

# Press release: £2.3 billion debt relief granted in 10 years of DROs

The first Debt Relief Order (DRO) was approved 10 years ago in April 2009 with the aim of assisting people with small levels of assets and little surplus income deal with their debts\*.

Since then, the Insolvency Service has approved more than 254,000 DROs to people with debts worth an average of £9,400.

People apply for a DRO through an authorised debt adviser, from organisations such as Citizens Advice, StepChange and PayPlan, who submit applications online to the Official Receiver on their client's behalf.

Approximately 99% of DROs are approved within 48 hours of the application being received into the team in Plymouth and 2018 saw the Insolvency Service issue approximately £312 million of debt relief – the largest amount for a single year.

A DRO normally runs for 12 months after which the debts are written off and between 2009 and 2017\*\*, while 64% of DROs were granted to women, both genders experienced similar levels of average debt – £9,200 for women compared to £9,100 for men.

In the same period, 25% of DROs were granted to people aged between 25 and 34. London experienced the lowest rate of DROs in every year since 2009 – 3 per 10,000 adults – compared to both the North East and South West where the average rate of DROs per 10,000 adults was 7.8.

Liz Thomas, Head of Debt Relief Orders for the Insolvency Service, said:

Reaching the 10-year anniversary since the first DRO was approved is a significant milestone and we are immensely proud of the role we have played in helping a substantial number of people out of debt.

DROs are a partnership with the debt advice sector who we have worked closely with during this past decade to ensure people are provided with every opportunity to lift themselves out of financial difficulties.

Paula Hogarth, DRO Service Debt Advice Centre Manager for [StepChange Debt Charity](#), said:

DROs are a good solution for people with minimal assets and low

income who can't afford to repay their debts.

While it's important that people get proper debt advice, as different circumstances lend themselves to different debt solutions, those people who are eligible for DROs definitely benefit from the relative speed, simplicity and low cost of setting up the solution, as well as usually becoming debt-free a year later.

Diane Watson, Debt Relief Order (DRO) Liaison Officer at [PayPlan](#), said:

We have arranged DROs for a significant number of clients since they were introduced a decade ago and always fully assess clients before recommending debt solutions. So if a DRO is not suitable, we will work with them to help them regain control of their finances as part of a plan which is most suited to their individual circumstances.

\*In October 2015, the upper limit for qualifying debt was raised from £15,000 to £20,000, and the asset limit was raised from £300 to £1,000.

\*\*Figures for age, location and gender are based on figures produced annually with the last set [published in July 2018](#). The next set of figures are set to be published in July 2019.

Information about how to apply for a DRO is [available on GOV.UK](#), including where to [find a debt adviser](#). There are 12 competent authorities: Angel Advance, Advice UK, Christian Against Poverty, Citizens Advice, CMAS, Debt Advisory Centre, Insolvency Practitioners Association, Institute of Money Advisors, Money Advice Trust, PayPlan, Shelter and Step Change

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is [available](#).

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