

Press release: HR boss banned after diverting insurance pay-out into personal bank account

Dean Jacobs, 29 of Birmingham, was the sole director of L & H Construction Limited, a specialist recruitment company helping people in the mechanical and electrical industries find new work.

But after trading for a little over two and a half years, the business ran into difficulties and L & H Construction entered into administration on 4 January 2017 after HMRC presented a winding up petition for an outstanding tax bill. Upon administration, L & H Construction owed creditors close to £800,000.

Insolvency practitioners were brought in to deal with the administration but Dean Jacobs failed to cooperate with their investigations.

Administrators were then made aware that L & H Construction was awarded an insurance settlement and when asked where the money had gone, Dean Jacobs could not provide any explanation of what he did with the funds.

Further investigations by the Insolvency Service found that despite being fully aware that L & H Construction had stopped trading and owed money to creditors, Dean Jacobs diverted £60,000 from an insurance settlement straight into his personal bank account.

As a result, on 16 April 2018 the Secretary of State accepted a disqualification undertaking from Dean Jacobs. The ban became effective from 7 May 2018 and he is now banned from directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company for 10 years.

Susan MacLeod, Chief Investigator of Insolvent Investigations, Midlands & West at the Insolvency Service, said:

Dean Jacobs put his own interests ahead of the company's creditors and the timing of the funds he took from the insurance settlement showed a cynical disregard to those creditors.

Directors who put their own personal financial interest above those of creditors damage business confidence. We will take action against directors who do not take their duties seriously and abuse their position and they will therefore lose the privilege of limited liability trading.

Dean Jacobs date of birth is February 1989 and he is known to have resided in Birmingham.

L & H Construction Limited (CRO No.09278805) was incorporated on 24 October 2014 and traded from Birmingham as a provider of specialist recruitment in the mechanical and electrical industry.

Dean Jacobs was the sole registered director from 25 October 2015 until the company went into administration on 4 January 2017. The estimated deficiency as regards creditors and shareholders was £799,361.

On 16 April 2018 the Secretary of State accepted a Disqualification Undertaking from Dean Jacobs, effective from 07 May 2018, for a period of 10 years. The matters of unfitness that were accepted were that:

On/after 06 December 2016, Dean Jacobs caused an insurance settlement due to L & H Construction Limited in the sum of £60,000 to be paid into his own personal bank account at a time when he knew L&H was insolvent and as a result creditors suffered a loss.

Disqualification

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 (England and Wales)

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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