martin the UK’s complete support for your work and reiterate our commitment to the Libyan Political Agreement. It’s the sole framework for a political solution to the situation in Libya, but sadly, as you have made clear, its implementation remains mixed at best. I very much agree with all seven points of your seven point agenda.

As the penholder for Libya, we see three interlinked areas of concern; security, the economy, and the political process.

On the first, 2017 has seen a significant deterioration, including in particular, right now in the South, where there is renewed, escalating clashes which are edging the country towards civil war. The United Kingdom condemns all such violence as well as threats of military action and reports of gross human rights abuses by armed groups. Such acts have no place in the Libya of today. And we are clear that the military and other security structures need to be under civilian and political oversight.

As the Ambassadors to Libya from China, France, Russia, the United Kingdom and the United States said last week, there is a difference between acts against the terrorist threat and acts that can lead to further deterioration in Libya. On tackling terrorism, it’s important to recognise the defeat of Daesh in Sirte and I pay tribute to all involved and acknowledge the many lives lost in that effort.

But in spite of that success, we are now faced with a threat that has dispersed across Libya. Those who continue to undermine effective government in Libya are feeding the terrorist threat by creating ungoverned spaces. It’s a threat that extends not only across Libya but to the region as a whole.

Such ungoverned spaces create conditions for human trafficking and criminal



networks to profit from the political and security vacuum in parts of Libya. Irregular migration can only be tackled properly by a strong and stable government.

Turning to my second point, the economy also remains vulnerable to the volatile political and security situation. So we need to see real improvements: the Presidency Council and the Central Bank must work co-operatively to address the liquidity crisis, and ensure that public services like water and electricity are sustained throughout Ramadan. And we need to see an end to parallel institutions undermining the Presidency Council.

There has been some progress; including the dispersal of the budget in the early months of 2017, and the economic dialogue on the detail of fiscal and monetary policy now taking place in Tripoli.

But it's clear that more steps are needed. Throughout, it is crucial that Libya's oil resources remain neutral and are used to benefit the whole country. The continued unity of the National Oil Corporation is essential to ensuring that revenues are used for the national good, and we call for much-needed investment in maintenance of oil infrastructure to help increase national exports and reduce the drain on the economy.

Turning to my final point, Madam President, the common thread in both the security and the economic situations is of course the political process. I'm pleased to reiterate here in this Chamber the UK's continued support for the Presidency Council and the Government of National Accord, headed by Prime Minister Al Sarraj, as the legitimate executive authorities under the Libyan Political Agreement, in line with our Resolution 2259.

But as the security and economic instability illustrate, Libya needs urgent progress towards full political reconciliation now more than ever. We support early signs of progress to bridge political differences, including regional efforts within the framework of the UN-led political process and re-engagement by Libya's legitimate institutions – the House of Representatives, the Higher State Council – with preparations for dialogue.

We have a difficult and long road ahead. So we urge all parties to commit to progress, we underline our firm opposition to any attempt to disrupt the political process. All those who have a role to play, including those still outside the Libyan Political Agreement, must engage constructively and in a spirit of compromise. The international community, as Martin reminded us, must continue to support them to do so.

So we welcome the Secretary-General's commitment to Libya as one of his personal priorities and we reiterate our full support for UNMSIL's central role in advancing the political process in Libya.

As the penholder on this issue in the Council, we will carry on playing our part. We will continue to monitor the situation in Libya closely, we will support all efforts to reach a more inclusive political settlement within the framework of the Libyan Political Agreement, and we will work with the Presidency Council and the Government of National Accord in their efforts to

deliver for the people of Libya. Because continued support from this Council and the wider international community will remain vital if we are to secure a better future for all Libyans.

Thank you.