

Checks for accountants who allow clients to use their address as a registered office

While undertaking work to disrupt the activities of criminals engaged in investment fraud, Trading Standards Officers in the City of London have noticed that many mail forwarding businesses have an arrangement with their clients whereby they fail to pass on all the mail. It is believed that the reason for this arrangement is due to financial advantage and the competitive nature of the mail forwarding sector. Over the last few years, some mail forwarding businesses have been able to offer a cheaper service to their clients if they only pass on what they call “official Government mail”, loosely defined as letters from HMRC and Companies House. This practice seems to have spread with the result that many items of mail, including legitimate consumer complaints, are simply destroyed, or marked return to sender without being opened.

The City of London Trading Standards Service has stepped in and taken legal advice. Trading Standards thinks that this restriction on the forwarding of a mail is likely to constitute a criminal offence under the professional diligence provisions of the Consumer Protection From Unfair Trading Regulations 2008. The offence would be committed by a business that sets up a service where it arranges with a mail forwarding business to only receive its “official Government mail”. In turn, a mail forwarding business which allows a client to operate in this way could be deemed to be aiding and abetting this criminal activity and could also be guilty of an offence.

Section 86 of the Companies Act 2006 says: “A company must at all times have a registered office to which all communications and notices may be addressed.” Trading Standards feels very strongly that any mail sent to the registered office address of a company must have every chance to come to the attention of that company. That simply isn't the case at the moment.

In response, Trading Standards have made changes to the main .gov.uk website in order to stress that companies must ensure that they receive all their mail. In addition, Trading Standards are trying to engage with the whole mail forwarding sector and provide advice on the way they operate their businesses.

Trading Standards are keen to ensure that accountants who allow their clients to use their address as the registered office are aware that they should ensure that all mail is forwarded on. Trading Standards also want to encourage accountancy firms to check on the internet and on the Companies House website occasionally to ensure that rogue businesses are not squatting at their address. Concerns about mail forwarding businesses can be reported via the London Trading Standards online [consumer crime reporting tool](#).

Further information

- Misuse of Registered Offices (Accountancy ISEWG alert)