

Philippa* called in on Tuesday. She had arranged for a new conservatory to be supplied by Glass Conservatories Limited*. It was a disaster. The windows are leaking and the walls are cracking. She wants to claim for the cost of repairs but now she has received a notice that the company is going into liquidation and that there are so many creditors that there may be insufficient assets to enable any payments to them. She came to see me to find out what she could do.

I investigated the Company and found that “the leading light” of Glass Conservatories Limited had been Mr Fred Glass*. The company had been formed by him just after another company of his, Glass Windows Limited*, had also gone into liquidation. Philippa had found out that Mr Glass lived in a large house.

I told Philippa that Mr Glass appeared to be in breach of section 216 of the Insolvency Act 1986 which prohibits a director of a company which goes into insolvent liquidation from using any name by which that company was known, or a similar name which suggests a connection with that company, unless certain procedures have been followed (one of which is to get the Court’s permission). If those procedures were not followed then Mr Glass would have not only committed a criminal offence but would also be personally responsible for the debts of Glass Conservatories Limited, the “successor” company. “Glass Conservatories Limited” sounded sufficiently similar to “Glass Windows Limited” to me to suggest a connection between the two companies.

Investigations are continuing to establish if Mr Glass followed the required procedures to permit him to use such a similar name; if he did not Philippa would be able to make her claim against Mr Glass himself, which appeared to be a better bet than his company. Advising Philippa reminded me that there is so much law about directors, insolvency and debts that everyone should be aware that it really can be worth seeking legal advice when the usual ways to resolve disputes have not worked. In fact that is what we are here for – to see if we can solve a problem that you can’t, and I will always be happy to see someone for a free initial 30 minutes interview.

DHC

*All names have been changed