

# UK retailer BHS calls in administrators, with 11,000 jobs at risk

LONDON - BHS, the owner of department stores across Britain, has called in outside help to rescue the struggling firm from potential closure and the loss of around 11,000 jobs, administrators said on Monday.



Pedestrians walk past the entrance to a BHS store on Oxford Street in central London on 25 April 2016. [AFP / Niklas Halle'n](#)

The 88-year-old chain has failed to keep pace with rivals such as Marks and Spencer selling clothing and homeware in stores and online, resulting in a significant loss of market share.

"The group will continue to trade as usual whilst the administrators seek to sell it as a going concern," administrators Duff & Phelps said in a statement.

BHS, which also sells food, has been undergoing restructuring but has been unsuccessful in negotiations to find a buyer, while property sales have not materialised as expected, Duff & Phelps added.

"Consequently, as a result of a lower than expected cash balance, the group is very unlikely to meet all contractual payments," the administrators said.

"The directors therefore have no alternative but to put the group into administration to protect it for all creditors."

Owner Dominic Chappell, whose consortium Retail Acquisitions purchased BHS last year from retail entrepreneur Philip Green for just one pound (\$1.4, 1.3 euros), said no-one was to blame.

The current situation "was a combination of bad trading and not being able to raise enough money from the property portfolio", he added.

Neil Saunders, head of retail consultancy Conlumino, said Monday's announcement ends "a long period of decline which has seen the chain fall out of favour with British shoppers thanks to its failure to respond to changing tastes and the intensification of competition (from rival stores) on the high street".

He added: "Fifteen years ago... BHS attracted some 13.4 percent of all clothing shoppers through its (British) doors.

"Although not all of these visitors would use BHS as their main store, many would buy one or two products -- helping BHS attain a respectable 2.3-percent share of the clothing market.

Saunders said that last year, BHS pulled in only 8.2 percent of all clothing shoppers, handing it a 1.4-percent share of the clothing market.

Starting in 1928 with a chain in London, BHS has grown to stand at 164 stores and 74 franchise operations across 18 countries.

Julie Palmer, partner at insolvency firm Begbies Traynor, said it looked "increasingly unlikely that any buyer will be brave enough to salvage the business in anything like its current form".

**Source:** AFP

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