

Profiles of bankrupts: 2003/4 to 2005/6

**A report produced by The Insolvency Service.
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Section 1: Executive Summary

1.1 Introduction

This report looks at the characteristics of bankrupts, collectively in England & Wales and on a regional basis, over a three-year period. It focuses on the following areas:

- Petition type
- Gender
- Age
- Previous insolvency proceedings
- Employment status
- Whether an income payments agreement/order was obtained
- Property ownership
- Assets
- Liabilities – the level of debt owed and the number of creditors

The aim of this research was to ascertain whether there have been changes over the study period in respect of these characteristics, and whether any regional differences exist. This research will add to the evidence base for future policy decisions. Additionally, the information will assist in determining the scope for further research into bankruptcy.

The Insolvency Service intends to issue further profiling reports in future years and these will also contain information on the marital and parental status of bankrupts and information on the primary causes of failure in bankruptcy¹.

¹ The Insolvency Service has published a separate report regarding causes of failure in bankruptcy in 2003/4 and 2004/5 entitled 'Causes of Failure in Bankruptcy and Compulsory Liquidations', which can be accessed at: <http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/causes/Report%20-%20Cause%20of%20Failure.doc>

1.2 Key Findings

For England & Wales

- The majority of bankruptcy orders were made on a debtor's own petition, and the proportion of bankruptcy orders made on a debtor's own petition increased over the study period.
- Over half of those who became bankrupt were men, although the proportion of female bankrupts increased.
- The average age of a bankrupt was 41.
- Female bankrupts tended to be younger than male bankrupts
- The proportion of 'second-time' bankrupts, i.e. bankrupts who have previously been subject to bankruptcy proceedings, fell over the study period.
- Bankrupts were more likely to have been subject to previous individual voluntary arrangement proceedings than previous bankruptcy proceedings.
- Male bankrupts were more likely to be 'second-time' bankrupts, whereas female bankrupts were more likely to have previously obtained an individual voluntary arrangement than male bankrupts.
- The proportion of self-employed bankrupts fell and conversely, the proportions of bankrupts who were employees, had no occupation or were unemployed increased.
- Just under half of female bankrupts had no occupation or were unemployed. In comparison, the proportion of male bankrupts who had no occupation or were unemployed was around a third.
- The proportion of male bankrupts who were self-employed was about double the proportion of female bankrupts who were self-employed.
- As regards self-employed bankrupts, the distribution of cases according to business sector remained fairly stable.
- The level of income payment agreements/orders obtained increased in 2004/5, and were obtained from a higher proportion of male than female bankrupts.

1.2 Key Findings (continued)

For England & Wales

- A higher proportion of male than female bankrupts owned properties, although the proportion of female bankrupts owning property is increasing.
- The average level of assets of bankrupts increased. However, if property ownership is excluded, there was little change in the average level of assets.
- The average asset levels (including property) of male bankrupts were more than double that of female bankrupts.
- The average asset levels (excluding property) of male bankrupts were more than double that of female bankrupts in 2003/4 and 2005/6 only, although they were still more in 2004/5.
- Over 50% of bankrupts had no assets, although this proportion is decreasing.
- The average amount of scheduled debt increased in 2004/5 compared to the previous year, but changed very little in 2005/6 compared to the previous year.
- Male bankrupts had higher scheduled debt than female bankrupts.
- The distribution of bankruptcy cases according to the number of creditors remained fairly stable over the study period.

Regional results

- In broad terms, the regions follow the patterns seen at the national level. However, some small differences between regions do exist, as detailed below.
- The London region, in particular, shows differences compared to the rest of England and Wales.
- The London region had the lowest proportion of debtor petition bankruptcies.
- The proportion of female bankrupts was highest in the South-West region, and lowest in the London region.
- The average age of bankrupts in the London and North-West regions was higher than seen in other regions.

1.2 Key Findings (continued)

Regional results

- The London and North-West regions had a lower proportion of 'second-time' bankrupts compared to other regions of England and Wales.
- The London and North-West regions had the lowest proportion of employee bankrupts compared to the other regions.
- The London region had the highest proportion of self-employed bankrupts compared to other regions.
- The London, North-East and North-West regions had the lowest proportion of cases where an income payments agreement/order had been obtained.
- The London, Midlands and South-West regions had the lowest proportion of bankrupts owning a property.
- The Midlands region had the lowest average asset levels (including property).
- The Anglia, London and South-East regions had the highest average asset levels (including property).
- The Midlands, North-East and South-West regions had the lowest average asset levels (excluding property).
- The Anglia and London regions had the highest average asset levels (excluding property).
- The North-East region had the lowest average amount of scheduled debt, and the London region had the highest average amount of scheduled debt.
- The London, Midlands and North-East regions had the largest proportion of bankrupts with less than 5 creditors, whereas the South-West region had the smallest proportion of bankrupts with less than 5 creditors

1.3 Methodology

Data on the profiling information have been extracted from The Insolvency Service's internal database for the periods 2003/4², 2004/5, and 2005/6. The Service collects this information routinely, but in some cases the data are missing where, for example, the bankrupt has not been traced or has not fully co-operated, or bankruptcy proceedings have been annulled.

Detailed statistics for England and Wales, including the extent of the missing data, are shown in [Appendix 1](#)³.

As regards information on assets (including homeownership) and debts owed, this is based on information provided to the Official Receiver by the bankrupt or by third-parties. The data do not include information regarding assets or debts owed received after an insolvency practitioner has been appointed trustee. The percentage of cases where an insolvency practitioner has been appointed is shown in Table 1.

Table 1: Percentage of cases where an insolvency practitioner has been appointed trustee

	2003/4	2004/5	2005/6
No. of bankruptcy orders made ⁴	29,633	37,562	53,386
No. of cases where an IP has been appointed ⁵	5,042	4,727	5,443
% of cases where an IP has been appointed	17.0%	12.6%	10.2%

For the regional analysis, the bankruptcy data have been broken down according to The Insolvency Service's broad operational regions. Detailed regional statistics, including the extent of missing data, are shown in [Appendix 2](#).

Where possible, the bankruptcy profiling data have been compared to the demographics of the underlying population as shown by the 2001 Census results.

² The period 2003/4 refers to the year ended 31 March 2004

³ The Insolvency Service has previously published profiling information in a report entitled 'Characteristics of bankrupts' (<http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>) based on information extracted from its internal database for the periods 2001/2 – 2004/5. It should be noted that some of the figures in this report for 2003/4 and 2004/5 may differ from those in the previous report. This is because the profiling information in the previous report was extracted at a different date and therefore, case information may have been updated.

⁴ Based on statistics published by The Insolvency Service (previously the DTI Statistics Directorate) (not seasonally adjusted)

⁵ Information based on The Insolvency Service's performance data

1.3 Methodology (continued)

The profiling information for 2003/4 and 2004/5 has been supplemented by information from a case sampling exercise of reports to creditors. The samples were drawn from reports to creditors issued in respect of bankruptcy orders made in 2003/4 and 2004/5, and for each year, a total of 1,000 reports to creditors were randomly sampled stratified on a regional basis.

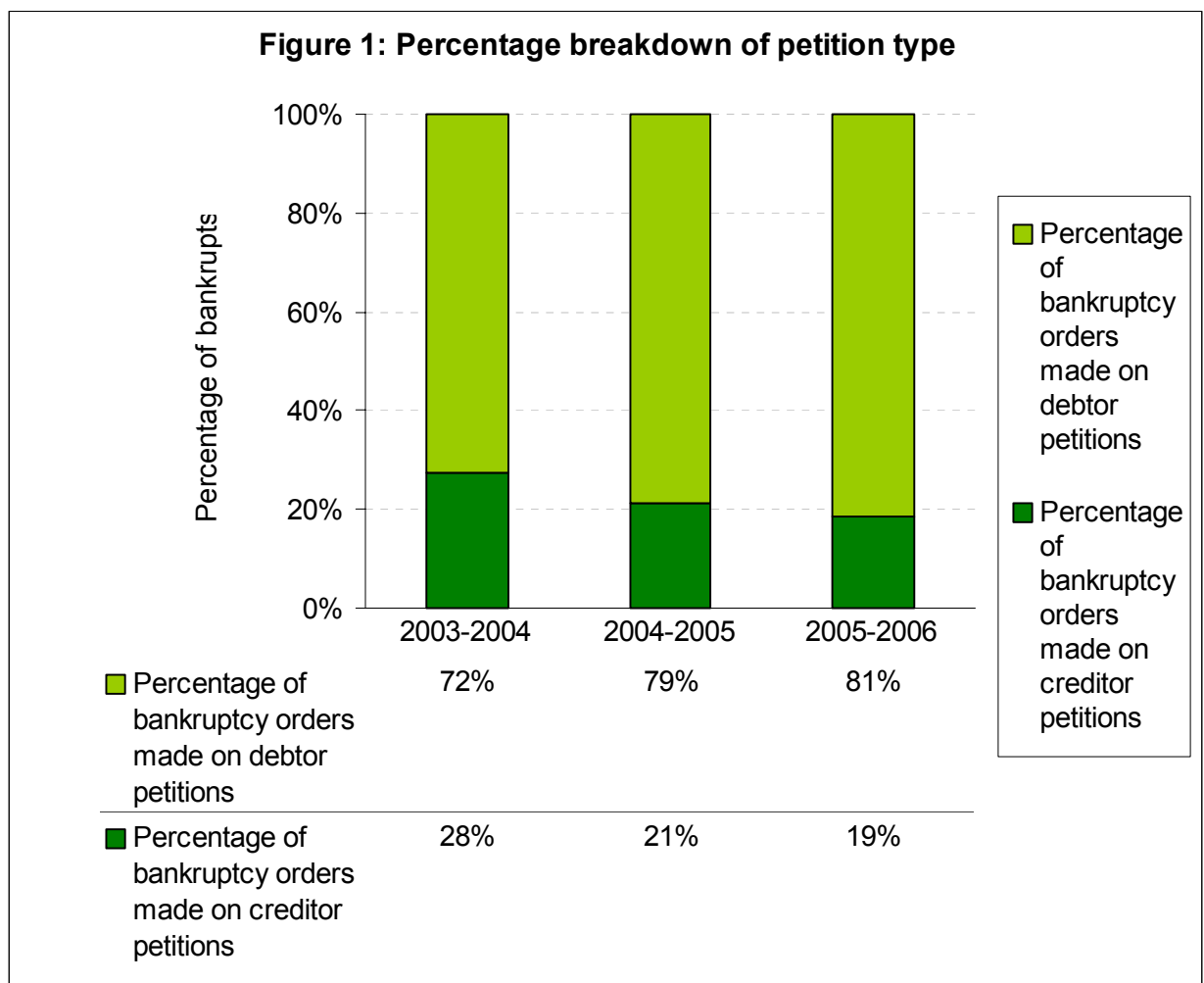
The Official Receiver issues a report to creditors in every bankruptcy case. It is primarily based on information provided by the bankrupt and almost all reports to creditors are issued within 12 weeks of the making of the insolvency order⁶.

⁶ Internal statistics maintained by The Insolvency Service show that 99.7% of bankruptcy reports to creditors were issued within 12 weeks of the making of the order in 2003/4. Similarly, in 2004/5, 98.9% of bankruptcy reports to creditors were issued within 12 weeks of the making of the order.

Section 2: Profiles of bankrupts in England & Wales

2.1 Petition type

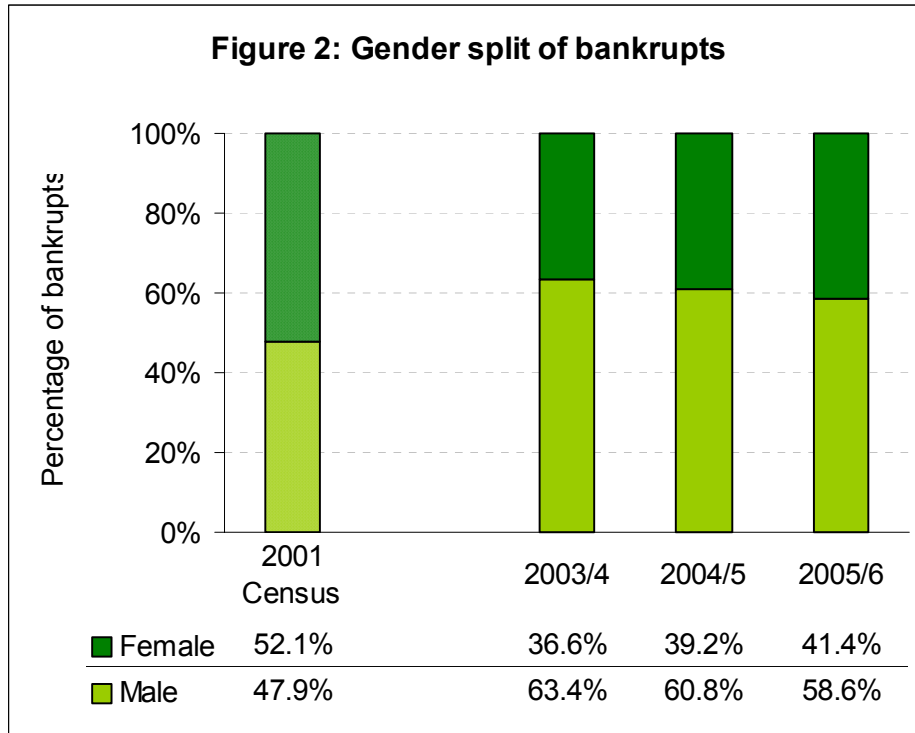
- The majority of bankruptcy orders were made on a debtor's own petition, and the proportion of bankruptcy orders made on a debtor's own petition increased over the study period (see Figure 1).
- Further information regarding petitioning creditors in bankruptcy is available in The Service's report entitled 'A study of creditors petitioning for bankruptcy'⁷.



⁷ A copy of the report entitled 'A Study of Creditors petitioning for bankruptcy' can be found at: <http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/BankruptcyPetitioningCreditors1.pdf>

2.2 Gender

- Just over half of the population of those aged 18 and over in England and Wales are female⁸. However, throughout the study period, well over half of those who became bankrupt were men (see Figure 2).



- The proportion of female bankrupts, however, increased (see Figure 2).
- More men are economically active than women⁹ and this may be a contributing factor to the higher proportion of male bankrupts.

⁸ Information based on table S001 (Age by sex and resident type in England & Wales) from the 2001 Census data.

⁹ Information based on tables KS09b and KS09c (Economic activity in England & Wales) from the 2001 Census data, which shows that 73.8% of men aged 16 to 74 are economically active compared to 59.5% of women in the same age range. 'Economically active' is defined as people aged 16-74 who were working in the week before Census Day, those not working but looking for work and able to start within 2 weeks, including full-time students who are economically active.

2.3 Age¹⁰

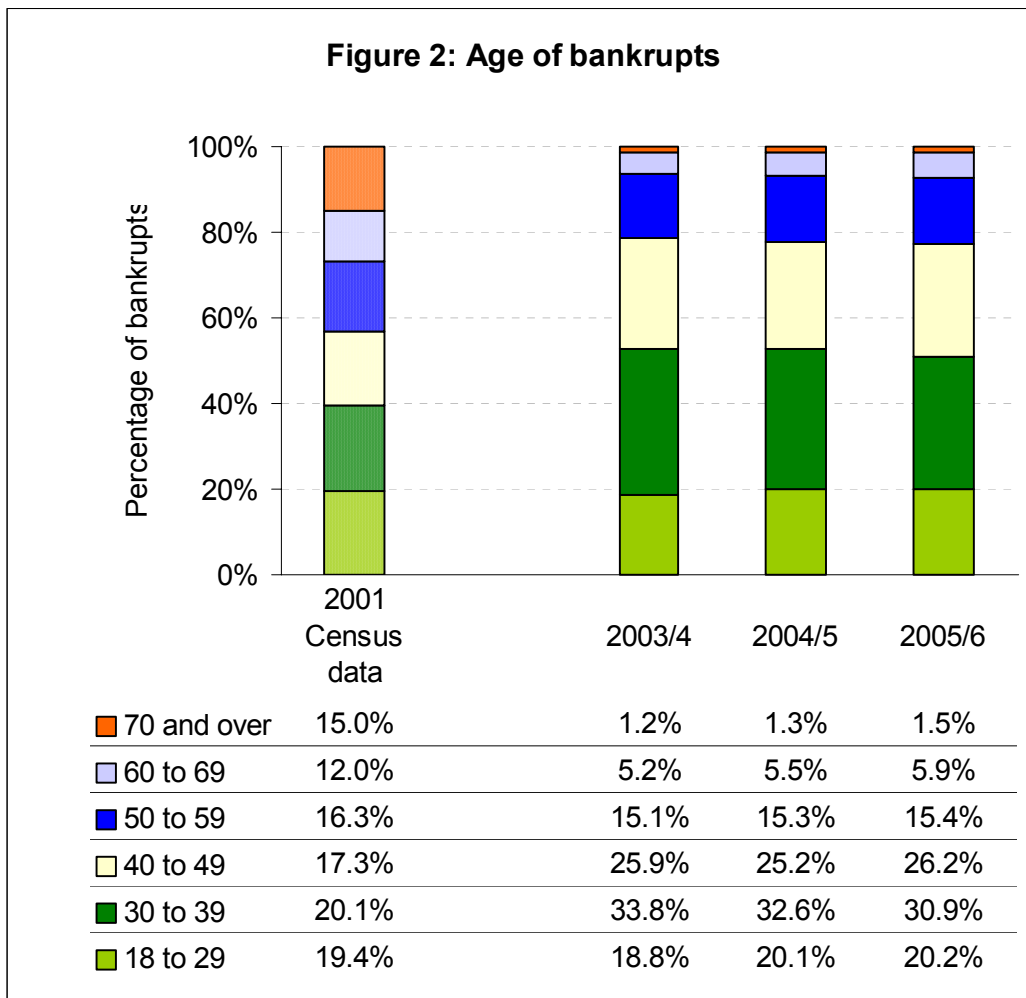
- The average age of a bankrupt was 41 (see Table 2).

	2003/4	2004/5	2005/6
Average age of a male bankrupt	41.7	41.5	41.9
Average age of a female bankrupt	39.2	39.3	39.8
Average age of a bankrupt	40.7	40.6	41.0

¹⁰ The 2003/4 and 2004/5 figures for bankrupts' ages have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at: <http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>
This is because the information has been extracted from a live database and case information has been updated.

2.3 Age¹¹ (continued)

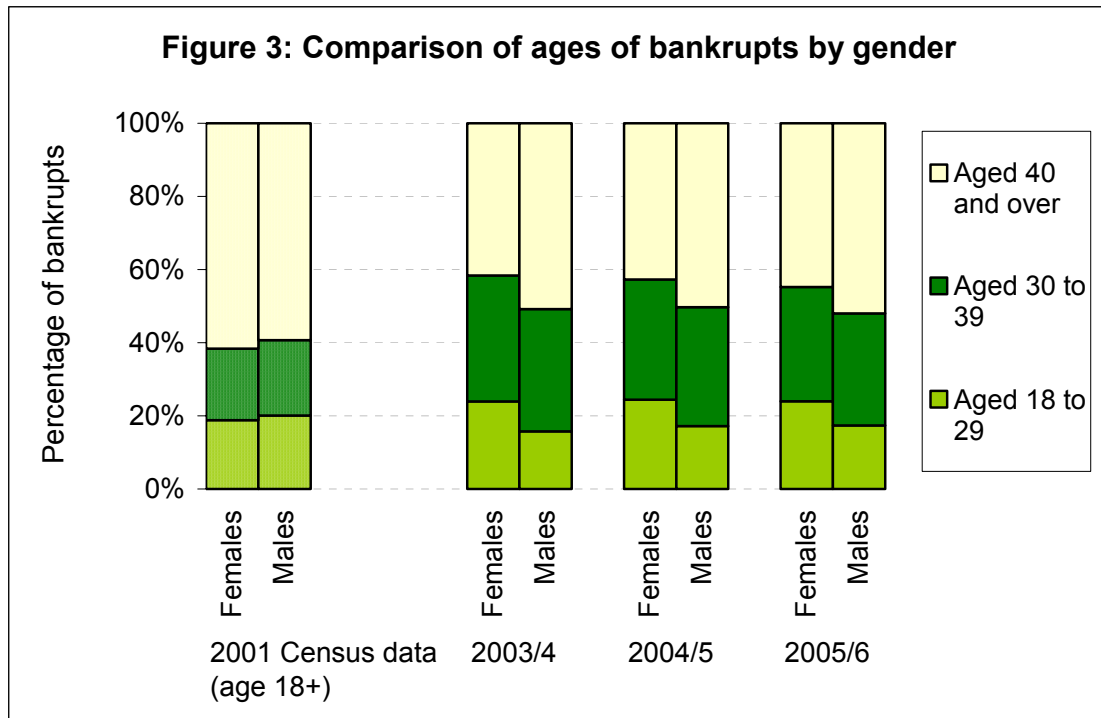
- The distribution of bankruptcy cases according to age remained fairly stable over the study period, although there was a small decrease in the proportion of bankrupts aged between 18 and 39 in 2005/6 compared to the previous two years, with a corresponding increase in the proportion aged 40 and over (see Figure 2).



¹¹ The 2003/4 and 2004/5 figures for bankrupts' ages have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at: <http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>
This is because the information has been extracted from a live database and case information has been updated.

2.3 Age¹² (continued)

- Female bankrupts tended to be younger than male bankrupts throughout the study period (see Table 2 above and Figure 3).



¹² The 2003/4 and 2004/5 figures for bankrupts' ages have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at: <http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>
This is because the information has been extracted from a live database and case information has been updated.

2.4 Previous insolvency proceedings

- The proportion of 'second-time' bankrupts, i.e. bankrupts who have previously been subject to bankruptcy proceedings, fell over the study period (see Table 3).
- Male bankrupts were more likely to be 'second-time' bankrupts than female bankrupts (see Table 3).

Table 3: Percentage of 'second-time' bankrupts

	2003/4	2004/5	2005/6
Percentage of male bankrupts who are 'second-time' bankrupts	5.4%	3.2%	2.6%
Percentage of female bankrupts who are 'second-time' bankrupts	1.8%	1.4%	1.0%
Overall percentage of bankrupts who are 'second-time' bankrupts	4.0%	2.5%	1.9%

2.4 Previous insolvency proceedings (continued)

- The sampling exercise of reports to creditors for 2003/4 and 2004/5 provides information on the level of cases where a bankrupt has previously obtained an individual voluntary arrangement (IVA) (see Table 4).
- Bankrupts were more likely to have been subject to IVA proceedings than previous bankruptcy proceedings (see Tables 3 and 4).
- Female bankrupts were more likely to have previously obtained an IVA than male bankrupts (see Table 4)

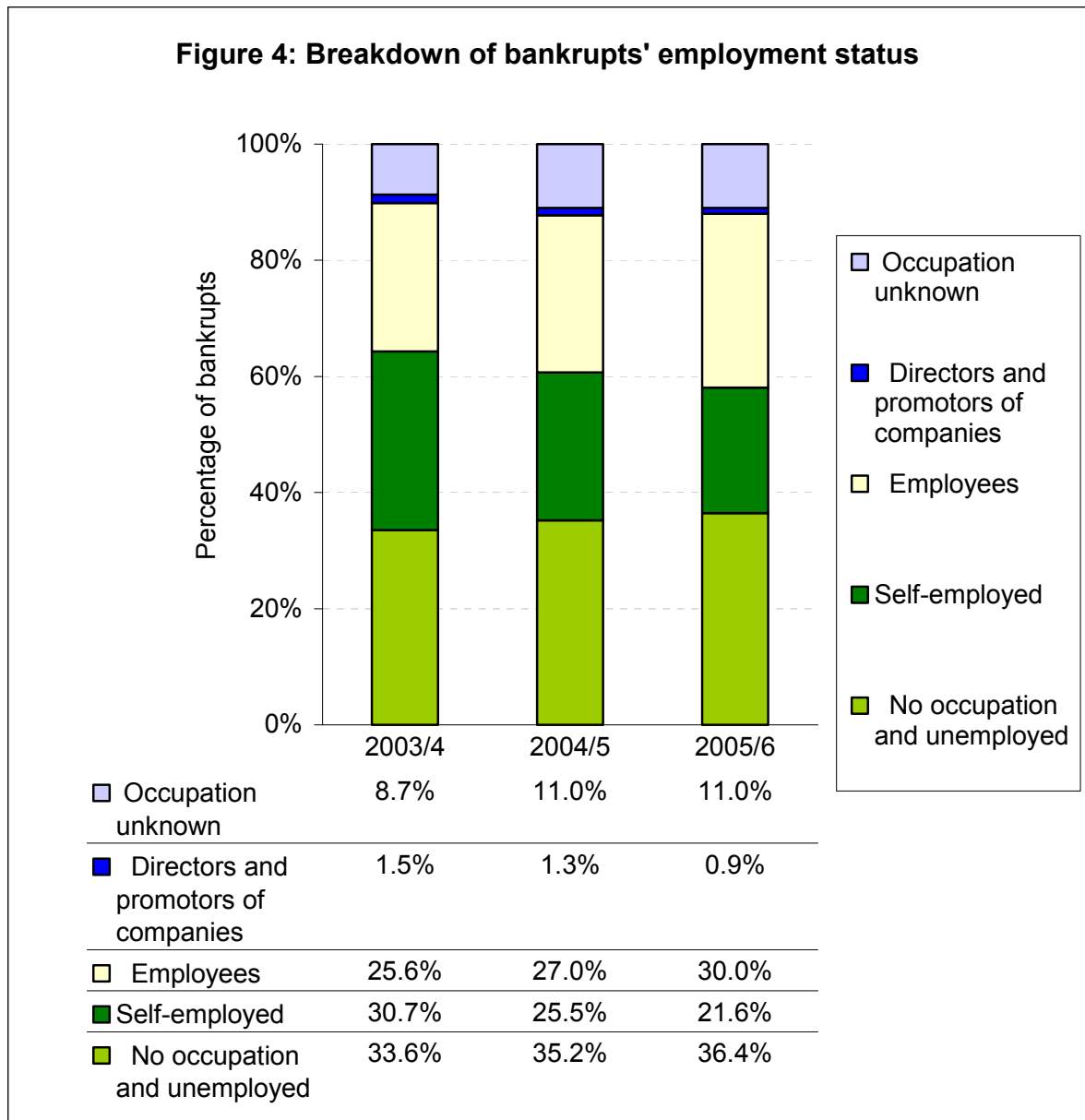
Table 4: Level of bankrupts who have previously obtained an individual voluntary arrangement (IVA) (based on case sampling)

	2003/4	2004/5
Unweighted percentage of male bankrupts who had previously obtained an IVA	2.2%	1.9%
Unweighted percentage of female bankrupts who had previously obtained an IVA	6.2%	2.7%
Unweighted overall percentage of bankrupts who had previously obtained an IVA	4.7%	2.4%
Weighted overall percentage of bankrupts who had previously obtained an IVA ¹³	6.3%	6.0%

¹³ The samples for 2003/4 and 2004/5 had 3.0% and 1.0% 'second-time' bankrupts, compared to 4.0% and 2.5% for the population (see Table 3). It has been assumed that the probability of being a 'second-time' bankrupt and being a bankrupt who has previously obtained an IVA are directly proportional, and therefore, weightings of 4/3 and 2.5 have been applied to the unweighted overall percentage of bankrupts who had previously obtained an IVA. As regards gender, the samples for 2003/4 and 2004/5 had 63% and 58.9% men respectively, compared with 63.4% and 60.8% for the population (see Figure 2). Therefore, weightings as regards gender have not be applied as the sample as it is broadly representative of the population.

2.5 Employment status

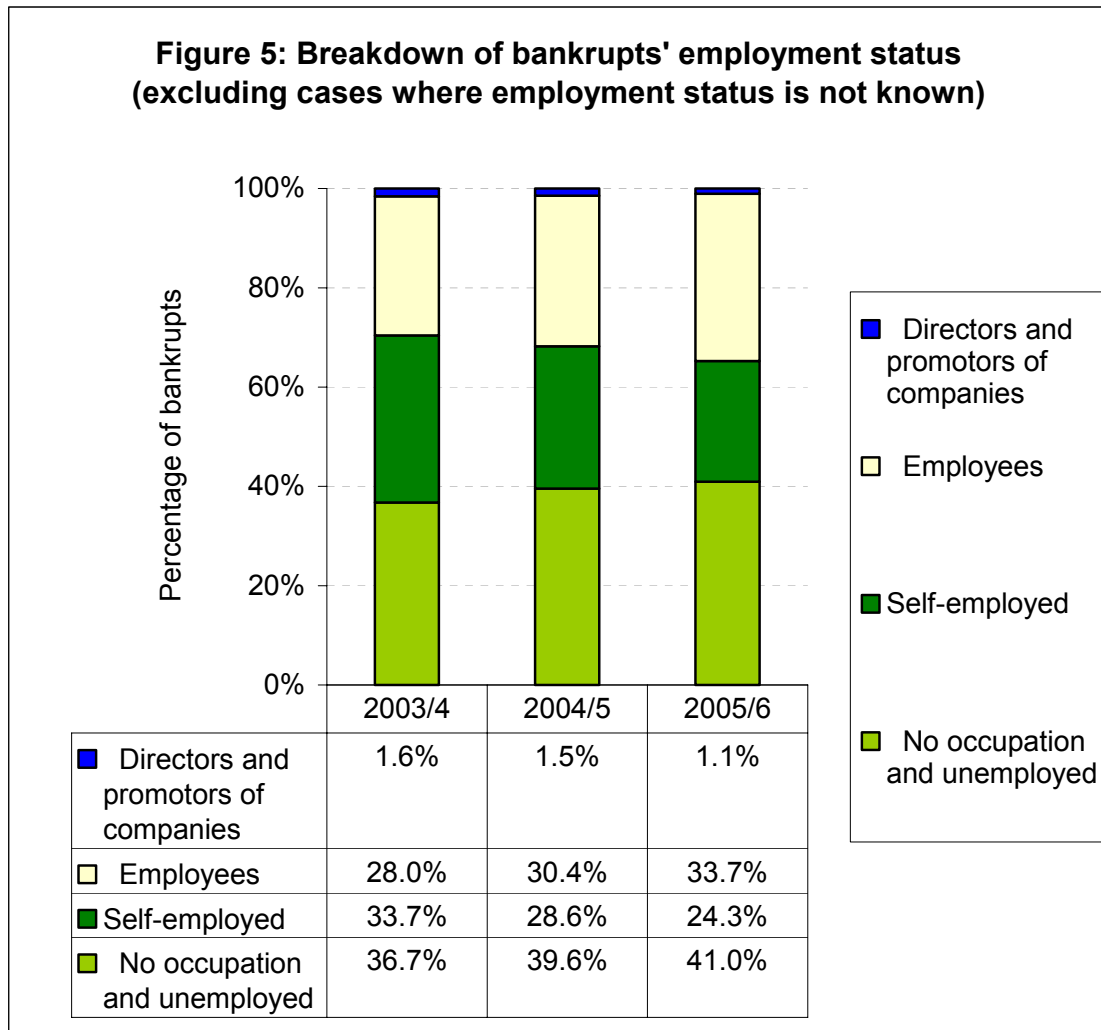
- The proportion of self-employed bankrupts fell by 9 percentage points over the study period (see Figure 4)¹⁴.
- Conversely, the proportions of bankrupts who were employees or had no occupation/unemployed increased by 4 and 3 percentage points respectively (see Figure 4)¹⁴.



¹⁴ Based on the quarterly statistics published by The Insolvency Service (previously DTI Statistics Directorate)

2.5 Employment status (continued)

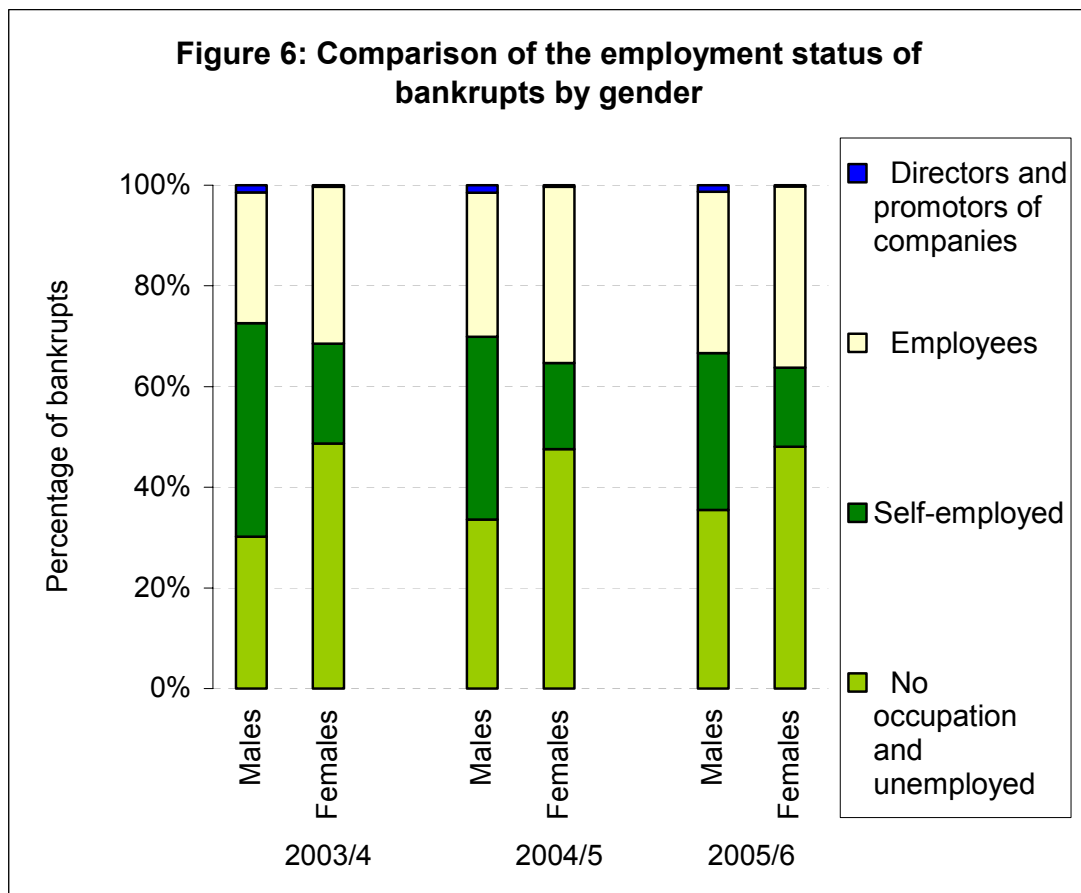
- If cases where the employment status is unknown are excluded, the proportion of employee bankrupts increased by nearly 6 percentage points over the study period. Similarly, the proportion of bankrupts who had no occupation or are unemployed increased by just over 3 percentage points over the study period. In contrast, the level of self-employed bankrupts fell by over 9 percentage points over the study period (see Figure 5)¹⁵.



¹⁵ Based on the quarterly statistics published by The Insolvency Service (previously DTI Statistics Directorate)

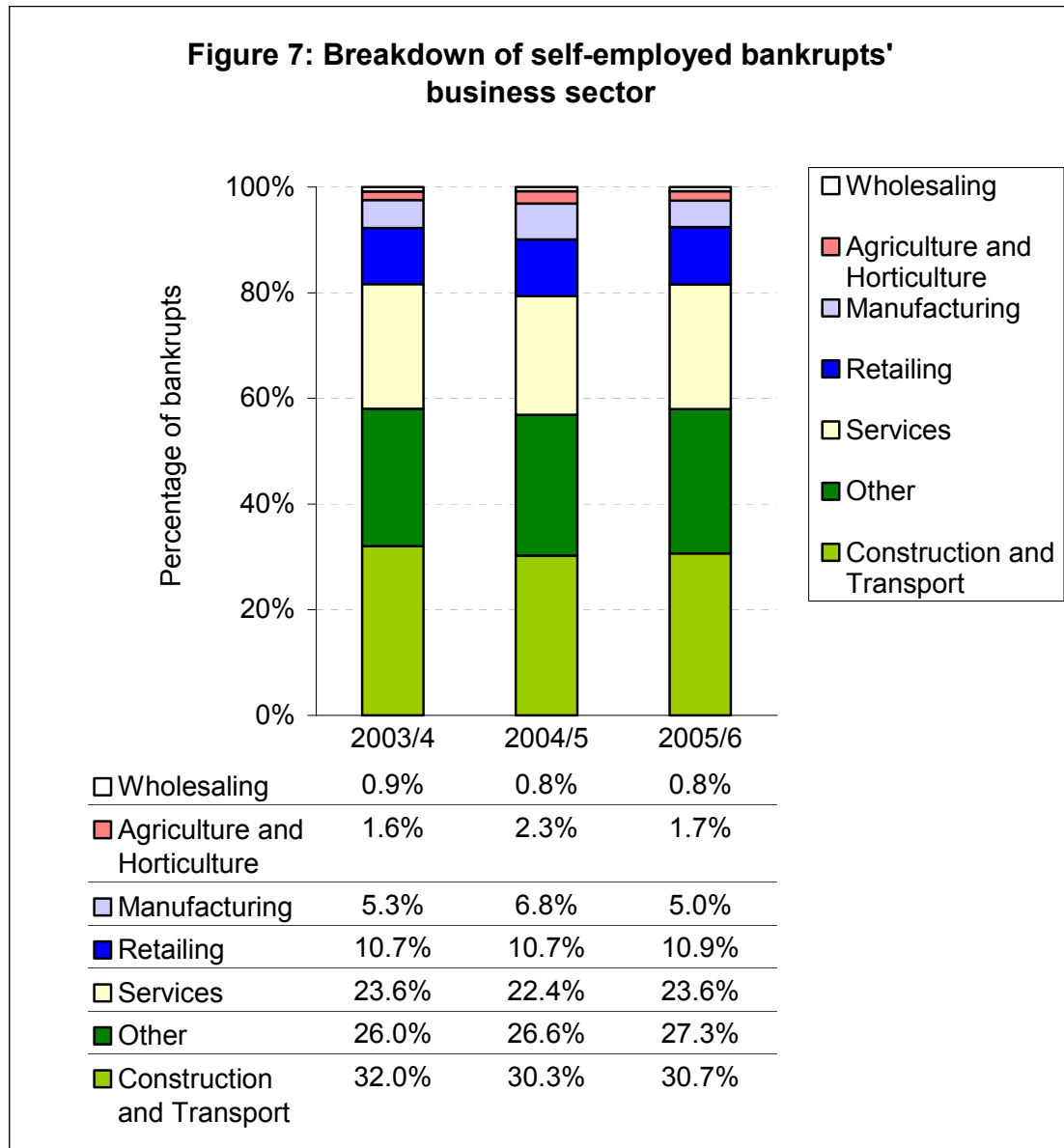
2.5 Employment status (continued)

- If cases where the employment status is unknown are excluded, just under half of female bankrupts had no occupation or were unemployed throughout the study period. In comparison, the proportion of male bankrupts who had no occupation or were unemployed was around a third throughout the study period, although this increased (see Figure 6).
- The proportion of male bankrupts who were self-employed was about double the proportion of female bankrupts who were self-employed throughout the study period (see Figure 6).
- A higher proportion of female bankrupts were employees, and, a higher proportion of male bankrupts were directors and promoters of companies (see Figure 6).



2.5 Employment status (continued)

- As regards self-employed bankrupts, the distribution of cases according to business sector¹⁶ remained fairly stable over the study period (see Figure 7)¹⁷.



¹⁶ The business sector is classified according to the *Insolvency Trade Classification*, which is based on (but not identical to) a previous revision to the Standard Industrial Classification (SIC). However, as from October 2006, new cases are being classified according to the current SIC2003 at the 2-digit level of detail.

¹⁷ Based on the quarterly statistics published by The Insolvency Service (previously DTI Statistics Directorate)

2.6 Income payments agreements/orders

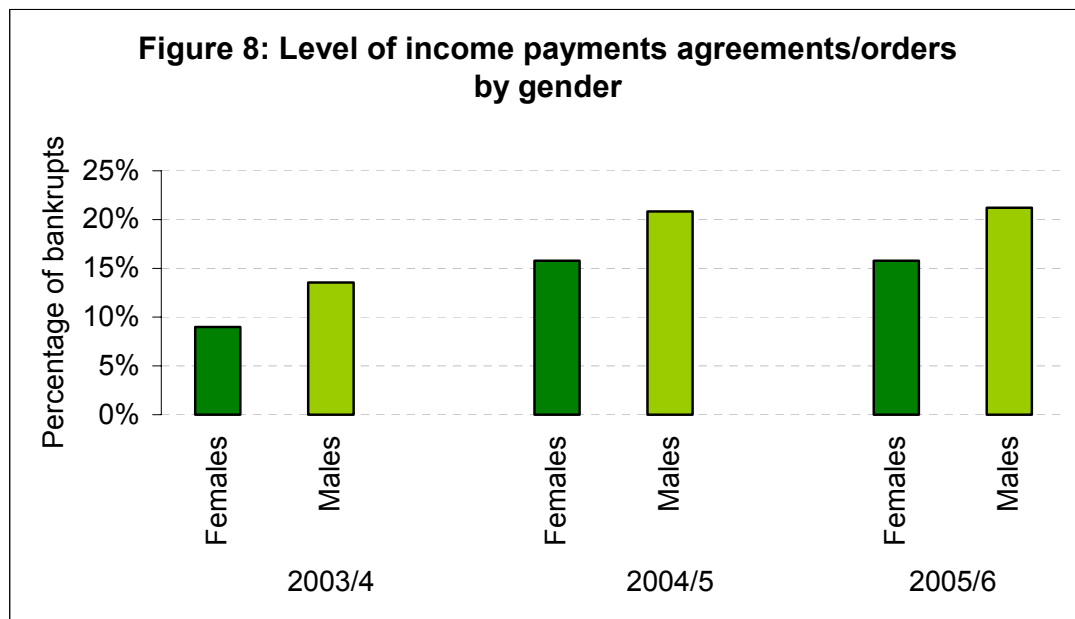
- The level of income payment agreements/orders obtained increased in 2004/5 (see Table 5). This appears to be mainly due to changes introduced by the Enterprise Act 2002¹⁸.

Table 5: Level of income payments agreements/orders obtained

	2003/4	2004/5	2005/6
Level of income payments agreements/orders obtained as a % of all bankrupts	11.9%	18.8%	19.0%

- Income payment agreements/orders were obtained from a higher proportion of male than female bankrupts, although the proportion of income payment agreements/orders obtained from female bankrupts increased in 2004/5 compared to the previous year (see Figure 8).

Figure 8: Level of income payments agreements/orders by gender



¹⁸ The individual provisions of the Enterprise Act 2002 came into effect on 1 April 2004. These provisions introduced income payment agreements (IPAs) as an administrative alternative to court-based income payment orders (IPOs). An IPA is an agreement between a bankrupt and his trustee or the Official Receiver – in writing – that the bankrupt will pay an amount of his income to the trustee/Official Receiver for a specified period or such an agreement where the money is paid by a third party from money due. Any variation of the IPA can be made by written consent of both parties and IPAs carry the same conditions as IPOs. Since the introduction of the IPA regime, over 90% of all cases have been obtained by way of an IPA rather than an IPO. It is believed that the level of IPO/As obtained since the introduction of the IPA regime has materially increased because of the simplified process in obtaining an IPA. Further information is available in The Insolvency Service's evaluation reports entitled 'Contributions from income by bankrupts', which can be accessed at: <http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/legislation/Reform.htm>

2.7 Property ownership

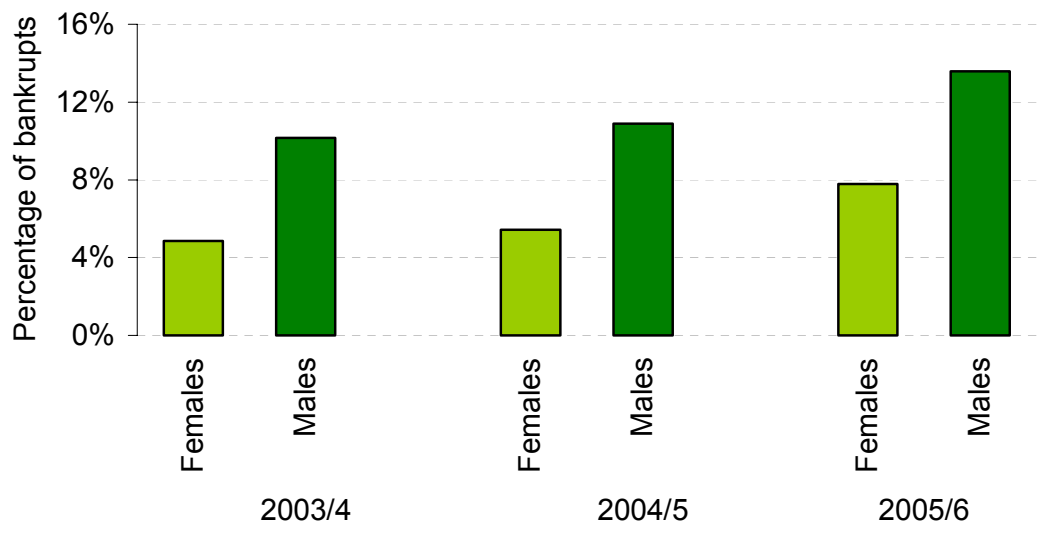
- The level of property ownership by bankrupts increased over the study period from 8% to 11% (see Table 6). This includes residential properties, holiday homes and trading premises.

Table 6: Level of bankrupts' property ownership

	2003/4	2004/5	2005/6
Percentage of bankrupts owning a property	8.2%	8.7%	11.2%

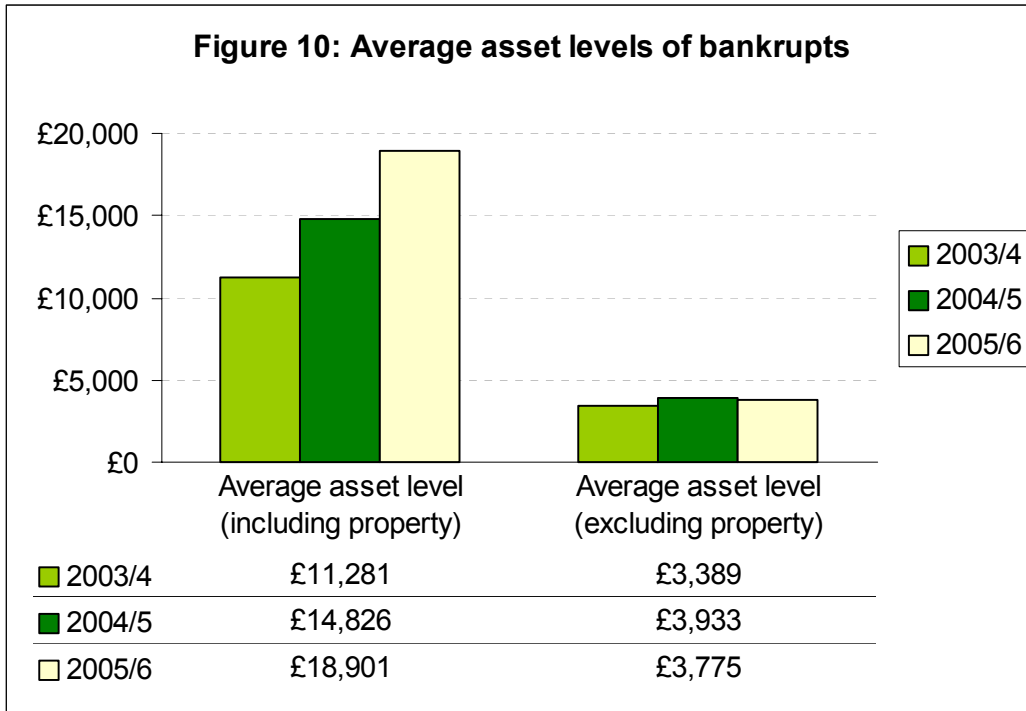
- A higher proportion of male than female bankrupts owned properties, although the proportion of female bankrupts owning property is increasing (see Figure 9).

Figure 9: Level of property ownership by gender



2.8 Assets¹⁹

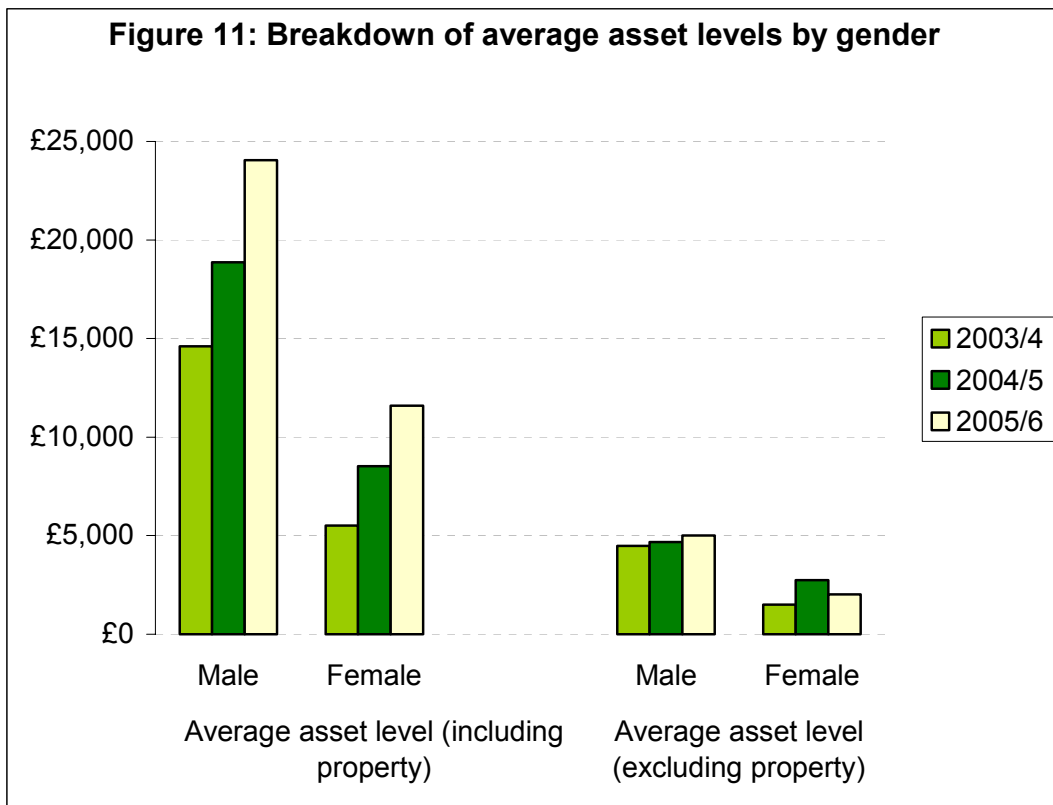
- The average level of assets of bankrupts increased over the study period. However, if property ownership is excluded, there was little change in the average level of assets (see Figure 10).



¹⁹ The asset levels in this section of the report do not include contributions from future income.

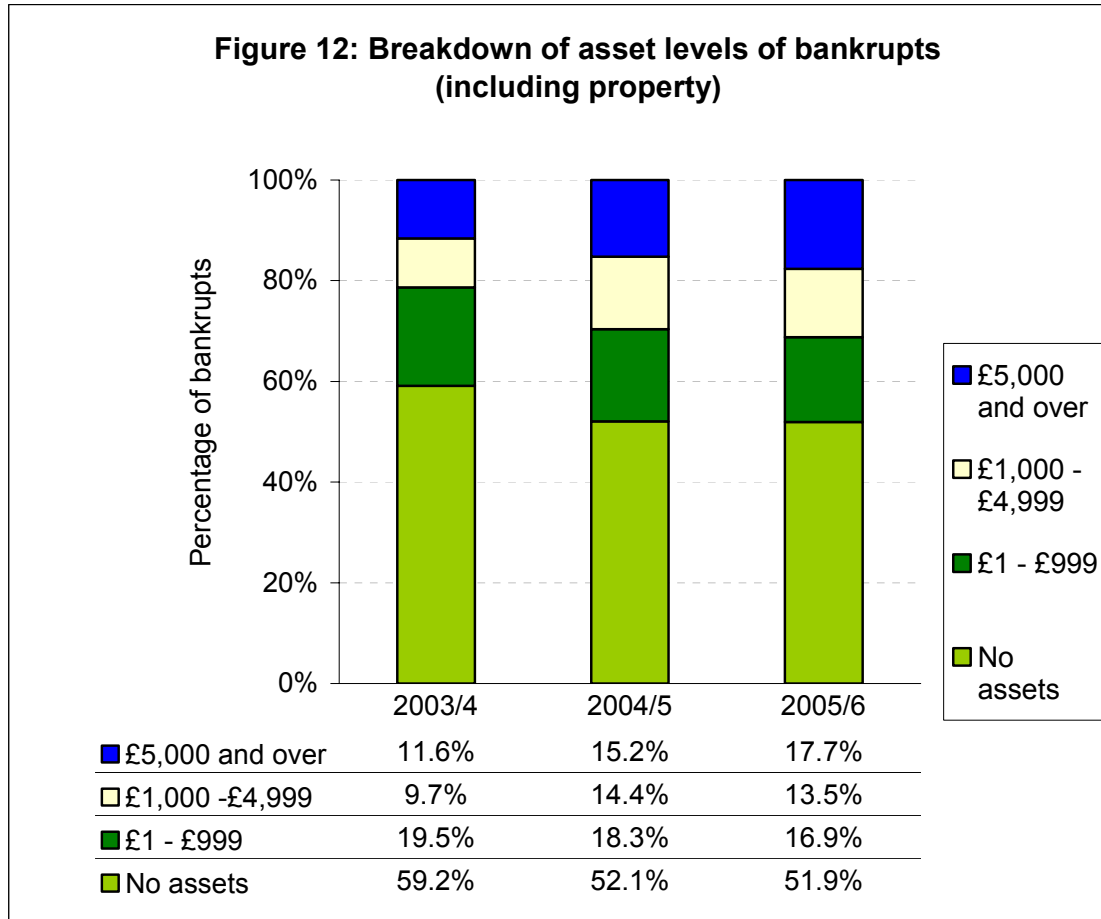
2.8 Assets (continued)

- The average asset levels (including property) of male bankrupts were more than double that of female bankrupts throughout the study period (see Figure 11).
- The average asset levels (excluding property) of male bankrupts were more than double that of female bankrupts in 2003/4 and 2005/6 only, although they were still more in 2004/5 (see Figure 11).



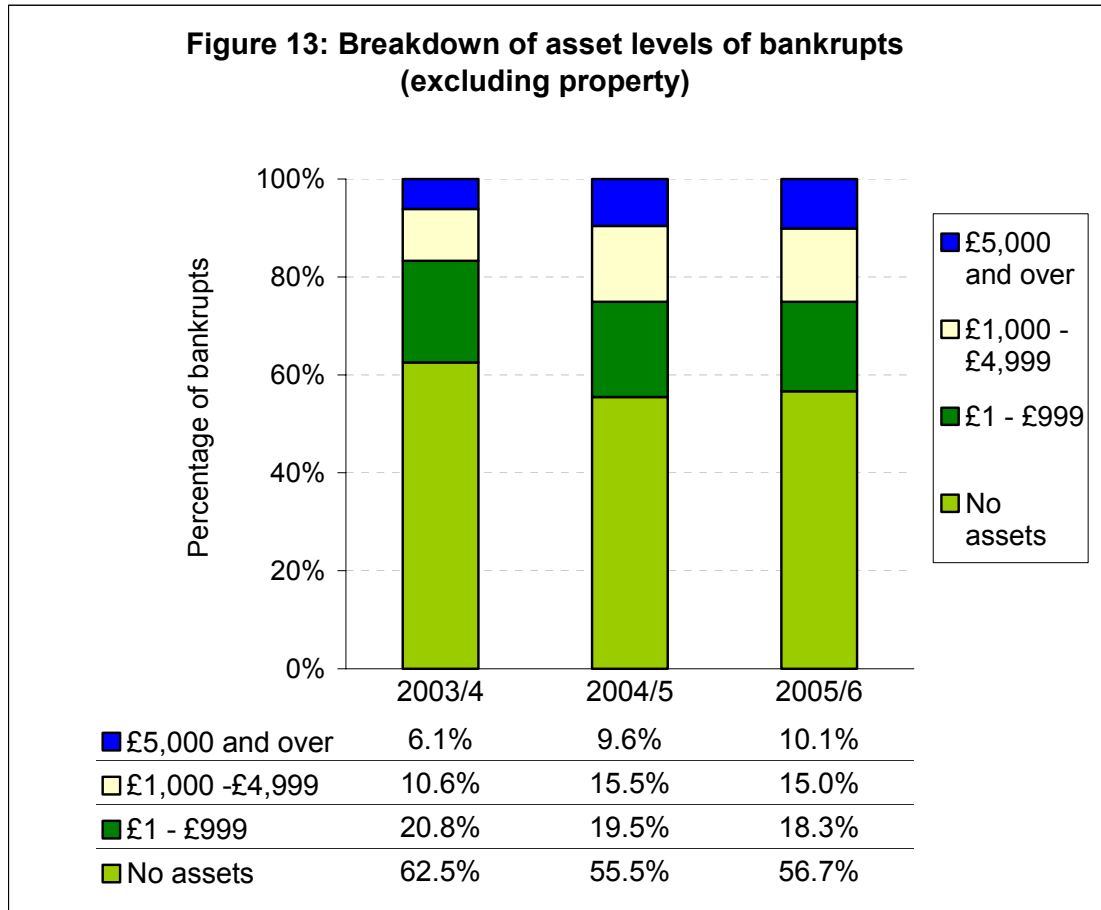
2.8 Assets (continued)

- Over 50% of bankrupts had no assets, although this proportion is decreasing (see Figure 12).



2.8 Assets (continued)

- If property is excluded, the percentage of cases with no assets is higher than when property is included by around 3% in 2003/4 and 2004/5, and 5% in 2005/6. This indicates the level of cases where property was the only bankruptcy asset (see Figures 12 and 13).



2.8 Assets (continued)

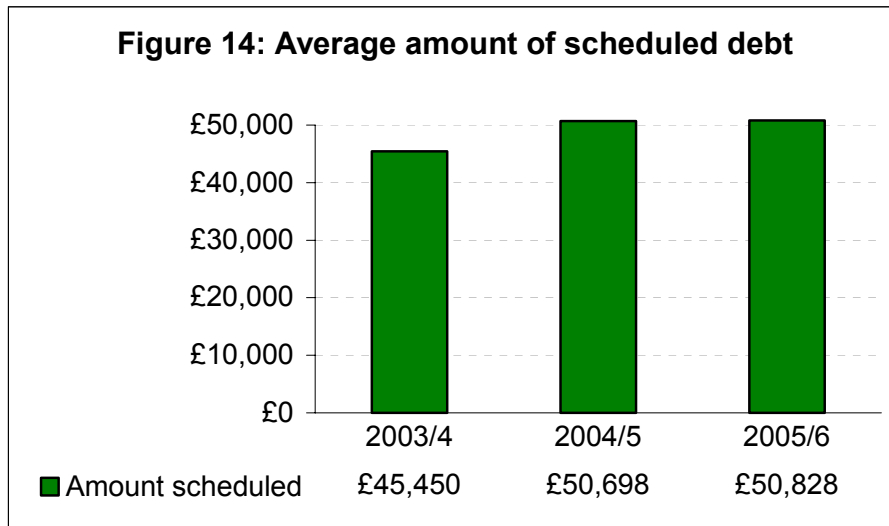
- The results of the reports to creditor sampling exercise indicate that the most common assets (excluding property) were cash at bank and motor vehicles (see Table 7).

Table 7: Percentage of cases with asset types (based on sampling exercise)

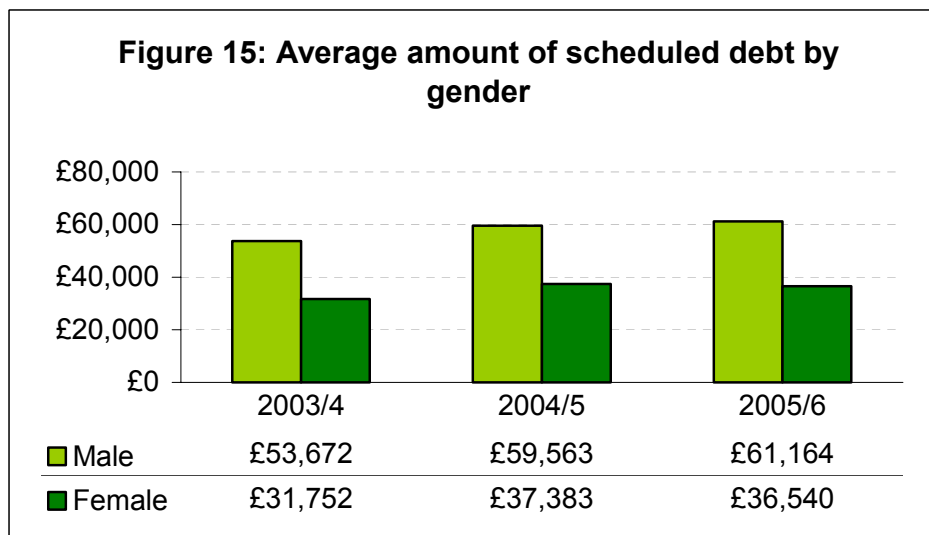
	<u>Percentage of cases with asset type</u>	
	2003/4	2004/5
Cash at bank	13.9%	10.3%
Motor vehicles	13.6%	13.0%
Valuables	3.8%	4.3%
Premium bonds	3.5%	2.6%
Stocks/shares	2.9%	1.7%
Book debts	2.4%	2.1%
Trade - stock	2.2%	1.1%
Endowment/life policies	2.0%	1.0%
Trade - plant/equipment	1.9%	1.0%
Cash in hand	1.5%	1.6%
Will/Trust property	1.3%	0.7%
Other	1.3%	1.3%

2.9 Liabilities²⁰

- The average amount of scheduled debt²¹ increased in 2004/5 compared to the previous year, but then changed very little in 2005/6 (see Figure 14).



- Male bankrupts had higher scheduled debt than female bankrupts throughout the study period (see Figure 15).



²⁰ The 2003/4 and 2004/5 figures have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at:

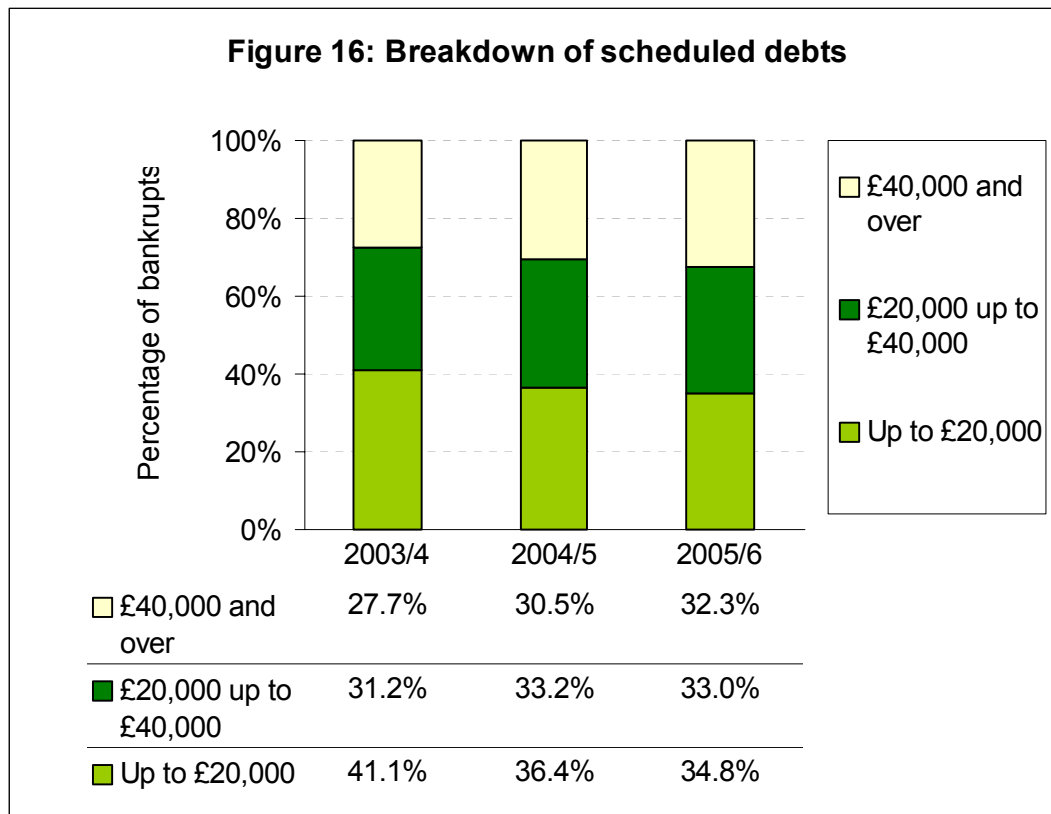
<http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>

This is because the information has been extracted from a live database and case information has been updated.

²¹ The average debt per case was calculated as the sum of the debt in the year divided by the total number of cases in that year. Cases with debt levels of more than £10million pounds and those with no listed debt have been excluded when calculating the average debt levels.

2.9 Liabilities²²

- In 2004/5, the percentage of cases with scheduled debts of up to £20,000 fell by nearly 5 percentage points compared to the previous year, explaining the increase in the average level of debt scheduled in 2004/5 (see Figure 16).
- In 2005/6, the percentage of cases with scheduled debts of up to £20,000 fell by 1.6 percentage points compared to the previous year, and the percentage of cases with scheduled debts of £40,000 and over increased by 1.8 percentage compared to the previous year. This is consistent with the average level of debts scheduled in 2005/6 being similar to that in 2004/5 (see Figure 16).



²² The 2003/4 and 2004/5 figures have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at:

<http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>

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2.9 Liabilities

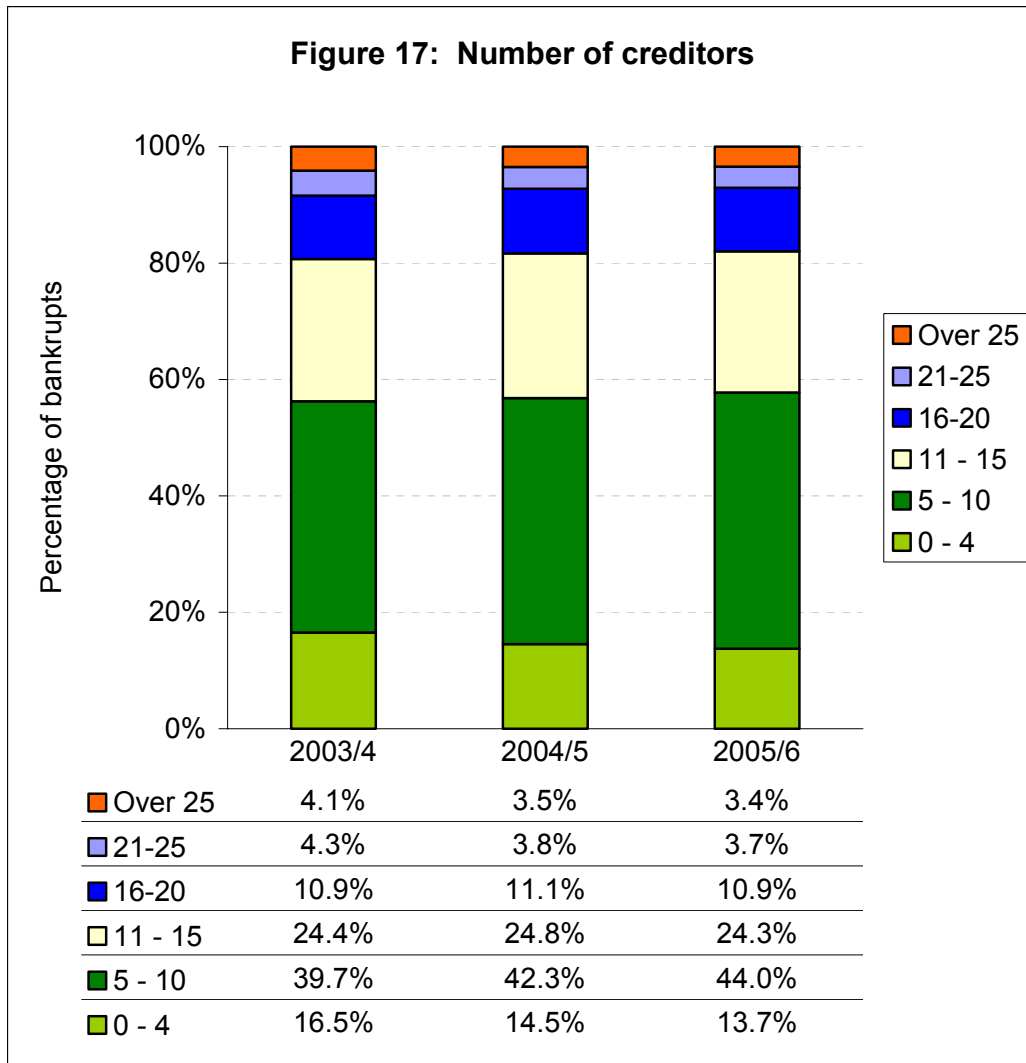
- The results of the reports to creditor sampling exercise indicate that the most common creditor types were banks and financial institutions (see Table 8).
- The results of the reports to creditors sampling exercise further indicate that banks and financial institutions are featured as creditors in more cases (see Table 8).

Table 8: Percentage of cases with creditor types (based on sampling exercise)

	Percentage of cases with creditor type	
	2003/4	2004/5
Banks	76.6%	82.0%
Financial institutions	76.5%	85.3%
Utilities/ Household expenses/Local authority	47.6%	46.0%
Trade and expense	19.7%	13.1%
Tax/NIC	18.7%	29.5%
Relatives	5.6%	5.6%
Guarantee liabilities	4.3%	5.4%
Legal fees	3.7%	3.4%
VAT	3.0%	3.1%

2.9 Liabilities²³

- The distribution of bankruptcy cases according to the number of creditors remained fairly stable over the study period, though there was a small decrease in the proportion with less than 5 creditors (see Figure 17).



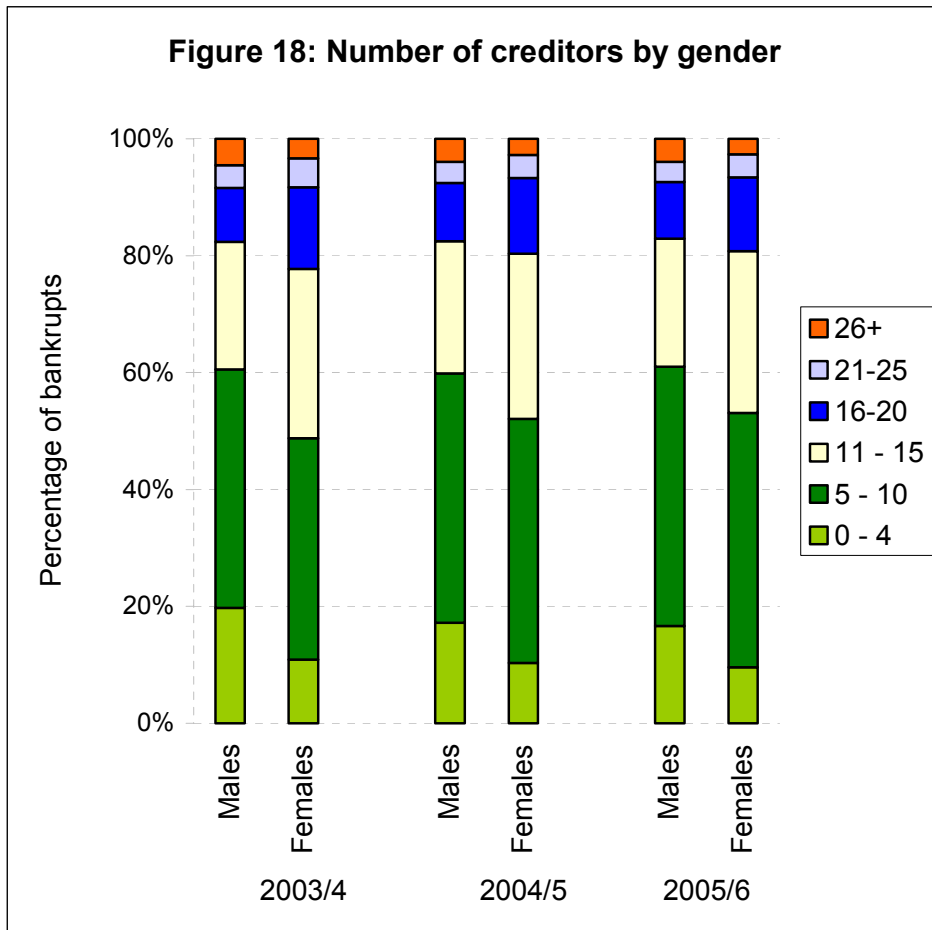
²³ The 2003/4 and 2004/5 figures have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at:

<http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>

This is because the information has been extracted from a live database and case information has been updated.

2.9 Liabilities²⁴

- Male bankrupts had fewer creditors than female bankrupts throughout the study period (see Figure 18).



²⁴ The 2003/4 and 2004/5 figures have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at:

<http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>

This is because the information has been extracted from a live database and case information has been updated.

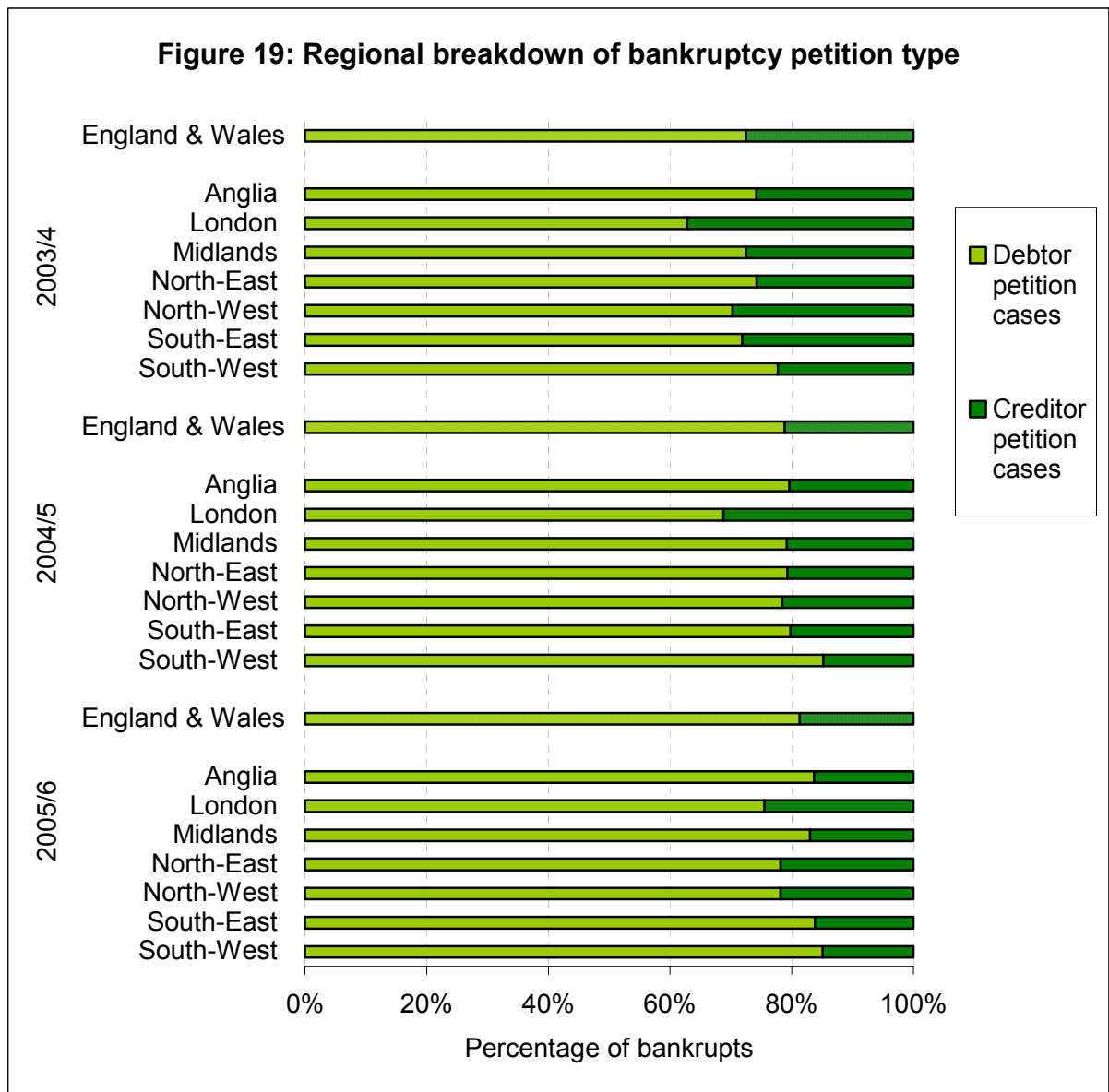
Section 3: Regional Results²⁵

3.1 Petition type

- In broad terms, the regions follow the pattern seen at the national level.
- In all regions, there was a higher level of debtor petition bankruptcies than creditor petition bankruptcies (see Figure 19).
- Throughout the study period, the London region had the lowest proportion of debtor petition bankruptcies (see Figure 19).

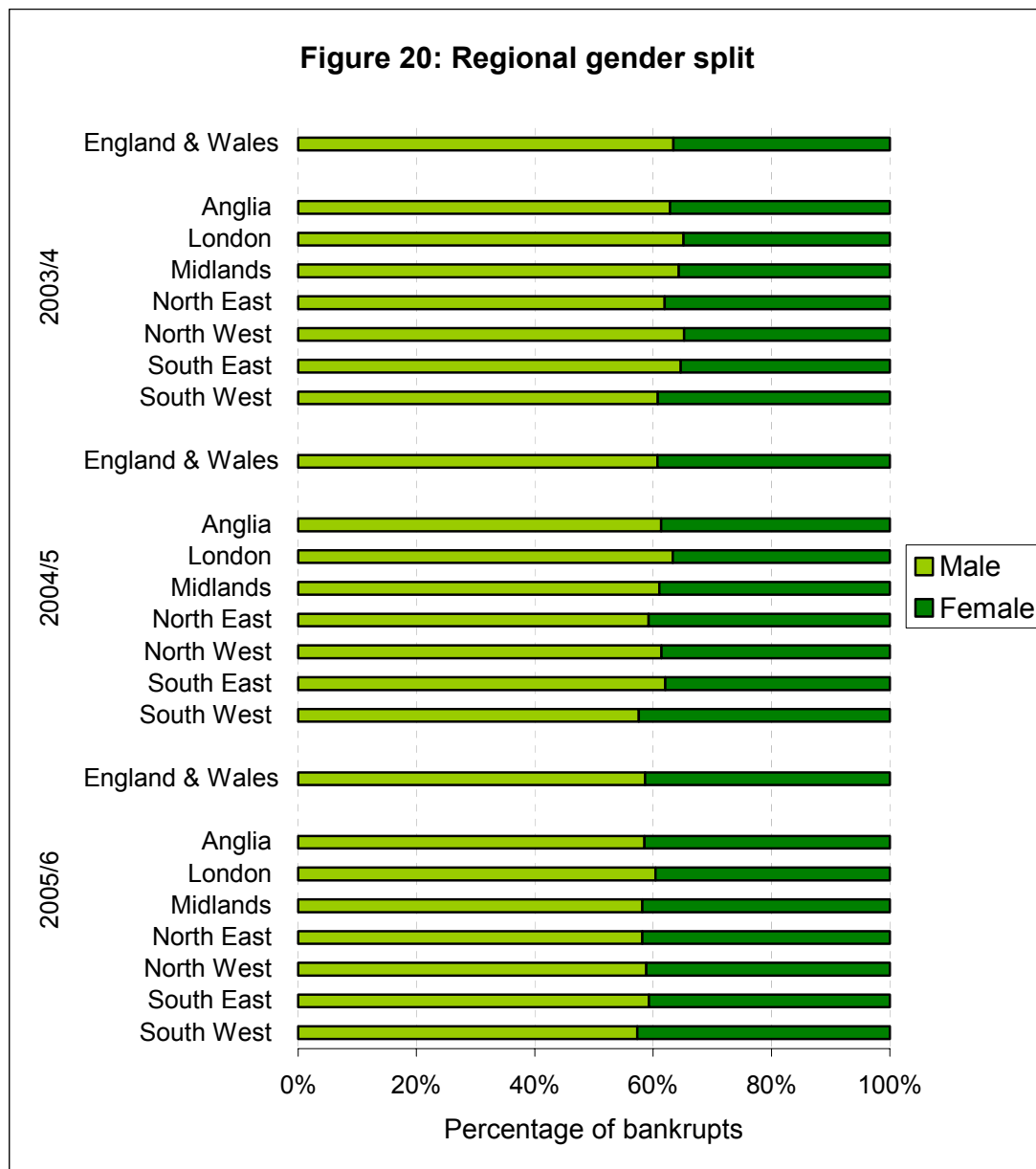
²⁵ It should be noted that the composition of The Insolvency Service's operational regions have changed since the publication of its previous profiling information report entitled 'Characteristics of bankrupts': (<http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>) Therefore, some of the regional figures have significantly changed.

3.1 Petition type (continued)



3.2 Gender

- In broad terms, the regions follow the pattern seen at the national level.
- In all regions, there were more male than female bankrupts, although the proportion of female bankrupts increased (see Figure 20).
- Throughout the study period, the proportion of female bankrupts was highest in the South-West region, and lowest in the London region (see Figure 20).



3.3 Age²⁶

- The average age of bankrupts in the London and North-West regions was higher than seen in other regions (see Table 9).

Table 9: Average age of a bankrupt by region

	2003/4	2004/5	2005/6
Anglia	40.6	40.4	40.8
London	41.8	41.9	42.1
Midlands	40.5	40.0	40.6
North-East	40.7	40.3	40.8
North-West	41.3	41.4	41.5
South-East	40.6	40.6	41.0
South-West	40.0	40.1	40.3
England & Wales	40.7	40.6	41.0

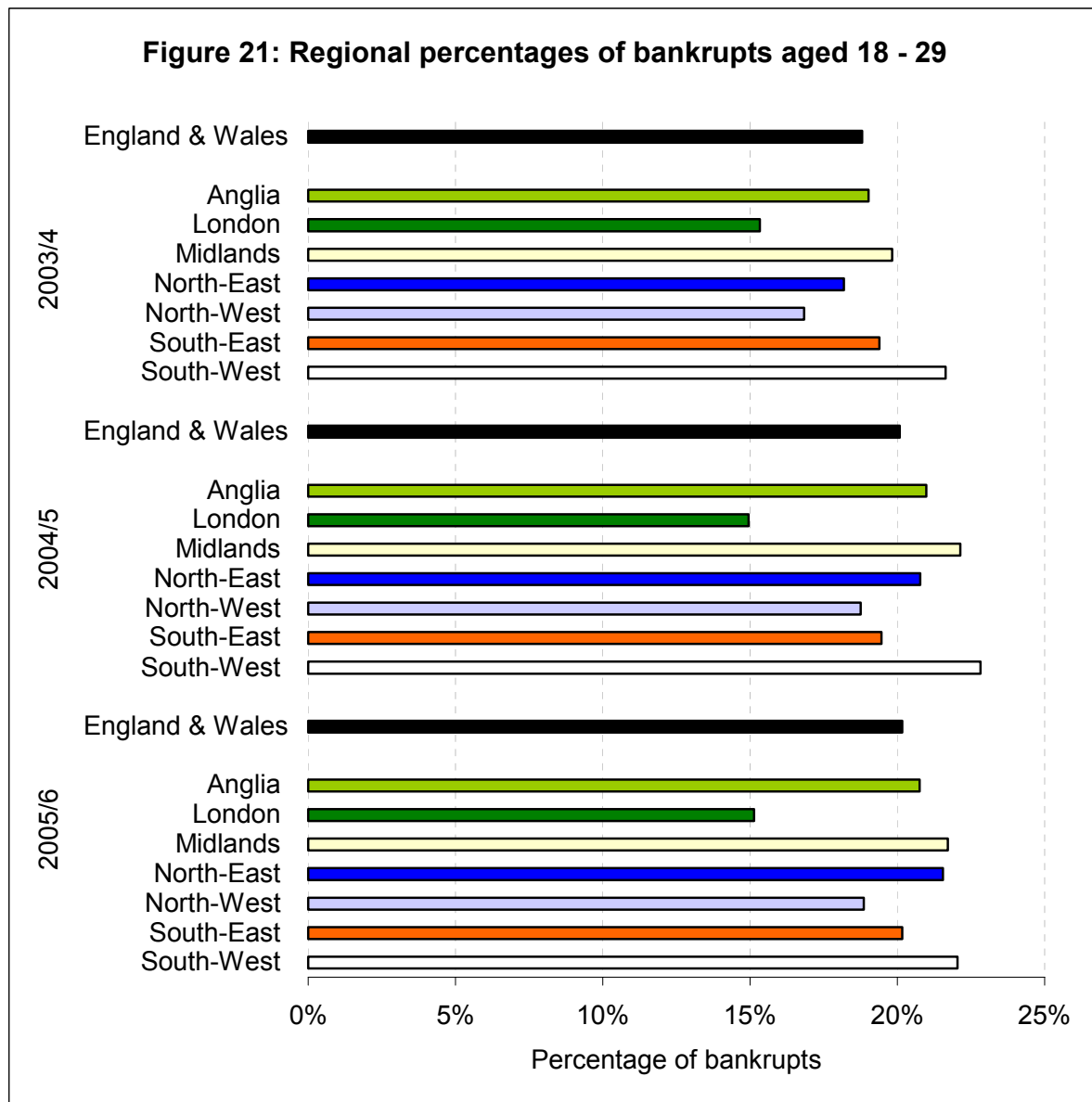
- The London and North-West regions had a slightly lower proportion of younger (18 – 29 year old) bankrupts compared to other regions of England and Wales (see Figure 21), which explains the lower average age seen in those regions.

²⁶ The 2003/4 and 2004/5 figures have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at:

<http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>

This is because the information has been extracted from a live database and case information has been updated.

3.3 Age (continued)²⁷



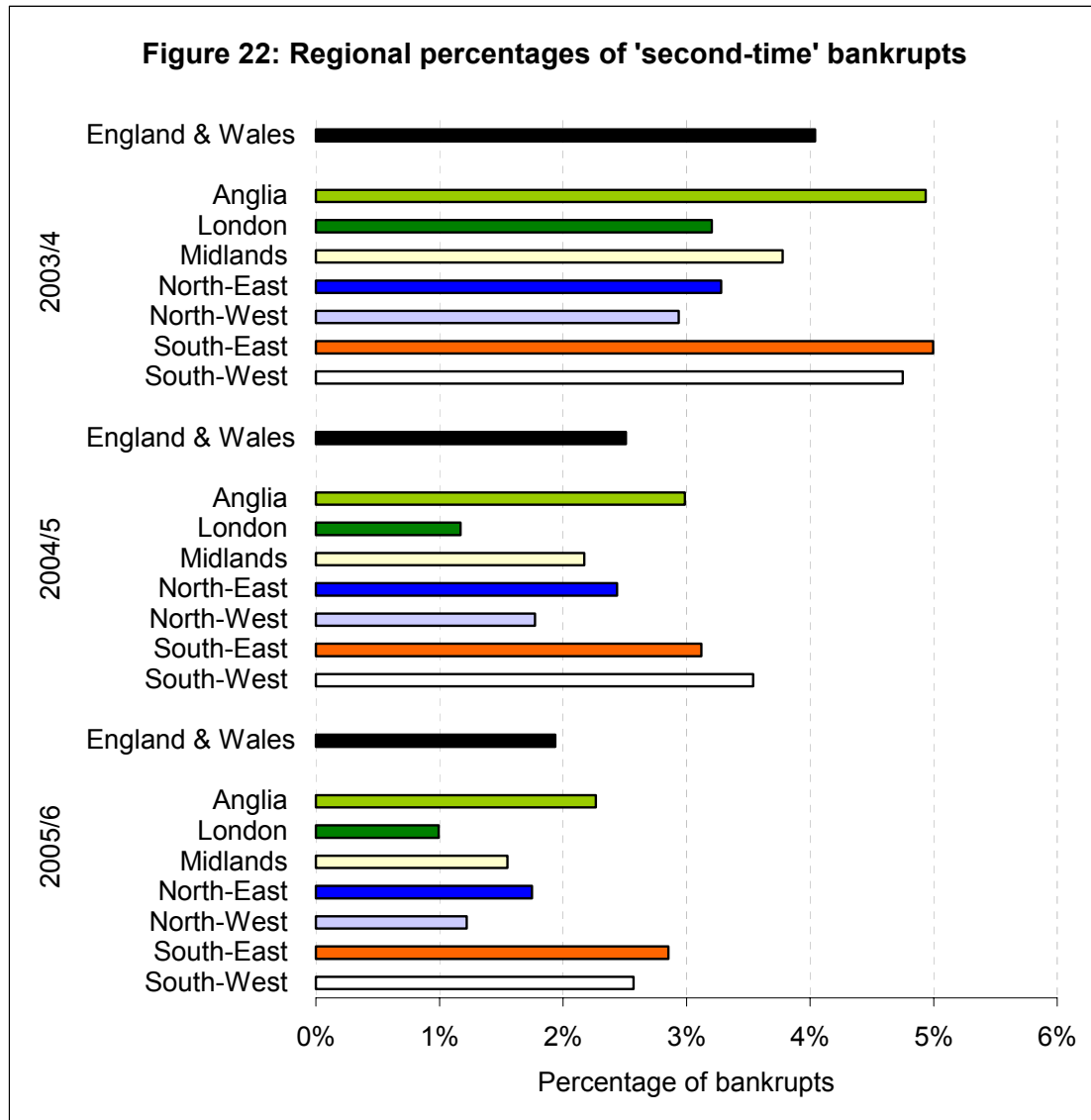
²⁷ The 2003/4 and 2004/5 figures have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at:

<http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/policychange/cob.pdf>

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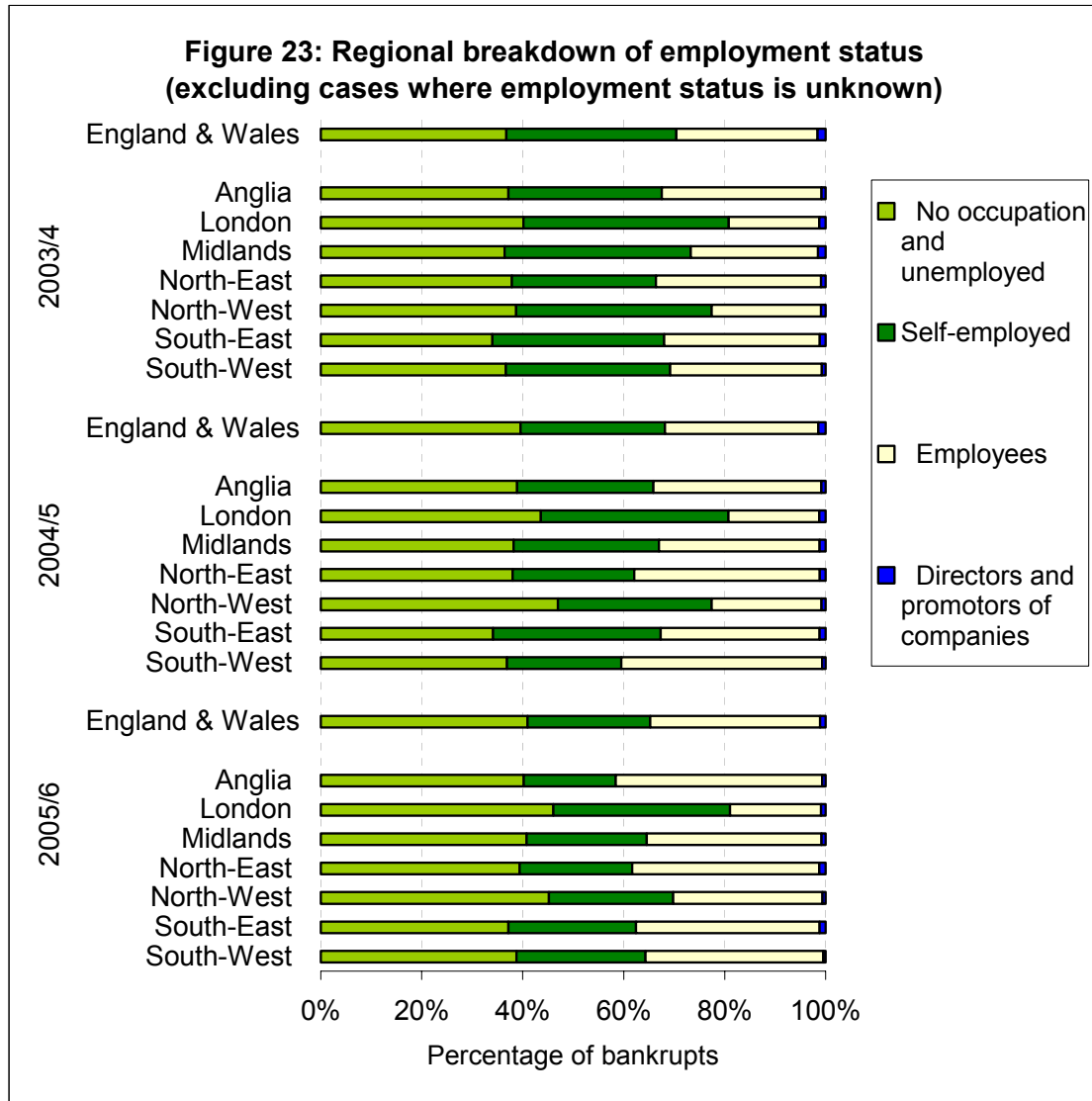
3.4 Previous bankruptcy proceedings

- The London and North-West regions had a lower proportion of 'second-time' bankrupts compared to other regions of England and Wales (see Figure 22).



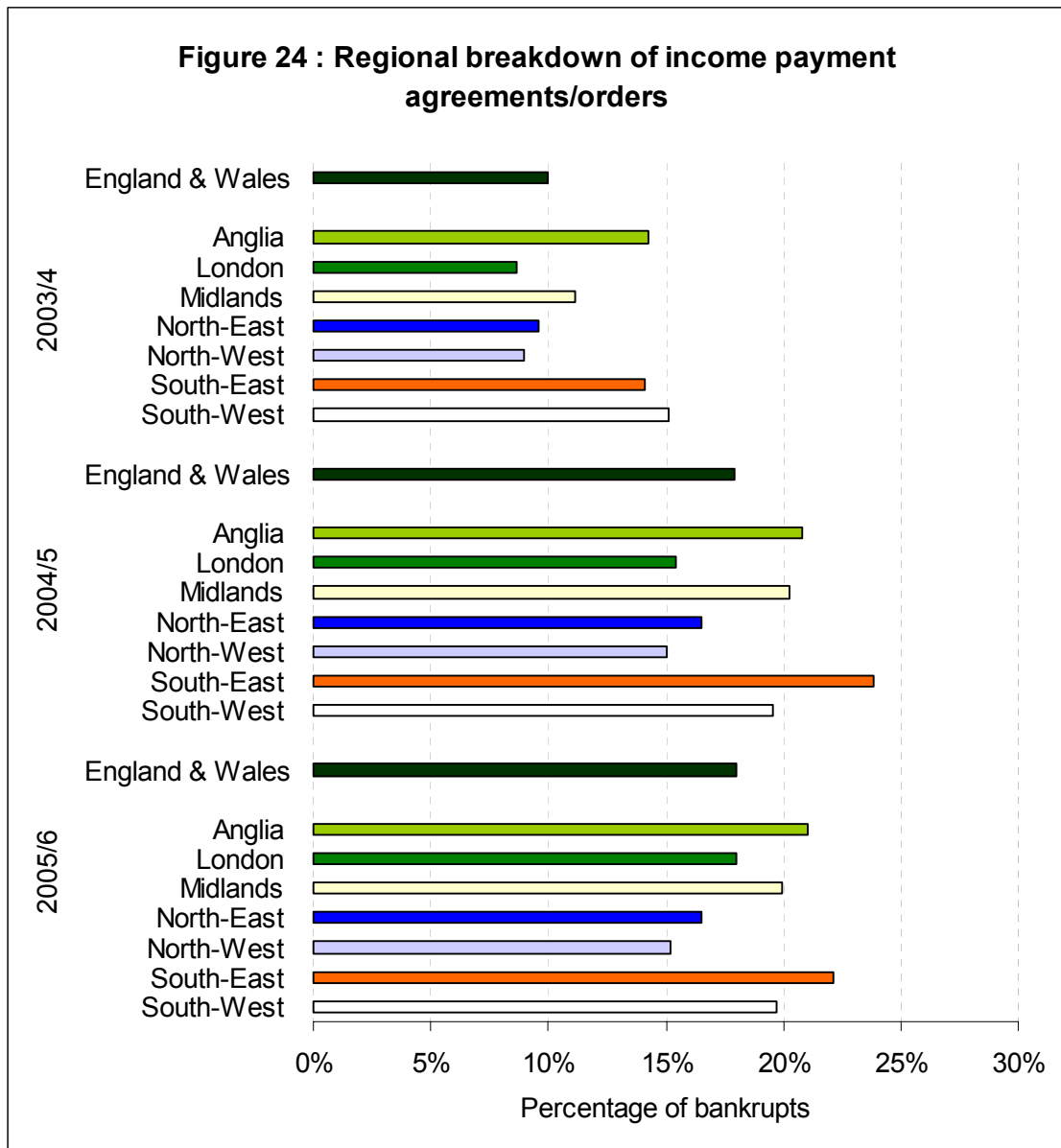
3.5 Employment status

- The London and North-West regions had the lowest proportion of employee bankrupts throughout the study period compared to the other regions (see Figure 23).
- The London region had the highest proportion of self-employed bankrupts throughout the study period compared to other regions.



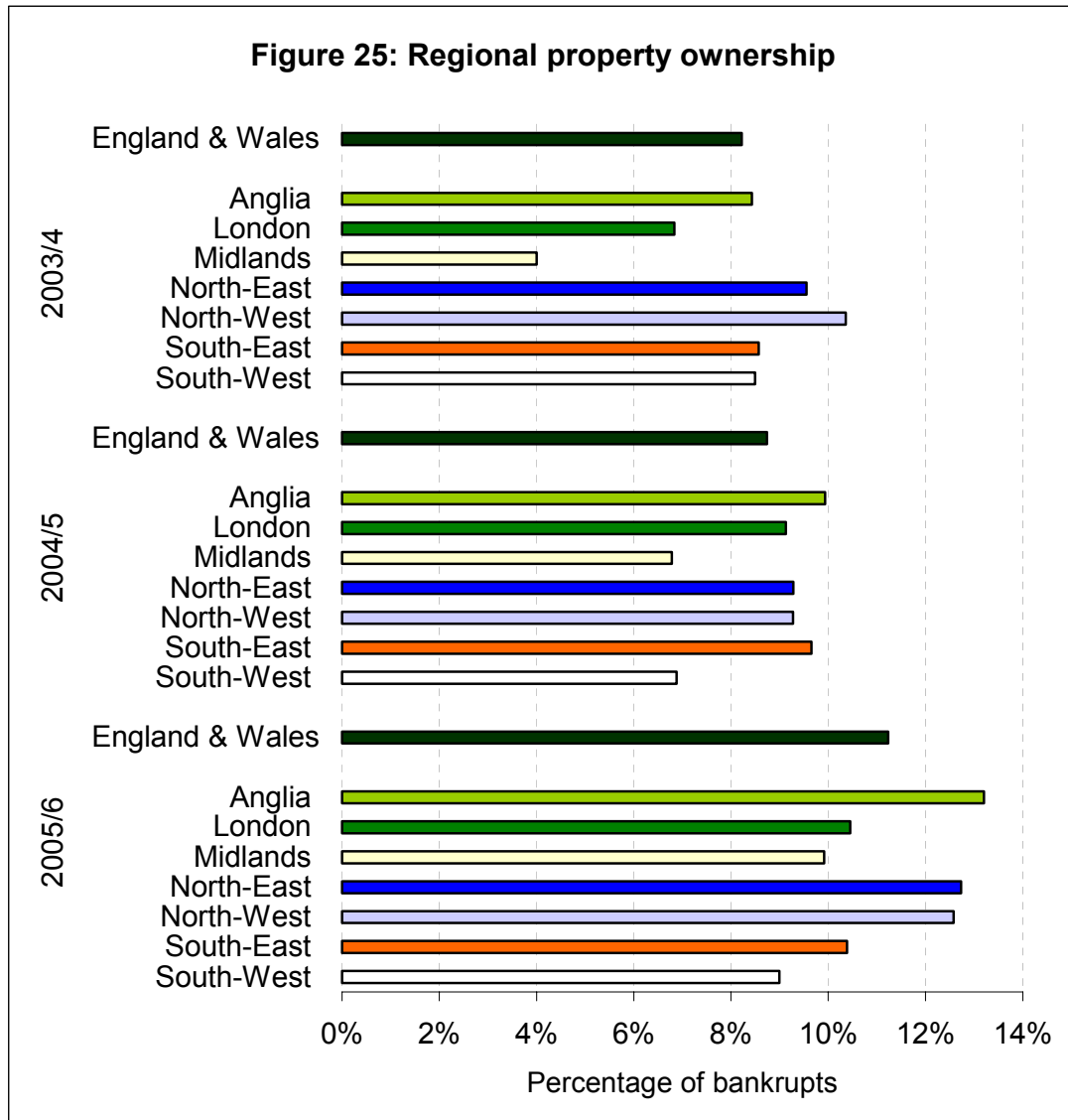
3.6 Income payments agreements/orders

- Throughout the study period, the London, North-East and North-West regions had the lowest proportion of cases where an income payments agreement/order (IPA/O) has been obtained (see Figure 24). This is broadly consistent with the regional breakdown of bankrupts who have no occupation or are unemployed (see Figure 23).
- However, the obtaining of an IPA/O is solely based on the income and expense levels of bankrupts, and therefore, direct comparison with employment status figures is not appropriate.



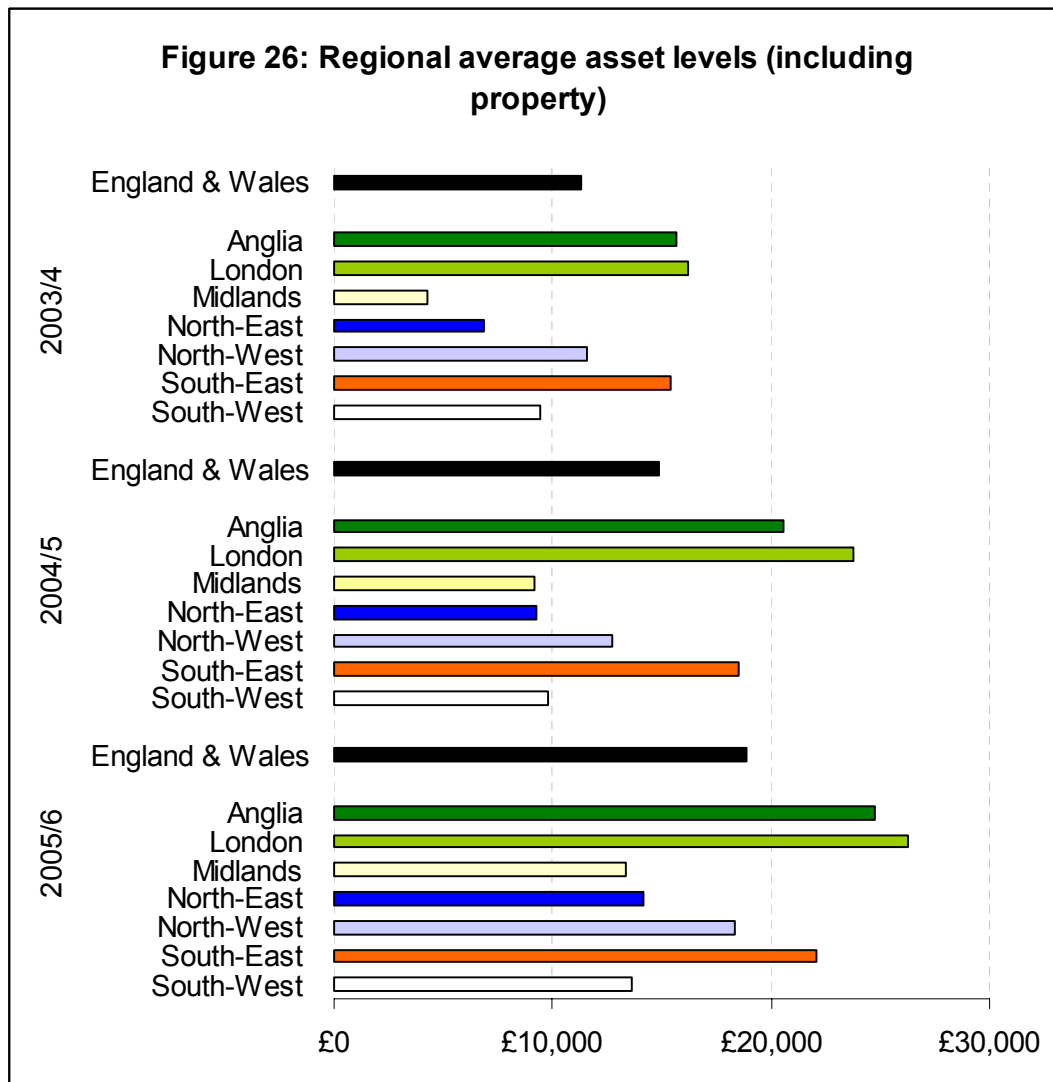
3.7 Property ownership

- In broad terms, the regions follow the pattern seen at the national level.
- Throughout the study period, the London, Midlands and South-West regions had the lowest proportion of bankrupts owning a property (see Figure 25).



3.8 Assets²⁸

- The Midlands region had the lowest average asset levels (including property) throughout the study period (see Figure 26).
- The Anglia, London and South-East regions had the highest average asset levels (including property) throughout the study period (see Figure 26).

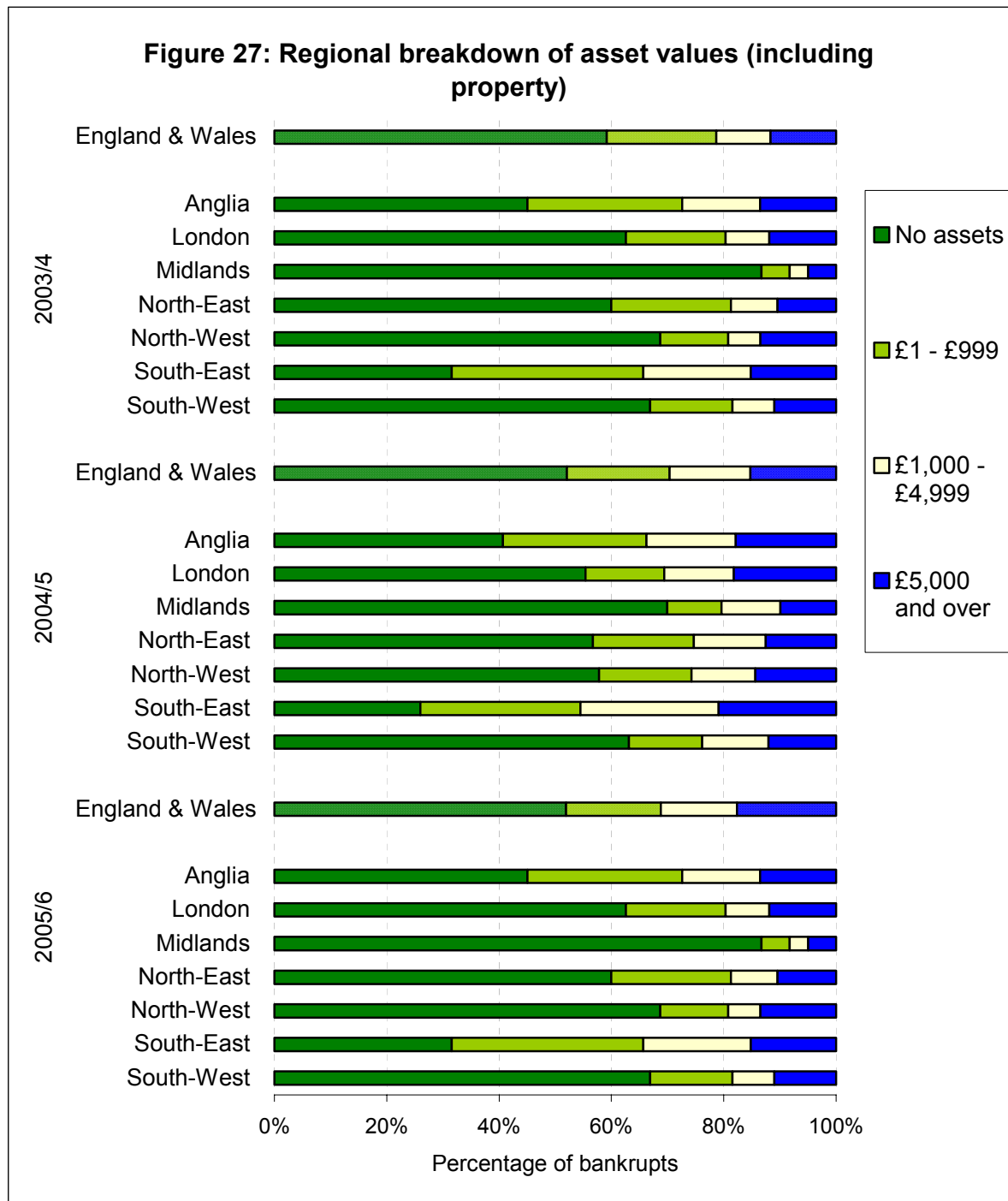


²⁸ The asset levels in this section of the report do not include contributions from future income.

3.8 Assets (continued)

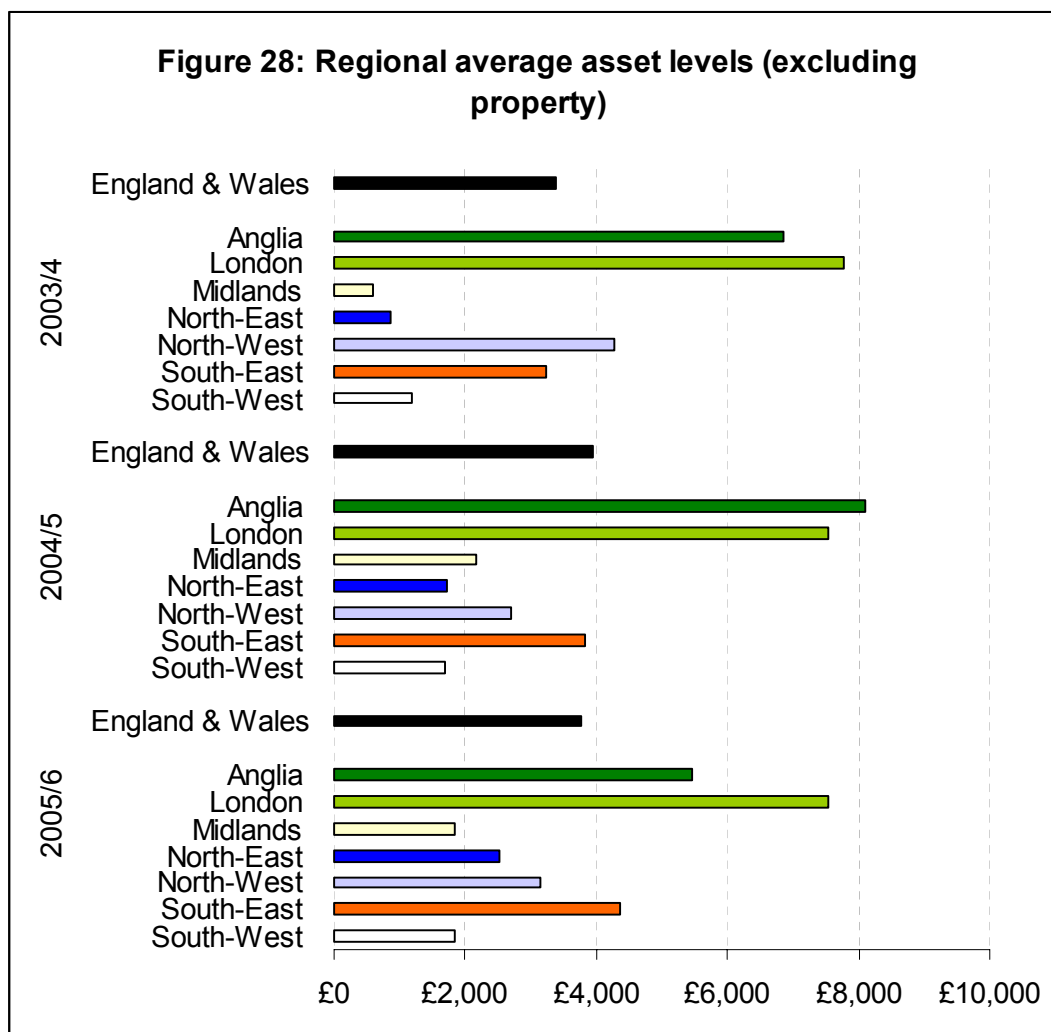
- The Midlands region had the highest proportion of cases with no assets (including property) compared to the other regions throughout the study period (see Figure 27), which explains why it has the lowest average asset level (including property).
- The Anglia, London and South-East Regions had the highest proportion of cases with assets with £1,000 and over (including property) throughout the study period (see Figure 27), which is consistent with these regions having the highest average asset levels (including property).
- However, it is interesting to note that although the South-East region has the highest proportion of cases with £1,000 and over throughout the study period (see Figure 27), it only has the 3rd highest average asset level (including property) (see Figure 26). This suggests that the cases with assets of £5,000 and over in the two regions with higher average asset levels (including property) – Anglia and London – have a tendency towards greater asset values compared to the South-East region.

3.8 Assets (continued)



3.8 Assets (continued)

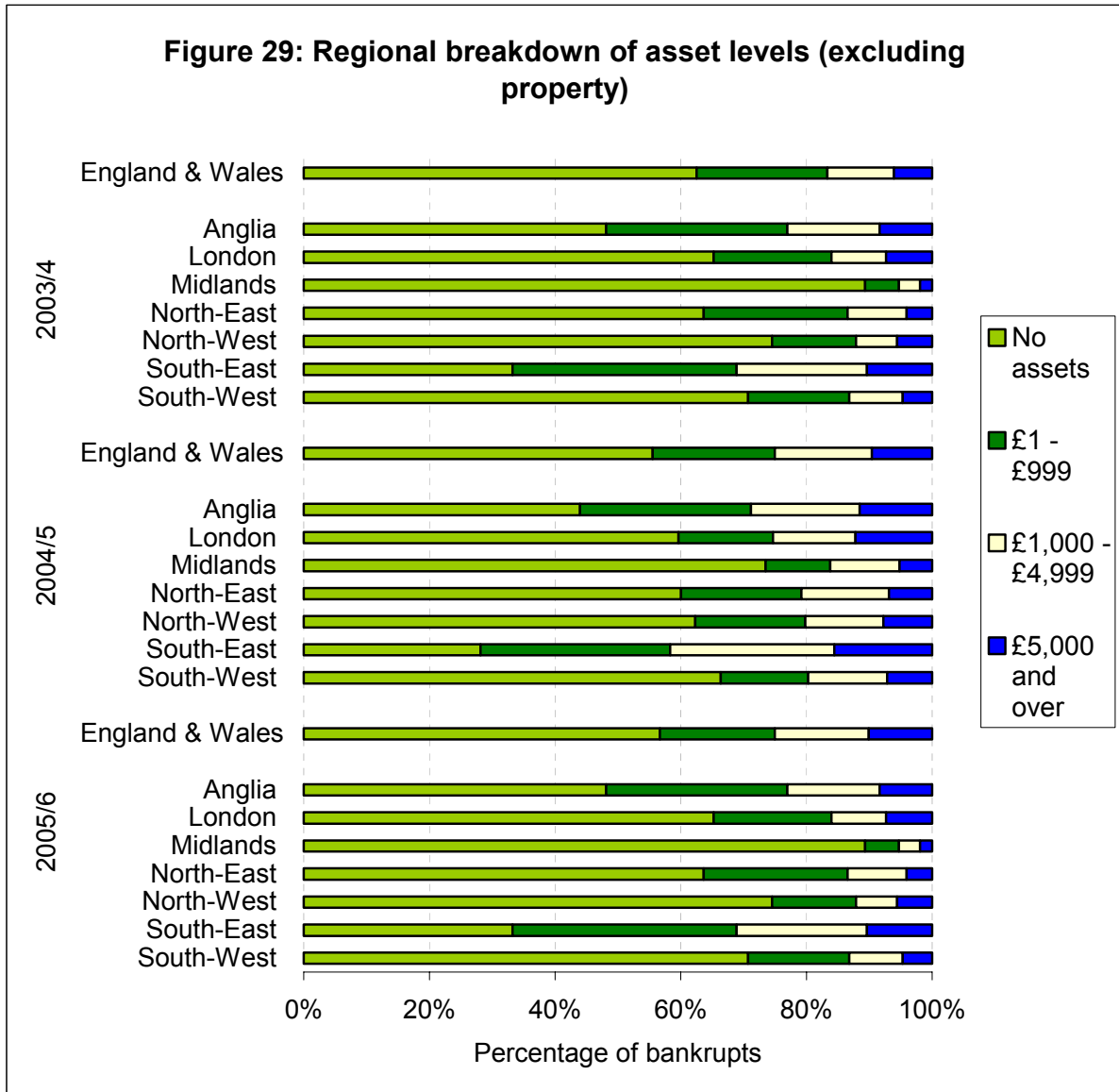
- Similar patterns are seen with the regional asset levels (excluding property) as with asset levels (including property).
- The Midlands, North-East and South-West regions had the lowest average asset levels (excluding property) throughout the study period (see Figure 28).
- The Anglia and London regions had the highest average asset levels (excluding property) throughout the study period (see Figure 28).



3.8 Assets (continued)

- The Midlands, North-West and South-West regions had the largest proportion of cases with no assets (excluding property) throughout the study period (see Figure 29).
- However, although the Midlands and South-West regions had amongst the lowest average asset levels (excluding property) throughout the study period, the North-East region, rather than the North-West region, also had one of the lowest average asset values (excluding property) (see Figure 28). This suggests that cases in the North-East region with assets over £5,000 had lower asset values than the Midlands, North-West and South-West regions.
- The South-East Region had the lowest proportion of cases with no assets (excluding property) throughout the study period (see Figure 29). However, the Anglia and London had the highest average asset levels (excluding property) throughout the study period (see Figure 28). This suggests that cases with assets of over £5,000 in the Anglia and London regions had greater assets values compared to the South-East Region.

3.8 Assets (continued)



3.9 Liabilities²⁹

- Throughout the study period, the North-East region had the lowest average amount of scheduled debt, and the London region had the highest average amount of scheduled debt³⁰ (see Table 10).

Table 10: Average amount of scheduled debt by region

	2003/4	2004/5	2005/6
Anglia	£46,676	£51,683	£52,029
London	£63,076	£71,169	£67,539
Midlands	£42,329	£48,413	£49,496
North-East	£38,743	£38,422	£42,654
North-West	£44,460	£45,125	£46,708
South-East	£45,639	£61,122	£56,893
South-West	£42,537	£42,089	£43,418
England & Wales	£45,450	£50,698	£50,828

- The London region had the highest proportion of bankrupts with scheduled debts of £40,000 and over throughout the study period, and conversely, the North-East region had the lowest proportion of bankrupts with scheduled debts of £40,000 and over throughout the study period (see Figure 30). This is consistent with the average debt levels seen in those regions.

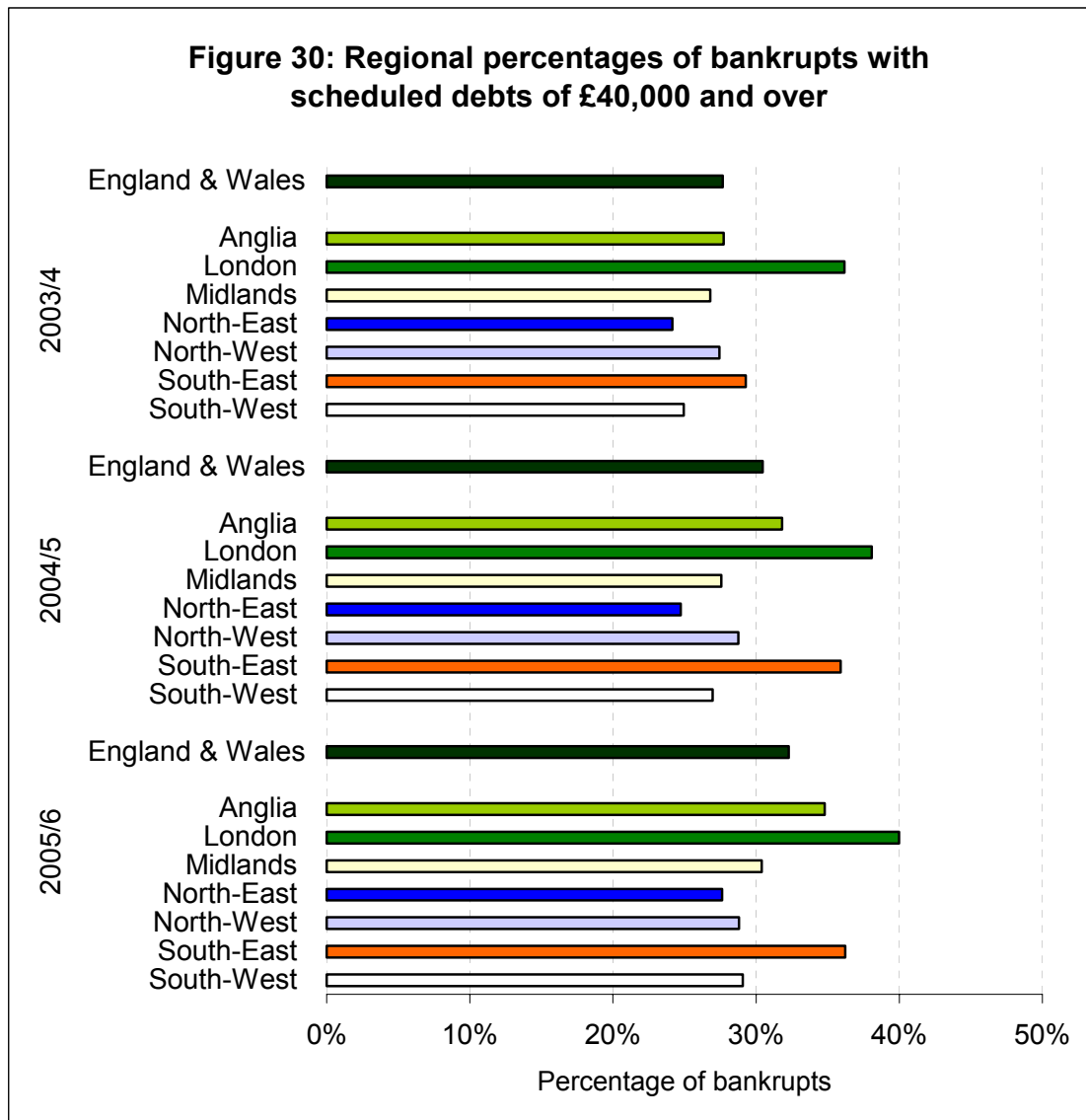
²⁹ The 2003/4 and 2004/5 figures have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at:

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³⁰ The average debt per case was calculated as the sum of the debt in the year divided by the total number of cases in that year. Cases with debt levels of more than £10million pounds and those with no listed debt have been excluded when calculating the average debt levels.

3.9 Liabilities (continued)³¹



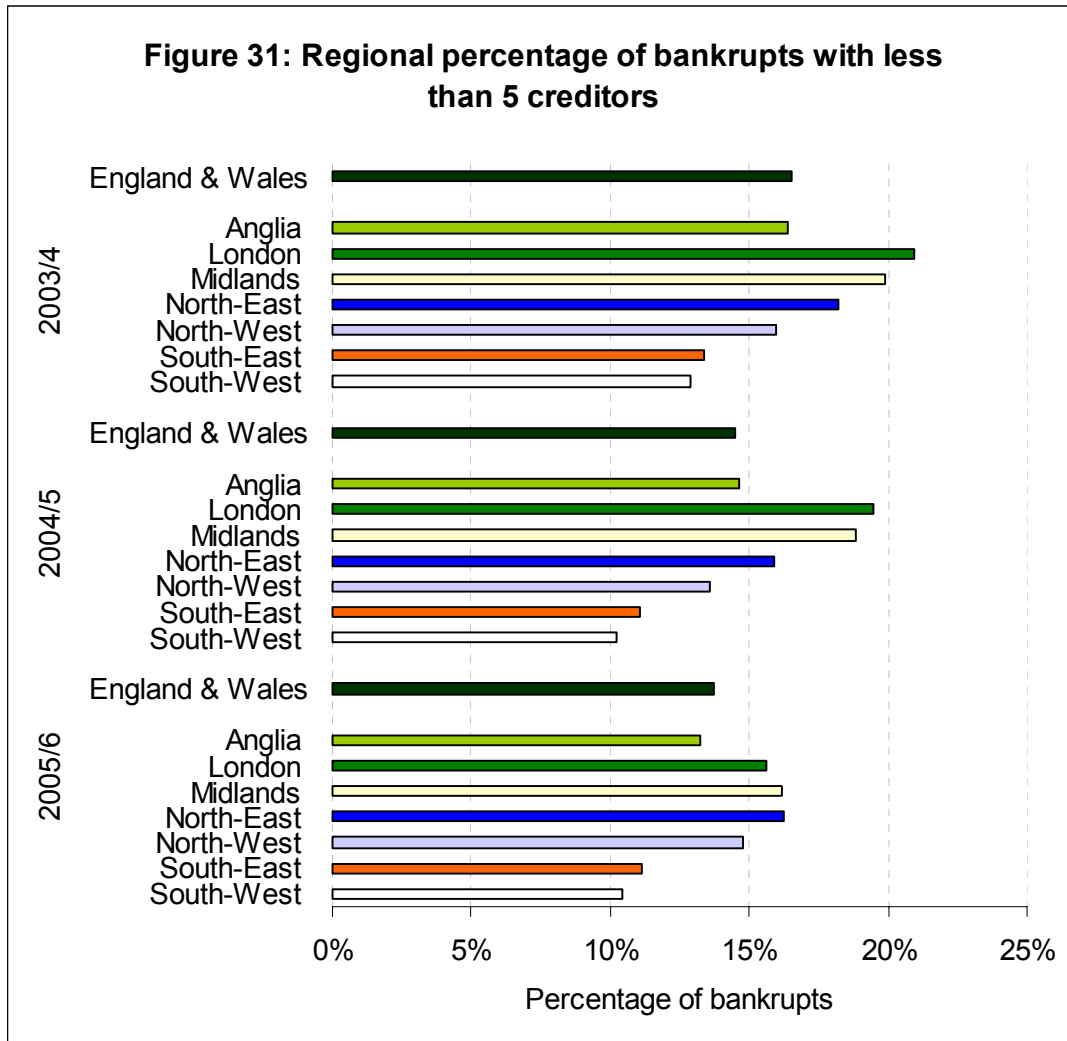
³¹ The 2003/4 and 2004/5 figures have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at:

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This is because the information has been extracted from a live database and case information has been updated.

3.9 Liabilities (continued)³²

- The London, Midlands and North-East regions had the largest proportion of bankrupts with less than 5 creditors, whereas the South-West region had the smallest proportion of bankrupts with less than 5 creditors (see Figure 31).



³² The 2003/4 and 2004/5 figures have altered slightly since the publication of The Insolvency Service's report entitled 'Characteristics of a bankrupt', which can be accessed at:

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