

Press release: Four-time bankrupt hit with fourteen-year restriction

The ban, from 7 February 2018 to 6 February 2032, one year short of the maximum, follows an investigation into the affairs of Fintan Noel Arrowsmith.

During the period 2010 to 2017, Fintan Arrowsmith had traded as a horticulturist but ceased trading in April 2017 after the failure of his crop.

He stated his liabilities mostly related to stock obtained on credit from suppliers and on 18 October 2017, Fintan Arrowsmith filed on his own bankruptcy petition, listing a deficiency of £39,374.

Fintan Arrowsmith was interviewed by the Official Receiver at which time he stated that he had traded as F Arrowsmith, Glebe Farm Nursery during the period 2010 to April 2017.

He further explained that in 2016 he had a significant loss of his perishable stock, which were uninsured as no underwriter was willing to insure him because of his bankruptcy history

The Insolvency Service investigation into his affairs confirmed that Fintan Arrowsmith had signed a Bankruptcy Restrictions Undertaking (BRU) on 17 November 2009, which was accepted by the Secretary of State and was effective for 11 years to November 2020.

This meant that Fintan Arrowsmith had defied his bankruptcy restrictions and obtained a variety of stock and supplies, to the value of at least £24,549, from trade creditors on cash-on-delivery and credit terms.

The Official Receiver made enquiries with these trade creditors, all of whom confirmed Fintan Arrowsmith had not disclosed that he had been made bankrupt before obtaining credit and that they would not have extended credit to Mr Arrowsmith had they been aware of this.

On 7 February 2018, a bankruptcy restrictions order (BRO) was made by the court, as directed by the Secretary of State for Business, Energy and Industrial Strategy, against Mr Arrowsmith (47), ordering him to be bound for 14 years, by the restrictions set out in insolvency law that a bankrupt is subject to until they are discharged from bankruptcy – normally 12 months – until 2032.

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

Where a bankrupt has acted contrary to restrictions placed upon him by insolvency law, by obtaining credit with fully disclosing his states, he should not expect to do so without consequences, particularly when others suffer financial loss as a result.

A bankruptcy restriction in these circumstances will serve to provide creditors with a degree of protection, and it will also act as a deterrent to the bankrupt not to act in a similar manner in the future.

Mr Fintan Noel Arrowsmith is of Sleaford and his date of birth is December 1970. The Bankruptcy Order was made against him on 19 October 2017 on his own petition.

Mr Arrowsmith's bankruptcies were:

- In 2003 – as Fintan Mahgabhan
- In 2005 – as Fintan Noel Mahgabhan-Arrowsmith
- In 2008 – as Fintan Noel Arrowsmith
- In 2017 – as Fintan Noel Arrowsmith

If the Official Receiver considers that the conduct of a bankrupt has been dishonest or blameworthy in some other way, he (or she) will report the facts to court and ask for a Bankruptcy Restrictions Order (BR0) to be made. The court will consider this report and any other evidence put before it, and will decide whether it should make a BR0. If it does, the bankrupt will be subject to certain restrictions for the period stated in the order. This can be from 2 to 15 years.

The bankrupt may instead agree to a Bankruptcy Restrictions Undertaking (BRU) which has the same effect as an order, but will mean that the matter does not go to court.

These are restrictions set out in insolvency law that the bankrupt is subject to until they are discharged from bankruptcy – normally 12 months and include that bankrupts:

- must disclose their status to a credit provider if they wish to get credit of more than £500
- who carry on business in a different name from the name in which they were made bankrupt, they must disclose to those they wish to do business with the name (or trading style) under which they were made bankrupt
- may not act as the director of a company nor take part in its promotion, formation or management unless they have a court's permission to do so
- may not act as an insolvency practitioner, or as the receiver or manager of the property of a company on behalf of debenture holders

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.

BEIS' mission is to build a dynamic and competitive UK economy that works for all, in particular by creating the conditions for business success and promoting an open global economy. The Criminal Investigations and Prosecutions team contributes to this aim by taking action to deter fraud and to regulate the market. They investigate and prosecute a range of offences, primarily relating to personal or company insolvencies.

The agency also authorises and regulates the insolvency profession, 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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