

“A mouse click from bankruptcy”

People wishing to enter bankruptcy will soon be given the opportunity to do so online thus avoiding the Courts completely. The government is planning to introduce the change after a deluge of complaints that debtors were facing prolonged delays between first contacting the Court and being granted a Bankruptcy Order.

Commenting, Phil Wood of Staffordshire based licensed insolvency practitioners, BCR said, “A large proportion of people in financial crisis delay making a petition for bankruptcy because they are frightened of the Court process. This can lead to further debt problems. The government action will undoubtedly free up Court time as well as speeding up the process. However, the proposals apply only to individual bankruptcy petitions and not to those brought by creditors who will still need to make those petitions to the Court.”

There were 35,242 individual insolvencies in England and Wales in the third quarter of 2009, an increase of 28.2% on the same period a year ago.

"This substantial increase confirms the view that high levels of personal insolvency will continue in the coming months," added Phil.

ENDS

15th December 2009.