

Speak to us for further information if you think you would like to apply for bankruptcy.

[www.caew.org.uk](http://www.caew.org.uk)  
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**Citizens Advice Elbridge (West)** is an independent advice agency. Our advice is free, impartial and confidential.

We are authorised by the Financial Conduct Authority (FRN 617782) for debt advice.

# Bankruptcy

Bankruptcy is an option for clearing your debts. Bankruptcy usually lasts for one year.



## You can make yourself bankrupt because you are unable to pay your debts.

You must have been living or working in England or Wales in the last 3 years.

During your bankruptcy you don't have to make payments towards most types of debt included in your bankruptcy and your creditors can't chase you for payments.

When the bankruptcy period ends you are discharged and your debts will be cleared- even those not listed in your bankruptcy application.

There is a fee of £680 to apply for bankruptcy, which can be paid in instalments. It can be paid by a family member or friend, or you could get help from a charity.



When you go bankrupt, you can keep the basic things you need - for example, your clothes, furniture and household items. Other belongings of value are known as 'assets'. Assets might be sold to make payments towards your debts.

You might be asked to make payments towards your debts if you have money left over after you've paid for the things you need. This is called an 'income payment agreement' or 'order' and will last for 3 years.

The person who deals with your bankruptcy is called the 'official receiver' (OR). After the bankruptcy order is made you must tell the official receiver about all your finances and things that you own.

### Things to consider:

-  Your tenancy may be at risk
-  Your house might be at risk if you have equity in it
-  You could lose any assets you have
-  Your bank account might be frozen or closed
-  You might find it very difficult to get credit for several years



-  You still have to pay excluded debts such as fines, student loans and child maintenance.
-  Bankruptcy might affect your immigration status
-  Your name will appear on the individual insolvency register (public record)
-  Bankruptcy could affect your current or future employment

