# Luxe Collective closes after £500,000 burglary disrupts luxury resale success



A prominent player in the second-hand luxury fashion market, Luxe Collective, has announced its closure just over a year after securing a £100,000 investment on the popular BBC show *Dragon's Den*. Founded in 2018 by brothers Ben and Joe Gallagher in Formby, Merseyside, the brand experienced a significant downturn following a devastating burglary that resulted in the theft of around £500,000 worth of stock last July, amounting to approximately half of its inventory.

The Gallagher brothers presented their business model to the *Dragon's Den* panel, which included entrepreneur Steven Bartlett, in January 2024. Despite the praise for their achievements, with Davies remarking that the company was too successful for her to invest, they secured substantial backing from Bartlett. The brothers had distinguished themselves in the luxury resale niche, particularly through innovative social media campaigns that helped demystify the buying process for consumers, enabling them to discern between genuine and counterfeit items.

However, the theft from their warehouse in Ormskirk, Lancashire, may have led to insurmountable challenges. Despite having installed various security measures, including cameras and alarms, the break-in revealed a meticulous planning effort on the part of the thieves. Co-founder Ben Gallagher described the emotional impact of the burglary, stating that it not only affected the company financially but also took a severe toll on their mental health and leadership capabilities. He expressed grief over the loss of their business, remarking that the experience marked “the most painful year” of his life.

In a heartfelt announcement, Gallagher detailed the consequences of the closure, stating that the operations of Luxe Collective were no longer sustainable. He voiced feelings of relief amid the turmoil, acknowledging the strain the events had placed on both himself and his brother. Despite the setback, he remains proud of their journey, reflecting on their initial venture working from a bedroom, which evolved into a globally recognised brand, generating over £30 million in revenue and reaching millions on social media platforms.

Before the burglary, Luxe Collective had been experiencing a resurgence. The company had recently launched on TikTok Shop, aiming to integrate social media with retail and directly engage its sizeable audience of 1.7 million on TikTok. This strategy had significantly boosted its visibility and turnover, which shot up to a projected £7.5 million in 2023 due to effective communication of fashion stories and influencer collaborations.

The brothers had previously opened a pop-up store in London, showcasing luxury items from well-known brands such as Gucci and Fendi. This physical presence aimed to test new markets and engage with customers directly, underlining their commitment to innovative retail strategies. However, this venture ultimately proved insufficient to withstand the impact of the burglary.

As Luxe Collective prepares to close its doors, the Gallagher brothers are left contemplating their next steps, equipped with invaluable experience but facing a daunting future. The emotional weight of their experiences resonates deeply, underscoring the precarious nature of entrepreneurship within the fiercely competitive and often challenging landscape of the retail market.

In conclusion, while Luxe Collective’s journey may be coming to an end, the brothers’ reflections highlight resilience in entrepreneurship, the importance of emotional well-being, and the lessons learned through adversity. The story of Luxe Collective serves as a poignant reminder of the risks inherent in the entrepreneurial journey, especially within the fast-evolving world of luxury fashion resale.

### Reference Map

1. Core focus on Luxe Collective's closure, background on the brothers and their investment journey.
2. Details on the burglary and its impact on stock and operations.
3. Insights on emotional toll and consequences of the theft.
4. Expansion into TikTok and social media strategies.
5. Financial growth related to social media engagement and pop-up store strategy.
6. General analysis of the brand's innovative approaches and subsequent risks.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.dailymail.co.uk/news/article-14696001/Dragons-Den-star-luxury-fashion-brand-Luxe-Collective-closure.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://fashionunited.com/news/business/around-50-percent-of-luxe-collective-stock-stolen-from-warehouse/2024072661126> - In July 2024, Luxe Collective's warehouse was broken into, resulting in the theft of approximately £500,000 worth of stock, accounting for about 50% of their inventory. Despite the warehouse being equipped with cameras, alarms, locks, and sensors, the thieves managed to infiltrate, indicating meticulous planning. Co-founder Ben Gallagher expressed the devastating impact of the loss on the business, emphasizing the emotional toll on the team and their commitment to overcoming the setback. The company has notified affected customers and stakeholders and remains determined to continue operations.
3. <https://www.theindustry.fashion/luxe-collective-robbed-of-500k-worth-of-product/> - In July 2024, Luxe Collective, a pre-loved luxury fashion platform, experienced a significant setback when their warehouse was broken into, leading to the theft of approximately £500,000 worth of designer clothing, handbags, and accessories. This loss represented about 50% of their total stock. Co-founder Ben Gallagher shared the news on LinkedIn, expressing shock and devastation over the incident. Despite the warehouse's security measures, the thieves executed a well-planned operation. Gallagher reassured customers and stakeholders, stating that the company would keep them updated and remain resilient in the face of this challenge.
4. <https://channelx.world/2024/04/luxe-collective-luxury-retail-now-on-tiktok-shop/> - In April 2024, Luxe Collective, a pre-loved luxury retailer, expanded its presence by launching on TikTok Shop. This move marked a significant step in integrating social media commerce, allowing the brand to reach its 1.6 million TikTok followers directly within the platform. The initiative aimed to provide a seamless shopping experience for customers interested in luxury fashion. The launch was part of Luxe Collective's broader strategy to embrace digital trends and engage with a younger, tech-savvy audience, reflecting the growing importance of social media in the retail sector.
5. <https://www.voguebusiness.com/fashion/how-resale-platform-luxe-collective-is-riding-tiktok-fame-to-compete> - Luxe Collective, founded in 2018 by brothers Ben and Joe Gallagher in Liverpool, has leveraged TikTok to significantly boost its business. By posting fashion content under the @luxecollective handle, the company amassed 1.4 million followers since 2019. This social media success contributed to a projected turnover of £7.2 million in 2023, marking a 60% increase over 2022. The brand's focus on educational and entertaining content has resonated with Gen Z and millennial audiences, positioning Luxe Collective as a prominent player in the pre-owned luxury fashion market.
6. <https://internetretailing.net/luxe-collective-pop-up/> - In July 2023, Luxe Collective, a pre-loved luxury marketplace, opened its first pop-up store in London, showcasing designer items from brands like Gucci, Jacquemus, and Fendi. The store, located at 5 Royal Exchange, London, operated from July 15 to August 9, 2023. Co-founder Ben Gallagher highlighted the brand's innovative use of social media, attributing its £7.5 million turnover to this strategy. The pop-up aimed to test future plans for a permanent store in the capital, depending on its success.
7. <https://internetretailing.net/luxecollective-channelx/> - In September 2023, Luxe Collective CEO Ben Gallagher was announced as a speaker at ChannelX World 2023, a one-day event focused on selling through social media and marketplaces. The event, scheduled for October 11, 2023, in London, gathered retail industry professionals to explore alternative selling channels. Gallagher's participation underscored Luxe Collective's innovative approach to retail, leveraging social media to disrupt the pre-loved fashion industry. The brand's recent launch of its first pop-up store in London was also highlighted as part of its growth strategy.