

# Money Advisor Update

Autumn / Winter Edition 2010

Having now completed our very busy schedule of training seminars for 2010, I have been astounded this year at the response we have received from the money advice sector.

Not only has the topic caught the attention of the Money Advisors, Bureau Managers, Welfare Officers and Psychologists but we have been extremely surprised at the response received from those organisations that fund money advice centres. Many have asked for a copy of the presentation to assist in funding applications and I hope that it will be of some assistance.

In recognition to this response, we have decided to conduct more research into this field and we are very excited about our plans for our training seminars in 2011.

The theme for next year will be an extension to the research we have already undertaken, but next year will be different since we will be concentrating upon client recovery, from a psychological perspective.

In conjunction with one of the leading psychologists in the UK, Oliver James, we have built a recovery programme that goes far beyond the confines of money advice to enable clients to make a faster recovery both from a mental and financial perspective.

This is the complete recovery package that we believe the industry has been crying out for.

I am extremely excited about what this research and recovery programme will do to help our clients and would like to invite you to register your interest early in attending next year. On the back page of this publication we



**Gareth Neill**  
Partner

have listed the venues that we are going to be unveiling this presentation at. Many professionals within the mental health & financial sectors have described our research as revolutionary, and if the attendance from last year was anything to go by, we recommend you reserve your place early.

Our training seminars are free and we are always delighted to provide you with lunch during the days events.

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# ‘What Happens Workers Workshops

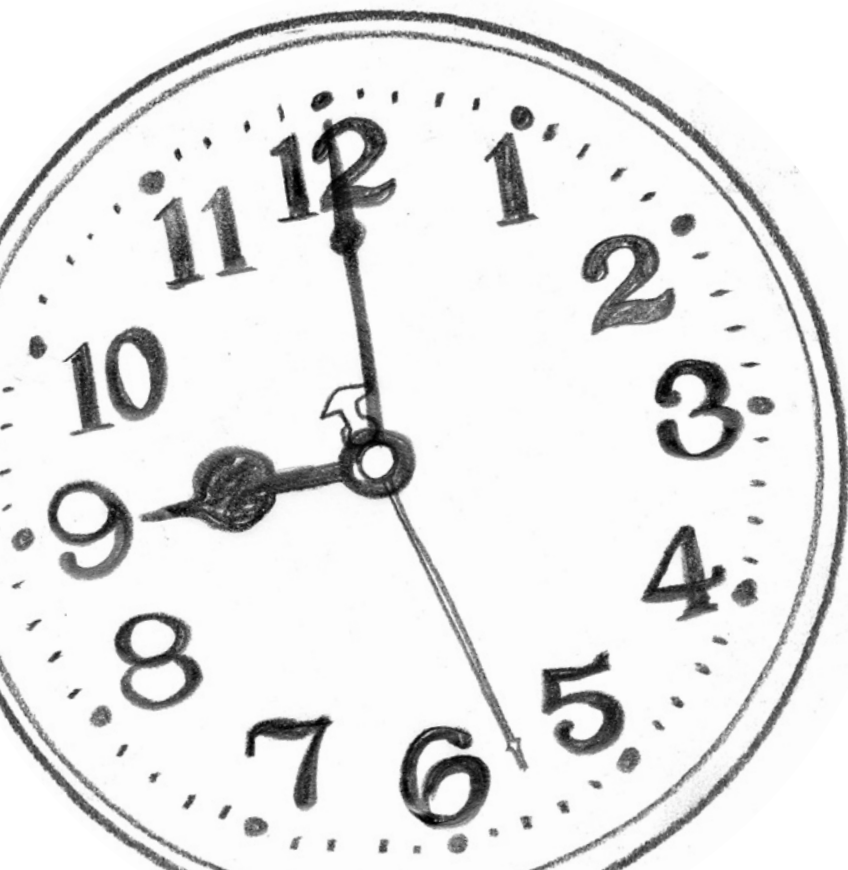


An important piece of feedback that we received from our delegates that attended our training seminars this year was that many requested more time be spent reviewing the IVA case studies especially as they detailed some quite innovative ways of how our clients can become debt free, particularly in relation to a Grant Thornton Stepped IVA and varying of IVA's, post approval.

Most of the money advice agencies across the country have requested, one of our Client Service Managers to attend local workers meeting and we have designed a bespoke workshop for money advice teams that will answer the following questions in relation to money advice & IVA's.

- what happens if I am made redundant/off sick?
- what happens if I have unexpected expenses?
- what happens if I cannot raise a re-mortgage in year 5?
- what happens if creditors reject proposal?
- what happens if my income increases?
- what happens if my bonus/overtime changes?
- what happens if we split up (a couple)?
- what happens if creditors ask for more money once it has been agreed?
- what happens if either myself or my partner dies during the course of the arrangement?
- what happens if I have financial windfall during the IVA?

There are only a limited number of Workshops planned within each region by the Client Service Managers because of the level of interest requested, so in order to avoid disappointment please ensure you contact the local Grant Thornton debt managers & book a session for your agency. Contact details are on the back page.



# Case Law

## Recent Cases



### **Nottingham City Council v Pennant**

Decisions of the local government ombudsman and of the County Court continue to feature in the reports, generally finding against councils that have bankrupted persons for non-payment of council tax. The adverse findings are based on exceptional circumstances in each case, particularly the medical inability of the individual to understand the liability to council tax, rather than any view that the council should not in principle use its statutory power to bankrupt the non-payer. The need is for the council to have systems to enable it to identify exceptional circumstances (as advocated in Phil Chadwick's work) and then to adhere to those systems.

The Nottingham case is a decision of the Chancery Division which found in favour of the council. The debtor argued that the council had been unreasonable in its refusal to accept his offer to pay the arrears at £100 per month and / or to seek a charging order rather than bankruptcy. The court found that Mr Pennant was known to have dishonoured time-to-pay agreements in the past. As regards the possibility of a charging order, the deputy judge noted that the council's duty is to collect tax, rather than to secure it for an uncertain future enforcement and to incur further costs in the process.

Hicken noted two recent experiences in this field. In the first case the debtor had repeatedly enrolled for courses to gain student status, but apparently had

no intention of attending the courses.

The ombudsman found wholly in favour of the council. In the second case the decision was more of a "score draw", but the compensation of £500 awarded to the debtor was ordered merely to be deducted from the council's provable debt.

### **Child Maintenance and Enforcement Commission v Beesley and Whyman**

The Chancery Division held that arrears of child maintenance were a debt capable of being subject to an IVA, but as the IVA would have paid a dividend in full and final settlement, whereas in bankruptcy the debt would survive the debtor's discharge, the court unsurprisingly set aside the IVA on the basis of unfair prejudice. This follows a similar ruling regarding a matrimonial claim in *re a Debtor, JP v a Debtor* (1999).

### **Everitt (trustee in bankruptcy) v Budhram and Budhram**

The trustee had applied for an order for sale in respect of the matrimonial home, Mr and Mrs Budhram, the joint owners both being bankrupt. The trustee had obtained a stay of his application in respect of Mr Budhram's interest as Mr Budhram was mentally incapable of defending his own interests and would have to be represented at the expense of the trustee. The important points arising out of the decision of Henderson J in the Chancery Division were:

1. The judge was scathing of the approach of the District Judge who had effectively dealt with the application below as though the petitioning creditor, Oxford City Council for council tax, were a judgment creditor who should be satisfied with a charging order in favour of the trustee.

The interests of the other creditors had not been considered;

2. The District Judge was wrong to order an assessment of the trustee's remuneration, when the processes for raising an objection under the Insolvency Rules had not been invoked, and also without regard to the Practice Statement on the Remuneration of Office Holders;

3. An order for sale could be made even if the proceeds would all be spent in paying the expenses of the bankruptcy (helpfully adding to the body of case law to this effect); and

4. The order would be suspended for a year in recognition of the exceptional circumstances of Mr Budhram as a spouse and occupier, although he was also a bankrupt. Mrs Budhram also had serious medical problems, but those could not be taken into account as regards the application against her interest, although they would be if and when the trustee was able to continue his action in respect of Mr Budhram's interest. The "needs" of a spouse and children are to be interpreted widely and may include, for example, financial, medical, emotional and mental needs.

# 2011 Training Seminars

## Recovering from debt... the client journey to control

2011 training theme will unveil the support that Money Advisor's can give to their clients, to help them understand and recover from what leading psychologist Oliver James, describes as 'a toxic, debt laden society powered by a shop till you drop, credit-fuelled consumer culture'.

These free seminars will unveil:

- 12 Step framework for clients developed by Oliver James for Grant Thornton, to help them understand and avoid falling back into debt
- The journey to Psychological Recovery and how Advisors can assist this
- Update on the UK Credit Market and impact of recession upon money advice sector to assist with funding applications.

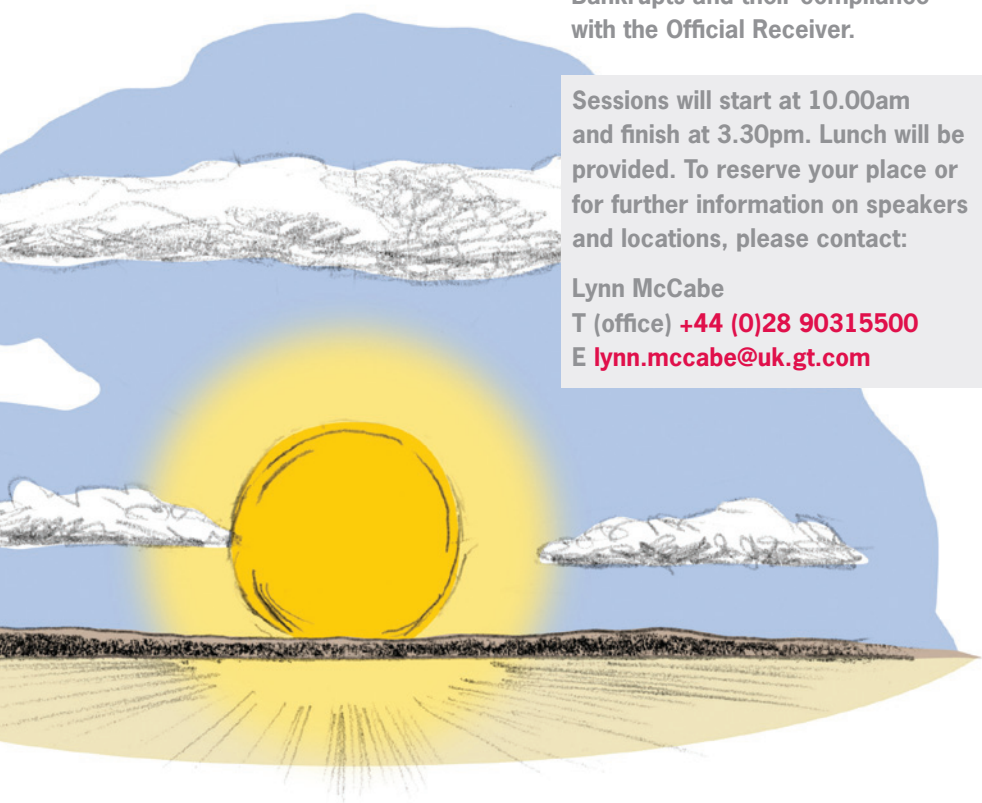
Joining us this year will be the Official Receiver presenting their findings on the changing profile of Bankrupts and their compliance with the Official Receiver.

Sessions will start at 10.00am and finish at 3.30pm. Lunch will be provided. To reserve your place or for further information on speakers and locations, please contact:

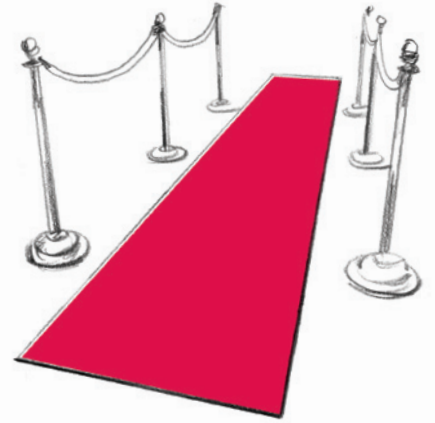
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### Venues

Birmingham	16th Feb
London	17th Feb
Leeds	23rd Feb
Liverpool	24th Feb
Manchester	2nd March
Sheffield	3rd March
Oxford	16th March
Winchester	17th March
Gatwick	23rd March
Tunbridge Wells	24th March
Bristol	30th March
Cardiff	31st March
Newcastle	6th April
Middlesbrough	7th April
Manchester	13th April
Chester	14th April
London	20th April
Norwich	21st April
Northampton	11th May
Colchester	12th May
Nottingham	18th May
Lincoln	19th May
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Birmingham	1st June
Southampton	7th June
Portsmouth	8th June
Brighton	9th June
Reading	15th June
Durham	22nd June

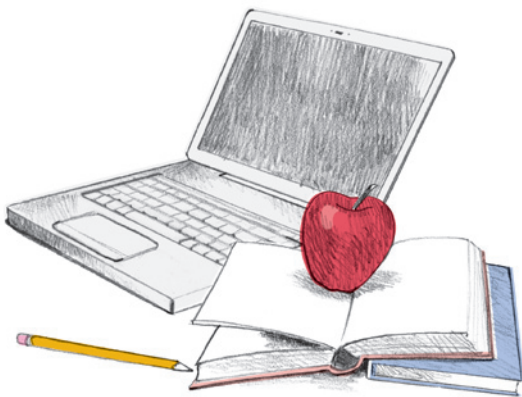


# Coming Soon Web Site Launch



We are delighted to announce the impending launch of our new website with our new bespoke money advisor section.

Therein you will find a library of our most recent publications, articles, and case studies that are designed to help you guide clients should they have any queries. We will send you the link to the new site in a few short weeks. You will also be sent a username and password which you can personalise the first time you register into the site.

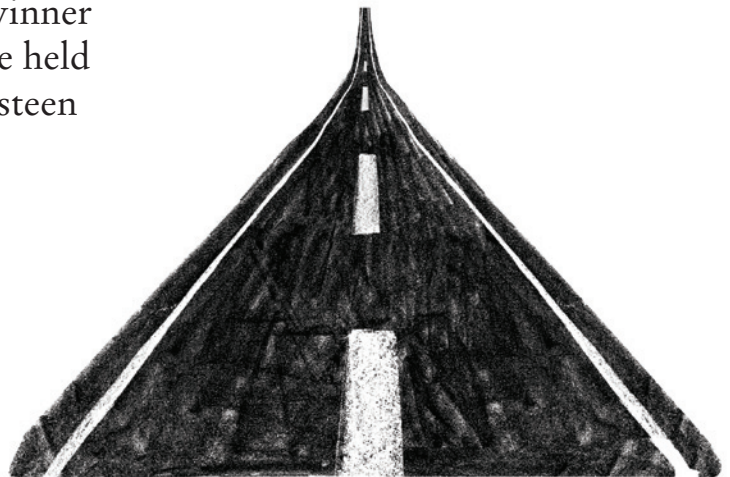


We would welcome your opinion and feedback on the new site. Please feel free to contact me direct on [gareth.w.neil@uk.gt.com](mailto:gareth.w.neil@uk.gt.com)

## Sat Nav winner - Sandwell CAB

We are delighted to announce that our winner of the Satellite Navigation prize draw we held at the national CAB conference was Kirsteen Brown of Sandwell CAB.

Well done Kirsteen.



# Contact us

If you would like to find out more about how Grant Thornton can assist you, please contact:



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