



Insolvency  
Practitioners  
Association



VOLUME  
PROVIDER  
REGULATION

IMPLEMENTING CHANGE - IMPROVING QUALITY

**2024**

# **BENCHMARK REPORT**



# Contents

|                                |    |
|--------------------------------|----|
| Executive Summary              | 2  |
| Chief Inspector's Introduction | 4  |
| Background                     | 5  |
| Scheme Metrics in 2024         | 6  |
| Overview of Findings           | 9  |
| Complaints                     | 13 |
| Conclusion                     | 15 |

## Executive Summary

The **Insolvency Practitioners Association (IPA)** is the only regulator focused solely on insolvency and licensed to operate across the UK. Our aim is to promote and maintain high standards of performance and professional conduct among those engaged in insolvency and insolvency-related practice.

The IPA regulates the majority of Insolvency Practitioners (IPs) and firms operating in the personal insolvency market, especially at scale (known as 'volume providers'). We do this through a Volume Provider Regulation (VPR) Scheme. This Scheme, which the IPA created in 2019, enables in-depth monitoring of IPs and firms providing Individual Voluntary Arrangements (IVAs) and Protected Trust Deeds (PTDs) to members of the public experiencing financial distress. The IPA's Scheme is the UK's only such regulatory framework to provide assurance of these products. The IPA has **19 firms as members of the Scheme**, representing **71% of the IVA and 73% of the PTD market**.

In 2024, in England and Wales, **IVAs represented 57%** of the market for individual debt solutions. Other personal insolvency solutions include Debt Relief Orders (DROs), **comprising 37% of the market**, and Debt Management Plans (DMPs), provided by firms mostly regulated by the Financial Conduct Authority (FCA). Personal bankruptcies make up the **remaining 6%** and are administered by the Official Receiver as well as by IPs. As such, there is no single regulatory regime in England and Wales for those providing or receiving personal insolvency services. This creates greater risk of poor or inconsistent advice to consumers of financial services and additional regulatory burdens on the UK's financial services. The IPA, through its Scheme, has brought higher standards and greater assurance to the provision of IVAs and PTDs. We urge all parties to come together to replicate these benefits.

In 2024, official data showed that **5.7% of IVAs failed in their first year**, as in previous years. Scheme member data shows that indebted consumers, collectively owing £5 billion, typically write off **between 45% and 64%** of their debts in an IVA with no further interest or charges accruing. The remaining 36% - 55% is returned to creditors. As such, these personal debt solutions can be an effective way for creditors to receive repayments that are then recycled into the economy to foster growth, and for individuals to repay around half their initial debt and then become debt free. We are working with those we regulate to increase levels of IVA and PTD completion.

The aim of the IPA's Scheme is to maintain high professional standards in the sector and improve them where necessary. In 2024, public complaints against providers were low, with concerns raised about only **0.02% of IVAs**, and **under 0.01% of PTDs**, in line with previous years. Our monitoring of IPs and firms found that compliance with professional standards overall was high. We found examples of misconduct in just nine cases following complaints.

However, we had concerns about compliance with standards in some areas. Our inspections and monitoring found examples of poor-quality advice to customers, risks of mis-selling, poor advertising practices and costs that were at times too high. In response, we took regulatory action including issuing **32 formal Advisory**

**Notices** where improvement was required and, where concerns were not addressed, we issued formal sanctions, including for delays in case administration, expenses incorrectly drawn, incomplete income and expenditure reviews and concerns about advice given. Typically, there were no single errors, but a series of missed opportunities due to inaccurate data or not fully understanding the client's circumstances.

Such concerns were highlighted, in October 2024, with the **publication of Insolvency Service research** into take-on practices for IVAs, focusing on 310 IVAs terminated in the two years to September 2023. This raised serious concerns about suitability assessments, consumer understanding, and the treatment of vulnerable individuals, reinforcing the need for continued reform, supervision and enforcement across the IVA sector. Notwithstanding the partial dataset in the research, its lack of analysis of call data, and its failure to reflect policy and market changes since 2023, the report findings reinforce the need for IPs and firms to apply high standards in how they take on clients.

There were important developments in the personal insolvency sector in 2024. **Revisions to the SIP 3.1** standard came into effect in 2023 to improve practice, with the IPA monitoring its application through 2024. In addition, we monitored IP and firm compliance with the new **FCA ban on debt packagers** receiving remuneration from debt solution providers, also introduced in 2023.

2024 also saw the welcome **abolition of the £90 fee for an individual to enter a DRO, and further changes to eligibility criteria**, such as an increase in the debt limit to £50,000 and the motor vehicle asset limit to £4,000, in addition to the £2,000 asset limit. The IPA monitored Scheme members to ensure they were identifying and communicating to individuals who may be eligible for a DRO, rather than an IVA, following the criteria changes. We also monitor the extent to which IVAs registered as 'failed' are in fact appropriate moves by an individual to a DRO which required their IVA to be terminated. Improved data sharing between regulators will help our understanding of this.

A further focus of the IPA's monitoring in 2024 was the use of **advertising**, where a few providers displayed substandard advertising or inadequate advice that might steer individuals to inappropriate debt solutions. We examined practices across all media and in particular social media, where it is vital to consumers that advertising is transparent, accurate and compliant with regulatory requirements.

In 2024 we were pleased to secure **changes to the IVA Protocol** on property valuation, with interest being assessed at the start of the process rather than requiring a revaluation at month 54. The changes come into effect on 30 June 2025 and will help property-owners who are in debt. We seek further changes to the Protocol to allow for more supervisory discretion to allow outcomes to align with the FCA's Consumer Duty by ensuring IVAs consistently deliver fair value, clear understanding and good outcomes for consumers.

This report provides further details on all the IPA's regulatory work in 2024 to ensure high standards and consistency in advice and quality among IPs and their firms in the personal insolvency market. Our goal is to secure ongoing consumer protection and high industry standards. We will continue this activity into 2025 to support those in debt and their creditors to secure equitable, timely outcomes.

# Chief Inspector's Introduction

**David Holland, Chief Inspector, IPA**



This 2024 Benchmark Report on our VPR Scheme reflects the IPA's continued progress in monitoring and regulating the personal insolvency sector. Over the past year, we have seen a significant reduction in complaints about Scheme members, in part due to the positive impact of strong regulatory oversight.

The FCA's 2023 ban on debt packagers receiving remuneration from debt solution providers was particularly welcome. The IPA responded swiftly, providing guidance to IPs on good practice when seeking IVA or PTD appointments. We have since actively monitored the application of the ban to help reduce risk to consumers. However, we still have concerns about some unregulated lead generation, misleading advertising and poor-quality advice. We will continue to work closely with the FCA, the Insolvency Service, and other Recognised Professional Bodies (RPBs) to address these challenges.

The implementation of revised SIP 3.1 for IVAs and SIP 3.3 for PTDs has placed greater responsibility on IPs to ensure debtors receive tailored, high-quality advice. These changes align regulatory expectations across the UK while respecting the differences between nations. However, disparities in outcomes between IVAs and PTDs remain. The Scottish model provides more consistent results, with failures primarily occurring due to debtor non-cooperation, whereas IVA failure rates are higher and often linked to inconsistencies in how breaches are defined. Greater transparency and uniformity in regulatory expectations are needed to ensure a fairer system for debtors across all UK jurisdictions.

Our priority remains to improve long-term IVA success rates from 80% currently. We will continue to advocate for greater flexibility in IVAs, including protocol changes that would allow IPs to exercise more discretion and creditors to offer increased debt forgiveness in cases of genuine hardship. These changes would bring IVAs more in line with the protections available in PTDs and ensure that debtors are not penalised for circumstances beyond their control. In this vein, we were pleased to secure protocol changes in 2024 to give homeowners more certainty when taking out an IVA which come into effect on 30 June 2025.

We remain concerned about insufficient transparency and data sharing between regulators in the personal insolvency sector. This will ensure that both consumers and providers have a better, more balanced understanding of the performance of IVAs, DMPs, DROs and bankruptcies.

We are confident that the IPA's VPR Scheme is a strong example of effective regulation. It helps to strengthen consumer protections, foster industry confidence, promote sustainable debt solutions and ensure fair treatment across the insolvency profession. The IPA will continue this proportionate regulatory oversight of debt solutions into 2025.

## Background

The IPA launched the VPR Scheme in 2019 in response to the Insolvency Service's call for more stringent monitoring of volume IVA and PTD providers. Volume providers are defined as an IP or an entity which has, within the previous 12 months, been responsible for the administration of:

- a) 1,000 or more cases in which one or more person(s) has acted as nominee in relation to an individual voluntary arrangement, and/or**
- b) 5,000 or more cases in which one or more person(s) has acted as supervisor in relation to an individual voluntary arrangement, and/or**
- c) 2,000 or more cases in which one or more person(s) has acted as trustee in relation to a trust deed (in Scotland) whether or not the trust deed is protected.**

The IPA's Scheme is voluntary, though all regulated volume providers are expected to join. Through the Scheme, the IPA's Chief Inspector and a dedicated team provide additional monitoring of Scheme members which covers the principles outlined in [official guidance](#). Scheme members pay a fee for this additional monitoring service, which includes:

- Continuous monitoring through monthly data returns
- Regular call monitoring
- One full visit and up to three reviews a year
- Bespoke investigations into identified areas of concern
- An annual financial review
- Bi-monthly meetings between the Chief Inspector and Scheme members
- Quarterly meetings of the IPA's Scheme member representative group
- Six-monthly meetings between Scheme member firm owners and the IPA's CEO and Head of Regulation

The Scheme objectives are:

- To maintain and improve standards among volume IVA and PTD providers
- To improve the credibility and perception of the industry
- To ensure the approach to monitoring Scheme members is fully transparent to all stakeholders
- To lead by example and show a pragmatic, realistic but ambitious approach to improving Scheme members' performance and standards

The IPA's independent, lay-led Regulation and Conduct Committee (the Committee) is responsible for promoting high standards of insolvency practice and for ensuring that each licensed IP continues to be fit and proper person to hold an insolvency authorisation. Every inspection visit, review outcome and substantiated complaint is referred to the Committee for consideration. If the Committee finds misconduct, it refers to the Insolvency Service's Common Sanctions Guidance (CSG) to consider the appropriate sanction or, if the misconduct is more serious, refer the matter to the IPA's Disciplinary and Appeals Committee. The CSG can be found [here](#).

## Scheme Metrics in 2024

### Membership

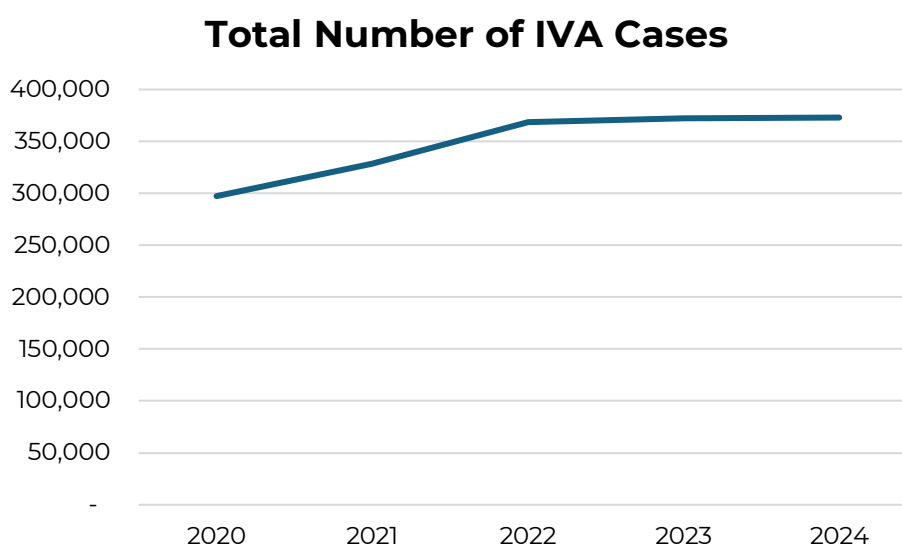
In 2024, **17 IVA providers** were members of the Scheme: Abbotts Insolvency, Advice Centre Group, AFA Insolvency, Bennett Jones, Creditfix, Debt Movement, ForestKing Insolvency Group, Freeman Jones, Fresh Start Insolvency, Hanover Insolvency, MoneyPlus Insolvency, My Debt Plan, Oakfield Financial, PayPlan Bespoke Solutions, PayPlan Partnership, StepChange Voluntary Arrangements and The Insolvency Group. This is an increase on the 12 Scheme members in 2023.

During 2024, Abbotts Insolvency ceased to trade, and their cases were transferred to Bennett Jones. ForestKing Insolvency Group joined the Scheme in June 2024; as such, their data is not included in this report.

Three PTD providers were members of the Scheme: Carrington Dean, Harper McDermott and PayPlan Scotland.

### IVAs

At 31 December 2024, the total number of open (new and existing) IVA cases was **373,000**<sup>1</sup>. Of these, **264,298** were Scheme member cases, comprising **71%** of the IVA market.

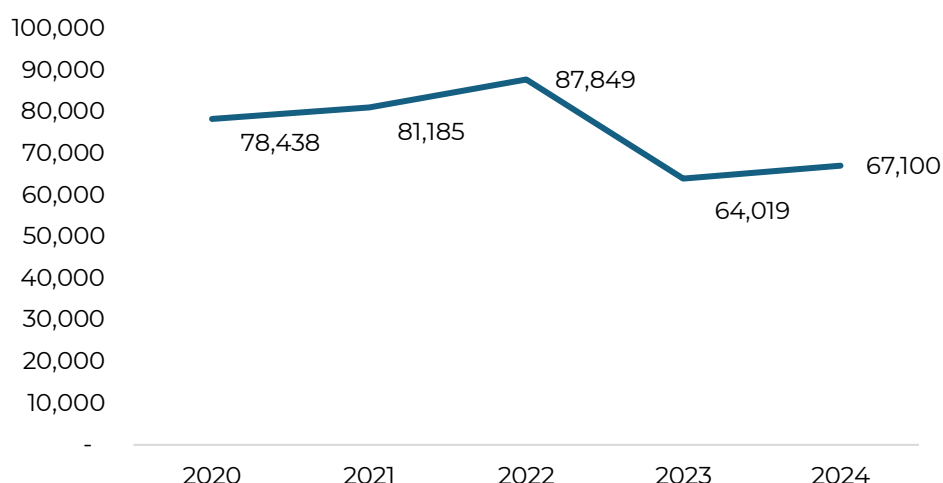


In 2024, **67,100**<sup>1</sup> IVAs were registered in England and Wales, a small increase over 2023, but below the numbers between 2019 and 2022. Lower IVA numbers since 2023 are likely to be due to the changes to DROs, making them more accessible, and to the FCA's ban on debt packager fees.

---

<sup>1</sup> Figure provided by the Insolvency Service

## Total New IVA Cases 2020 - 2024



There were **46,118 new IVA appointments** across the Scheme in 2024, higher than in 2023 due to the six new firms joining the Scheme. The table below shows how Scheme member case numbers have changed since 2022.

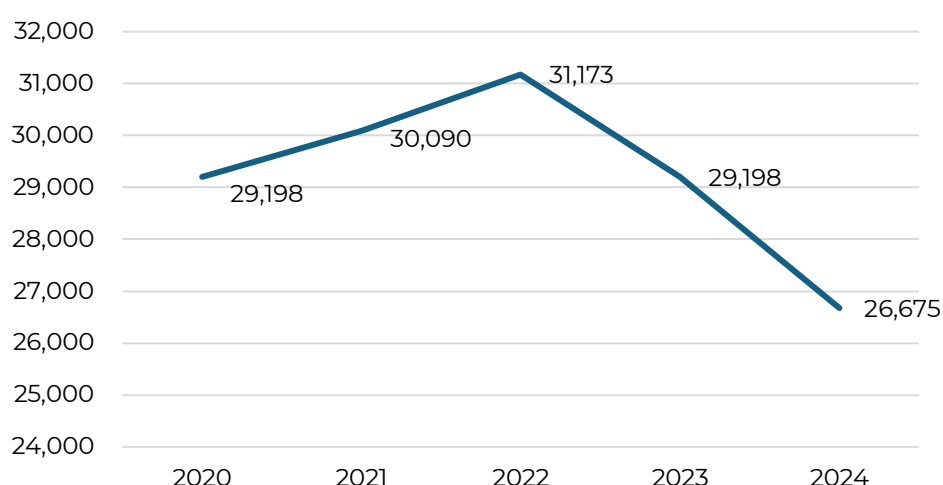
| Scheme Member/Former Member | IVA Cases at Year End |                |                | New IVA Cases During Year |               |               |
|-----------------------------|-----------------------|----------------|----------------|---------------------------|---------------|---------------|
|                             | 2024                  | 2023           | 2022           | 2024                      | 2023          | 2022          |
| Abbotts Insolvency          | 4,523                 | -              | -              | 298                       | -             | -             |
| Advice Centre Group         | 11,844                | -              | -              | 8,779                     | -             | -             |
| AFA Insolvency              | 6,787                 | -              | -              | 3,345                     | -             | -             |
| Bennett Jones               | 13,398                | 11,179         | -              | 3,835                     | 4,638         | -             |
| Creditfix                   | 102,998               | 113,759        | 102,210        | 7,749                     | 13,518        | 20,250        |
| Debt Movement               | 9,993                 | 17,278         | 23,635         | -                         | 1             | 4,184         |
| Freeman Jones               | 9,950                 | 12,048         | 15,397         | 1,319                     | 558           | 1,312         |
| Fresh Start Insolvency      | 10,762                | 11,634         | -              | -                         | -             | -             |
| Hanover Insolvency          | 14,916                | 23,654         | 36,756         | -                         | -             | 4,703         |
| MoneyPlus Insolvency        | 6,309                 | -              | -              | 3,098                     | -             | -             |
| My Debt Plan                | 7,282                 | -              | -              | 2,719                     | -             | -             |
| Oakfield Financial          | 6,325                 | 9,071          | 11,362         | -                         | -             | -             |
| PayPlan Bespoke             | 5,192                 | 4,707          | 4,313          | 1,431                     | 1,120         | 885           |
| PayPlan Partnership         | 16,208                | 15,590         | 13,786         | 3,877                     | 4,266         | 3,276         |
| Quality Insolvency          | -                     | -              | 13,699         | -                         | -             | 5,992         |
| StepChange                  | 4,328                 | 4,220          | 4,793          | 774                       | 675           | 739           |
| The IVA Advisor             | -                     | -              | -              | -                         | -             | 4,744         |
| The Insolvency Group        | 33,484                | 26,932         | 7,049          | 8,894                     | 8,078         | 9,028         |
| <b>Total</b>                | <b>264,299</b>        | <b>250,072</b> | <b>233,000</b> | <b>46,118</b>             | <b>32,854</b> | <b>55,113</b> |

Among Scheme members, **33,036 IVAs** were completed during 2024, with a total debt write off for debtors of **£386,179,045**, and with **£214,176,853** distributed to creditors.

## PTDs

At 31 December 2024, the total number of new and existing PTD cases was **26,675<sup>2</sup>**, showing a continued decline since 2020. Of these, **19,403** were Scheme member cases, representing **73%** of the PTD market.

### Total Number of PTD Cases 2020-2024



There were **3,047** new PTD appointments across the Scheme in 2024. The table below shows Scheme member case numbers have changed since 2022.

| Scheme Member/Former Member | PTD Cases at Year End |               |               | New PTD Cases During Year |              |              |
|-----------------------------|-----------------------|---------------|---------------|---------------------------|--------------|--------------|
|                             | 2024                  | 2023          | 2022          | 2024                      | 2023         | 2022         |
| Carrington Dean             | 11,618                | 13,349        | 14,431        | 1,380                     | 1,760        | 1,998        |
| Hanover Insolvency          | 139                   | 380           | 564           | -                         | -            | -            |
| Harper McDermott            | 7,208                 | 7,754         | 7,216         | 1,521                     | 1,830        | 1,592        |
| MoneyPlus Insolvency        | 3                     | -             | -             | -                         | -            | -            |
| My Debt Plan                | 19                    | -             | -             | -                         | -            | -            |
| PayPlan Scotland            | 416                   | 392           | 358           | 146                       | 129          | 75           |
| Wilson Andrews              | -                     | -             | -             | -                         | -            | -            |
| <b>Total</b>                | <b>19,403</b>         | <b>21,875</b> | <b>22,569</b> | <b>3,047</b>              | <b>3,719</b> | <b>3,665</b> |

## Monitoring Activity

Throughout 2024, Scheme members submitted monthly returns of data to the IPA. The data were analysed to enable the early identification of issues or anomalies which were followed up and investigated further where necessary. The data and other information were reviewed in bi-monthly meetings between

<sup>2</sup>Figure provided by Accountant in Bankruptcy

Scheme members and the IPA's Chief Inspector. To provide a further level of assurance, the IPA's CEO and Head of Regulation held quarterly meetings with Scheme members' CEOs or business owners to understand the firms' commercial and business strategies and address any specific concerns.

The IPA reviewed a total of **1,030 cases** during 2024 over **86 visits and reviews**, as in the table below.

| Type of Review             | Carried Out | Cases Reviewed |
|----------------------------|-------------|----------------|
| Full Inspection Visit      | 16          | 185            |
| Focused Review             | 41          | 286            |
| Initial Review             | 4           | 16             |
| Call Review                | 25          | 205            |
| Additional Call Monitoring | -           | 338            |

Finally, every quarter, Scheme members were invited to an industry-wide open forum to discuss wider issues with the IPA's Chief Inspector and inspection team.

## Overview of Findings

### Full Inspection Visits

During 2024, full inspection visits were carried out to all Scheme members apart from Oakfield Financial who were going through a change in IP process. Prior to each visit, questionnaires were sent to Scheme members for completion to assist inspection planning. This asked for information about the size and structure of the firm, fee income and sources of work, and corporate policies and procedures, including for Anti-Money Laundering (AML) and staff training and development.

In addition, IPA inspectors reviewed the following areas of firm activity:

- Business Management
- Complaints
- Data Security
- Estate Accounts
- Fees and Other Costs
- Lead Generation and Marketing
- Office Systems
- Post Appointment Processes
- Staff – Pre- and Post-Appointment

From the monthly case data provided, IPA inspectors selected cases to be reviewed as a proportion of appointments held. Full reviews were conducted on a proportion of these, with the remainder subject to specific consideration of the following areas:

- Annual reporting to creditors and individual
- Arrears and whether payments were being followed up

- Breaches of arrangements and the treatment of those
- Completion and how quickly final payment arrangements were finalised
- Distributions and fees, checking timing and quantum accords with proposal
- Failure, checking that failure arrangements had been processed properly
- Income and Expenditure (I&E) reviews to check arrangement progression
- Progression of cases generally
- Property 'month 54' reviews in relation to equity
- Time expired cases, where the initial proposal period had been exceeded
- Variations to arrangements and the processes for obtaining those
- Source of introduction and evidence of work undertaken by them

During the inspection, meetings were held with IPs in Scheme member firms and with other staff where relevant. The outcome of each inspection visit helped to determine any areas for more focused reviews. During 2024, there were no common risk areas identified across Scheme members as a result of these full inspection visits.

## Focused Reviews

Focused reviews look at specific areas of Scheme members' activity, such as case progression or I&E reviews. The need for this review may result from findings from a full inspection visit, intelligence from a complaint, or because the Committee has asked for a review of a particular area of work.

In 2024, **41 focused reviews** were carried out. Of these, **17 reviews** were focused on case failure, reviewing **133 IVAs and 15 PTDs**. A further **24 reviews** were carried out of **11 Scheme members**, focused on other areas in respect of **138 cases**, as in the table below.

| Area of Focus                  | Cases      |
|--------------------------------|------------|
| I&E Reviews                    | 8          |
| Fees & Distributions           | 24         |
| Arrears                        | 22         |
| Arrears & Variations           | 10         |
| Closed Full & Final Settlement | 25         |
| Progression                    | 26         |
| Complaints                     | 17         |
| Variations                     | 6          |
| <b>Total Cases Reviewed</b>    | <b>138</b> |

## Call monitoring

As part of the Scheme monitoring process, IPA inspectors check that Scheme members' advice to debtors is impartial, tailored to an individual's specific circumstances and needs, and that the individual has chosen the debt solution based on a clear understanding of the alternatives.

IPA inspectors select the cases for call monitoring review without Scheme member involvement, with the number a proportion of new appointments by the

Scheme member, using criteria defined in the Insolvency Service guidance for monitoring volume providers. The criteria include but are not limited to the high-risk areas of vulnerable debtors and low disposable income.

The calls reviewed include introduction or initial contact calls, appointment-making calls and advice calls. The call handler's scripts are also reviewed, as are any accompanying proposals, pre-appointment letters, and I&E documentary evidence. In addition, in 2024, all third-party introducing calls were reviewed, along with all documentation and notes received from the introducer. Moreover, if any of the cases selected for review had already been monitored internally by the Scheme member, the outcome of that monitoring was also reviewed.

Following the FCA's **2023 ban on fees to debt packagers**, Scheme members who historically only took new work introductions from third party debt packagers have made changes to their business models for how they obtain new work. Some who did not have FCA authorisation have obtained it, either directly or by a connected company within their group, while others continue to act under the FCA exclusion, with an increase in Joint Nominee appointments.

IPA Inspectors conduct two types of call monitoring reviews. In-depth call reviews are conducted of every Scheme member, including a full analysis of the options discussions and a review of the I&E documentation. In addition, further calls are reviewed on a risk-based approach.

During 2024, the calls of **509 IVA and 34 PTD** cases were reviewed as follows:

|              | In-Depth Call Reviews | Risk-Based Call Reviews | Total      |
|--------------|-----------------------|-------------------------|------------|
| IVAs         | 185                   | 324                     | 509        |
| PTDs         | 20                    | 14                      | 34         |
| <b>Total</b> | <b>205</b>            | <b>338</b>              | <b>543</b> |

As part of the call reviews, IPA inspectors check that the debtor has made an informed decision when choosing their personal insolvency solution. All Scheme members are expected to ask, and check, the reasons why a debtor does not wish to choose another available solution over an IVA, such as (in England and Wales) a Bankruptcy, DMP or DRO. This is so that the call handler can be satisfied that the debtor fully understands all options available and is therefore making an informed decision.

Regardless of whether acting under FCA authorisation or exclusion, or whether the introduction is direct, via a third party or Joint Nominee, all calls are expected to fully comply with the Insolvency Ethics Code and SIPs 3.1 and 3.3.

Overall, the findings from the IPA's 2024 call reviews were consistent with those of previous years. However, the IPA found that the quality of call advice had deteriorated in the initial calls of two Scheme members operating under FCA authorisation. This was reported to the FCA for further action.

## IVA failure analysis

The IVA Outcomes and Providers annual statement published on 28 February 2025 by the Insolvency Service stated that IVAs registered in 2019 and 2020 show signs of lower lifetime termination rates. For these IVAs, the first three years, when most terminations occur, coincided with the implementation of COVID-19 support measures. In contrast, early data indicates higher termination rates for IVAs registered in 2021 and 2022 (although most of these cases were ongoing at the end of 2024, making trends difficult to establish).

As at 31 December 2024, **23% of IVAs registered in 2021** and **18% registered in 2022** had terminated. The equivalent number as at 31 December 2022 was **20% for IVAs registered in 2019** and **14% for those registered in 2020**.

During **2024**, a total of **22,005 IVA cases failed across Scheme members**, representing **8.33%** of cases, based on 264,298 open Scheme member IVA cases at 31 December 2024. This failure rate compared to previous years as follows:

| Year | Total Failed IVAs<br>(Scheme Members) | Failure as Percentage of<br>Total Open Cases<br>(Scheme Members) |
|------|---------------------------------------|------------------------------------------------------------------|
| 2024 | 22,005                                | 8.33%                                                            |
| 2023 | 14,574                                | 5.83%                                                            |
| 2022 | 13,735                                | 5.69%                                                            |

For the 22,005 IVA cases that failed in 2024, **4,115 failed in the first year**, with the majority failing in year two, as in the table below.

| Year of Failure | 1     | 2     | 3     | 4     | 5     | 6+    | Total  |
|-----------------|-------|-------|-------|-------|-------|-------|--------|
| IVA             | 4,115 | 5,568 | 4,314 | 2,849 | 2,656 | 2,503 | 22,005 |

The IPA's focused reviews of Scheme members in 2024 sought to establish the reasons for IVA failure, including any underlying trends or concerns, and in particular whether pre-appointment advice could have contributed to the failure.

A total of **133 failed IVA cases were reviewed**, proportional to the number of Scheme member appointments and failure rates, but without any involvement from Scheme members. The cases were selected using criteria in Insolvency Service guidance for monitoring volume providers, including the high-risk areas of vulnerable debtors and low disposable income. These cases failed in the following months:

| Failed Within (Months) |      |       |       |       | Total |
|------------------------|------|-------|-------|-------|-------|
| 6                      | 7-12 | 13-18 | 19-24 | 25-32 |       |
| 38                     | 49   | 14    | 21    | 11    | 133   |

Following a full review of the documentation for each case, and of pre-appointment calls where appropriate, it was determined that the reasons for the IVA case failure were as follows:

| Reason                      | Number of Cases IVA |             |
|-----------------------------|---------------------|-------------|
| Arrears                     | 64                  | 48%         |
| Change in Circumstances     | 54                  | 41%         |
| Debtor's Request            | 11                  | 8%          |
| Other                       | 4                   | 3%          |
| <b>Total Cases Reviewed</b> |                     | <b>100%</b> |

A change in circumstance is where the debtor has experienced illness, divorce or separation, or changes to I&E such that the IVA is no longer sustainable, viable or appropriate. A debtor's request is where the debtor has requested their IVA be terminated without citing a change in circumstances. Reasons for failure noted as 'other' relate to three cases where creditors objected to the IVA. The creditors claimed to have not been notified accordingly of the proposed IVAs and that, had they been, they would have voted against so the IVAs were failed. These three cases were at two different Scheme members. The reason for non-notification was different in each case and no systemic failings were identified in this regard. The fourth case was failed due to non-compliance with the annual I&E review process.

In some cases, reasons for failure fall into more than one category. A case may have failed due to arrears, but these arrears accrued due to a change in the debtor's circumstances. Alternatively, the debtor may have requested the IVA's termination due to a change in their circumstances. The most pertinent reason has been identified in the table above.

The IPA's review of IVA case failure in 2024 concluded, as in previous years, that there was **no overall or new trend which led to IVA failure**.

Of the 133 cases reviewed, three cases were identified where IPA Inspectors considered that the failure could be attributed to the pre-appointment advice. These three cases were at two different Scheme members. In one case, I&E had not been prepared satisfactorily in order to fully assess options such that there was a failure to ensure that the debtor understood and was able to make an informed decision. A second case involved a failure to obtain reasons for not wanting to pursue the other available options and failure to check the debtor's understanding of each option. The third case also related to a failure to prepare satisfactory I&E.

## Complaints

The Insolvency Service's Complaints Gateway is the main source of complaints referred to the IPA regarding IPs. The Gateway assesses the complaint and, if there are grounds for the matter to proceed, the complaint is referred to the relevant regulator responsible for IP licensing.

When the IPA receives a complaint from the Gateway, a dedicated team conducts a thorough review to determine if there are any facts or matters that indicate that further investigation into potential professional misconduct may be required, or conversely that there are no grounds for the complaint which should

therefore be rejected. If a complaint is rejected and the complainant disagrees, they have 14 days to request a review of the decision. Alternatively, the complaint may be not serious enough to require investigation into potential professional misconduct but may raise questions about adherence to good practice, potentially requiring an informal warning or Advisory Notice.

If the IPA finds grounds for concern or for possible disciplinary action, the IP concerned is presented with any allegations and their representations are requested. Once these are received, the IPA's Regulation and Conduct Committee reviews the allegations, determines whether there is a prima facie case of misconduct and decides how to exercise its powers under Conduct Rule 4.5 or other relevant Regulatory Rules (available on the IPA's website). If the Committee finds that misconduct has occurred, it may either initiate proceedings to restrict or withdraw the IP's licence, or seek consent from the IP for disciplinary sanctions, whether a reprimand or a fine.

## Complaints in 2024

In 2024, the IPA received **65 complaints** relating to Scheme members, with **60 about IVAs and five about PTDs**. These related to **0.02% of IVAs** and under **0.01% of PTDs** regulated by the IPA. These proportions were the same as in 2023, although the quantum of complaints to the IPA increased from the 53 complaints handled by the IPA in 2023 due to the increase in the number of Scheme members.

Poor communication was the most common cause for complaint in 2024, relating in particular to delays in responses or insufficient case updates. Debtors also raised concerns about inaccurate I&E assessments leading to unsustainable repayment plans. There were also complaints about case management failures, including delays in reviews, variations and closures. In a few cases, debtors and creditors reported frustration with unclear fee structures, while debtors highlighted concerns over misleading advice about their options.

The reasons for complaints for the last three years are provided in the table below.

| Complaint Theme                    | IVAs      |           |           | PTDs     |          |          |
|------------------------------------|-----------|-----------|-----------|----------|----------|----------|
|                                    | 2024      | 2023      | 2022      | 2024     | 2023     | 2022     |
| Breakdown in Communication         | 18        | 18        | 22        | 1        | -        | -        |
| Breach of SIP 3.1/3.3              | 15        | 18        | 24        | 2        | 1        | 1        |
| Competence and Due Care            | 10        | -         | 3         | -        | -        | -        |
| Other Breaches of Ethical Guidance | 5         | -         | -         | 1        | -        | -        |
| Other                              | 12        | 17        | 19        | 1        | -        | 1        |
| <b>Total</b>                       | <b>60</b> | <b>53</b> | <b>68</b> | <b>5</b> | <b>1</b> | <b>2</b> |

In 2024, a total of **52 complaints were closed**, of which **49 related to IVAs** and **3**

**to PTDs.** These were closed either following initial assessment or following a formal investigation. This compares to **27 complaints closed in 2023** and **79 in 2022.**

Of the 15 complaints heard by the IPA's Regulation and Conduct Committee in 2024, **12 related to IVAs.** The complaints were about failures in communication, poor I&E verification procedures, a breach of advertising rules, improper referral incentives for clients and concerns about case progression. In eight of these cases, the Committee found a prima facie case of misconduct. Three complaints related to PTDs where misconduct was found in one case, relating to poor communication.

## Conclusion

Overall in 2024, the IPA found that the standards of volume providers remained broadly as in previous years. Concerns remained regarding the accuracy of debt advice provided to each consumer so that there are clear choices and consistent outcomes, as well as the advertising practices used to promote IVAs and other debt solutions. Consumers must be supported to make informed decisions, and advertising must be responsible, accurate and underpinned by creditor support and understanding. This will be the focus of the IPA's inspection and other monitoring in 2025.

Further steps will also be taken to develop the IPA's risk-based approach to monitoring IVAs and PTDs, and to continue to press for clear, accurate, accessible information on all available debt solutions.

Figures from the Scheme show that indebted consumers, who **collectively owe £5 billion**, typically write off **between 45% and 64%** of their debts in an IVA, with no further interest or charges accruing where the IVA is completed, with the **remaining 36% to 55% returned to creditors.** It is vital, therefore, that more IVAs are supported to reach completion, especially where there is a demonstrated change in a consumer's circumstances. Consumers should not be penalised with failure-related costs where they have made a genuine effort to meet the terms of their IVA.

The IPA will continue to work with the Insolvency Service, FCA and other insolvency regulators to ensure that there is consistency of regulation across the personal insolvency sector and that issues of concern relating to policy and practice are quickly identified and addressed.

We expect the number of Scheme members to continue to increase in 2025 and the IPA will ensure that they are monitored with the same rigour and consistency as all existing Scheme members.

**General Data Protection Regulation (GDPR) Statement**

The IPA is committed to ensuring the security and protection of the personal information that we process, and to provide a compliant and consistent approach to data protection. If you have any questions related to our GDPR compliance, please contact us.

**Exclusion of Liability**

The Insolvency Practitioners Association, its members, officers and employees assume no responsibility or liability for any errors or omissions in the content of this report and shall not be liable for any loss, injury or damage of any kind caused directly or indirectly by the use of or reliance on the information contained in the report. This report and the information it contains are provided “as is” and all representations, warranties, obligations and liabilities in relation to the report and to the information it contains are excluded to the maximum extent permitted by law. Third parties are not entitled to seek to hold the Insolvency Practitioners Association, its members, officers or employees responsible for anything contained within this report. The Insolvency Practitioners Association, its members, officers and employees accept no liability to any party that makes any commercial or any other decision based upon the content of the report or that seeks to rely upon the content of the report for any other purpose. The publishing of this report does not grant any right to use the information contained in the report in a way that suggests any official status or that the Insolvency Practitioners Association, its members, officers or employees endorses a third party to use the information contained in this report. Neither the report nor any information it contains may be used to promote an insolvency practitioner or an insolvency practitioner’s firm in any way.



## Contact

Insolvency Practitioners Association  
46 New Broad Street  
London EC2M 1JH  
T: 020 8152 4980  
E: [secretariat@ipa.uk.com](mailto:secretariat@ipa.uk.com)  
[www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk)