

# DEBT RELIEF ORDERS

**For those with few assets, less than £15,000 of debt and little surplus income**

## **What is a debt relief order (DRO)?**

DROs provide debt relief, subject to some restrictions. They are suitable for people who do not own their own home, have little surplus income and assets and less than £15,000 of debt.

An order lasts for 12 months. In that time creditors named on the order cannot take any action to recover their money without permission from the court. At the end of the period, if your circumstances have not changed you will be freed from the debts that were included in your order.

DROs do not involve the courts. They are run by The Insolvency Service in partnership with skilled debt advisers, called approved intermediaries, who will help you apply to The Insolvency Service for a DRO.

## **Is a DRO likely to be suitable for me?**

To apply for a DRO, you must meet certain conditions:

- You must be unable to pay your debts.
- You must owe less than £15,000.
- You can own a car to the value of £1000 but the total value of other assets must not exceed £300.
- After taking away tax, national insurance contributions and normal household expenses, your disposable income must be no more than £50 a month.
- You must be domiciled (living) in England or Wales, or at some time in the last 3 years have been living or carrying on business in England or Wales.
- You must not have been subject to another DRO within the last 6 years.
- You must not be involved in another formal insolvency procedure at the time you apply.

For more information about the process visit the Insolvency Service website at [www.insolvency.gov.uk](http://www.insolvency.gov.uk), or call The Insolvency Service Enquiry Line on 0845 602 9848.



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