

The Rt Hon Liam Byrne MP
Chair, Business and Trade Committee
House of Commons
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19 September 2024

Dear Liam,

**Increase in the fees charged by the Official Receiver to fund the administration of
bankruptcy and compulsory liquidation cases**

There are a number of statutory duties the Official Receiver is required to perform when administering bankruptcy and compulsory liquidations. These include identifying and realising assets, distributing dividends to creditors, and identifying and addressing misconduct and that work is funded through a range of fees and charges.

OR fees were last increased in 2016 and a further increase is necessary to mitigate the impact of significant inflationary increases on operating costs alongside a large reduction in overall volumes of fee earning cases. The average increase of about 20% will generate an estimated further £2.5-3.1million in income per year.

As well as general trader and consumer failures, the Insolvency Service also deals with public interest winding ups on behalf of the Secretary of State following “live” company investigations. Such companies are generally involved in harmful activity (such as fraud or scams). There are fewer than 100 such cases a year and they are complex and considerably more costly to administer than “normal” cases. Therefore, the proposed increase to the fees for these cases is an average of 125%.

The upfront cost to creditors and debtors of bankruptcy or compulsory liquidation proceedings will not change.

The following SI will be laid before Parliament on 19 September and will come into force on the 9 January 2025:

- The Insolvency Proceedings (Fees) (Amendment) Order 2024

Yours ever,

A handwritten signature in black ink, appearing to read 'Justin Madders', with a long, sweeping horizontal line underneath.

JUSTIN MADDERS MP

Minister for Employment Rights, Competition and Markets
Department for Business and Trade