

London housing market consultant banned for 6 ½ years for tax dodging

[Skip to downloads »](#)

10 April 2013 12:00

Insolvency Service



Richard Charles Fordham, director of housing market consultancy Fordham Research Group Limited (FRG), based in London, has been disqualified from acting as a director for six and a half years for failing to pay taxes. The disqualification follows an investigation by The Insolvency Service.

Mr Fordham, 60, who represented himself in the High Court, was banned from acting as a director of a limited company until September 2019.

FRG provided consultancy services and carried out research into the housing market for clients including local and central government, and house builders and developers. The company went into liquidation on 15 February 2010 owing almost half a million pounds to creditors, the majority of which – £429,941 – was made up of taxes owed to HMRC.

The Insolvency Service investigation showed that FRG had unpaid taxes dating back from March 2009. The company paid just £44,945 towards this debt – a tenth of the total owed by the time it entered liquidation.

Just three months prior to the company's collapse, Mr Fordham caused FRG to convert his director loan account, which had a balance of £189,600, into director's remuneration. The effect of this conversion was that the loan account was not treated as an asset at liquidation, therefore was not recoverable to pay FRG's creditors.

The conversion also resulted in a substantial PAYE income tax and NIC liability, which the company did not pay. Furthermore, Mr Fordham paid himself £22,800 from FRG's bank account, despite FRG being substantially overdue in its taxes and failing to comply with arrangements it had made with HMRC over late payment. Thus he acted to benefit himself to the clear detriment of HMRC.

Mr Fordham was previously a director of Fordham Research Limited (FRL), which went into liquidation on 19 December 2007 and sold its assets to FRG. FRL owed £601,635 to its creditors, with HMRC being the largest creditor with unpaid taxes totalling £347,671.

In total, the two companies racked up a debt of £777,612 in unpaid tax.

Commenting on the disqualification, Mark Bruce, a Chief Examiner at The Insolvency Service said:

“By disqualifying directors who seek an unfair advantage over their competitors by not paying tax we are upholding commercial confidence and promoting the UK’s reputation as a great place to do business. They should not expect to get away with it.

“Mr Fordham displayed a cynical attitude to the payment of tax in both his companies. Over £750,000 has been lost to the taxpayer. Just think what a school or a hospital could have done with that money.

“Other directors tempted to follow this path should remember that if they run a business in a way that is detrimental to either its customers or its creditors they lose the protection afforded by limited liability. The Insolvency Service will investigate them and seek to remove them from the business environment.”

Ends

Notes to Editors

1. Fordham Research Group Limited was incorporated on 8 September 2006 and went into liquidation on 15 February 2010. The company’s registered office was at 57/59 Goldney Road, London W9 2AR and it traded from the same address.

2. The disqualification order was made on 27 February 2013 where Mr Fordham is banned from being a director for six years and 6 months. The disqualification commences on 20 March 2013.

3. 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;
- act as an insolvency practitioner; or
- be a receiver of a company’s property.

In addition many other restrictions are placed on disqualified directors by other regulations. Further information on director disqualifications and restrictions can be found at

<http://www.bis.gov.uk/insolvency/Companies/insolvent-companies/director-disqualification-and-other-action>.

4. The Insolvency Service administers the insolvency regime investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. The Service also authorises and regulates the insolvency profession; deals with disqualification of directors in corporate failures; 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 is available from www.bis.gov.uk/insolvency

6. You can now subscribe to get e-mail alerts from The Insolvency Service. You may wish to subscribe to receive updates for the whole site or any of the key areas, i.e. about us, news, personal, companies, redundancy, profession, publications, consultations, contact us etc. These areas can be expanded if required. To subscribe, go to the site and you will see a button to “sign up for email alerts and newsletters”, or click on the following link: <https://public.govdelivery.com/accounts/UKBIS/subscriber/new>

7. The Insolvency Service is now on twitter, you can follow us here [@insolvencygovuk](https://twitter.com/insolvencygovuk)

Ins13/Coms/050

Contact Information

Name

Sarah Weaver

Division

Insolvency Service

Phone

020 7637 6422

Email

Sarah.Weaver@insolvency.gsi.gov.uk

Name

Ade Daramy

Job Title

Mr

Division

Insolvency Service

Phone

020 7596 6187

Email

ade.daramy@insolvency.gsi.gov.uk

Name

Kathryn Montague

Phone

0207 674 6910

Email

kathryn.montague@insolvency.gsi.gov.uk

