



26 October 2016

IPA provides view on Quarterly Personal Insolvency Statistics

Maureen Leslie FIPA, President of the Insolvency Practitioners Association, and insolvency specialist at mIm Solutions, provides the following comment ahead of the quarterly statistics:

“I expect bankruptcies to be around 4,000 which would be no material change from the same period last year. Debt Relief Orders (DROs) should be around 6,500, so up a sixth on this time last year as a result of the ongoing impact of the change which made DROs available for those with debts of up to £20,000, compared to only £15,000 ahead of the change.

Individual Voluntary Arrangements (IVAs) remain more challenging to predict. I think we will see continuing high levels of 13-14,000 – that is the same as last quarter but an increase of 15-20% on last year. That said, last quarter saw a year on year increase of 42% which was unprecedented although I do not believe we will see that repeated.

This would give a total number of personal insolvencies at about 24,000, up perhaps 4% on the second quarter but up about 15% on last year.

These figures are confusing because, from the third quarter of 2010 until the end of 2013 we saw 14 consecutive quarters of falls in total personal insolvency numbers. After two quarters of flat or marginal increase, we saw another six quarters of falls (taking us to the end of 2015). 2016 has seen no change, then a big jump and now a further jump. Given the continued low interest rates it is difficult to understand why we are seeing these increases this year – unless those in debt feel more comfortable about seeking a solution, rather than struggling on. Perhaps insolvency is more socially acceptable than a few years ago?”

- ENDS -

For further press information, please contact:

For the IPA, Hermes Financial PR:

Trevor Phillips 07889 153 628 trevor.phillips@hermesfinancialpr.co.uk

Chris Steele 07979 604 687 chris.steele@hermesfinancialpr.co.uk

About the Insolvency Practitioners Association

The IPA is the only one of the recognised professional bodies specialising solely in insolvency. Its principal aim is to promote and maintain standards of performance and professional conduct amongst those engaged in insolvency practice. It has approaching 2,000 individual and firm members and students and is the second largest, in terms of the number of licensed insolvency practitioners (IPs), of the professional bodies recognised for the purposes of authorising IPs under the Insolvency Act 1986. The IPA currently licenses 600 IPs in the UK. You can find an IPA IP on its website:

www.insolvency-practitioners.org.uk