

All change in creditor petition deposit fees: Bankruptcy and winding up



As of 1 November 2022, the Official Receiver's deposit fee payable upon the issuing of creditor bankruptcy and compulsory liquidation proceedings is set to increase for the first time in six years.

Fee increases

Whereas currently, the deposit payable upon issue of a bankruptcy petition is £680, it will increase to £1,500 making the total fees payable for the issue of such a petition as follows:

- Petition for bankruptcy (presented by creditor/other person) – $£1,500 + £302 = £1,802$

In the case of winding up, the Official Receiver's deposit will increase from £1,600 to £2,600 making the total fees payable for the issue of compulsory winding up proceedings as follows:

- Petition for winding up – $£2,600 + £302 = £2,902$

There will be no change to the adjudicator petition deposit of £680 where the individual applies for their own bankruptcy.

Why are the fees increasing?

According to the government's website, the deposit fee increase will "enable the Insolvency Service to continue to administer and investigate insolvencies effectively, maximising outcomes for creditors whilst mitigating the risk



of cost recovery being passed on to the taxpayer.”

What effect will this have?

Although we are seeing more of an appetite on the part of our creditor clients in pursuing undisputed debts via the winding up route (much more so than the bankruptcy route), this increase will undoubtedly result in them thinking twice about whether or not to proceed. It is also key to ensure if insolvency proceedings are commenced, that the necessary due diligence has already been done in relation to the debtor’s solvency to try and establish that there is a prospect of recovering the debt due if an order is made. This is often overlooked!

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