

3rd October 2016

Statement from Paul Alekna, CEO of eResponse Group, in response to an article printed in FE Week on Monday 3rd October 2016

Paul Alekna said:

“Following the publication of an article by Paul Offord in FE Week (3rd October) I felt it necessary to clarify a number of points made within his piece.

“Mr Offord’s article contains important inaccuracies. It paints a picture of ripped off learners and creditors, and hints at asset stripping or poor management by greedy owners. Nothing could be further from the truth.

“In his article Mr Offord refers to students being left on the hook to repay student loans for unfinished course. On Wednesday 28th September I provided Mr Offord with factual evidence which proved that this claim was untrue. This evidence was ignored by Mr Offord. This paperwork has also been provided to the SFA and SLC to prove that all student loans relating to a pilot course had been withdrawn or cancelled. The only losers were eResponse as we had 100 per cent funded the programme.

Mr Offord’s article contains a number of purportedly anonymous quotes from learners about how they feel let down. As I have said, none are out of pocket. It is very regrettable that some learners have not achieved however we have continued to support some through to completion who are now qualified and working. We are very sorry about how things turned out. But it wasn’t because of anything the company did. The fact is that ER Training and Development suffered one massive bad debt of £800,000, and when its creditors did not agree to extended payment terms the directors were forced to close the company down.

“Secondly, Mr Offord also implies that we somehow undertook an elaborate, underhand restructure 3 months before the liquidation, switching firms and leaving debts in our wake. Again, simply untrue. We moved out our recruitment business to a separate company, not a decision taken on a whim, but one taken and executed over a period of around a year alongside our professional advisors who ensured all HMRC rules were strictly adhered to. It was always logical to separate our two distinct activities ‘training’ and ‘recruitment’, and it was nothing to do with the eventual demise of ER Training and Development. You don’t get tax clearance unless HMRC are happy the splitting out of the divisions is for genuine business reasons. And you don’t do a restructure like that in 5 minutes.

In the third paragraph of Mr Offord’s article he states that ‘...assets worth more than £5.6million were moved to a new company that’s still trading and providing government funded training’. Not true. It was the recruitment business that was moved out, not the training business. The business that acquired the recruitment business is not delivering any training.

“Lastly, Mr Offord suggests that after his insistence the SFA are carrying out or may be about to carry out formal investigation into the transfer of Options 2 Workplace Learning. We are not aware of any investigations and we are in regular contact with the SFA.

eResponse Group continues to go from strength-to-strength as a respected, award-winning employer and partner. We are well positioned for future growth both in the West Midlands and across the UK.

“As the organisation’s co-founder and CEO I simply could not sit back and read Mr Offord’s inaccurate comments without the need to reply and set the record straight.”