



# Individual Voluntary Arrangements: Outcome Status 1990 – 2016 and Provider Breakdown 2017, England & Wales

### Coverage

England and Wales

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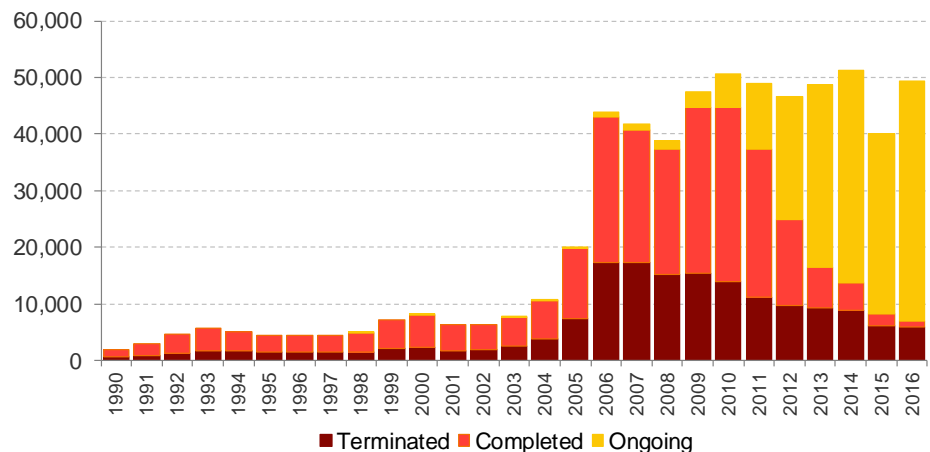
<https://www.gov.uk/government/collections/insolvency-service-official-statistics>

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

## Main messages

- The percentage of IVAs failing within the first two years has increased.
- Over 10% of IVAs registered in 2010 and 5% in 2009 were still ongoing, having started around 7 or 8 years earlier.
- Ten IVA providers accounted for over 80% of new IVAs registered in 2017.

Figure 1: IVAs by year of registration and outcome status as at 31 December 2017, England & Wales<sup>1</sup>



Source: Insolvency Service, January 2018.

<sup>1</sup> Excludes IVAs which were subsequently revoked or suspended (see notes).

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### 1. Definitions

**Individual voluntary arrangement (IVA)**

A voluntary means of repaying creditors some or all of what they are owed. Once approved by 75% or more of creditors (by value), the arrangement is binding on all. IVAs are supervised by licensed insolvency practitioners.

**Completion**

Where the supervisor has issued a certificate (“the completion certificate”) stating that the debtor has complied with their obligations under the arrangement.

**Termination (failed)**

Where the supervisor has issued a certificate (“Certificate of Termination”) ending the arrangement because of the debtor’s failure to keep to the terms of the arrangement.

**Ongoing (Current)**

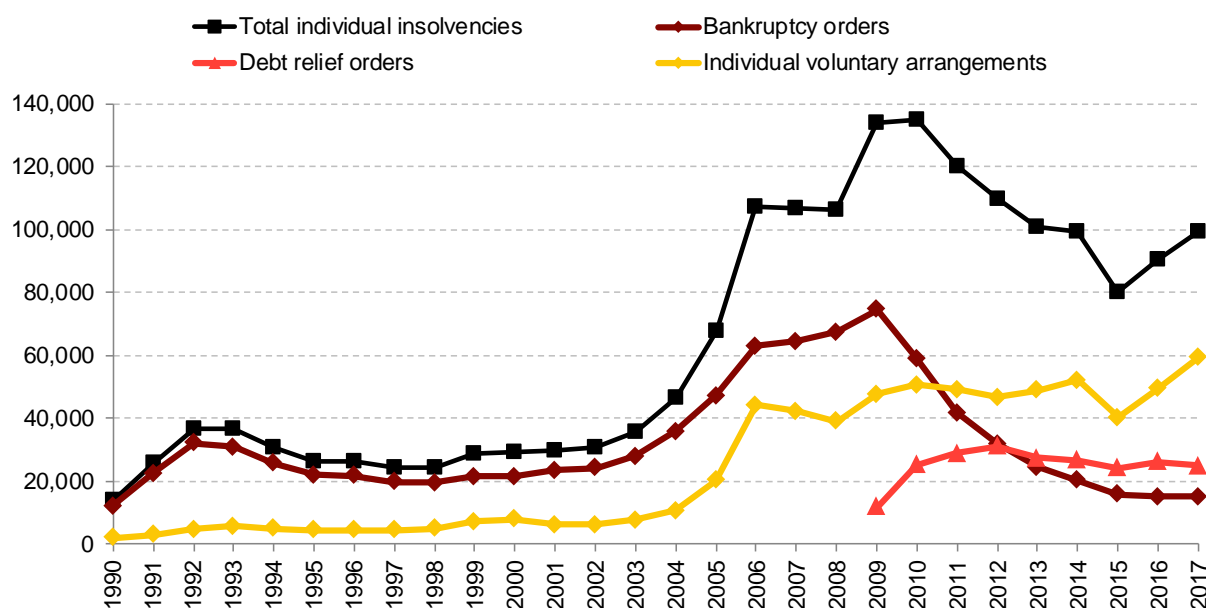
Where the arrangement is continuing.

**Revoked or suspended**

Where an application has been made to challenge the decision of a meeting approving an IVA, the court may revoke or suspend the approval or call for further meetings to be held. Notification of such action should be forwarded to the Secretary of State within 7 days of the making of the order.

## 2. Trends in IVAs registered since 1990

Figure 2. Individual insolvencies, 1990 to 2017, England & Wales



Number of new cases

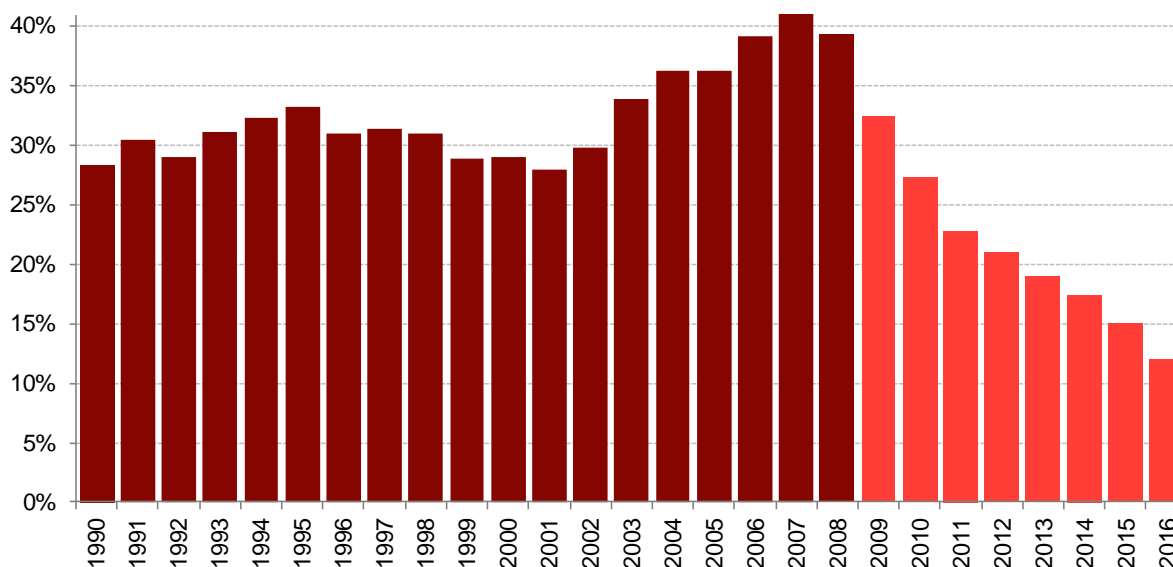
Source: Insolvency Service. Latest release: [Insolvency Statistics, October to December 2017](#).

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 2016 the level of cases was between 46,700 to 52,200 (except in 2015 when the level fell to 40,400). IVAs comprised 60% of total individual insolvencies in 2017, a much higher proportion than the period prior to 2004 (typically less than 25%).

The increase in IVAs between 2004 and 2006 coincided with high levels of advertising by companies which manage these arrangements. The reduction in 2007 and 2008 could be because of creditors rejecting IVAs with low repayment rates. In response to concerns raised, the Insolvency Service led the development of a voluntary agreement aimed at encouraging best practice and streamlining the process for straightforward consumer IVAs. This “[IVA Protocol](#)” has been in effect since February 2008 and was updated in June 2016.

### 3. Termination of IVAs

**Figure 3. Percentage of Individual Voluntary Arrangements resulting in termination as at 31 December 2018, by year of registration, England and Wales<sup>1, 2</sup>**



Source: Insolvency Service, January 2018.

<sup>1</sup> The lighter shaded bars, from 2008 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.

<sup>2</sup> Calculations exclude IVAs which were subsequently revoked or suspended (see the notes).

Between the years 1990 and 2002, inclusive, the percentage of IVAs registered each year that eventually resulted in termination was around 30%.

The percentage of terminations since followed a generally upward trend from 30% for 2002 to a peak of 41% for 2007 registrations. There is then a decline in the percentage of terminations to 27% in 2010. As at 31 December 2017, 24% of IVAs registered in 2011 were still ongoing (Table 1 below), so it is possible that the percentage of IVAs registered this year which result in termination will increase going forward.

It is not possible to make direct comparisons between termination rates for IVAs registered from 2012 onwards, and those registered before, as roughly at least half of IVAs are still ongoing for more recent registrations.

It is usual practice for IVAs to last for five or six years. However, as at January 2018 over 5% of IVAs registered in 2009 were still ongoing, having started around eight years earlier; and over 10% of IVAs registered in 2010 were still ongoing, having started around seven years earlier. There are a number of reasons why IVAs could last for this length of time, such as:

- the individual originally agreeing to an IVA that would last for this length of time;
- payment holidays or other variation of an IVA agreement which has lengthened its original duration;
- IVAs being kept open pending the outcome of a claim for compensation in relation to mis-sold payment protection insurance.

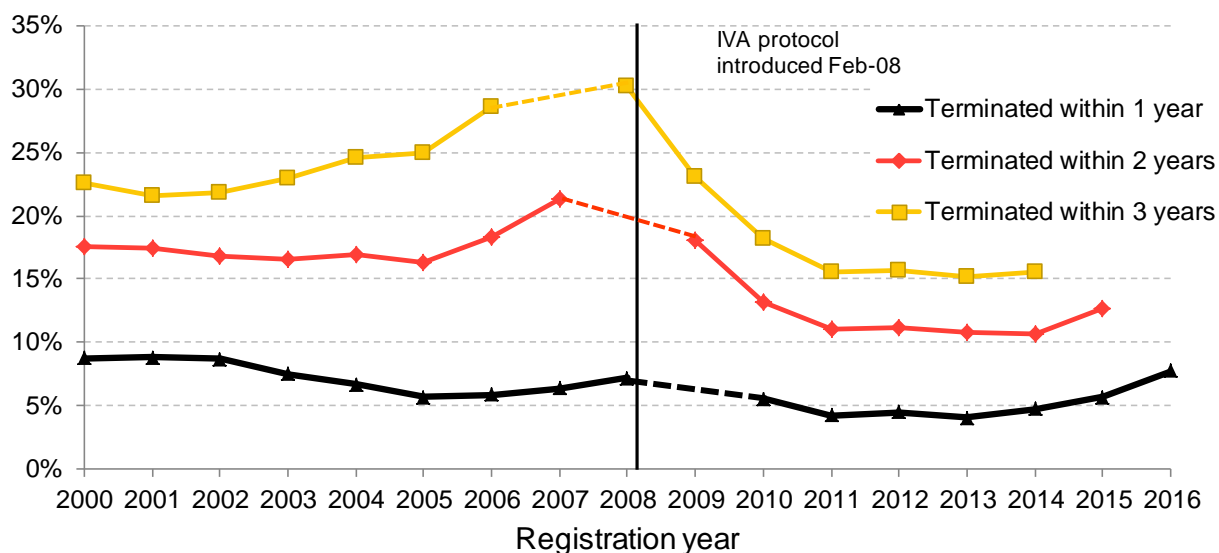
## 4. Percentage of IVAs failing within one to three years of registration

Looking at the percentage of IVAs that failed within one, two or three years of registration, comparisons can be made on a more consistent basis between registration years. Due to an extensive data matching exercise, the overall trend from 1990 onwards can now be analysed (see [comparability](#))

Current one-year IVA failure rates have risen from recent lows (4.0% in 2013) to 7.7% in 2016 (which is above the long term average). Similarly, two-year failure rates have risen from a low of 10.7% in 2014 to 12.7% in 2015 (which is below the long term average).

The previous main movement in failure rates was: one year failure rate dropping from 7.1% in 2008 to 4.0% in 2013, two year failure rates dropping from 21.4% in 2007 to 10.7% in 2014 and three year failure rates dropping from 30.3% in 2008 to 15.6% in 2014.

**Figure 4. Percentage of Individual Voluntary Arrangements resulting in termination as at 31 December 2017, by year of registration and time elapsed between registration and termination, England and Wales**



Source: Insolvency Service, January 2018. Dashed lines reflect a discontinuity in the data.

Data from 1990 is available in the published tables

**Table 1: Individual Voluntary Arrangements by year of registration and outcome status as at 31 December 2017, England & Wales<sup>1 2</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	3,375	69.0%	2	0.0%	1,515	31.0%	4,892
1999	5,108	71.1%	0	0.0%	2,073	28.9%	7,181
2000	5,634	71.0%	1	0.0%	2,303	29.0%	7,938
2001	4,514	72.0%	0	0.0%	1,752	28.0%	6,266
2002	4,403	70.2%	0	0.0%	1,871	29.8%	6,274
2003	4,989	65.9%	12	0.2%	2,570	33.9%	7,571
2004	6,688	62.4%	139	1.3%	3,887	36.3%	10,714
2005	12,484	61.9%	364	1.8%	7,308	36.3%	20,156
2006	25,834	58.8%	923	2.1%	17,211	39.1%	43,968
2007	23,496	56.2%	1,127	2.7%	17,218	41.2%	41,841
2008	22,209	57.3%	1,298	3.4%	15,235	39.3%	38,742
2009	29,433	61.9%	2,677	5.6%	15,415	32.4%	47,525
2010	30,843	61.0%	5,921	11.7%	13,838	27.3%	50,602
2011	26,213	53.5%	11,602	23.7%	11,187	22.8%	49,002
2012	15,258	32.7%	21,599	46.3%	9,743	20.9%	46,600
2013	7,169	14.7%	32,406	66.4%	9,259	19.0%	48,834
2014	4,772	9.3%	37,529	73.3%	8,921	17.4%	51,222
2015	2,197	5.5%	31,879	79.5%	6,042	15.1%	40,118
2016	1,133	2.3%	42,265	85.7%	5,922	12.0%	49,320

<sup>1</sup> 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).

<sup>2</sup> Numbers are exclusive of IVA registrations that are subsequently revoked or suspended.

Source: Insolvency Service, January 2018.

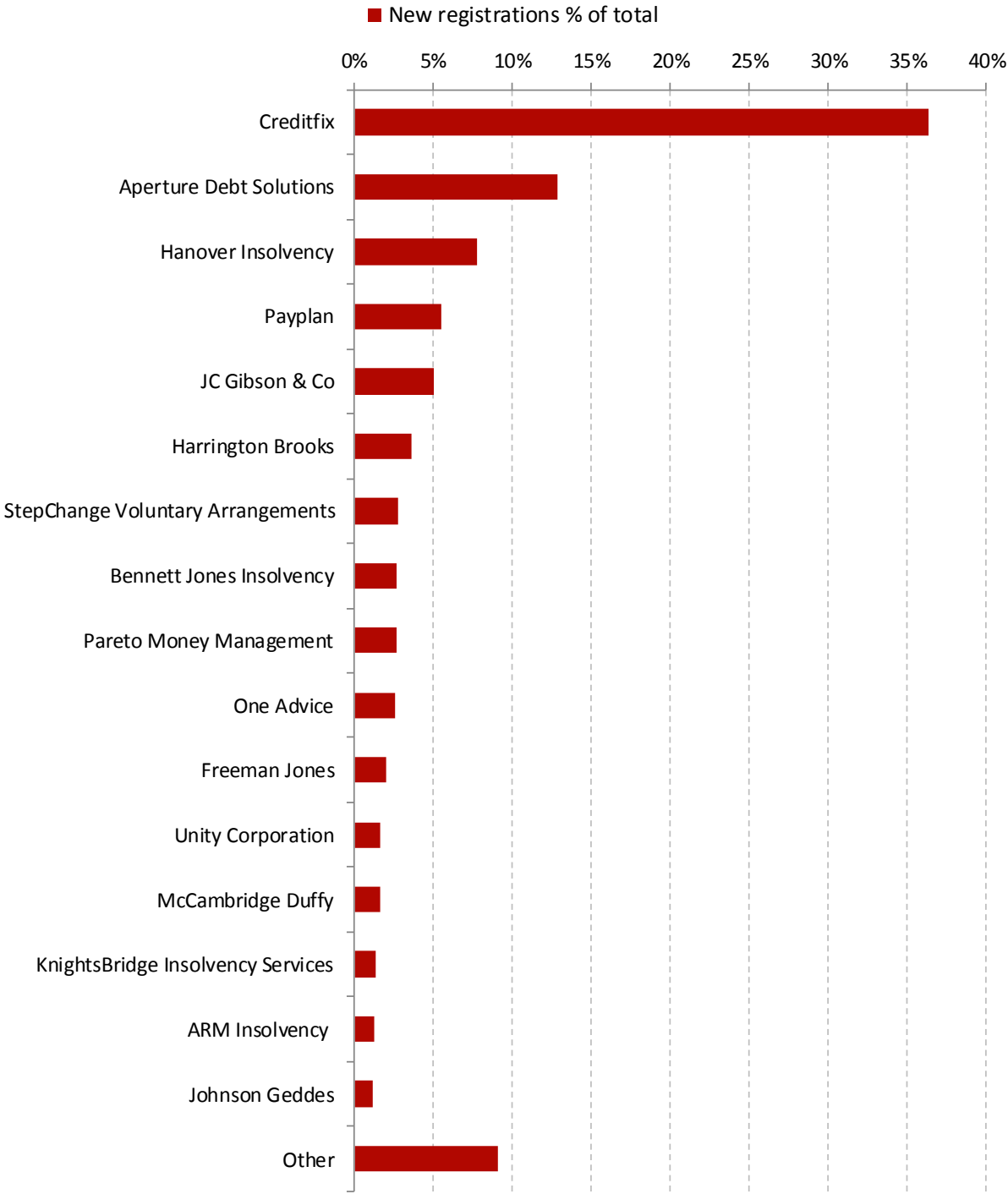
## 5. New IVA registrations by Insolvency Practitioner firm

IVAs are supervised by insolvency practitioners. Table 2 below shows a list of IVA provider firms, in descending order of IVAs registered in 2017.

**Table 2: Individual Voluntary Arrangements by top 16 provider, 2016 to 2017**

	2016		2017 p	
	New registrations	% of total	New registrations	% of total
<b>England &amp; Wales Total</b>	<b>49,417</b>	<b>100%</b>	<b>59,220</b>	<b>100%</b>
<b>Insolvency Practitioner firm (in descending order of new registrations in 2017)</b>				
1 Creditfix	19,636	39.7%	21,514	36.3%
2 Aperture Debt Solutions	3,026	6.1%	7,626	12.9%
3 Hanover Insolvency	2,966	6.0%	4,629	7.8%
4 Payplan	438	0.9%	3,248	5.5%
5 JC Gibson & Co	1,533	3.1%	2,984	5.0%
6 Harrington Brooks	288	0.6%	2,130	3.6%
7 StepChange Voluntary Arrangements	1,235	2.5%	1,621	2.7%
8 Bennett Jones Insolvency	329	0.7%	1,570	2.7%
9 Pareto Money Management	797	1.6%	1,565	2.6%
10 One Advice	5,349	10.8%	1,543	2.6%
11 Freeman Jones	172	0.3%	1,175	2.0%
12 Unity Corporation	464	0.9%	975	1.6%
13 McCambridge Duffy	1,046	2.1%	962	1.6%
14 KnightsBridge Insolvency Services	4,728	9.6%	796	1.3%
15 ARM Insolvency	0	0.0%	768	1.3%
16 Johnson Geddes	906	1.8%	720	1.2%
Other	6,504	13.2%	5,394	9.1%

**Figure 5. Percentage of new Individual Voluntary Arrangements registered by top 16 Insolvency Practitioner firms, 2017**





## 6. Notes to accompany this release

For general notes on individual insolvency statistics in England and Wales please see the quarterly *Insolvency Statistics* publication, which is the definitive source of the number of new cases each year in England and Wales, and the rate per 10,000 adults. The latest publication is at <https://www.gov.uk/government/collections/insolvency-service-official-statistics>.

### Data sources and methodology

Details of individual voluntary arrangements are sourced from administrative records held by the Insolvency Service. Extracts from these records, including registration date, current status, and the date of status change, are taken to derive the statistics. The statistics are produced from simple tabulations of the year of registration against: IVA status, and the difference (in whole quarters) between registration date and termination date.

### Quality

This section provides information on the quality of the *Individual voluntary arrangement outcomes statistics*, to enable users to judge whether or not the data are of sufficient quality for their intended use. The section is structured in terms of the six quality dimensions of the [European Statistical System](#).

### Relevance

*(the degree to which the statistical product meets user needs for both coverage and content)*

The Insolvency Service has policy responsibility for individual insolvency in England and Wales only; the extent of the coverage of these statistics reflects this.

Individual insolvency figures at national (England and Wales) level are published quarterly by the Insolvency Service as a National Statistics release. The most recent such figures relate to Q4 2017, published on 25 January 2018 at <https://www.gov.uk/government/collections/insolvency-service-official-statistics>. The annual statistics in this publication provide breakdowns of the status of IVAs by year of registration.

The Insolvency Service first published these figures in 2010, implementing a recommendation from the Insolvency Practices Council (IPC) to publish annual statistics showing the current status of IVAs set up since their introduction.

Users of these statistics include the Insolvency Service itself, which has policy responsibility for insolvency in England and Wales and for the non-devolved areas within Scotland and Northern Ireland; other government departments; parliament; the insolvency profession; debt advice agencies; media organisations; academics; the financial sector; the business community and the general public.

The statistical production team welcomes feedback from users of the *Insolvency Statistics* (current contact details are provided at the end of these Notes). More formal engagement with users has recently included a user feedback survey on Insolvency Service Official Statistics, the results of which can be found [here](#).

## Accuracy and Completeness

*(including the closeness between an estimated or stated result and the [unknown] true value)*

The latest data relate to IVAs registered in the calendar year 2016. National-level statistics covering this period were published on 25 January 2018 as part of the quarterly *Insolvency Statistics* publication – though the *Individual voluntary arrangement outcomes statistics* is not consistent with the quarterly publication (see Coherence, below).

The duration of an IVA will vary, although it is common for an arrangement to be for a 5-year period. Failure rates for IVAs registered since 2009 are not complete, because a large proportion of these IVAs have not reached their full term and are still ongoing. This means that for the most recent years, failure rates should be interpreted with caution, as should trends in these over time.

## Timeliness and Punctuality

(Timeliness refers to the elapsed time between publication and the period to which the data refer. Punctuality refers to the time lag between the actual and planned dates of publication.)

The latest data relate to outcomes of IVAs registered in the calendar year 2016. National-level statistics covering this period were published on 25 January 2018 as part of the quarterly *Insolvency Statistics* publication – though the *Individual voluntary arrangement outcomes statistics* is not consistent with the quarterly publication (see Coherence, below).

The key statistics in this publication relate to completion and failure rates at a point in time. The statistics are correct as at 04 January 2018, the date that data were extracted from the Insolvency Service's administrative records. The data could have been extracted at any other time, but waiting until January meant that early termination rates for IVAs registered in 2016 could be analysed.

There is a publication schedule for a year ahead available on the [UK National Statistics Publication Hub](#) and the statistics have always been published on target.

## Accessibility and Clarity

(Accessibility is the ease with which users are able to access the data. It also relates to the format in which the data are available and the availability of supporting information. Clarity refers to the quality and sufficiency of metadata, illustrations and accompanying advice)

The *Insolvency Statistics* are available free of charge to the end user on the GOV.UK website. They are also linked via the Publication Hub and they meet the standards required under the Code of Practice for Official Statistics and the Insolvency Service's own website accessibility policy. Related data are available at the same GOV.UK location.

This publication consists of a statistics release, which contains key results and commentary to help interpret the data, and detailed data tables in Excel format.

If you have any queries about the publication or would like it in a different format, please email [statistics@insolvency.qsi.gov.uk](mailto:statistics@insolvency.qsi.gov.uk)

## **Comparability**

*(the degree to which data can be compared over time and domain)*

These statistics were not published in 2011 due to data quality issues following a major refresh to the Insolvency Service's IT systems. IVAs registered in 2010 and earlier years had unreliable data relating to the date of “status change” – that is, the date an IVA changed its status from “ongoing” to: “completed”, “terminated”, “suspended” or “revoked”. This caused a discontinuity in the statistics showing termination rates by the amount of time elapsed since registration (Figure 4); data for 2009 and 2010 were not available on this basis. Previously, status change dates for IVAs registered in 2011 and later years have been sourced from the current IT system, with equivalent data for IVAs registered in 2008 and earlier sourced from archived data. Extracts were taken from both data sources, as they both partially included correct dates for “date of status change”. Though an extensive data matching process, we are now able to assemble an almost complete time series and analyse the results.

In 2008, the Straightforward Consumer IVA Protocol was introduced. The latest version can be found on the Insolvency Service website here: [The Straightforward Consumer IVA Protocol](#). This may have had an effect on termination rates of IVAs, because the Protocol discouraged IVA providers from setting up IVAs where a different debt solution was more appropriate.

## **Coherence**

*(the degree to which data which are derived from different sources or methods, but which refer to the same phenomenon, are similar)*

Numbers of new cases presented in these tables are not consistent with the official, headline quarterly National Statistics. This is because the IVA outcome figures have been compiled using a bespoke extract from a live database. Additionally, some IVA registrations will have subsequently been revoked or suspended, or found to have been registered in error; these are not included here.



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