

British Steel pension scandal adviser banned from being a director for 13 years

Darren Reynolds, boss of Active Wealth, the financial advice firm famed for its involvement in the [British Steel](#) pension transfer debacle, has been banned from acting as a [director](#) for 13 years after losing clients £24 million.

Reynolds, 51, advised hundreds of clients on the best way to invest their [pension funds](#) and, following his advice, 288 transferred more than £23 million into Self-invested Personal Pension Schemes.

Their money was then put into a portfolio of high [risk](#), unregulated corporate [bonds](#) with no protection for [investors](#) from the Financial Services Compensation Scheme.

In the event, the FSCS did recompense them more than £10 million but because of the £50,000 compensation cap, they still lost more than £24 million.

The Insolvency Service investigated the company, which went into liquidation in 2018, and declared in a statement today: "Following Active Wealth's liquidation, an Insolvency Service investigation found that between December 2014 and December 2016, Darren Reynolds had failed to act in the best interests of the company's clients."

Rob Clarke, chief investigator at the Insolvency Service, said: "Thirteen years is a significant ban and removing Darren Reynolds from the corporate arena will protect other investors from further harm for a lengthy period of time."

"This is a very sad situation for these victims who believed

Reynolds and his company was providing professional investment advice in their best interests, but instead placed their future financial stability in high risk and unsuitable investments.”

The ban was ordered in the Manchester High Court of Justice by DJ Obodai, meaning he cannot directly or indirectly become involved in the “promotion, formation or management of a company” without permission of the court.

Active Wealth was the first firm to be banned from doing pension transfers by the Financial Conduct Authority before it went into liquidation. Several of its clients were members of the British Steel Pension Scheme and were persuaded to invest in the so-called Portfolio Six selection of high risk bonds.

Al Rush, an IFA now helping British Steel pension holders recover their finances, said: “Darren Reynolds ruined steelworkers’ lives.

“He prised hard-working men and women from their gold-plated defined benefit pensions. A 13 year suspension. A 13 year suspension as a company director will make not the blindest bit of difference to a man who trampled over the responsibilities of being one with willful abandon.

“It is now incumbent on the regulator to decide what legal [action](#) can now be taken against this man, and hopefully that he can be prosecuted and not allowed to profit from his activities.”

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Steel pension scandal

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The Portfolio Six investments were only to be sold to experienced high net worth or sophisticated investors but in at least eight applications, the investigation found Reynolds had made inaccurate declarations when describing his clients' investment experience and appetite for financial risk.

Reynolds had claimed Active Wealth relied on the fund manager of Portfolio Six to do such due diligence but the investigation said he should have known that would not be impartial nor independent because the fund's director were associated with companies within the portfolio.

Reynolds has denied wrongdoing over British Steelworkers to MPs on the work and pensions select committee and claimed he was not incentivised by commission payments to recommend workers transfer out of company schemes.