



# Individual Voluntary Arrangements Outcomes and Providers, 2019

## Outcome Status 1990-2018 and Provider Breakdown 2019

### Released

9.30am, 30<sup>th</sup> January 2020

### Next released

January 2021 (provisional)

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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 IVA outcome statistics into our quarterly individual insolvency statistics release.



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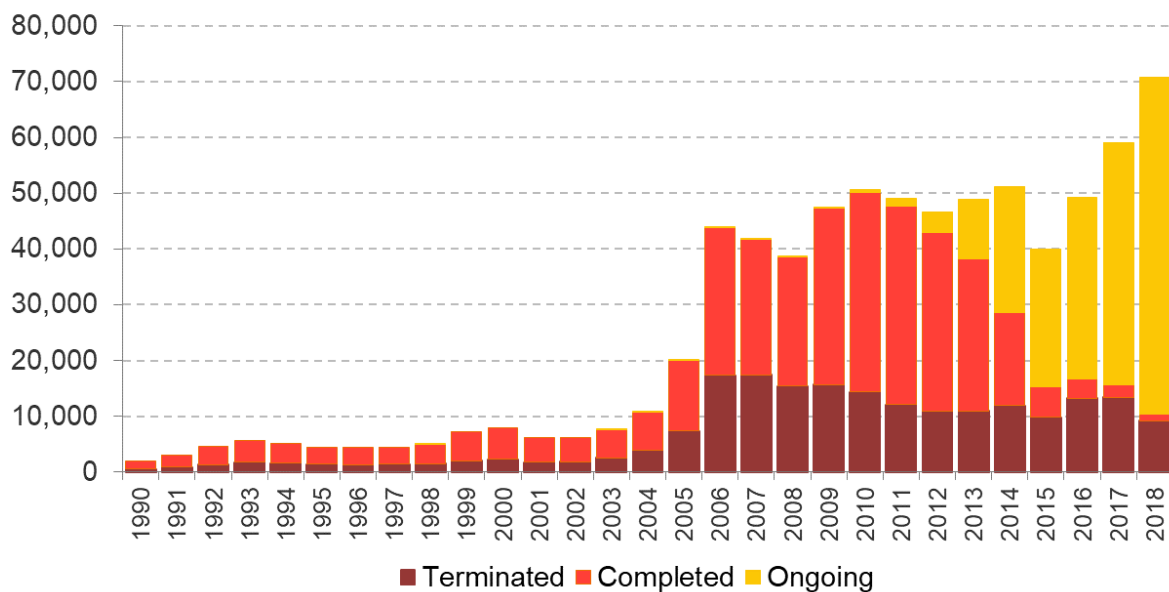


## 1. Main messages

- The percentage of individual voluntary arrangements failing within the first year has increased to the highest percentage since 2002.
- 2.5% of IVAs registered in 2011 were still ongoing and 7.8% of individual voluntary arrangements registered in 2012 were still ongoing, as at 31 December 2019.
- Fourteen individual voluntary arrangement providers accounted for over 90% of new IVAs registered in 2019.

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

England & Wales, by year of registration, as at 31 December 2019<sup>1</sup>



1. Excludes IVAs which were subsequently revoked or suspended (see section 2. *Things you need to know about this release*).



## 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 2018 in England and Wales, and a breakdown of the number of IVAs registered by provider from 2016 to 2019.

### Methodology and Key Terms

Volumes by provider relate to the firm that the insolvency practitioner of the IVA was registered to on the date of data extraction. This may differ from the firm associated with an IVA. This is due to the way data is extracted from our live database and the configuration of our system.

**Table 1: Key terms used in the publication**

<b>Individual voluntary arrangements (IVAs)</b>	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.
<b>Completion</b>	Where the supervisor has issued a certificate ("the completion certificate") stating that the debtor has complied with their obligations under the arrangement.
<b>Termination (failed)</b>	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.
<b>Ongoing (current)</b>	Where the arrangement is continuing.
<b>Revoked or suspended</b>	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.

### 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.

### Coherence

Volumes of IVAs presented in these tables are not consistent with the official, headline quarterly [Individual Insolvency Statistics](#) (designated as a National Statistic) estimates as they have been extracted from a different source; a live database at a different point in time.



The quarterly National Statistics are the definitive source of the number of new cases each year in England and Wales, and the rate per 10,000 adults.

### **Detailed Information**

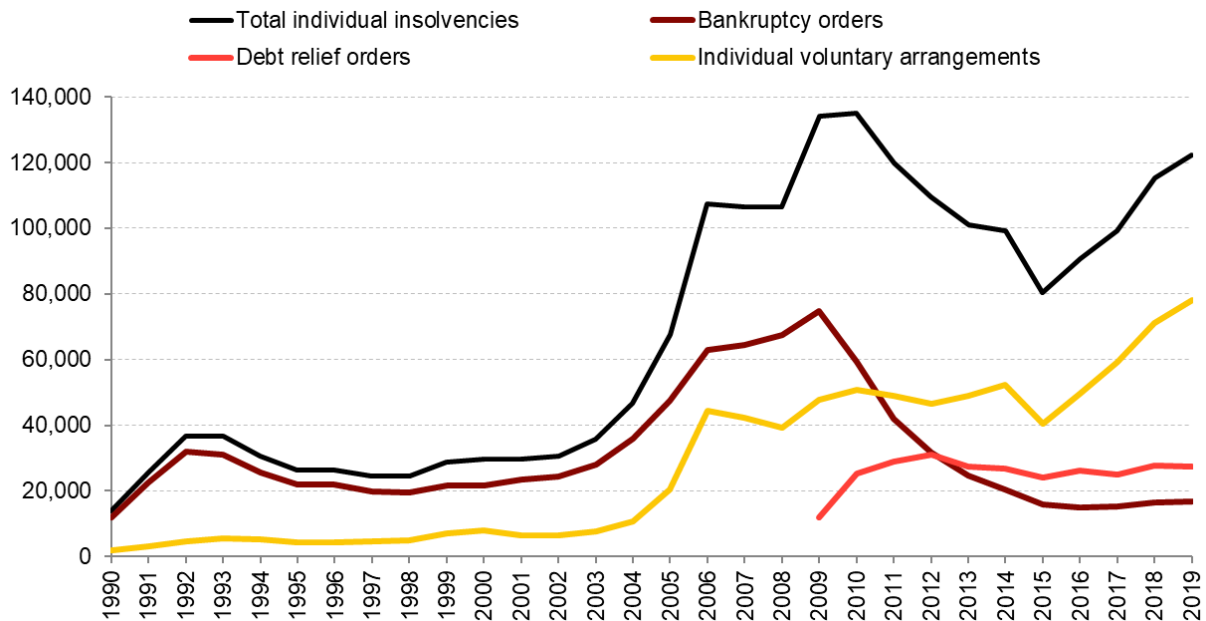
More detailed methodology and quality information has been published alongside this commentary.



### 3. Individual voluntary arrangements have increased in recent years

**Figure 2: Total individual insolvencies have increased since 2015, driven by individual voluntary arrangements**

England & Wales



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 broadly stable before falling back in 2015. However, there have been steady successive rises over the last four years, with nearly 78,000 IVAs in 2019.

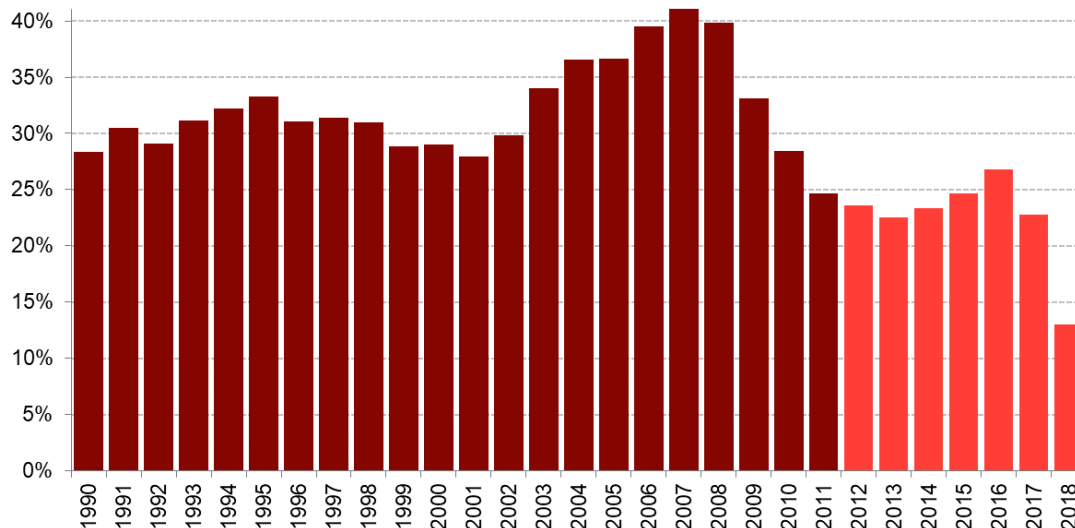
IVAs comprised 63.8% of total individual insolvencies in 2019. This proportion has risen for the fourth successive year; in 2015, 50.2% of total individual insolvencies were IVAs. Before 2004, IVAs typically comprised less than 25% of total individual insolvencies.

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.



## 4. Termination of individual voluntary arrangements

**Figure 3: Percentage of individual voluntary arrangements resulting in termination as at 31 December 2019, by year of registration**  
England and Wales<sup>1, 2</sup>



1. The lighter shaded bars, from 2012 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).

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 41.6% for 2007 registrations. There was a decline in the percentage of terminations to 24.7% in 2011. As at 31 December 2019, 7.8% of IVAs registered in 2012 were still ongoing (see Table 1 below), so it is likely that the percentage of IVAs registered in 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 5 or 6 years. However, as at 31 December 2019, 2.5% of IVAs registered in 2011 were still ongoing and 7.8% of IVAs registered in 2012 were still ongoing. 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.



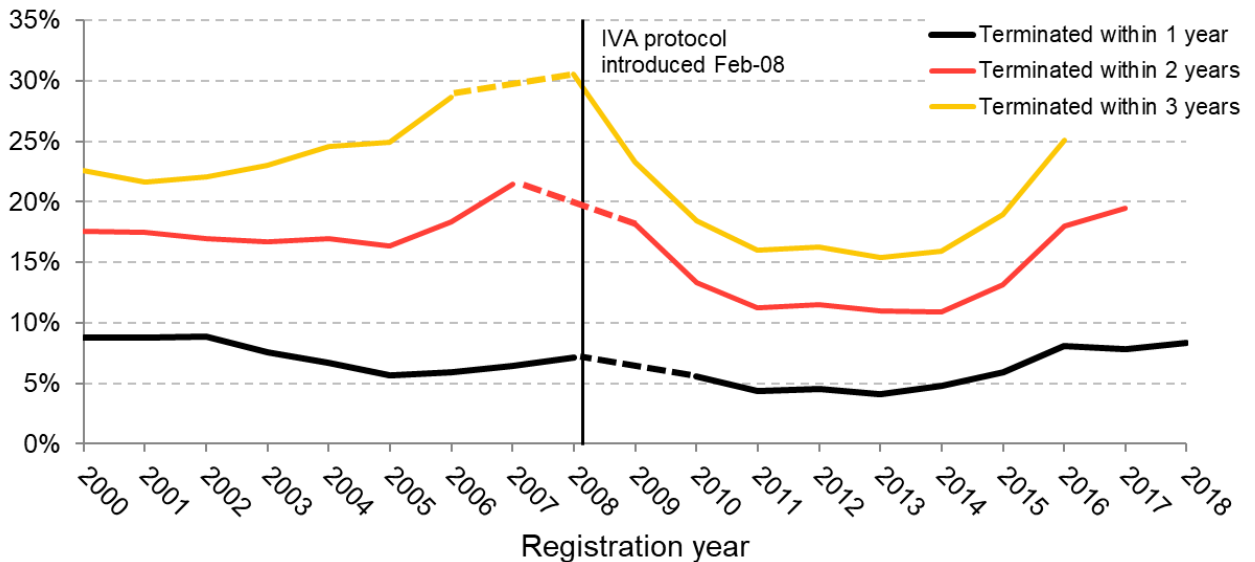
## 5. Percentage of IVAs failing within one to three years of registration

Figure 4 displays the percentage of IVAs that failed within one, 2 or 3 years of registration. This allows comparisons to be made on a more consistent basis between registration years. Current one-year IVA failure rates have risen from a recent low of 4.1% for 2013 registrations, to 8.4% for 2018 registrations, the highest rate since 2002.

The 2-year failure rate: for 2011 to 2014 registrations the rate was around 11% before increasing in subsequent years to a rate of 19.5% for 2017 registrations. This is the highest rate since 2007. The three-year failure rate relating to 2016 registrations, of 25.1%, is the highest since 2009.

### Figure 4: The percentage of individual voluntary arrangements terminated within one, 2 and 3 years has increased in recent years

England and Wales<sup>1</sup>



1. Data from 1990 is available in accompanying data tables.  
2. Dashed lines indicate a discontinuity in the data.





**Table 2: Individual voluntary arrangements by year of registration and outcome status,**

England and Wales, as at 31 December 2019<sup>1 2 3 4</sup>

YEAR	COMPLETED		ONGOING		TERMINATED		TOTAL <sup>2</sup>
	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	3,376	69.0%	1	0.0%	1,515	31.0%	4,892
1999	5,108	71.1%	0	0.0%	2,073	28.9%	7,181
2000	5,633	71.0%	0	0.0%	2,304	29.0%	7,937
2001	4,515	72.1%	0	0.0%	1,751	27.9%	6,266
2002	4,403	70.2%	0	0.0%	1,871	29.8%	6,274
2003	4,992	65.9%	6	0.1%	2,573	34.0%	7,571
2004	6,755	63.0%	40	0.4%	3,919	36.6%	10,714
2005	12,723	63.1%	54	0.3%	7,379	36.6%	20,156
2006	26,419	60.1%	191	0.4%	17,354	39.5%	43,964
2007	24,219	57.9%	191	0.5%	17,423	41.6%	41,833
2008	23,053	59.5%	243	0.6%	15,438	39.9%	38,734
2009	31,553	66.4%	238	0.5%	15,723	33.1%	47,514
2010	35,745	70.6%	472	0.9%	14,380	28.4%	50,597
2011	35,635	72.8%	1,247	2.5%	12,098	24.7%	48,980
2012	31,930	68.6%	3,635	7.8%	11,002	23.6%	46,567
2013	27,181	55.7%	10,622	21.8%	11,004	22.5%	48,807
2014	16,698	32.7%	22,496	44.0%	11,943	23.4%	51,137
2015	5,356	13.4%	24,806	62.0%	9,873	24.7%	40,035
2016	3,531	7.2%	32,531	66.0%	13,212	26.8%	49,274
2017	2,234	3.8%	43,408	73.5%	13,452	22.8%	59,094
2018	1,142	1.6%	60,365	85.4%	9,182	13.0%	70,689

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 2019 will be included in the next release.

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



## 6. New individual voluntary arrangement registrations by insolvency practitioner firm

IVAs are supervised by insolvency practitioners. Table 2 shows a list of IVA provider firms, in descending order of the volumes of IVAs registered in 2019. The top 4 companies accounted for over 50% of IVAs registered. The top 14 companies accounted for over 90% of IVAs registered. This is a broadly similar picture to last year.

**Table 3: Fourteen individual voluntary arrangement providers accounted for over 90% of new IVAs registered**

England and Wales, 2019<sup>1 2 3 4 5</sup>

Insolvency Practitioner firm	New registrations	Percentage of total
1 Creditfix	19,833	25.4%
2 Hanover Insolvency	10,945	14.0%
3 Freeman Jones	7,039	9.0%
4 Financial Support Systems	6,990	9.0%
5 Vanguard	6,091	7.8%
6 Payplan	5,279	6.8%
7 Aperture Debt Solutions	4,163	5.3%
8 Swift Insolvency	2,446	3.1%
9 Jarvis Insolvency	1,944	2.5%
10 McCambridge Duffy	1,331	1.7%
11 Stepchange	1,226	1.6%
12 *** <sup>6</sup>	1,111	1.4%
13 Quality Insolvency	1,073	1.4%
14 Bennett Jones	883	1.1%
Other	7,619	9.8%
England and Wales Total	77,973	100%

1. Data is shown for the 14 firms covering at least 90% of new registrations in 2019.

2. Data is 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 to 2018 are also available in accompanying data tables.

5. Firm name relates to the firm that the insolvency practitioner of the IVA was registered to on the date of data extraction. This may differ from the firm associated with an IVA. This is due to the way data is extracted from our live database. We are investigating to see if the process can be improved and will re-issue the statistics if this takes place.

6. In the original release of this publication these IVAs were attributed to JT Maxwell. It has been brought to our attention that this is incorrect and that they should be attributed to Forest King. This is due to the way data is extracted from our live database. We will investigate and see if the process can be improved and re-issue the statistics if this takes place.



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