

Bankruptcy restrictions for gambler who squandered friend's money

In July 2017, Shahriar Farrokhzadeh (42), from Barnet, North London, asked an associate to invest £280,000 in a property deal with him. The money was to enable Shahriar Farrokhzadeh to buy a property worth £2.3 million at a discounted price before selling it on for a profit.

Shahriar Farrokhzadeh promised his friend more than £60,000 profit in return for the investment and that he would be repaid in under two months.

The associate transferred £280,000 and in return, Shahriar Farrokhzadeh signed a promissory note for £343,000, covering the amount invested and projected profit returns, along with promises of being repaid in full by the end of August.

Over the following three months, however, Shahriar Farrokhzadeh continually delayed paying back the investment while informing his associate that the purchase and sale of the property had been completed.

In reality, Shahriar Farrokhzadeh did not purchase the property and instead squandered the £280,000 on gambling and other lifestyle expenses.

And while delaying repaying the investment from his associate, Shahriar Farrokhzadeh tried to elicit additional funds from him saying he had another investment opportunity.

Following a petition by one of Shahriar Farrokhzadeh's creditors, he was ordered bankrupt by the courts in April 2019 with liabilities of just under £4 million.

Bankruptcy restrictions are usually lifted after 12 months but due to the seriousness of Shahriar Farrokhzadeh's actions, the Official Receiver pursued extended restrictions to prevent him causing any further harm to other creditors.

The Secretary of State accepted a bankruptcy restriction undertaking from Shahriar Farrokhzadeh on 19 September 2019. For 12 years, he is restricted from borrowing more than £500 without disclosing his bankrupt status, or act as a company director without the court's permission, among other restrictions.

Alan Draycott, Deputy Official Receiver, said:

Shahriar Farrokhzadeh secured thousands of pounds from his friend in good faith but frittered it away. In interviews with the Official Receiver, he couldn't even recall exactly what he had done with all the money.

12 years of bankruptcy restrictions is a significant amount of time and not only severely curtails Shahriar Farrokhzadeh's activities but protects other creditors from his profligacy.

Shahriar Farrokhzadeh is of Barnet, North London, and his date of birth is May 1977. Details of his Bankruptcy Restrictions Undertaking are available on the [Individual Insolvency Register](#).

Bankruptcy restrictions are wide ranging. The effects are the same whether you are subject to a bankruptcy restrictions order or to an undertaking. Guidance on the main statutory consequences flowing from a [bankruptcy restrictions order or undertaking](#).

[Information about the work of the Insolvency Service, and how to complain about financial misconduct](#).

You can also follow the Insolvency Service on:

Statistical data set: Banana prices

Average weekly wholesale prices of bananas by country of origin

Statistical data set: Wholesale fruit and vegetable prices

Series of weekly average wholesale market prices of selected home grown horticultural produce.

Detailed guide: Farm business survey – technical notes and guidance

Technical information, notes and guidance on the farm business survey.

Budget 2019



Update

On 25 October the Chancellor wrote to the Treasury Select Committee to confirm that the Budget will not take place on 6 November. You can [read that letter here](#).

The Chancellor of the Exchequer, Sajid Javid, has announced he is planning to hold a Budget on Wednesday 6 November 2019.

The Chancellor of the Exchequer, Sajid Javid, said:

This will be the first Budget after leaving the EU. I will be setting out our plan to shape the economy for the future and triggering the start of our infrastructure revolution.

This is the right and responsible thing to do – we must get on with governing.

Background

The government is committed to securing a deal and leaving on 31 October. In the event of no deal, the government would act quickly to outline our approach and take early action to support the economy, businesses and households. This would be followed by a Budget in the weeks thereafter.

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1. 25 October 2019 Page update regarding the date of the budget
2. 14 October 2019 First published.