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Press Release

Debt charity welcomes new IVA rules

The UK's leading debt charity, the Consumer Credit Counselling Service (CCCS), welcomes the revised IVA protocol released this week by the Insolvency Service. It is expected that the amendments, which came into effect on February 1 2010 and must be used from May 1 2010, will result in fewer modifications and variations, leading to a more effective IVA process for all parties and ideally reduce costs.

Particularly welcome are two changes that clarify equity release and create a better framework for people who become redundant.

While welcoming the new protocol, the debt charity is calling for greater transparency for those in debt. The publication of IVA breakage rates by firm and by practitioner would be an important step forward as it would help people decide if an IVA was the right solution for them and which provider they should go to.

Chairman Malcolm Hurlston said: "Fewer modifications and variations will mean a smoother IVA process which is beneficial to all parties. If it reduces costs, we shall pass on the saving. It should be followed up by the publication of IVA breakage rates by firm and practitioner, which would be an important step forward as this would further improve the IVA process, helping people decide if IVA is the right solution for them."

Jackie Westerman, Insolvency Practitioner at CCCSVA, adds: "The revised IVA protocol provides clarification and the update is welcomed to meet the needs of the debtors, creditors and IVA providers. It should provide more flexibility to help people who have unexpected problems on the IVA."

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For further information, please contact:

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Notes to editors:

1. CCCS Voluntary Arrangements (CCCSVA) is a company wholly owned by the charity, the Foundation for Credit Counselling.
2. The Insolvency Practitioner is Jackie Westerman and the Chief Executive is Steve Nicholson.
3. CCCSVA has 43 staff; CCCS has 706. The charity maintains a Centre for Bankruptcy Counselling which offers a free and specialist service to its clients.