

Type of Order: DISCIPLINARY CONSENT ORDER

Date of Order: 30 April 2023

Committee name: REGULATION AND CONDUCT COMMITTEE ('the Committee')

Details of IP: **Ms Patricia Marsh**, formerly of **MH Recovery Limited** an IPA member and Licensed Insolvency Practitioner (IP).

Summary of allegations: This This Order is made in relation to a complaint that Mrs Marsh in her role as Officeholder of no less than five insolvency estates breached the fundamental principle of professional competence and due care of the Insolvency Code of Ethics when she;

1. failed to prepare and/or file annual progress reports at Companies House, and
2. failed to
  - (a) prepare and/or submit Corporation Tax returns ('CT600') to HM Revenue & Customs (4 cases), and/or
  - (b) undertake case reviews and/or record details of the case strategies (5 cases), and/or
  - (c) make enquiries into the existence of a pension scheme (2 cases)
  - (d) demonstrate that any ethical considerations, or checks on conflict, were made, or an evaluation of AML risk (2 cases), and/or
  - (e) deal adequately with estate assets, or failed to adequately document the strategy for dealing with estate assets, progress made and decisions generally in pursuit of realisations (4 cases), and/or
  - (f) comply with the provisions of Statement of Insolvency Practice 2 by either failing to locate the company's books and records (with no evidence on file of any steps taken to obtain them) or failing to complete an initial investigation into potential antecedent transactions (2 cases), and/or
  - (g) progress the administration of insolvency estates (2 cases)2, and
3. In her role as liquidator of a company she made or permitted to be made payments out of the liquidation estate to herself

and/or to her associates of approximately £38,000 for remuneration (and/or expenses) which was not a fair and reasonable reflection of the work undertaken, in breach of Statement of Insolvency Practice (**SIP**) 9 paragraph 3.

#### Summary of Sanctions:

##### Allegations 1 and 2

The Committee agreed that the conduct was 'very serious' with reference to the Common Sanctions Guidance ('**CSG**') because of the number of cases affected and the time period involved.

The CSG provided for Exclusion and a fine of £7,500 as a starting point, where there had been a very serious failure to comply with the fundamental principle of competence and due care. The Committee decided that given Ms Marsh's co-operation, agreement to several conditions and a change in her circumstances of employment a Severe Reprimand, and not exclusion, was appropriate in all the circumstances.

The Committee decided to impose a disciplinary order, as follows:

Allegation 1: Ms Marsh be severely reprimanded and pay a fine of £7,500 for the serious failure to comply with the fundamental principle of professional competence and due care of the Insolvency Code of Ethics.

Allegation 2: Ms Marsh be severely reprimand and pay a fine of £7,500 for a serious breach of the fundamental principle of professional competence and due care of the Insolvency Code of Ethics.

##### Allegation 3

The Committee agreed that the conduct was 'serious' with reference to CSG. The CSG provided for a Severe Reprimand and a fine of £5,000 as a starting point, where there had been a failure to comply with the principles of a SIP. The Committee agreed that Ms Marsh's failure to co-operate and disciplinary history were aggravating factors. There was no mitigation to take into consideration.

Ms Marsh be severely reprimanded and pay a fine of £5,000 for a serious breach of a SIP.

##### Overall Decision:

The Committee agreed to offer Ms Marsh a consent order comprised of three Severe Reprimands and a total fine of £20,000.