

Personal bankruptcy toolkit

How this manual is organised

Our research shows that most of the queries received about bankruptcy are made by phone. This means you need to find the right information fast.

This manual is based on the top questions people ask about bankruptcy. The answers to these frequently asked questions have been written as clearly and simply as possible. If necessary you can read them over the phone, or you can photocopy relevant pages and post them to the enquirer.

The manual is organised into four sections:

1. [Before bankruptcy](#)
2. [Insolvency Act 2006](#)
3. [During bankruptcy](#)
4. [After bankruptcy](#)
5. [Helpful resources](#)

Each section starts with a Contents list so you can find the right information quickly.

In a nutshell

The two most important things you can say to a potential bankrupt are:

1. Bankruptcy is not an easy way out of your money problems. Bankruptcy is not a pleasant process and will affect your life for the next three years—and possibly longer (for instance, your credit rating).
2. Therefore, it is important to consider all your options first. Start by speaking to a Budget Advisory Service advisor. Because Budget Advisors have helped many people like you, they can:
 - Help you make the best decision for your circumstances
 - Explain options or possibilities you may not know about
 - Help you negotiate with your creditors (the people you owe money to, including Inland Revenue).

[Section 1 - Before bankruptcy](#)

Steps to avoid bankruptcy and information about what will happen during your bankruptcy.

[Section 2 - Insolvency Act 2006](#)

An overview of changes under the Insolvency Act 2006 and details of the No Asset Procedure.

[Section 3 - During bankruptcy](#)

Understanding your responsibilities and what happens during your bankruptcy

[Section 4 - After bankruptcy](#)

Steps you can take to rehabilitate yourself and prevent bankruptcy happening again

[Section 5 - Helpful resources](#)

Organisations and web links that might be useful before, during, and after bankruptcy.

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