

# Regis – Landlords Lose the Fight to Force CVA Nominees to Return Their Fees

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In a judgment handed down earlier today in *Regis UK Limited*, Mr Justice Zacaroli ruled against landlords seeking repayment of fees against the nominees of a CVA for hair salon and beauty business operator, Regis UK.

Regis entered into the CVA in October 2018. One month later the landlords challenged it on the grounds that it caused unfair prejudice and material irregularity under Section 6 of the Insolvency Act 1986. A claim was also pursued against the nominees for the repayment of their fees.

In October 2019, Regis entered into administration, terminating the CVA. The landlords' challenge continued on the basis that if any of the challenge grounds were successful, then the nominees had breached their duties in recommending the CVA proposal to creditors and should therefore be obliged to repay the fees.

In today's judgment, Mr Justice Zacaroli:

- Revoked the already terminated CVA on the basis that the treatment of one creditor as critical was unfairly prejudicial
- Dismissed the other grounds of unfair prejudice or material irregularity advanced by the landlords
- Declined to order any relief against the nominees

The decision, coming hot on the heels of the *New Look* judgment (also by Mr Justice Zacaroli) last week, is seemingly a further impediment to the desires of landlords to impede the future use of retail CVAs.

See *Re Regis UK Limited* [2021] EWHC 1294 (Ch)