



Individual insolvency statistics, Q1 January to March 2019

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We are seeking feedback

This quarter, we have implemented changes to the statistics that [we proposed in October 2018](#).

We have split individual insolvencies and company insolvencies into 2 separate publications and made formatting and style change to the content.

Feedback on these new releases is welcomed at statistics@insolvency.gov.uk.

2. Things you need to know about this release

This statistics release contains the latest data on individual insolvency (people who are unable to pay debts and enter formal procedures).

Coverage

Statistics are presented separately for England and Wales; Scotland; and Northern Ireland because of differences in legislation and policy.

Methodology and key terms

Table 1: Key terms used in the publication

Individual voluntary arrangements (IVAs)	A voluntary means of repaying creditors some or all of what they are owed. Once approved by 75% or more of creditors, the arrangement is binding on all. IVAs are supervised by licensed Insolvency Practitioners.
Debt relief orders (DROs)	A form of debt relief available to those who have a low income, low assets and less than £20,000 of debt (£15,000 before October 2015). There is no distribution to creditors, and discharge from debts takes place 12 months after the DRO is granted. DROs were introduced in April 2009.
Bankruptcy	A form of debt relief available for anyone who is unable to pay their debts. Assets owned will vest in a trustee in bankruptcy, who will sell them and distribute the proceeds to creditors. Discharge from debts usually takes place 12 months after the bankruptcy order is granted. Bankruptcies result from either Debtor application – where the individual is unable to pay their debts, and applies online to make themselves bankrupt, or Creditor petition – if a creditor is owed £5,000 or more (£750 before October 2015), they can apply to the court to make an individual bankrupt. These statistics relate to petitions where a court order was made as a result, although not all petitions to court result in a bankruptcy order.
Sequestration	Fulfils much the same role in Scotland as bankruptcy in England and Wales.
Protected trust deeds	Protected trust deeds are voluntary arrangements in Scotland and fulfil much the same role as IVAs in England and Wales. However, there are differences in the way they are set up and administered, meaning the figures shown here are not consistent with those provided for England and Wales or Northern Ireland.

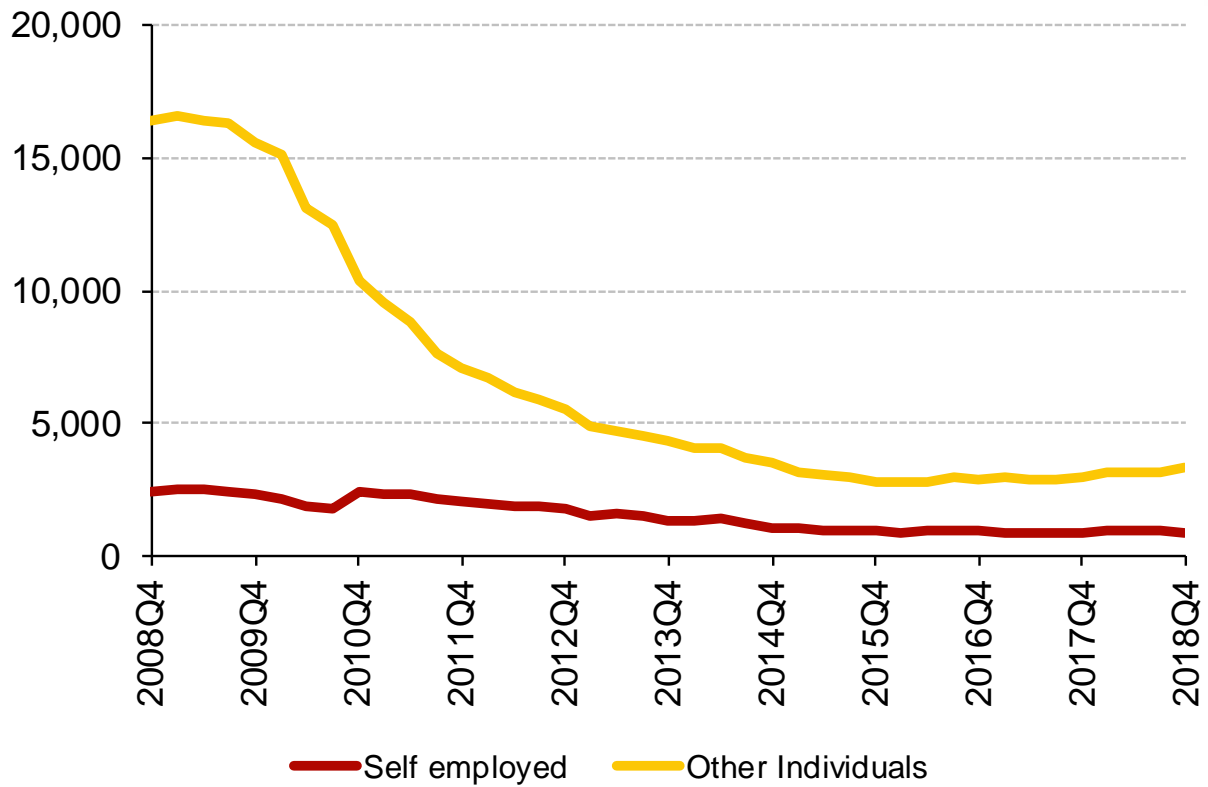


Seasonal adjustment

To aid analysis between quarters the figures are seasonally adjusted to minimise the effect of the time of year and provide a true picture of the trends in insolvency. *Insolvency Statistics Seasonal Adjustment Review – April 2019* provides more information on seasonal adjustment which can be found [here](#).

Detailed information

Detailed methodology and quality information for all insolvency service statistical releases are available [here](#).

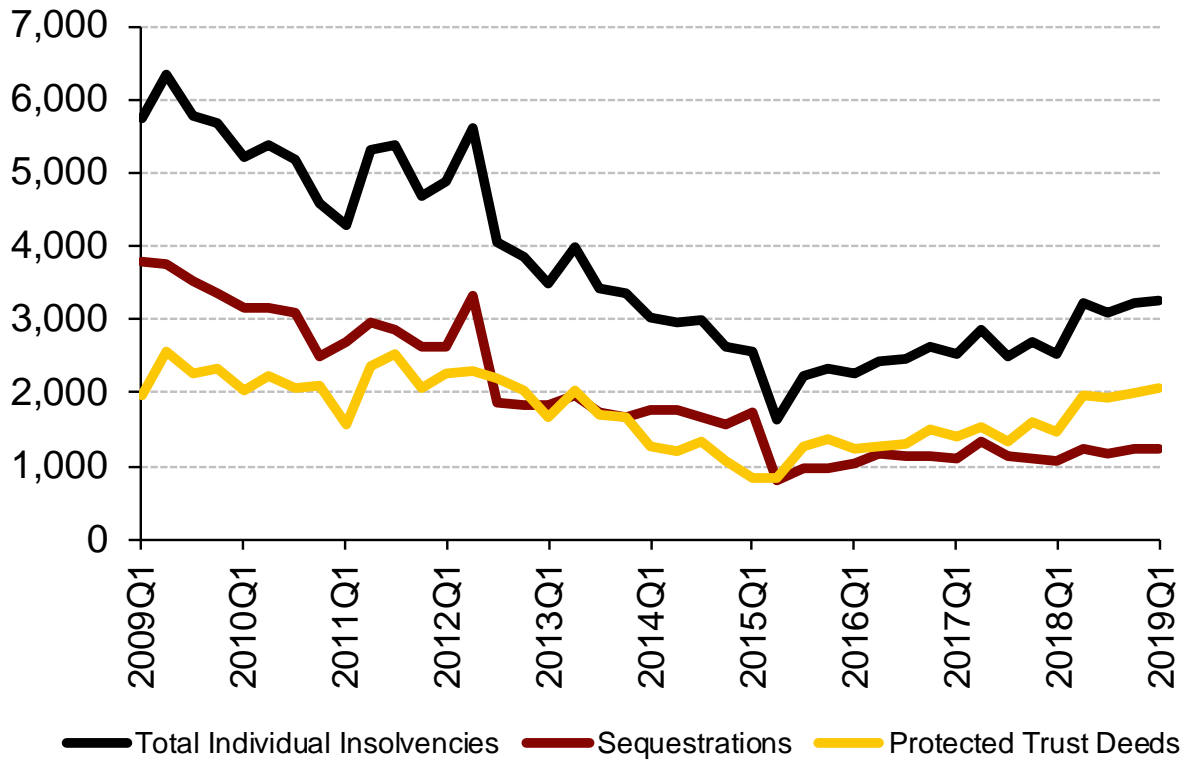


6. Individual insolvency in Scotland

Legislation relating to individual insolvency in Scotland is devolved. The **Accountant in Bankruptcy**, Scotland's Insolvency Service, administers individual insolvency in Scotland.

- There were 3,272 individual insolvencies in Scotland Q1 2019.
- This was an increase of 29.2% since the same quarter of the previous year.

Figure 6: Total insolvencies increased in Scotland
Scotland, non-seasonally adjusted



In Q1 2019, there were 3,272 total insolvencies in Scotland, a 29.2% increase on the same quarter of 2018. This comprised 1,223 sequestrations (of which 557 went into sequestration via the minimal asset process route) and 2,049 protected trust deeds.

In April 2015, the Minimal Asset Process replaced LILA, and other changes affected sequestrations, resulting in a large decrease.

7. Individual insolvency Northern Ireland

Individual insolvency in Northern Ireland is governed by separate, but broadly similar, legislation to England and Wales, and so figures are presented separately.

- There were 578 individual insolvencies in Northern Ireland in Q1 2019
- This was a decrease of 0.7% compared with the same quarter of the previous year.



Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

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Any enquiries regarding this document/publication should be sent to us at statistics@insolvency.gov.uk.