



Individual Voluntary Arrangements Outcomes and Providers, 2020

Outcome Status 1990-2019 and Provider Breakdown 2020

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This statistical bulletin and supplementary tables (presented as both Microsoft Excel and Open Data Source files) can be found at:

<https://www.gov.uk/government/collections/individual-insolvency-statistics-releases>

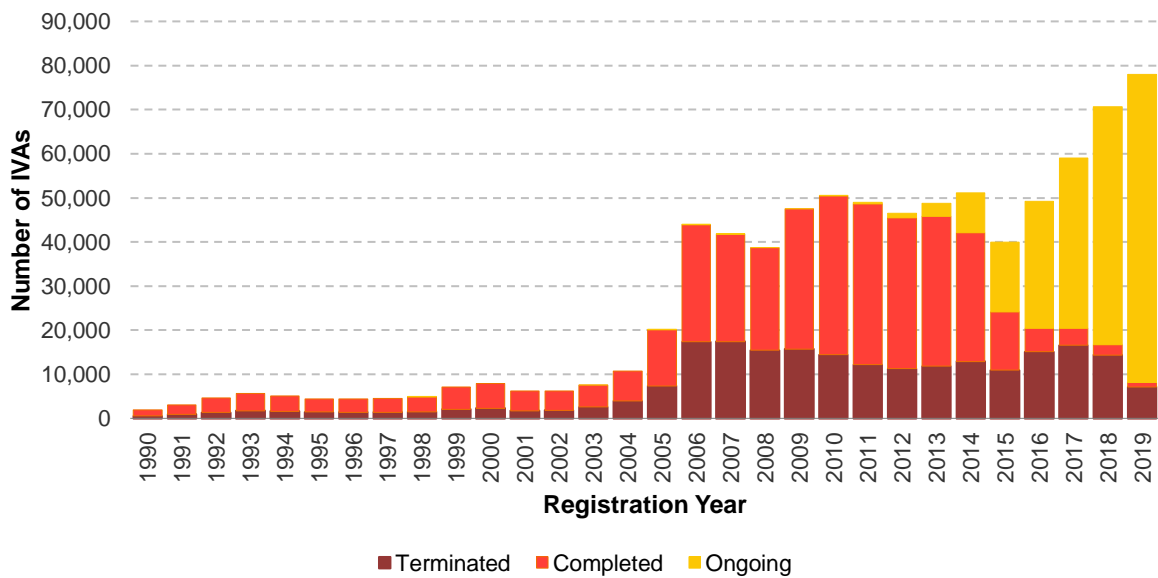


1. Main messages

- Whilst Individual Voluntary Arrangements (IVAs) registered between 2012 to 2016 are still ongoing, there is an emerging increasing trend in termination rates for IVAs registered during this time. It is not possible to determine trends for IVAs registered in more recent years as the majority were still ongoing as at 31 December 2020.
- However, the percentage of IVAs registered in 2019 that were terminated within one year has decreased to the lowest level since 2014. This partly coincides with the publication of updated guidance for the IVA protocol in April 2020 in response to the coronavirus (COVID-19) pandemic.
- Sixteen IVA providers accounted for over 90% of new IVAs registered in 2020.

Figure 1: Individual voluntary arrangements by year of registration and outcome status

England and Wales, 1990 to 2019, as at 31 December 2020¹



Source: Insolvency Service

1. Excludes IVAs which were subsequently revoked or suspended.



2. Things you need to know about this release

This statistical release shows the outcome status of Individual Voluntary Arrangements (IVAs) registered between 1990 and 2019 in England and Wales, and a breakdown of the number of IVAs registered by provider from 2017 to 2020.

The methodology for reporting volumes of IVAs by provider has changed in this release. In this publication, the numbers are reported based on the firm associated with an IVA, while in previous publications they were based on the firm that the insolvency practitioner of the IVA was registered to. Therefore, comparisons with previous statistical releases are not valid.

Proposed change to future statistical releases

There is volatility in the data which is likely to affect the accuracy of reporting of the percentage of IVAs terminated within a specified number of quarters following registration, as presented in the accompanying Table 2. The volatility in the data has less impact on the reporting of IVAs terminated within one, two, three or more years. Therefore, the Insolvency Service is proposing to amend Table 2 in future releases to present cumulative terminations by year from registration, and not quarter. The impact of this change is considered minimal as it will still enable users of these statistics to access termination rates by year as discussed in Section 5.

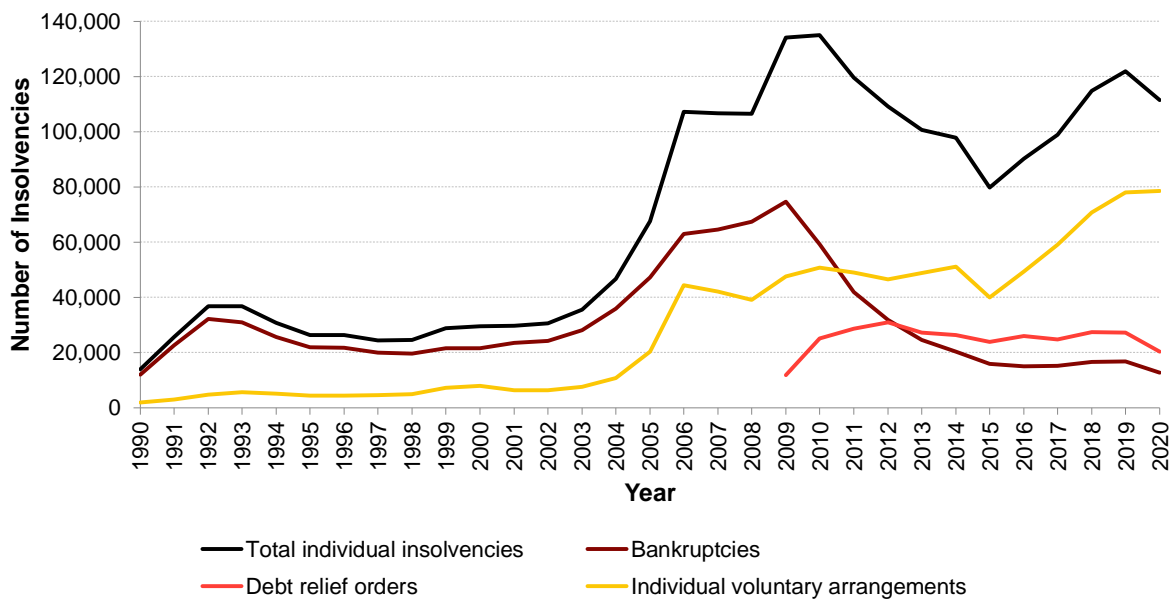
3. Individual voluntary arrangements as a proportion of total individual insolvencies

Figure 2 shows that the number of new IVAs registered each year 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 broadly stable before falling back in 2015. There were then steady successive rises over the next four years, however the number of IVAs in 2020 was similar to the number in 2019, with approximately 78,000 new IVA registrations in both years.

IVAs comprised 70% of total individual insolvencies in 2020, up from 64% in 2019. This proportion has risen for the fifth successive year; in 2015, 50% of total individual insolvencies were IVAs. Before 2004, IVAs typically comprised less than 25% of total individual insolvencies.

In 2020, the increase in the proportion of individual insolvencies was predominantly driven by the reduction in the number of bankruptcies and debt relief orders rather than an increase in IVAs. This reduction in overall individual insolvencies is likely to be partly driven by Government measures put in place in response to the coronavirus (COVID-19) pandemic. See the [Quarterly Individual Insolvency Statistics](#) for more information.

Figure 2: Number of individual insolvencies by year of registration, split into Individual Voluntary arrangements, Debt Relief Orders, and Bankruptcies
England and Wales, 1990 to 2020¹



Source: Insolvency Service
1. Debt relief orders were introduced in 2009.



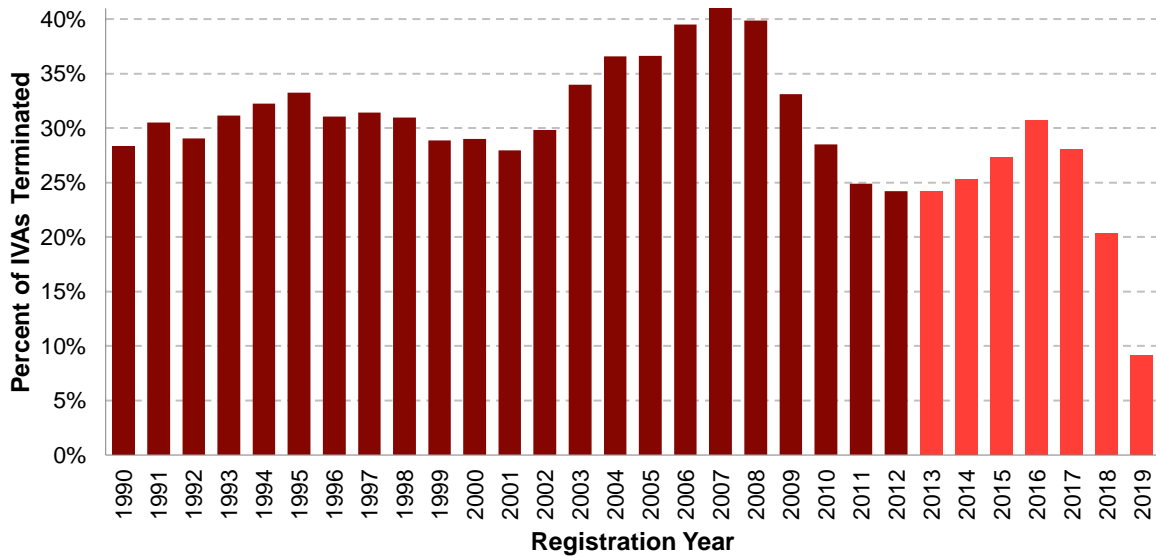
4. Termination of individual voluntary arrangements

IVAs are terminated when the debtor has failed to keep to the terms of the arrangement. As can be seen in Figure 3, 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 41.7% for 2007 registrations. There was a decline in the percentage of terminations to 24.2% in 2012.

It is not possible to make direct comparisons between termination rates for IVAs registered before 2012, with those registered after 2012, as a large proportion of IVAs registered in recent years are still ongoing. Therefore, it is likely that more IVAs registered in these years could end in termination. From the present data the proportion of IVAs ending in termination appears to have increased since 2013.

Figure 3: Percentage of individual voluntary arrangements resulting in termination, by year of registration

England and Wales, 1990 to 2019, as at 31 December 2020^{1,2}



Source: Insolvency Service

1. The lighter shaded bars, from 2013 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.

It is usual practice for IVAs to last for 5 or 6 years, however some IVAs last longer. For example, as at 31 December 2020, 6.0% of IVAs registered in 2013 were still ongoing, as presented in Table 1. There are several 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 another 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.



Table 1: Individual voluntary arrangements by year of registration and outcome status

England and Wales 2013 to 2019, as at 31 December 2020^{1,2,3,4}

YEAR	TOTAL ⁵	COMPLETED		ONGOING		TERMINATED	
	No. of Cases	No. of Cases	% of Total	No. of Cases	% of Total	No. of Cases	% of Total
2013	48,784	34,046	69.8%	2,915	6.0%	11,823	24.2%
2014	51,118	29,157	57.0%	9,026	17.7%	12,935	25.3%
2015	40,009	13,269	33.2%	15,810	39.5%	10,930	27.3%
2016	49,265	5,299	10.8%	28,831	58.5%	15,135	30.7%
2017	59,090	3,839	6.5%	38,674	65.4%	16,577	28.1%
2018	70,685	2,369	3.4%	53,932	76.3%	14,384	20.3%
2019	77,958	1,053	1.4%	69,762	89.5%	7,143	9.2%

Source: Insolvency Service

1. Numbers and percentages presented for years with ongoing cases as at 31 December 2020 will change in future releases as these cases are completed or terminated.
2. Data from 1990 are available in the accompanying tables.
3. IVA registrations that were subsequently revoked or suspended have been excluded.
4. There can be a time lag between the agreement data of an IVA and the date on which the IVA is registered with the Insolvency Service. Therefore, the reported time elapsed between registration and termination may not accurately reflect the time elapsed since the start of the IVA. See *Section 7. Data and Methodology* for further details.
5. Annual numbers of IVA registrations may not be consistent with the headline quarterly National Statistics. See *Section 7. Data and Methodology* for further details.

5. Percentage of IVAs terminating within one to three years of registration

Figure 4 displays the percentage ‘early terminations’; IVAs that terminated within one, two or three years of registration. This allows comparisons to be made on a more consistent basis between registration years. In 2008, 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. Termination rates are likely to have reduced from this time (as marked on Figure 4) as the protocol discouraged providers from setting up IVAs where a different debt solution was more appropriate.

Current one-year IVA termination rates rose from a recent low of 4.2% for 2013 registrations, to 8.8% for 2018 registrations, the highest rate since 2002, before declining to 5.7% for IVAs registered in 2019.

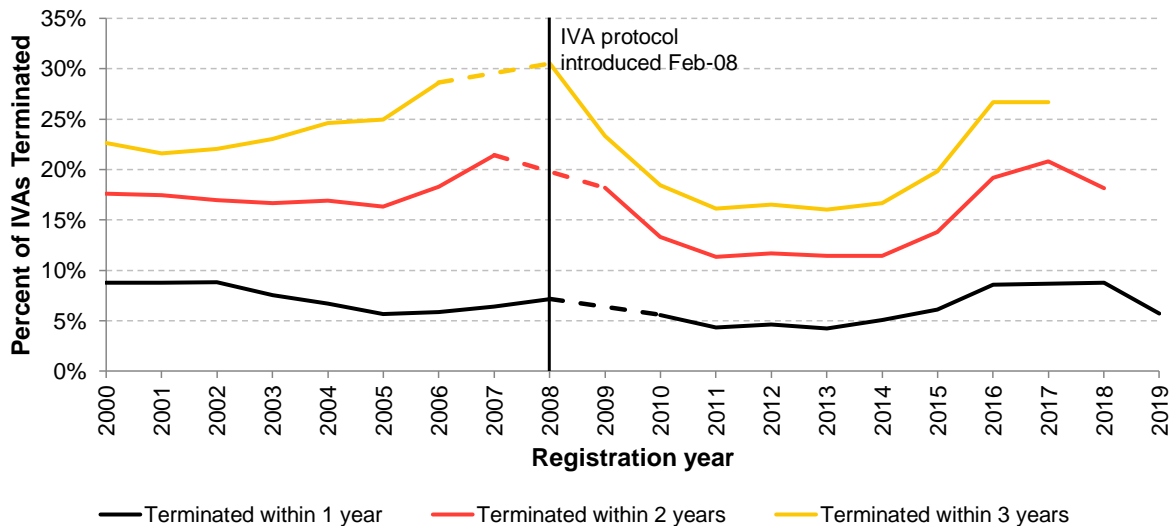
The two-year termination rate for IVAs registered from 2011 to 2014 was around 11% before increasing in subsequent years to a rate of 20.8% for 2017 registrations, and then dropping to 18.1% for 2018 registrations.

The three-year termination rate relating to 2017 registrations, of 26.7%, is the equal-highest since 2008. However, the three-year termination rate had previously increased each year since 2013.

The reduction in early terminations as at 31 December 2020 partly coincides with the publication of [updated guidance for the IVA protocol](#) in April 2020 in response to the coronavirus (COVID-19) pandemic. This guidance allowed individuals with existing IVAs to reduce payments by up to 25% and take a payment holiday of up to three months. Revised guidance in September 2020 further extended this by increasing it to up to a 50% reduction in payments and up to a six-month payment holiday.

Figure 4: The percentage of individual voluntary arrangements terminated within 1, 2 and 3 years, by year of registration

England and Wales, 2000 to 2019¹



Source: Insolvency Service

1. Data from 1990 to 1999 is available in accompanying data tables.

2. A discontinuity in the data means that termination rates were unavailable for certain quarters for 2010 and earlier years, as indicated by the dashed lines. See *Section 7. Data and Methodology* for further details.



6. New individual voluntary arrangement registrations by firm

IVAs are supervised by insolvency practitioners. Table 2 shows a list of IVA firms, in descending order of the volumes of IVAs registered in 2020. The top three companies accounted for over 50% of IVAs registered. The top 16 companies accounted for over 90% of IVAs registered. This is a broadly similar picture to last year.

The underlying data used to compile these numbers have changed since previous releases of these statistics. In this publication, the numbers are reported based on the firm associated with an IVA, whilst previously this section reported the firm that the insolvency practitioner of the IVA was registered with. These statistics are more accurate, though comparisons with previous statistical releases are no longer valid.

Table 2: New IVA registrations by firm

England and Wales, 2020^{1 2 3 4}

Insolvency Practitioner firm	New registrations	Percentage of total
1 Creditfix	20,317	25.9%
2 Hanover Insolvency	11,632	14.8%
3 Financial Support Systems	8,646	11.0%
4 The Insolvency Group	4,488	5.7%
5 Quality Insolvency Services	4,415	5.6%
6 Payplan	3,871	4.9%
7 Freeman Jones	3,525	4.5%
8 Jarvis Insolvency	3,058	3.9%
9 Vanguard Insolvency Practitioners	2,164	2.8%
10 McCambridge Duffy LLP	2,115	2.7%
11 Anchorage Chambers	1,357	1.7%
12 Bennett Jones Insolvency	1,198	1.5%
13 StepChange Voluntary Arrangements	1,096	1.4%
14 Forest King	1,095	1.4%
15 Financial Guidance Group	899	1.1%
16 The Insolvency Practice	826	1.1%
Other	7,776	9.9%
England and Wales Total	78,478	100%

Source: Insolvency Service

1. Data shown for the firms that registered at least 90% of new IVAs in 2020.

2. The IVA firm data used to compile these figures have changed since the previous release of these statistics. Therefore, numbers presented cannot be compared with previous publications See *Section 7. Data and Methodology* for further details

3. 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.

4. Breakdowns for 2017 to 2019 are also available in accompanying data tables.



7. Data and Methodology

Data Sources

Individual insolvency, including IVA data, data for England and Wales were sourced from the Insolvency Service case information system (ISCIS).

More information on the administrative systems used to compile insolvency statistics can be found in the [Statement of Administrative Sources](#).

Coverage

Statistics are presented for England and Wales only due to differences in legislation and policy. Figures on individual voluntary arrangements can be found in our Individual Insolvency Statistics release covering England and Wales; Scotland; and Northern Ireland separately.

Methodology and data quality

More detailed methodology and quality information has been published alongside this commentary in the accompanying [Background Note](#).

The main quality and coverage issues to note are:

1. IVAs in England & Wales are counted within the Insolvency Service official statistical releases once they are registered with the Insolvency Service. However, there is often a time lag between the date on which the IVA is accepted and date of registration by licensed insolvency practitioners. This creates volatility in the data which may affect the accuracy of the reported percentage of terminated IVAs within a specified number of quarters, as presented in the accompanying Table 2. The volatility in the data has less impact on the reporting of IVAs terminated within one, two, three or more years. Therefore, the statistics team is proposing to amend Table 2 in future releases to only report cumulative terminations by year from registration, and not quarter.
2. For previous releases of these statistics the firm information extracted reflected the firm with which the Insolvency Practitioner (IP) handling the case was registered with. However, this was not always the same firm managing the case. The more accurate firm data have now been located and extracted from the administrative system. However, this means that comparisons with previous statistical releases are not valid.
3. 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 has caused a discontinuity in the statistics, as depicted by grey cells in the accompanying Table 2.
4. The Insolvency Service also publishes quarterly and monthly individual insolvency statistics, that include numbers of registered IVAs. Note that the numbers of registered IVAs presented within this statistical release may not be consistent with other published statistics as the data have been extracted from a live administrative system at a different point in time. The [quarterly National Statistics](#) are the definitive source of the number of IVAs registered each year in England and Wales. These statistics also present rates per 10,000 adults.



Revisions

These statistics are subject to scheduled revisions, as set out in the published [Revisions Policy](#). Other revisions tend to be made as a result of data being entered onto administrative systems after the cut-off date for data being extracted to produce the statistics. Any revisions to these statistics will be marked with an 'r' in the relevant table.

8. Glossary

Table 3: 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.
Completion	Where the supervisor has issued a certificate (“the completion certificate”) stating that the debtor has complied with their obligations under the arrangement.
Termination (failure)	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.



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