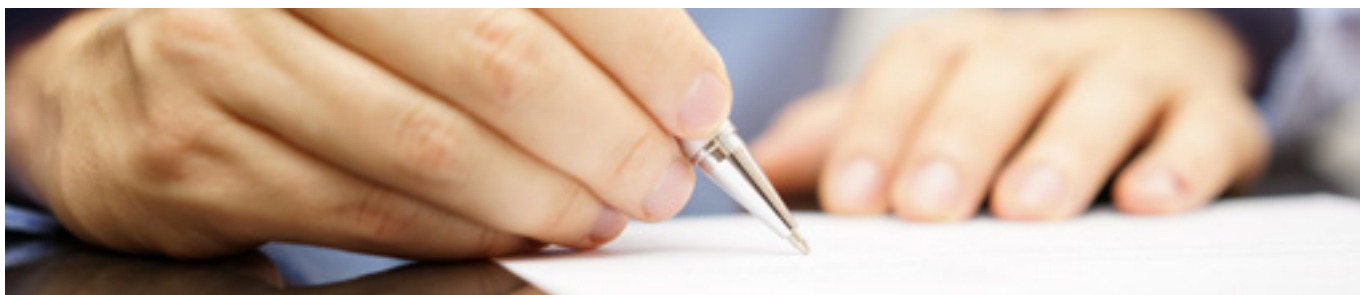


Objecting to a Limited Company being struck off the Companies House register



Striking when the iron is hot! Essential information that all customers of agents should know.

Landlords and tenants can sometimes find themselves in the position where the company they have been dealing with, sometimes for many years, can suddenly cease trading, often leaving outstanding debts.

These debts can include the rent which an agent has collected but not passed on to the landlord, or deposits which an agent has received from the tenant and not lodged with a tenancy deposit protection scheme and the agent has failed to keep this money in a segregated client account.

This can leave landlords and tenants feeling powerless, especially if the company has officially been struck off the Companies House register, leaving them no further recourse.

The Property Redress Scheme has received a number of complaints from landlords and tenants that have been owed money by an agent and the agent has not complied with a legally binding decision made by the Scheme, as they are no longer trading.

The directors have shut up shop and think they can just walk away scot-free. Often the intention is to set up a new company and continue trading unencumbered and whilst the old company is expelled from our scheme, it can get complicated if the directors have applied and succeeded in getting the company dissolved. Less than scrupulous individuals try to hide their tracks and it can be difficult to trace them.

Limited Companies can be struck off the register either voluntarily or by Companies House themselves. Companies House would normally only do this if the limited company does not submit accounts, annual returns or fails to respond to any communications.

What is not commonly known is that you can object to a company being struck off the register if you are a shareholder or another interested party such as a creditor and have a reason to stop the application, for example, you want to take legal action against the company.

Informing Companies House that the company has misappropriated monies from their client account is a serious allegation and if evidence is provided should be sufficient for a suspension to be imposed.

If the objection to Companies House is accepted, this will give you more time to take legal action in the courts against the company in question. It also makes it much harder for the directors to set up new companies.

The Scheme has been informed by some complainants that they have successfully pursued companies down this route and have had objections accepted. They now have a fighting chance to pursue the company and the individuals for the money through the courts.

Full guides and instructions can be found on the [Companies House](#) website.

Another step that you can consider taking is to apply to the courts to close or “wind up” a company if it can’t pay its debts. This is known as a compulsory liquidation, however, the company’s debts must be more than £750. If the application to the court is successful then the company assets are sold, any legal disputes are settled, the company then collects money it is owed and funds are paid to the creditors. It may well be worth going down this route if there are number of other debtors who can join you in a class action, and where you are confident there are securable assets that can be used to recompense you.

The Property Redress Scheme is now, as part of its process, advising complainants in this position to contact Companies House to make sure the company has not yet been struck off or dissolved so that they can take further action.

We are also anticipating that changes that will be introduced following the recent Housing and Planning Act 2016 will make it simpler to hold wayward and dishonest agents to account and help protect the consumer. Ultimately using client money to service a company’s obligations or a director just plain pocketing the cash is a criminal offence. However, it is not always treated as such by the legal system.



This is why the PRS strongly advises landlords and tenants to use companies protected by client money protection and undertake a little bit of due diligence before engaging their services and trusting them with any money.