INSOLVENCY PRACTITIONERS ASSOCIATION

2024/25 IMPACT REPORT

President's welcome

Welcome to this report of the Insolvency Practitioners Association (IPA's) activity in 2024. We had an excellent year, with a change in CEO, significant increase in membership and a growing reputation for the effectiveness of our regulation and the quality of our training and events programme. The Board of the IPA and senior management have agreed plans and proposals for the coming year which continue to build upon these achievements.

Insolvency Practitioners (IPs) play a vital role in the UK's economy, helping to recycle capital to promote growth, and balancing the needs of creditors and debtors when individuals and companies face financial distress. It is important that IPs maintain high standards when conducting their work, and I am delighted that the IPA plays its important part in ensuring that this happens. I commend the IPA's work and encourage everyone in the sector to ensure the UK's strong reputation for good quality insolvency work is maintained.

Adrian Hyde
IPA President 2024/25
Partner, Begbies Traynor

Introduction to the IPA

The IPA is the UK's largest insolvency regulator by market coverage and the only regulator that is both solely dedicated to insolvency, and which works across the UK. The IPA is one of three Recognised Professional Bodies (RPBs) authorised by the UK Government to regulate IPs in the UK.

The IPA is also a membership organisation for IPs and those in insolvency-related work, offering a range of professional training and development for professionals at all levels of their career.

The IPA's purpose is to promote professionalism and uphold ethical standards within the insolvency profession. Through regulation, education, collaboration and advocacy, we support a community of skilled and diverse practitioners dedicated to achieving fair and effective resolutions for individuals and organisations facing financial distress.

As a leading authority regulating the insolvency profession across the UK, the IPA's mission is to set and uphold the highest standards of ethical conduct, competence and accountability in the sector, protect the interests of the public and all stakeholders involved in the insolvency process. We aim to ensure fair, transparent, proportionate, timely and robust regulation via rigorous oversight, collaboration and continuous improvement.

The IPA's priorities

To provide fair, consistent regulation to the insolvency sector by applying agreed standards and taking reasonable action in the event of non-compliance

To provide high-quality training, events and exams in insolvency and Anti-Money Laundering (AML) across the UK

678

Insolvency Practitioners were licensed by the IPA, representing

45%

of all UK practitioners.

81

firms providing insolvency services were members of the IPA.

We provided 17 events to share knowledge and provide training and CPD, with over

1,850

attendees.

We supported

198

candidates taking the IPA's insolvency exams.

We made

227

recommendations to Insolvency Practitioners in advisory notices to help them improve their practice.

We conducted

227

inspections of Insolvency Practitioners.

We responded to and, where appropriate, investigated

118

complaints.

ONE

restriction on an Insolvency Practitioner's licence to practice was issued due to their non-compliance with national standards.

IPA regulation

The IPA undertakes its regulatory responsibilities in three ways: through inspections, by handling complaints about IPs, and by working with larger 'volume' providers of Individual Voluntary Arrangements (IVAs) to ensure compliance as part of a specific scheme. We also have responsibility for AML which is a separate area of our work. The following sections of this report cover each of these areas in turn.

In carrying out our regulatory responsibilities, the IPA works in partnership with:

- UK government agencies responsible for oversight of the insolvency profession in their jurisdictions, including the Insolvency Service, Accountant in Bankruptcy (in Scotland) and the Insolvency Service Northern Ireland.
- The Financial Conduct Authority (FCA) which regulates many financial services and the debt advice sector.
- The Office for Professional Body Anti-Money Laundering Supervision (OPBAS) which supervises the IPA's work as an AML Professional Body Supervisor (PBS)
- The Advertising Standards Authority which regulates advertising across the UK.

Inspections

The IPA adopts a risk-based approach to regulate IPs. This ensures we target our resources where they are most needed to ensure compliance, reducing the regulatory burden on compliant IPs. As such, low-risk IPs may receive a formal inspection only every six years, whereas IPs judged to be high risk are continuously monitored. In this way, the IPA works more efficiently to raise standards across the profession.

This risk-based monitoring includes:

- Reviewing policies and procedures
- Assessing the adequacy of controls and identifying any potential risks
- Ensuring IPs are adhering to all legal and regulatory requirements
- Focusing on inherent risks identified from appointment profiles, results of prior monitoring, complaints history and other intelligence

In 2024, we conducted 150 routine visits of IPs with different risk profiles, and six visits which we targeted at higher-risk IPs. A further 51 visits were scheduled to take place early in 2025. In 124 cases, a satisfactory report was given to the IP. We scheduled second visits in eight cases and initiated ongoing monitoring of a further eight IPs. We issued 128 advisory notices to IPs identifying areas for improvement. In two cases, we issued warnings to IPs and in one case we imposed a restriction on the IP's licence to practice. In 15 cases, we agreed consent orders with the IP to help ensure improvements in standards were made.

Complaints

In 2024, the IPA received 152 complaints about IPs through the Insolvency Service's Gateway, in addition to the 109 complaints already being processed on 1 January 2024. We are committed to responding to complaints within 3-6 months, investigating complaints where necessary, though more complex cases can take longer. This is particularly so if cases are taken to a Disciplinary Tribunal.

In 2024, we processed and responded to 118 complaints in-year, with 45% of these concluded within six months. As of 1 January 2025, there were 23 complaints open for over 12 months, up from 19 the previous year.

We issued four formal warnings to IPs in 2024, with reprimands or fines issued through formal consent orders in a further 20 cases. There were no appeals of our decisions in 2024, nor complaints about our decisions to the independent Reviewer of Complaints.

79%

of IPs inspected in 2024 received a satisfactory inspection report.

35

consent orders were agreed with IPs in order to help raise standards.

SIX

formal warnings were issued to IPs in 2024.

Figures stated in this section are non-volume sector.

Issues arising from inspections and complaints

Our regulatory activity in 2024 identified the following concerns with areas of professional conduct:

Inadequate advice

Some IPs have given misleading or insufficient guidance on the suitability of options for individual circumstances, including where advice to take an IVA did not meet the standards of Statement of Insolvency Practice (SIP) 3.1.

Poor file notes

IPs have failed to record decisions that materially affect the case, in accordance with SIP 1.

Misleading advertising

Some marketing materials, including online advertisements, have misrepresented insolvency services.

Poor investigations

IPs have fallen short when looking into a company's affairs, in accordance with SIP 2. This includes weak or incomplete inquiries into directors' conduct during insolvency processes. In a few cases, there has been a failure to identify or recover assets or undertake Customer Due Diligence (CDD) in line with Regulation 30 of the 2017 Money Laundering Regulations (MLR17).

Communication failures

There have been delays in responding to creditors and debtors, and some inaccurate or unclear information.

Delays

In some cases, IPs have been slow to distribute funds to creditors or to progress cases. In other cases, IPs have been slow to submit the required progress updates and final accounts within regulatory deadlines.

Process failures

A few IPs failed to safeguard company assets, including by not securing property. In other cases, IPs have failed to adhere to approved IVA terms, or to manage potential conflicts of interest. A few IPs have not sufficiently considered submitting a Suspicious Activity Report (SAR) to the National Crime Agency (NCA) when money laundering suspicions arise.

In all such cases, the IPA communicates concerns as appropriate with the Insolvency Service and other regulators to ensure wider compliance. As a result of these issues identified in 2024, in 2025, the IPA will continue its regulatory activity, with a particular focus on the quality and documentation of investigations and compliance with SIP 2, the Proceeds of Crime Act 2002 (POCA) and MLR17.

Volume providers of Individual Voluntary Arrangements and Protected Trust Deeds

In 2024 we continued to operate our Volume Provider Regulation (VPR) Scheme. This provides additional monitoring and support to firms that each operate as volume providers. The scheme provides additional assurance to the public, as well as to debtors and creditors, and helps ensure that the firms themselves apply best practice in their work. In 2024, we had 20 firm members of the scheme, responsible for a combined total of 264,298 IVAs.

In 2024, we conducted 71 visits to IPs in volume provider firms, with a further 53 visits to take place in early 2025. Satisfactory reports were given in 78 cases (including reports on visits undertaken in 2023). We issued 99 advisory notices of areas for improvement and one warning. In five cases, consent orders were agreed with the IP requiring specific further actions.

In October 2024, the Insolvency Service published research on a sample of 310 IVAs that terminated between September 2021 and September 2023. The research found excellent practice by in a quarter of cases, but shortfalls in half the cases, particularly in relation to initial consumer engagement. In the remaining quarter of IVAs, the consumer decided to end the IVA due to their circumstances.

The IPA has responded to these findings by communicating them to IPs and reminding them of the standards they must comply with. We have also called for the statutory regulation of firms providing IVAs, beyond the current regulation of individual IPs, to

20

volume provider firms were members of the VPR Scheme in 2024.

These firms were responsible for a combined total of

264,298

IVAs.

71%

of the IVA market and

73%

of the PTD market is covered by the VPR Scheme.

5.7%

of total UK IVAs failed in year one, consistent with past numbers.

ensure consistent standards across the sector. Greater transparency, accountability and statutory regulation will help ensure that IVAs remain a viable debt solution for most consumers. Data on IVA outcomes published by the Insolvency Service in February 2025 shows that 67,100 IVAs were registered in England and Wales in 2024, and that only 5.7% of these failed in year one, consistent with many previous years.

However, the IPA believes that improvements in personal insolvency are necessary. Our VPR Scheme helps provide assurance. But inconsistencies remain in what constitutes a breach of IVA terms, creating uncertainty in how agreements are managed and terminated. In contrast, failure rates in Scottish Protected Trust Deeds (PTDs) remain low and are typically only seen when there is a lack of cooperation from the debtor. The IPA hopes that IVA outcomes can more closely mirror the consistency in PTDs.

Anti-Money Laundering

In 2024 we supervised

313

IPs for AML compliance, across

173

firms.

The IPA is an AML PBS and responsible for supervising compliance with MLR17, subject to oversight by OPBAS. Our aim is to raise awareness of AML and improve standards of robust and effective compliance. In 2024, the IPA supervised the AML compliance of 313 IPs across 173 firms.

The IPA carries out its AML responsibilities in four ways. First, in all inspections and visits of IPs, we also examined IP practice for AML compliance. Second, we conducted specific on-site AML inspection visits to review all aspects of a firm's compliance with MLR17. Third, we conducted off-site compliance reviews of some IPs' AML policies and procedures. And fourth, we conducted assessments of firm-wide compliance with Reg 18/18A through a dip sampling methodology.

In 2024 our AML helpline received nearly

200%

more enquiries than in 2023.

The IPA also sends regular information to all IPs and their firms on AML. In 2024 this included refreshed guidance for members on general AML compliance and high-risk indicators, all available on the IPA's online AML hub. We also publish an AML-dedicated IP

newsletter as well as AML updates in the main monthly IPA newsletter, in addition to the dedicated training on AML for IPs through conferences, webinars and other events. In 2024, the IPA also published seven alerts on risk areas and intelligence received from the NCA.

This activity is part of the IPA's duty to share information and intelligence on AML matters. To support this work, the IPA is an active member of relevant committees, fraud forums and groups. The IPA has an AML helpline (aml@ipa.uk.com) which in 2024 received 41 queries, up from 14 in 2023.

As a result of this work, the main concerns about AML compliance in 2024 were as follows:

Poor file notes

Some IPs did not include AML risk considerations, including if these changed during an appointment.

Insufficient training

Some training logs were not up to date, including on the training of Money Laundering Reporting Officers (MLROs). Training policies had not always been tested to ensure effectiveness or identify knowledge gaps.

Due diligence

Some IPs were not completing due diligence prior to taking up a business relationship and posting the receipt of funds from directors or debtors. Some IPs also failed to keep due diligence under review during an appointment. In some cases, firm-wide assessments had not included consideration of Proliferation Financing as required under Reg 18A.

Issues with documentation

Some IPs had not annotated ID documentation with the date of receipt and/or that the ID is a true likeness of the individual.

Gaps in policies

In some cases, SAR policy had not included details on Defence Against Money Laundering (DAML) requests and tipping-off.

As a result of our AML work, we issued 14 SARs on intelligence and suspicions.

From our supervisory work we issued:

- Six allegations (one still be to considered by the Regulation & Conduct Committee (R&CC) at the time of publishing)
- 44 advisory notices
- 83 minor compliance findings

Event attendee numbers were up

18%

on 2023.

In 2025, we will continue this AML inspection work, providing assurance to OPBAS and our regulated community that the IPA is an expert professional regulator in this area.

In addition, in 2025, we will work with the University of Leeds on research into AML and insolvency. This will consider the risks specific to the sector to identify best practices and policy recommendations to support IPs and their regulators.

Events, training and professional development

Our events calendar provided

51

CPD hours in 2024.

One of the IPA's main priorities is to provide high-quality training, events and exams in insolvency and AML across the UK. We do this through a programme of live events, online training and professional qualifications focusing on profession activity, developing sustainable cohorts of leaders in insolvency, supporting IPs through every stage of their career and helping them maintain the highest of professional standards in their day-to-day work. Events and training are delivered in all four UK nations and across the regions of England.

In 2024, we provided a major annual insolvency conference in London and an industry-leading personal insolvency conference in Manchester. There were also specific AML and fraud events in Birmingham and a networking event for younger 'rising professional' IPs in London. In addition, we provided seven in-person Roadshows across the UK and six online learning webinars. Attendance was up 18% on 2023, with 1,859 attendees at events and training.

Communications and publications

To support the promotion of good practice in the insolvency sector, the IPA produces a range of publications. These include the IPA's Insolvency Practitioners' Handbook, published annually, which brings together in one volume the Code of Ethics, SIPs and other regulatory guidance to which our IPs are expected to adhere. This is widely regarded as an essential aid to daily insolvency practice.

In addition, in 2024 we published reports on our AML work and on the IVA market regulated through our VPR Scheme. We also published 12 monthly newsletters to all IPs, three AML-targeted bulletins, two communications per week focused on events and training, as well as six technical bulletins and seven dedicated AML alerts.

By January 2025, the IPA had 10,243 followers on LinkedIn, a rise of 11% in 2024, and more broadly 12,509 social media followers, again an increase of 11%. We intend to continue this success into 2025 and to explore use of Instagram in addition to other social media platforms.

IPA licensed IP numbers grew by

5%

on 2023 and by

19%

since 2021.

IPA social media followers grew by

11%

on 2023.

Qualifications and exams

The IPA also supports the insolvency profession by being a leading provider of examinations relating to insolvency. The IPA's intermediate examinations are industry-leading. These are the Certificate of Proficiency in Insolvency (CPI) which tests candidates on both corporate and personal insolvency; and the Certificate of Proficiency in Personal Insolvency (CPPI) for those working in the personal insolvency sector. Exam sittings are held twice a year.

In 2024, there were 173 candidates for the CPI exam, with a 60% pass rate. There were 19 candidates for the CPPI exam with a pass rate of 44%.

The IPA is also an equal partner in the provision of the Joint Insolvency Examination (JIE) which we helped to found in the 1990s and which is necessary in order to gain an IP licence. JIE exams are held in November and comprise papers on both corporate and personal insolvency.

60%
2024 pass rate

44%
2024 pass rate

Developing the Insolvency Framework

As part of our commitment to improving standards in the insolvency profession, we work with stakeholders to develop the wider insolvency framework. In 2024, this included introducing two revised Insolvency Guidance Papers (IGPs), one on Succession Planning, effective from 1 August 2024, and the second on Control of Cases, effective from 2 December 2024. Three older IGPs were withdrawn:

- Bankruptcy – The Family Home
- Retention of Title
- Systems for Control of Accounting and Other Business Records

In addition, the IPA contributed to ongoing work by the Insolvency Service, including its review of personal insolvency in England and Wales, and the development of proposals to establish the regulation of insolvency firms. We also submitted a response to the Scottish Government's consultation on statutory debt solutions, and the Northern Ireland Department for the Economy consultation on proposals to amend the Insolvency (Northern Ireland) Order 1989, the Company Directors Disqualification (Northern Ireland) Order 2002 and the Insolvent Partnerships Order (Northern Ireland) 1995. We also responded to the Mental Health Moratorium consultation conducted by the Scottish Minister for Community Wealth and Public Finance. All IPA responses to consultations can be found on our website here.

IPA governance

The IPA's Board is responsible for the management of the IPA, including its strategy, business and financial plans. It is independent of decision-making relating to individual IP regulation.

During 2024, the IPA Board comprised the following individuals: **Louise Brittain**, **Sean Croston** (until 11 May 2024), **Paul Davis**, **Lloyd Hinton**, **Adrian Hyde**, **Derek Hyslop** (until 30 May 2024) **Rachel Lai**, **Yin Lee**, **Eileen Maclean**, **Hayley Maddison** (until 30 May 2024), **Ken Marland**, **Barry Mochan**, **Robert Paterson** (from 30 May 2024), **Russell Payne**, **Laura Prescott** (from 30 May 2024), **Antoinette Thorpe**, **Simon Underwood** and **Amanda Wade**.

Twelve Board members are elected for a minimum term of five years by IPA members. Each year the longest serving one quarter, not counting the office holders, are retired by rotation, but may be re-elected for a further term. Up to four additional members can be co-opted and serve for a term of up to four years determined by the Board. On retirement, co-opted members are eligible for further co-option. The Board is chaired by the IPA President, a role that is held for 12 months. Until April 2024, Paul Davis was IPA President. Following that date, the role was performed by Adrian Hyde.

Board-appointed Committees undertake the detailed work of developing and advancing proposals and implementing Board decisions. Committee members are appointed on a five-year term. The current IPA Committees are the following:

There were 50 Committee meetings in 2024, with 95 individuals participating in one or more committee meeting. A separate Regulation & Conduct Committee (R&CC) is responsible for considering ongoing fitness-to-practice issues and liability to disciplinary action which arises from complaints, inspections and monitoring visits. It is also responsible for membership approval and licensing. The Committee is made up of members who are insolvency professionals, as well as appropriately skilled lay members from outside the profession. To ensure independence of decision-making, the R&CC conducts its meetings with a lay majority. It has an independent chair with no overlapping membership with the Board of the IPA.

In 2024, the R&CC held 23 meetings, and considered 223 cases (167 inspection reports, 48 complaints and five other regulatory matters). All regulatory actions listed above were discussed and approved by the Committee. If the R&CC and the IP concerned do not agree to the remedy proposed, the matter is referred to the Disciplinary and Appeals Committee (D&AC), acting as a tribunal, to determine the outcome. In 2024, the D&AC held two meetings.

The IPA Board is responsible for appointing the IPA's Chief Executive who oversees the IPA's Secretariat and other functions. In 2024, the IPA employed 39 staff, with half working regionally on inspection and other functions, and the other half based in the IPA's office in New Broad Street, London.

Diversity, Equity and Inclusion

The IPA is active in promoting diversity, equity and inclusion in our membership and in the insolvency profession. As an insolvency regulator and professional body, we ensure equal opportunities for all.

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