



NEWSLETTER

Time running out for uninsured law firms

According to the Solicitors Regulatory Authority (SRA), 141 law firms are facing closure if they cannot secure professional indemnity insurance.

Recent changes to the professional indemnity market have meant that many of the firms in question have been unable to afford to renew their insurance. The market has been particularly affected by a reduction in the number of insurers, an increase in the cost due to a rise in the number of claims, and a smaller pool of funders helping law firms to pay for their insurance.

All law firms were due to renew their insurance by 1st October 2013; those unable to do so are legally required to wind-up or sell their practices to another law firm which in turn creates further problems as the successor practice would then inherit the insurance problems.



For the 141 law firms remaining without current insurance time is running out, as of today (11th December) they have only 18 days remaining in which to comply with the deadlines of the Extended Policy Period and without insurance new instructions cannot be taken.

Anthony Fisher, Managing Director and Insolvency Practitioner at Focus Insolvency Group said,

“It is advisable that law firms which have been unable to secure insurance to date seek professional insolvency advice as soon as possible. They should use this remaining time before the Extended Policy Period deadline to put the affairs of the practice in order and make suitable arrangements in the event that insurance cannot be obtained. Until insurance is secured the practice, its employees and its clients are at risk”

Money Advice Service not fit for purpose say MPs

MPs have requested an urgent independent review into the Money Advice Service (MAS) after a damning report criticised its role and reach, and questioned the salaries it pays to its top executives. They concluded that the service is “not currently fit for purpose”.

The independent review will seek to establish whether MAS should continue to exist as a statutory body and if so, how it could overcome the “serious problems” discovered by the Treasury sub-committee in its recent report. It is expected to be completed before next summer.

The Latest UK Personal Debt Statistics

- £54,124 was the average household debt (including mortgages) in October
- £162 million was the daily amount of interest paid on personal debt in October
- 1,359 people were made redundant every day between July and September
- 890,000 people had been unemployed for over a year between July and September
- Every 18 minutes 15 seconds a property is repossessed
- £1,008 million of loans are written-off daily by UK Banks and Building Societies
- £1.527 billion was the daily value of all purchases made using plastic cards in September
- Every 5 minutes 3 seconds someone is declared insolvent or bankrupt
- 7420 debt problems were dealt with by the CAB each working day over the year to June

Stats from The Money Charity



Here are just a few reasons we should be your first choice for debt and cash flow problems

- Service – not only a great service, but an unrivalled one. Top qualified and experienced staff with a 'can do' approach to getting the job done. A single point of contact for both introducer and client
- Cost Effective – higher targeted performance, free meetings and fewer costs
- Reciprocal Work – we believe in supporting those who support us and we do not compete
- Full range of financial, insolvency and restructuring solutions available
- Big enough to cope with the large jobs but small enough to care for everyone
- Experienced and qualified board of directors who care passionately about what we do and how we do it
- Focus Business Club – quarterly corporate events, newsletters, updates and blogs

Labour MP George Mudie, who lead the sub-committee said: "The MAS is not currently fit for purpose. It is far from clear that it has adopted the right strategy or even that it is performing the correct role.

"In finalising this report, the committee considered carefully whether to recommend that the MAS be scrapped completely. Given that the Treasury had already announced its intention to conduct a review of the MAS, we were persuaded to grant a stay of execution.

"People up and down the country, particularly at this time, need access to high quality money and debt advice. If this is to continue to be facilitated by a public body, a radical overhaul is needed."

Mudie added that he expected the management of MAS to respond to the report and outline how it intended to rectify highlighted problems.

The sub-committee report found that rebranding strategies had been "misguided" and large amounts of money used for marketing were mispent. It also concluded that the MAS was providing services already available from the private and charitable sectors and failed to build relationships with organisations already in the sector. There were also concerns over the quality of the service on offer and suggestions that the MAS should have refocused efforts into debt advice due to "changes in demand" following the 2008 financial crisis.

The treasury Sub-Committee has said that an independent review should seek to establish whether a statutory organisation such as the MAS should exist.

Focus Business Club

The next Focus Business Club has been scheduled for Thursday 20th February 2014. More Details to follow in the New Year.

Free Debt Advice Service

We pride ourselves on being large enough to provide a partner lead national business and yet small enough to offer tailored and bespoke personal service. Always open and approachable, we subscribe to the ethics of 'Best Advice' therefore our advice is always free, ethical and totally objective.

Simply call or email us today to discuss a case or arrange a meeting. Any initial discussion or meeting can be arranged at a time and place to suit your client and is completely without obligation. For more information you can contact one of our team on 01257 257038 or email a.platt@focusinsolvencygroup.co.uk

Contact Focus Insolvency Group

If any of your clients have been affected by the stories in our newsletter or need advice on any other matters, please feel free to contact us on 01257 257030 or email a.fisher@focusinsolvencygroup.co.uk

Focus Insolvency Group deals with corporate matters, whilst Debtfocus helps struggling businesses and consumers and Moneyfocus raises finance on the general market. We can also help businesses internally to restructure the company with or without formal insolvency proceedings.

We pride ourselves on being the experts of choice for anyone struggling in business or with debt.

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