

## US Retailer Claire's Files for Bankruptcy, UK Stores in Jeopardy

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Claire's, the American fashion accessories giant, has filed for Chapter 11 bankruptcy in the United States, raising questions over the future of its 280 UK stores.

According to newly released court documents filed in Delaware, Claire's Inc. is once again seeking bankruptcy protection. This marks the company's second such filing, following a

2018 bankruptcy in which it managed to eliminate nearly \$1.9 billion in debt through refinancing.

Despite the earlier restructuring effort, the retailer has struggled to adapt to economic pressures and changing consumer trends. A combination of weakened demand, rising costs, and persistent supply chain issues has placed significant financial strain on the company. The latest filings show that Claire's has between \$1 billion and \$10 billion in both assets and liabilities, and it owes money to over 25,000 creditors.

Claire's operates approximately 2,750 stores across 17 countries, including a heavy presence in US shopping malls and British high streets. The company has long been popular among younger customers, offering low-cost accessories and ear piercing services. However, the shift toward online shopping and ongoing cost-of-living concerns have cut into its revenue, mirroring wider challenges faced by mid-market retailers globally.

Investor group Elliott Management, which had previously backed Claire's through its 2018 bankruptcy, remains involved in the company's operations. Reports also indicate that Interpath, a UK advisory firm, has been hired to explore options for the British division of Claire's. These may include a sale of the UK business or a significant restructuring plan of which could result in store closures and job losses.

According to Sky News, potential buyers, including Hilco, the owner of Lakeland and other retail brands, have shown interest in acquiring the UK arm of Claire's. However, no deal has been finalized.

Retail analysts note that the survival of Claire's UK business depends heavily on whether new leadership can revive interest in the brand without relying on risky financial manoeuvres. The situation underscores growing instability within the global retail sector as businesses grapple with changing consumer behaviour and economic uncertainty.

For now, Claire's stores in the UK remain open. But as bankruptcy proceedings continue in the United States, their long-term future hangs in the balance.