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Enabling better debt solutions

IVA PROCESS OVERVIEW

19 March 2024

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IVA PROCESS OVERVIEW

Lead Generator	Packager/Advisor	Insolvency Practitioner	Creditors
Markets for prospects	Triage/Data collection	Proposes an IVA	Accepts or rejects an IVA

Assess → **Understand Client Needs** → **Evidence Gathering** → **Drafting & Checking** → **Meeting of Creditors**

THE ROLE OF THE CREDITOR

Lead Generator	Packager/Advisor	Insolvency Practitioner	**Creditors**
Markets for prospects	Triage/Data collection	Proposes an IVA	Accept / Reject IVA

CLAIM <u>ALL</u> DEBTS → **SUBMIT POD** → **VOTE RESPONSIBLY** → **MODIFY** → **<u>ENGAGE WITH THE PROCESS</u>**

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CHALLENGES

Debt Recovery	• Alternative to litigation or enforcement action that can be costly and ineffective
Vulnerable Customers	• Essential to deliver best support to those most at risk
Quality Advice	• Qualified IP’s delivering best advice based on affordability and circumstances
Optimise Resource	• Collections resource can be expensive, remove the burden of complex cases
Issue Resolution	• Effective solution to problematic cases
Regular Income	• Monitored regularly to ensure repayments maintained and term completed. Encourages ‘repay’ mentality and avoids total debt write off

Case Studies

Claiming Debts

- LA only claiming 10% debts
- Estimate £200k unpaid dividends owed
- Auto POD production through portal
- Income generation

Optimise Resource

- BCC looking to deliver better oversight
- Understood risks to BCC & individual
- Projected circa 10 FTE to deliver
- Using digital tools only 2 FTE

Voting

- IVA proposal submitted to LA
- LA did not claim debt or vote
- LA debts meant largest creditor
- One creditor voted IVA through
- IVA failed within first year

Outcomes Reporting

- Track average dividends
- Track IVA performance
- Track average fees charged
- USE TO INFORM VOTING POLICY

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Overview Trustfolio

Trustfolio is a family of organisations that have delivered digital solutions to the creditor, advice and insolvency sector for several years

DASP supports over 1600 Debt Advisors with IP Portal delivering 3000 reports/mth

Our newest digital tool is the Creditor Debt Solutions platform, has been in development for over a year before launching 2022

Built to support change in the insolvency sector and deliver better outcomes for Insolvency Practitioners, Creditors and Individuals experiencing financial difficulties

CASE STUDY: LOCAL AUTHORITY SECTOR

Opportunity: Social Value

- Limited resource to 'case manage' effectively
- Debt types managed independently with different voting processes
- Lack of trust in insolvency process (based on experience with volume providers)

- **Most indebted population will repay/owe Local Authority Debts**
- **Opportunity to deliver better outcomes to millions more individuals**
- **Social value wins through fair, ethical and supportive approach**

Opportunity: Commercial

- Pressure to collect £bns to fund other essential services
- Limited resource and expertise to 'case manage' effectively
- Little cross sector engagement/sharing best practice (i.e. FCA standards)

- **Educate Local Authorities around opportunities:**
  - **Better engagement with insolvency sector**
  - **Better technology delivering oversight and impartiality**
  - **A data driven approach to voting**

Engaging for Change

LACEF

irrv

Association of Business Recovery Professionals R3 Rescue Recovery Renewal

MALG MONEY ADVICE LIAISON GROUP

The Insolvency Service