

## Update on National Insolvency Statistics from the UK

On 18 July 2025, the Insolvency Service in England published its latest insolvency statistics for June 2025 on [company insolvencies in England and Wales](#). The data illustrates that for June 2025, there were 322 compulsory liquidations, 1,585 creditors' voluntary liquidations, 111 administrations and 15 company voluntary arrangements. Summarised by Frances Coulson, Partner, Head of Insolvency & Restructuring, Wedlake Bell LLP (London, UK), and Boluwatife Amos-Alere, Insolvency and Restructuring Paralegal at Wedlake Bell LLP (London, UK).



The Insolvency Service reported that the number of registered corporate insolvencies in England and Wales fell to their lowest level for the month of June since 2022. The year-on-year decline has been driven by a reduction in Creditors' Voluntary Liquidations ("CVLs") and Administrations, together with a slight fall in Company Voluntary Arrangements ("CVAs"). Whilst one month's figures are not, in themselves, indicative of a sustained trend, they may suggest that some directors are delaying formal insolvency action, either in response to improved trading conditions or in the hope that the summer period will deliver a much-needed boost.

Compulsory Liquidations, however, have increased compared with June last year and remain significantly above pre-pandemic levels. This likely reflects a growing willingness among creditors to enforce debts via the courts, with HMRC continuing to take a more assertive stance in recovering sums owed to the public purse and having got their petitions for winding-up largely up to pre pandemic levels.

Although a fall in formal corporate insolvencies may be viewed as a positive development, wider economic sentiment remains subdued. Both businesses and households are exercising caution, with key operational and investment decisions being postponed amid ongoing uncertainty. GDP contracted for the second consecutive month in May, while unemployment has recently edged upwards, raising concerns as to whether this downward trend will persist. The latest UK unemployment figures for April to June 2025 show an unemployment rate of 4.7%, with 1.67 million people unemployed. This represents a 0.5 percentage point increase compared to the previous year. [Estimates for payrolled employees](#) in the UK fell by 149,000 (0.5%) between June 2024 and June 2025, and by 26,000 (0.1%) between May 2025 and June 2025.

Uncertainty over trade arrangements also continues to weigh on business confidence. The recent UK–US trade agreement has been welcomed by certain exporters but is not expected to have a transformative effect on the broader economy. In addition, speculation regarding potential tax rises in the autumn adds to the unease. For many business owners, the absence of clarity over further potential cost increases makes forward planning, recruitment, and investment decisions far more challenging. The recent increase in employers' national insurance ("NICs") has already placed a number of businesses under pressure. In the 2024 Autumn Budget, Chancellor Rachel Reeves announced the rate of employers' NICs would increase from 13.8% to 15%, from 6 April 2025. The level at which employers start paying NICs (the secondary threshold) has also been reduced from £9,100 to £5,000 per year.

This lack of confidence is evident across several sectors. In May, retail sales fell sharply as consumers cut back on non-essential expenditure. The hospitality industry has also experienced significant job losses — often a last resort for operators under financial strain — with the recent increases in the National Minimum Wage and NIC's further tightening margins and leading many

businesses to leave vacancies unfilled. While some may be hoping for a strong summer season, it is far from certain that improved weather and footfall will be sufficient to offset these pressures.

The construction sector, too, has shown signs of strain, with small expectation of small growth. Output fell in May, with developers reporting reduced activity as house price growth levels off. Part of this slowdown reflects landlords exiting the market in response to legislative changes, with the introduction of the Building Safety Act 2022, but the wider issue lies in weakening demand and low confidence. In a buyer's market, developers may be reluctant to build into declining prices, and for a sector that already operates on tight margins, such hesitancy can quickly translate into mounting financial pressure. There also remains some uncertainty around prices for goods and materials – which has been complicated further by geopolitical developments – and the industry continues to battle with the impact of labour and skills shortages. Despite these challenges, Government policy through the [Infrastructure Strategy](#), promises significant investment into certain sectors. Although, it remains to be seen how quickly this will flow through the supply chain, and whether this will benefit certain geographical areas and sectors more than others.

UK economic growth slowed in the second quarter of the year to 0.3% albeit this was better than economists had forecast. It does however mark a slowdown from 0.7% growth in the first quarter. In the first quarter of the year there was a rise in exports and house sales before US tariffs and the 1st of April 2025 increase in stamp duty on property sales.

It is expected that the UK will keep to a what is comparatively reasonable growth path in a worldwide sluggish market. albeit as Liberal Democrat Treasury spokesperson Daisy Cooper said *"snails would scoff at the pace that our economy is growing"* and despite recent policy announcements, it is unlikely to be a smooth or fast ride to high growth and who knows when we might see again the steady economic growth the UK enjoyed between 1991 and the 2008 crash.

Source : INSOL Europe E-newsletter (October 2025)