


**CONSULTATION QUESTIONNAIRE (Page One)**  
**Low Income, Low Assets – a new route into Bankruptcy**

The deadline for responses is **25 June 2007**

**Your details**

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For the purpose of analysing responses, it would be helpful if you would also indicate the capacity in which you are completing this questionnaire, please tick as appropriate.

Advice Sector	<input type="checkbox"/>	Legal Body	<input type="checkbox"/>
Business	<input type="checkbox"/>	Professional Body	<input type="checkbox"/>
Individual	<input type="checkbox"/>	Statutory Body	<input checked="" type="checkbox"/>
Insolvency Practitioner	<input type="checkbox"/>	Other (Please Specify) _____	<input type="checkbox"/>

**Questions for Consultation**

1a Do you agree with the proposal to treat someone in receipt of an income based Social Security benefit as having no income for the LILA scheme?

Yes

1b Do you think £100 (gross) is the appropriate level for the purposes of calculating low income?

Yes

1c If not, please state what you would consider to be the appropriate level e.g. £150, £200 and why?

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1d How should the level determined be calculated, e.g. gross income at date of application or gross weekly income averaged over 6 month or 12 month period?

12months

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1e Should Child Tax Credit be disregarded in the calculation of income?

No

1f Should any other benefits or tax credits be disregarded in the calculation of income?

Yes

1g If so which benefits or tax credits should be disregarded?

Benefits disregarded in the assessment of Income Support/JSA – e.g. Attendance Allowance

2a Do you think £1,000 is the appropriate level for the purposes of calculating assets?

Yes

2b If not, please state what you would consider to be the appropriate level, and why (for example, linking to other limits in use in diligence).

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2c Should excluded assets only be those which would be excluded from bankruptcy?

Yes

2d If not, which other types of assets should be included or excluded?

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2e Do you agree that anyone who owns their own house or other property should be excluded from the LILA scheme?

Yes

2f If not, why?

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3a Should there be a different debt threshold for LILA applications?

No

3b If so, at what level should it be set?

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4a Do you agree that a simple on-line process should be the usual means of applying for bankruptcy through the LILA scheme?

Yes

4b If not, what forms of applications should be allowed and why?

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4c Do you think that the proposed £50 fee is reasonable?

No

4d If not, what kind of fee structure would be appropriate? (please consider issues such as deterrence, consistency with other applications, waivers for specific groups of debtors, higher costs of administering hard copy applications)

Fee should be funded by the Scottish Executive, given the low level of the debtor's income.

4e Do you agree that a Statutory Declaration by a debtor should be sufficient for a debtor's application?

No

4f If not, what else should be required and why?

Proof of income and expenditure

4g Do you have any other suggestions for the LILA process which you would like us to consider?

Where appropriate, use of current DWP/LA records in respect of benefit claims to establish income.

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5a Do you agree that there should be a delay between the date of application and an award of bankruptcy?

Yes

5b If no, why not?

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5c If yes, is 5 weeks a reasonable period of delay?

No

5d If you do not agree that 5 weeks is a reasonable period, what alternative would you suggest and why?

A minimum of 8 weeks in order to gather and assess necessary information.

5e Should the debtor be able to withdraw their application during this period?

Yes

5f Should the creditor be entitled to object to an application during this period?

Yes

5g If so, should grounds for objection be restricted to the accuracy/honesty of the debtor's averment of low income and low assets?

Yes

5h If not, what other grounds for objection be considered?

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6 Do you have any other comments?

What process would be in place to allow a creditor to object?