

Beware of imposters!



It is vitally important for businesses to verify the identity of the person they are dealing with from another business. How can you confirm that the person you are meeting with is in fact the director of a potential new supplier and not someone trying to scam you?

For many, the first step in checking someone's details will be to consult the Companies House website and its corporate register. This is a free and easy to access source of a myriad of information about all UK-registered companies, including details of the people who control each company and its directors. However, as concerns have grown in recent years about the misuse of corporate entities in the UK and the filing of false information at Companies House, the accuracy of the register has been called into question.

As part of the ongoing quest for corporate transparency combined with the aim to clear up the public data provided at Companies House, the Department for Business, Energy and Industrial Strategy has alongside Companies House just completed a wide ranging consultation on "Corporate Transparency and Register Reform".

[The consultation paper](#) proposed some wide-ranging steps aimed at deterring this abuse of corporate entities:

- Verification of key individuals in companies. Companies House has never had the power to confirm that the personal information provided about directors or shareholders is true which leaves them open to the potential of abuse by a small minority. It is proposed that identity checks be introduced into the incorporation and filing process using technological solutions more commonly used in the digital economy, such as sending a copy of a passport along with a "selfie" taken on a smartphone. Public sources could then be used to verify this information. Shareholders could be required to provide further details including date of birth and address with a notification of any change of shareholding required to be filed



within 14 days of transfer.

- Improvement of accuracy of data on the Companies Register. Currently, once information relating to a Company has been filed, it is extremely difficult to remove that information from its Companies House record regardless of its accuracy. Once it is on there, it stays on there unless a court rules otherwise. The consultation proposes extending Companies House's powers to corroborate information before it is entered on the register allowing it to request evidence that the information submitted is correct. This would be combined with further powers to remove information from the public record.
- Greater cross-checking of information across other government and private sector bodies to assist with the identification of any anomalies in the data held by Companies House.

With an increase in the personal information required by Companies House, proposals were also included for protecting that information with access to this personal data limited to certain public authorities where appropriate processes are in place in line with data protection obligations.

The consultation period has now closed and it remains to be seen how many of these proposals are eventually actioned but we will keep you updated on any progress.