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SURVEY: YOUR IMPRESSIONS OF BANKRUPTCY

In this survey we are seeking your views on bankruptcy, all your replies will be treated in total confidence as explained in the covering letter. We hope that you can spare a few minutes of your time to complete this survey. The results will be published in aggregate form in Spring 2007 and can be accessed on the Insolvency Service website.

The questionnaire is divided into sections (A, B, C, D and E). Everyone should complete Sections A,B and E. Depending on your answer in Section B, you will also need to complete either Section C or D. Please mark your answers clearly in black ink with a ✖ in the box.

Please return your completed questionnaire by **Monday 20th November 2006** using the prepaid envelope provided to: Mita Kerai, Statistics Team, The Insolvency Service, Area 5.7, 21 Bloomsbury Street, LONDON, WC1B 3QW

If you have any queries regarding this survey please contact the survey helpline on 020 7291 6740 quoting reference number «UI».

SECTION A: GENERAL INFORMATION

In this first section, we ask you to give us a few details about you and your business. This is important because it will help us to analyse the survey more accurately.

1 Are you...?

Male

Female

2 How old are you?

Under 25

45 to 54

25 to 34

55 to 64

35 to 44

65 or over

3 How many years has your current business been trading?

Less than 1 year

5 to 6 years

1 to 2 years

7 to 9 years

3 to 4 years

10 years or more

4 What is your annual turnover?

£1,000 to £49,999

£250,000 to £499,999

£50,000 to £99,999

£500,000 to £999,999

£100,000 to £249,999

£1 million +

5 How many employees do you have?

None

10 to 24

1 to 4

25+

5 to 9

SECTION B: PERCEPTION OF BANKRUPTCY

6 Please read the following statement and place a ✖ in the box that most accurately reflects how much you agree or disagree with the statement:

“There is a stigma (in this context defined as ‘disgrace’) attached to bankruptcy.”

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Don't know

If you **neither agree nor disagree**, or **don't know** please give the reasons for your answer in the box below.

If you **agreed** or **strongly agreed** with the statement in **Q6**, please **Go To SECTION C** and complete **Q7 to Q12**.

If you **disagreed** or **strongly disagreed** with the statement in **Q6**, please **Go To SECTION D** and complete **Q13a to Q16**.

Everyone should also complete **Q17** in **Section E**.

SECTION C: POTENTIAL IMPACT OF FACTORS ON STIGMA

In Section B, you have indicated that you feel there **is** a stigma attached to bankruptcy. In this section, we ask you to think about the issues that **may** cause a stigma to be attached to bankruptcy. Please read the following statements and place a **X** in the box that most accurately reflects how much you agree or disagree with each one.

Perceptions of a Bankrupt:

7 Generally I think that:

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
A bankrupt is a financial failure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A bankrupt is a business failure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A bankrupt is an incompetent/poor business manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A bankrupt is a personal failure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A bankrupt is dishonest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A bankrupt is untrustworthy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A bankrupt is guilty of 'wrong-doing'	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A bankrupt is merely a victim of circumstances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A bankrupt is unlucky	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you can think of any other words to describe a bankrupt, please state below:

The Bankruptcy Process:

8 To what extent do you agree or disagree that the parts of the bankruptcy process which add to the stigma are:

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Attending court	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Completing the paperwork, such as forms, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Meeting with people in authority, such as the Official Receiver	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Providing details of financial affairs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Having the bankruptcy order advertised in a newspaper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Effects of Bankruptcy:

9 I feel that the stigma of bankruptcy comes from:

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
The possible loss of the bankrupt's home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The possible loss of other assets such as a car	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The possible loss of income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The investigation of a bankrupt's financial affairs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The affect on a bankrupt's credit rating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Not being able to obtain credit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The problems in getting a bank account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The type of restrictions imposed on an undischarged bankrupt, such as not being able to be a company director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The length of time the restrictions are imposed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A bankrupt not being able to pay the people they owe money to	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

And are there any other effects that add to the stigma of bankruptcy, please state below:

The Attitudes of Others:

10 If you were facing a bankruptcy yourself, how concerned would you be about the views of:

	Not at all concerned	Unconcerned	Neither concerned nor unconcerned	Concerned	Very concerned
Your family	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your customers/clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Landlords	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Society as a whole	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dealings and contact with a Bankrupt:

11a After how long do you think a bankrupt should be allowed to resume trading?

- Immediately After 5 years or more
 After 1 year Never
 After 3 years

11b Would you be willing to have business dealings with...

- | | Yes | No | Not sure |
|---|--------------------------|--------------------------|--------------------------|
| a <i>discharged</i> bankrupt on your <i>normal</i> business terms? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| an <i>undischarged</i> bankrupt on your <i>normal</i> business terms? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| a <i>discharged</i> bankrupt on <i>modified</i> business terms? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| an <i>undischarged</i> bankrupt on <i>modified</i> business terms? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

11c Do you know of a bankrupt...

- | | Yes | No | Not sure |
|---------------------------------|--------------------------|--------------------------|--------------------------|
| through your personal life? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| through your business dealings? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

11d If you do know a bankrupt, has this affected your opinion of bankrupts?

- Yes Not sure
 No

11e If yes, has this affect been...

- Positive? Mixed?
 Negative?

Please explain below how this has affected your opinion:

12 Has your business been in financial difficulties?

- | | Yes | No |
|-----------------------|--------------------------|--------------------------|
| in the last 12 months | <input type="checkbox"/> | <input type="checkbox"/> |
| in the last 5 years | <input type="checkbox"/> | <input type="checkbox"/> |

Please **Go To SECTION E** and complete **Q17**.

SECTION D: POTENTIAL FACTORS WHY STIGMA MAY NOT EXIST

In Section B, you didn't agree that there is a stigma attached to bankruptcy. In this section, we ask you to think about why you are of this opinion. Please read the following statements and place a ✖ in the box that most accurately reflects how much you agree or disagree with each statement.

13a Please indicate whether you agree with each of the statements listed below:

- | | Yes | Neither agree nor disagree | No | Don't know |
|---|--------------------------|----------------------------|--------------------------|--------------------------|
| The bankruptcy process is straightforward | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bankruptcy does not affect your personal life | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bankruptcy is part of the risk of being in business | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bankruptcy is not necessarily the bankrupt's fault | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| A bankrupt is merely a victim of circumstances | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| A bankrupt is unlucky | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bankruptcy is socially acceptable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bankruptcy enables a bankrupt to pay creditors as much as he/she can afford | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bankruptcy is 'common-place' | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

13b For the statements that you agreed with above, put an ✖ in the box if it is a reason why you think that there isn't a stigma attached to bankruptcy:

- | | |
|---|--------------------------|
| The bankruptcy process is straightforward | <input type="checkbox"/> |
| Bankruptcy does not affect your personal life | <input type="checkbox"/> |
| Bankruptcy is part of the risk of being in business | <input type="checkbox"/> |
| Bankruptcy is not necessarily the bankrupt's fault | <input type="checkbox"/> |
| A bankrupt is merely a victim of circumstances | <input type="checkbox"/> |
| A bankrupt is unlucky | <input type="checkbox"/> |
| Bankruptcy is socially acceptable | <input type="checkbox"/> |
| Bankruptcy enables a bankrupt to pay creditors as much as he/she can afford | <input type="checkbox"/> |
| Bankruptcy is 'common-place' | <input type="checkbox"/> |

13c Please indicate below if there are any other reasons not covered above that explain why you feel bankruptcy does not attract stigma:

The Attitudes of Others:

14 If you were facing bankruptcy yourself, how concerned would you be about the views of:

	Not at all concerned	Unconcerned	Neither concerned nor unconcerned	Concerned	Very concerned
Your family	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your customers/clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Landlords	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Society as a whole	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dealings and contact with a Bankrupt:

15a After how long do you think a bankrupt should be allowed to resume trading?

Immediately After 5 years or more

After 1 year Never

After 3 years

15b Would you be willing to have business dealings with...

	Yes	No	Not sure
a <i>discharged</i> bankrupt on your <i>normal</i> business terms?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
an <i>undischarged</i> bankrupt on your <i>normal</i> business terms?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a <i>discharged</i> bankrupt on <i>modified</i> business terms?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
an <i>undischarged</i> bankrupt on <i>modified</i> business terms?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15c Do you know of a bankrupt...

	Yes	No	Not sure
through your personal life?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
through your business dealings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15d If you do know a bankrupt, has this affected your opinion of bankrupts?

Yes Not sure

No

15e If yes, has this affect been...

Positive? Mixed?

Negative?

Please explain below how this has affected your opinion:

16 Has your business been in financial difficulties?

	Yes	No
In the last 12 months	<input type="checkbox"/>	<input type="checkbox"/>
In the last 5 years	<input type="checkbox"/>	<input type="checkbox"/>

Please **Go To SECTION E** and complete **Q17**.

SECTION E: DISCHARGE FROM BANKRUPTCY

In 2004, the Enterprise Act 2002 introduced major changes to bankruptcy discharge provisions as follows:

- A reduction in the automatic discharge period from three years (and two years in summary administrations cases) to one year;
- The introduction of 'early discharge' provisions whereby, in certain circumstances, the discharge can be obtained in less than one year; and
- The discharge provisions are the same regardless of how many times an individual has been previously adjudged bankrupt.

The aim of these provisions is to enable the prompt rehabilitation of bankrupts judged to be non-culpable who have fully co-operated with the Official Receiver and do not discriminate against 'second-time' bankrupts.

	Yes	No	Don't know
17a Do you think that bankrupts should be discharged quicker?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17b Do you think that second-time bankrupts should be discharged from bankruptcy as quickly as 'first-time' bankrupts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17c Do you think that the reduction in the discharge period assists in the rehabilitation of bankrupts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17d Have the discharge provisions impacted on your business in any way?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If yes, please explain how this has impacted on your business:

Thank you for your co-operation and taking time to help us with this survey. Your replies will be kept strictly confidential. If you have any queries regarding this survey please contact the survey helpline on 020 7291 6740.