

Press release: Hammer falls on Wirral based director of sports auction company

Following an investigation by the Insolvency Service, Andrew John Lane gave a disqualification undertaking to the Secretary of State for Business, Energy and Industrial Strategy, preventing him from being involved, directly or indirectly, in the promotion, formation or management of a company for ten years from 26 January 2018.

FSA was incorporated in 2010 and acted as an operator of auctions of sports memorabilia.

A client would enter into an agreement with FSA to sell goods at auction on their behalf. FSA would deduct a commission, before forwarding the sale proceeds to the client.

The company went into liquidation in April 2016, owing over £214,000 to creditors.

Between 1 April 2015, when the company was already in default to clients for auction sale proceeds, and the date of liquidation, Mr Lane failed to ensure that FSA forwarded the auction sale proceeds of further goods to clients.

In auctions which took place between June 2015 and March 2016, FSA incurred further liabilities totalling at least £67,536 to at least 39 clients. At liquidation Mr Lane disclosed that FSA owed at least £104,063 to at least 45 separate clients. Relevant claims submitted by clients to the liquidator indicated that they related to failures by FSA to forward auction sale proceeds or failed to return unsold goods.

Despite escalating liabilities to clients after April 2015, Mr Lane continued to enjoy substantial earnings from FSA and items of personal expenditure paid for by FSA.

Robert Clarke, Group Leader of Insolvent Investigations North at The Insolvency Service, said:

Directors who put their own personal financial interests above those of customers and creditors damage confidence in doing business and are corrosive to the health of the local economy.

This ban should serve as a warning to other directors tempted to help themselves first; you have a duty to your creditors and if you neglect this duty you could be investigated by The Insolvency Service and lose the privilege of limited liability trading.

Mr Lane's date of birth is February 1973 and he resides in Prenton, Wirral.

Football Sport Auctions Ltd (CRO No. 07464963) was incorporated on 9 December 2010 and traded from the director's home address in Prenton, Wirral, organising auctions which took place in various locations in England.

Mr Lane became a director on 9 December 2010 and was the sole director when FSA entered into liquidation on 29 April 2016 with an estimated deficiency of £213,892.

The Disqualification Undertaking was accepted by the Secretary of State on 5 January 2018 and came into force on 26 January 2018.

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, 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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