



## The Online Debtor Bankruptcy Portal

Beginning 6 April 2016, those who wish to do so will be able to apply for their own bankruptcy online via [www.gov.uk](http://www.gov.uk) by using an online form instead of presenting their own petition at court,

The [www.gov.uk](http://www.gov.uk) website already provides information on the different options available to assist those individuals suffering from financial difficulties.

This reform to the current system is being made to ensure that those in financial distress can act quickly in order to access the right insolvency remedy. The government cites research confirming that many are intimidated by the court application even when bankruptcy may provide them with the relief needed. It is stated that this new online application process will be easier to access than the UK's current paper application process and aims to make the process as clear and straightforward as possible.

As it currently stands, a debtor must present their own paper petition at court on the basis that they are 'unable to pay her/his debts', include a statement of affairs and pay a court fee of £180 as well as a deposit of £525 to cover the Official Receiver's fees. The court will then schedule a hearing, with many courts offering a same day service. At the hearing a Bankruptcy Order will be made provided the necessary criteria are met. The Official Receiver is then usually appointed Trustee in Bankruptcy by default.

Under the proposed online procedure, applications made will now be determined by an Adjudicator within the Insolvency Service who will make the Bankruptcy Order. Once the Order has been made, the case will be transferred to the Official Receiver in the same way as it does under the current process. The fees can be paid online when the application is made. The new adjudicator fee will be £130, replacing the current £180 court fee. Notably those who opt to pay online will have the option to pay the fee in instalments; a very much common sense approach given the financial situation of the applicant.

The above is a welcome, modern reform to a daunting process. In 2010, Debtors' Petitions accounted for just over 85% of the total applications, more than 50,000 in all. Although these figures have declined in recent years, Bankruptcy remains a much needed process to allow those with financial difficulties relief from their situation.

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