



The Insolvency
Service

2016 Annual Review of Insolvency Practitioner Regulation

Produced by: Insolvency Practitioner Regulation Section

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1. Overview

This review:

- summarises the regulatory activities of both the Insolvency Service and the Recognised Professional Bodies (RPBs) in 2016.
- collates statistical information provided by the RPBs on authorisations, monitoring visits, complaints and disciplinary sanctions (see Annex 1).
- provides statistical information on the performance of the [Complaints Gateway](#) (see Annex 2).
- summarises monitoring activities and findings.

Review of the regulatory system

The last year saw significant changes to the regulatory framework with the number of bodies which licence and regulate insolvency practitioners reducing from eight to five. It was the first year where new powers were available to the Insolvency Service to sanction RPBs if appropriate, but those powers only apply to conduct after October 2015, so have yet to be tested. We have completed our round of full monitoring visits to the RPBs, assessing and reporting on their compliance with the [Memorandum of Understanding](#) and are now moving towards a number of risk based themed reviews with an outcomes-based focus in line with best regulatory practice. The outcome of these reviews will enable us to test the effectiveness of the regulatory system.

Our review into how complaints about insolvency practitioners are handled led to a number of recommendations to the RPBs designed to improve confidence in the process. That exercise also led to significant revisions to the [guidance](#) used by the RPBs in reaching disciplinary outcomes to ensure more appropriate and consistent outcomes.

Work on further reviews is well under way and we expect these to continue over the next two years alongside other key work outlined in this report.

Individual Voluntary Arrangements (IVAs)

Regulation of the IVA sector is under growing scrutiny following changes in the market place, the administration of a large IVA provider (Varden Nuttall Limited) and general concerns around the volume IVA business model and developments in practice. While volume IVA providers are not a new phenomenon, there has been increasing consolidation in this sector coupled with a rise in IVA numbers dealt with per individual insolvency practitioner.

The Insolvency Service is working with the profession to tackle some of these concerns; for example, through changes to guidance on monitoring and protections

for client funds, and also a review of insurance arrangements. We are also engaging with stakeholder groups to better understand their concerns and how these may be tackled. We expect that this will be a key focus of our work for the coming year.

2. Regulatory framework

The formal ending of insolvency practitioner licensing by the Law Society of England and Wales, the Law Society of Scotland and of direct licensing by the Secretary of State has significantly reduced the number of insolvency regulators. Effective collaboration between the Insolvency Service and the remaining RPBs led to a smooth handover of responsibilities. The remaining five RPBs are:

Institute of Chartered Accountants in England & Wales (ICAEW): www.icaew.com

Insolvency Practitioners Association (IPA): www.insolvency-practitioners.org.uk

Association of Chartered Certified Accountants (ACCA): www.accaglobal.com

Institute of Chartered Accountants of Scotland (ICAS): www.icas.com

Chartered Accountants Ireland (CAI): www.charteredaccountants.ie

In a further development, with effect from 1 January 2017, the ACCA are collaborating with the IPA which will see all of ACCA's regulatory functions, except for the initial authorisation of new insolvency practitioners, consolidated with those of the IPA. Insolvency practitioners licensed by ACCA will therefore be subject to the complaints and monitoring procedures, including the disciplinary processes, of the IPA.

2.1 Memorandum of Understanding

Given the introduction of statutory objectives, we have continued to explore with the RPBs whether it would be appropriate to end the Memorandum of Understanding (MoU) which has governed the relationship between the RPBs and the Secretary of State as oversight regulator. We propose to withdraw the MoU as soon as is reasonably feasible, subject to working through some final details. To assist the RPBs in complying with the statutory objectives, we will be adding to the existing [guidance](#) on the regulatory objectives and sanctions published in December 2015. The guidance will set out more detailed examples of regulatory practice which will be taken into account when considering whether or not a RPB is meeting the objectives. Our general approach will be one of comply or explain, since the RPBs may act in other ways which still comply with the regulatory objectives.

3. Regulatory Activities

This section summarises the Insolvency Service's monitoring work during 2016, including the outcomes from visits to the RPBs, other reviews, and the handling of complaints.

3.1 Monitoring visits to the RPBs

We carried out one full monitoring visit, one targeted visit and two follow-up visits in 2016 and those reports are published on our website.

IPA full monitoring visit

A full monitoring visit to the IPA took place in May 2016 and a report was [published](#) in August.

In summary, the IPA had strong controls in place across most of its processes. Some weaknesses were identified around the authorisation process, in particular the lack of checks being carried out by the IPA with the other RPBs for new licence applications, which the IPA should address.

Whilst a formal follow-up visit is not considered necessary, more recent engagement has identified that the IPA has implemented or made progress towards implementing all of the recommendations made. In particular it is now carrying out checks with all of the other RPBs upon receipt of new licence applications.

ICAEW follow up visit

A follow-up visit to ICAEW took place in February 2016 and a report was [published](#) in April.

The ICAEW had implemented all of the recommendations from the 2015 monitoring visit. Two further recommendations were made in respect of authorising insolvency practitioners, both of which have since been implemented. Significant changes in the Professional Conduct Department had become embedded, with complaints being progressed more efficiently and fewer delays in case progression. The recruitment of a dedicated senior manager for insolvency complaints had improved consideration of complaints by bringing additional technical knowledge and experience to case reviews, and a further layer of consideration of the merits of a case at each stage of a complaint.

Complaints were found to be addressed much more quickly under the revised system. There was some evidence of minor delays in case progression in the final months of 2015 due to a lack of resources, which ICAEW addressed by recruiting a new full time case manager.

ACCA follow up visit

A further follow-up visit to ACCA took place in April 2016 and a report was [published](#) in August.

Overall, the ACCA had made further progress in improving its complaint handling process and was acknowledging all complaints within the required timescales.

From the start of 2016, the ACCA had introduced a new Consent Order Regime, which enables it to consider allegations which are not sufficiently serious to warrant referral to its Disciplinary Committee.

It was evident that ACCA had made progress in addressing concerns around the consideration of unsatisfactory monitoring visits. There was a more detailed record of the decisions made, which are reviewed independently. We did, however, make some recommendations that we believe will help enhance the degree of independence in that process.

ACCA targeted visit

A targeted monitoring visit to ACCA's authorisation function took place in February 2016. The visit was carried out as a result of concerns identified in relation to the process by which insolvency practitioners are authorised by the ACCA. The report was [published](#) in August 2016.

A number of concerns were identified around the overall authorisation process and as a result we recommended changes to improve the effectiveness of ACCA's authorisation procedures.

3.2 Themed Reviews

Following the introduction of the regulatory objectives and completion of a round of monitoring visits (including follow-up work) to each of the RPBs, we have been undertaking a number of themed reviews across all the bodies to assess the effectiveness of the regulatory system. These reviews will continue over the coming years and will help to inform whether to exercise the power to introduce a single regulator in place of the current system.

Bonding of insolvency practitioners

Following an initial review of statutory insurance arrangements for insolvency practitioners, a [call for evidence](#) was published, which closed in December. We appreciate the 35 responses received from a cross section of the insolvency profession and interested parties, which are being considered. A summary of responses will be published in due course and it is likely that any proposals for legislative change will be subject to detailed consultation later this year.

Complaints handling

A review of the handling of complaints about insolvency practitioners by the RPBs was completed and a report [published](#) in September, which made the following recommendations:

1. The RPBs should ensure that information is sought from the insolvency practitioner in respect of complaints received unless there is a justified reason not to do so. This began with effect from September 2016.
2. The RPBs enter into discussions with the Insolvency Service to consider the feasibility of a mechanism whereby compensation can be paid to the complainant by the insolvency practitioner where they have suffered inconvenience, loss or distress as a result of their actions.
3. RPBs experiencing particular issues in progressing cases to discuss with the Insolvency Service their plans for ensuring timely progression of complaints.

Compensation discussions with the RPBs commenced in February 2017.

Disciplinary outcomes - Common Sanctions Guidance

A review of guidance to inform disciplinary decisions against insolvency practitioners was undertaken in collaboration with the RPBs. Revisions came into effect from 1 November, which apply to cases (including new complaints) considered by the RPBs from that date.

Those changes aim to ensure a more consistent approach to applying the guidance across the bodies and to provide the RPBs' own committees with a framework within which to base a proportion of a financial sanction on the level of fees taken by the insolvency practitioner.

Monitoring and regulation of insolvency practitioners

In November, we commenced a review into how the RPBs carry out the monitoring and regulation of their insolvency practitioners. The review will consider:

- The process and risk assessment of the RPB's monitoring processes.
- The monitoring of volume IVA providers.
- Consistency of outcomes including publicity of sanctions and regulatory action.
- The extent to which independence is maintained between membership and regulatory functions.
- The financial capability of the RPBs.

We expect to report on the outcome of the review within 12 months.

Fees charged by insolvency practitioners

A review has also begun into the approach of the RPBs in implementing the regulatory objective to encourage a profession which delivers services at a fair and reasonable cost. The review will encompass RPB activity in assessing insolvency practitioner compliance with the requirement to provide an up-front estimate of fees for creditors' approval in certain types of insolvency cases. We expect to report on the outcome of this review by the end of the year.

3.3 Pre-pack administrations

Monitoring of Statement of Insolvency Practice 16 (SIP 16)

From 1 November 2015, responsibility for monitoring insolvency practitioners' SIP 16 disclosures passed from the Insolvency Service to the RPBs. During the period 1 November 2015 – 31 December 2016, it was agreed that the RPBs would review each SIP 16 disclosure they received and would continue to review each disclosure going forward until advised otherwise. A summary of the number of disclosures each RPB received during this period and the outcomes is shown below. These outcomes have not been moderated by the Insolvency Service.

Table 1: SIP 16 Monitoring by the RPBs (1/11/15 -31/12/2016)

RPB	SIP 16 statements received	SIP 16 statements reviewed	Wholly Compliant statements	Non-compliant statements	% Compliant	Regulatory Action
ICAEW	219	219	86	133	39	0
IPA	146	145 ¹	132	13	91	2
ACCA	23	20 ²	15	5	75	1
ICAS	12	12	12	0	100	-
CAI	5	5	3	2	60	0
TOTAL	405	401	248	153	62	3

The above table shows that out of a total of 385 SIP 16 statements reviewed, 232 were found to be wholly compliant with SIP 16, representing approximately 62% of the total. Information provided by the RPBs indicates that for the vast majority of non-compliant statements, the breach was not deemed to be serious and was merely of a technical nature.

The review of pre-pack administrations conducted by Teresa Graham made a number of recommendations in respect of connected party pre-pack deals. As a result, RPBs collected information about each sale including whether it involved a

¹ At the time of the report 1 statement had yet to be reviewed by the IPA

² At the time of the report 3 statements had yet to be reviewed by ACCA

connected party transaction and whether a viability review on the new company had been carried out. This information is summarised in the table below.

Table 2: Analysis of pre-pack administrations (1/11/15 -31/12/2016)

Information collected	Number of pre-packs
Sales to connected parties	192
Marketing activities carried out by the administrator	290
Deferred consideration	180
Viability review	37
Referrals to the Pre-pack Pool	53

Pre-pack Pool

As at 31 December 2016, there have been a total of 53 referrals to the Pre-pack Pool. Of these, 48 received a positive outcome. The Insolvency Service will carry out an evaluation of the full package of measures introduced following the Teresa Graham report in due course. This will contribute to any future ministerial decisions on whether or not to make regulations to create further restrictions on connected party pre-packs. The Pre-pack Pool has [published](#) its Annual Review for 2016.

3.4 Complaints Gateway

In 2016, the Gateway received 847 complaints. Of these, 456 were referred to the RPBs and 247 were rejected. 144 complaints remain on hold whilst the Gateway seeks further information from the complainant.

Further improvements have been made to the initial assessment process undertaken by the Gateway. Complainants are now required in the vast majority of cases to have raised the matter of concern with the insolvency practitioner in the first instance before the complaint will be considered by the Gateway. Thirteen complaints were rejected for this reason and to date only two complainants³ have returned to the Gateway having been unable to resolve the matter with the insolvency practitioner.

Annex 2 provides further statistics on the operation of the Gateway.

3.5 Complaints about RPBs

As oversight regulator, we will investigate complaints about the RPBs. Many of these complaints take the form of dissatisfaction with RPB decisions and outcomes. In general, we can only consider whether an RPB has failed to follow its own

³ As at 31 January 2017

procedure, whether that procedure is adequate and meets agreed standards or has acted unfairly in dealing with a complaint or reaching a decision.

Table 3: Complaints received about RPBs (2016)

Authorising Body	Complaints received / carried forward	Upheld	Partially upheld	Rejected
ICAEW ⁴	8 ⁵	0	0	6
ACCA	5	2	2	1
IPA ⁶	4 ⁷	0	0	3
CAI	1	0	0	1
ICAS	0	-	-	-

Complaints upheld against RPBs

ACCA

One complaint against ACCA was upheld as it failed to properly consider all matters raised by the complainant, including the main allegation in the complaint which was omitted. The complainant was not provided with a full explanation of why this matter was not investigated and in failing to consider this point ACCA did not demonstrate a full understanding of the complaint.

A separate complaint against ACCA was upheld on the basis that there were delays in dealing with the complaint and the complainant was led to believe that his complaint was being considered but was then advised that it had been closed without being given any satisfactory explanation. ACCA has changed its complaints process since this complaint to avoid a similar issue reoccurring.

One further complaint was upheld, and two complaints partially upheld, in connection with ACCA's policy not to identify its independent assessor. In addition to the failure to name the assessor, in one case the assessor's report was in our view not adequate and did not address any of the complainant's concerns. It was also communicated to the complainant in a way which undermined the transparency and independence of the process. In a second case, the report by the assessor was undated and unsigned, undermining confidence in the process. In the complaints partially upheld, we did consider ACCA's handling of the investigation to be in line with its procedures. Whilst we continue to disagree with ACCA over this issue, it will largely be resolved going forward as a result of ACCA's collaboration with the IPA.

⁴ Two cases are on-going

⁵ Two cases carried forward from 2015

⁶ One case is on-going

⁷ One case carried forward from 2015

4. Regulatory Developments

4.1 Better Regulation

We prepared the first Business Impact Target return in May 2016, which was positively received by Regulatory Policy Committee. We continue to engage with BEIS on the Small Business Appeals Champion and Growth Duty, and will work with colleagues following on from the recent [consultation](#) on both of these measures.

4.2 IVA Standing Committee

The IVA standing committee continues to meet three times a year with the Insolvency Service chairing and leading on a number of projects. The standing committee published a revised [IVA protocol](#), which took effect from October 2016. The committee has begun the process to rotate membership to ensure all parts of the sector are represented.

4.3 Joint Insolvency Committee

We continue to participate as a member of the Joint Insolvency Committee to introduce revised and updated standards to reflect both changes to the legislation and insolvency practice. This included issuing a revised [Statement of Insolvency Practice](#) covering the disposal of assets to connected parties in insolvency process (SIP 13), and working on revisions to the processes for meetings, proxies and decision making following the modernisation of the [Insolvency Rules](#) which take effect on 6 April 2017. A consultation on revisions to the Code of Ethics for insolvency practitioners is expected to be launched in the Spring.

4.4 Joint Insolvency Examination Board

We have supported the work of the Joint Insolvency Examination Board (JIEB) and the RPBs to update the structure of the JIEB exam format following the introduction of specialised authorisation.

Following the introduction of partial authorisation, the RPBs have issued a total of 11⁸ licences to practitioners wishing to practice personal insolvency only.

⁸ 10 licenses issued by the IPA and 1 issued by ICAS

Annex 1: Regulatory and Disciplinary Statistics

The following tables provide statistical information on the performance of the RPBs and the Complaints Gateway and these figures are used by us in assessing risk and in deciding on our monitoring and regulatory activities for the coming year.

Authorisations

Table 4: Number of insolvency practitioner authorisations (2016-2017)

	ICAEW	IPA	ACCA	ICAS	CAI	Total
IPs at 1 January 2016	770	567	136	96	44	1,643
Appointment takers	580	470	127	82	41	1,328
IPs at 1 January 2017	788	567	109	98	44	1,606
Appointment takers	610	472	103	77	41	1,303

Table 5: Insolvency practitioner licences revoked

RPB	Date	IP	Reasons
ICAEW	28/1/16	<IP's name removed>	Failing to comply with regulations stating at all times he conduct insolvency work with integrity and objectivity and that he maintains an appropriate level of competence in the conduct of appointments and because his authorisation to practice at this time was likely to be prejudicial to the public interest.
ICAEW	6/6/16	<IP's name removed>	No longer a fit and proper person to act as an insolvency practitioner because he misappropriated funds from insolvency cases.
ICAEW	1/6/16	<IP's name removed>	Failed to maintain proper control over estate accounts for which he was responsible resulting in the inappropriate

			payment out of £5,000,000 of estate money, causing loss to creditors and debtors.
IPA	15/4/16	<IP's name removed>	Ceased to be a fit and proper person to act as an insolvency practitioner because he had drawn a substantial sum of money from numerous estates and applied these for personal use.
IPA	30/6/16	<IP's name removed>	Cessation of licence as a result of the making of a bankruptcy order against her.
ACCA	11/8/16	<IP's name removed>	Suspension of licence for a period of eighteen months in order to protect the public.

Monitoring

Table 6: Number of authorising body monitoring visits to insolvency practitioners⁹

	ICAEW	IPA	ACCA	ICAS	CAI
Routine	125	134	32	26	11
Targeted	2¹⁰	11	7	2	1

Table 7: Outcomes following all monitoring visits to insolvency practitioners concluded in 2016

	ICAEW	IPA	ACCA	ICAS	CAI
Satisfactory	103	117	24	22	2
To be confirmed / decision not finalised	-	16	3	2	3
Further visit - not yet carried out	1	1	6	2	2
Further visit carried out – no further action	-	-	-	2	-
Referral for investigation	4	4	5	-	-
Licence withdrawn	4	1	-	-	-
Licence restricted	2	2	-	-	1

⁹ These are full on site visits to practitioners

¹⁰ These were risk assessed visits as opposed to those ordered by a Committee

Undertakings	1	-	-	-	5
Confirmations	19	-	-	-	-
Regulatory penalty/referral to licensing committee	-	-	1	-	1
Plans for Improvement	-	1	4	-	-
Compliance Review/Self Certification requested	19	3	-	-	1

Table 8: Sanctions following complaints in 2016

	ICAEW	IPA	ACCA	ICAS	CAI
Warning, caution or rest on file (not published)	8	24	15	-	-
Consent Order – reprimand and / or fine	9	15	1	-	-
Exclusion and Fine	-	-	-	-	-

Table 9: Complaints remaining open over 12 months

RPB	>2011	2011	2012	2013	2014	2015
ICAEW	1	-	5	15	27	90
IPA	-	-	3	6	5	22
ACCA	1	1	1	1	5	1
ICAS	-	-	-	1	-	-
CAI	-	-	-	1	-	2

Table 10: Summary of regulatory action and disciplinary sanctions issued (2016)

RPB	IP	Sanction	Reason
ACCA	<IP's name removed>	Suspension of insolvency licence for 18 months	Necessary to do so in the public interest
CAI	<IP's name removed>	Regulatory penalty of £1,000	Omitted to obtain secured creditor consent to the extension of an administration within the time limit set down at section S76(2)(a) of Schedule B1 of the Insolvency Act 1986.
CAI	<IP's name removed>	Regulatory penalty of £2,000	Breaching the insolvency licensing regulations and guidance.

IPA	<IP's name removed>	Withdrawal of insolvency licence	Ceased to be a fit and proper person to act as an insolvency practitioner because he had drawn a substantial sum of money from numerous estates and applied these for personal use.
IPA	<IP's name removed>	Reprimand, fine of £1,500 and costs of £3,740	Breached Statement of Insolvency Practice 9 and the Ethics Code for Insolvency Practitioners when he failed to justify the costs paid to his own firm, paid a creditor without sight of sufficient supporting evidence to do so and then failed to properly address the complainant's enquiries in a timely manner.
IPA	<IP's name removed>	Severe reprimand, fine of £10,000 and costs of £6,629	Failed to cooperate with the IPA in the conduct of an investigation by not responding in a timely manner or at all and when chased for a response, failing to adhere to his promise to provide an immediate response.
IPA	<IP's name removed>	Severe reprimand, fine of £4,000 and costs of £6,629	Failed to submit annual progress reports to Companies House following his appointment as liquidator
IPA	<IP's name removed>	Reprimand, fine of £500 and costs of £1,000	Failed, for a period of 8 months, to file an annual statement of receipts and payments at Companies House.
IPA	<IP's name removed>	Severe reprimand, fine of £2,500 and costs of £1,625	Inappropriately admitted a claim for voting purposes at a S98 meeting, failed to release company papers to the successor replacement liquidator in a timely manner and failed to provide creditors with information relating to the costs of the liquidation.
IPA	<IP's name removed>	Reprimand, fine of £500 and costs of £3,640	Wrongly seeking legal costs of £615 from the debtor and £25,870 from the sale of the debtor's property.
IPA	<IP's name removed>	Reprimand, fine of £1,000 and costs of £700	Repeatedly provided incorrect information to the debtor as to the amount of a tax rebate required to be paid into the IVA.
IPA	<IP's name removed>	Reprimand, fine of £1,000 and costs of £1,800	Failing to properly acknowledge and deal with a Retention of Title claim raised by a creditor.
IPA	<IP's name removed>	Severe reprimand, fine of £1,000 and £780 costs	Failed to comply with Rule 5.18(1) of the Insolvency Rules 1986 when, despite having been advised in advance, convened an adjourned meeting at a location that was not convenient to the creditor.
IPA	<IP's name removed>	Reprimand, fine of £500 and £2,033 costs	Failed to give sufficient notice of default and the potential termination of an IVA.
IPA	<IP's name removed>	Reprimand, fine of £500 and £886 costs	Taking an unreasonable length of time to complete the debtor's IVA and by failing to communicate appropriately with the debtor.
IPA	<IP's name removed>	Reprimand, fine of £1,000 and £250 costs	Making inaccurate statements in a report to the debtor's creditors and by excessive delay in dealing with the term of the IVA concerning the effect of a greater than 10% increase in creditors' claims.

IPA	<IP's name removed>	Severe reprimand, fine of £500 and £1,500 costs	Failed to use best endeavours to verify the outstanding balances due to creditors for a straightforward consumer IVA which he knew or ought to have known were incorrect thereby misrepresenting the level of liabilities.
IPA	<IP's name removed>	Severe reprimand, fine of £1,500 and £1,608 costs	Failed to accurately report the decision taken on resolutions at a variation meeting and obtain the debtor's consent to revised modifications proposed to the debtor's IVA.
IPA	<IP's name removed>	Reprimand, fine of £5,000 and costs of £15,845	Failure to progress a Trust Deed in a timely manner in that distribution to creditors was subject to an unreasonable delay and failed to ensure that an inhibition was in place at all times.
ICAEW	<IP's name removed>	Reprimand, fine of £2,500 and costs	Did not issue a notice of breach until 12 months after being made aware that a significant creditor had not been disclosed by the debtor in her IVA proposal and whose vote at a subsequent meeting of creditors resulted in the failure of the IVA.
ICAEW	<IP's name removed>	Severe Reprimand, fine of £7,500 and costs of £3,493	Failed to comply with the Insolvency Rules 1986 in his capacity as joint administrator as he filed the administrators' proposals with the Registrar of Companies 53 months late, did not file the first six month progress report with the Registrar of Companies, incorrectly filed the final progress report with the Registrar of Companies that did not cover the correct period of the administration, and filed three annual progress reports late with the Registrar of Companies.
ICAEW	<IP's name removed>	Reprimand, fine of £4,000 and costs of £2,343	Did not explain sufficiently to the debtor prior to her approving a variation report that the lump sum payment offered in full and final settlement of her IVA may not lead to the conclusion of the IVA within a reasonable timescale as she anticipated and failed to issue a certificate of completion in a timely manner.
ICAEW	<IP's name removed>	Reprimand, fine of £3,000 and costs of £1,895	Did not explain sufficiently to the debtor that the lump sum payment offered in full and final settlement of her IVA may not lead to the conclusion of the IVA within a reasonable timescale as she anticipated and misled the debtor in a letter dated 28 June 2012 in that he stated the case would be sent to the closures team to complete the arrangement and that the process could take 3-6 months
ICAEW	<IP's name removed>	Reprimand, fine of £1,000 and costs	As supervisor of two IVAs did not issue a notice of breach notice in a timely manner
ICAEW	<IP's name removed>	Severe reprimand, fine of £10,000, an undertaking for the reimbursement of £72,000 in fees to	As trustee in bankruptcy wrongly authorised the exchange of contracts for the sale of a property when he should have known that the shortfall in the bankruptcy estate might reduce significantly with the determination of the costs

		the complainant and costs of £40,000	application the following day so that the shortfall could be funded without the sale of the property.
ICAEW	<IP's name removed>	Reprimand, fine of £1,000 and costs of £3,080	Issuing a first notification to creditors in a pre-packaged administration which did not comply with Statement of Insolvency Practice 16
ICAEW	<IP's name removed>	Reprimand, fine of £2,500 and costs of £2,480	As supervisor of and IVA failed to issue a certificate of completion in a timely manner
ICAEW	<IP's name removed>	Reprimand, fine of £3,000 and costs	Issuing a first notification to creditors in a pre-packaged administration which did not comply with Statement of Insolvency Practice 16

Annex 2: Complaints Gateway update

These statistics are for complaints received via the Gateway and do not include complaints generated through monitoring activities or intelligence received by the RPBs.

Table 11: Number of complaints received (1 January 2016- 31 December 2016)

Month	Received ¹¹	Referred	Rejected
January	72	53	19
February	92	66	26
March	73	42	31
April	74	55	19
May	66	40	26
June	72	47	25
July	63	34	29
August	54	22	32
September	78	28	10
October	81	32	16
November	74	27	8
December	48	10	6
Total	847	456	247

Table 12: Complaints referred by subject matter

Complaint heading	Number of complaints ¹²	% of complaints ¹³
SIP 3 (voluntary arrangements)	147	32%
Communication breakdown/failure	134	29%
Breach of Ethics	126	28%
SIP2 (investigations by officer holders)	13	3%
Sale/Dealing with assets	10	2%
Misconduct/irregularity at creditor meetings	10	2%
Remuneration	3	Below 1%
SIP 16/ Pre-pack administrations	3	Below 1%
SIP 9	2	Below 1%
Other	9	2%
Total	457	100%

¹¹ 144 cases from September - December were on hold as at 31 January 2017

¹² Figure is higher than total as some complaints have more than one category

¹³ Percentage may not add up to 100% as figures are rounded

Table 13: Detail of complaints relating to ethics

Type	Number of complaints
Professional competence and due care	77
Conflict of interest	30
Professional behaviour	8
Objectivity	7
Integrity	1
Other	3
Total	126

Table 14: Number of complaints by Insolvency procedure

Insolvency type	Number of complaints	% of complaints
Individual voluntary arrangement (IVA)	210	46%
Liquidation	108	24%
Bankruptcy	55	12%
Administration	49	11%
Trust Deed	19	4%
Company voluntary arrangement (CVA)	11	2%
Sequestration	3	Below 1%
Other	1	Below 1%
Total	456	100%

Table 15: Number of complaints by complainant type

Complainant type	Number of complaints	% of complainants
Debtor	245	54%
Creditor	80	18%
Company Director	29	6%
Insolvency Practitioner	24	5%
Employee	13	3%
Shareholder	7	2%
Debtors spouse	6	1%
Other	52	11%
Total	456	100%

Table 16: Number of complaints referred to the RPBs¹⁴

RPB (number of appointment taking IPs at 1/1/17)	Number of complaints referred	% of complaints referred
IPA (472)	240 ¹⁵	53%
ICAEW (610)	156	34%
ACCA (103)	44	10%
ICAS (77)	13	2%
IPS ¹⁶ (n/a)	3	Below 1%
Total	456	100%

Table17: Reasons for rejecting the complaints

Complaint heading	Number rejected
No response received from complainant to follow up request for further information	138
Not a complaint about an insolvency practitioner	47
Complainant has not raised the matter with the insolvency practitioner first	13
Already been through complaints process	8
Complaint about charge out rates	2
Other	39
Total	247

¹⁴ No complaints were received during 2017 against insolvency practitioners licensed by CAI

¹⁵ Approximately half of these complaints relate to IVAs

¹⁶ This relates to 3 complaints against insolvency practitioners licensed by the Secretary of State prior to 31 September 2016