



The Insolvency  
Service

**Information Rights Team**  
The Insolvency Service  
Cannon House  
18 Priory Queensway  
Birmingham  
B4 6FD

Tel: 0300 678 0015

[foi@insolvency.gov.uk](mailto:foi@insolvency.gov.uk)

[www.gov.uk/insolvency-service](http://www.gov.uk/insolvency-service)

Our ref: FOI25/26-097  
Date: 14 August 2025

Dear [REDACTED]

**Re: Freedom of Information Act 2000 (FOIA) Request**

Thank you for your letter of 16 July 2025 in which you requested from the Insolvency Service (the agency):

*"Please can I repeat the requests made, so as to update the answers from the 2021 Reply.*

*I assume that further datasets will have become available since 2021.*

*For reference, my questions relate to the following in terms of the most recent data available.*

*I understand from your previous reply that establishment of a phoenix operation might trigger. Complaint for misfeasance or breach of s.216IA86.*

*My questions are as follows:-.*

*1. How many individuals have you taken against for phoenixing or matters involving phoenix in the last three years? Please give a yearly breakdown.*

*2. Please. can you break this down by sector or Standard Industrial Classification ("SIC") showing nature of business.*

*3. How many complaints have you received about phoenixing or suspected phoenixing in the last three years? Please can you also break this down by SIC and years please?*

*4. How many individuals are you currently investigating for phoenixing or suspected phoenixing? Please break this down by SIC and year.*

*In context of breaches of the IA86, I remain concerned to understand: -*

*- the numbers, nature and length of director disqualification sanctions; plus  
- the nature of any criminal prosecutions undertaken - to include ongoing cases - and sanctions applied. I note that s.216 of the IA86 provides for criminal liability.*

*I am happy for you to provide a general summary where it would be disproportionate to provide a detailed answer as to the specific numbers of cases."*

Your request has been dealt with under the Freedom of Information Act 2000 (FOIA).

I can confirm the agency holds some of the information that you have requested, and I have provided answers to your questions below.

**1. How many individuals have you taken against for phoenixing or matters involving phoenix in the last three years? Please give a yearly breakdown.**

Phoenixing', or 'phoenixism' are terms of general usage describing the practice of carrying on effectively the same business or trade successively through a series of companies where each becomes insolvent (can't pay their debts) in turn. Each time this happens, the insolvent company's business, but not its debts, is transferred to a new, similar 'phoenix' company.

There is nothing in law to prevent directors of a company that has ceased trading with or without entering into formal insolvency proceedings or that has been dissolved from forming a new company to carry on a business similar to or even identical to that of the former company so long as they are not disqualified from acting in the management of a limited company and are not personally bankrupt. Misconduct by directors is only one of many possible reasons for a company to fail, so in most cases directors who have been involved in a failure should be able to try again and should only be disqualified if there is evidence of wrongdoing or unfit conduct.

The Insolvency Service can therefore only take action against individuals for associated conduct such as the misappropriation of company assets, transactions to the detriment of creditors or persistent breaches of regulations such as the duty to file tax returns, or where a director of a company in liquidation is re-using the company name or trading style.

More information about the work of the Insolvency Service can be found at [www.gov.uk/insolvency-service](http://www.gov.uk/insolvency-service), and in particular:

[Phoenix companies and the role of the Insolvency Service](#)

[Re-use of company names](#)

[Company Directors Disqualification Act 1986 and Failed Companies](#)

**Re-use of company names (section 216 Insolvency Act)**

When the Insolvency Service identifies, or is notified of, an ongoing breach of section 216 Insolvency Act 1986, it first seeks to protect the public by securing compliance with section 216. In this process a director is reminded of their obligations and given the opportunity to explain whether an exception applies or make an application to the court, resign or change the name of the company.

In those cases where the director fails to desist from ongoing offending or an offence appears to have been committed and has now ceased, we may refer the case to our Legal Services Directorate. Before making such a referral, we will consider whether it is likely that further action will be taken. For example, whether it is likely that sufficient evidence will be obtained to support court proceedings, where there is no evidence of significant harm

caused, or other exceptional circumstances, whether a prosecution is likely to be in the public interest.

## **Our section 216 rectification work**

The following table shows the total number of outcomes following the issue of a 'warning letter' to a director regarding possible breaches of section 216, and the number of breaches that have been rectified or the breach was reported to our Legal Services Directorate (LSD) for further action by date of outcome. In some cases, letter(s) may have been sent in an earlier period to that in which an outcome was achieved. The difference between the number of cases where letters were sent and the other figures includes cases such as where the director replied informing us that they had a valid exception to the rules, the director could not be traced or there was other good reason not to take further action.

Please note that this table only includes cases where an outcome was achieved in each calendar year and therefore does not include work in progress up to the end of 2025. Please see the response to question 4 below for information about ongoing work.

|                                                  | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------------------------|------|------|------|------|------|------|------|------|
| Outcomes following the issue of a warning letter | 471  | 545  | 374  | 298  | 300  | 490  | 425  | 229  |
| Breaches rectified                               | 437  | 509  | 291  | 215  | 240  | 335  | 306  | 160  |
| Cases passed to LSD                              | 23   | 17   | 21   | 13   | 11   | 22   | 39   | 21   |

## **Our section 216 criminal prosecutions**

The following table shows by date of sentence in each calendar year, the number of criminal convictions where the defendants has been charged for contraventions of the restrictions on the re-use of company names.

|                      | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------|------|------|------|------|------|------|------|------|
| Defendants Convicted | 6    | 8    | 5    | 23   | 7    | 7    | 9    | 7    |

## **Director disqualification**

It is not possible to provide you with figures for our disqualification work as 'phoenixism' is not in itself a distinct form of unfit conduct and any action taken will reflect any underlying matter(s) of concern as I have explained above.

The Insolvency Service publishes an annual breakdown of our disqualification outcomes by category of allegation, and it can be found at:

<https://www.gov.uk/government/publications/insolvency-service-enforcement-outcomes-management-information/insolvency-service-enforcement-outcomes-2025-26>

The Guide to Insolvency Service Enforcement Outcomes that accompanies the outcomes provides further detail about the most frequent allegations and explains, whilst there is a category 'Phoenix companies or multiple failures', the actual unfit conduct alleged would, for example, be that the director has not learned from their mistakes or changed their ways and that the new company effectively continued the trading of the insolvent business with no reasonable prospect of success.

**2. Please. can you break this down by sector or Standard Industrial Classification ("SIC") showing nature of business.**

The agency does not hold the information you have requested.

Please note FOIA only applies to recorded information, it does not require public authorities to create information in order to answer a question.

**3. How many complaints have you received about phoenixing or suspected phoenixing in the last three years? Please can you also break this down by SIC and years please?**

The Secretary of State, through officials at the Insolvency Service, has discretionary powers under the Companies Act 1985 to investigate the affairs of companies, where there is good reason to do so. This is usually where there is information suggesting serious corporate abuse, such as very serious misconduct, fraud, scams or sharp practice in the way the company operates, and where the primary activities of concern do not fall within another regulator's remit or are not better dealt with by another enforcement agency.

The following table provides the number of complaints received where one of the matters of complaint was identified as 'phoenix'.

|                                       | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------------------------|------|------|------|------|------|------|------|------|
| Complaints relating to Live Companies | 113  | 57   | 58   | 45   | 84   | 94   | 70   | 56   |

Note: any action taken as a result of these complaints would be in respect of specific misconduct identified within the complaint rather than 'phoenixism' in itself and/ or relating to a possible breach of section 216.

**Complaints received relating to insolvent companies**

The Insolvency Service does not record this information, however whenever a valid section 216 allegation has been identified, whether by the Official Receiver, any other office holder or as a result of a complaint then this will be included in the figures provided at point 1.

As per point 2 above, the Insolvency Service does not hold any information by SIC code.

**4. How many individuals are you currently investigating for phoenixing or suspected phoenixing? Please break this down by SIC and year.**

'Phoenixing' is not a distinct form of unfit conduct and therefore any investigations would be for associated unfit conduct and not for 'phoenixing' in itself.

The Insolvency Service does not hold information as to how many investigations have arisen from 'phoenix' companies, nor do we hold information by SIC code.

However, I can inform you:

**Our section 216 rectification case work**

As of 30 June 2025, our breach team had 156 ongoing cases, primarily relating to non-compulsory liquidation cases. In addition to this figure, where a company has entered into compulsory liquidation, the Official Receiver responsible for the case will seek to rectify the breach. The Insolvency Service does not hold information as to the total number of cases that are currently being considered by Official Receivers.

## **Our section 216 criminal case work**

Due to the way in which information is categorised in, stored in and retrieved from our electronic case management system, the exact nature of any criminal investigation is not held centrally in the format in which you seek it and “phoenixism” is not a way in which we categorise potential cases. The department is not obliged to create information in a suitable format for disclosure. To provide the information on cases under investigation or currently being prosecuted for offences under section 216 would necessitate the recovery of the case files currently held (which would be significant), a review of those files and consideration and compilation of the information sought. This would take in excess of 3.5 working days and falls within the section 12 limit. We are therefore unable to provide you with this information

Please note FOIA only applies to recorded information, it does not require public authorities to answer a question unless recorded information exists. Therefore, to answer a request FOIA does not oblige a public authority to create information if the requested information is not held.

## **Complaints**

If you are not satisfied with the response we have provided to you and would like us to reconsider our decision by way of an internal review (IR), please contact our Information Rights team within 40 working days of this letter at [foi@insolvency.gov.uk](mailto:foi@insolvency.gov.uk) or by post at:

Information Rights Team  
The Insolvency Service  
3rd Floor  
Cannon House  
18 Priory Queensway  
Birmingham  
B4 6FD  
United Kingdom

You also have the right to contact the Information Commissioner’s Office (ICO) if you wish for them to investigate any complaint you may have regarding our handling of your request. However, please note that the ICO is likely to expect an IR to have been completed in the first instance.

Yours sincerely

Information Rights Team  
The Insolvency Service

The Department for Business and Trade, Official Receivers and the Adjudicator are Data Controllers in respect of personal data processed by the Insolvency Service. For the details about how personal data is processed by the agency, please see the full Insolvency Service Personal Information Charter here:  
<https://www.gov.uk/government/organisations/insolvency-service/about/personal-information-charter>