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Date: 22 July 2010

Dear Ms McNeill

Your letter of 26 May 2010, addressed to the Secretary of State for Business, Innovation and Skills, Dr Vincent Cable, has recently been passed to me for reply. I can only apologise for the delay that has occurred in acknowledging or replying to your letter. I work for a part of The Insolvency Service which is responsible for advising official receivers in England and Wales on matters of case administration following their appointment to insolvent estates under orders of the court. As part of my role I also brief Ministers on insolvency case administration issues.

Bankruptcy orders are orders of court and only the court can confirm, reverse or modify those orders. The issues you raise in respect of the petitions filed at court in your four sample cases are matters which are properly determined by the court. If your organisation, or the individuals sampled, believe there are procedural or other defects in the petition process then the court has the power to review these orders on application of the individuals (section 375 of the Insolvency Act 1986).

Once the court has made a bankruptcy order the official receiver is appointed as receiver and manager to secure and protect the assets comprised in the bankruptcy estate. Whilst the official receiver has an obligation to investigate the conduct of the bankrupt and to establish the causes of failure, the official receiver has no obligation to investigate and check the validity of a debt which has already been established to the satisfaction of the court.

You do not provide details of the basis upon which you selected your sample but the information contained on the individual insolvency register in respect of Mr Fabb, Ms Cooper, Mr Fox and Mr Ebert is correct.

You state that in your sample cases trustees were never appointed. You give no evidence to support this contention I can confirm that a trustee in bankruptcy is always appointed, even if that office is held by the official receiver. You also give no reason for your statement that the insolvency practitioners who have acted as trustees in bankruptcy in respect of the four cases cited have presented themselves in a false official capacity.



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If your organisation, or the individuals sampled, believe that the insolvency practitioners have acted to contrary to the law this is a matter they can raise, as appropriate, with the Police, the bankruptcy court or the insolvency practitioner's licensing body. A copy of our information leaflet "How to make a complaint against an insolvency practitioner" can be found on our website.

In the cases of Mr Fox, Mr Fabb and Ms Cooper I understand that the official receivers, as trustees of the bankruptcy estates, made application to the Secretary of State for licensed insolvency practitioners to replace them in office. The appointments were made by the Secretary of State in accordance with the provisions of section 296 of the Insolvency Act 1986.

In the case of Mr Ebert an insolvency practitioner was appointed trustee in bankruptcy at a meeting of creditors again within the provisions of the Insolvency Act 1986. If I could perhaps make an additional comment regarding Mr Ebert who was the subject of a bankruptcy order made in 1997. You may be aware that an order was made against Mr Ebert on 7 July 2000 declaring him to be a "vexatious litigant". Mr Ebert has brought numerous applications before the court seeking to challenge the bankruptcy order made against him without success.

Your letter appears to contain largely unsubstantiated statements of wrong doing from individuals who are in dispute with the creditors who sought the assistance of the courts. On this occasion I do not believe that either The Insolvency Service, or the Secretary of State, are able to assist you further.

Yours sincerely,



Shona Manson
Technical Section