

Press release: Aberdeen car dealer banned for seven years

Stuart McDonald (37), of Dyce, Aberdeen, was the solely appointed director of Northern Motors (Aberdeen) Limited from September 2013 having first been appointed a joint director in June 2007.

Incorporated in 2006, Northern Motors traded as a car dealership in Dyce, Aberdeen while also offering repair and maintenance services.

But 10 years later, Northern Motors ceased to trade in August 2016 shortly after an Enforcement Order was granted to Aberdeen Trading Standards (ATS) against the company in connection with several breaches of the Enterprise Act 2002.

The Enforcement Order required Stuart McDonald to stop acting against the interest of customers and was granted in connection with complaints about Northern Motors received by Aberdeen Trading Standards over a two-year period between September 2014 and 2016.

Complaints included selling vehicles to consumers while finance remained outstanding, failing to honour payments to consumers and neglecting to provide the appropriate DVLA registration documents at the time of the sale.

Further examples of misconduct included the sale of illegal goods in terms of applying for incorrect registration plates and failing to register the transfer of vehicles to DVLA.

North Yorkshire Trading Standards also pursued legal action against the sole director, Stuart McDonald, to which he pled guilty in April 2016 to the allegations that he had caused the company to trade in harmful practices.

Northern Motors was later liquidated in June 2017 following a Winding-up Order and the matter was referred to the Insolvency Service to investigate Stuart McDonald's conduct while a director of the company.

Investigators discovered that in August 2016, just after the Enforcement Order was obtained, Stuart McDonald caused Northern Motors to dispose of a property worth £265,000 to a connected party. This payment was not only detrimental to Northern Motor's creditors but also resulted in the insolvency of the company.

While some money from the proceeds of the property sale was paid to the company's bank and to clear a loan, £116,000 was paid directly to Stuart McDonald's bank account. While, Stuart McDonald claims more than £87,000 was paid to Northern Motors' creditors, the company's lack of accounting records means he cannot verify the payments.

Furthermore, Northern Motors owed at least £80,000 in tax and a further £111,000 to its creditors.

On 29 January 2019, Stuart McDonald signed a disqualification undertaking, which was accepted by the Secretary of State, and effective from 20 February 2019, Stuart McDonald is banned for seven years from directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company.

Robert Clarke, Chief Investigator for the Insolvency Service, said:

When directors do not comply with legislation that is designed to protect customers, and avoidable losses occur, the Insolvency Service will fully investigate the circumstances and take action where appropriate.

In this case, a significant number of customers have been left out of pocket as a result of Mr McDonald's disregard of protective legislation and it is appropriate that his disqualification is for a significant period of time.

Stuart McDonald is of Dyce, Aberdeen and his date of birth is January 1982

Northern Motors (Aberdeen) Limited (Company number SC304494).

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](#).

The Insolvency Service administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, 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](#).

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