



**The Insolvency  
Service**

Insolvency Practitioner Regulation Section  
4<sup>th</sup> Floor  
Abbey Orchard Street  
London  
SW1P 2HT

Tel: 020 7291 6772  
[www.bis.gov.uk/insolvency](http://www.bis.gov.uk/insolvency)

## **DEAR INSOLVENCY PRACTITIONER**

### **Issue 81 – July 2018**

*Message from Angela Crossley  
Head of Insolvency Practitioner Regulation*

*Dear Insolvency Practitioner*

*Attached is the latest edition of Dear IP.*

*You may be aware that Nick Howard retired on 7 June 2018. I'm sure you will join me in thanking Nick for his contribution to the work of IP Regulation, in particular overseeing the legislative changes in October 2015 which saw the introduction of the Regulatory Objectives and new powers for the Insolvency Service as oversight regulator.*

*I took up post to replace Nick on 18 June, having worked in the Agency in a variety of roles (including IP Regulation some years ago)*

*I look forward to meeting many of you over the coming months as the Insolvency Service continues its work on overseeing and assessing the effectiveness of the IP Regulatory Regime.*

***In this issue:***

***Information/Notes page(s):***

<b><i>Chapter 3</i></b> Article 30	<b><i>Authorisation and Appointment of IPs</i></b> Creditor blanket authorities for insolvency practitioners to act on their behalf
<b><i>Chapter 5</i></b> Article 75	<b><i>Insolvency Practitioner Services</i></b> Review of IP Details
<b><i>Chapter 6</i></b> Article 28	<b><i>Companies House</i></b> Filing documents with Companies House close to the company's strike off date
Article 29	The Housing Administration (England and Wales) Rules 2018
<b><i>Chapter 11</i></b> Article 61	<b><i>Employment Matters</i></b> The Employment Rights (Increase of Limits) Order 2018
<b><i>Chapter 13</i></b> Article 94	<b><i>General</i></b> Complying with The Claims Management Regulator
Article 95	Pensions in bankruptcy – exclusion of a pension administered from another EU State

---

### **30) Creditor blanket authorities for insolvency practitioners to act on their behalf**

This article replaces article 15 (information to be included in a blanket authority given by a creditor to an insolvency practitioner) which has been withdrawn.

The Insolvency Service maintains a central database of all current authorisations from creditors for insolvency practitioners to act on behalf of the creditor in insolvency matters. Any changes or additions to these blanket authorities should be notified by email to [SOR.Operations@insolvency.gsi.gov.uk](mailto:SOR.Operations@insolvency.gsi.gov.uk)

Any significant changes, in particular the withdrawal or replacement of an authority, must be authorised in writing by the creditor, not the insolvency practitioner. Any new or replacement authorities should follow the wording below, a copy of which can be obtained by emailing [SOR.Operations@insolvency.gsi.gov.uk](mailto:SOR.Operations@insolvency.gsi.gov.uk)

Administrative changes to the contact details of an insolvency practitioner/firm holding an existing authority do not require written authority of the creditor.

A review is taking place to ensure the information held is accurate and insolvency practitioners will be contacted to renew authorities. Additionally blanket authorities which are over two years old will be automatically regarded as out of date and no longer valid. These will need to be renewed with an up to date replacement authority.

Where a subsequent authority is received from a creditor for a different insolvency practitioner it will be assumed that the creditor has withdrawn the earlier dated authority and the Insolvency Service will not make further enquiries.

Authorities will be accepted that refer to “an insolvency practitioner from [name of firm]”, rather than a specifically named insolvency practitioner, or in the case of proxy holders “an employee of [name of firm]”, rather than named individuals.

Case correspondence will generally be sent to the nominated firm instead of the creditor where a blanket authority is held.

It would be helpful if insolvency practitioners could ensure that all new creditor authorities for bankruptcies and compulsory liquidations address the following:

1. The authority must be on the creditor’s headed notepaper including address and company registration number
2. For group companies, the authority must clearly specify which businesses and trading names are covered by the authority

3. The name and job title of the person signing the authority on behalf of the creditor should be printed
4. A statement should be included showing that the person signing is authorised to give the blanket authority for all relevant entities
5. The contact details of the person signing the authority should be provided including address, telephone number and email address
6. The letter should be signed and dated
7. The authority will be retained for two years from the date of the authority after which it will be deemed to have lapsed and must be renewed by the creditor

The following wording would be acceptable to Official Receivers.

We hereby authorise partners, directors or employees of **[name of IP firm]** to act on our behalf in matters related to all insolvent estates of which we are creditors as follows:

1. Pursuant to rule 14.4 of the Insolvency (England and Wales) Rules 2016 to complete and authenticate forms of proof of debt on our behalf;
2. To vote in any decision procedures, as defined by rule 15.3 of the Insolvency (England and Wales) Rules 2016 and to propose or nominate one or more of the insolvency practitioners of **[name of IP firm]** as office-holder under the provision of the Insolvency Act 1986 where the official receiver seeks nominations.
3. Pursuant to rule 16.2 of the Insolvency (England and Wales) Rules 2016 to complete and authenticate forms of proxy on our behalf:-
  - a. by way of specific proxy for the appointment of one or more of the insolvency practitioners of **[name of IP firm]** as office holder under the provisions of the Insolvency Act 1986, or
  - b. by way of specific proxy for the appointment of any licensed insolvency practitioner as office holder under the provisions of the Insolvency Act 1986.
4. To act as our agent and obtain lists of creditors pursuant to rule 1.57 of the Insolvency (England and Wales) Rules 2016.
5. In the event that the official receiver decides to request that the Secretary of State appoint an insolvency practitioner, in all cases where we are the majority creditor, we wish for the nominated insolvency practitioners of **[name of IP firm]** to be appointed as office-holder under the provision of the Insolvency Act 1986.

*Dear IP*

*July 2018– Issue No 81  
Chapter 3- Authorisation and Appointment of IPs*

---

6. Should the nominated insolvency practitioner decline to accept the appointment or in the event that the official receiver decides to request that the Secretary of State appoint an insolvency practitioner and we are not the majority creditor, the authorised representatives of **[name of IP firm]** may on our behalf approve:
  - a. an appointment from the official receiver's rota, or
  - b. the appointment of an insolvency practitioner nominated by another creditor.

Note: Any of the above might be deleted by the creditor and excluded from the authority.

General enquiries may be sent to [SOR.Operations@insolvency.gsi.gov.uk](mailto:SOR.Operations@insolvency.gsi.gov.uk)

## **75) Review of IP Details**

Estate Accounts and Scanning (EAS) are currently conducting a review of the registered details we hold for licenced insolvency practitioners to ensure they are correct and up to date.

Practitioners should receive an email requesting them to confirm:

- Firm Name and Main Address
- Email Address
- Contact Telephone Number
- IP number

If you have not received an email by 31 July 2018 please email [CustomerServices.EAS@Insolvency.gsi.gov.uk](mailto:CustomerServices.EAS@Insolvency.gsi.gov.uk) to advise as such, referencing this article. Please ensure that 'IP Details Review' is stated in the subject.

General enquiries may be sent to [CustomerServices.EAS@insolvency.gsi.gov.uk](mailto:CustomerServices.EAS@insolvency.gsi.gov.uk)

## **28) Filing documents with Companies House close to the company's strike off date**

Companies House has received queries from insolvency practitioners when their documents have been rejected because the company has been struck off before the documents were processed. In some cases the documents have been received on the day that the company has been struck off. No further documents can be accepted for filing once the company has been struck off, even if it is not yet dissolved. If strike off action has been suspended temporarily due to the receipt of an objection from a third party, practitioners should not rely on any objection remaining in place long enough for them to submit documents and for them to be registered. If the objection is withdrawn before documents are registered, the company could be struck off immediately which will prevent documents being accepted for filing.

Insolvency practitioners should note that receipt of a document by Companies House does not guarantee that it will be registered. It may take a number of days for the document to be examined and for a decision to be made as to whether the document is acceptable or not. It is not possible for us to identify forms for companies that are close to strike off and prioritise them due to the large volumes of mail received each day.

If practitioners are submitting documents in respect of a company which is close to being struck off, they may wish to consider making their own objection to the dissolution in order to prevent the company being struck off before documents are registered. Practitioners can do this even if strike off action has already been suspended temporarily by a third party. Any interested party can object to a company being struck off the register and dissolved. An objection can only be considered by the registrar once notification has been published in the Gazette showing the registrar's intention to strike the company off the register at the expiration of two months. It is important to send any objection to the registrar at the earliest opportunity after publication of the Gazette notice and at least two weeks prior to the notice expiry date. More information about how to object to dissolution can be found here:

<https://www.gov.uk/government/publications/company-strike-off-dissolution-and-restoration/strike-off-dissolution-and-restoration#objecting-to-a-companys-dissolution>

Insolvency practitioners may wish to sign up to our Follow service. Follow is part of our free Companies House Service (CHS) which lets practitioners receive email alerts of company transactions. The alert tells instantly what has been filed with us as soon as it has been accepted.

The email will contain a link to the filing history of the company where it is possible to download a copy of the document for free. Practitioners will also receive an alert when we remove a transaction. Practitioners can find out more about signing up for our Follow service on the following website:

<https://www.gov.uk/government/organisations/companies-house/about-our-services#follow>

**Quality of documents (This is currently one of our most common reasons for rejection)**

Companies House scan the paper documents and forms it receives to produce an electronic image. We then store the original, paper documents and use the electronic image as the working document. When a customer searches the company record, they see the electronic image reproduced on-line. It is important not only that the original is legible, but that it can also produce a clear copy. Documents should be on A4 size, plain white paper with a matt finish. The text should be black, clear, legible, and of uniform density. All letters and numbers must be clear and legible throughout the document so that we can make an acceptable copy (this is currently one of our most common reasons for rejection). The following guidelines may help:

- Use black ink or black type
- Use A4 paper with a good margin
- Photocopies can result in a grey shade that will not scan well
- Make sure that all required information is shown on the pages when submitting attachments. We are receiving documents where part of the information is missing from the edges of the pages (particularly if the page was created in a landscape format)
- Don't send a carbon copy
- Don't use a dot matrix printer

Failure to follow these guidelines is likely to result in the document being rejected.

*General enquiries may be sent to: [bmorgan@companieshouse.gov.uk](mailto:bmorgan@companieshouse.gov.uk)*



## **29) The Housing Administration (England and Wales) Rules 2018**

The Housing Administration (England and Wales) Rules 2018 will come into force on 5 July 2018:

<http://www.legislation.gov.uk/uksi/2018/719/made/data.html>

Housing administration is a special administration regime which applies to private registered providers of social housing. Where a provider becomes subject to Housing Administration and that provider is registered at Companies House the appropriate administration documents must be filed with us.

Insolvency practitioners can use the administration forms introduced as part of the Insolvency (England and Wales) Rules 2016 with any necessary amendments, for example legislative references.

*General enquiries may be sent to: [pworrell@companieshouse.gov.uk](mailto:pworrell@companieshouse.gov.uk)*

### **61) The Employment Rights (Increase of Limits) Order 2018**

With effect from 6 April 2018 the statutory limit one weeks pay for the purpose of calculating a redundancy payment increases from £489 to £508. A copy of the above relevant statutory instrument is available at the following web site address:

[Legislation.gov.uk](https://www.legislation.gov.uk)

General enquiries may be sent to: [redundancy.payments@insolvency.gsi.gov.uk](mailto:redundancy.payments@insolvency.gsi.gov.uk)

## **94) Complying with The Claims Management Regulator**

### Overview

The Claims Management Regulator (“CMR”) works to protect and promote the interests of consumers and the public, and to ensure that the organisations acting as a Claims Management Company (“CMC”) understand and comply with the regulations of operating in this sector. The CMR regulate organisations that offer a service for people hoping to claim compensation for:

- Personal injury
- Mis-sold financial products and services
- Employment and redundancy (including payments from The Redundancy Payments Service)
- Criminal injury
- Industrial injury
- Housing disrepair

Under the Compensation Act 2006, any persons wishing to carry out a regulated claims management service must be authorised unless they are exempt.

### Services covered by the Compensation Act 2006

- **Advertising** for or seeking out persons who may have a claim. This includes (but is not limited to) operating a website, TV and radio advertising, leaflets, telemarketing (including consumer surveys), obtaining consent for a third party to contact a client about a potential claim, asking a potential client if they have a claim, etc.
- **Advising a claimant** or potential claimant in relation to his/her claim or cause of action.
- **Referring details of a claim** or claimant, or a cause of action or potential claimant, to another person. This includes the provision of data or the generation of leads.
- **Investigating** or commissioning the investigation of the circumstances, merits or foundation of a claim with a view to using the results in pursuing the claim.
- **Representation of a claimant** in writing or orally. This includes contacting a financial institution or the Financial Ombudsman Service about a mis-sold PPI claim, contacting an insurance company about a personal injury claim or representing a client in employment mediation or tribunal.

### CMR Guidance

To help you understand if you need to apply for authorisation or have ‘exempt status’ as a CMC or introducer, please follow the link below:

<https://www.gov.uk/government/publications/claims-management-companies-who-needs-to-be-authorised>

The above publication contains details of:

- the sectors covered by claims management regulation
- services that are regulated
- which businesses are exempt
- introducers acting as referrers

### Corporate structure

Each separate corporate body (for example, limited company, sole trader or limited liability partnership) providing regulated claims services must be individually authorised. An organisation can not obtain authorisation and share it with another legal entity or across a group of companies.

### Exemption from CMR Authorisation

Some organisations are exempt from the requirement to be CMR authorised as either a CMC or an introducer. This applies to those who provide certain activities that are already regulated by other regulatory agencies and to certain other categories of persons or organisations.

It is an offence to provide regulated services unless CMR authorised and it is for any organisation to ensure they fully comply or meet the exempt status requirements.

### Intermediaries assisting claims under The Employment Rights Act 1996.

An insolvency practitioner should only refer employees to CMCs, who fully comply with CMR requirements (or those with exempt status) for assistance in making a claim for compensation for wrongful or unfair dismissal, redundancy, discrimination and harassment. This includes claims relating to unpaid wages and other employment-related payments.

Where an insolvency practitioners refers a person to a CMC, they should be able to evidence that they are satisfied that the CMC complies with CMR requirements. A CMC should not act as both an agent of the insolvency practitioner and an agent of the claimant in the same case. This would present a conflict of interest within the statutory roles fulfilled by the insolvency practitioner.

To help enforce legislation and Government policy, any CMR breaches identified will be referred to the appropriate Recognised Professional Body for further consideration.

Guidance has previously been issued in Dear IP regarding the use of CMCs and we are taking the opportunity to remind insolvency practitioners of this earlier publication:

<https://www.insolvencydirect.bis.gov.uk/insolvencyprofessionandlegislation/dearip/dearipmill/chapter24.htm#51>

Any queries regarding authorisation or exempt status should be addressed to the Claims Management Regulator at:

[contactus@claimsregulation.gov.uk](mailto:contactus@claimsregulation.gov.uk) or by phone 0333 200 0110

*General enquiries may be sent to: [IPRegulation.Section@insolvency.gsi.gov.uk](mailto:IPRegulation.Section@insolvency.gsi.gov.uk)*

**95) Pensions in bankruptcy – exclusion of a pension administered from another EU State**

The Insolvency Service is concerned to ensure that EU citizens who have exercised their right to free movement within the EU are not disadvantaged by the operation of UK law.

All approved (by HMRC) pensions in cases made on a petition (or application to the Adjudicator) presented on or after 29 May 2000 are excluded from the bankrupt's estate. A pension administered from another EU State may be approved in the State of establishment but not approved by HMRC in the UK.

If a pension is unapproved by HMRC it is possible for the bankrupt to seek to exclude their rights from the bankruptcy estate under the Occupational and Personal Pension Schemes (Bankruptcy) (No. 2) Regulations 2002 by entering into a qualifying agreement with their trustee. Guidance has been given to Official Receivers that they should enter into such agreements where the EU pension arrangement is an occupational scheme (and where bankrupt was an employee but not a director of the company) or where the arrangement is a recognised pension scheme under the laws of the EU State in which it is based. The guidance to Official Receivers is that in such cases the qualifying agreement should be unconditional, the practical effect of which will be to treat the bankrupt in the same way as a UK national with comparable UK pension arrangements.

General enquiries may be sent to [policy.unit@insolvency.gsi.gov.uk](mailto:policy.unit@insolvency.gsi.gov.uk)