**Company director disqualification (Source You.Gov)**

You can be banned (‘disqualified’) from being a company director if you don’t meet your legal responsibilities.

Anyone can report a company director’s conduct as being ‘unfit’.

‘Unfit conduct’ includes:

* allowing a company to continue trading when it can’t pay its debts
* not keeping proper company accounting records
* not sending accounts and returns to Companies House
* not paying tax owed by the company
* using company money or assets for personal benefit

**How disqualification works**

The Insolvency Service may investigate your company (or you personally as a director of your company) if it’s involved in insolvency proceedings or if there’s been a complaint.

If they think you haven’t followed your legal responsibilities as a director, they’ll tell you in writing:

* what they think you’ve done that makes you unfit to be a director
* they intend to start the disqualification process
* how you can respond

You can either:

* wait for The Insolvency Service to take you to court to disqualify you - you can defend the case in court if you disagree with The Insolvency Service
* give The Insolvency Service a ‘disqualification undertaking’ - this means you voluntarily disqualify yourself and ends court action against you

You may want to get legal advice if you get a letter about disqualification from The Insolvency Service.

Apart from The Insolvency Service, other bodies can apply to have you disqualified under certain circumstances, eg:

* Companies House
* the Competition and Markets Authority (CMA)
* the courts
* a company insolvency practitioner

You’re automatically disqualified from being a company director if you’re declared bankrupt, given a Debt Relief Order or subject to bankruptcy or debt relief restrictions.

**If you’re disqualified**

You’ll be disqualified for up to 15 years.

You can’t:

* be a director of any company registered in the UK or an overseas company that has connections with the UK
* be involved in forming, marketing or running a company

You could be fined or sent to prison for up to 2 years if you break the terms of the disqualification.

Your details will be published online in:

* The Companies House database of disqualified directors - your details will automatically be removed from the database when your disqualification ends
* The Insolvency Service’s register of directors they got disqualified in the last 3 months, including details of why you were banned

You must ask a court for permission if you want to be a company director while you’re disqualified. You can get help from a legal adviser.

**Other restrictions:**

There are other restrictions if you’re disqualified. For example, you might not be able to:

* sit on the board of a charity, school or police authority
* be a pension trustee
* be a registered social landlord
* sit on a health board or social care body
* be a solicitor, barrister or accountant
* Read detailed guidance about director disqualification.

You can be prosecuted and become personally liable for the company’s debts if you carry out company business on the instructions of someone who’s disqualified.