

[New measures to help vulnerable people in problem debt](#)



Update 29 June 2021

New monetary eligibility limits for those eligible for Debt Relief Orders come into effect from today – helping more people get a fresh start. [Find more information here.](#)

Legislation can be found here:

More people will be able to access the debt solution, giving them a fresh start, as a result of the changes announced today, which will come into force at the end of June.

The changes to DRO eligibility criteria will see the level of debt at which people can apply for a DRO increase from £20,000 to £30,000. It is expected that over 13,000 more people may use DROs in the next 12 months compared to 2019, an increase of nearly 50 per cent.

Minister for Corporate Responsibility Lord Callanan said:

Debt Relief Orders help those with problem debt get to grips with their finances, these changes will enable more people experiencing problem debt to get a fresh start.

The changes to the criteria will:

- Increase the threshold on the value of assets that a debtor can hold and be eligible to enter into a DRO from £1,000 to £2,000.
- Increase the value of a single motor vehicle that can be disregarded from the total value of assets from £1,000 to £2,000.
- Increase the level of surplus income received by the debtor before payments should be made to creditors from £50 to £75 per month.
- Increase the total debt allowable for a DRO from £20,000 to £30,000.

The new criteria will [follow a consultation](#) earlier in the year. The changes are due to come into effect on 29 June to coincide with the end of the first 60 days of [the Government's Breathing Space scheme](#), which began on 4 May 2021.

Debt Relief Orders were introduced in 2009 and are aimed at individuals with relatively low levels of unmanageable debt who have nothing to offer their creditors, such as assets or disposable income, and for whom bankruptcy would be a disproportionate response. A DRO sees debt repayments and interest frozen, while creditors are unable to pursue debtors for a 12-month period, after which the debts are written off.

Notes to editors

- DROs apply to England and Wales only (personal insolvency is devolved to Scotland and Northern Ireland.)

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Last updated 29 June 2021 [+ show all updates](#)

1. 29 June 2021

An edit was made on 29 June to advise new monetary eligibility criteria for Debt Relief Orders was now in place.

2. 10 May 2021

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