

22nd November 2005

Money Advice Scotland Response To The Bankruptcy & Diligence (Scotland) Bill

Today saw the introduction of the Bankruptcy and diligence (Scotland) Bill into the Scottish Parliament, and amongst other proposed changes in the legislation it proposes one year bankruptcy for debtors, which mirrors the bankruptcy period in England and Wales. In the Scottish Executive consultation exercise Money Advice Scotland expressed its concern that a one year period could open the floodgates to abuse, if the legislation isn't coupled with other measures such as bankruptcy restriction orders and undertakings.

Chief Executive Yvonne Gallacher commented:

"We note that the proposed legislation amongst other measures seeks to introduce one year bankruptcy and bankruptcy restrictions and undertakings. We cautiously welcome the package as a whole, as we have some concerns about one year bankruptcies in their own right. Also, given the experience of our colleagues in England and Wales where the bankruptcy figures are increasing, we remain convinced that one year bankruptcies if implemented could be seen by some as a soft option for debtors, who may not be aware of all of the risks attached to it, and the possible impact on credit in the future, and their everyday life. We want people to seek free debt advice where a range of options and measures could be made available, including bankruptcy, debt payment programmes amongst other options."

End

Notes for Editors

1. Money Advice Scotland (MAS) was set up in 1989 following an initiative by the Scottish Consumer Council and aims to promote free, independent, impartial, confidential money (debt) advice. MAS represent those agencies involved in money advice and debt counselling ranging from voluntary organisations and local authorities through to banks, building societies, other members of the credit industry and government agencies.
2. A major part of the remit of Money Advice Scotland is to seek to influence social policy, and provide research on money advice and related issues.
3. Money Advice Scotland is a Registered Charity. Registration Number SC005663.

FOR FURTHER INFORMATION PLEASE CONTACT:

YVONNE GALLACHER, Chief Executive, Money Advice Scotland
Telephone: Mobile: 07930 339216

MONEY ADVICE SCOTLAND

Suite 306, The Pentagon Centre, 36 Washington Street
Glasgow, G3 8AZ
Telephone: 0141 572 0237. Facsimile: 0141 572 0517.