

Introducing National Creditor Services

ArmstrongWatson®

Accountants, Business & Financial Advisers

www.armstrongwatson.co.uk



Who are we?

Armstrong Watson's National Creditor Services team assists creditors in maximising their dividend prospects by advising, representing and supporting creditors who have incurred bad debts.

The team has national reach and supports creditor clients across England & Wales, clients include government agencies, financial institutions and asset based lenders, through to local authorities, litigation/ debt recovery specialists and trade creditors. We can help anyone who has an issue with a debt.

In addition to this, Armstrong Watson has a specialist insolvency team that act for creditors by acting in an official capacity as Trustee in Bankruptcy 'TiB' on personal insolvency appointments. The TiB is responsible for realising the assets that form the bankruptcy estate, adjudicating creditor claims and making payments to creditors.

Our services

Our Creditor Services team is here to assist and support creditors that have incurred bad debts. We offer free, concise advice in order to minimise risk and deliver a complete resolution to the challenges facing our client.

We appreciate that every client and set of circumstances are different and so offer a bespoke, tailored service; from complete outsourcing, to support on specific aspects of the management of bad debts, at no cost.

What we offer:



Advice

Advice on the most appropriate means of dealing with bad debts in order to achieve a successful outcome. This advice is provided after the team has carried out a preliminary due diligence review and identified the current status of the individual or corporate debtor.

Advice on how to recover other assets caught up in an insolvency process

Our experienced team can review and advise on any Voluntary Arrangement (IVA, CVA) proposals in order to improve your dividend prospects. This can include liaison with the Insolvency Practitioner acting as nominee of the proposal.

Notification of new insolvency notices for Local Authority clients together with advice on recovery strategies.

Representation

Complete management of all the insolvency paperwork you may receive from the Insolvency Service or from other Insolvency Practitioners, through every stage of the process and up to the return of any dividends owed.

Lodge proof and proxies on your behalf and in a timely manner in order to maximise dividend prospects and ensure your rights as a creditor are heard. This includes assistance with the Decision Making Process 'DMP' (formally creditors meetings)

Bespoke dividend reports outlining the likely outcome of an individual, or portfolio of debts and their recoverable value, together with regular communication & updates from a dedicated member of the team.

Support

In addition to the above, Armstrong Watson's Creditor Services team offer a free insolvency advice line, providing clear and concise answers and solutions to any questions you may have on debt recovery or insolvency in general.

Our experienced team can also support you or your business with tailored workshops and tutorials to help increase your knowledge of insolvency and its processes.

Benefits to you

Individual tailored services to suit your needs.

We can provide as little or as much input as you require.

A full suite of services designed to save you time and maximise your recoveries.

We look to develop mutually beneficial long-term relationships with clients and ensure every client has their own dedicated point of contact who proactively manages the relationship.

These services are delivered without any cost to the client.

In addition to supporting creditors with debt recovery advice and representation, Armstrong Watson also has specialist insolvency teams based in Leeds and Carlisle that act on formal personal insolvency appointments. The team, led by an Insolvency Practitioner acting in their official capacity as Trustee in Bankruptcy 'TiB', often deal with complex Bankruptcy cases and use their extensive knowledge and experience to maximise cash returns to creditors.

What is Bankruptcy?

What is Bankruptcy?

Bankruptcy is the legal status of a person unable to repay their debts as and when they fall due. A debtor can be declared bankrupt by a creditor filing a bankruptcy petition, or by the debtor themselves.

Creditors may wish to consider petitioning for a debtor's bankruptcy if the debt is unlikely to be repaid in full and the debt(s) value is £5,000 or more. Once a bankruptcy order is made at court, unsecured creditors can vote for the appointment of a Trustee in Bankruptcy to deal with the assets that form the Bankruptcy estate.

Role of the Trustee in Bankruptcy 'TiB'

The TiB will focus on realising the assets that form the Bankruptcy estate, adjudicating creditor claims and making cash payments back to creditors via a dividend. It is not uncommon for some Bankrupt's to try and transfer or conceal assets for their benefit and in these scenarios a TiB will carry out investigations into the Bankrupt's affairs in order to recover these assets.

The TiB has a number of powers, listed in the Insolvency Act of 1986, to enable them to effectively investigate and challenge the debtor's financial affairs.

These powers include:

- Private examination s366
- Power of arrest s364
- Seizure of bankrupt's property s365
- Transaction at an undervalue s339
- Transaction at a preference s340
- Power to demand documents by HMRC s369
- Redirection of mail s371

It has been very useful having Armstrong Watson's Creditor Services team onboard. The team are very approachable and took the time to understand our business and the issues we were having with bad debts.

We have been working with Armstrong Watson's Creditor Services team for a number of years now and their help and advice has been invaluable both to us and our clients. They have provided clarity for our clients on which debt recovery strategies are most appropriate in any given circumstance and have improved outcomes as a result.



We have been working with Armstrong Watson for a number of years and use them as our nominated insolvency practitioners on personal insolvency assignments. We have found the team easy to work with and very knowledgeable on all aspects of insolvency, and the issues facing creditors. The team have shown a real tenacity in maximising recoveries, often by using the extensive investigative powers available to the Trustee in Bankruptcy where necessary.

Case Studies

Some of our recent bankruptcy appointments include:

Debtor A

Subsequent to an unsuccessful Individual Voluntary Arrangement proposal ('IVA'), Debtor A was declared bankrupt.

Following the bankruptcy order, the Debtor advised that assets he had included in the IVA proposal were not actually owned by him and therefore he had significantly less available assets than expected.

Our team undertook extensive investigations, including correspondence and meetings with Debtor A, sufficient assets were realised to enable payment in full to all creditors, together with statutory interest, which included a claim of c£1.2 million submitted by HMRC.

Debtor B

Armstrong Watson’s insolvency team were appointed Liquidator of a Partnership and Trustees in Bankruptcy of the two partners, who had both been made bankrupt twice previously. The bankrupts refused to engage with the insolvency team and the cases required extensive investigations to identify the assets held by the business and the individuals.

A large debt was due to HMRC due to non-submission of tax returns for a number of years.

The team have realised significant assets which enabled the creditors of the partnership and two of the bankruptcies to be paid in full. We are continuing to deal with the interest held in a family trust to enable the creditors in the remaining two bankruptcies to receive payment.

Debtor C

Debtor C was made bankrupt on petition of HMRC in respect of a liability of c.£750,000.

The assets comprised within the bankruptcy were the principal home, a property in Italy, and two loans made to third parties of c£1 million.

The principal home has been sold, which has enabled an interim distribution to creditors.

Due to the non-co-operation of Debtor C it has been necessary to make an application to Court to examine him under oath to obtain further information regarding the loans and the Italian property.

The team continue to liaise with solicitors in Italy to realise this property in accordance with Italian law.

Debtor D

Debtor D and her daughter ran a property management company which defrauded landlords out of rent receipts and bonds paid by tenants. This resulted in a prison sentence for both.

The local Council issued proceedings under the Proceeds of Crime Act and held a restraint over all assets. We worked together with the Council to collaborate on information held, gain an understanding of the assets available, and the likely outcome for creditors.

Following satisfaction of the amount due under the Proceeds of Crime Act we have progressed the realisation of the remaining assets through court proceedings.

“
I have known and worked with David since 2006 and in this time David and his team have made a real difference with our bad debts. Not only have we seen an increase in our recovery rates, we are spending less time trying to manage this process.
”

Meet the team



David Hush - Director of Creditor Services
T: 07825 737385 E: david.hush@armstrongwatson.co.uk

David leads Armstrong Watson’s National Creditor Services team, which advises and represents organisations and individuals who are owed money from debtors who have failed to respond to normal debt collection methods. The team regularly acts for SMEs, banks and other financial institutions, local authorities, regulatory bodies and debt recovery/litigation specialists.

David has over 24 years of debt advisory and personal insolvency experience. His team makes an important contribution to the extensive skillsets available within the firm’s Restructuring and Insolvency service line. David is based in our Leeds office, but is available to support creditors wherever they are based within the UK.



Mike Kienlen - Head of Restructuring and Insolvency, Partner & Chairman
T: 0113 221 1300 E: mike.kienlen@armstrongwatson.co.uk

Mike has over 30 years’ experience working in Restructuring and Insolvency, beginning his career as an Insolvency Junior in London with Arthur Andersen, qualifying both as an accountant and Insolvency Practitioner with Buchler Phillips and then moving to Leeds in 2000 with Kroll. In 2005 he joined Armstrong Watson as a Partner and established the Leeds Insolvency offering.

Mike’s role has developed significantly during his years with the firm, joining the management board in 2007 and as an equity partner in 2008, before his appointment as Armstrong Watson LLP Chairman in 2018.

Mike has extensive knowledge of corporate and personal insolvency and regularly acts as Trustee in Bankruptcy upon the Bankruptcy appointments secured by the Creditor Services team. Mike leads the specialist insolvency team that specialise in complex Bankruptcy appointments and is responsible for devising the strategies that improve the outcomes for creditors.



Liz Welburn - Restructuring and Insolvency Manager
T: 0113 2211 310 E: liz.welburn@armstrongwatson.co.uk

Liz joined Armstrong Watson in 2020 and has over 30 years’ experience of dealing with formal insolvency appointments, both personal and corporate, including four years working in Australia

Liz holds the Joint Insolvency Examination Board qualification in the UK and the Advanced Insolvency Law and Practise qualification in Australia.

Liz manages Armstrong Watson’s portfolio of bankruptcy appointments introduced by the Creditors Services team, and has dealt with complex bankruptcy appointments including, tracing assets overseas, negotiating settlements with bankrupts, investigating and recovering antecedent transactions, successful court applications, all ensuring the best possible return to creditors.

For further information about our National Creditor Services, please contact



David Hush

Director of Creditor Services

T: 0113 2211 391

M: 07825 737385

E: david.hush@armstrongwatson.co.uk

ArmstrongWatson[®]

Accountants, Business & Financial Advisers

www.armstrongwatson.co.uk

...we're with you