

# Press release: Extended bankruptcy after boss caused finance company to lose thousands

Terence Coventry (39), from Gainsborough, Lincolnshire, was appointed the sole director of Alliance Traffic Services Limited in April 2016 before he caused the company to enter into a factoring agreement a month later.

The factoring agreement, which Terence Coventry personally guaranteed, set out the terms where an independent finance company would buy Alliance Traffic Service's invoices in return for advanced finances.

However, between May 2016 and March 2017, Terence Coventry abused his position of trust as a director and caused of Alliance Traffic Service to breach the terms and conditions of the factoring agreement, despite being personally liable.

He failed to ensure company sales invoices were correctly produced and some customers paid money directly to Alliance Traffic Service's bank account despite it being due to the factoring company. This resulted in the finance company losing more than £177,000

Alliance Traffic Service entered into compulsory liquidation and was wound up in November 2017. With a substantial shortfall owed, the finance company made claims against guarantees Terence Coventry was personally liable for and in January 2018, Terence Coventry was made bankrupt as he could not afford to pay the debt.

Bankruptcy restrictions, such as declaring bankrupt status when borrowing more than £500, typically last until your bankruptcy ends after 12 months. However, the Insolvency Service applied to have Terence Coventry's bankruptcy restrictions extended due to his abuse of trust and causing the finance company to lose thousands of pounds.

This led to Lincoln County Court on 10 January 2019 making a Bankruptcy Restrictions Order against Terence Coventry, which means his restrictions last for seven years.

Mr Coventry did not attend the hearing.

Gerard O'Hare, Official Receiver for the Insolvency Service, said:

Terence Coventry's conduct in running his business fell well below the standards required of an individual in business and this led to his insolvency. The seven-year restriction should help protect the business community and act as a warning to others not to act in this way.

Terence Coventry is of Gainsborough and his date of birth is July 1979.

Alliance Traffic Service (Company Reg No: 09090168)

These are restrictions set out in insolvency law that the bankrupt is subject to until they are discharged from bankruptcy. Further guidance is available on [GOV.UK](#).

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. Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is [available](#).

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