



Press Release

09 March 2010

Too broke to go bankrupt

With more people than ever before in the UK going Bankrupt (the Insolvency Service has provisionally estimated that 2009 saw an 11% increase on 2008, previously the highest year on record), it has just been announced that the debtor's [Bankruptcy](#) deposit is to increase from 6th April 2010 by 25%, from £360 to £450.

Whilst those on benefits will still be entitled to help with the court cost under the new pricing structure, the imposition of such a large increase in the fixed fee deposit, will undoubtedly make accessing Bankruptcy much more difficult, particularly for those that do not meet the criteria for a Debt Relief Order, IVA or [Debt Management](#).

Whilst further work is needed to understand the reasons why some people in the UK continue to have insufficient income even to cover essential expenditure, the reality is that this does still happen and we can't continue to ignore the fact that these people will either have to turn to unregulated sources of borrowing to find the money or continue to bury their heads in the sand.

David Rodger, Managing Director of Debt Advice Foundation, said: "In the first two months of this year, 20% of people we gave solution advice to didn't have sufficient income to cover their essential monthly expenditure and didn't qualify for a Debt Relief Order".

"We understand the need to levy fees given the significant cost of administering Bankruptcies. However, there clearly needs to be some distinction drawn between those that can afford to petition for their own Bankruptcy and those that have fallen below the poverty line and are unable to do so."

Those who need [advice on debt](#) can visit www.debtadvicefoundation.org or call Debt Advice Foundation on 0800 043 40 50 for free advice and support.

Ends

Further information:

Contact the press office on 0800 779 71 36 / 0788 973 60 44 or email pressoffice@debtadvicefoundation.org

Editors Notes

About Debt Advice Foundation

- Debt Advice Foundation's telephone helpline service is available six days a week on 0800 043 40 50, lines are open from 8am-8pm Mon-Fri and 9am – 5pm on Saturdays.
- Debt Advice Foundation is a registered charity, with the following objectives:
 - Provide free, impartial and appropriate advice to people with unaffordable debt.
 - Help people with debt problems to gain free access to solutions that will help them.
 - Promote the education of young people in money management so as to reduce the likelihood they will mis-use debt later in their lives.
 - Undertake or fund research to understand why problem debt happens and its effect on individuals, families and the wider UK economy.
 - To use this evidence to become a force for beneficial change within the credit and debt solutions industry and to work with government to bring about legislative change to benefit UK consumers.
- Debt Advice Foundation features on the FSA (Financial Services Authority) consumer website – Money Made Clear (www.moneymadeclear.fsa.gov.uk) and Direct Gov (www.direct.gov.uk) as a source of free and impartial debt advice.