

Bretts Business Recovery - Debt Relief Orders (DRO)

If you aren't keen on taking the Bankruptcy route, and if your circumstances allow it, then **Debt Relief Orders** can also prove to be a low cost alternative to bankruptcy.

But what exactly are Debt Relief Orders? And how can they help you?

Debt Relief Orders ("DRO") – The Facts

1. Debt Relief Orders (DROs) came into force in England and Wales on 6th April 2005.
2. They cost £90 and are a low cost alternative to Bankruptcy.
3. DROs are administered by the Official Receiver and are available to debtors who:
 - Owe less than £30,000 in total.
 - Have assets worth no more than £2,000 (although a debtor may have one vehicle worth no more than £2,000).
 - Have less than £75 a month of disposable income i.e. after settling their living costs.

DROs are not available to individuals who have an interest in a property (even if it is in negative equity).

- A debtor can only apply for a DRO through an approved intermediary.
- The Citizens Advice Bureau will put debtors in touch with an approved intermediary in their local area.
- Once a DRO is made the debtor's debts are frozen for twelve months.
- During this time creditors cannot pursue the debtor nor can they add interest or charges to the debt.
- If, after 12 months, the debtor's circumstances have not changed, then the debts are written off.

NB Criteria applies to those living in the UK
Monetary values are correct as at November 2021

For More Information, Please Contact BBR Today

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