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Volumes of IVAs down in 2011, but consumer accessibility increases significantly

TDX releases IVA figures for 2011

The IVA remains robust, accessible and fair with the proportion of people paying less than £175 per month almost doubling in the last year**

09 February 2012 – TDX, the UK's leading provider of data and technology driven debt solutions, today announced that overall insolvencies were down 13%* in England and Wales in 2011 compared to 2010, with IVAs showing a slightly smaller reduction in volume of just 8%*. TDX has visibility of over 90% of all IVA cases via TIX, the UK's largest IVA servicing Platform.

Along with the fall in volume, there was a change in proportions of solutions being accessed by consumers. While IVA volumes were down, the percentage of all insolvencies represented by IVAs increased because they fell less dramatically than bankruptcies.

Martin Prigent, Head of External Relationships, Financial Difficulties at TDX said: "It is important to remember that this decline in volumes is in comparison to record highs in 2010 and volumes still remain significantly higher than in 2009. There is no sign of a recovery in consumer finances so the IVA will remain an important tool to manage distressed debt."

TDX data shows that the proportion of people paying less than £175 per month almost doubled in 2011 and more than quadrupled since 2008.**

Martin Prigent continued, "High inflation has squeezed disposable income levels and the average monthly amount paid by someone in an IVA is now £250 – almost half the amount typically paid in January 2007 prior to the recession. This has been driven by larger quantities of people now accessing IVAs paying contributions of £100 to £175."

In 2011 consumers were also entering IVAs sooner, owing on average £40,000 compared to £50,000 in 2007. More of those going into IVAs were unemployed or retired and fewer were

homeowners – reflecting a growing appeal and relevance of IVAs to a diverse group of consumers.

Martin Prigent added, “The IVA market is challenging for the industry – but IVAs are more accessible than ever, with a diverse group of individuals being offered a structured and controlled route to navigate their way out of financial difficulty. We have also seen a marked increase in the volumes of consumers re-negotiating their plans. This clearly shows insolvency practitioners working hard to provide over-indebted consumers with a viable and robust way out of debt problems.

“With debtor contributions falling, insolvency practitioners are having to focus on efficiencies. While some have exited the market, there have also been a number of new entrants and the top 20 have grown their market share. Overall, the IVA remains a robust, accessible and fair solution for all parties involved.”

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Editor's notes

*Insolvency Volume Data

December 2011	All Insolvencies	IVA	Bankruptcy	DRO	Trust Deed	Sequestration
Percentage change from last month (Total number of insolvencies in December 2011)	-20% (9,101)	-17% (3,274)	-25% (2,378)	-27% (2,050)	-16% (559)	-4% (840)
Three month rolling trend (Number of insolvencies, last three months)	-9% (32,197)	-10% (11,547)	-10% (8,621)	-3% (7,360)	-19% (2,050)	-7% (2,619)
12 month rolling trend (Number of insolvencies, last 12 months)	-12% (138,767)	-8% (48,089)	-29% (41,973)	15% (29,016)	1% (8,533)	-7% (11,156)
Percentage change year to date vs 2010 (Number of insolvencies YTD)	-12% (138,767)	-8% (48,089)	-29% (41,973)	15% (29,016)	1% (8,533)	-7% (11,156)

Source: TDX Group / Individual Insolvency Register – data as at 16 January 2012.

**Contribution Data

Increase in proportion of those making contributions of less than £175 is 80% on 2010 (i.e. nearly double), 200% on 2009 (i.e. treble) and 350% compared to 2008 (i.e. more than quadruple)

About TDX

TDX is a data-driven business which provides banking, utility and Government creditors with Platforms, Tools and Services to optimise returns from their debt portfolios. TDX's UK-hosted platforms for debt collection, insolvency management and debt sale are utilised by European and South American clients looking for high quality, robust and compliant solutions.

With more than £5 billion of debt under management and data from over 200 client portfolios TDX is well-established and renowned for delivering uplifted performance for clients. In 2008, Investcorp Technology Partners acquired a substantial minority position from TDX's founders.

About TIX

TIX (The Insolvency Exchange) is the UK's largest IVA servicing Platform with over £2.5 billion of debt under management. 26 leading creditors use TIX, and it is connected to over 300 insolvency practitioner (IP) firms and 1,800 individual IPs. TIX has visibility of 90% of all IVA cases.