

Scottish Statutory Debt Solutions Statistics:

January 2021

Table of Contents

Main points for January 2021 (compared with January 2020)	1
Main points for February 2020 to January 2021 (compared with February 2019 to January 2020).....	3
Main points for the analysis of the impact of emergency measures.....	3
Things you need to know about this release.....	4

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Authors: Catherine McAuley and Ken O'Neill

Responsible statistician: Ken O'Neill (aib_statistics@gov.scot)

Data used in this release: [Scottish Statutory Debt Solutions Statistics | Accountant in Bankruptcy \(aib.gov.uk\)](#)

Experimental Statistics: These statistics are currently being developed in order to provide information faster as they are needed to respond to the impact of the COVID-19 pandemic on our economy and society.

Provisional figures: All figures for April 2020 onwards remain provisional until final validation (July 2021).

No seasonal adjustment: The data used in this release are not seasonally adjusted. We recommend to use year-on-year comparisons (for example April 2019 and April 2020 etc.) rather than making month-on-month comparisons.

We want your feedback: We welcome any feedback on any aspect of these statistics by email.

Main points for January 2021 (compared with January 2020)

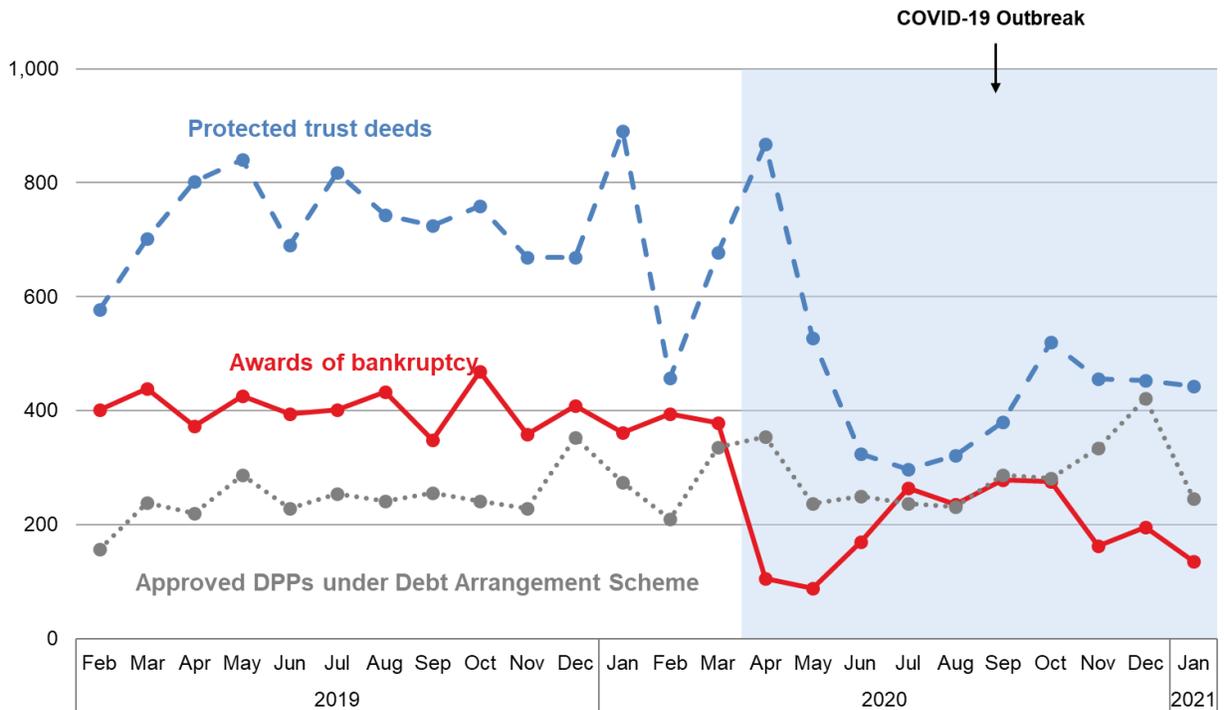
- There were 578 personal insolvencies (bankruptcies and protected trust deeds (PTDs)) in January 2021, 673 (53.8%) fewer than in January 2020.

- Bankruptcies decreased by 62.6% in January 2021 when compared with January 2020.

(It is important to note that these provisional results will not be finalised until final validation. The late reporting of creditor petitions, in particular, may lead to differences between first provisional estimates and actual finalised figures.)

- PTDs decreased by 50.2% over the same period.
- There were 246 approved Debt Payment Programmes (DPPs) under the Debt Arrangement Scheme in January 2021 compared with 274 in January 2020, a decrease of 10.2%.

Chart: Scottish Statutory Debt Solutions by type: Scotland, since February 2019



Main points for February 2020 to January 2021 (compared with February 2019 to January 2020)

- All main points within this section are presented on a 12-month rolling basis.
- There were 8,412 personal insolvencies in the 12 months to January 2021 (inclusive), 5,289 (38.6%) fewer than in the previous 12 months.
- Bankruptcies decreased by 44.3% in the 12 months to January 2021 when compared with the previous 12 months.
- PTDs decreased by 35.5% over the same period.
- There were 3,425 approved DPPs under the Debt Arrangement Scheme in the 12 months to January 2021 compared with 2,980 for the previous 12 months, an increase of 14.9%.

Main points for the analysis of the impact of emergency measures

The introduction of new provisions on the statutory moratorium and the revised fee structures in place for accessing bankruptcy are part of emergency measures brought in by both the Coronavirus (Scotland) Act 2020 and the Coronavirus (Scotland) (No.2) Act 2020:

- As at 31 January 2021, 1,426 applications for moratoria had been granted under the new powers.
- There were 219 applications for moratoria granted in January 2021 under the new legislation, 143 more than in January 2020 under the previous provisions.
- In the period between 27 May and 31 January 2021 a total of 1,560 bankruptcy awards were made following applications submitted to AiB, all of which benefitted from the system of reduced application fees. Of this total, 1,218 (78.1%) applicants were not required to pay any fee at all.

Summary of Emergency Legislation – [COVID-19 emergency legislation](#) | [Accountant in Bankruptcy \(aib.gov.uk\)](#)

Things you need to know about this release

This monthly release contains the latest statistics on statutory debt solutions in Scotland. The statistics are compiled by Accountant in Bankruptcy (AiB), an executive agency of the Scottish Government, and are derived from AiB administrative records. Following end of year validation, estimates for April 2019 to March 2020 are final. Estimates for April 2020 to March 2021 are provisional until final figures are expected to be published in Summer 2021.

Non-statutory debt solutions, where debtors make their own arrangements with creditors or enter informal debt management plans with a debt management firm, are not included in these statistics.

These statistics presented in this release have been classed as 'experimental' - see below for more information on Experimental Statistics. The work programme has focused on user needs, completeness of the data collected and quality assurance processes.

Why this release is being published?

As the demand increases for statistics and data to measure the impact of the COVID-19 pandemic, Accountant in Bankruptcy has had to change its data gathering and release practices, focussing efforts on priority analysis and statistics. In line with guidance from the Office for Statistics Regulation, on Friday 20 March 2020, the production and publication of the main quarterly Scottish Insolvency Statistics were temporarily suspended until further notice. This action was necessary due to an urgent shift of resource within Scottish Government to help manage immediate issues arising from the COVID-19 pandemic.

However, AiB ensured that we continued to produce vital data and statistics needed to response to the impact of this COVID-19 pandemic on our economy and society. Therefore, the monthly publication series titled "Scottish Statutory Debt Solutions" was created for this purpose.

Since January 2021, AiB is currently publishing the quarterly publication series. Please note this publication series will be renamed as "Scottish Statutory Debt Solutions Statistics". Please see the following link for further information on upcoming official statistics publications:

[Upcoming official and experimental statistics publications: October 2020 | Accountant in Bankruptcy \(aib.gov.uk\)](#)

Meanwhile, Accountant in Bankruptcy (AiB) produces data and statistics to support decision-makers in Scotland and our trusted, impartial information is more important now than ever.

The COVID-19 outbreak is a significant challenge for the UK and we are working to ensure that AiB continues to produce vital data and statistics needed to respond to the impact of this pandemic on our economy and society.

This means we will need to ensure that information is provided faster, and we need to change how we produce and publish in order to ensure we provide the information necessary as the situation unfolds.

These changes to our work could affect the quality of some of our statistics, such as lower accuracy, or it could mean there is less detail available due to lack of resources.

Decisions will be made on a case by case basis, taking into account what information is currently relevant given the situation, with the three pillars of the Code of Practice for Statistics (Trustworthiness, Quality and Value) guiding our decisions. Giving everyone access to statistics at the same time remains a fundamental principle of the Code, but where this cannot be maintained we will be open and transparent about this and any other potential effects on our statistics.

What are “Experimental Statistics”?

Experimental statistics are a type of official statistics that are undergoing development. This is the first time Accountant in Bankruptcy (AiB) has produced monthly statistics on statutory debt solutions where the experimental statistics label has been used with the aim for compliance with the Code of Practice for Official Statistics.

Experimental statistics and the Code of Practice: Defined in the Code of Practice for Official Statistics - <https://www.statisticsauthority.gov.uk/code-of-practice/> - as ‘statistics undergoing evaluation and published to involve users and stakeholders in their development’. The Code promotes and supports the release of experimental statistics to involve users in their development at an early stage and achieve continuous improvement in statistical processes.

It is possible, however, that the statistics will not be fully compliant in all areas due to their nature as ‘data being developed’.

Background Information

On the relevance of this release, the figures produced by AiB are the most complete record of the number of statutory debt solutions in Scotland. However, these figures do not include non-statutory debt solutions. This is where debtors make their own arrangements with creditors or enter informal debt management plans with a debt management firm. The demand for statutory debt solutions should be seen within the context of the overall debt solution market (both statutory and non-statutory solutions).

On the accuracy and completeness of this release, all statutory debt solution procedures entered into by a company, a partnership or an individual are required by

law to be reported to the appropriate body, so the statistics should be a complete record of statutory insolvency in Scotland. The number of statutory debt solutions are based on the date of the order, agreement of the insolvency procedure or the approval date, not on the date it was registered on the administrative recording system. This does not have any implication for cases processed within AiB.

However, the published number of creditor petitions will be influenced by, for example, the late reporting of creditor petitions court orders, which may lead to missing data.

Can figures in this release be compared with published official statistics in the quarterly Scottish Statutory Debt Solutions Statistics reports?

Please note that, prior to January 2021, the quarterly publication series was named “Scottish Insolvency Statistics”.

Figures for April 2020 and later presented in this release remain provisional. Therefore, caution is needed when interpreting these figures.

With this caveat in mind, both sets of quarterly and annual figures can be compared. Detailed time-series data for the latest Official Statistics publication can be found in the following link:

[Quarterly Scottish Statutory Debt Solution Statistics publications](#)