



## RE-SET YOUR DEBT WITH TC DEBT SOLUTIONS

### Covid 19 - Relaxation of contingency arrangements relating to Scottish debt solutions.

A recent update from the Accountant in Bankruptcy (AiB) confirmed that the that the Scottish Government is aiming to remove all major legal pandemic restrictions from 9 August, subject to continuing wider progress in reducing the pandemic's incidence and impact.

As a result of this the AiB have confirmed they will end some of the changes to business processes.

The following changes will take effect from 30 August 2021, unless otherwise notified. Should the Scottish Government postpone the lifting of restrictions on 9 August, it is likely these changes will also be postponed.

#### 1. Bankruptcy

Dealing with property - the AiB will recommence:

- division and sale action related to occupied properties, and
- proceeding for evictions when satisfied the circumstances of the case support this action.
- AiB will delay eviction action if it can be demonstrated the pandemic will impact on the occupant's ability to be rehoused and there is no compelling reason to seek eviction at this time. This will be considered on a case-by-case basis.

**Debtor bankruptcy applications** – Requirements for supporting evidence to be submitted with debtor bankruptcy applications were reduced at the outset of the pandemic. Since then, the process has continued to operate effectively. As a result, the AiB will consult stakeholders shortly to discuss whether it is appropriate to implement this change on a permanent basis.

**Debtor Contribution Orders (DCOs)** – Trustees should continue to remain vigilant to changes in a debtor's financial circumstances while the pandemic continues to impact income levels. Prompt action should be taken if there is an identified need to vary a DCO contribution amount.



## 2. Protected Trust Deeds

The AiB will continue to accept electronic signatures on statutory forms and paperwork.

## 3. Debt Arrangement Scheme (DAS)

The AiB will commence taking revocation action against DAS debt payment programmes (DPPs) when they have identified there has been a significant number of missed DPP payments. However, before deciding whether to commence revocation action the DAS Administrator will ask for an explanation for continued missed payments, allowing four weeks for a response,

## 4. Moratorium:

The 6-month Moratorium period is being extended to March 2022 and possibly beyond that to September 2022. However, from 1<sup>st</sup> October 2021, only 1 moratorium will be permitted in any 12 months.

**If you or anyone you know is currently struggling with problem debt, at Thomson Cooper we are always happy to assist. Visit our website at [www.tcdebt solutions.com](http://www.tcdebt solutions.com) for more information on debt solutions.**

**For free advice and information please contact.**

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