



The Insolvency  
Service

# The Investigations Hotline?

What it is and how to report  
misconduct

A BIS SERVICE

# Contents

Introduction .....	3
What types of misconduct does the Hotline deal with? .....	3
Live companies and limited liability partnerships .....	3
Directors of insolvent companies .....	4
Disqualified directors .....	4
Re-use of a prohibited company name .....	4
Undischarged bankrupts and individuals subject to debt relief orders .....	5
Bankruptcy and debt relief restrictions orders and undertakings (restrictions).....	5
What are people allowed to do whilst disqualified as a director or an undischarged bankrupt, or when subject to a debt relief order or restrictions? .....	6
What happens if they breach an order or undertaking? .....	6
How can I check if someone has been disqualified? .....	6
How can I check if someone is an undischarged bankrupt, subject to a debt relief order or subject to restrictions? .....	6
How to report possible misconduct .....	7
Documents to support allegations .....	7
Acting as a director/ in the management of a company .....	7
Insolvent companies .....	7
Bankrupts, individuals subject to debt relief orders or restrictions .....	8
Live companies and limited liability partnerships .....	8
Re-use of a company name .....	8
Contact us .....	8
Online .....	8
By email .....	8
By post .....	9
By phone .....	9
What action will be taken? .....	9
Where can I get more information? .....	9
Data Protection Act .....	10

## Introduction

Our Investigations Hotline is a contact point where you can report possible misconduct to the Insolvency Service. We can then consider whether to use our investigatory and enforcement powers. You can contact the Hotline by phone, online, email or post.

Contact details are shown towards the end of this publication. Before you get in touch, please read the following notes.

## What types of misconduct does the Hotline deal with?

We deal with:

- complaints about live companies and limited liability partnerships;
- complaints about the re-use of prohibited company names; and
- information about the conduct of:
  - directors;
  - disqualified directors;
  - undischarged bankrupts;
  - individuals subject to debt relief orders; and
  - individuals subject to restrictions.

You can use the Hotline to pass on information about the conduct of these individuals or companies to the Insolvency Service. This helps us to:

- enforce court orders and undertakings; and
- identify and, where appropriate, take action to prevent corporate abuse.

Please note, the Insolvency Service cannot investigate complaints that do not relate to the above, for example, we cannot investigate a complaint about a sole trader who is not bankrupt or subject to a debt relief order.

### ***Live companies and limited liability partnerships***

These are limited companies or limited liability partnerships that are currently trading or have ceased trading without going into formal insolvency. We have powers to investigate where the information we receive suggests corporate abuse; this may include serious misconduct, fraud, scams or sharp practice in the way the company operates. Alternatively, we may pass on the information to another regulator who may be in a better position to investigate or act on the complaint.

More information about live company investigations can be found at [www.gov.uk/government/publications/the-insolvency-service-company-investigations-what-we-do](http://www.gov.uk/government/publications/the-insolvency-service-company-investigations-what-we-do).

## ***Directors of insolvent companies***

A company may fail for many reasons other than misconduct by its directors. Directors of insolvent companies are legally entitled to act as directors of any company; as long as they are not:

- disqualified from taking part in the management of a limited company;
- personally bankrupt;
- subject to a debt relief order; or
- subject to restrictions.

More information about insolvent company investigations can be found at <https://www.gov.uk/government/publications/insolvent-company-investigations>

## ***Disqualified directors***

By law (the Company Directors Disqualification Act 1986) a court may make a disqualification order for a specified period against an individual. Disqualification means that the person must not:

- be a director of a company or a member of a limited liability partnership;
- act as receiver of a company's property; or
- in any way, whether directly or indirectly, be concerned or take part in the promotion, formation or management of a company (unless they have the court's permission).
- act as an insolvency practitioner.

In addition, many other restrictions are placed on disqualified directors by other laws and regulations, so you should consult the relevant legislation or get your own professional advice to find out the full extent of the restrictions that may apply.

An undertaking has the same effect as a disqualification order. This is when an individual promises the Secretary of State for Business, Innovation and Skills not to do anything mentioned in the list above.

Further information about director disqualification including other restrictions can be found at [www.gov.uk/government/collections/information-about-company-director-disqualification](http://www.gov.uk/government/collections/information-about-company-director-disqualification).

## ***Re-use of a prohibited company name***

When a company goes into insolvent liquidation, anyone who was or acted as a director of the company in the 12 months before the liquidation must not act as a director of another company or business with the same or similar name for 5 years (section 216 of the Insolvency Act 1986). This is known as a prohibited name. Breaking this rule may be a criminal offence, and that individual may be personally liable for any company debts incurred while the name is prohibited.

There are 3 exceptions to this rule. In brief, these are:

- sale of the business by a licensed insolvency practitioner giving the legally required notice;
- where the individual gets the court's permission to use the name;

- where another company or business has also been using the same name for at least a year (subject to conditions).

For further information please see our publication *Re-use of a company name after liquidation* found at [www.gov.uk/government/publications/insolvency-restrictions-on-re-use-of-a-company-name](http://www.gov.uk/government/publications/insolvency-restrictions-on-re-use-of-a-company-name).

### ***Undischarged bankrupts and individuals subject to debt relief orders***

When a bankruptcy order or a debt relief order is made against an individual, the following restrictions apply. In the case of a bankruptcy order these restrictions apply until the bankrupt receives their discharge, or for a debt relief order until the end of the moratorium period. The individual:

- must disclose their status if they wish to get credit of £500 or more;
- must, if they carry on business in a different name from the name in which the order was made, tell those they wish to do business with the name (or trading style) under which they received the order;
- must get the court's permission before they act as the director of a company or take part in promoting, forming or managing it;
- may not act as an insolvency practitioner, or as the receiver or manager of the property of a company on behalf of shareholders;
- may not hold certain public offices, for example may not act as a trustee of a charity or a pension fund.

Please note that in Scotland the bankrupt may be subject to different restrictions. For more information see the Accountant In Bankruptcy's website at [www.aib.gov.uk](http://www.aib.gov.uk).

More information about bankruptcy and debt relief orders can be found at [www.gov.uk/government/collections/insolvency-service-guidance-publications](http://www.gov.uk/government/collections/insolvency-service-guidance-publications).

### ***Bankruptcy and debt relief restrictions orders and undertakings (restrictions)***

The official receiver has the power to apply to court for a bankruptcy restrictions order against a person who is bankrupt and is believed to have been dishonest or otherwise blameworthy. A bankruptcy restrictions order can last between 2 and 15 years and has the effect of continuing to apply the restrictions after the bankrupt has been formally discharged. Alternatively, the bankrupt may give an undertaking to keep to the restrictions for an agreed period. This is called a bankruptcy restrictions undertaking.

Similarly, a person subject to a debt relief order, who is believed to have been dishonest or blameworthy, may be made subject to a debt relief restrictions order. This will extend the restrictions for a further 2 to 15 years. Alternatively, they may promise to keep to the restrictions for an agreed period under a debt relief restrictions undertaking.

The restrictions include all those listed above that apply when a bankruptcy order or debt relief order is made, and may also include other conditions contained in other legislation. A more detailed list of the main restrictions is available at [www.gov.uk/government/publications/bankruptcy-additional-effects-of-a-bankruptcy-restrictions-order-or-undertaking](http://www.gov.uk/government/publications/bankruptcy-additional-effects-of-a-bankruptcy-restrictions-order-or-undertaking).

Please note that different restrictions may apply in Scotland. For more information see the Accountant In Bankruptcy's website at [www.aib.gov.uk](http://www.aib.gov.uk).

Please read our publications, *Bankruptcy restrictions orders* and *Debt relief restrictions orders* found at [www.gov.uk/government/collections/insolvency-service-guidance-publications](http://www.gov.uk/government/collections/insolvency-service-guidance-publications) for further information.

## **What are people allowed to do whilst disqualified as a director or an undischarged bankrupt, or when subject to a debt relief order or restrictions?**

All these people may carry on business as sole traders or partners in an unlimited liability partnership. However, if a bankrupt, an individual subject to a debt relief order or somebody subject to restrictions chooses to conduct such business in a different name from that in which the original order was made, then they must disclose the former name in all business transactions.

## **What happens if they breach an order or undertaking?**

It is a criminal offence to contravene (break or breach) a disqualification order or undertaking, a bankruptcy order, bankruptcy restrictions order or bankruptcy restrictions undertaking; or a debt relief order, debt relief restrictions order or debt relief restrictions undertaking. It is also a criminal offence for another person to assist a disqualified or restricted person to act in this way. A person who breaks any such order or undertaking could also become personally liable for any debts a company incurs while they are in breach of the restrictions. Anybody who carries out that person's instructions may also be personally liable.

If a corporate director is disqualified or has given an undertaking, and that corporate director breaks the order or undertaking, then its officers or managers can be punished as if the order or undertaking applied to them personally.

## **How can I check if someone has been disqualified?**

To search the Disqualified Directors Register, visit [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) and go to the 'Find Company Information' page; then click on 'Disqualified Directors Search', found in the top right of the screen.

This register will also tell you if the individual has obtained permission from the court to act in relation to specified companies.

## **How can I check if someone is an undischarged bankrupt, subject to a debt relief order or subject to restrictions?**

You can, without charge, get details of current bankruptcy orders, debt relief orders, restrictions orders and undertakings by searching the Individual Insolvency Register found at [www.gov.uk/search-bankruptcy-insolvency-register](http://www.gov.uk/search-bankruptcy-insolvency-register).

You can also get details by going to any of the official receivers' offices on Monday – Friday between 9am and 5pm. You can get the addresses from your local phone book or [from www.gov.uk/contact-official-receiver](http://www.gov.uk/contact-official-receiver).

## **How to report possible misconduct**

You can provide information online, by email or by post (please see below for details). We prefer you to send complaints in writing (online, by email or by post). However, if you are unable to do so for any reason, please leave a message explaining this on our telephone Hotline (0300 678 0017).

We appreciate that you may not be able to provide all the information requested, but any information you do give will greatly help our enquiries.

Please read the guidance provided above before submitting a complaint.

### ***Documents to support allegations***

You may have documents that you feel support your complaint. However, please wait before sending these in. Contact us first online, by email or by post. Please state in your online questionnaire, email or letter what documents you hold; if the matter goes forward, we will contact you about any relevant documents.

### ***Acting as a director/ in the management of a company***

If you suspect that an individual is acting in the management, or as the director of, a company whilst they are banned from doing so and without the permission of the court, then please complete our breach questionnaire at [www.insolvencydirect.bis.gov.uk/contactus/hotlineform.htm](http://www.insolvencydirect.bis.gov.uk/contactus/hotlineform.htm).

### ***Insolvent companies***

If your complaint is about the director of an insolvent company that has ceased trading and entered formal insolvency proceedings, then you should send the information directly to the insolvency practitioner or official receiver dealing with that company. You can find who this is without charge on the Register of Companies at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) by searching 'Find Company Information'; then click on 'Insolvency History' and then 'Case Type'.

If you cannot find this information, or you are not sure whether the company is in fact insolvent, or you have a good reason not to want to make the complaint direct to the insolvency practitioner, then please email your complaint to [intelligence.live@insolvency.gsi.gov.uk](mailto:intelligence.live@insolvency.gsi.gov.uk) or post it to the address given below. We will forward your message to the appropriate person.

## ***Bankrupts, individuals subject to debt relief orders or restrictions***

If your complaint relates to somebody subject to a bankruptcy order or debt relief order, then you should make your complaint directly to the official receiver dealing with the case. You can find their contact details in the Individual Insolvency Register found at [www.gov.uk/search-bankruptcy-insolvency-register](http://www.gov.uk/search-bankruptcy-insolvency-register). If you cannot find this information, then please address your complaint to [intelligence.live@insolvency.gsi.gov.uk](mailto:intelligence.live@insolvency.gsi.gov.uk) or post it to the address given below, and we will forward your message to the correct office.

You should also complain to the official receiver about somebody who is breaching a restrictions order/ undertaking unless they are taking part in the management of a limited company when we ask that you complete our breach questionnaire at [www.insolvencydirect.bis.gov.uk/contactus/hotlineform.htm](http://www.insolvencydirect.bis.gov.uk/contactus/hotlineform.htm).

## ***Live companies and limited liability partnerships***

Please use our complaint form at [www.insolvencydirect.bis.gov.uk/complaintformcib.htm](http://www.insolvencydirect.bis.gov.uk/complaintformcib.htm) to report any conduct in currently trading companies or limited liability partnerships that you feel is fraudulent or against the public interest.

## ***Re-use of a company name***

If you wish to report the re-use of a prohibited company name, then please complete our breach questionnaire at [www.insolvencydirect.bis.gov.uk/contactus/hotlineform.htm](http://www.insolvencydirect.bis.gov.uk/contactus/hotlineform.htm).

## **Contact us**

### ***Online***

Please use the links provided in this document or on [www.gov.uk/insolvency-service](http://www.gov.uk/insolvency-service).

Alternatively, you can ask us to send you a paper copy of these forms by leaving a message on the telephone answering machine on 0300 678 0017 (the Hotline).

### ***By email***

Unless otherwise indicated above, please send complaints and all other intelligence to: [Intelligence.live@insolvency.gsi.gov.uk](mailto:Intelligence.live@insolvency.gsi.gov.uk).



## ***By post***

Please send your complaint to:

Intelligence Hub  
Investigations and Enforcement Services  
The Insolvency Service  
3rd Floor Cannon House  
18 Priory Queensway  
Birmingham B4 6FD

## ***By phone***

Please call the Hotline on 0300 678 0017.  
(Please note that this is an answer-phone service only.)

## **What action will be taken?**

The Intelligence Hub will consider your complaint and make initial enquiries as necessary. Where appropriate, it will pass the information to the relevant Insolvency Service department.

If we think your concerns are more appropriate for another public body, relevant organisation or official such as the liquidator of a company, we normally pass on your complaint. However, if you do not wish us to do so, please make that clear in your complaint.

If our enquiries show that an offence may have been committed, we may send a report to the appropriate investigating or prosecuting authority. That authority will then decide whether to carry out a criminal investigation, and criminal proceedings may begin. You may be asked to give a formal statement before proceedings start.

If you wish to make an anonymous complaint, we may still be able to submit the matter to the relevant investigating authority. However, please note that they may only be able to take it further if they have suitable evidence or an appropriate witness, or both.

## **Where can I get more information?**

Our publications give general information about our work.

All our publications are available at [www.gov.uk/government/collections/insolvency-service-guidance-publications](http://www.gov.uk/government/collections/insolvency-service-guidance-publications).

For general insolvency enquiries, contact the Insolvency Service Insolvency Enquiry Line on 0300 678 0015, or email [Insolvency.EnquiryLine@insolvency.gsi.gov.uk](mailto:Insolvency.EnquiryLine@insolvency.gsi.gov.uk).

Please note that the Enquiry Line can only give general information about insolvency. If your query relates to a specific case, then you should either contact the officer dealing with that case or obtain independent professional advice, as appropriate.

This publication provides general information only. Every effort has been made to ensure that the information is accurate, but it is not a full and authoritative statement of the law and you should not rely on it as such. The Insolvency Service cannot accept any responsibility for any errors or omissions as a result of negligence or otherwise.

## **Data Protection Act**

The Insolvency Service Personal Information Charter is available at [www.gov.uk/government/organisations/insolvency-service/about/personal-information-charter](http://www.gov.uk/government/organisations/insolvency-service/about/personal-information-charter).

© Crown copyright 2014

*You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence/](http://www.nationalarchives.gov.uk/doc/open-government-licence/) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).*

*This publication is also available on our website at [www.gov.uk/government/organisations/insolvency-service](http://www.gov.uk/government/organisations/insolvency-service).*

September 2014