

Second-hand fashion clothing firm Loopster collapses

A second-hand clothing online business, backed with a six-figure equity investment from the Development Bank of Wales, has collapsed.

Newport-based Loopster was launched in 2017 by Jane Fellner. To support its scale-up plans in 2020 it secured a seed funding round of £500,000, which included a £250,000 equity investment contribution from the Development Bank of Wales – the investment bank wholly-owned by the Welsh Government.

Loopster recently sought to raise a further £500,000, but fell short of the target via the Crowdcube funding platform having secured pledges of just under £400,000. If the full amount is not raised any amount under that cannot be secured.

After failing to reach the funding target, its directors put the business through.

The development bank said that provided Loopster had secured £500,000 private backing via Crowdcube it had agreed to put in further investment.

After starting selling second hand designer children's clothes, last year Loopster added womenswear. Longer term it also had plans to sell men's clothes. Providing clothing from sellers met the quality threshold, Loopster then sold them on at a quarter or less of new high street prices.

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The business had sold more than 12,000 clothing items since launch and was projecting to become a multimillion-pound turnover business having seen revenues growing 400% over the last year.

In a statement the development bank said; “In June 2020, the Development Bank of Wales made a six-figure seed equity investment into Loopster alongside a number of business angels.

“The investment was to support the development of its platform to resell second hand clothes, extending the life of fashion garments and reducing their environmental impacts.

“A crowdfunding campaign to secure private investment to match further capital from the development bank failed to reach its target and as a result the business has entered voluntary

liquidation. Any proceeds from the company administration will be distributed to the company's creditors according to priority."

Investing alongside the development bank as the led investor in last year's seed fund, were business angel Jim Lewcock, who owns the internet-focused digital marketing and investment firm, Blue14, and experienced non-executive director and angel investor Kate Methuen-Ley – who recently was [appointed to board](#) of the development bank.

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