



The Insolvency  
Service

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## DEAR INSOLVENCY PRACTITIONER Issue 92 – March 2020

### *Message from the Chairman of the Board of The Insolvency Service*

*Dear Reader*

*It is normally the case that one of my policy colleagues would use this “front page” to guide you through the contents of Dear IP, but given all that is going on, I felt it important as Chairman of the Board of The Insolvency Service to share some thoughts with our valued stakeholders and to take this opportunity to send a message of support to you all from myself and the Insolvency Service Board at this difficult time.*

*As you would expect we are closely monitoring and following Government advice and ensuring all our staff are kept fully up to date on the latest measures. We believe it is important to listen carefully to and respond to their needs and we believe our current plan reflects that. As an Agency we have operated a flexible and home working policy for some time and clearly, subject to key worker requirements, that is now fully implemented. However, as far as possible it will be business as usual for the service and we are still contactable in all the usual ways to continue to undertake the very important work we do, despite the extreme circumstances we are experiencing.*

*However, as part of this key message, I wanted to reassure you that, as Chairman of the Board, I take very seriously indeed the need for us to continue to provide a professional service to all those with whom we interact. Our stakeholders are many and diverse, but all extremely valuable to us as are the communities in which you all work.*

*For many of you reading this publication, you will be involved in advising*

*businesses and individuals in times of stress and distress. I have no doubt that, whether we are from the public, private or charitable sectors we shall all be called upon in the coming months to a much greater degree than was perhaps anticipated at the beginning of this year. However, I also know that the insolvency profession will respond with the necessary professional expertise and empathy that is necessary to navigate through these very challenging times.*

*If I can make one personal plea, it is that from whatever sector in our profession you operate, we seek to come together and support each other at this time. Without doubt now is the time for professional rivalries to be set aside for the greater good. We have a crucial role to play as a profession moving forward and to support many people and areas of society affected by this crisis. I am also conscious that many of us actually operate small and medium businesses ourselves so will very much be at the sharp end of this ever-developing situation. We shall do our best as an Agency to support you on your assignments whilst retaining our regulatory and other duties, and as many have always said "it's always good to talk".*

*If we are able to facilitate those conversations we shall be delighted to be a conduit for the profession as we feel that is part of our role too within the wider business community in which we all work. Over the coming months, we shall no doubt be called upon by Government to look at ensuring our insolvency and rescue processes are still fit for purpose in these unprecedented times and we shall be sharing these developments as always with our stakeholders.*

*Although it may seem difficult to envisage now, we shall recover from this crisis and I believe in a way that shows a greater understanding and empathy for others than before.*

*Finally, please take care and heed all Government guidelines for yourselves and your families and loved ones. We are in this together and we shall emerge successfully together i am sure. All of us in the Service look forward to meeting professional colleagues again in person rather than virtually in a few months time.*

**Steve Allinson**  
**Chairman of The Board of The Insolvency Service.**

*In this issue:*

**Chapter 13      General**

Article 102      Covid-19

## **102) Covid-19**

The Covid-19 pandemic crisis and the necessary response is a significant challenge to the country with many far-reaching impacts on normal day to day lives. As you will have seen in the news, the Government has already introduced a number of emergency measures to support business and vital sectors of the economy, as well as for individuals expected to be adversely financially affected. You can see some of those measures here:

<https://bit.ly/3a9zpJH>

The Government is also considering what emergency legislation could be introduced to help struggling businesses, and we are very grateful to our stakeholders that have taken time to get in touch and propose possible measures. All of these and more are being considered urgently and we are always open to more suggestions. We are also working closely with other government departments on what measures short of legislation might help.

In the meantime, we ask that you are as flexible as possible when dealing with cases under these extreme circumstances. Some of your clients may experience difficulty in meeting their financial commitments, and where possible we'd ask that you give your forbearance. You may also want to think about the best way to engage with customers, including creditors and the most appropriate forum to meet.

As a reminder for businesses who are struggling to meet redundancy payments in this difficult time, the Insolvency Service's Redundancy Payments Scheme operates the Financial Difficulty (FD) scheme. This was set up to provide assistance to employers in making statutory redundancy payments while at the same time avoiding additional job losses if the employer became insolvent. More detail about making staff redundant can be found here:

<https://www.gov.uk/staff-redundant/redundancy-pay>

We recognise that this crisis is a significant challenge to the insolvency practitioner sector as many companies and individuals will experience extreme financial shock that may give rise to a sudden increase in the need for your services. We understand that this will put additional pressure on your capacity, and that of your colleagues, to fulfil all of your regulatory responsibilities whilst providing essential services to those most in need.

The Insolvency Service is working closely with your Regulatory Bodies and we know that they are responding to ensure that they are able to provide a continuity of vital services that you rely on. Like the rest of the country, they will also have restrictions on staff working in offices and whilst this may affect

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some services, they have told us they will remain open and that they will communicate any changes in services and how this may affect certain regulatory responsibilities very soon, in particular ways to help reduce the impact on you in the short term.

As you might expect we are paying close attention to the changing economic circumstances and the implications of that for the insolvency profession and are meeting weekly with the RPBs to discuss possible impacts and any further action that may be needed. We are also conscious that those impacts may potentially mean significantly increased number of cases across the board and now, more than ever, it will be important for us to work in collaboration to make sure that the insolvency framework provides optimum support for those that need it.

This is a time for the country to come together and we are confident that the insolvency sector will do its best to respond to the very significant challenges that will present itself over the next few months in playing its important role.

Finally, the Insolvency Service, like many other government departments and regulators, is following government advice on social distancing, home working and non-essential travel. But we are still open and functioning as normally as can be expected providing our services as best we can.

We remain open if you need to get in touch including bringing issues to our attention. We expect to issue further “Dear IPs” in the coming days and weeks.