



Individual Voluntary Arrangements: Outcome Status 1990 – 2017 and Provider Breakdown 2018, England & Wales

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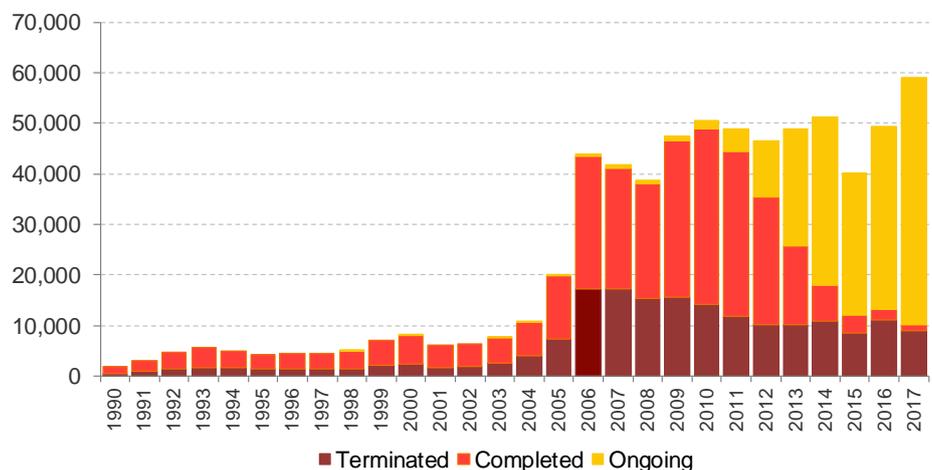
<https://www.gov.uk/government/collections/insolvency-service-official-statistics>

This statistical release shows the outcome status of Individual Voluntary Arrangements (IVAs) registered between 1990 and 2017 in England and Wales, and a breakdown of the number of IVAs registered by provider in 2016 to 2018.

Main messages

- The percentage of IVAs failing within the first year has increased for the fourth consecutive year.
- 9% of IVAs registered in 2011 and 3% in 2010 were still ongoing, having started around 7 or 8 years earlier.
- Eight IVA providers accounted for over 80% of new IVAs registered in 2018.

Figure 1: IVAs by year of registration and outcome status as at 31 December 2018, England & Wales¹



Notes

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

Source: Insolvency Service January 2019.

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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)

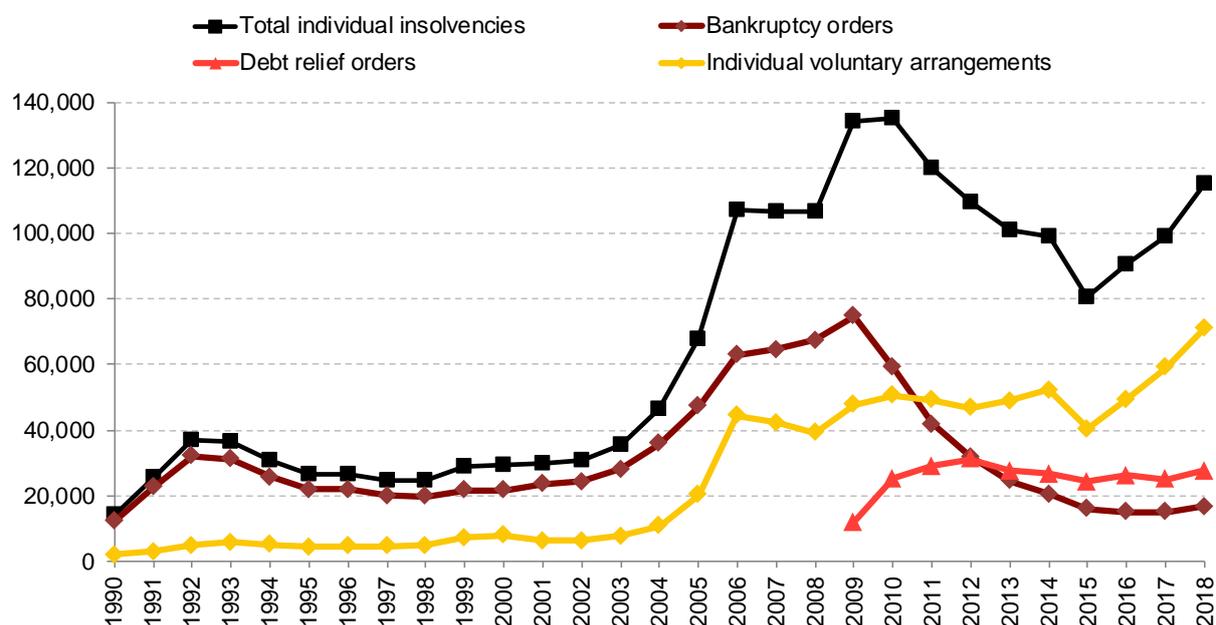
Where the arrangement is continuing.

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 2018, England & Wales



Notes

1. Number of new cases

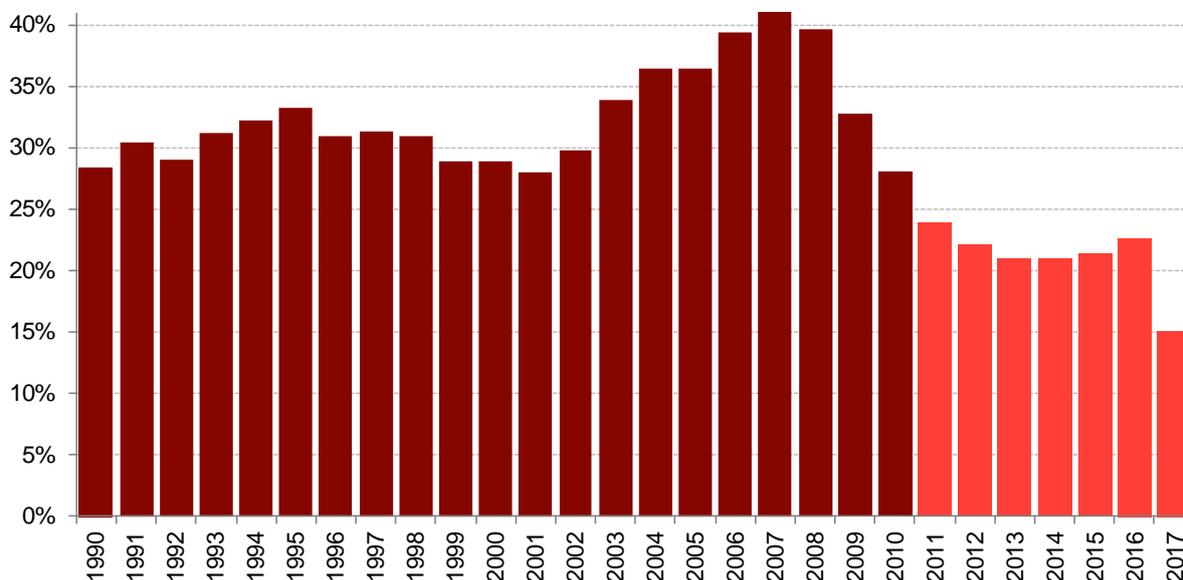
Source: Insolvency Service. Latest release: [Insolvency Statistics, October to December 2018](#).

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 2014 the level of cases was between 47,600 and 52,200 before falling back in 2015. However, since then they increased every year to over 71,000 in 2018. IVAs comprised 61.6% of total individual insolvencies in 2018, a much higher proportion than the period prior to 2004 when they typically accounted for 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 31 December 2018, by year of registration, England and Wales^{1, 2}



Notes

1. The lighter shaded bars, from 2011 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).

Source: Insolvency Service, January 2019.

From 1990 to 2002 the percentage of IVAs registered each year that eventually resulted in termination was around 30%.

The percentage of terminations then followed a generally upward trend from 29.8% for 2002 registrations to a peak of 41.3% for 2007 registrations. There is then a decline in the percentage of terminations to 28.1% in 2010. As of 31 December 2018, 9.1% of IVAs registered in 2011 were still ongoing (Table 1 below), so it is possible that the percentage of IVAs registered this year which result in termination will increase in the future.

It is not possible to make direct comparisons between termination rates for IVAs registered for later years, and those registered before, as a significant proportion of IVAs registered in these years are still ongoing.

It is usual practice for IVAs to last for five or six years. However, as of 31 December 2018, 3.3% of IVAs registered in 2010 were still ongoing and 9.1% of IVAs registered in 2011 were still ongoing.

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.

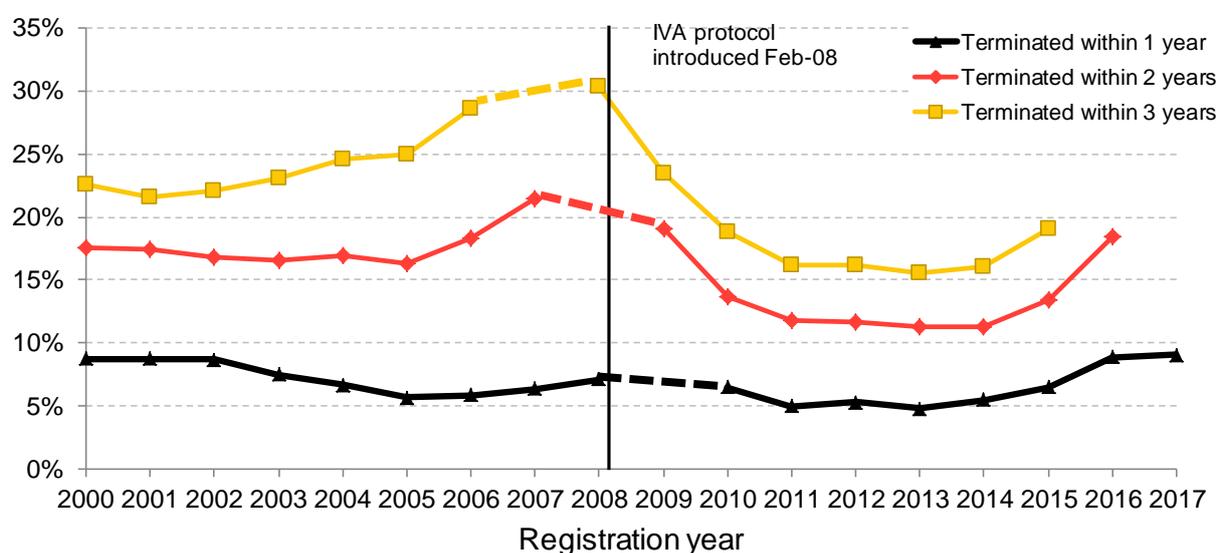
4. Percentage of IVAs failing within one to three years of registration

Looking at the percentage of IVAs that failed within one, 2 or 3 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.

Current one-year IVA failure rates have risen from recent lows (4.8% for 2013 registrations) to 9.1% for 2017 registrations, the highest rate since 1997.

A similar picture exists for the 2-year failure rate: for 2011 to 2014 registrations the rate was between 11% and 12% before increasing in subsequent years to a rate of 18.4% for 2016 registrations. The three-year failure rate has also increased this year.

Figure 4: Percentage of Individual Voluntary Arrangements resulting in termination as at 31 December 2018, by year of registration and time elapsed between registration and termination, England and Wales



Notes

1. Data from 1990 is available in accompanying data tables.

Source: Insolvency Service January 2019.

Dashed lines indicate a discontinuity in the data.

Table 1: Individual Voluntary Arrangements by year of registration and outcome status as at 17 January 2019, England & Wales^{1 2}

YEAR	COMPLETED		ONGOING		TERMINATED		TOTAL ²
	Number of Cases	% of Total	Number of Cases	% of Total	Number of Cases	% of Total	Number of Cases
1990	1,376	71.6%	0	0.0%	545	28.4%	1,921
1991	2,125	69.5%	0	0.0%	933	30.5%	3,058
1992	3,324	70.9%	0	0.0%	1,362	29.1%	4,686
1993	3,877	68.8%	0	0.0%	1,755	31.2%	5,632
1994	3,441	67.7%	0	0.0%	1,638	32.3%	5,079
1995	2,916	66.7%	0	0.0%	1,454	33.3%	4,370
1996	3,081	69.0%	0	0.0%	1,387	31.0%	4,468
1997	3,091	68.6%	0	0.0%	1,416	31.4%	4,507
1998	3,375	69.0%	2	0.0%	1,515	31.0%	4,892
1999	5,108	71.1%	0	0.0%	2,073	28.9%	7,181
2000	5,634	71.0%	1	0.0%	2,303	29.0%	7,938
2001	4,515	72.0%	0	0.0%	1,752	28.0%	6,267
2002	4,403	70.2%	0	0.0%	1,872	29.8%	6,275
2003	4,990	65.9%	9	0.1%	2,572	34.0%	7,571
2004	6,722	62.7%	80	0.7%	3,912	36.5%	10,714
2005	12,585	62.4%	212	1.1%	7,361	36.5%	20,158
2006	26,075	59.3%	588	1.3%	17,309	39.4%	43,972
2007	23,732	56.7%	830	2.0%	17,291	41.3%	41,853
2008	22,667	58.4%	757	1.9%	15,404	39.7%	38,828
2009	31,019	65.3%	913	1.9%	15,594	32.8%	47,526
2010	34,711	68.6%	1,672	3.3%	14,221	28.1%	50,604
2011	32,757	66.8%	4,482	9.1%	11,768	24.0%	49,007
2012	25,178	54.0%	11,149	23.9%	10,286	22.1%	46,613
2013	15,496	31.7%	23,100	47.3%	10,243	21.0%	48,839
2014	7,137	13.9%	33,327	65.0%	10,770	21.0%	51,234
2015	3,595	9.0%	27,944	69.7%	8,570	21.4%	40,109
2016	2,139	4.3%	36,143	73.0%	11,196	22.6%	49,478
2017	1,151	1.9%	49,062	83.0%	8,911	15.1%	59,124

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 2018 will be included in the next release.
3. Numbers are exclusive of IVA registrations that are subsequently revoked or suspended.
4. For notes and definitions of terms please see the accompanying "Notes" sheet.

Source: Insolvency Service January 2019.

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 2018.

Table 2: Individual Voluntary Arrangements by top 14 providers, 2018

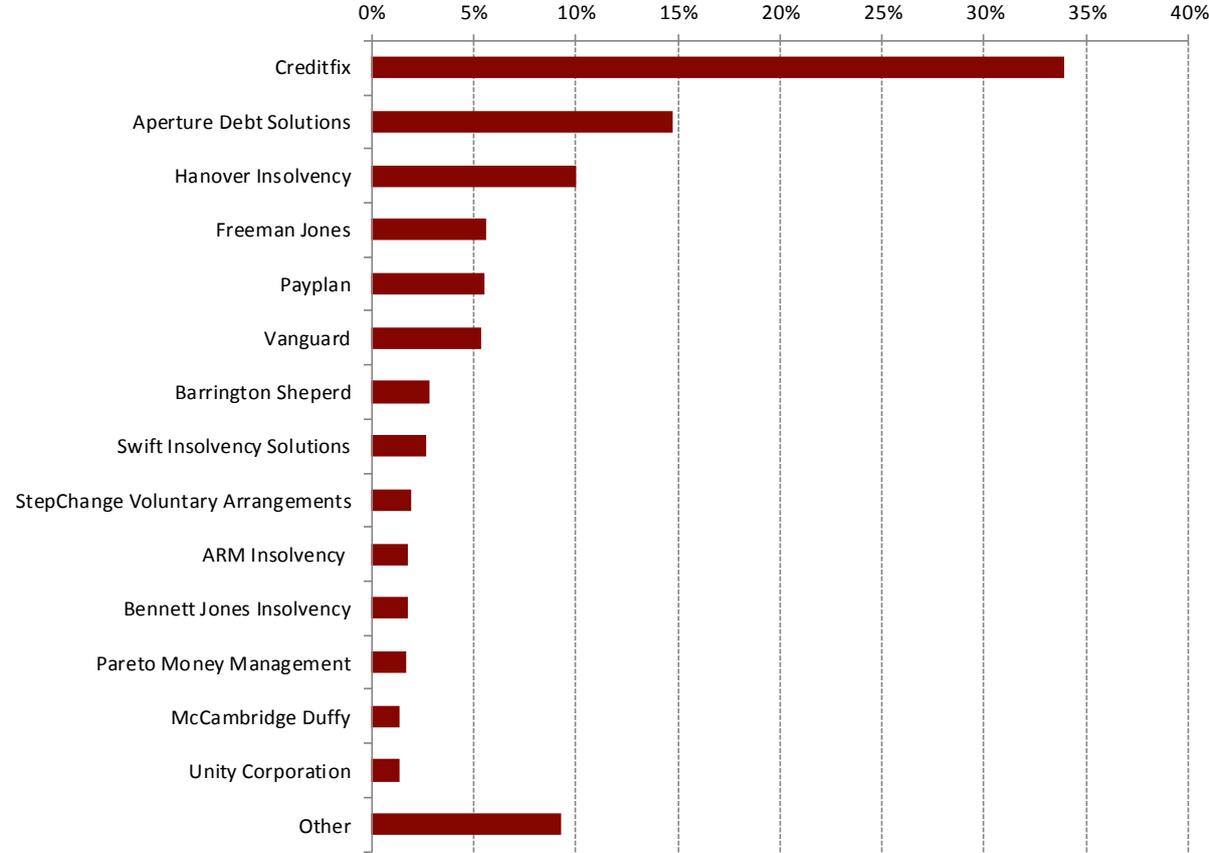
	New registrations	% of total
England & Wales Total	70,796	100%
(in descending order of new registrations in 2018)		
1 Creditfix	24,024	33.9%
2 Aperture Debt Solutions	10,417	14.7%
3 Hanover Insolvency	7,101	10.0%
4 Freeman Jones	3,995	5.6%
5 Payplan	3,936	5.6%
6 Vanguard	3,808	5.4%
7 Barrington Sheperd	2,036	2.9%
8 Swift Insolvency Solutions	1,907	2.7%
9 StepChange Voluntary Arrangements	1,346	1.9%
10 ARM Insolvency	1,251	1.8%
11 Bennett Jones Insolvency	1,250	1.8%
12 Pareto Money Management	1,195	1.7%
13 McCambridge Duffy	981	1.4%
14 Unity Corporation	971	1.4%
Other	6,578	9.3%

Notes

1. Data shown for the 14 firms covering at least 90% of new registrations in 2018.
2. Data drawn from an administrative source held by the Insolvency Service. Some cleaning of the data has been carried out to merge firms of similar names.
3. Firm name relates to the firm that the insolvency practitioner was registered to on the date of data extraction.
4. Breakdown for 2016 and 2017 also available in accompanying data tables.

Source: Insolvency Service January 2019.

Figure 5: Percentage of new Individual Voluntary Arrangements registered by top 14 Insolvency Practitioner firms, 2018



Notes

1. Data shown for the 14 firms covering at least 90% of new registrations in 2018.
2. Data drawn from an administrative source held by the Insolvency Service. Some cleaning of the data has been carried out to merge firms of similar names.
3. Firm name relates to the firm that the insolvency practitioner was registered to on the date of data extraction.
4. Breakdown for 2016 and 2017 also available in accompanying data tables.

Source: Insolvency Service January 2019.

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 2018, and are published on 29 January 2018 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 2017. National-level statistics covering this period were published on 26 January 2018 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 2009 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 outcomes of IVAs registered in the calendar year 2017. National-level statistics covering this period were published on 26 January 2018 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 17 January 2019, the date of data extraction from the Insolvency Service's administrative records was made. The data could have been extracted at any other time, but waiting until January meant that early termination rates for IVAs registered in 2017 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.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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