

Personal Bankruptcy

If you are unable to pay your personal debts, you may have to declare yourself bankrupt. Bankruptcy is usually considered a last resort, so it is important to speak to a licensed insolvency practitioner such as Lynn Gibson at Gibson Hewitt to assess your options before choosing this path.

Most debts will be covered by a bankruptcy order, but some creditors may still be able to take action against you to get their money back. If bankruptcy is the only available option to you, an insolvency practitioner can walk you through the process during this difficult time. The application process is as follows:

1. Appoint a specialist insolvency practitioner

It is crucial to appoint an experienced insolvency practitioner to assess your circumstances and determine whether any other options may be available to you.

2. Discuss all relevant information with your adviser

In order to act in your best interests, your practitioner will need to fully understand your financial position. Make sure your adviser has a clear picture of your debts, creditors, and financial situation.

3. Apply for bankruptcy online

Personal bankruptcy can only be applied for online. You will need to provide substantial evidence of your financial situation, which your adviser can help you to prepare. The application process has a standard fee of £680. If any errors are made, your bankruptcy may be declined.

4. Your application will be reviewed by the Insolvency Service

An adjudicator from the Insolvency Service (IS) will review your application for you and decide whether or not you should be made bankrupt.

Bankruptcy order approved?

If an adjudicator agrees to your bankruptcy, you will receive a copy of your bankruptcy order. Your assets will now be used to pay your debts – but you will need to follow certain restrictions and you may need to attend an interview. Your details will be published in the Individual Insolvency Register.

Bankruptcy order declined?

If you have lived in the UK for six months or more and you are able to prove that you cannot pay your unsecured debt, you are highly unlikely to be declined a bankruptcy order. In the rare case your bankruptcy order is declined (usually due to incorrect information in your application form) your practitioner can discuss your options.