

Debt Relief Order Newsletter – June 2009



Pensions

Intermediaries should be aware that if a debtor has a personal pension plan, or an occupational pension scheme with a fund value of more than £300, then a Debt Relief Order would not be appropriate as the asset parameter.

For clarity a “State Pension” is not an asset.

Any pensions in payment should be incorporated in the Income & Expenditure account as “Income”.



Helpdesk: 0800 138 138
© 2009 Creditline

Ownership Of Property

A reminder that any repossessed properties must have been dealt with prior to submitting a DRO application. If the debtor is still the registered proprietor then their application will be declined.

Matrimonial Rights Entries – If a debtor suggests that they have a Beneficial Interest in a former matrimonial home, then this must have been dealt with before a Debt Relief Order can be considered.

Fee Payments

It should be noted that any over payment in the DRO application fee will result in delays, so please ensure the debtor only pays the correct amount.

Charity Cheques will inevitably take longer to clear and therefore an appropriate period of time should be allowed for clearance prior to submitting the DRO application.

Any application submitted will require the DRO fee to have been paid on the day of submission or earlier, in order for the fee to reach the Insolvency Service Finance Department within the required 10 day period.



Feedback

Intermediaries are asked to refer any feedback or issues regarding Debt Relief Orders and the Web Application via their Competent Authority, who will act as a conduit for feedback and dialogue with the Insolvency Service, thus ensuring uniformity of information provided to the Intermediaries.

IT

Timeouts – If you are interrupted during the completion of a Web Application, you must be aware that your session will timeout and therefore you should “Save & Exit” the application before undertaking other tasks.

Password & Locked Applications – Intermediaries are advised that currently locked applications and password resets must go through the Insolvency Service. However, changes to the Web Application in June will revise this process with locked passwords and applications being automatically being reset after 1 hour. Your Competent Authority will be advised when this change to the Web Application has been implemented.



Intermediary Guidance Notes

The Intermediary Guidance Notes have been drafted and the Web Application pop ups and help screens have been provided to assist Intermediaries with the completion of the DRO Web Application. Therefore Intermediaries are asked to refer to this guidance prior to raising issues with the Insolvency Enquiry Line or the Debt Relief Order Unit.

Please note that any new versions of the Intermediary Guidance Notes will be distributed by your Competent Authority and not directly from the Debt Relief Order Unit.

Debt Relief Order Newsletter – June 2009



Debts Incurred as a result of Fraud

The DRO Unit has received numerous queries from Intermediaries, regarding debts incurred as a result of fraud.

To clarify the position of debts incurred as a result of fraud or fraudulent breach of trust. Any such debt should be scheduled in the DRO application as a qualifying debt, however pursuant to the provisions of Section 251(3) of the Insolvency Act 1986, any qualifying debt which a debtor has incurred in respect of any fraud or fraudulent breach of trust to which the debtor was a party, is not discharged at the end of the moratorium period.



http://www.creditline.co.uk
01273 810000



HM Revenue & Customs

Intermediaries **must** use the creditor drop down list for HMRC. Failure to do so may result in continued deductions from benefits. All HMRC DRO notifications will go by email to a nominated contact who will ensure that the appropriate records are noted accordingly.



DRO Communications

Intermediaries are advised that if they have a specific query or question regarding Debt Relief Orders, they are to adhere to the following protocol.

All pre-submission application queries should in the first instance be directed to the Insolvency Enquiry Line on **0845 602 9848** or emailed to insolvency.enquiryline@insolvency.gsi.gov.uk.

All post-submission queries should be directed to the Debt Relief Order Unit on **01752 635200** or emailed to DRO.Unit@insolvency.gsi.gov.uk.



Income & Expenditure Summary

It is the role of the Intermediary to determine the debtors disposable income and should be a normal part of the debt assessment process. Intermediaries are advised that at no time would the Insolvency Enquiry Line or the Debt Relief Order Unit, make any comment on the common financial statement or the trigger figures contained therein. The intermediary should satisfy themselves that the information being provided by the debtor is accurate and use their own guidelines in relation to trigger figures.



Change Of Address

Intermediaries should note that the debtor must keep the Official Receiver notified of their current address at all times and as such should be advised of this when completing an application for a DRO.

Failure to do so could result in the debtors Order being revoked, if the Official Receiver attempts to contact them and cannot obtain their cooperation, as a result of their whereabouts being unknown.

DRO Refunds

For refunds intermediaries or the debtor should contact the DRO Unit who will require the following information:-

DRO number.
Applicant's name and address.
The amount they have paid.
The reason for the refund.
Method of repayment.

If they require a bank transfer, we also need bank details, including:

Bank/Building society name.
Name of account holder.
Sort code.
Account number.
Building society roll number (if applicable).