



The Insolvency  
Service

# **2018 Annual Review of Insolvency Practitioner Regulation**

**Published May 2019**

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# 1. Foreword

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The Insolvency Service helps to deliver economic confidence by supporting those in financial distress, tackling financial wrongdoing and maximising returns to creditors.

A key aspect of the Insolvency Service's functions is to ensure that there is an effective insolvency profession that delivers fair outcomes for the people and businesses impacted by insolvency.

The insolvency industry performs a valuable role for the economy, rescuing struggling businesses where possible and providing an orderly process to deal with individuals and businesses where insolvency is the best option.

Acting on behalf of the Secretary of State as oversight regulator of insolvency practitioners, the Insolvency Service works with the profession to help ensure that standards are maintained and improved where necessary, and, on those occasions where there has been misconduct, there is robust action taken.

This report sets out our activities as oversight regulator and details some of the work done by the Insolvency Service with the Recognised Professional Bodies (RPBs) during 2018 to help ensure that the regime governing the regulation of insolvency practitioners is operating effectively.<sup>1</sup>

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<sup>1</sup> The Insolvency Act 1986 recognises the RPBs as regulatory bodies which are able to licence and authorise insolvency practitioners

## 2. Overview

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We have continued to monitor closely the work of the RPBs, looking at individual casework on complaints and following up on insolvency practitioner monitoring reports. We have observed a broad spectrum of the RPBs' regulatory work and this has led to constructive dialogue, recommendations and positive changes.

During the year, we published a [review](#) on how the RPBs regulate and monitor insolvency practitioners; the review included a themed examination of the way volume IVA providers are monitored which highlighted a number of concerns that we are taking forward with the RPBs. We have continued to work with our stakeholders on various projects, including reviewing the bonding provisions for insolvency practitioners and improvements to the IVA protocol. This work will be further progressed in 2019/20.

One important area of focus over the last year resulted from our staff identifying and referring potential criminal offences by insolvency practitioners for investigation and we have started work closely with the RPBs to better identify this type of case quickly, providing support through the Legal Services Directorate at the Insolvency Service.

The nature of some of our work has changed in recent years, with a greater focus on considering regulatory outcomes and compliance with statutory objectives, and we have been making effective use of information gathering powers to investigate areas of concern leading to a number of referrals to appropriate bodies. We have also been undertaking more thematic reviews, as well as carrying out monitoring visits to specific RPBs. Some of this work has led to the production of interim reports and recommendations, which we will be following up during 2019. We have used our powers to undertake our own enquiries on a number of occasions, where it has been appropriate to do so to. These matters are ongoing and we will report on what we have found when we are able to, given the progress of the investigation..

We continue to participate in a number of key industry groups, including chairing the Individual Voluntary Arrangement (IVA) Standing Committee, which is responsible for the [IVA protocol](#) (see section 3.4).

The Insolvency Service is a member of the Joint Insolvency Committee (JIC), which is responsible for agreeing professional standards for insolvency practitioners through [Statements of Insolvency Practice](#) and the insolvency [Code of Ethics](#); breaches of these may lead to sanctions as detailed in Annex 1 . We also chair the Meeting of Monitors, which brings together the RPBs to share intelligence and best practice in carrying out the monitoring of insolvency practitioners.

In 2018 our regulatory team took part in Insolvency Live!, our yearly stakeholder event where representatives from a broad range of Insolvency Service teams

attended to share their work, future plans and listen to feedback from a broad range of stakeholders across the insolvency and debt advice sectors. The Regulatory Team led sessions on handling insolvency complaints, and the power to introduce a single regulator for insolvency practitioners in the future. These were all well attended, generating interesting discussion and providing useful feedback.

The Complaints Gateway, which is the central point of contact for insolvency practitioner complaints, continues to provide a readily accessible service to people impacted by insolvency who wish to raise a concern or complaint. The Gateway collects and documents monthly activity which provides for valuable intelligence about trends or any areas which require our attention. An updated agreement between the Gateway and RPBs came into effect in May 2018 which means that complaints relating to cases where the Insolvency work took place in Northern Ireland can be processed through the gateway, assisting with maintaining consistency of approach. We also work closely with the Accountant in Bankruptcy in Scotland when we receive complaints about work undertaken in Scotland.

# 3. Regulatory Framework

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## 3.1 Regulation of Insolvency practitioners

Insolvency practitioners are currently regulated by 5 RPBs whose activities are overseen by the Secretary of State. RPBs are recognised by statute to authorise and regulate practitioners by granting a licence to practice. Regulation includes monitoring their work, compliance with the law and regulatory standards and codes, and dealing with complaints that may arise.

Statutory regulatory objectives set out the factors RPBs must take into account when discharging their regulatory functions. Regulatory oversight on behalf of the Secretary of State is undertaken by the Insolvency Service, through its team in Insolvency Practitioner Regulation Section (IPRS).

The five RPBs are:

- Association of Chartered Certified Accountants (ACCA)<sup>2</sup>
- Chartered Accountants Ireland (CAI)
- Institute of Chartered Accountants in England and Wales (ICAEW)
- Institute of Chartered Accountants of Scotland (ICAS)
- Insolvency Practitioners Association (IPA).

RPBs are required to act in a way which is compatible with regulatory objectives set out in s391 Insolvency Act 1986. They must act in a way which they consider most appropriate for achieving the following:

- Having a system of regulating insolvency practitioners that secures fair treatment for people affected by their acts, is transparent, accountable, proportionate, and ensures consistent outcomes.
- Encouraging an independent and competitive insolvency practitioner profession whose members provide high quality services at a fair and reasonable cost, act transparently and with integrity, and consider the interests of all creditors in any particular case.
- Promoting the maximisation of, and promptness of returns to, creditors.
- Protecting and promoting the public interest.

The Secretary of State has powers to direct or reprimand a RPB if they believe that it is acting in a way that is having an adverse impact on the achievement of the objectives, and can also, if appropriate, make enquiries and take direct action against practitioners.

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<sup>2</sup> Since 1st January 2017, the ACCA has contracted out most of its regulatory functions through a collaboration agreement with the IPA. All new authorisations and renewals from 1st January 2019 were also carried out on behalf of the ACCA by the IPA.

The IPRS team produces information for the profession including Dear IP which is a publication sent quarterly with technical, legislative and regulatory updates. We undertook a survey in 2018 to better understand the way in which recipients would like to receive the publication and find out whether they thought it could be improved (and if so how). The responses indicated that most recipients liked the current format and frequency. The main findings of the survey were:

- 100% of respondents said they found Dear IP useful
- 94% of respondents said they found the content in Dear IP appropriate
- The majority of respondents preferred to receive Dear IP on a quarterly basis
- 76% of respondents said they found the content in Dear IP contained the right amount of detail.

### 3.2 Single regulator power

The Small Business, Enterprise and Employment Act 2015 gives the Secretary of State a power to create a single regulator for the insolvency profession. That power expires in October 2022. In last year's Review, we said that much of our work would contribute to evidence-gathering help to inform a recommendation on whether or not to consult on a single regulator. That work continues and the IPRS team is working jointly with the Insolvency Service's policy team and other colleagues to collate the findings and gather any additional information that might be needed to inform a recommendation on whether or not to exercise the power. This will involve a formal call for evidence, which we expect to publish shortly.

## 4. Regulatory Developments and Activities

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### 4.1 Review of insolvency practitioner bonding

We have been working with stakeholders to develop possible changes to the current bonding arrangements for IPs with the aim of improving the protection of insolvency estates and better safeguarding creditors' interests. A number of legislative and non-legislative proposals have been developed following the responses to an earlier call for evidence and ongoing engagement with key stakeholders. We plan to seek views on these proposals through a public consultation. As part of the consultation we will be holding discussions with key stakeholders.

### 4.2 The IVA standing committee and IVA protocol

The Insolvency Service continues to chair the IVA Standing committee which meets regularly to update and discuss whether the IVA protocol is working effectively. The protocol was designed some years ago in collaboration with the industry to provide an agreed approach to IVAs where the individual's circumstances were not particularly complex. The standing committee comprises members of the Insolvency Service, along with creditors, insolvency practitioners, members of the debt advice sector and RPB representatives

The Insolvency Service published its latest [statistical report](#) on IVAs in January 2019 which highlighted that there has been a sharp increase in cases. Between 2009 and 2014 the level of cases was between 47,600 and 52,200. In 2018 numbers rose by 20% with over 70,000 new registrations. The percentage number of IVAs failing in the first year has increased for the fourth consecutive year from 4.8% for 2013 registrations to 9.1% for 2017 registrations.

The standing committee has been considering whether the protocol needs to be updated, given that it has been in place for quite some time and the nature and number of IVAs has changed in that period. This is being taken forward and we expect the protocol to be revised during 2019.

### 4.3 Review of Regulation and Monitoring by the RPBs

In September 2018 we published a report following a series of monitoring visits to RPBs and other evidence gathering (including observing monitoring visits by the RPBs to a variety of different practices). In addition to a general overview, the work also included looking in detail at how the RPBs monitor volume IVA providers.



The main findings were:

- All RPBs have appropriate procedures in place when risk assessing and carrying out monitoring visits.
- Monitoring visits to insolvency practitioners are generally carried out effectively and robustly.
- Whilst monitoring visits were effective in identifying and reporting concerns, there were examples where adverse regulatory and/or disciplinary outcomes were not being effectively handled.
- All RPBs have procedures in place to separate membership functions from regulatory activities.
- Transparency in the publication of disciplinary outcomes could be improved as currently only certain types of sanction are published.
- There are significant concerns about the adequacy of regulation in respect of “volume IVA” firms.

We are in the process of reviewing how the recommendations made in that report are being implemented by the RPBs and our findings will form part of the overall package of information to be considered when looking at the decision on whether or not to introduce a single regulator.

#### 4.4 Development of Statements of Insolvency Practice (SIPs)

Statements of Insolvency Practice (SIPs) are developed by the Joint Insolvency Committee (JIC) and are adopted as a regulatory standard by all the RPBs.

The purpose of the JIC is to set regulatory standards for the profession and promote consistency in the way in which insolvency practitioners approach certain aspects of insolvency practice. Over the course of 2018 we have been involved in a number of workstreams aimed at updating the SIPs.

##### SIP 3.2 Company Voluntary Arrangements

A JIC working group has been looking at whether any changes are needed to SIP 3.2 which covers company voluntary arrangements (CVAs). This is due to concerns about certain types of large CVAs where better and timelier information could be given to creditors. The revised SIP is expected to be subject to consultation later this year.

##### SIP 7 Presentation of financial information in insolvency proceedings

A JIC working group has been set up and is considering an initial set of changes with a view to consultation on a revised SIP7 later this year. This SIP is being reviewed to ensure consistency with SIP9.

##### SIP 9 Payments to insolvency office holders and their associates

SIP 9 sets out that payments to an insolvency practitioner or their associates, and expenses incurred by the practitioner should be fair and reasonable, and that those responsible for approving payments (largely the creditors) should be provided with sufficient information to make an informed judgment about the reasonableness of the request. There have been industry concerns over the charging of certain expenses and disbursements, primarily in the volume IVA sector, and this is something we also reported in our review of monitoring (see paragraph 3.5). There is limited evidence in some instances that certain disbursements and expenses charged are providing real value to either debtors or their creditors and it is not clear whether some are required at all. There is also limited, if any, explanation provided by insolvency practitioners as to why they are fair and reasonable. There is ongoing work between the Insolvency Service and the RPBs to look at this and to consider if a review of SIP 9 is necessary. The Insolvency Service has worked with the RPBs and R3 to obtain data in order to assess the impact that possible changes to the way some charges ought to be applied would have on smaller firms. This work is ongoing.

## 4.5 Pre-pack Administrations

### Pre-pack review

As indicated in last year's Annual Review, during 2018 we have carried out a review of the impact of industry measures on pre-pack sales in administrations in order to inform a decision on whether statutory regulation is required in this area. These industry measures, including the revised SIP 16 disclosure requirements to improve information relating to marketing and a viability review, were introduced following an independent report by Teresa Graham on the wider economic impact of pre-pack sales. That report found while pre-pack sales were a useful business rescue tool, there was evidence of less successful outcomes where the pre-pack sale was to a connected party. The Government hopes to be able to publish the findings and outcome from the review shortly.

### Monitoring of SIP 16 disclosure statements

SIP 16 sets out what should be included in the disclosure statement the practitioner produces and sends to all creditors of the pre pack administration. The statement is a summary of the transaction, why it was in the best interest of creditors and best option available.

In order to be compliant with a statement, the insolvency practitioner acting as administrator must send a copy to all creditors within 7 days of the pre pack administration and include as much detail as possible. The practitioner must also send a copy to their RPB

The RPBs have responsibility for the monitoring of SIP 16 disclosure statements, following recommendations arising from Teresa Graham's review into pre pack administrations and a summary of the disclosures received by them during 2018 together with the outcomes are below;

The statements have not been moderated by the Insolvency Service.

Table 1: The monitoring of SIP 16 statements by the RPBs during 2018

RPB	SIP 16 statements received	SIP 16 statements monitored	Compliant statements	Non-compliant statements	% compliant	Regulatory action
ICAEW <sup>3</sup>	231	65	53	12	81%	0
IPA	193	170	110	60	65%	6
ICAS	3	3	3	0	100%	0
CAI	0	0	0	0	0	0
ACCA	23	23	18	5	78%	0
<b>Total</b>	<b>450</b>	<b>261</b>	<b>184</b>	<b>77</b>	<b>70%</b>	<b>6</b>

The majority of non-complaintant statements are deemed to be minor technical breaches; however some non compliant statements are referred for investigation and resulted in a sanction against the insolvency practitioner.

Table 2: Analysis of pre-pack administrations in 2018

The table below summarises the key information obtained from each SIP 16 statement reviewed by the RPBs. This information is of most interest to stakeholders.

Information collected	Number of pre-packs
<b>Sales to connected parties</b>	241
<b>Marketing activities carried out by the administrator</b>	394
<b>Deferred consideration</b>	230
<b>Viability review</b>	31
<b>Referrals to the pre-pack pool</b>	18

## 4.6 The Complaints Gateway

The [Complaints Gateway](#) (IPCG) continues to be the conduit for all complaints against insolvency practitioners. In 2018, the gateway received 830 complaints, of these 381 were referred to RPBs, 167 were rejected and 276 were closed (further information to inform a decision was being sought on 6 complaints). Complaints are closed if the gateway is unable to contact the complainant or further information which is requested is not forthcoming.

The overall number of complaints made has risen in 2018; the gateway continues to work with complainants to only refer those cases which should be considered by the RPB. All complainants have the right of appeal if the complaint is rejected by the

<sup>3</sup> ICAEW review SIP 16 statements on a risk based approach

gateway and in 2018 we received 60 appeals against decisions. Of these 20 were upheld and 40 rejected.

**Table 3: IP complaints Gateway data (2017 and 2018)**

Complaints	2017	2018
Total Complaints	757	830
Referred	308	381
Rejected/ Closed	363	443
On Hold	86	6

Regular meetings are held between the Insolvency Service and the various RPBs to monitor gateway performance and address any issues. This is a source of constructive discussion and debate where modifications and refinements to the way in which the Gateway and RPBs liaise and work together are agreed and actioned. For example this year we have provided the gateway with detailed feedback on a number of gateway appeal cases in order to improve the referral process for complaints.

Annex 2 provides further information and statistics about complaints made to the Gateway.

#### 4.7 Complaints against RPBs

As oversight regulator, from time to time we receive complaints against RPBs highlighting concerns about how a case has progressed, for example the time taken or the procedures followed by the RPB to conclude the case. We investigate and draw a conclusion as to whether or not the RPB has complied with their own procedures and, if necessary we can, and have this year, asked the RPB to reopen a some cases which we have concerns have not fully be dealt with.

**Table 4: Complaints Received about RPBs**

Authorising Body	Complaints received/carried forward	Upheld	Partially upheld	Rejected	Ongoing
ICAEW	6			4	2
IPA <sup>4</sup>	5			2	3
CAI	1			1	
ICAS	1			1	

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<sup>4</sup> This includes 1 complaint which relate to ACCA IPs having complaints dealt with by the IPA

# Annex 1: Regulatory and Disciplinary Statistics

## Authorisations

**Table 5: Number of insolvency practitioner authorisations (2017-2019)**

	ICAEW	ACCA	IPA	CAI	ICAS	Total
<b>IPs at 1<sup>st</sup> January 2019</b>	794	83	551	45	92	1,565
<b>Appointment takers</b>	594	78	455	43	74	1,244
<b>IPs at 1<sup>st</sup> January 2018</b>	783	94	557	43	93	1,570
<b>Appointment takers</b>	599	89	460	41	75	1,264
<b>IPs at 1<sup>st</sup> January 2017</b>	788	108	567	44	98	1,605
<b>Appointment takers</b>	610	102	472	41	77	1,302

**Table 6: Insolvency practitioner licences revoked**

In 2018 two licences were revoked by ICAEW.

Body	Date	IP	Reasons
<b>ICAEW</b>	October 2018	<IP's name removed>	Failure to comply with undertakings previously given to the committee
<b>ICAEW</b>	February 2017 <sup>5</sup>	<IP's name removed>	Failure to have professional indemnity insurance

<sup>5</sup> The Insolvency Licensing Committee considered this case in February 2017, application for review of the decision was requested and dismissed, then an application for appeal was struck out in November 2018. The original decision of the Insolvency Licensing Committee to withdraw <IP's name removed>'s licence in February 2017 stands.

## Monitoring

**Table 7: Number of authorising body monitoring visits to insolvency practitioners in 2018**

	ICAEW	ACCA	IPA	CAI	ICAS
<b>Routine</b>	<b>141<sup>6</sup></b>	<b>18</b>	<b>128</b>	<b>8</b>	<b>20</b>
<b>Targeted</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>1</b>	<b>0</b>

Targeted visits can happen for a number of reasons, for example following information received by the RPB which needs to be investigated/verified, from an order by a committee following a routine visit into a specific area, or following a number of complaints on a particular area of practice.

**Table 8: Outcomes following monitoring visits to insolvency practitioners concluded in 2018<sup>7</sup>**

	ICAEW	ACCA	IPA	CAI	ICAS
<b>Satisfactory</b>	<b>91</b>	<b>14</b>	<b>74</b>	<b>1</b>	<b>15</b>
<b>To be Confirmed</b>	<b>32</b>	<b>6</b>	<b>25</b>	<b>11<sup>8</sup></b>	<b>2</b>
<b>Further Visit - not yet carried out</b>	<b>4</b>		<b>12</b>		<b>3</b>
<b>Referral for investigation</b>	<b>4</b>	<b>2</b>			
<b>further information was requested</b>	<b>18</b>				
<b>License withdrawn</b>	<b>1</b>				
<b>License restricted</b>	<b>2</b>				
<b>Undertakings and confirmations</b>	<b>7</b>		<b>3</b>		
<b>Regulatory penalty/referral for disciplinary consideration</b>	<b>1</b>		<b>29</b>		
<b>Plans for Improvement</b>					
<b>Compliance Review/Self Certification* requested</b>	<b>8</b>				

\*Self certification is a self review carried out by insolvency practitioner on their own work, which is submitted to the RPB.

<sup>6</sup> ICAEW visits which began in 2018, 1 visit was a risk visit 140 were routine

<sup>7</sup> A visit could fall into more than one category

<sup>8</sup> 3 reports carried over from 2017

**Table 9: Sanctions following complaints in 2018**

	ICAEW	ACCA	IPA	ICAS	CAI
Warning or caution (not published)	3	0	5	0	0
Undertaking consent, agreement or fine, reprimand and fine	7	11	19	0	1
Exclusion and Fine	1	0	0	0	0
On-going into 2019		1	27	3	8

**Table 10: Complaints remaining open over 12 months**

This table shows how many complaints were open by RPB at 1<sup>st</sup> January 2019 ordered by year of when they were opened. Each RPB provides this information to IPRS quarterly in order for progression to be tracked and, when appropriate, challenged. We seek regular updates from the RPBs on complaints progression, where appropriate making recommendations for process changes and how to improve timeliness. Our reviews of these returns indicate the vast majority of complaints significantly older than 12 months the investigation of the complaint is complete; however the matter is subject to appeal or has ongoing litigation.

Body	<2014	2014	2015	2016	2017 <sup>9</sup>
ICAEW	8	13	27	42	41
ACCA	1	0	0	2	6
IPA	5	1	3	3	23
ICAS	0	0	0	0	0
CAI	1	0	0	2	5
Total	15	14	30	49	81

**Table 11: Summary of regulatory and disciplinary sanctions issued (2018)**

Body	IP	Sanction	Reason
ACCA*	<IP's name removed>	Reprimand, Fine £2000 and pay costs	SIP 16 disclosure breaches in relation to pre-appointment matters, valuation of assets, the transaction and connected party transactions.
ACCA*	<IP's name removed>	Severe reprimand, Fine £5000 and pay costs	Failure to verify directors' claims submitted to the RPS and failure to identify a self-review threat and take steps to address.
ACCA*	<IP's name removed>	Severe reprimand, Fine £5000 and pay costs	Failure to verify directors' claims submitted to the RPS resulting in payments in excess of £6,023 being paid from the National Insurance Fund.
ACCA	<IP's name removed>	Reprimand, and pay costs	Numerous issues in relation to IVA arranged without the complainant's knowledge and

<sup>9</sup> Complaints received during 2017 became over 12 months old during 2018. Figures for 2017 have been updated from the Annual Review 2017.

			breaches of SIP 3.
<b>ACCA</b>	<IP's name removed>	Reprimand, and pay costs	Acting as a liquidator when not nominated, failure to obtain approval of creditors for fees or basis of remuneration, filing inaccurate documents with Companies House, and dishonesty.
<b>ACCA</b>	<IP's name removed>	Severe reprimand, and pay costs	Failure to carry out necessary investigations into the Company's assets, failure to maintain appropriate records, failure to issue the Administrators' Statement of Proposals to creditors by 25 November 2009, failure to hold the initial meeting of creditors by 9 December 2009, and failure to send a report of the liquidation including a Receipts and Payments account to the Company's creditors and/or file it with the Registrar of Companies by 7 June 2011.
<b>ACCA</b>	<IP's name removed>	Severe reprimand, and pay costs	Failure to promptly arrange for a joint IP to be added to a bank mandate, failure to secure books and records, and failure to realise assets.
<b>ACCA</b>	<IP's name removed>	Severe reprimand, and pay costs	Failure to make adequate enquiries into the equity claimed by the debtor to exist in the property, the claim of the major creditor, and the status of the creditor as an associate of the debtor.
<b>ACCA</b>	<IP's name removed>	Severe reprimand, and pay costs	Numerous breaches of the rules of the Insolvency Act 1986 including failure to retain records and issue reports, failure to pay a dividend, failure to take action in a timely manner, and wrongful advice.
<b>ICAEW</b>	<IP's name removed>	Reprimanded, fined £2,650 and pay costs	Between 11 June 2011 and 17 April 2012 <IP's name removed> breached ICAEW Code of Ethics, in particular the fundamental principle of professional behaviour in that he failed to prevent Mr X and / or Mr Y from disclosing confidential information belonging to and / or held by 'A' PLC and / or Mr Z from disclosing confidential information belonging to and / or held by 'B' plc when he received such information, and / or subsequently distributed this to other partners within Baker Tilly Restructuring and Recovery LLP information that he should have known was confidential.
<b>ICAEW</b>	<IP's name removed>	Severe Reprimand, Fine £20,000 and pay costs	Between 31 October 2011 and 22 May 2012 <IP's name removed> asked for and received confidential information when she knew or was reckless as to whether the information was confidential.



<b>ICAEW</b>	<IP's name removed>	Reprimanded, fined £2,000 and pay costs	<IP's name removed> as supervisor of the IVA of Mr 'X' failed to issue a notice of breach in the timescale required by the terms of the IVA. <IP's name removed> repeatedly failed to reply to correspondence sent to him and his staff in connection with the breach in a timely manner.
<b>ICAEW</b>	<IP's name removed>	Reprimanded, fined £1,500 and pay costs	Between 14 July 2015 and 22 July 2016, <IP's name removed> as supervisor of the individual voluntary arrangement of Mr 'X' failed to issue a certificate of completion in a timely manner
<b>ICAEW</b>	<IP's name removed>	Severe reprimand, fined £6,600 and pay costs	On dates between 3 January 2012 and 25 April 2012 <IP's name removed> breached ICAEW Code of Ethics, in particular the fundamental principle of integrity and/or confidentiality, in that he disclosed partner of confidential information belonging to and / or held by 'Y' to partners of 'X' when he knew or was reckless as to whether the information he disclosed was confidential.
<b>ICAEW</b>	<IP's name removed>	Severe reprimand, fined £6,600 and pay costs	On 13 July 2011 <IP's name removed> received and distributed to a partner within 'X' LLP confidential information when he knew or was reckless as to whether the information was confidential.
<b>ICAEW</b>	<IP's name removed>	Regulatory penalty of £1,000	Failure to undertake an annual compliance review in accordance with Regulation 3.13
<b>IPA</b>	<IP's name removed>	Severe Reprimand, Fine £6500	Failures in relation to oversight of those acting on his behalf and failing to check the veracity of witness statements submitted to court on his behalf.
<b>IPA</b>	<IP's name removed>	Severe reprimand and Fine £5000 and pay costs	Unapproved pre-appointment fees drawn.
<b>IPA</b>	<IP's name removed>	Severe reprimand Fine £2000 and pay costs	Failure to notify all creditors of CVA proposals and then failing to consider the convenience of creditors when convening the meetings of creditors.
<b>IPA</b>	<IP's name removed>	Severe reprimand £7500 and pay costs	Failure to provide information formally requested by the Investigation Committee pursuant to Rule 4.1 of the Investigation Committee Rules.
<b>IPA</b>	<IP's name removed>	Severe reprimand and pay costs	Failure to make a prescribed part of Company's net property available for creditors.
<b>IPA</b>	<IP's name removed>	Severe reprimand, fine £1500 and pay costs	Failure to carry out income and expenditure reviews in the matter of a protected trust deed for two years despite annual reports

<b>IPA</b>	<IP's name removed>	Severe reprimand, Fine £5000 and pay costs	24 month delay in issuing termination certificate after termination. Various failings in relation to an Individual Voluntary Arrangement stemming from a failure to review the file upon appointment, drawing the cost of a variation meeting without approval, errors in the final report and a
<b>IPA</b>	<IP's name removed>	Reprimand, Fine £1500 and pay costs	Various issues in relation to the drawing of remuneration and failure to provide fee estimates and sufficient details to creditors.
<b>IPA</b>	<IP's name removed>	Reprimand, Fine £2000 and pay costs	Failure to file annual reports at Companies House contrary to s104 of the Insolvency Act 1986.
<b>IPA</b>	<IP's name removed>	Reprimand, Fine £2000 and pay costs	SIP16 disclosure breaches.
<b>IPA</b>	<IP's name removed>	Reprimand, Fine £2500 and pay costs	Breach of SIP 3.3 Scotland by failing to correctly assess the debtor's income and expenditure causing the debtor to enter into a process that was inappropriate for her circumstances.
<b>IPA</b>	<IP's name removed>	Reprimand, Fine £2000 and pay costs	Failure to collect books and records and failure to verify claims submitted to the RPS due to lack of wage and other records.
<b>IPA</b>	<IP's name removed>	Reprimand, Fine £2000 and pay costs	Wrongly sought and took steps to realise contributions in an Individual Voluntary Arrangement. Allowed an inaccurate skeleton argument to be submitted to court.
<b>IPA</b>	<IP's name removed>	Reprimand, Fine £1500 and pay costs	Failure to adequately monitor appointed solicitors to ensure that legal action was progressed in a timely manner.
<b>IPA</b>	<IP's name removed>	Reprimand, Fine £5000 and pay costs	Failure to respond to correspondence and file an annual progress report pursuant Rule 4.49C of the Insolvency Rules 1986.
<b>IPA</b>	<IP's name removed>	Reprimand, Fine £1000	SIP 16 disclosure breaches in relation to valuation of assets and failure to issue the Administrator's proposals within eight weeks as required.
<b>IPA</b>	<IP's name removed>	Reprimand, Fine £2500 and pay costs	Failure to notify all creditors of Individual Voluntary Arrangement proposals and failure to respond to the complainant's concerns.

<b>IPA</b>	<IP's name removed>	Reprimand, Fine £2000 and pay costs	Failure to carry out adequate conflict checks and then failing to consider or advise on how the perceived conflict would be managed.
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\*ACCA practitioner sanctions have been handed down by IPA committees as per the collaboration referred to in the overview

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# Annex 2: Complaints Gateway Statistics

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Statistics for complaints received via the Gateway do not include complaints generated through monitoring visits by the RPBs and those arising from SIP1 and SIP16 monitoring.<sup>10</sup>

**Table 12: Number of complaints received (1<sup>st</sup> January 2018- 31<sup>st</sup> December 2018)**

	<b>Complaints received in month<sup>11</sup></b>	<b>Complaints referred in month</b>	<b>Complaints rejected in month</b>
<b>Jan</b>	82	6	5
<b>Feb</b>	68	16	9
<b>Mar</b>	71	33	13
<b>Apr</b>	68	32	16
<b>May</b>	72	43	17
<b>Jun</b>	67	21	29
<b>Jul</b>	87	33	9
<b>Aug</b>	68	32	19
<b>Sep</b>	56	42	9
<b>Oct</b>	70	50	13
<b>Nov</b>	65	43	11
<b>Dec</b>	56	30	17
	<b>830</b>	<b>381</b>	<b>167</b>

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<sup>10</sup> SIP1 covers the fundamental principles and reporting requirements for insolvency practitioners about their peers.

<sup>11</sup> 262 complaints were closed by the Gateway, this is often as a result of requesting further information or evidence and receiving no response from the complainant.

**Table 13: Complaints referred by subject matter<sup>12</sup>**

Complaint heading	Number of complaints <sup>13</sup>	% of complaints referred
Communication breakdown/Failure	91 (18)	21%
Sale / dealing with assets	12 (4)	3%
Remuneration	12 (2)	3%
Misconduct / irregularity at creditors meetings	5 (1)	1%
Delay in dividend payment	2	Below 1%
SIP 2	3	Below 1%
SIP 3	147 (3)	34%
SIP 8	0	0
SIP 9	0	0
SIP 16 / pre-packs	4	Below 1%
Conflict of interest	12 (2)	3%
Professional competence and due care	81 (10)	19%
Professional behaviour	28 (6)	6%
Objectivity	0	0
Integrity	16 (2)	4%
Confidentiality	1	Below 1%
Misleading marketing/Advertising	0	0
Commission payments	0	0
Other	15	3%
<b>Total</b>	<b>429 (48)</b>	<b>100%</b>

**Table 14: Number of complaints referred by insolvency procedure**

Insolvency type	Number of complaints	% of complaints
Individual voluntary arrangement (IVA)	204	54%
Liquidation	45	12%
Bankruptcy	75	20%
Administration	39	10%
Company voluntary arrangement (CVA)	5	1%
Trust Deed	11	3%
Sequestration	2	Below 1%
Other	0	0
<b>Total</b>	<b>381</b>	<b>100%</b>

<sup>12</sup> The number of referrals by subject is higher than the total number of complaints referred as a complaint may cover a number of issues.

<sup>13</sup> In July 2017, we introduced the option to record a primary referral basis and a secondary referral basis for each complaint. The amount of those that were the secondary referral basis are in brackets.

**Table 15: Number of complaints by complainant type**

Complainant type	Number of complaints	% of complainants
Debtor	214	63%
Creditor	2	0.5%
Company Director	65	17%
Insolvency Practitioner	38	10%
Debtor's spouse	5	Below 1%
Employee	5	Below 1%
Shareholder	11	3%
Other <sup>14</sup>	40	10%
<b>Total</b>	<b>381</b>	<b>100%</b>

**Table 16: Number of complaints referred to the authorising bodies**

Authorising body (number of appointment taking IPs at 1/1/19)	Number of complaints referred	% of complaints referred
ICAEW	113	30%
IPA	251	66%
ACCA	12	3%
ICAS	5	1%
CAI	0	0
<b>Total</b>	<b>381</b>	<b>100%</b>

**Table 17: Reasons for rejecting the complaints**

Complaint heading	Number rejected
Conduct over 3 years old	9
Complaint about the effect of the insolvency procedure	145
Complaint about a commercial matter	3
Directors conduct report confidentiality	2
Other	8
<b>Total</b>	<b>167</b>

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<sup>14</sup> This number includes complaints made by debt advisors as well as friends and family (other than spouses) of the debtor. The data collected in 2019 will include the complaint types 'debt advisor' and 'debtor's friend/family' to reflect this and hopefully reduce the number of complaint types marked as 'other'.

**Table 18: Reasons for closure of complaints**

	<b>Number closed</b>
Asked to complain to the IP	22
No response to request for information	186
Not a complaint about an IP	29
Already been through the complaints process	8
Other <sup>15</sup>	17
<b>Total</b>	<b>262</b>

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<sup>15</sup> This number includes 2 complaints about IPs who had unfortunately since died. It also includes complaints that were withdrawn by the complainant and complaints that were regarding insolvencies outside the UK. The closure reasons for 2019 have been updated to include 'complaint withdrawn' and 'not in UK' to reflect this.