

Press release: Insolvency Service grants 250,000 Debt Relief Order

First introduced in 2009, Debt Relief Orders (DROs) assist people who have small levels of assets and little surplus income deal with debts under £20,000.

Costing £90, people apply for a DRO through an authorised debt adviser, from organisations such as Citizen's Advice and Stepchange, who will submit an on-line application to the Official Receiver on the applicant's behalf.

The first DRO was issued on 8 April 2009 and in early November 2018 the Insolvency Service issued the 250,000 DRO.

A DRO normally runs for 12 months after which the debts are written off and in 2017, the Insolvency Service processed 24,894 new DROs. Nearly two-thirds (65.4%) were granted for women in that year and the age groups 25-34 and 45-54 made up just over half (50.7%) of all applications.

The North East had the highest DRO rate in 2017 at 7.7 per 10,000 adults, followed by Yorkshire and Humber at 7.5 per 10,000 adults. The DRO rate was lowest in London and the South East.

Adjudicator and Head of Debt Relief Orders for the Insolvency Service, Liz Thomas, said that 99% of DROs are approved within 48 hours of the application being received.

Liz Thomas said:

When first introduced, DROs significantly changed the debt relief landscape and reaching the 250,000 mark is an important milestone.

Next April will see us celebrate 10 years of processing DROs and working with our colleagues in the debt advice sector, we will continue to provide people with the opportunity to easily and successfully deal with their debts.

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.

Statistics relating to number of DROs issued in 2017 in England and Wales, including breakdown of age, gender and location were sourced from [GOV.UK](https://www.gov.uk)

Information about how to apply for a DRO is [available on GOV.UK](https://www.gov.uk), including where to [find a debt adviser](https://www.gov.uk).

The Insolvency Service administers the insolvency regime, investigating all

compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

Further information about the work of the Insolvency Service is [available on GOV.UK](#).

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