

Misuse of registered offices

Accountancy ISWEG alert

Overview

The purpose of the alert is to outline an emerging threat relating to the misuse of registered offices.

What is happening?

A cuckoo is known for laying its eggs in the nests of other birds. Fraudsters appear to have adopted this practice for their own benefit, using the address of an accountancy firm as the registered address for companies they have established.

The accountancy professional body supervisors have identified that this could be a wider problem than previously thought. Not only has this issue been identified at supervisory visits, but a straw poll of a variety of larger and mid-size firms indicates that all of those have found cases of companies using the firm's address without the knowledge or authorisation of the firm. There could be some innocent errors in the cases identified, but the most likely explanation for using the accountancy firm's address is that it provides credibility which may be used to facilitate fraud.

What can you do?

Identifying the misuse of the address is relatively easy – the quickest way is to input the firm's postcode in the search box on the Companies House website, which will bring up the names of all those who are registered at the address (filter for companies rather than "all").

We recommend that firms check to see which companies use their address as a registered office. If it does not recognise a name, and this is not because of a name change or the registration of a new subsidiary of an existing client, the firm should try to have the record changed. If there are contact details (other than the registered address) for the company, it would be worth contacting the company requesting that they change their registered address to a more appropriate address.

In other cases, you should approach Companies House to ask for the address to be changed, this would then go to a default, Companies House address. The relevant forms (both online and paper) are here: <https://www.gov.uk/government/publications/apply-to-change-a-companys-disputed-registered-office-address-rp07>

HMRC Webinar – Trust or Company Service Providers, The provision of registered office and business address services

HMRC have produced a free webinar that covers risks not appropriately identified and assessed by businesses in relation to the provision of registered offices and business address services which we recommend firms view. The free webinar can be accessed here:

<https://attendee.gotowebinar.com/recording/7015460747510021389>

Suspicious Activity Reporting [SARs]

If you know or suspect ML or TF activity you should make a SAR using any relevant Glossary Codes.

Data Protection Considerations

Please consider your obligations under the relevant data protection regulations and where necessary remove any related personal data from your systems securely and within a satisfactory timeframe.

Disclaimer

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