



Insolvency Practitioners Association responds to its monitoring report from the Insolvency Service

15 October 2020

As you may be aware, the Insolvency Service conducted its routine annual monitoring on the IPA in January 2020. The Insolvency Service has now published its monitoring report on the visit.

Following the transformation and modernisation programme that the IPA had commenced in 2019, the IPA was eager to demonstrate the progress that it has made and the value of the changes. The main areas of improvement are highlighted below.

Stronger Sanctions and Introduction of a Risk-Based Monitoring System

As a background to the IPA's work since January 2019, the Association has moved in the direction of more detailed scrutiny and stronger sanctions if and where required. It has also brought in a risk-based monitoring system, designed to target regulation effectively to those practitioners deemed in need of additional support, in turn raising standards more effectively. The Association has also restructured its contact time with practitioners with an emphasis on educating and sharing practical knowledge.

Development of the Volume Provider Regulation (VPR) Scheme

The IPA's Volume Provider Regulation (VPR) Scheme, which currently comprises 11 IVA providers, has so far produced encouraging results, and the IPA has confidence that the scheme has improved transparency in this area of the insolvency market. The Scheme has enabled the IPA to launch innovations such as its requirement of its VPR Scheme members to only use lead generation firms authorised by the Financial Conduct Authority (FCA). The same move is expected from the UK Government. This year we will continue to embed the scheme, concentrating on the reduction in number of low value dividends, addressing failure rates and helping volume providers to make further improvements to their advice calls.

Transformation of Complaints Handling

The IPA has particularly transformed its complaints handling in a drive to significantly improve the speed of turnover. This transformation has enabled the IPA to conclude 193 complaints in 2019, and in particular we focused our attention on closing out any complaints over 12 months old. We are pleased that the Insolvency Service has acknowledged this achievement.

Dealing with complaints often relies on complex, lengthy investigation, as well as timely contact received from the parties involved, in order to progress matters. Whilst there will always be factors beyond the Association's control that will have an impact on timelines, the IPA has expanded its complaints team and introduced new measures to ensure as quick a throughput of complaints as possible. The report, based on the January 2020 inspection, does not take account of this major development.

Redesign of Committee Structures

Internally at the IPA, its Committee structure has been refreshed, with fewer Committees, which has helped to achieve the Association's goal of quicker decision-making and more efficient regulatory outcomes.

We value our relationship with the Insolvency Service and the benefits that our alliance brings to the profession. We are encouraged by the recognition that the Insolvency Service has given to us in most areas of the report. We have already implemented most of the changes recommended in the report and look forward to completing the job by addressing the small number of remaining areas where we have been perceived to have fallen short.

Despite the recent progress that it has made, the IPA is not complacent and continues to be alert to changes in the market that require a response, as well as being open to discussion on changes to the frameworks that the Association and the profession operate within.