Multi-million-pound pension liberation bosses banned for 34 years

Kevin John Kirkwood (39) and Gary Quillan (48), both of Liverpool, along with Gregory Gerard Garrett (49) of Leamington Spa, received disqualification orders for a total of 34 years in the High Court after they were found to have misled investors.

The two companies at the centre of the case were G Loans and KJK Investments. Kevin Kirkwood was the registered director of Liverpool-based KJK Investments, which was run by shadow director Gary Quillan, while Gary Quillan's brother-in-law, Gregory Garrett, was director of G Loans, based in Windermere.

The Court heard that the companies operated what is commonly known as a 'pension liberation' scheme. Clients seeking a loan were offered one by G Loans, on condition they simultaneously invest their existing pension in KJK Investments shares – the value of that investment being typically twice the value of the loan they received.

KJK Investments advertised a potential 6% annual return on the investment and it was intended that the client's pension would be used to repay the loan upon retirement.

Over 30 months, KJK Investments received £11.9 million in investments from 209 individuals. The court heard that KJK Investments loaned roughly half of this money to G Loans, on uncommercial terms, to enable it to make the loans to clients. Investors were, in effect, being loaned their own money.

KJK Investments used the remaining funds received through the scheme on sales commissions, worth £900,000, and director salaries of just under £500,000 as well as making loans to other companies on uncommercial terms

Adding insult to injury, due to the failure of directors to follow tax advice, the companies' clients were exposed to tax charges amounting to as much as 55% of the loan they received.

On becoming aware of the scheme, the Insolvency Service undertook a confidential investigation that resulted in both companies being wound up in the public interest in April 2015 following a petition to the court.

Passing judgement in the Manchester High Court on 18 September 2019, District Judge Obodai found that the directors had misled investors and deliberately caused the companies to obscure the relationship they had with each other, calling the scheme a "house of cards".

Kevin John Kirkwood was handed a 10-year ban, while Gary Quillan and Gregory Garrett both received 12-year disqualification orders.

Alex Deane, Chief Investigator for the Insolvency Service, said:

> None of the directors expressed any real regret for deliberately misleading people who were mainly small pension investors, and who were targeted because they were unable to get credit and required cash.
>
> Pension liberation is being widely promoted as an easy way of gaining early access to pension savings. Any schemes offering such benefits should be viewed with caution and independent financial advice should always be sought before entering into such a scheme.

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. Tel: 0161 234 8531 Email: piu.north@insolvency.gov.uk.

Advice on avoiding investment and pension scams is available from the FCA.

Kevin John Kirkwood is of Liverpool and his date of birth is October 1979.

Gary Quillan is of Liverpool and his date of birth is November 1970.

Gregory Gerard Garrett is of Leamington Spa and his date of birth is December 1969.

KJK Investments Ltd (Company registration number 06884147).

G Loans Ltd (Company registration number 06784419).

The petitions to wind-up KJK Investments Ltd and G Loans Ltd were presented under s124A of the Insolvency Act 1986 on 8 August 2013. The companies were wound up on 15 April 2015.

The Disqualification Orders were dated 18 September 2019. 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.

You can also follow the Insolvency Service on:

Letter to all ESFA post-16 funded providers on subcontracting delivery

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ESFA reminds providers it will take action to crack down on poor sub-contracting practice

ESFA Chief Executive, Eileen Milner, has today (Thursday, 03 October 2019) written to education and training providers to remind them that the ESFA will take action where there is evidence any provider is not playing by its strict sub-contracted rules.

Under the rules, a sub-contractor can deliver education and training on behalf of a lead provider in receipt of ESFA funds. However, lead providers have a legal duty to make sure public funds are spent according to the ESFA’s sub-contracting rules, so that learners receive the best possible education or training. The majority of subcontracting is done well and in accordance with the rules.

In accepting ESFA or public funds, providers confirm they accept the terms and conditions of their funding agreement, and that they have a process in place to ensure that sub-contracted provision is delivered properly, securely and meets ESFA rules.

The letter builds on the action the ESFA has already taken this year to tighten its sub-contracting requirements.

This includes launching a review to improve subcontracting arrangements, more robust examination of data and information, holding individuals and organisations to full account, pursuing all avenues available and, where appropriate recovering public money.

Later this year, ESFA will also be seeking views from the sector to inform the ongoing review of sub-contracting.

1 November 2019: Update to the Patent Cooperation Treaty (PCT) fees

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Advanced Vision for 2020 and Beyond: further 1-to-1s released

The Defence and Security Accelerator is holding further 1-to-1 teleconference sessions as part of the Advanced Vision for 2020 and Beyond competition, on 17 October 2019, bookable through Eventbrite. This is an opportunity to ask questions about the competition to the technical team and DASA.

This competition aims to develop and demonstrate a number of novel technologies or applications in the area of Electro-Optic and Infrared (EOIR) sensors to address the future needs of defence and security for highly capable and affordable sensors for surveillance, target acquisition and threat detection.

We are looking for innovative solutions that address the following challenge areas:

- Novel optics and materials
- Novel sensors
- Embedded/edge processing applied to EOIR sensing

Full details of all challenges we are seeking to address are included in the competition document.

At least £1.25 million is available to fund multiple proposals in this phase, and it is anticipated that there will be a further £1.25 million available to fund Phase 2.

The competition is open for applications until 13 December 2019.