

INSOLVENCY LAW REVIEW COMMITTEE

Note to Members

BANKRUPTCY STATISTICS

Some time ago, Ritchie Penny asked me to enquire of the Inland Revenue, Customs & Excise and DHSS for any statistical information about their applications for Bankruptcy Notices and Petitions which might be readily available.

An extract from Ritchie's letter, together with copies of the replies from the three Departments concerned, are attached.

*Thomas Traylor*

T H TRAYLOR  
13.7.79.



Inland Revenue  
POLICY DIVISION  
Somerset House  
London  
WC2R 1LB

Telephone Enquiries 01-438 ..... 6590

Cdr T H Traylor MBE  
Insolvency Law Department  
Department of Trade  
2-14 Bunhill Row  
London  
EC1Y 8LL

Your reference  
R29

Our reference

Date  
2 July 1979

Dear Cdr Traylor

I am sorry I have been so long in replying to your letter of 7 February 1979, particularly as the statistics we are able to furnish fall very short of those sought in the copy extract from Mr Registrar T R Perry's letter. The details we are able to offer are as follows:-

	y/e <u>28.10.77</u>	<u>27.10.78</u>
1. Bankruptcy Notices issued	1168	1519
2. Bankruptcy Petitions filed	911	835
Difference	<u>257</u>	<u>684</u>

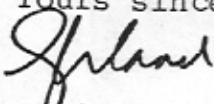
The difference represents the categories at 1(a), (b) and (c) and we are unable to provide a breakdown.

2(a) No details		
(b)	446	439
(c) No details		
(d)		
(e)	757	667
3. )		
4. )		
5. ) No details		
6. )		

Because of the method of maintaining statistics which is suited to our purposes the figures in 2. do not ~~wholly relate~~ relate to those in 1.

I am afraid that a more detailed breakdown on the lines required would be very limited and would not be justified on the grounds of time and expense.

Yours sincerely

  
G WOOD

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SOLICITOR'S OFFICE  
HM Customs and Excise  
King's Beam House Mark Lane London EC3R 7HE

Telephone 01-626 1515 ext 2426

Replied 16/3/79

Cdr T H Traylor MBE  
Insolvency Law Review Committee  
Department of Trade  
2-14 Bunhill Row  
LONDON EC1Y 8LL

Please reply to The Solicitor

Your reference

R29

Our reference

KH

Date

4th March 1979

Dear Mr Traylor

INSOLVENCY LAW REVIEW

Thank you for your letter of 7th February, enclosing the extract from Mr Registrar Penny's letter.

I attach as requested a schedule of the only relative statistics kept by the Solicitor for the Customs and Excise, which I regret does not reveal the depth of some sub-divisions listed by Mr Penny. Further enquiries of past or present casework would also not reveal most of the answers to the sub-divisions, partly because of the many HQ divisions which instruct this office to recover the different taxes, duties and penalties which the divisions alone have the power to accept, reject or amend assessments and returns even at different stages in actions or matters. For instance in respect of value added tax, assessing and accounting is accomplished by computers. Once a VAT return is received and input to the computer and assessment for that period is replaced by the returned figure and the memory-bank erased of assessed details, and no comparison can be easily made at a later date.

Further explanations follow, using Mr Penny's paragraph numbering.

1. BANKRUPTCY NOTICES ISSUED

- (a) an estimated 5% are not served,
- (b) no statistics. Some tax and duty is given up as then not worth further pursuit. An inference by comparison to petitions presented gives a rough guide to the number settled by payment or revision of figures.
- (c) No statistics.

2. PETITIONS FILED

- (a) an estimated 1% are not served,
- (b) and (d) impossible to separate - see schedule.
- (c) No statistics available.
- (e) See schedule.

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3. 4 & 5. After the granting of a Receiving Order, the papers are passed to the Board's Insolvency Division, whose records do not differentiate between petitions presented on behalf of the Commissioners, other creditors petitions and debtors own petitions. No separate records of adjudications, discharges, rescissions or annulments are preserved.

6. The estimate for 1978/79 in running a case from writ to the making of a Receiving Order (including court fees, service of document costs, accommodation costs, proportion of total staff costs for each grade, (including annual leave etc) is £328.98 per case. The estimated costs of bankruptcy proceedings alone (ie. after judgment) is £227.01 per case.

I regret that staff resources are too limited to attempt evaluation on the lines requested.

Yours sincerely

*K Hindmarsh*

K HINDMARSH

Enc.

SOLICITOR'S OFFICE

H M CUSTOMS AND EXCISE

STATISTICS

	<u>Calendar Years</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Bankruptcy Notices issued		606	1146	1116
Bankruptcy Petitions issued		369	622	679
Receiving Orders granted		261	374	485
Petitions dismissed		62	106	79



*Replied 22/2/79*

Department of Health and Social Security  
Solicitors' Office  
State House High Holborn London WC1

Telephone 01.242. 9020 ext 710

Cdr. T.H. Traylor, M.B.E.  
Secretary to the Review Committee  
Insolvency Law Review Committee  
Department of Trade,  
2-14 Bunhill Row,  
London, E.C. 1Y 8LL

Your reference R.29

Our reference SOL. B4

Date 16th February, 1979

Dear Sir,

Insolvency Law Review

Your letter of 7th February, 1979 and copy extract from Mr. Registrar T.R. Penny's letter has been referred for attention.

I am not able to produce fully a complete breakdown without a great deal of research and recall of papers.

However, we have certain statistics readily available for the year 1978, which are scheduled below:-

- |   |     |
|---|-----|
| 1. Number of Bankruptcy Notices issued:       | 408 |
| 2. Number of Petitions filed:                 | 231 |
| (a) Those not served                          | nil |
| (d) Those disbursed for other reasons:        |     |
| (i) Dismissed                                 | 107 |
| (ii) Withdrawn or abridged and dismissed      | 7   |
| (e) Those in which Receiving Orders were made | 116 |

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/3.

- 3.)
- 4.) This information is not readily available
- 5.) and would entail a great deal of research
- 6.) and recall of file papers.

I trust this information will assist you, but do not hesitate to write if you feel we can help further in any way.

Yours sincerely,

*M. D. Mares*

MISS: M. D. MARES.

Copy extract from Registrar T R Penny's letter

I have been sitting in The High Court again and meet with the Inland Revenue solicitors almost every day. I have ascertained that they file statistics of the cases they bring. I suggest we write to the three branches of Government mainly concerned with bankruptcy proceedings in the High Court, namely, Income Tax, Customs and Excise and National Insurance and ask them for such of the following statistics as are available.

- 1 Number of Bankruptcy Notices issued, sub-divided into:
  - (a) Those not served
  - (b) Those paid before petition filed
  - (c) Those otherwise not pursued, eg. unable to trace debtor or returns filed and assessment cancelled.
- 2 Number of Petitions filed, sub-divided into:
  - (a) Those not served
  - (b) Those paid before hearing
  - (c) Those paid after hearing
  - (d) Those disbursed for other reasons
  - (e) Those in which Receiving Orders are made.
- 3 Number of adjudications
- 4 Number of discharges and rescissions/annulments within 3 years, sub-divided into:
  - (a) Those paid in full
  - (b) Those discharged on assessments being reduced with or without payment of the balance
  - (c) Those discharged without payment.
- 5 Details of sums recovered as follows:
  - (a) (i) Total debts for which BN's issued
  - (ii) Total amount recovered before petition filed
  - (b) (i) Total amount for which petitions filed
  - (ii) Total amount received before RO
  - (iii) Total amount received between RO and adjudication
  - (iv) Total amount received before discharge
  - (v) Total amount credited by cancellation or reduction of assessments
  - (vi) Total amount written off as irrecoverable through death of debtor
  - (vii) Total amount written off as irrecoverable through failure of proceedings.
- 6 The total cost of taking all bankruptcy proceedings.