

Name: Alert ID: TMML2024037178547 Dominic Chappell, the former owner of BHS, has been sentenced to six years in jail for tax evasion. A Southwark Crown Court jury found him guilty of failing to pay tax of around £584,000 on £2.2m of income he received after buying the failed chain for £1. The court heard the 53-year-old spent the money on two yachts, a Bentley and a holiday to the Bahamas. Chappell's lawyers claimed he became "utterly broke" after BHS's "pension problem exploded" in 2015. Mr Chappell controversially bought the retailer from tycoon Sir Philip Green that year, but the chain collapsed soon after in 2016. It led to the loss of 11,000 jobs and a pension deficit of £571m. Five issues at the heart of the BHS story 'I was in charge of millions, then I had nothing' In sentencing, the judge said Chappell had engaged in a "long and consistent course of conduct designed to cheat the revenue". "You are not of positive good character. Your offending occurs against a backdrop of successive bankruptcies," he said. Simon York, director of the Fraud Investigation Service at HMRC, said: "This was deliberate theft from UK citizens. Chappell was a high-profile businessman who knew tax had to be paid on his income and profits but chose not to do so. "That's money that should have been supporting our vital public services instead of funding his lavish lifestyle." 'Struggling chain' BHS, once one of Britain's best known retailers, was losing £1m a week and had a huge pension deficit when Chappell's consortium, Retail Acquisitions, bought it in 2015. In his year of ownership Mr Chappell received £2.5m in payments from BHS, largely for consultancy fees provided by another of his companies, the bankrupt finance firm Swiss Rock Limited. Sir Philip Green was heavily criticised for agreeing to the deal, and later agreed a £363m cash settlement with the Pensions Regulator to plug the gap in the pension scheme. However, on Thursday prosecutors condemned Chappell for spending large sums of money at a time when he should have been trying to save BHS. "Chappell purchased the struggling retail chain for just £1 and was paid thousands of pounds in his new role, where he was tasked with avoiding more redundancies," said crown prosecutor Andrew Fox. "Instead, while the company fell further into financial difficulty, he spent his new income lavishly on luxury breaks abroad and expensive yachts." 'Reckless financial transactions' The court heard Chappell, a former racing driver, also bought £11,000 worth of items from a gun and outdoor wear shop, including expensive Beretta firearms. Prosecutors said HMRC repeatedly tried to chase down the missing funds, but Chappell ignored their requests, at one point going on a skiing break before asking for more time to pay the money when he returned home. In his defence, Chappell argued he was too busy resolving issues with BHS to deal with the outstanding taxes that were due. He had denied three charges of tax fraud. Earlier this year Chappell was ordered to pay £9.5m into BHS pension schemes after losing an appeal.