



Institute of Credit Management

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Rosemary Winter-Scott
The Accountant in Bankruptcy & Agency Chief Executive
Accountant in Bankruptcy
1 Pennyburn Road
Kilwinning
KA13 6SA

Email Rosemary.Winter-Scott@aib.gsi.gov.uk

Dear Ms Winter-Scott

**RESPONSE OF THE INSTITUTE OF CREDIT MANAGEMENT TO:
THE SCOTTISH GOVERNMENT – PROPOSED SCOTTISH BANKRUPTCY BILL**

The Institute of Credit Management is the largest professional credit management organisation in Europe. Its members hold important, credit-related appointments throughout industry and commerce, and we feel it appropriate to comment on this proposal.

The Institute broadly supports the content of the proposed bill. We particularly welcome the emphasis that those debtors who can pay should pay their debts, the requirement for individuals to access money advice through an approved money adviser prior to applying for any form of statutory debt relief, and the introduction of financial education as an integral part of Scottish statutory debt relief processes. Our members have however also raised some concerns and reservations.

- We are not convinced the creation of the AIB's own set of trigger figures deviating away from the BBA/MAT guideline figures which are consistently used now and across all the UK is helpful. The prescriptive nature of their use could have unintended consequences where the resulting payment requirement is unsustainable.
- The 'No income, no assets' solution might be achieved more simply by adjusting the existing 'Low income, low assets' solution.
- The triage tool which advisors are required to use is weighted towards the DAS solution when we believe the proposed solution should be more objective and determined on an individual basis.
- The exclusion of debts incurred less than twelve weeks prior to the DAS will allow some individuals to exploit the arrangement through astute use of timing, while leaving other, more naive, debtors potentially disadvantaged.

Should you have any queries, please do not hesitate to contact me.

Please could I ask you to forward the ICM's comments to the relevant Minister.

Yours faithfully

Glen Bullivant
Chair of Technical Committee
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