



Individual Voluntary Arrangements: Outcome Status and Provider Breakdown, 1990 - 2015, England & Wales

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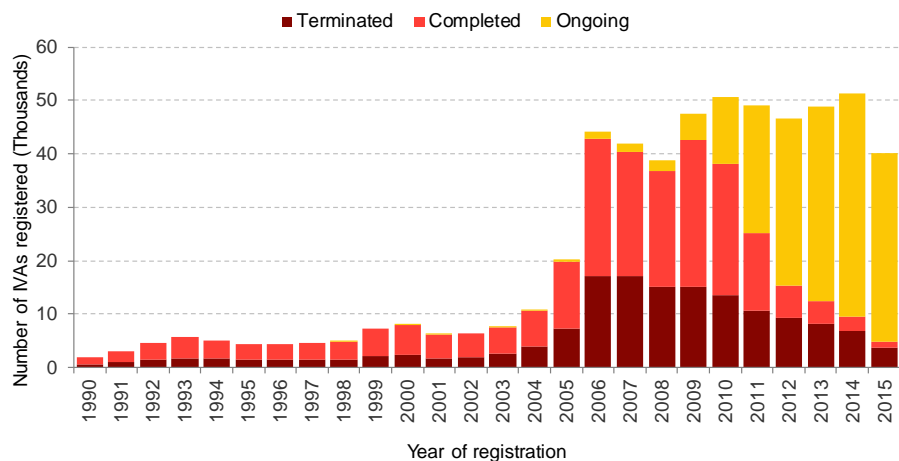
<https://www.gov.uk/government/collections/insolvency-service-official-statistics>

This statistical release shows the outcome status of Individual Voluntary Arrangements (IVAs) registered between 1990 and 2015 in England and Wales, and a breakdown of the number of IVAs registered by provider in 2015 and 2016.

Main messages

- The percentage of IVAs failing within the first three years has remained stable.
- Over 10% of IVAs registered in 2009 and 5% in 2008 were still ongoing, having started around 7 or 8 years earlier.
- Ten IVA providers accounted for over 80% of new IVAs registered in 2016.

Figure 1: IVAs by year of registration and outcome status as at January 2017, England & Wales¹



Source: Insolvency Service, January 2017.

¹ Excludes IVAs which were subsequently revoked or suspended (see notes).

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1. Definitions

Individual voluntary arrangement (IVA)

A voluntary means of repaying creditors some or all of what they are owed. Once approved by 75% or more of creditors (by value), the arrangement is binding on all. IVAs are supervised by licensed insolvency practitioners.

Completion

Where the supervisor has issued a certificate (“the completion certificate”) stating that the debtor has complied with their obligations under the arrangement.

Termination (failed)

Where the supervisor has issued a certificate (“Certificate of Termination”) ending the arrangement because of the debtor’s failure to keep to the terms of the arrangement.

Ongoing (Current)

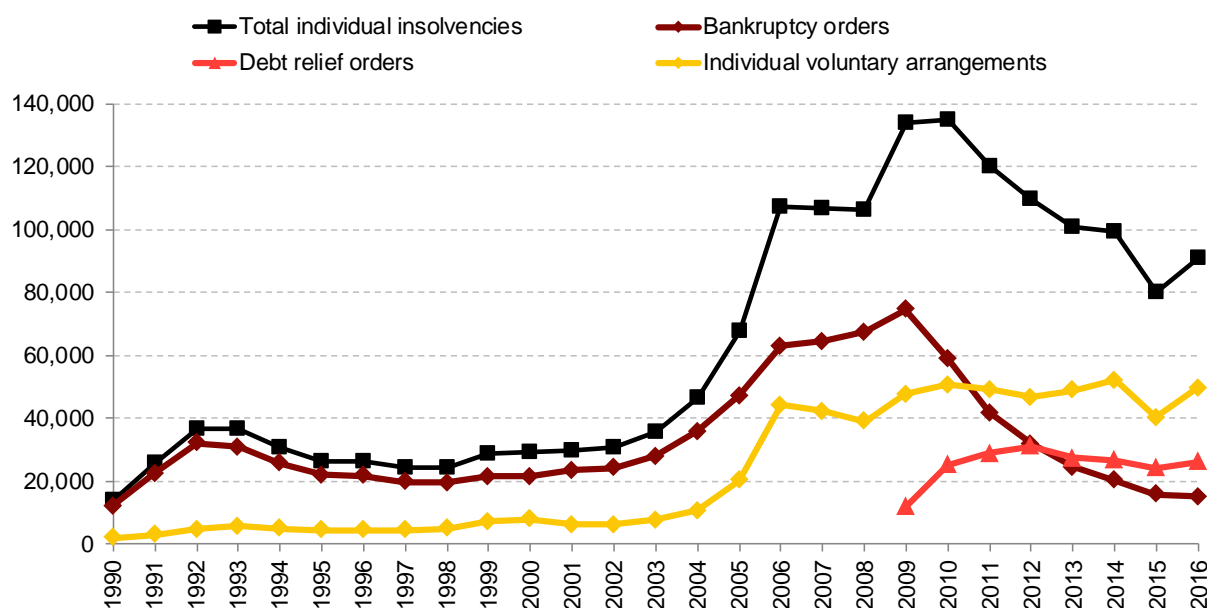
Where the arrangement is continuing.

Revoked or suspended

Where an application has been made to challenge the decision of a meeting approving an IVA, the court may revoke or suspend the approval or call for further meetings to be held. Notification of such action should be forwarded to the Secretary of State within 7 days of the making of the order.

2. Trends in IVAs registered since 1990

Figure 2. Individual insolvencies, 1990 to 2016, England & Wales



Number of new cases

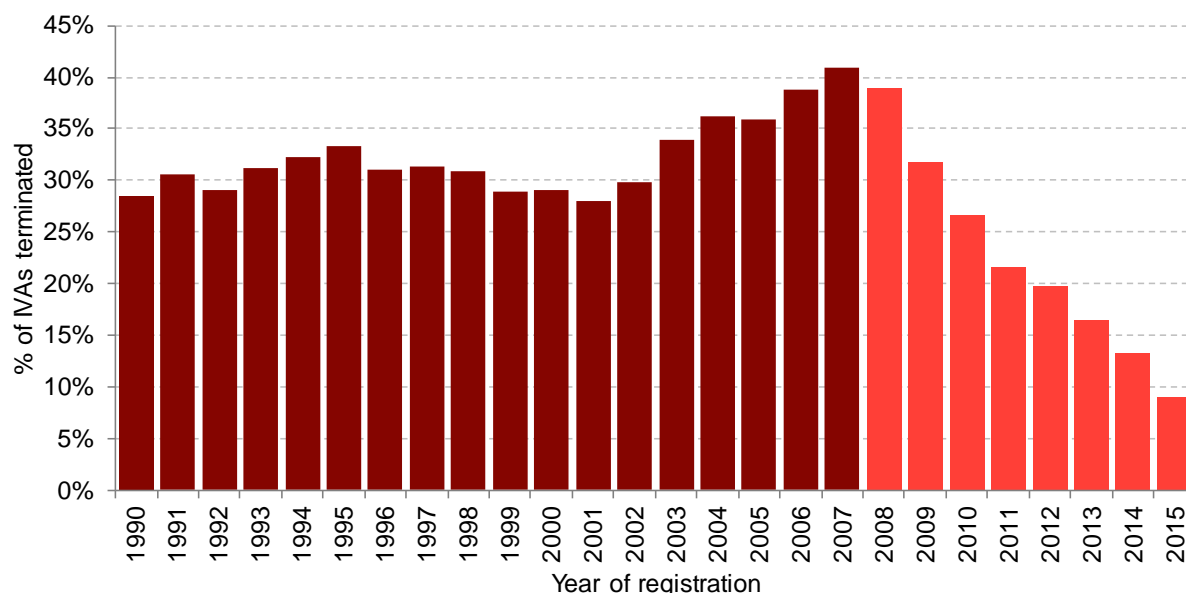
Source: Insolvency Service. Latest release: [Insolvency Statistics, October to December 2016](#).

The number of new IVAs registered each year has increased substantially over the period covered, from fewer than 10,000 annually up to 2003, to over 50,000 in 2010, with a particularly rapid increase between 2004 and 2006. From 2009 to 2016 the level of cases was between 46,700 to 52,200 (except in 2015 when the level fell to 40,400). IVAs comprised 55% of total individual insolvencies in 2016, a much higher proportion than the period prior to 2004 (typically less than 25%).

The increase in IVAs between 2004 and 2006 coincided with high levels of advertising by companies which manage these arrangements. The reduction in 2007 and 2008 could be because of creditors rejecting IVAs with low repayment rates. In response to concerns raised, the Insolvency Service led the development of a voluntary agreement aimed at encouraging best practice and streamlining the process for straightforward consumer IVAs. This "[IVA Protocol](#)" has been in effect since February 2008 and was updated in June 2016.

3. Termination of IVAs

Figure 3. Percentage of Individual Voluntary Arrangements resulting in termination as at January 2017, by year of registration, England and Wales^{1, 2}



Source: Insolvency Service, January 2017.

¹ The lighter shaded bars, from 2008 onwards, represent years where the number of IVAs still ongoing exceeds 5% of registrations for that year. The percentage of terminations is expected to increase for the lighter shaded period, particularly for the most recent years, as ongoing IVAs either terminate or complete going forward; therefore trends should be interpreted with caution.

² Calculations exclude IVAs which were subsequently revoked or suspended (see the notes).

Between the years 1990 and 2002, inclusive, the percentage of IVAs registered each year that eventually resulted in termination was around 30% (the lowest figure in this period being 28% for 2001 registrations and the highest 33% for 1995 registrations).

The percentage of terminations since followed a generally upward trend from 30% for 2002 to the 41% for 2007 registrations. There is then a decline in the percentage of terminations to 32% in 2009. As at January 2017, 25% of IVAs registered in 2010 were still ongoing (Table 1 below), so it is possible that the percentage of IVAs registered this year which result in termination will increase going forward.

It is not possible to make direct comparisons between termination rates for IVAs registered from 2010 onwards, and those registered before, as over half of IVAs are still ongoing for more recent registrations.

It is usual practice for IVAs to last for five or six years. However, as at January 2017 over 5% of IVAs registered in 2008 were still ongoing, having started around eight years earlier; and over 10% of IVAs registered in 2009 were still ongoing, having started around seven years earlier. There are a number of reasons why IVAs could last for this length of time, such as:

- the individual originally agreeing to an IVA that would last for this length of time;
- payment holidays or other variation of an IVA agreement which has lengthened its original duration;
- IVAs being kept open pending the outcome of a claim for compensation in relation to mis-sold payment protection insurance.

4. Percentage of IVAs failing within one to three years of registration

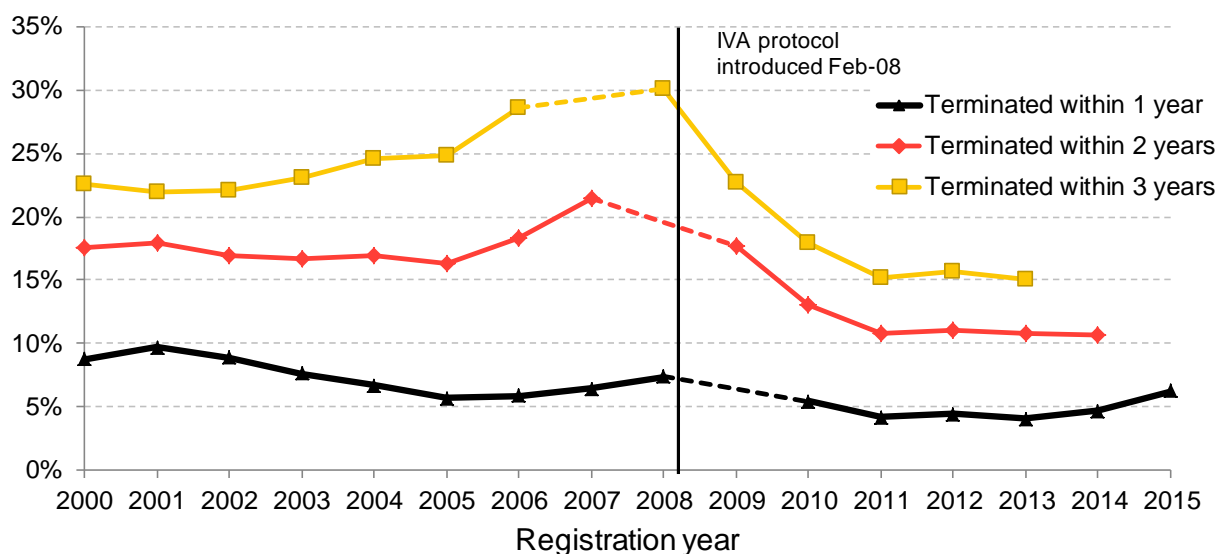
Looking at the percentage of IVAs that failed within one, two or three years of registration, comparisons can be made on a more consistent basis between registration years. Due to an extensive data matching exercise, the overall trend from 1990 onwards can now be analysed (see [comparability](#))

From 1990 to 2015, the percentage of IVAs that failed within one year remained broadly between 5% and 10% - the highest recorded in 2001 (9.7%) and lowest in 2013 (4.0%).

The percentage that failed within two years steadily increased from 11.0% in 1990 to 19.4% in 1997. The percentage then falls to 17.0% in 1999 where it remained steady until 2006 where a large increase to 18.3% was observed. The rate peaked in 2007 at 21.8% before sharply falling to 10.8% by 2011. The rate has been stable since then.

The percentage that failed within three years steadily increased from 17.4% in 1990 to 25.3% in 1998. The rate then fell to 21.9% in 2001 where it remained around the same level until 2003 where the rate began increasing again, peaking in 2008 at 30.1%. The rate then declined sharply to 15.2% in 2011 and has remained around the same level since then.

Figure 4. Percentage of Individual Voluntary Arrangements resulting in termination as at January 2017, by year of registration and time elapsed between registration and termination, England and Wales



Source: Insolvency Service, January 2017. Dashed lines reflect a discontinuity in the data.

Data from 1990 is available in the published tables

Table 1: Individual Voluntary Arrangements by year of registration and outcome status as at January 2017, England & Wales^{1 2}

YEAR	COMPLETED		ONGOING		TERMINATED		TOTAL ³
	Number of Cases	% of Total	Number of Cases	% of Total	Number of Cases	% of Total	Number of Cases
1990	1,379	71.5%	0	0.0%	549	28.5%	1,928
1991	2,128	69.4%	0	0.0%	937	30.6%	3,065
1992	3,326	70.9%	0	0.0%	1,364	29.1%	4,690
1993	3,879	68.8%	0	0.0%	1,755	31.2%	5,634
1994	3,442	67.7%	0	0.0%	1,639	32.3%	5,081
1995	2,916	66.7%	0	0.0%	1,454	33.3%	4,370
1996	3,083	69.0%	0	0.0%	1,387	31.0%	4,470
1997	3,091	68.6%	0	0.0%	1,416	31.4%	4,507
1998	3,376	69.0%	2	0.0%	1,515	31.0%	4,893
1999	5,108	71.1%	0	0.0%	2,074	28.9%	7,182
2000	5,642	71.0%	1	0.0%	2,308	29.0%	7,951
2001	4,513	71.9%	1	0.0%	1,760	28.1%	6,274
2002	4,407	70.2%	0	0.0%	1,874	29.8%	6,281
2003	4,987	65.8%	17	0.2%	2,570	33.9%	7,574
2004	6,678	62.3%	170	1.6%	3,876	36.1%	10,724
2005	12,473	61.6%	524	2.6%	7,259	35.8%	20,256
2006	25,727	58.4%	1,228	2.8%	17,123	38.8%	44,078
2007	23,221	55.4%	1,565	3.7%	17,141	40.9%	41,927
2008	21,588	55.6%	2,140	5.5%	15,131	38.9%	38,859
2009	27,484	57.8%	4,956	10.4%	15,123	31.8%	47,563
2010	24,606	48.6%	12,560	24.8%	13,465	26.6%	50,631
2011	14,507	29.6%	23,900	48.8%	10,617	21.7%	49,024
2012	6,146	13.2%	31,263	67.1%	9,215	19.8%	46,624
2013	4,446	9.1%	36,348	74.4%	8,065	16.5%	48,859
2014	2,746	5.4%	41,732	81.4%	6,801	13.3%	51,279
2015	1,103	2.7%	35,397	88.2%	3,638	9.1%	40,138

Notes:

¹ For years where there are still cases ongoing, the percentages of completed and terminated cases will change and trends should, therefore, be interpreted with caution (see Notes).

² Registrations in 2016 will be included in the next release.

³ Numbers are exclusive of IVA registrations that are subsequently revoked or suspended.

Source: Insolvency Service, January 2017.

5. New IVA registrations by Insolvency Practitioner firm

IVAs are supervised by insolvency practitioners. Table 2 below shows a list of IVA provider firms, in descending order of IVAs registered in 2016.

Table 2: Individual Voluntary Arrangements by provider, 2015 to 2016

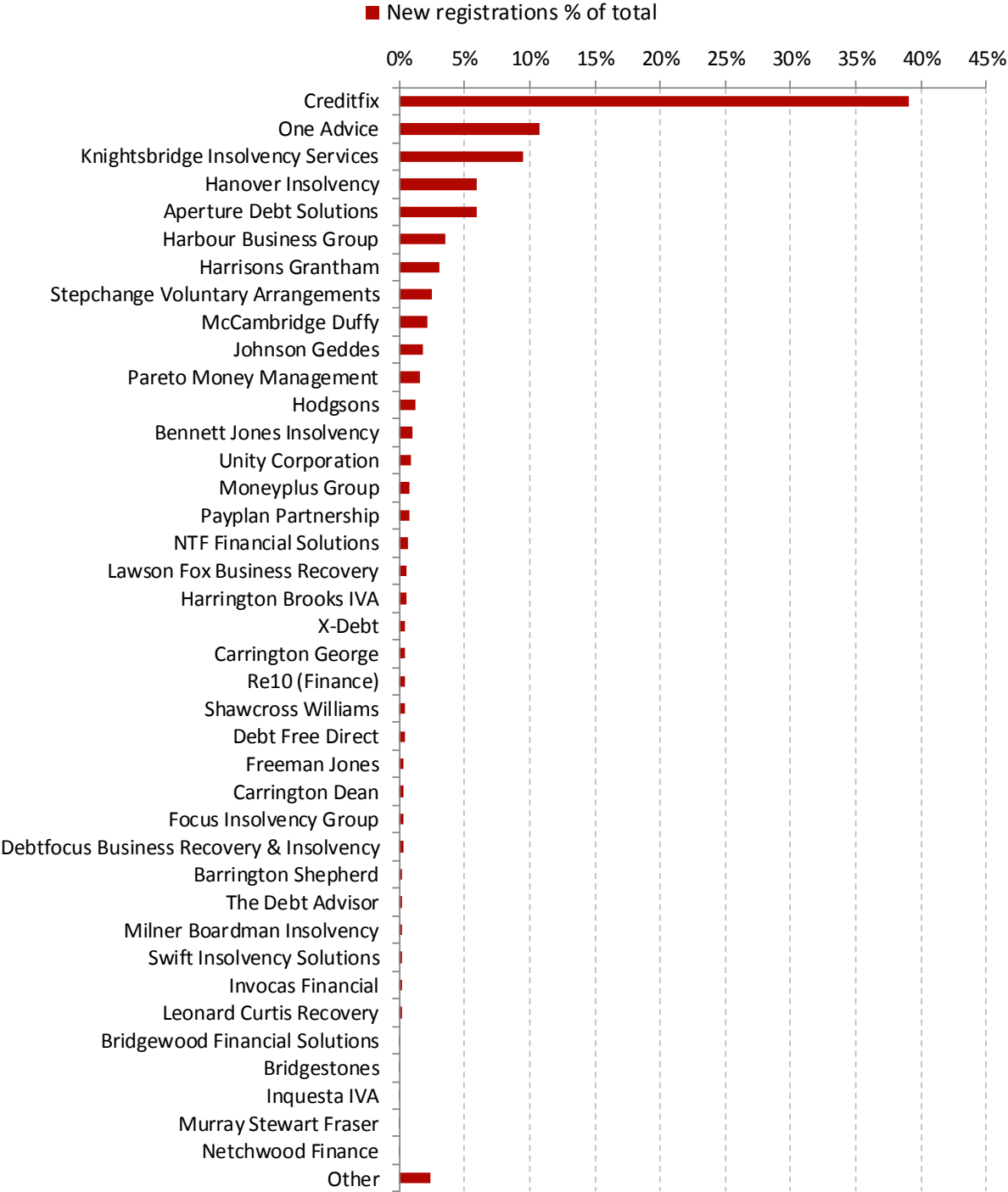
2016 Rank	Insolvency Practitioner firm (in descending order of new registrations in 2016)	2015		2016 (p)	
		New registrations	% of total ²	New registrations	% of total ²
	England & Wales Total	40,384	100%	49,745	100%
1	Creditfix	8,778	21.7%	19,430	39.1%
2	One Advice	4,955	12.3%	5,334	10.7%
3	Knightsbridge Insolvency Services	6,566	16.3%	4,731	9.5%
4	Hanover Insolvency	1,934	4.8%	2,966	6.0%
5	Aperture Debt Solutions	3,401	8.4%	2,937	5.9%
6	Harbour Business Group	166	0.4%	1,758	3.5%
7	Harrisons Grantham	1,903	4.7%	1,553	3.1%
8	Stepchange Voluntary Arrangements	1,185	2.9%	1,236	2.5%
9	McCambridge Duffy	920	2.3%	1,046	2.1%
10	Johnson Geddes	621	1.5%	906	1.8%
11	Pareto Money Management	214	0.5%	798	1.6%
12	Hodgsons	29	0.1%	635	1.3%
13	Bennett Jones Insolvency	407	1.0%	513	1.0%
14	Unity Corporation	358	0.9%	464	0.9%
15	Moneyplus Group	1,727	4.3%	413	0.8%
16	Payplan Partnership	578	1.4%	403	0.8%
17	NTF Financial Solutions	411	1.0%	306	0.6%
18	Lawson Fox Business Recovery	180	0.4%	293	0.6%
19	Harrington Brooks IVA	907	2.2%	282	0.6%
20	X-Debt	184	0.5%	237	0.5%
21	Carrington George	243	0.6%	215	0.4%
22	Re10 (Finance)	116	0.3%	215	0.4%
23	Shawcross Williams	168	0.4%	214	0.4%
24	Debt Free Direct	1,414	3.5%	200	0.4%
25	Freeman Jones	110	0.3%	172	0.3%
26	Carrington Dean	1	0.0%	157	0.3%
27	Focus Insolvency Group	160	0.4%	147	0.3%
28	Debtfocus Business Recovery & Insolvency	86	0.2%	142	0.3%
29	Barrington Shepherd	56	0.1%	130	0.3%
30	The Debt Advisor	116	0.3%	119	0.2%
31	Milner Boardman Insolvency	76	0.2%	103	0.2%
32	Swift Insolvency Solutions	159	0.4%	97	0.2%
33	Invocas Financial	4	0.0%	78	0.2%
34	Leonard Curtis Recovery	71	0.2%	76	0.2%
35	Bridgewood Financial Solutions	68	0.2%	73	0.1%
36	Bridgestones	24	0.1%	53	0.1%
37	Inquesta IVA	48	0.1%	51	0.1%
38	Murray Stewart Fraser	0	0.0%	49	0.1%
39	Netchwood Finance	65	0.2%	46	0.1%
	Other	1,975	4.9%	1,167	2.3%

Notes:

¹ Data shown for the 39 firms covering at least 95% of new registrations each year.

² Totals include those that were subsequently suspended or revoked. Therefore these will not align with figures shown earlier in this release

Figure 5. Percentage of new Individual Voluntary Arrangements registered by Insolvency Practitioner firm, 2016



6. Notes to accompany this release

For general notes on individual insolvency statistics in England and Wales please see the quarterly *Insolvency Statistics* publication, which is the definitive source of the number of new cases each year in England and Wales, and the rate per 10,000 adults. The latest publication is at <https://www.gov.uk/government/collections/insolvency-service-official-statistics>.

Data sources and methodology

Details of individual voluntary arrangements are sourced from administrative records held by the Insolvency Service. Extracts from these records, including registration date, current status, and the date of status change, are taken to derive the statistics. The statistics are produced from simple tabulations of the year of registration against: IVA status, and the difference (in whole quarters) between registration date and termination date.

Quality

This section provides information on the quality of the *Individual voluntary arrangement outcomes statistics*, to enable users to judge whether or not the data are of sufficient quality for their intended use. The section is structured in terms of the six quality dimensions of the [European Statistical System](#).

Relevance

(the degree to which the statistical product meets user needs for both coverage and content)

The Insolvency Service has policy responsibility for individual insolvency in England and Wales only; the extent of the coverage of these statistics reflects this.

Individual insolvency figures at national (England and Wales) level are published quarterly by the Insolvency Service as a National Statistics release. The most recent such figures relate to Q4 2016, published on 29 January 2017 at

<https://www.gov.uk/government/collections/insolvency-service-official-statistics>. The annual statistics in this publication provide breakdowns of the status of IVAs by year of registration.

The Insolvency Service first published these figures in 2010, implementing a recommendation from the Insolvency Practices Council (IPC) to publish annual statistics showing the current status of IVAs set up since their introduction.

Users of these statistics include the Insolvency Service itself, which has policy responsibility for insolvency in England and Wales and for the non-devolved areas within Scotland and Northern Ireland; other government departments; parliament; the insolvency profession; debt advice agencies; media organisations; academics; the financial sector; the business community and the general public.

The statistical production team welcomes feedback from users of the *Insolvency Statistics* (current contact details are provided at the end of these Notes). More formal engagement with users has recently included a user feedback survey on Insolvency Service Official Statistics, the results of which can be found [here](#).

Accuracy and Completeness

(including the closeness between an estimated or stated result and the [unknown] true value)

The latest data relate to IVAs registered in the calendar year 2015. National-level statistics covering this period were published on 29 January 2016 as part of the quarterly *Insolvency Statistics* publication – though the *Individual voluntary arrangement outcomes statistics* is not consistent with the quarterly publication (see Coherence, below).

The duration of an IVA will vary, although it is common for an arrangement to be for a 5-year period. Failure rates for IVAs registered since 2008 are not complete, because a large proportion of these IVAs have not reached their full term and are still ongoing. This means that for the most recent years, failure rates should be interpreted with caution, as should trends in these over time.

Timeliness and Punctuality

(Timeliness refers to the elapsed time between publication and the period to which the data refer. Punctuality refers to the time lag between the actual and planned dates of publication.)

The latest data relate to IVAs registered in the calendar year 2015. National-level statistics covering this period were published on 29 January 2016 as part of the quarterly *Insolvency Statistics* publication – though the *Individual voluntary arrangement outcomes statistics* is not consistent with the quarterly publication (see Coherence, below).

The key statistics in this publication relate to completion and failure rates at a point in time. The statistics are correct as at 10 January 2017, the date that data were extracted from the Insolvency Service's administrative records. The data could have been extracted at any other time, but waiting until January meant that early termination rates for IVAs registered in 2015 could be analysed.

There is a publication schedule for a year ahead available on the [UK National Statistics Publication Hub](#) and the statistics have always been published on target.

Accessibility and Clarity

(Accessibility is the ease with which users are able to access the data. It also relates to the format in which the data are available and the availability of supporting information. Clarity refers to the quality and sufficiency of metadata, illustrations and accompanying advice)

The *Insolvency Statistics* are available free of charge to the end user on the GOV.UK website. They are also linked via the Publication Hub and they meet the standards required under the Code of Practice for Official Statistics and the Insolvency Service's own website accessibility policy. Related data are available at the same GOV.UK location.

This publication consists of a statistics release, which contains key results and commentary to help interpret the data, and detailed data tables in Excel format.

If you have any queries about the publication or would like it in a different format, please email statistics@insolvency.qsi.gov.uk

Comparability

(the degree to which data can be compared over time and domain)

These statistics were not published in 2011 due to data quality issues following a major refresh to the Insolvency Service's IT systems. IVAs registered in 2010 and earlier years had unreliable data relating to the date of "status change" – that is, the date an IVA changed its status from "ongoing" to: "completed", "terminated", "suspended" or "revoked". This caused a discontinuity in the statistics showing termination rates by the amount of time elapsed since registration (Figure 4); data for 2009 and 2010 were not available on this basis. Previously, status change dates for IVAs registered in 2011 and later years have been sourced from the current IT system, with equivalent data for IVAs registered in 2008 and earlier sourced from archived data. Extracts were taken from both data sources, as they both partially included correct dates for "date of status change". Though an extensive data matching process, we are now able to assemble an almost complete time series and analyse the results.

In 2008, the Straightforward Consumer IVA Protocol was introduced. The latest version can be found on the Insolvency Service website here: [The Straightforward Consumer IVA Protocol](#). This may have had an effect on termination rates of IVAs, because the Protocol discouraged IVA providers from setting up IVAs where a different debt solution was more appropriate.

Coherence

(the degree to which data which are derived from different sources or methods, but which refer to the same phenomenon, are similar)

Numbers of new cases presented in these tables are not consistent with the official, headline quarterly National Statistics. This is because the IVA outcome figures have been compiled using a bespoke extract from a live database. Additionally, some IVA registrations will have subsequently been revoked or suspended, or found to have been registered in error; these are not included here.



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