DIRECTOR AID

The Bank Has Frozen the Account

What to ask, what stops, and what to bring to the first conversation with an adviser

Ask the bank today (in writing as well as by phone)

- ☐ **What exactly is restricted,** and since when?
- ☐ **What triggered it:** the Gazette notice, a credit-agency flag, or a letter from the petitioner's solicitors?
- ☐ **Which payments will it release, and against what?** Nearly all banks say a court order (a validation order).
- ☐ **Where are incoming receipts being credited,** and can the company see the balance?
- ☐ **Is any facility being withdrawn or called in,** and when? Is a personal guarantee being looked at?
- ☐ **Who is the contact now?** Direct telephone number and email of the recoveries team.

What else will stop: tick what applies and note the contact

Facility	Provider and contact	Status	Needed to trade?
Card machine / payment provider (settlements held)			
Invoice finance or factoring (advances stop)			
Bank loan or overdraft (demand; set-off)			
Hire purchase and leases on vehicles and equipment			
Insurance premiums (cover can lapse)			
Payroll and pension contributions			
Rent; key supplier accounts			

Every ticked line is a candidate for a **validation order**: the court order that lets named payments, or ordinary trading, continue despite the petition. It needs evidence for each payment, so this list is where it starts. More on validation orders.

DO NOT: open a new account to get round the freeze · ask customers to pay a personal or another company's account · pay creditors in cash from takings. Payments out of a new account are just as void, the new bank will freeze it within days, and a liquidator reads it as evasion. **When the petition is dismissed:** send the sealed order to the bank the same day and ask the credit reference agencies to record it.

Free initial consultation for directors facing a winding-up petition. Call **07361 999123** · text **DIRAID** to **82228** · directoraid.co.uk. The call is with a Solicitor. Have the petition to hand.