Manchester fraudster who followed friend's advice to claim maximum-value Covid loan is jailed

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Jail for Bounce Back Loan fraudster.

- Fahad Sheikh falsely stated his Garage Cars 4U business had a turnover of £220,000 when applying for a £50,000 Bounce Back Loan
- Sheikh admitted to Insolvency Service investigators that a friend advised him on how to complete the false application and what figures to enter
- He also used the funds to pay off personal debts and has made no repayments to the loan

A Manchester fraudster who illegally secured a Covid loan after a friend coached him on how to make a false application has been jailed.

Fahad Sheikh applied for a maximum-value £50,000 Bounce Back Loan in 2020, falsely stating that his Garage Cars 4U business had a turnover of £220,000.

His business was in fact not trading at the time of the application.

The 57-year-old, of Hyde Road, Manchester, also admitted to Insolvency Service investigators that he used the funds for personal purposes.

Sheikh was sentenced to 16 months in prison and disqualified as a company director for six years when he appeared at Manchester Crown Court on Wednesday 25 February.

David Snasdell, Chief Investigator at the Insolvency Service, said:

> Fahad Sheikh admitted to our investigators that he applied for a Bounce Back Loan on the advice of a friend, knowing full well that the information he provided was false.
>
> There are no excuses for his fraudulent actions. Sheikh knew his business was not trading, he knew the turnover figure was false, and he knew the money was going to be used for personal purposes.
>
> Bounce Back Loans were a lifeline for genuine businesses during the pandemic, and this jail sentence is a reminder that abusing that support comes with serious consequences, including time behind bars.

Sheikh received the £50,000 Bounce Back Loan funds two days after his application in May 2020.

Over the course of the next two months, the money was moved from a business account to Sheikh’s personal account.

In interviews, Sheikh said his friend told him how to complete the application and what figures to enter, including the false turnover of £220,000.

Sheikh acknowledged to investigators that the business was not trading at the time and said that he used the money to pay off personal debts.

He also said that he used some of the funds for another company which he set up a month after receiving the loan. This company again was set up, but never traded.

Despite claiming that he always intended to pay the money back, Sheikh has not made any repayments to the fraudulently obtained loan.

Further information

- Fahad Sheikh is of Hyde Road, Manchester. His date of birth is 3 March 1968
- Read more about the Bounce Back Loan Scheme and the action the Insolvency Service can take if it finds misconduct
- Directors can find information about their obligations and responsibilities at the Insolvency Service's Director Information Hub
- Further information about the work of the Insolvency Service, and how to complain about financial misconduct.

https://www.gov.uk/government/news/manchester-fraudster-who-followed-friends-advice-to-claim-maximum-value-covid-loan-is-jailed