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for Business
Innovation & Skills

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The Rt Hon Frank Field MP
House of Commons,
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12 June 2016

Dear Frank,

Thank you for your contribution during my statement to the House on BHS, on Monday, 6 June. I am also grateful for the work the Work and Pensions Committee is undertaking on this issue.

I promised to write with further detail on the points you raised. First, as you will be aware, the Secretary of State for Business, Innovation and Skills has already announced an accelerated Insolvency Service investigation into the activity of former BHS directors. I can assure you that any issues of misconduct will be taken extremely seriously.

The Insolvency Service has the power to enquire into the company's trading and the conduct of its directors and former directors. They can then recommend that the Secretary of State asks the courts to consider banning current or former directors for up to 15 years from being a director and, if there is any evidence found of a criminal offence, then of course that will be passed on to the correct authorities who can then start a criminal investigation.

There have also been concerns voiced about BHS' pension fund. To this end, the independent Pensions Regulator is also investigating the situation with BHS and we will closely examine its findings once published. The Pensions Regulator have the power to demand contributions be made to the scheme by both the current owner and former owner. However, it is important that the facts are fully investigated and established before we take such a serious step – which is why the proper authorities are already undertaking all necessary examinations.

Second, in terms of the administration process, it is important to recognise that the administrators have a duty to act in the best interests of the company's creditors and that their actions are subject to legal challenge if any creditor considers that they have failed to do so. Ministers cannot interfere with such commercial judgements.

However, an administrator's duties are clearly set out in insolvency law and, as I stated in my response, I would expect them to comply with such duties when dealing with this case.

I would like to assure you that the Government has never been clearer in our commitment to all workers, suppliers and communities affected by the closure of BHS and we will ensure full and thorough scrutiny into all issues surrounding this matter.

I hope this further information is helpful to you and thank you for your contributions on this issue.

A handwritten signature in black ink, appearing to read 'anna' followed by a stylized 'AS' monogram.

THE RT HON ANNA SOUBRY MP