



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

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

Your details

Name

[Redacted]

Job title (if applicable)

[Redacted]

Organisation (if applicable)

[Redacted]

Address

[Redacted]

Postcode

[Redacted]

e-mail address

[Redacted]

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

Legal Body

Business

Professional Body

Individual

Statutory Body

Insolvency Practitioner

Other (Please Specify) _____

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 No

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

Yes No

All income should be taken into consideration.

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

I think that the appropriate income level should be linked to a recognised benchmark, eg, the minimum wage.

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?

I think the debtor's current circumstances should determine the calculation.

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

Yes No X

See comments above – all income should be considered.

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

Yes No X

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

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

Yes X No

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).

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

Yes X No

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

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

Yes No X

2f If not, why?

A debtor who is a homeowner may still be on limited income, and may be in a situation where there is negative equity.

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

Yes No X

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

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

Yes No X

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

I do not see why the application process should be different in a LILA type application.

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

Yes X 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)

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

Yes No X

I would have concerns about this, particularly if the application can be made online, with no signature required. There would be scope for mischievous applications for bankruptcy.

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

At least some form of vouching of income, and identification should be required.

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

Appropriate penalties should be imposed in the event of false information being provided.

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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 No X

5b If no, why not?

There should be no difference between a LILA application and a normal application in this respect.

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

Yes No

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

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

Yes No

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

Yes No

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 No

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

6 Do you have any other comments?
