



Individual Insolvency Statistics, Q4 October to December 2019

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We are seeking feedback

We endeavour to provide the most accurate and timely statistical information to meet our user's needs.

As such, we are proposing to incorporate some of the age and gender insolvency statistics included in our annual [Individual Insolvency Statistics by Location, Age and Gender](#) publication into this quarterly release. This will mean age and gender statistics will be available each quarter and therefore, on a more timely basis than is currently available.

Additionally, we are modernising our production processes.

As part of this, for some series, this could mean revisions further back in time than is currently set out in our [revisions policy](#) and subsequently will mean changes to the policy. This will also mean improvements to the format of our data tables.

Specifically, for individual voluntary arrangements and debt relief orders we are exploring changing our data source. This will mean some revisions to our back series. The revisions will be published when the changes are implemented.

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

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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](#).

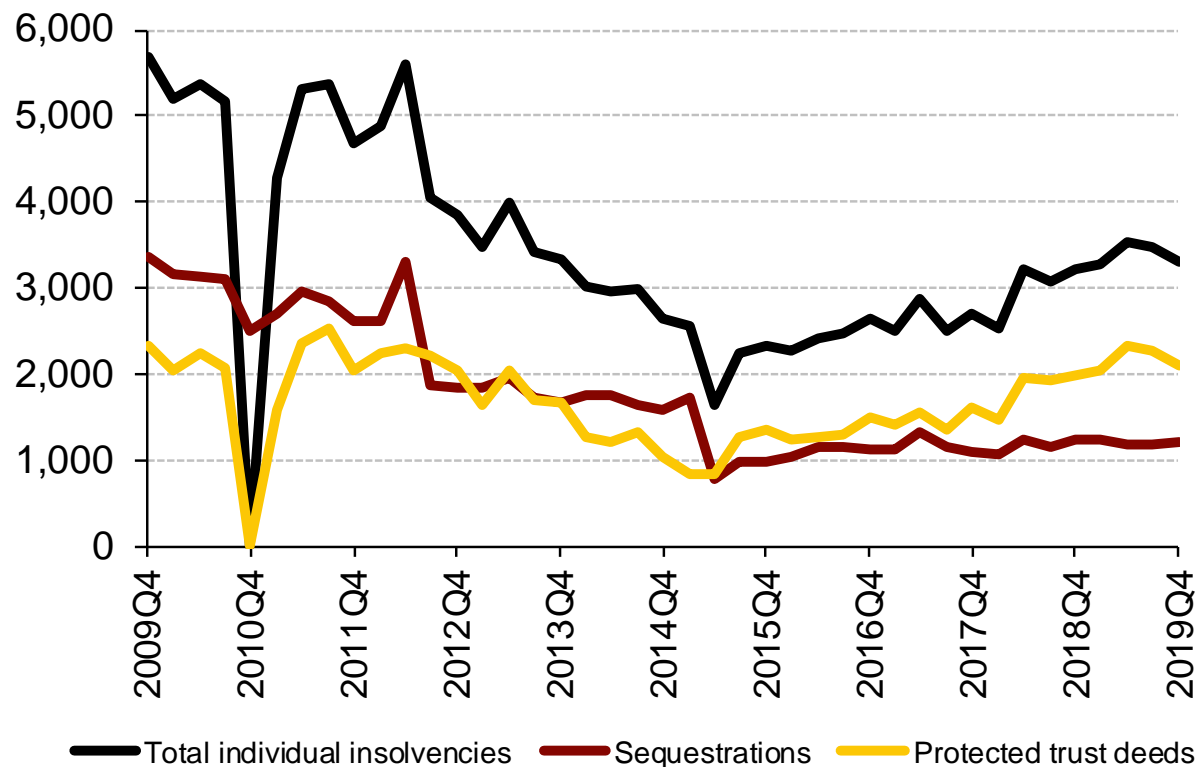
5. Individual insolvency in Scotland

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

- There were 3,312 individual insolvencies in Scotland Q4 2019.
- This was an increase of 3.1% compared to the same quarter of the previous year.

Figure 7: Total individual insolvencies increased in Q4 2019 compared to Q4 2018

Scotland, non-seasonally adjusted



In Q4 2019, there were 3,312 total individual insolvencies in Scotland, a 3.1% increase on the same quarter of 2018. This comprised 1,214 sequestrations (of which 529 went into sequestration via the minimal asset process route) and 2,098 protected trust deeds.

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



National Statistics

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

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.