

**Money Advice Liaison Group: February 2020: Update from the Insolvency Service**

**Operational Services Update**

Individual Insolvency Statistics:

* In 2019, total individual insolvencies increased to their highest annual level since 2010, mainly driven by an increase in individual voluntary arrangements, which reached their highest year on record.
* Bankruptcies increased slightly compared to 2018 while debt relief orders decreased slightly.
* There were 122,181 individual insolvencies in 2019, with 77,982 individual voluntary arrangements (63.8%), 16,702 bankruptcies (13.7%) and 27,497 debt relief orders (22.5%).

Further details are available at: <https://www.gov.uk/government/collections/insolvency-service-official-statistics>.

Individual Insolvency Enforcement Outcomes

* 344 bankruptcy or debt relief order restrictions have been secured in the year to date (April to December 2019).

Redundancy Payments

* In 2018/19, 78,801 redundancy payments requests were received. On average it takes 12.2 calendar days to action a payment.

Individual Voluntary Arrangements (IVAs)

* Guidance on monitoring volume IVA providers by the RPBs has recently been updated
* The focus of the changes has been on strengthening the provisions around debt advice, with IVA providers now being required to only engage FCA regulated introducer firms, and there being greater requirements on the RPBs in monitoring IP controls in this area.

**Communications update**

The Insolvency Service Newsletter

* Our winter newsletter was published in January – you can [read the newsletter online](https://content.govdelivery.com/accounts/UKIS/bulletins/276927f). If you would like to subscribe to future issues of the newsletter please [register online](https://public.govdelivery.com/accounts/UKIS/subscriber/new).
* Our summer newsletter will be published shortly.

Insolvency Live! 2020

We will be hosting our annual stakeholder forum for debt advice and insolvency professionals again this coming July. We value attendance and contribution from all our stakeholders at this event. At present we are developing the programme for the 1-day event. If MALG members have ideas about workshops you would like to attend, or issues for discussion with our senior staff, we would welcome hearing from you. Please email stakeholder@insolvency.gov.uk. We will invite registration for Insolvency Live! in May.

**Policy Update**

Breathing Space

* Government wants to deliver this scheme as quickly as possible, given the benefits it can bring to vulnerable people, with plans to implement the scheme in early 2021.
* A 60-day Breathing Space period will see enforcement action from creditors halted and interest frozen for people with problem debt. During this period, individuals will receive professional debt advice to find a long-term solution to their financial difficulties. The Insolvency Service will be responsible for the design and implementation of the system that will deliver breathing space and will shortly be testing some ideas and prototypes with key stakeholder organisations.
* **We would be happy to hold a session at a future MALG meeting on this, if the group think that would be useful?**

**Insolvency Practitioner Regulatory Update**

Assessment of current regulatory regime

* The call for evidence, which sought views from stakeholders on the current regulatory regime for insolvency practitioners, closed in October last year.
* We are currently analysing the responses alongside additional information to help inform a decision on whether we should recommend proposals for regulatory reform.

General

* Current sanctions against insolvency practitioners as a result of professional misconduct may be viewed at: <https://www.gov.uk/government/collections/current-insolvency-practitioner-sanctions>