The End-to-End Debt Journey

Mapping the path from financial stress to County Court Judgment and recovery

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Disclaimer:

This report has been commissioned by Registry Trust Limited and authored by Gwen Jones.

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Contents

Key terms

Credit – The ability to borrow goods or services now, on agreement that they will be paid for later. Borrowing usually comes at a cost, known as interest.

Debt – Actual money owed, which must legally be repaid.

Bills – A formal demand for payment, outlining the amount of money owed by an agent in exchange for goods or services. An unpaid bill (a bill in arrears) becomes a debt.

Arrears – Overdue payments. This includes both bills and debts that remain unpaid past their due date.

Creditor – An entity (either an individual, business, or other institution) to whom a debt is owed.

Debtor – An entity (either an individual, business, or other institution) that owes a debt to a creditor.

Default – A breach of agreement between a debtor and a creditor, which occurs when the debtor fails to meet their payment obligations on the agreed-upon terms.

County Court Judgment (CCJ) – A court order registered against an agent due to the non-payment of a debt owed.

Claimant – A party who brings a claim to court.

Defendant – The party against whom a claim is brought.

Secured debt – A debt which requires securing against an asset the debtor owns, which the creditor may claim in the case of non-payment, known as collateral.

Unsecured debt – A debt which does not require collateral to protect against non-payment.

Executive summary

The UK's total outstanding consumer credit stands at around £240 billion, with unsecured debt averaging around £4,300 per UK adult. Approximately 2.8 million credit card holders are classified as being in persistent debt. Debt pressures extend across other essential sectors: household water arrears stand at around £2.1 billion. Energy debts reached £4.79 billion in Q1 2026, up from £1.45 billion at the end of 2020. Over one million households currently have no arrangements in place for the repayment of their energy debts. These high and often unsustainable debt levels pose a significant challenge to financial resilience, with unsecured liabilities by far the most likely to result in a County Court Judgment (CCJ).

CCJs are an important factor used in hundreds of millions of lending and other business decisions each year. However, for individuals in receipt of a judgment, there can be negative consequences. CCJs affect a recipient's credit score, which can restrict access to mainstream credit. The number of CCJs issued in the UK has risen substantially since 2001. A growing proportion are made for lower value judgments – in 2025, the most common value of a new consumer CCJ was £283.

This report maps the journey leading up to, and on from, the receipt of a CCJ, in 5 key phases.

Phase 1 addresses the first phase of the debt journey, from the point at which debts begin to move into arrears to the point at which a creditor may choose to initiate court action[1]. It details how this process and the regulatory frameworks which govern it vary by sector and depending on whether the debtor is an individual or a business, outlines the relevant timescales and addresses the role of other key actors, namely third-party debt advice, management and recovery agencies.

Regulatory frameworks governing pre-court debt management vary considerably by sector and debtor type. Consumer credit operates under statutory FCA regulation (Consumer Credit Sourcebook). Personal debts across energy, water, and mobile contract provision are subject to sector-specific statutory regulation, although 'fairness' guidelines in the mobile and water sectors are outcomes-based and non-statutory. Private parking debt operates primarily under voluntary trade association codes with limited statutory backing. This regulatory patchwork creates inconsistent consumer

[1] There are currently over 1.13 million electricity accounts and over 908,000 gas accounts in the UK in arrears with no arrangement in place to repay the debt.
Source: OFGEM Debt and arrears indicators, https://www.ofgem.gov.uk/data/debt-and-arrears-indicators

protection standards and may leave vulnerable customers at risk. Business debts in these sectors are minimally protected, leaving small businesses – with the exception of sole traders and small partnerships in the credit sector – more exposed to harmful industry practices.

Consumer credit lenders must monitor repayment patterns, initiate early contact upon payment difficulty, and offer appropriate forbearance options before escalation. Default notices must be issued after approximately six months of missed payments, and a 14-day remedy period is mandatory after issue. Energy suppliers must make proactive contact after two missed monthly payments and offer alternative payment arrangements before considering disconnection or prepayment meter installation. Water companies must contact customers twice using two channels before further action and cannot disconnect primary residences. Mobile providers face minimal statutory timelines, with regulation focused on outcomes rather than process. For personal debts, regardless of sector, both parties to a claim must adhere to the Pre-Action Protocol for Debt Claims (PAPDC) before litigation can begin, which mandates the issue of a formal Letter of Claim followed by a statutory 30-day window for response and an exploration of alternative dispute resolution. Business debts must follow the lighter Practice Direction – Pre-Action Conduct (PD-PAC), which warrants ‘reasonable’ rather than specific statutory response times.

A range of options are available for both individuals and businesses in arrears, at risk of, or subject to, legal action. These options vary according to debtor type, and their suitability varies according to a debtor’s individual circumstances. Some options – like bankruptcy – entail high up-front costs and may be out of reach for some debtors.

Creditors engaging with debt collection agencies or debt purchasers are subject to regulatory guidance regarding firm selection and ensuring fair customer treatment. However, this is non-statutory outside the consumer credit sector. Excessive contact, intimidating communication, and poor cooperation with debt advice charities by debt collectors pose major risks to consumers in the sector. Individual Voluntary Arrangement (IVA) providers are explicitly excluded from FCA regulation, which leaves the door open for predatory marketing of IVAs to vulnerable consumers, for whom they are unsuitable.

Phase 2 describes the process through which a money claim is submitted to court and its subsequent journey through the court system, the total flow of money claims in the UK, and users’ experiences of the courts in practice.

Individual claimants can submit money claims via the UK Government’s Money Claim Online (MCOL) service or a paper N1 form. Bulk claimants (primarily large companies) submit claims via the Civil National Business Centre (CNBC), which partially automates the process. Defendants have 14 days from a claim being served to respond with either a defence, an admission, or an Acknowledgement of Service, which extends the response window to 28 days.

Defended cases are transferred to County Court Hearing Centres and allocated to the appropriate court track based on the value and complexity of the claim. If a debtor does not respond to the initial claim, a judgment may be registered in default. For bulk claimants, default judgments are registered automatically when defendants fail to respond. Individual claimants must manually request judgment after the response period has lapsed. Default judgments make up a significant proportion of total CCJs. The high volume of default judgments may be partially due to profound knowledge asymmetries between bulk claimants and defendants, which may prevent or deter the latter from engaging in the court process. Incorrect or outdated address information is also frequently responsible for claims being missed.

Evidence from the Civil Court Users Association identifies multiple systemic deficiencies: processing delays, difficulties contacting court staff, lack of procedural clarity, and inadequate system visibility regarding case progression. A 2017 survey found that only 51% of court users rated their experience as ‘good’, with 28% rating it ‘poor’. Key drivers of satisfaction included ‘being listened to’, ‘good information,’ and feeling able to accomplish necessary tasks. A lack of legal knowledge on the part of debtors may preclude equal access to justice.

Phase 3 outlines the role and responsibilities of Registry Trust pertaining to the handling and storage of judgment data. Judgment data is stored on the Register of Judgments, Orders and Fines for England and Wales and its equivalent for other UK jurisdictions. Registry Trust’s responsibility for maintaining this Register is statutory.

Phase 4 reviews the options for debt enforcement available to creditors, their efficacy and their implications for both debtors and creditors, as well as the avenues available to debtors faced with enforcement action.

Creditors pursuing a judgment against an individual debtor may employ either warrant or writ of control (seizure of goods/assets), an attachment of earnings order, a charging order (which secures outstanding debts against a defendant’s property), or a third-party debt order (which freezes a debtor’s bank account and deducts relevant funds). Enforcement against businesses may involve notices of enforcement (seizure of goods/assets, akin to a warrant or writ), or the issue of winding-up petition to compel liquidation. For creditors, writs of control involving High Court Enforcement Officers (HCEOs) are perceived as more effective than warrants involving county court bailiffs. This is largely due to underfunding and excessive backlogs in the latter system. Debt advice charities warn that both writs and warrants of control can be highly detrimental to the debtor, both psychologically and financially. Currently, no independent statutory regulator exists for HCEOs, though they must meet minimum standards under the High Court Enforcement Officers Regulations 2004.

Evidence from the debt advice sector indicates that aspects of current debt collection practices, including communication tone and wording, can deter individuals from seeking help. Many people experiencing financial difficulty avoid contacting creditors because they believe it will not benefit them and may negatively affect their credit rating.

When issued with a judgment, individuals may pay in full within 30 days to prevent it from being registered or pay after the 30-day window to have the judgment marked 'satisfied'. In exceptional cases, a debtor may apply to have the judgment set aside and removed from the Register. However, application fees for setting aside (up to £313) may often exceed the value of the judgment itself. In 2025, the most common value of a new consumer CCJ was £283. Alternative options include instalment orders, administration orders (for debts under £5,000 owed to at least two creditors), and token payments. Business debtors may pursue Voluntary Liquidation or seek administrative dissolution (which liquidate the business and cease trading), enter a Company Voluntary Arrangements (which allows business to continue) or employ pre-pack administration (which restarts the business via a new company) on receipt of a judgment.

Phase 5 outlines the main uses of judgment data and addresses the downstream implications of a judgment for a debtor – including on credit score, access to credit, private renting and mortgages – as well as the potential for financial recovery.

Credit Reference Agencies (CRAs) use CCJ data to calculate credit scores. CCJs have a significant negative impact on scores. The exact weighting is determined by each CRA's commercial algorithm. Lenders purchase data from CRAs and apply their own interpretations to judgment data when making lending decisions. A 2017 FCA study found that 14% automatically declined credit to those with a registered CCJ, 36% considered lending based on CCJ characteristics, and 13% reviewed case-by-case. The 2019 FCA Credit Information Market Study identified discrepancies in credit information held across the UK's three major CRAs, including information pertinent to lending decisions. Market concentration, high barriers to entry and weak incentives for data quality improvement contribute to potential market failures in the sector.

CCJs remain on credit file for six years regardless of payment status, though satisfied judgments may have lesser impact on credit scores and access to credit. Consequences include reduced mortgage eligibility, higher interest rates, difficulty securing rental accommodation, restrictions on employment in sectors requiring financial probity and limited access to mainstream credit. Evidence demonstrates a strong association between CCJs and subsequent engagement with subprime lending. Analysis also suggests that nearly half of high-cost borrowers, many with existing CCJs, were already heavily indebted when taking out additional high-cost credit.

The Government's November 2025 Financial Inclusion Strategy will seek to expand access to free debt advice, establish new services for energy debt advice and calls for urgent reform of the IVA sector. Registry Trust has proposed recording partially settled judgments (currently unrecorded, potentially leading to overstated credit risk as well as disincentivising partial payment), shifting the responsibility for getting satisfactions marked from defendant to bulk claimant and including claimant data on the Register. The Government has announced the inclusion of claimant data through amendments to the Register of Judgments, Orders and Fines Regulations (2005) – This will be available initially on www.trustonline.org.uk from October 2026 and will make it easier for debtors to identify creditors within the critical 30-day payment window to prevent judgment registration, in addition to providing analysts and policymakers with improved insight into sectors driving the increases in CCJs, and allowing regulators to more easily oversee compliance with fair treatment protocols.

Introduction

What is a CCJ?

A County Court Judgment, or CCJ, is a formal court order registered against a debtor in England and Wales who has failed to repay a debt. Other UK jurisdictions may use different terminology, but the processes are similar. A CCJ constitutes legal recognition that a debt is owed and must be repaid. Creditors may pursue a CCJ if arrears are persistent and other avenues of debt recovery have been exhausted.

CCJs can be registered against any debtor, whether an individual or a business.

The consequences of a CCJ for a debtor can be severe.[2] [3] As a credit incident, CCJs are highly damaging to a recipient's credit score. This can significantly impact access to credit, including mortgages. For businesses with a registered CCJ, the outlook is similar: reduced access to credit, lower levels of investment, and ultimately lower growth.[4] High numbers of CCJs are often concentrated in areas where financial vulnerability is already high - areas with low or unstable employment, high housing costs or low average incomes, etc - compounding local fragility and entrenching disparity between regions.[5]

CCJs in England and Wales

As reported by Registry Trust Ltd, at the end of 2025, there were around 5.4 million judgments on the register against individuals and businesses, with a total value of over £13 billion.[6] Around one in 12 adults in the UK have a judgment.[7] The number of commercial judgments on the register amounts to one for every 10 businesses in the UK. Overall, the total number of annual judgments registered in 2024 was 42% higher than in 2001 (which has significantly outpaced population growth - around 18% over the same period).[8] Growth in the number of CCJs over the last several years has likely been exacerbated by the persistent cost-of-living crisis, with more people borrowing to cover essential payments.[9]

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[2] *Registry Trust Ltd, Written Evidence Submitted to the Financial Inclusion Committee by Registry Trust Ltd (RTL).*

[3] *Registry Trust Ltd, 'Ultimate Guide to County Court Judgments (CCJs)'.*

[4] *Cowling et al., 'Getting Left Behind?'*

[5] *Narayan, Household Debt and Problem Debt in British Cities.*

[6] *Registry Trust Ltd, 2025 Annual Statsbook.*

[7] *Registry Trust Ltd estimates that 4.6 million individuals and small businesses have one or more judgments. According to ONS data, the adult population of the UK (aged 18 and over) is 55 million.*

[8] *McAteer, 'Decoding Debt: Unpacking The Landscape Of Monetary Judgments'.*

[9] *LexisNexis, 'Cost of Living'.*

Growing numbers of CCJs, particularly against consumers, are also being issued for small-value debts - a trend which may result in a growing number of consumers finding it more difficult to access mainstream credit options as a result of only low-value debts.[10] 45% of consumer CCJs registered in 2025 are for amounts under £500.[11]

Understanding the journey into and out of debt

The process leading up to the issue of a CCJ is a journey involving multiple stages – from the movement of debts into early arrears, preliminary debt management and recovery strategies, and eventually, litigation - with several options available to both debtor and creditor at each stage. The journey continues once a CCJ has been registered, as the creditor first seeks to recover the debt and the debtor is then able to begin restoring financial health.

This report seeks to provide a coherent and accessible overview that helps raise awareness of the end-to-end money claims journey and the process and timescales through which outstanding debts may result in court action. The report includes information on existing regulation governing this process in each sector, the court systems for money claims, debt enforcement, debt management, the implications of a CCJ (or similar) for debtors and the possibilities for financial recovery. In presenting this report, Registry Trust intends to work with the MoJ, HMCTS and other key stakeholders to identify and deliver improvements that support better and more timely outcomes for claimants and defendants, and better data-driven decisions.

What is Registry Trust?

Registry Trust Ltd. is the non-profit organisation responsible for operating the public Register of Judgments, Orders and Fines for England and Wales on behalf of the Ministry of Justice. It maintains similar Registers for Scotland, Northern Ireland, the Republic of Ireland, the Isle of Man, and Jersey by agreement with the relevant authorities.

Registry Trust is an integral part of the data infrastructure that supports millions of lending and other business decisions each year. In addition to supporting responsible lending and broader economic activity, the data held on the Registers is a valuable source of insight on the financial well-being of households and small businesses, the health of the economy at national, regional, and local levels, as well as corporate attitudes towards financially vulnerable people experiencing problem debts.

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[10] *Narayan, Household Debt and Problem Debt in British Cities.*

[11] *Registry Trust Ltd,* 2025 Annual Statsbook.

As a non-profit trusted data intermediary, it has a mission to use and share this 'Public Data for the Public Good' - to encourage responsible lending and borrowing, enable sound business decisions, inform public discussion and understanding on the economy and household finances, inform government and regulatory policy, support market transparency and corporate accountability, and protect and empower consumers.

The state of the UK's outstanding debt and arrears across sectors

In 2024, the UK's total household liabilities stood at around 76% of GDP.[12] Much of this is mortgage debt, though unsecured lending also accounts for a significant share of the total burden. In 2025, the average value of unsecured debt per adult stood at £4,298, while total outstanding consumer credit reached £240.5 billion - an increase of more than £10 billion from the previous year.[13]

While mortgage debt represents a significant proportion of the UK's total household debt burden, non-payments are unlikely to result in a judgment because of the different legal remedies available to lenders in these cases. Mortgages are a type of *secured* debt, meaning a debtor's assets – in this case, the property being mortgaged – are pledged as collateral in case of a default. This gives mortgage lenders recourse to repossession of the property if arrears persist, rather than having to rely on civil judgments to enforce repayment. Disputes relating to mortgage arrears are subject to a highly regulated arrears-management and forbearance process mandated by the Financial Conduct Authority (FCA) and underpinned by the Mortgage Conduct of Business (MCOB), which entails requirements for tailored forbearance, structured repayment plans, and early intervention. CCJs, by contrast, are prevalent in the context of lower-value, unsecured credit, where creditors lack the same level of security to recover losses and rely on court judgments to formalise debts and enable enforcement.

Of this, £75.5 billion was credit card debt. Around 2.8 million UK cardholders were classified as being in persistent debt as of May 2024.[14] As a result, many households face high annual interest payments - around £2,959 per household on average, equivalent to roughly 4% of average earnings.[15]

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[12] *IMF, 'Household Debt, Loans and Debt Securities'.*

[13] *The Money Charity, The Money Statistics September 2025.*

[14] *FCA, 'Financial Lives 2024: Key Findings from the FCA's Financial Lives May 2024 Survey'.*

[15] *The Money Charity, The Money Statistics September 2025.*

Debt pressures extend across other essential sectors. Household water arrears totalled £2.1 billion in March 2024, with 8.2% of customers behind on payments, and average arrears of over £800 per indebted customer.[16] Energy debt has risen dramatically, reaching a record high of £4.79 billion at the end of Q1 2026, a staggering 230% increase on 2020 levels. Energy arrears are now the second most common form of debt among National Debtline customers, second only to credit card debt.[17] Over one million households currently have no arrangements in place for the repayment of their energy debt.[18] High and often unsustainable levels of household debt pose a significant risk to financial resilience. Unsecured liabilities are the most likely to result in CCJs, which can compound financial vulnerability.

PHASE 1 – Credit Agreement to Debt Management and Recovery

Phase 1: The process from early-stage arrears to court action

What regulations must creditors follow? Existing guidance by sector

To safeguard customers, whether households or small businesses, from harmful actions by creditors, regulatory frameworks are in place across most sectors associated with unsecured lending. Organisations are expected to adhere to regulatory guidance when dealing with customers in debt to demonstrate their commitment to treating customers reasonably and fairly. However, the scope and legal weight of this regulation vary considerably depending on whether the debtor is an individual or a business. Business debts are significantly less regulated – guidance is typically outcomes-based, rather than prescriptive, and is generally non-statutory. Guidelines governing pre-court conduct are also less stringent in cases involving a business defendant. The strength and scope of regulation also vary considerably across industries. Some, like consumer credit, operate within highly developed statutory regimes, whereas others, like private parking, are governed primarily by voluntary codes of practice linked to trade association membership, with little other legal basis.

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[16] *Ofwat, Analysis of Household Customer Debt.*

[17] *Citizen Advice and Money Advice Trust, Reimagining Insolvency A Blueprint for Personal Insolvency in England and Wales.*

[18] *Peachey, 'Thousands on Benefits Could Have Energy Debt Cancelled by Ofgem'.*

Personal debts

Consumer credit lending

The supply of consumer credit to individuals (rather than businesses) in the United Kingdom is regulated by the FCA. Rules regarding the process, from an initial agreement through early arrears, debt management and ultimately, recovery, are contained in the FCA Consumer Handbook, specifically the Consumer Credit Sourcebook (CONC). These rules are statutory.[19]

The rules laid out in CONC are complemented by the FCA's Consumer Duty, introduced in 2023, outlined in PRIN 2A of the FCA Handbook. The Consumer Duty seeks to shift emphasis from technical compliance with specific rules outlined CONC, to ensuring that firms actively consider whether their products, communications and practices result in good, fair outcomes for consumers. The Consumer Duty outlines three cross-cutting principles to which firms must adhere in their dealings with retail customers: first, act in good faith, second, avoid causing foreseeable harm, and third, enable and support retail customers to pursue their financial objectives. The Consumer Duty is binding and enforceable via the FCA's statutory enforcement powers.[20]

1. Identification of possible/actual repayment difficulty

The processes lenders must follow when dealing with customers in payment difficulty begin before the onset of arrears. Prior to, or in the earliest stages of arrears, the FCA requires that firms 'monitor a customer's repayment record and take appropriate action where there are signs of actual or possible repayment difficulties' (CONC 6.7.2). Firms are also required to treat customers as approaching arrears, or in payment difficulty, if the customer identifies themself as such.

2. Initiating early-stage contact

After a firm has identified a customer as experiencing payment difficulty, being in or approaching arrears, they must act by initiating contact with the customer. As per CONC 6.7.3, firms must:

- Notify the customer of the risk of escalating debt, including additional interest or charges and the risk of further financial difficulties;
- Provide contact details for free debt advice bodies.
- Comply with the terms of any Debt Respite moratorium where one is in place. [21]

[19] *FCA, 'FCA Handbook'.*
[20] *FCA, 'Consumer Duty'.*
[21] *FCA, 'FCA Handbook'.*

3. Non-statutory - Possible risk limitation strategies

Though not required by the FCA, firms may employ a variety of risk-mitigation strategies before initiating formal debt management or recovery efforts. These may include:

- Lowering a customer's credit limit;
- Excluding a customer's account from future marketing efforts;
- Blocking a customer's credit card to prevent the accumulation of further debt.[22]

4. Due consideration and the offer of forbearance, before escalatory action

FCA guidelines mandate that firms pay due consideration to customers' individual circumstances in their management of arrears. This includes identifying appropriate forbearance options in the early stages of missed payments (note that no such requirement exists before the onset of arrears) (CONC7.3.4B). The complete guidance on forbearance for customers in arrears is outlined in section 7.3.5 of the FCA Consumer Handbook. Examples include:

- Suspending, reducing or waiving further interest or charges;
- Allowing deferment of payment of arrears, providing that doing so does not make the term for repayments excessive;
- Accepting a temporary moratorium on payments, reduced payments or token payments for a reasonable period of time;
- Agreeing to a repayment arrangement with the customer that allows the customer reasonable time to repay;
- Transferring the debt to an alternative credit agreement (refinancing) to help the customer reduce the debt over a reasonable period of time.

Firms must make sure that any forbearance action taken is appropriate to the customer's individual circumstances and does not lead to a long-term worsening of the customer's financial situation.

5. Issue of a default notice.

Before any further action can be taken by a creditor to terminate a payment agreement, demand payment, or recover a payment, the creditor must issue a Default Notice to the customer. This is a statutory requirement under Section 88 of the Consumer Credit Act 1974.[23] A default notice is generally served as a formal letter intended to formally notify a debtor of missed payments and warn of the possibility of

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[22] *FCA, 'FCA Handbook'.*

[23] *Legislation.gov.uk, 'Consumer Credit Act 1974'.*

the account defaulting if payments are not made. Typically, a default notice is served after around six months of missed payments.[24] Once issued, a debtor must be given 14 days to make up the missed payments before the account defaults. This is also statutory, as dictated by the Consumer Credit Act. A default notice does not affect the creditor's credit rating, although the account defaulting does.

6. Default registration

If arrears remain unresolved after 14 days following the issue of a default notice, a creditor can register a default, and the debtor's account is closed. Defaults remain on a consumer's credit record for six years, although they are marked as satisfied once paid off. They cannot be re-registered once removed.[25]

7. Escalation to litigation – the Pre-Action Protocol for Debt Claims

Before they can initiate legal proceedings, a creditor must follow the steps outlined in the Pre-Action Protocol for Debt Claims (PAPDC). The protocol also applies in cases where the defendant is a sole trader. A creditor must first send a Letter of Claim to the debtor before initiating legal proceedings, during which the debtor has a mandatory 30-day period to respond. The letter should be sent by post.[26] The 30 days can be extended if a debtor requires more time to receive debt advice, provided they give reasons for the extension and inform the creditor who is providing the advice and when it is likely to be received.

A letter of claim should outline:

- The amount owed and whether interest is being added;
- The date of the initial agreement, details of anyone else who signed it, and details of whom the debtor can ask for a written copy;
- If the debt was sold to a debt collection agency, the letter should contain details of the original debt and creditor, when it was sold and to whom;
- If the debtor is already paying instalments, the letter should explain why court action is still being sought;
- Details of how the debtor can pay, and where to discuss payment options;
- The address to which the debtor should send their response.

The letter must also contain the following forms:

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[24] *Creditfix, 'Default Notice Help & Advice'.*

[25] *Experian, 'How Can a Default Impact My Credit Profile'.*

[26] *Ministry of Justice, 'Pre-Action Protocol for Debt Claims'.*

- An information sheet explaining the creditor's rights, and guidance on what actions they must take next;
- A reply form, which the debtor can use to indicate whether they owe the debt, request further information or let a creditor know that debt advice is being sought.
- A statement of means form, which a debtor can use to let a creditor know their financial circumstances, income, expenditures and realistic ability to repay.

The protocol is intended as a final attempt to avoid court action wherever possible. It requires that debtors and creditors must have explored all other available options before transferring the claim to court. This may include informal discussions between both parties regarding an alternative payment agreement, or recourse to alternative dispute resolution (ADR) if either the debt or the amount of debt is disputed. ADR may involve a complaint to a regulatory body, or the use of a mediation service (who generally charge a fee).

If the court finds that either party has not adhered to the protocol prior to a claim arriving in court, they are liable to face a penalty. For the creditor, if the case is won, this may mean that the amount of interest claimable on the debt is reduced or that the creditor must pay the full court costs. If the debtor is deemed not to have followed the protocol, they may also be required to pay the full court costs. If a debtor does not respond to a letter of claim, or fails to comply with the protocol in any other way, a creditor can ask the court to increase the amount of the debt owed.

Consumer energy debt

Energy suppliers are regulated by Ofgem's Supply Standard Consolidated Licence Conditions (SLCs), which set out the parameters of fair conduct for all licence-holders in the treatment of both domestic and microbusiness customers. These rules are statutory. Ofgem's SLCs set out several rules regarding suppliers' communications with customers, including customers in arrears. These include:

- Suppliers must ensure all information provided to customers is complete, accurate and not misleading.
- Suppliers must ensure that all communications are in intelligible language and that important information is appropriately prominent. [27]

These rules are supported by Ofgem's Good Practice for Supporting Customers in Payment Difficulty guide, which outlines additional non-statutory expectations regarding the treatment of customers in and approaching arrears. These include proactive account monitoring to pre-emptively identify customers experiencing

[27] *Gas and Electricity Markets Authority, 'ELECTRICITY ACT 1989 Standard Conditions of Electricity Supply Licence'.*

payment difficulty before getting into problem debt, flexible billing, especially for customers on irregular incomes, using clear, non-threatening communication and sign-posting customers to debt advice charities.

1. Identification of payment difficulty and proactive contact

Energy suppliers, like lenders, must make proactive contact with customers experiencing, or identified as likely to experience, payment difficulties. Ofgem's SLCs dictate that this should happen no later than after:

- Two consecutively missed monthly payments;
- One missed quarterly payment;
- When the customer has informed the supplier that they will be unable to make the next scheduled payment.

2. Offer of alternative payment arrangements

On identifying payment difficulties, energy suppliers must offer the following payment options before any escalatory action is taken:

- Regular instalments based on an agreed plan;
- Payment through a deduction in welfare payments, if applicable;
- Through a prepayment meter, if deemed appropriate.[28]

The repayment of debts via a prepayment meter is allowed only under the conditions specified in the Electricity (Prepayment Meter) Regulations 2006.[29] These rules dictate that before the involuntary installation of a prepayment meter, suppliers must:

- Make at least 10 attempts to contact a customer;
- Carry out a site welfare visit.

Suppliers must not install a prepayment meter involuntarily in vulnerable households, such as those that require a continuous supply of energy for health reasons, households with very young or elderly residents, or residents with severe health issues.[30]

Prepayment meters must also only be considered after all other alternative payment arrangements have been reasonably considered.

Suppliers are also required to provide an indebted customer with information on how they may reduce the costs of their supply moving forward. Suppliers must also consider a customer's ability to pay, take into account their personal circumstances,

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[28] *National Debtline, 'Gas and Electricity Arrears'.*

[29] *Legislation.gov.uk, 'The Electricity (Prepayment Meter) Regulations 2006'.*

[30] *Ofgem, 'Prepayment Meters Consumer Guidance'.*

and make use of all available information, as well as consistently monitor individual arrangements to ensure their continued appropriateness.[31]

Ofgem encourages the use of additional freephone lines offering debt support for prepayment meter customers and customers on the Priority Services Register - a service entitling those with additional mental or physical health needs to additional support from water or energy suppliers.

3. Disconnection if charges remain unpaid

If arrears remain unpaid at this stage in the process, suppliers may choose to disconnect the supply. Ofgem regulation states that disconnection must, however, only be pursued as a last resort, after all alternative payment options - including prepayment meters - have been explored. Winter disconnection is also prohibited for households containing elderly, very young, or chronically sick residents.

4. Escalation to litigation – PAPDC applies

Finally, suppliers may resort to litigation if arrears remain unpaid. The same Pre-Action Protocol for Debt Claims applies here, as it does in consumer credit lending.

Water debt – for individuals

Treatment of customers in arrears or facing financial difficulty is governed by the Water Industry Act 1991 and Ofwat's Licence Conditions, both of which are statutory and reinforced by Ofwat's non-statutory Paying Fair Guidelines, which establish minimum expectations for water companies in supporting household customers to pay their bills.[32]

1. Early identification of customers at risk of falling into debt

Companies should, in accordance with the Paying Fair Guidelines, make reasonable attempts to identify customers at risk of falling into debt and proactively offer support to prevent it where possible. Firms should also use credit reference agency data where appropriate to identify customers who may be vulnerable, or qualify for additional support. Support could include:

- checking account and billing information are correct;
- checking consumption for signs of leaks;
- checking for eligibility for discounts for surface water drainage;
- targeted social tariffs;

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[31] *Gas and Electricity Markets Authority, 'ELECTRICITY ACT 1989 Standard Conditions of Electricity Supply Licence'.*

[32] *Ofgem, 'Get Help with Your Energy Bills'.*

- tailored water efficiency home visits;
- emergency social tariffs;
- issuing reminder communications if customers occasionally pay late.[33]

2. Reminder notice upon missed payment

Water companies must send a reminder notice by post or by telephone upon the first missed payment. Customers should then be given a reasonable time to pay their bill - Ofwat suggests 14 days - before this reminder is issued.[34] Ofwat also encourages customers to contact their water company when facing or expecting payment difficulties, to reach an early arrangement where possible.[35]

3. Second contact and offer of alternative payment options

Water companies must contact customers *at least twice* (excluding the initial bill) using at least two communication channels before taking further action. Companies should first use the customer's preferred method of contact (if provided). Each communication must contain:

- Information about different payment options;
- Signposting to free debt advice;
- The water company's contact information;
- A clear outline of the consequences if the customer fails to respond;
- What steps they should take.

Water companies must also check whether the customer is eligible for help with their bill and communicate with their debt adviser, if they have one.[36]

The Paying Fair Guidelines also dictate that water companies make information about billing and payment intelligible to all customers, work with other bodies where necessary to reach vulnerable customers, consistently monitor customer satisfaction with billing, payment, support and debt services, and work in partnership with debt advice organisations to improve their understanding of customer needs.

Water companies are also instructed to take into account a customer's ability to pay when negotiating repayments, using the Money and Pensions Service Standards

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[33] *Ofwat, 'Paying Fair – Guidelines for Water Companies in Supporting Residential Customers Pay Their Bill, Access Help and Repay Debts'.*

[34] *Ofwat, 'Paying Fair – Guidelines for Water Companies in Supporting Residential Customers Pay Their Bill, Access Help and Repay Debts'.*

[35] *Citizens Advice, 'If You Can't Pay Your Water Bill'.*

[36] *Citizens Advice, 'If You Can't Pay Your Water Bill'.*

Financial Statement (SFS) for information on a customer's financial health.[37] Repayment plans should be tailored to a customer's individual circumstances where this information is known, and reviewed on a regular basis.

4. Offer of Third-Party Deduction Scheme (for eligible customers)

Where customers are in receipt of eligible benefits, and all other avenues of recovery have failed, water companies must offer the Third-Party Deduction Scheme, which gives customers the option to have repayments deducted in instalments from their social security payments. When offering the scheme, companies have a duty to explain how it works and make clear to customers that other options are available.[38]

Unlike in the case of energy debts, disconnection of a customer's primary residence due to missed payments is prohibited under the Water Industry Act 1999.

5. Escalation to court – PAPDC applies.

Companies may choose to initiate court proceedings if other avenues have failed. As for other types of consumer debt, both debtors and creditors are bound by the Pre-Action Protocols for Debt Claims. The Limitation Act 1980 also requires water companies to initiate court proceedings within six years of an unpaid bill.[39]

Mobile phone providers

UK mobile phone service providers are regulated by Ofcom, which issues guidance on the fair treatment of customers entering and approaching arrears, including special provisions for the treatment of vulnerable customers. Contracts for the sale or loan of a device are also covered by the Consumer Credit Act, whereas contracts covering only minutes, texts and data usage are not. Ofcom's General Conditions of Entitlement, which lay out legally binding requirements for broadband and mobile service providers, make reference to debt and debt collection in section C3.11. These guidelines state that providers must ensure that measures taken to effect debt collection or disconnection are proportionate and not unduly discriminatory, that customers are given 'due warning' before service interruption or disconnection, and that, except for in cases of fraud or persistent late payment, service interruption or disconnection is limited to the service concerned, as far as possible[40]. Ofcom does not set statutory timelines for the escalation of unpaid debt.

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[37] *Ofwat, 'Paying Fair – Guidelines for Water Companies in Supporting Residential Customers Pay Their Bill, Access Help and Repay Debts'.*

[38] *Ofwat, 'Paying Fair – Guidelines for Water Companies in Supporting Residential Customers Pay Their Bill, Access Help and Repay Debts'.*

[39] *Citizens Advice, 'Backdated Water Bills'.*

[40] *Ofcom, General Conditions of Entitlement, section C3.11.*

Additional guidelines outlined in Ofcom's Treating Vulnerable Customers Fairly guide are non-statutory and outcomes-based, and instead focus on the fair and reasonable treatment of customers, with an emphasis on those who are vulnerable.

1. Missed payment and initial contact

When communicating with customers in the early stages of arrears, providers are expected to:

- Inform customers of the support options available (payment deferrals or repayment plans);
- Consider customers' financial circumstances;
- Consider customers' preferred communication methods;
- Inform customers about the provider's social tariff, where available.

Providers are also expected to ensure that all information about debt and payment support is made readily available on their websites. Ofcom also considers it good practice for providers to consider forbearance options – like deferrals or additional fee freezes – when a customer is experiencing payment difficulties, particularly if the customer is already seeking debt advice. [41]

2. Optional disconnection upon continuous missed payment

Mobile phone providers retain the option to disconnect for missed payments, though this is intended as a last resort. When using disconnection as a means to effect payment, providers should:

- Used a phased approach to introducing service restrictions, where possible;
- Ensure service restrictions are not applied to vulnerable people unless all other options have been exhausted.

3. Account defaults if debt remains unpaid

For mobile debts that fall within the scope of the CCA (i.e., debts relating to the sale or loan of a device), creditors must follow the same process as for consumer credit lending. Providers are legally required to issue a default notice, with a mandatory 14-day remedy period, before an account is allowed to default. For debts which fall outside the scope of the CCA – i.e., mobile contract payments – providers are not required to issue a notice, nor bound by any specified notice period, before a default is registered on a customer's credit file. There is therefore no statutory guidance protecting customers from a default being issued without their knowledge, given that

[41] *Ofcom, 'Treating Vulnerable Customers Fairly - A Guide for Phone, Broadband and Pay-TV Providers'.*

providers are not required by law to initiate contact after a missed payment *or* before registering a default.

4. Optional transfer to debt collections agencies

Providers have the option of transferring a customer's debt to a third-party debt collection agency if the debt remains unpaid. Ofcom guidelines state that providers should consider a customer's unique circumstances before instructing a debt collection agency to pursue a debt and only use agencies with strong policies in place for the treatment of vulnerable customers. [42]

5. Escalation to court action – PAPDC applies.

As with personal debts accrued in other sectors, PAPDC governs pre-court conduct.

Private car parking debts (as distinct from parking debts owed to local authorities)

There is no regulatory distinction between private car parking debts incurred by individuals and those incurred by businesses. There is also no statutory regulation governing the fair or reasonable treatment of customers in the management of private parking debts in England and Wales.

The Government is currently preparing to publish its own private parking code of practice, as mandated by The Parking (Code of Practice) Act 2019. A first draft of this legislation was published in 2022, which would have:

- Capped parking fines at £50, just half of the current maximum, with £100 fines reserved only for drivers wrongfully parked in Blue Bays.
- Introduced a 50% discount on fines paid within two weeks.

The proposed legislation was withdrawn following a legal challenge by private parking companies regarding fine caps and bans on additional fees.[43] A new version of the legislation is in preparation, with the consultation having closed in September 2025.[44]

Private car parking operators may opt to become members of a trade association – the British Parking Association (BPA) or International Parking Community (IPC) - both of which impose standards on their members upon which membership is conditional (e.g., the BPA Approved Operator Scheme Code). In October 2024, these two trade bodies published a joint Code of Practice aimed at standardising practices across the sector. This code is responsible for regulating:

[42] *National Debtline, 'Mobile Phone Debt'.*

[43] *Downes, 'New Private Parking Code of Practice Comes into Force'.*

[44] *HM Government, 'Private Parking Code of Practice'.*

1. Operative conduct and training of personnel. Firms should ensure that all staff are adequately trained and adhere to appropriate professional standards.
2. Signage and surface markings. Firms should ensure all markings are clear, consistent, legible and visible.
3. Accessibility. Firms must take reasonable steps to provide accessible parking to disabled people, including designated bays and extended grace periods.
4. Grace periods. Firms must offer a grace period for overdue stays before issuing a ticket.
5. Parking charges and appeals. The code dictates the process members must follow when issuing parking fines, including mandatory internal and external appeals, to ensure customers are treated fairly.
6. Monitoring and compliance.[45]

The IPC and BPA have stated that the new code is intended to 'achieve the Government's intentions, while still functioning in the real world'. Notably, however, it contains none of the caps on penalty charges or on the prevention of additional fees.[46]

The BPA/IPC code is industry-led and voluntary. However, it intersects with the Protection of Freedoms Act 2012 (Schedule 4), which establishes mandatory timelines to which operators must adhere in the recovery of parking fines.

1. Parking Charge Notice (PCN) issued.

Private car parking companies must issue a notice to the driver/keeper of each vehicle that receives a parking charge. If the car is left parked, a warden issues an initial notice called a Parking Charge Notice, or PCN, which is left directly on the vehicle. BPA's Code of Practice states that all charges issued must be 'reasonable', and only enforced in circumstances where:

- A motorist has broken the terms and conditions of a parking contract;
- A motorist has trespassed by parking without permission;
- Charges are incurred in accordance with the terms advertised in the contract, for example, for an overstay.[47]

A PCN left on the vehicle must be clearly visible. It must contain the following information:

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[45] *Anchor Group Services, The Private Parking Single Code of Practice Comes into Effect from October 1st 2024.*

[46] *Downes, 'New Private Parking Code of Practice Comes into Force'.*

[47] *British Parking Association, 'Control and Enforcement of Parking on Private Land and Unregulated Public Car Parks'.*

- The date and time of issue;
- The date and time of the alleged breach;
- The charge amount;
- The reason for the charge;
- Details of the operator and the process through which to appeal the charge;
- A statement that the keeper of the vehicle will be held liable if the driver does not pay.
- Photos recording the breach.

These requirements are mandated by the Protection of Freedoms Act, and compliance is not dependent on trade association membership.

2. Possible Notice to Keeper Issued

If an operator does not have access to information about the driver of a vehicle which has incurred a charge, have access to the vehicle, nor ability to safely issue a PCN – for example, if a breach is captured via ANPR cameras – they can instead issue a direct Notice to Keeper, which makes the registered owner of the vehicle responsible for paying the charge. A Notice to Keeper must be delivered within 14 days of the alleged breach. The vehicle owner must then pay within 28 days before a creditor has the right to recover the debt. The Notice to Keeper must contain the date, location, circumstances, amount, payment deadline and instructions for appeals. If any of this information is missing, the keeper of the vehicle cannot be held liable.[48]

A Notice to Keeper may also be issued if an initial PCN remains unpaid after a mandatory 28 days (and up to a maximum of 56 days). A Notice to Keeper then transfers responsibility for payment from the driver of the vehicle to the owner, who then has another 28 days to pay the charge. If any mandatory information was missing from the initial PCN, a Notice to Keeper cannot be issued. The above rules are also all enshrined in the Protection of Freedoms Act.

Operators must be members of either the BPA or the IPC to access keeper data from DVLA.

3. Internal appeals process (if pursued)

According to the BPA/IPC joint Code of Practice[49], members must provide an internal process for motorists to appeal a parking charge. Motorists must be given 28 days to appeal (or longer in exceptional circumstances), or, where a decision on the appeal is

[48] *Legislation.gov.uk, 'Recovery of Unpaid Parking Charges'.*

[49] *British Parking Association, 'The Private Parking Sector Single Code of Practice'.*

not concluded within the given 28 days, acknowledge the appeal and confirm a timeframe for concluding it.

4. Independent appeals process (if an internal appeal is rejected)

If an operator rejects a motorist's initial appeal, it must present the motorist with the option to either pay the charge or transfer the appeal to an independent appeals service: POPLA for BPA members, or IAS for IPC members. POPLA accepts appeals submitted within specified windows - generally within 28 days of the operator's rejection.

> The BPA notes a substantial issue regarding the delivery of postal PCNs and Notices to Keeper, which may result in the accumulation of unknown parking charges. When issuing a parking charge notice by post, operators rely on the address retained by DVLA as a motorist's 'last known residence'. This is the address recorded on a motorist's driving licence at the time of issue. However, these addresses are infrequently updated, as doing so is not mandated by law.
>
> Given that it is very common for people to have moved, possibly several times, between addresses since their driver's licence was first issued, there is therefore a considerable risk that parking charges will be misdelivered to old addresses, allowing response periods to lapse and additional charges to be added, all without the motorist's knowledge of the charge. The same is true of proceedings relating to the parking charge – the delivery of Letters Before Claim warning of the commencement of court action and offering the opportunity for dispute – are also likely to be missed due to out-of-date address keeping.

5. Escalation of costs

If appeals are unused and a parking charge remains unpaid, an operator may add an additional sum of £70 to the total amount due.

6. Action to recover an unpaid parking charge – communication, credit checks and signposting to debt advice. Optional transfer to a debt-collection agency.

If a driver/keeper does not respond to the initial PCN, does not engage in the appeals process, and a parking charge remains unpaid, an operator may then take further action to recover the debt. Before doing so, it must ensure that the driver/keeper's correspondence details are correct. Operators are also required to conduct a 'soft credit check' via a credit reference agency before commencing further enforcement action.

It is common for parking operators to transfer unpaid debts to a third-party debt collections agency before escalating to court action.[50] However, they are not legally required to do so. All third-party debt resolution agencies must also be registered members of a trade association.

Operators must also include a statement indicating that free debt and legal advice services are available in all pre-action or debt-recovery stage communications with drivers/keepers concerning unpaid parking charges.[51]

7. Escalation to court action – PAPDC applies.

Summary of advisory timescales before initiating court proceedings

	Approximate time before Letter of Claim
Lenders	Six months of non-payment for Default Notice + mandatory 14-day response period.
Electricity/Gas	Two months missed payment/one missed quarterly payment + time taken to explore alternative payment methods, forbearance, and possible disconnection
Water	One missed payment + advisory 14-day period before payment reminder issued + time taken to explore alternative payment options
Mobile Phone Providers	No guidelines in place
Car Parking	If Notice to Driver Issued: mandatory 28 – 56-day window for driver to respond + 28 days for Keeper to respond if driver does not. If no Notice to Driver Issued: 14 days for Notice to Keeper to be delivered + 28 days for Keeper to respond. Optional 28 days for motorist to appeal internally + optional 28 days to appeal externally if internal appeal is rejected.

[50] National Debtline, 'Parking Charge Notices | Private Parking Ticket'.

[51] British Parking Association, 'The Private Parking Sector Single Code of Practice'.

What options are available to individuals in arrears?

A person in or facing arrears has several options available to them. The following are available at each stage in the process - before a judgment is sought, after a claim is filed, and after a judgment is issued. The most appropriate option will depend on the nature of the debt and the debtor's individual circumstances.

1. Breathing Space (Debt Respite Scheme)

Breathing Space is a government scheme which offers temporary protection from escalation or enforcement while a debtor seeks debt advice and develops a plan. This protection can last for up to 60 days. It is also possible to apply for Breathing Space on mental health grounds, in which case protection can last for the duration of treatment plus an additional 30 days. During Breathing Space, a creditor cannot:

- take enforcement action
- contact a debtor about debts included in Breathing Space
- add interest or charges to a debt in Breathing Space

Breathing Space applications require talking to a debt advisor, who will submit an application on a debtor's behalf if deemed the best course of action. Breathing Space cannot be used with an existing debt relief order or more than twice within 12 months, unless for a mental health crisis.[52]

The Insolvency Service will notify a creditor when Breathing Space is in place. If a court claim has already been issued, or enforcement proceedings have been initiated, a creditor is responsible for notifying the court in writing and instructing any extra-court enforcement agents to pause action.[53]

2. Debt Management Plan (DMP)

A Debt Management Plan is a voluntary, non-legal arrangement between a debtor and a creditor for the repayment of an overdue debt. A DMP may be formulated either before or after a CCJ has been issued. If arranged prior to a CCJ, a DMP does not legally prevent a CCJ from being filed, although creditors are unlikely to pursue legal action while a DMP is in place.

DMPs are usually used when either:

- A debtor can only afford to pay a small amount towards their debt each month
- A debtor is experiencing temporary payment problems but will be able to recommence payment in a few months

[52] *HM Government, 'Options for Dealing with Your Debts - Breathing Space'.*

[53] *HM Government, 'Debt Respite (Breathing Space) Scheme'.*

DMPs can be arranged either individually between debtors and creditors, or through a licensed debt management company, which will charge a fee. These companies will work out a repayment plan based on the debtor's financial situation and seek agreement from creditors on the debtor's behalf. All third-party DMP providers must be regulated by the FCA.[54] For more information on the regulation governing third-party DMP providers, see the section titled 'Regulation of Debt Advice Charities'.

3. Individual Voluntary Arrangements (IVAs)

An IVA is an arrangement between a debtor and their creditors to repay some or all of their debts. The agreement is made through an insolvency practitioner, who determines the value of monthly repayments and the duration of the arrangement. The practitioner will contact creditors on a debtor's behalf and ask them to agree to the arrangement. The IVA can begin once creditors holding 75% of a person's debt agree. Once in place, an IVA legally prevents creditors from taking further enforcement action, including pursuing a CCJ, to collect the debt.[55]

Under the Insolvency Act 1986, insolvency practitioners must be members of a recognised professional body (RPB). RPBs set their own membership rules but are collectively regulated by the Insolvency Service to ensure their practitioners meet acceptable requirements for education, training and experience.[56]

IVAs have become the most common form of personal insolvency. However, they can also be problematic, particularly if unsuitable arrangements are marketed towards vulnerable customers. Roughly one third of IVAs fail before completion, leaving consumers without the promised benefit of eventual debt write-off, and possibly worse off due to fees paid to the insolvency practitioner. Recipients are also required to sustain payments, with limited flexibility, over long periods of time, which allows limited scope to respond to changes in financial circumstances.[57]

The marketing of IVAs is not subject to the same regulation as other forms of debt advice. Licensed Insolvency Practitioners are expected to comply with the professional standards contained in the Statements of Insolvency Practice (Section 3.1), which set standards on assessing the appropriateness of an IVA, explaining alternatives, and handling vulnerable customers[58]. Unlike FCA guidelines, which commit firms to pursuing good customer outcomes, guidance to IVA providers states only that firms

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[54] *HM Government, 'Options for Dealing with Your Debts - Debt Management Plans'.*

[55] *HM Government, 'Options for Dealing with Your Debts - Individual Voluntary Arrangements'.*

[56] *HM Government, 'How Insolvency Practitioners Are Authorised in Great Britain'.*

[57] *Citizen Advice and Money Advice Trust, Reimagining Insolvency A Blueprint for Personal Insolvency in England and Wales.*

[58] *ICAEW, Statement of Insolvency Practice 3.1 - England and Wales.*

should leave customers able to make 'informed judgments' about the suitability of an IVA and that, in doing so, providers should balance the interests of both consumers and creditors. In practice, this often leaves customers exposed to misleading information, whether from advertisements or targeted advice, and leads them to take out IVAs when other options would have been more suitable.[59]

4. Debt relief orders (DROs)

A debt relief order can be used to essentially write off unpayable debt. Debtors can apply for a DRO for debts of under £50,000, if their disposable income is limited (to less than around £75 per month), they do not own either a home or vehicle worth more than £4000, or have savings or assets worth more than £2000, including property. DROs must be applied for through an approved debt advisor (typically a charity). If a DRO is approved before a CCJ is issued, the creditor cannot legally pursue legal action against the debtor. If a claim has already been initiated, court action must cease upon issuance of a DRO. A debt advisor fills in and submits a DRO application on a debtor's behalf, and there is no application fee. Debt advisors are regulated by the FCA.[60]

The Insolvency Service will inform all creditors of a DRO and add it to the Individual Insolvency Register. The DRO is active for 12 months, during which time, a debtor cannot:

- Borrow more than £500 without informing the lender of the DRO;
- Write cheques without insufficient funds;
- Act as the director of a company;
- Create, manage or promote a company.

The DRO will be removed from the Insolvency Register three months after the active period ends. Debts do not have to be repaid after this point. A DRO will appear on a credit file for six years.[61] DROs are also not available more than once within a six-year time frame. They therefore cannot be accessed by those who have found themselves repeatedly pulled back into debt.[62]

5. Debt consolidation

Debt consolidation involves taking on additional credit to pay off multiple loans at once, which may result in lower monthly payments. However, larger consolidatory

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[59] *Citizens Advice, 'Set up to Fail'.*

[60] *FCA, 'How to Apply for Authorisation or Registration'.*

[61] *HM Government, 'How to Get a Debt Relief Order (DRO)'.*

[62] *Citizen Advice and Money Advice Trust, Reimagining Insolvency A Blueprint for Personal Insolvency in England and Wales.*

loans may take longer to pay off, resulting in a higher overall cost. For this reason, debt consolidation may be problematic for those already experiencing debt trouble.[63]

6. Bankruptcy

If a debtor has no reasonable way to pay their debts, they may apply for voluntary bankruptcy. A declaration of bankruptcy costs £680. Filing for bankruptcy means that valuable assets will be sold off to repay as much of the debt as possible. Bankruptcies are handled by an 'official receiver' working for an Insolvency Service, who is responsible for managing the affairs relevant to each case. A debtor must provide the receiver with the following information:

- Accurate and up-to-date information on their financial situation, their income and expenditures;
- A list of their valuable assets;
- Notice of any rise in income during the bankruptcy proceedings.

Debtors must attend an interview with their assigned official receiver once their application for bankruptcy is approved. If they fail to do this, bankruptcy may be extended and a court examination may be ordered.

If a debtor owns their home, it may be sold off to pay outstanding debts, although not without agreement if a debtor has a partner or children living with them. Family homes can only be sold within three years of a bankruptcy order. If the remaining debt value is less than £1,000 at the end of three years, a home cannot be sold to meet this shortfall.

Official receivers charge a fee for their services. The following are deducted from the value of any assets before payments are made to the creditors:

- An administration fee of £2,390 for voluntary bankruptcies. If a creditor applied to make a debtor bankrupt, this rises to £3,000.
- A general service fee of £7,200;
- 15% of the debtor's total asset value;
- An hourly 'distribution fee' for services relating to the payment of creditors.

If sufficient value is raised from the sale of assets to cover all the debts owed, a debtor can apply to cancel or 'annul' the bankruptcy. Otherwise, a bankruptcy lasts for 12 months. During this time, a debtor's bank accounts are frozen, and the official receiver must request money for daily living expenses. At the end of 12 months, a debtor is released from any remaining debt. Each bankruptcy is entered into the Individual

[63] *National Debtline, 'Debt Consolidation Loans: Meaning, How They Work and Your Options'.*

Insolvency Register and is removed three months after its end date. A bankruptcy stays on an individual's credit file for six years, after which time a debtor must submit a request to have it removed.[64]

Bankruptcies entail significant costs for the debtor, which may serve as a barrier to entry for the majority of vulnerable people facing problem debt. The upfront cost of application (£680) is out of reach for many, and administration fees may also be prohibitively high. Another drawback of bankruptcy for a debtor is that few protections exist to prevent the forced sale of a homeowner's home. Finally, a bankruptcy can also be initiated by a debtor without any consultation with a debt advice service.[65]

Business debts

Lending to businesses

From 2009 to 2025, credit lending to SMEs with a turnover of up to £25 million was governed by the Standards of Lending Practice for Business Customers (SLPBC), guidelines set by the Lending Standards Board. These primarily concerned the treatment of customers in financial difficulty and support for those in vulnerable circumstances.[66] Unlike FCA rules governing personal lending, these guidelines were non-statutory and outcomes-based, rather than day-prescriptive. Timelines specified by these guidelines were therefore suggestive, rather than mandatory.

However, the LSB ceased operations in October 2025, after several of the UK's largest banks chose to withdraw from the business standards scheme in 2024 and 2025. According to the LSB, the reason given for firms' withdrawal was the introduction of the FCA's Consumer Duty in 2023. This is despite the fact that the Duty is not designed to apply to SME lending and as such leaves many customers free from independent scrutiny. The closure leaves the process from early arrears to legal escalation in much of the B2B credit lending sector essentially unregulated.[67]

Two exceptions to this are sole traders and small partnerships (a maximum of two people) borrowing small loans of up to £25,000. These customers are treated as consumers and protected by FCA rules on consumer credit.

Firms may therefore move through steps 1-4 of the process below at their own discretion. Their conduct regarding the treatment of customers is not subject to regulatory guidance.

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[64] *HM Government, 'Guide to Bankruptcy'.*

[65] *Citizen Advice and Money Advice Trust, Reimagining Insolvency A Blueprint for Personal Insolvency in England and Wales.*

[66] Lending Standards Board, 'The LSB Drives Fair Customer Outcomes in Financial Services'.

[67] Lending Standards Board, *Mind the Gap - Independent Oversight & Customer Outcomes in Financial Services*.

- Credit monitoring and identification of possible/actual repayment difficulty
- Early-stage arrears outreach, evaluation of circumstances and consideration of forbearance
- Referral to a business support unit (if applicable)

Some firms have dedicated business support units that provide structured support to businesses experiencing financial difficulty, with a view to returning them to mainstream banking as soon as possible. [68]

- Optional – Sale or transfer of debt to third parties

At this stage, a creditor may decide to sell a business's debt to a third-party debt purchaser in exchange for an immediate up-front payment.

- Escalation to litigation: Practice Direction – Pre-Action Conduct and Protocols

Finally, a creditor - whether the original lender or a third-party purchaser - then has the option to escalate the debt to litigation. Both creditors and debtors are expected to follow the Practice Direction - Pre-Action Conduct and Protocols (PD-PAC)[69], similar to the PAPDC, although lighter and less prescriptive.

PD-PAC states that creditors must issue a Letter Before Action before initiating court proceedings, which should include:

  - The basis on which the claim is made;
  - A summary of the facts, how much is being sought from the defendant, and how that amount was calculated.

Unlike in consumer lending, there is no mandatory window for a debtor to respond. Instead, guidelines state that the response time allowed must be 'reasonable' – 14 days is suggested in a simple case, and no more than three months in a complex one.[70]

As in consumer lending, both parties must consider ADR before commencing proceedings. ADR options may include:

- Informal negotiation between parties;
- Round-table meetings with both parties and their respective legal representation;
- Conciliation or mediation using a third-party mediator;
- Arbitration with the help of an independent arbitrator, who can impose a settlement if the parties do not agree themselves;

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[68] LLOYDS, 'Support through Financial Difficulty'.

[69] Ministry of Justice, *PRACTICE DIRECTION – PRE-ACTION CONDUCT AND PROTOCOLS – Civil Procedure Rules – Justice UK*.

[70] Ministry of Justice, *PRACTICE DIRECTION – PRE-ACTION CONDUCT AND PROTOCOLS – Civil Procedure Rules – Justice UK*.

- Recourse to ombudsmen services for independent dispute resolution.

Energy debt for businesses:

Ofgem's Supply Standard Licence Conditions similarly bind suppliers to treat non-domestic customers 'fairly'. However, business customers lack the same protections as domestic customers regarding debt and disconnection practices.[71] Ofgem's standards of conduct, as they pertain to non-domestic customers, are limited to:

- The accuracy of a bill or statement of account;
- The timeframe for a non-domestic customer receiving a bill or statement of account and the timeframe for the payment of a bill;
- Any written or oral communication regarding billing or contractual information;
- Customer transfers;
- Any matters relating to deemed contracts;
- Any matters which fall within the scope of SLC 7A (identification of and supply to micro business consumers).[72]

The substantial regulatory gap between domestic and non-domestic energy customers leaves the latter considerably more exposed to unsustainable debt and its negative consequences. Under current regulations, suppliers are only required to provide account statements to their microbusiness customers twice a year. This can allow debt to accrue over extended periods of time, without the business's knowledge.

The fairness principle does not cover practices relating to debt and disconnection. While disconnection is restricted to a last resort for domestic customers, the same requirement is not in place for non-domestic energy users. There is also no requirement of a negotiated repayment plan prior to disconnection as there is with domestic customers.

Finally, regulations governing non-domestic energy suppliers do not extend to any third-party debt collections or purchase agencies that such suppliers might work with. The behaviour of these actors in these markets is therefore, as noted by Citizens Advice, essentially unregulated.

As of June 2024, there is a single additional requirement for suppliers to signpost micro business consumers to Citizens Advice and Citizens Advice Scotland, who can offer

[71] *Citizens Advice, 'Risky Business?'*

[72] *Ofgem, Standards of Conduct Guidance.*

support and advice to customers struggling with debt.[73] Advice is also available on the Ofgem website for businesses facing difficulties with paying their energy bills. However, this places the onus for initiating contact, negotiating repayments, etc., on customers rather than suppliers.

Water debt for businesses

There is currently no regulation governing the management of water debt accrued by businesses. Businesses are considered commercial customers and so are not afforded the same protections as domestic consumers, for whom water is considered an essential service. Ofwat guidance applies only to domestic customers – business debt management and recovery are handled under individual supply contracts.

What factors determine an organisation's decision to take out a judgment?

Most organisations involved in the issue of money claims have pre-existing frameworks to guide decisions on whether to initiate a claim. Some may also employ solicitors, whether external or in-house, to give advice in each case. Decisions often hinge on several factors:

1. **The likelihood of a successful outcome.** This has two major components: firstly, the likelihood of winning the case in court; secondly, the likelihood of actually recovering the unpaid sum from the debtor after the case is won. Organisations are likely to rely on previous experience of either themselves or their colleagues in determining the probability of a successful outcome. Some organisations may use 'score cards' or 'traffic light systems' to determine the probability based on a series of checks, which may involve examining a debtor's creditworthiness, history of previous insolvencies, etc., to help determine their likelihood of repayment. The availability of different enforcement methods may also be included in these calculations, with some methods being viewed as more effective than others.
2. **Organisational reputation.** Organisations may consider the potential impacts of a court case on their professional reputation and thus avoid litigation that may be perceived as unreasonable or predatory. This involves ensuring that all regulatory guidance governing the pre-litigation process has been followed correctly – for example, that due care has been taken to treat customers fairly and reasonably, particularly in cases of vulnerability. In a 2024 analysis by the Ministry of Justice, several organisations reported a reduced willingness to escalate to litigation due to the ongoing cost of living crisis and the increased reputational risks that doing so may pose.

[73] Ofgem, 'Ofgem Confirms Greater Protection for Businesses'.

3. **Cost of making an application.** Organisations may also be swayed by the costs associated with making a claim. For particularly high-value claims, issuing fees are also likely to be higher and may, in some cases, be enough to deter a claim, particularly if the probability of success is uncertain. Conversely, for lower-value claims, issuing fees are typically minimal and may therefore be *less* likely to impact a decision to make a claim. Organisations differ on this however – according to the same Ministry of Justice report, while some organisations had policies in place to automatically issue claims for all debts below a certain value, others were reluctant to do so if they felt a substantial proportion of the total debt value would be made up by the issuing and court fees. If a creditor is successful in court, the debtor is obligated to pay the associated court fees; however, this is often difficult to enforce in practice, leading to delays in the time taken for the creditor to recover these costs. For creditors issuing a high volume of low-value claims, financial strain can still result due to the high upfront cost of bulk court fees and the time taken to recover them in full.
4. **Length of the claim/application process.** Delays to small claims court processes may cause organisations to decide against making a claim. Delays mostly occur when a claim is defended and requires a hearing. Most money claims, however, are not defended, meaning long delays are less likely. In most undefended cases, a judgment is typically issued within a matter of weeks.[74]

Section 4: Dealing with third parties: regulatory guidelines on engagement with debt collections agencies, debt purchasers and debt management agencies.

Defining the actors – differentiation between collection and purchase

A debt collections agency working on behalf of an original creditor does not acquire legal control of the debt. Their role is solely to negotiate with the debtor and encourage repayment – they cannot initiate enforcement proceedings.

A debt purchaser may purchase the debt for profit. This option may be preferable for original creditors as it allows them to claim back some of the value of the debt straight away. The purchaser then seeks to reclaim the full value of the debt from the debtor, hence generating a profit. As the new legal owner of the debt, debt purchasers are able to initiate enforcement proceedings, including through litigation. Both debt purchasers and third-party debt collectors are regulated by the FCA.

[74] *Powell et al., Factors Influencing Organisations' Decisions to Bring Cases to the Civil and Family Courts.*

What standards do organisations need to meet when engaging with third-party debt management companies or when selling debts to third-party debt purchasers?

There is specific guidance to which creditors should adhere when engaging with either third-party debt collectors or purchasers. This guidance varies by sector but is generally intended to ensure that the principles of fair and reasonable treatment are extended to those whose debts have been transferred to a collections agency or a third-party purchaser. These guidelines are typically non-statutory.

In 2023, the UK Regulators Network – which includes Ofcom, Ofwat, Ofgem and the FCA - issued a joint statement highlighting three major risks to consumers associated with the use of third-party debt collectors: excessive or repeated contact, intimidating or threatening communication, and poor cooperation between creditors and free debt advice providers. The statement also outlines joint expectations regarding oversight and customer treatment: that customers should receive communications at an appropriate frequency, written in a supportive tone, with clear signposting to free debt advice, and creditors should actively support customers' access to such advice.

Lenders

Rules on lenders' engagement with third parties are outlined in the FCA Consumer Credit Sourcebook (CONC). Unlike in other sectors, these guidelines are statutory. According to CONC, creditors must:

- Ensure that all information passed on to third parties is complete and accurate.
- Exercise due care in selecting the third party.
- Ensure that customers are not subject to multiple approaches by different individuals or organisations regarding the recovery of a debt.
- Properly investigate all complaints raised against the third party.[75]

Energy suppliers

Guidance on engagement with third parties is contained within Ofgem's Good Practice for Supporting Customers in Payment Difficulty. These guidelines include:

- Ensuring that third-party debt collections agencies adhere to FCA regulations.
- Implementing feedback loops to monitor the behaviour of collections agencies to ensure compliance and fair treatment of customers.

[75] *FCA, 'FCA Handbook'.*

- Maintain high expectations of firms and their ability to identify and act in accordance with customer vulnerabilities.
- Ensuring that firms and bailiffs are trained in mental health first aid.
- Leaving as much time as possible between the date of non-payment and the escalation of debt recovery via a debt collections agency. At least 60 days is preferable.[76]

Water companies

Ofwat's Paying Fair Guidelines provide specific guidance on the use of third-party debt collection and purchase. Guidance includes:

- Ensuring that customers facing action to recover debt are treated with care and receive the same level of service as those whose accounts remain with the original holder. Debt collection companies should be reputable and treat customers in line with agreed levels of service. Water companies should have systems in place to ensure that all third parties comply with their own codes of practice for debt recovery.
- Ensuring that customers on the Priority Services Register whose accounts are being managed by debt recovery agents have their needs met adequately.
- Regularly verifying that customers whose accounts have been transferred to third parties are being treated sensitively, via a robust audit process.
- Communicating directly with customers facing debt recovery action and ensuring they do not find themselves in a position where arranging a repayment plan is harder than if their accounts were handled by the original company.
- Retaining access to the customer's account (where it is being managed by a debt collector).
- Only sell debt once all other options have been exhausted, and only to reputable parties with a demonstrated commitment to customer fairness and industry codes of practice issued by the Credit Services Association and FCA.[77]

Mobile phone providers

Ofcom guidance on treating vulnerable customers fairly also applies to providers' engagement with third parties. These include:

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[76] *Ofgem, Good Practice for Supporting Customers in Payment Difficulty.*

[77] *Ofwat, 'Paying Fair Guidelines to Support Customers Facing Debt Recovery Action'.*

- Seeking to understand a customer's individual circumstances before instructing a debt collection agency to pursue them.
- Only using agencies with a strong reputation for the fair treatment of customers.

Private car parking operators

Debt collections agencies involved in the collection of parking debts must be either a BPA Approved Operator Service Provider or an IPC Accredited Service Provider.[78]

The BPA-IPC Single Code of Practice states the expectation that all third-party debt collections agencies adhere to FCA regulation, in particular those listed in the 'Fair Treatment of Customers' schedule.

The IPC does not permit the sale of a parking charge to a third-party purchaser.[79]

The regulation of third parties

As mentioned, all third-party debt collections agencies are regulated by the FCA and subject to the principles outlined in CONC 7.3 concerning the treatment of customers in or approaching arrears or in default (including repossessions). These guidelines are the same as those for regular lenders.

Debt purchasers are similarly regulated by the FCA. Debt purchasers are mandated to make contact with a customer to provide them with details of the new holder of their debt, the name and account number of the original creditor, and where any new payments should be directed.[80]

The Credit Services Association (CSA) is the trade association for the UK debt collection and purchase industry. Around 90% of debt collection and purchase firms are members of the CSA. The CSA supports best practice in debt collection by monitoring compliance with FCA guidelines and codes of conduct, and providing training for service providers.[81]

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[78] *British Parking Association, 'The Private Parking Sector Single Code of Practice'.*

[79] *IPC International Parking Community, 'Code of Practice V9 International Parking Community's (IPC) Code of Practice for Parking on Private Land'.*

[80] *StepChange, 'Debts Sold To Debt Collectors. Free Advice'.*

[81] *Lally,* Consumer Debt and Mental Health.

What factors influence an organisations decision to purchase debt?

The debt purchase market is highly competitive and can be highly profitable where firms are able to achieve successful recovery of acquired debts. Market competitiveness has also intensified since the COVID-19 pandemic, as the volume of debt portfolios offered for sale by banks has declined. The criteria debt purchase firms apply when assessing whether to acquire a debt portfolio largely mirrors those used by other creditor groups when determining whether to initiate money claims. In particular, firms evaluate the quality of the debt and the risks associated with it. Debt quality assessments, undertaken prior to acquisition from the original creditor, focus on the likelihood of recovering the outstanding sums. This often requires a specific assessment of the debtor's creditworthiness.

Acquisition decisions may also be influenced by the purchase price and the expected value for money of the investment. This includes potential court and issue fees costs associated with pursuing money claims on the acquired debt, and the probability of recovering those costs if the claim is successful. These considerations inform whether acquiring a given debt portfolio is commercially viable in a particular case.

Regulation governing creditors' engagement with debt advice organisations:

All regulators provide guidance on dealing with third-party debt advice providers. Most of this guidance relates to not-for-profit sources of debt advice, like charities and government-run services. As outlined in the section titled, 'What regulations must creditors follow? Existing guidance by sector.', creditors are expected to signpost debtors towards free sources of debt advice in the early stages of arrears – often in their first communication following a missed payment. Creditors should have systems in place to enable direct communication with debt advice charities acting on behalf of their debtors. However, some regulators report inconsistency in this area. Ofcom, for example, notes varying degrees of success reported by debt advice charities in their attempts to engage directly with creditors.[82]

Regulation of debt advice charities

All organisations providing either debt counselling (debt advice) or debt adjusting (negotiating with creditors or managing a DMP) must be authorised by the FCA, as per

[82] *Ofcom, Call for Inputs: Review of Measures to Protect People in Debt or at Risk of Disconnection.*

the Financial Services and Markets Act 2000 (Regulated Activities) Order. Debt advice services are regulated explicitly by CONC 8.

However, specific provisions apply only to for-profit services (including providers of Debt Management Plans), for example, CONC 8.3 (Pre-Contract Information and Advice) dictates that:

- Firms must provide sufficient information to all customers enquiring about their services, including: the duration of the contract, the nature of the services, all fees and other likely costs and a breakdown of fees by service provided or by hourly rate so that customers may make a reasonable and informed decision.

For-profit debt advice firms are also required to signpost all customers to free, not-for-profit services, in both their initial communication with a customer and on their website.

PHASE 2: From claim to court (or default judgment)

This section presents an overview of the procedural pathway from the initiation of a money claim through to either the issuance of a County Court Judgment (CCJ) or the successful defence of the claim at hearing. It describes the routes available to claimants when bringing a claim, highlights how these routes differ according to claimant type, and provides approximate timescales for each stage of the process.

Avenues available to creditors wishing to make a claim

There are several channels available for creditors wishing to make a money claim in England and Wales. The option chosen will generally depend on whether the creditor is an individual claimant (who issues claims on a one-off or standalone basis) or a bulk claimant (who issues large volumes of similar claims, likely 10 or more per day[83]). Individual claimants are likely to be private persons, sole traders, or small businesses. Bulk claimants are typically large companies that fall into one of the categories outlined above: banks and major lenders, utility companies, private parking firms and third-party debt purchasers.

For individual claimants, there are two avenues through which to submit a money claim: the Government's Money Claim Online (MCOL) service, or the submission of a paper claims form by post.

[83] *HM Government, 'Make Multiple Claims Using the Civil National Business Centre'.*

1. Money Claim Online (MCOL)[84]

Individual claimants can enter a money claim online via the Government portal. This option is available unless the claimant does not know how much they want to claim, or if the claim is for more than £25,000 *and* the claimant also wants help to pay the court fee. Claims submitted via MCOL must also be:

- For a fixed amount of money between £25,000 - £100,000;
- For no more than one claimant and against no more than two defendants (people or organisations);
- Served to a defendant or defendant(s) with an address in England or Wales.[85]

2. Online Civil Money Claims (OCMC)

OCMC is a newer, more streamlined online claims submission service. While the MCOL service is only partially digital, requiring manual intervention if a claim is defended, OCMC digitises the process end-to-end, including filing defences and uploading evidence in advance of a hearing. The service is intended to reduce processing times and the scope for human error. Claimants can use OCMC for claims of up to £25,000.[86]

3. Paper Claim (N1 Form)[87]

For all claims not eligible for either MCOL or OCMC, claimants can submit by post using an N1 form downloadable from the Government website.

A defendant has a statutory 14 calendar days from the 'date of service' – the date the defendant is deemed to have received the claim – to file a response. Claims are considered 'served' five days after their date of issue.[88] This deadline is extended to 28 days if the defendant files an 'Acknowledgement of Service' (AoS), which establishes a defendant's desire to defend a case. AoSs are also filed online via MCOL, OCMC, or by post using a paper N9 form.

If a claim is defended

For individual claimants, in cases where the debtor files a defence or counterclaim, allocation and evidence are handled by the claimant. Where there is more than one

[84] *HM Government, 'Make a Court Claim for Money'.*

[85] *HM Government, 'Money Claim Online (MCOL) User Guide'.*

[86] *HM Government, 'Fact Sheet'.*

[87] *HM Government, 'Make a Court Claim for Money'.*

[88] *Ministry of Justice, 'Practice Direction 7c- Money Claim Online'.*

defendant, each claim must be handled separately, and a judgment must be sought individually against each defendant.[89]

Where a debtor files a defence, the claimant is provided with the full details of the defence and asked to file a directions questionnaire, which is issued by the county court.

If the debtor files a counterclaim – meaning they wish to defend the claim and file their own claim against the creditor – they must pay the applicable counterclaim fee. If this fee is not paid, the matter proceeds as though a full defence has been entered. Upon payment of the fee, the case is transferred to a County Court Hearing Centre. If the claimant subsequently discontinues their claim, proceedings continue in respect of the counterclaim alone. The claimant must file both a response to the counterclaim and a directions questionnaire. If they do not, the defendant may apply for a judgment to be entered against the creditor.

If a claimant still intends to pursue their claim following receipt of a full, partial, or paid defence, they must notify the court themself. Where the court has issued a directions questionnaire, it must be completed and returned within the specified timeframe, and failure to comply may result in the claim being dismissed.

Once all relevant parties have submitted their questionnaires, provided that all parties agree, the case will be referred to a mediator. Otherwise, the case will be transferred to the appropriate County Court Hearing Centre. For claims against individuals, the case will be transferred to the defendant's local hearing centre; for claims against companies, the transfer will be made to the claimant's local court, or to their solicitor's local court.

Defences and/or counterclaim directions questionnaires on paper take around 20 days to begin processing. Questionnaires submitted online begin processing on the day of receipt.[90]

If a claim is not defended

If the defendant does not respond to the initial letter of claim with either a defence, payment, or an AoS within the mandatory 14-day notice period, an individual claimant must request that a default judgment be filed. Claimants can do this using the MCOL or OCMC systems.[91] Judgments requested online using MCOL or OCMC are registered automatically.[92]

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[89] *HM Government, 'DMBM665640 - Enforcement Action'.*

[90] *HM Government, 'Weekly Performance National Business Centre Updated 3 June 2026'.*

[91] *Debt Advisory Services, 'County Court Judgement Process in The UK: A Guide For 2025'.*

[92] *HM Government, 'Money Claim Online (MCOL) User Guide'.*

If a defendant responded to the claim with an admission that the money is owed, but is not able to pay the money outright, a claimant can register a 'judgment by acceptance'. This is only possible following a formal admission and offer from the defendant.[93]

1. Bulk claims issued via the Civil National Business Centre

For bulk claimants issuing high volumes of claims, claims may be submitted via the Civil National Business Centre (CNBC) via the Secure Data Transfer System. Firms wishing to access the system must first register for an account. After registration, the system allows firms to submit claims in bulk online, pay digitally via Direct Debit with either weekly or monthly invoicing, track the progress of all cases online and retrieve and review defences, entries of judgment, dates and locations of transfers out of the CNBC, payments, claim withdrawals and applications to set aside or vary judgments via an online portal.

Rather than having to submit a manual N1 form for each claim, or via MCOL, the details required to populate each form are extracted from the relevant databases and filled automatically. This information is passed on to the CNBC, which prints and issues the relevant forms to the defendant on the creditor's behalf and creates and updates its own court records.[94]

If a claim is defended

The process is essentially the same for bulk claimants as it is for individual claimants in cases where a debtor files a defence. The only difference is that CNBC is responsible for the distribution, receipt and processing of all parties' direction questionnaires.

Acknowledgements of Service (AoS) are also processed by the CNBC. AoSs issued on paper take about 20 days to begin processing by the CNBC, whereas AoSs filed online begin processing the same day.

If a claim is undefended

In cases where a defendant does not respond to the Letter of Claim within the 14-day window, a default judgment is registered automatically without the need for intervention from claimants. Any interest on the judgment or additional costs are also calculated automatically.

[93] *HM Government, 'Money Claim Online (MCOL) User Guide'.*

[94] *HM Government, 'DMBM665320 - Enforcement Action'.*

Seeking a County Court Judgment if a case is defended is a lengthy process, with court processes often subject to significant delays. If defended, Civil Justice statistics suggest it took an average of around 40.6 weeks for small claims (which include money claims) to make it to trial in the period between April – June 2025. Multi, fast and intermediate track claims took 62 weeks on average in Q3 of 2025.

Anecdotal evidence from a series of interviews conducted by the Registry Trust with members of the Civil Court Users Association suggests that these wait times are often even longer, with a majority of respondents reporting waits of up to 18 months from the time a Letter of Claim is issued until a case is heard in court in defended cases.

Default judgments vs defended claims: what's the difference?

Default judgments are issued when a defendant does not respond to a claim within the time allocated. A judgment is registered 'in default', either automatically once the period has lapsed in the case of bulk claimants, or once the claimant requests it online in the case of individual claimants. Default judgments are essentially a victory for the claimant without a case ever going to court. Default judgments are registered like any other CCJ on a defendant's credit file.[95]

If a defendant files a defence, the case is transferred to the county court and proceeds to a hearing. Defended cases result in a CCJ only when the court decides in favour of the claimant. A CCJ is registered after the first enforcement action is taken by either the court or the creditor.

The downstream implications of a CCJ are the same regardless of whether it arose from a failed defence or was entered in default.[96]

If a judgment is set aside, the court will notify Registry Trust Ltd. within three days. This results in the removal of the judgment from the defendant's credit file.[97]

Judgments will not be registered in cases where the court finds in favour of the defendant, or where the parties settle during court proceedings (before a CCJ is formally issued).

[95] *Citizens Advice, 'County Court Judgments and Your Credit Rating - Overview'.*

[96] *HM Government, 'County Court Judgments for Debt'.*

[97] *HM Government, 'DMBM666350 - CCP'.*

However, there are costs associated with the legal process for both claimants and defendants if a case goes to court. Typically, the unsuccessful party is required to pay court costs. Court fees differ depending on the court track to which the case is assigned and the value of the claim.[98]

For cases allocated to the Small Claims track (with a value up to £10,000):

Unlike in fast or multi-track court cases, claimants cannot recover the cost of their own solicitor's fees from a defendant, unless the defendant is deemed to have behaved unreasonably.[99]

For cases allocated to fast (£10,000-£25,000), intermediate (£25,000-£100,000) and multi-track (over £100,000) claims:

The unsuccessful party is generally required to cover all costs of the successful party.

Claimants do not directly apply to a court track when filing a CCJ. Instead, claimants file using one of the processes outlined above, e.g., MCOL, a paper claim, or the CNBC (for bulk claimants). Many CCJs *are* for small claims and are allocated to the small claims track by the court. Of 33,000 money and damages claims (note that segregated data is unavailable), 22,000 were allocated to the small claims track, accounting for 66% of all allocations. 8,700 were assigned to the fast track, 620 to the intermediate track and 1,800 to the multi-track.[100] Allocations happen only after the initial claim is filed using one of the above options and a defendant has lodged a defence.

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[98] *Boyes Turner, 'Court Fees as of 8th April 2025'.*

[99] *Ministry of Justice, 'PART 27 – THE SMALL CLAIMS TRACK – Civil Procedure Rules'.*

[100] *HM Government, 'Civil Justice Statistics Quarterly'.*

In addition to the total value of a claim, courts consider several additional factors when deciding to which track to allocate a case. Under Part 26 of the UK's Civil Procedure Rules, the court considers several factors when allocating a claim, including the factual and legal complexity of the issues, the likely volume of oral and expert evidence, the number of parties, and the circumstances of the litigants. While financial value provides a broad starting point, it is the overall complexity and resource demands of the case that determine whether it is appropriately managed within the fast track, intermediate track, or multi-track.

Fast-track cases are reserved for relatively straightforward disputes that can be tried within one day and require only limited expert evidence - typically one expert per party in no more than two fields. Intermediate-track cases accommodate claims of moderate complexity, with trials expected to last up to three days. These cases may involve additional expert evidence, subject to proportionality limits including page limits for expert reports and witness evidence. Claims deemed too large or complex for the intermediate track, due to either claim value, number of parties, or volume of evidence, are allocated to the multi-track.

What options are available to a person or business that has been notified of a judgment being sought against them?

Defendants, whether individuals or businesses, must submit a written response to the creditor's claim. For individuals, responses are usually submitted via the forms contained within the initial Letter of Claim pack. Responses can also be submitted via email.

Defendants may respond to a claim in several ways:

- **Acknowledgement of Service:** If the defendant wishes to submit a full defence or part admission, they may file an AoS, which extends the deadline for submitting a defence from 14 to 28 days from the date of service.
- **States Paid Defence:** The defendant may assert that the claimed amount has already been paid prior to the claim being issued. The claimant will be provided with a copy of this response and must confirm whether they wish to proceed with the claim.
- **Full Defence:** The defendant may dispute the claim in full (i.e. they wish to argue that none of the debt is owed). A defendant must specify why they are disputing the debt and include any relevant legal/factual information. A copy of the defence

is sent to the claimant, who must then decide whether to continue with the proceedings.

- **Counterclaim:** In addition to disputing the full claim, the defendant may file a counterclaim against the original claimant, which costs a fee. The claimant receives a copy and is asked whether they wish to pursue their original claim. If the original claim is withdrawn, proceedings continue solely on the counterclaim.
- **Part Admission:** The defendant may contest part of the claim, specifying the disputed portion while offering to pay the remaining amount. The claimant is provided with a copy and must confirm whether to continue with the claim.
- **Full Admission:** The defendant may admit the entire claim and propose repayment. This admission should be communicated directly to the claimant rather than the court.
- **No Response:** Where the defendant fails to respond within the prescribed timeframe, the claimant may apply for a default judgment.[101]

Other options include payment, or negotiation of partial payment, to prevent – or attempt to prevent - court proceedings. After a judgment has been issued, a defendant may also negotiate a repayment plan with their creditors to avoid other forms of enforcement.

The courts in practice: the experience of both debtors and claimants

Limited recent data is available on non-corporate users' experiences of the county court system. The most recent survey exploring customers' experiences with the UK courts and tribunals services was conducted by HMCTS in 2017.[102]

According to this research, just over half of court users rated their experience as 'good' (either fairly or very good, with a relatively even split between the two). 28% of respondents ranked their experience as 'poor'. A key driver analysis of participants' responses found that the factors most responsible for shaping users' perceptions of their experience were 'being listened to', having 'good information' and a feeling that users can 'do what they need to do'. 'Understanding what is happening', 'the physical environment' and the 'time taken' were found to be least influential. Users who received support or advice directly from HMCTS were more likely to say they understood the process. Still, qualitative data suggests that a sizeable minority (around

[101] *moneyclaimsuk.co.uk, 'Money Claim Online (MCOL) - User Guide for Claimants'.*

[102] *HM Courts & Tribunals Service, 'Citizen User Experience Research'.*

37%) of users found the amount of information supplied directly from HMCTS about the court process to be inadequate, and that many relied on external intermediaries and online research for clarity.[103]

When interviewed by Registry Trust, Civil Court Users Association members (comprising solicitors, credit controllers, enforcement and recovery agents) noted several further issues they faced when engaging with the money claims system:

- Delays;
- Difficulties contacting court staff/poor responsiveness;
- Lack of procedural clarity/poor ease of use;
- Court errors leading to judgments and claims being mistakenly struck out, either due to unprocessed documents or documents being wrongly deleted or destroyed by the courts;
- Changes in processing requiring changes to be made in the claimant's systems, often on short notice, with insufficient consideration of the costs. One respondent, an in-house legal counsellor for a large utilities company, cited an incident in which the company had been receiving Security Certificates with no completion date attached, resulting in automated claims continuing to be raised incorrectly. As a result, around 500 claims needed to be manually reversed, incurring significant costs.
- Delays following an issue of a General Sanctions Order (a court order preventing a party from initiating further legal proceedings due to repeated failure to comply with court process, or frivolous, predatory or hopeless claims). A defence subject to a General Sanctions Order is not promptly struck out on the MCOL system, which means that claimants must then request judgment manually to avoid being penalised for failing to do so within the timeframe allotted by the Pre-Action Protocol.
- The progression of a case – for example, whether it has been transferred to a local court – is not always evident from checking the MCOL system. Similarly, the system does not always indicate when a claimant has completed all necessary pre-court documentation (such as the Directions Questionnaire), so claimants must manually seek clarification from the court via email that the documents have been received and are being processed.

[103] *HM Courts & Tribunals Service, 'Citizen User Experience Research'.*

Awareness of court processes:

The most recent in-depth analysis of the level of awareness amongst non-corporate users, including both claimants and defendants, was released by HMCTS in 2014. The research finds that many users entered the system through general online searches for ‘small claims’, and that many were unfamiliar with the specific terms ‘money claims’ or ‘Money Claims Online’. Many users had knowledge of the system deriving from previous use, but first-time users often relied on informal sources, including family, friends, internet searches or TV shows for guidance. Most participants were aware of the maximum value of ‘small claims’ and were aware that these claims could be submitted without the need for legal representation. Awareness of the Ministry of Justice as the owner of online forms and guidance was low.

The research also involves a qualitative analysis of defendants’ perspectives, albeit using a small sample size of 15 persons. Most defendants interviewed were unsurprised to receive a claim, as disputes had generally been ongoing. Unrepresented defendants, mostly individuals and small businesses, commonly opted to handle the matter themselves on the grounds that they felt sufficiently confident in their own understanding of the small claims system. Represented defendants typically cited: the high value or complexity of a claim, the availability of a solicitor through insurance or a lack of knowledge as reasons for seeking legal support.

The report highlights several issues at the point at which cases moved towards a court hearing. Some claimants were unaware that additional fees would be required if the case progressed. Others expressed frustration that hearings were usually allocated to a court local to the defendant. Users also reported concerns relating to long delays between allocation and hearing dates, limited communication from the court during these periods, and a perception that defendants benefited disproportionately from these delays, particularly where late defendant responses reduced the claimant’s preparation time.

The lack of more recent, high-quality data makes it difficult for practitioners to obtain an accurate overview of how the system is currently working in practice, including the main issues users face and the extent to which practice typically deviates from the intended process.

However, more recent evidence submitted to the Civil Justice Council Enforcement working group’s call for evidence in September 2024 by the Taking Control Coalition (a non-profit campaign for bailiff reform) suggests a sustained information/awareness gap between debtors and claimants in money claims cases. The submission cites the high volume of claims brought against individuals by corporate bulk claimants with extensive knowledge of court processes and access to experienced legal teams. Defendants typically enter the court system with substantially lower legal understanding and fewer resources to navigate proceedings, creating knowledge asymmetries that risk undermining equitable access to justice. This imbalance may contribute to low engagement by defendants – many do not respond to claim forms even when potential defences exist – resulting in a high volume of default judgments. Furthermore, assessing whether a debt is statute-barred or otherwise defective requires technical legal knowledge, and vulnerable defendants in particular are unlikely to identify these issues without external advice.

In addition to inadequate information and support for those in debt, the submission identifies weaknesses in the requirements placed on creditors regarding the accuracy of debtor information, particularly addresses. Incorrect or out-of-date address information raises the risk that defendants remain unaware of legal proceedings being initiated against them until after judgment is issued and appears on their credit record. Quantitative data on the subject is lacking, but anecdotal evidence from the Civil Justice Council suggests that this happens relatively frequently. [104] [105]

This echoes previous findings by Registry Trust, which likewise suggest that a significant number of CCJs are entered without a defendant's knowledge due to the misdelivery of claims to old or incorrect addresses.

[104] *AFG Law, Setting aside a County Court Judgment.*

[105] *Registry Trust Ltd, 'Written Evidence Submitted by Registry Trust Limited (WCC0097)'.*

The flow of money claims in England and Wales:

In the second quarter of 2025, there were 438,000 money claims, up 28% on the previous year. While no public data is currently available on claimant type, respondents in an interview of Civil Court Users Association members, carried out by Registry Trust, estimated that around 60-70% of money claims are issued by utilities companies.

Over 99% of money claims are issued by bulk claimants and processed via the Civil National Business Centre (CNBC) - also up 28% on a year prior.

The increase in claims was driven by increases across all value bands: claims under £500 rose by 37% to 202,000, claims between £500-£1,000 rose by 36% to 68,000, and claims between £1,000-£3,000 rose by 23% to 96,000.

There were 512,000 claims, resulting in 292,000 judgments - of which 93% were default judgments from April to June 2025. The number of default judgments as a proportion of total judgments has remained relatively stable, at around 90%, since 2018. (Note that this data includes all civil claims and is not restricted to money claims.) However, specific snapshot data on money claims from the county courts suggests a lower proportion of default judgments for money claims than in civil claims overall – around 70%.

The second largest type of judgment was 'admissions'. There were 12,000 admissions from April to June 2025 (again, this data is not specific to money claims).

72,000 of all civil claims were defended in this quarter, and 12,000 claims went to trial. Of all small claims received in June 2025 (167,621), 24,692 were defended (including part admissions), 7,403 were referred to mediation, 4,776 were mediated, and 1,467 were settled, giving a settlement rate of 30.7%. The rate of settlement has averaged 37.8% from June 2024 to June 2025. CCUA members, when interviewed, estimated that around 20% of defended claims are typically found in favour of the debtor. This likelihood was felt to be slightly higher in cases where the defendant was an individual.

From April to June 2025, there were 56,000 warrants issued, down 11% on the year prior. Warrants of control made up 74% of total warrants.

10,000 enforcement order applications were made (down 26% on the previous year), with 9,000 enforcement orders issued. Charging orders and orders for information had risen from the year prior (by 4% and 7% respectively), whereas attachment of earnings orders fell by 12%. There has been a broad decline in enforcement-related applications since 2009, possibly because of a growing preference for the use of warrants over enforcement orders.

Civil Justice Statistics does not consistently provide a breakdown of claims filed by defendant type (individual vs business). However, Registry Trust itself keeps track of judgments registered against individuals and businesses. For example, in 2025, 1,019,901 (85%) new consumer judgments and 176,273 (15%) new commercial judgments were recorded by the Registry Trust. Older statistics publications indicate that Registry Trust data consistently includes a breakdown of consumer vs. commercial judgments and of commercial judgments by business type (corporate vs. non-corporate). [106]

How is an individual/business made aware that a money claim has been made against them?

Once a judgment has been registered, the court issues a formal notice to the defendant. The notice is delivered by letter, and sets out the total amount owed, available methods of payment (whether as a single sum or by instalments), the deadline for payment and the details of whom to pay.

After a judgment, creditors may contact the debtor to establish the debtor's financial circumstances, determine whether enforcement action is necessary, and, if so, which methods are permissible and which is most likely to be successful. Creditors may also request an Order for Questioning, which requires the debtor to attend court and provide detailed information about their financial position. This information may also be used in decisions regarding enforcement measures.[107]

Debtors may also engage with creditors to discuss payment arrangements. The debtor may apply to vary the terms of the judgment, such as the payment schedule, by submitting an N245 application to the court (for which they may be required to pay a fee). If the application is unsuccessful, the court will determine the payment terms the debtor must meet. [108]

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[106] *Registry Trust Ltd, 2025 Annual Statsbook.*

[107] *Spencer, 'How to Serve and Enforce a County Court Judgment - Roythornes Solicitors'.*

[108] *HM Government, 'County Court Judgments for Debt - Pay the Judgment - If You Do Owe the Money'.*

PHASE 3: Registry Trust: where we fit in.

What is Registry Trust?

Registry Trust, established in 1985, is the organisation responsible for maintaining and operating the Registry of Judgments, Orders and Fines on behalf of the Ministry of Justice. The Register contains a record of every CCJ currently registered in England and Wales, as well as fines registered by Local Justice Areas, administration orders, High Court money judgments, Tribunal Awards, and specific child support liability orders.

Registry Trust is responsible for ensuring that the Register remains an accurate and up-to-date reflection of court records. This involves processing and uploading data received from the county courts on a daily basis as well as updating records and handling requests to remove judgments. One of Registry Trust's primary functions is to provide public access to the information contained on the Register. Members of the public can search the Register for CCJs taken out against any person or company, including themselves, for a fee. The Register can be accessed via Registry Trust's online service, TrustOnline. Over 100,000 consumers have used the Register to run background checks on themselves, their customers, or their suppliers. Searches of the Register do not leave a footprint.

One of Registry Trust's other primary functions is to share its CCJ data with bulk data customers, such as Credit Reference Agencies (CRAs), under licence. CRAs incorporate CCJs when compiling an individual's or a business's credit report, which is, in turn, used by credit providers, mortgage lenders and landlords when assessing that agent's creditworthiness.

Registry Trust data is used in over 200 million lending decisions every year.

Registry Trust itself does not have authority to alter or remove CCJs from its records. However, it does assist with resolving disputes relating to CCJ information with the relevant court services. Registry Trust will then ensure that information is updated accordingly. It also provides customer service support to individuals and businesses with queries about judgments on the public Register.

Finally, Registry Trust provides analysis and insight on data from the public Register and combines it with other datasets to help improve understanding of indebtedness across the UK. The Register serves as a trusted, impartial source of information, placing no judgment or interpretation on the contents. As a not-for-profit company, Registry Trust's mission is to use and share this 'public data for public good'.

In keeping with this mission, Registry Trust works closely with the MoJ, HMCTS and other stakeholders to look for ways to constantly improve the information held on the Register so that it enables access to justice for both claimants and defendants and is an instrument for greater financial inclusion.

Registry Trust's legal status

Registry Trust is a not-for-profit company limited by guarantee. It is not a government entity, though it does operate under contract with the state, specifically the Ministry of Justice. Its responsibility for maintaining the register is a statutory obligation.

This role was created by the Lord Chancellor's Department (predecessor to the Ministry of Justice) in 1986, shortly after Registry Trust was first established. Before this, responsibility for maintaining the Register belonged to the Department.

The Register itself is statutory. Its predecessor, the Register for County Court Judgments, was established by Parliament in 1852, before being expanded twice - in 1993 and 1998 - to incorporate data on administration orders and child support liability orders respectively. In 2006, the Register for County Court Judgments was formally superseded by the Register of Judgments, Orders and Fines for which Registry Trust is now responsible. The Register's existence is mandated by law, specifically, the Register of Judgments, Orders and Fines Regulations 2005 (and relevant amendments), introduced under Section 98 of the Courts Act 2003.

Registry Trust therefore differs from commercial credit bureaus – rather than storing judgment data for purely commercial purposes (although it does supply data to credit reference agencies), Registry Trust acts as a statutory custodian of this information.

How is Registry Trust Regulated?

The 2005 Register of Judgments, Orders and Fines Regulations not only mandate the existence of The Register but also contain requirements regarding how judgment information is recorded. Registry Trust's operations with respect to the Register are therefore also subject to these regulations. It is regulated in its capacity as keeper of the Register, under contract with the MoJ, and not as a commercial CRA. It does not provide any products or services governed by the Consumer Credit Act, although its dataset is closely linked to services which are (i.e. the activities of commercial lenders). Registry Trust is, however, subject to general UK data protection law and to the oversight of the Information Commissioner as a data controller.

The data entry process

Registry Trust receives a data feed overnight from HMCTS that contains all judgment data from the previous day (including new judgment registrations, notices of satisfaction, cancellations and setting-asides) for a range of monetary judgments, including County Court Judgments, High Court Judgments, Tribunal Awards, and Administration Orders. Registry Trust categorises judgments into individual, unincorporated and corporate, which allows data to be provided to the relevant third parties.

Registry Trust checks every record received before it is formally added to the Register. Any records that arrive with insufficient information are referred back to the original claimant via HMCTS for correction. New and updated judgments are exported to TrustOnline every day and are available publicly from around 5 p.m.

It is currently not a requirement for company numbers to be included in judgment records. This can lead to misplaced judgments. Registry Trust is making the case to the MoJ for adding company numbers for incorporated businesses to support more effective matching of commercial judgments to credit reports.

For judgments against individuals, it is estimated that between 50% to 60% include date of birth. Relying on name alone can lead to judgments being misassigned in credit reports.

Registry Trust receives queries from individuals and businesses who believe that judgments have been incorrectly assigned to their credit profile which could have been avoided by the inclusion of date of birth and company number respectively.

Registry Trust does not have the authority to alter or amend judgment information directly but will assist customers to access the relevant court services to resolve their issue.

PHASE 4: Post-judgment – enforcement, settlement, non-payment options

After a judgment is issued, the debtor is legally obligated to pay the full amount ordered by the court. However, recovery is not always straightforward. Several options are available to the claimant for recovering a debt, with varying degrees of appropriateness and likelihood of success depending on the circumstances of each case. Options also vary depending on whether the defendant is an individual or a business.

Where the defendant is an individual

If an individual debtor does not pay, or agree on a plan to repay, a debt following a CCJ, a creditor has access to the following options:

1. Warrant/Writ of control

The relevant court instructs either County Court bailiffs (for a warrant) or High Court Enforcement Officers (HCEOs) (for a writ) to seize control of the defendant's goods if payment is not made within seven 'clear' days (days not including Sundays or bank holidays) of a CCJ being issued.[109]

From the 1st of May 2026, new legislation, called the Taking Control of Goods (Miscellaneous Amendments) Regulations 2026, will increase this mandatory period from seven to fourteen clear days in every case, and up to 28 days if requested by a debt advisor for non-business debts.[110] These reforms were announced in June 2025, as the outcome of a government consultation on the existing Taking Control of Goods Regulations.[111]

County Court bailiffs are used to enforce debts of under £600, whereas HCEOs enforce debts of between £600 and £5,000. Applications to the High Court are made by issuing a High Court Writ of Control. Debtors are not notified when their creditor applies for a writ.[112]

If a debt is not paid within the time window allocated, bailiffs will identify goods in the defendant's home or business premises (if they are self-employed) that can be removed and sold to make up the value of the debt, providing the debt remains unpaid. This is known as a controlled goods agreement. Debtors are generally allowed to retain ownership of goods, provided they agree to and abide by a repayment plan. Missing a single instalment of a payment plan gives bailiffs the right to return to the home and remove goods. In other cases, goods may be removed and sold immediately. This usually happens if a large item (like a vehicle) is identified, which would pay off the debt immediately, or if it is suspected that a defendant might remove or sell goods before the debt is repaid. Vehicles can be clamped to prevent them from being removed.

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[109] *National Debtline, 'High Court Enforcement'.*

[110] *Legislation.gov.uk, 'The Taking Control of Goods (Miscellaneous Amendments) Regulations 2026'.*

[111] *HM Government, 'Taking Control of Goods Regulations Consultation Response'.*

[112] *National Debtline, 'High Court Enforcement'.*

Creditors cannot enforce a judgment by way of a warrant or writ of control where debts are regulated by the Consumer Credit Act 1974 (personal loans, credit card debt, etc.).[113]

The success rate of this method depends on the debtor possessing assets of a sufficient value to cover the debt. If the total asset value is less than the sum of the debt owed, the difference is transferred back to the creditor for further handling. This is a relatively common occurrence.[114] If bailiffs fail to recover much, or any, of the outstanding debt value via a controlled goods order, the bailiff's full costs must be covered by the creditor. Otherwise, costs are deducted from the total sale of goods.[115]

Creditors generally report that enforcement via HCEOs is preferable to enforcement via county court bailiffs. The main reasons cited for this are underfunding and excessive backlog in the latter system, rendering it slow and ineffective. A CJC report finds that many creditors experience a 'lack of progress in updates and recoveries' and a 'low return on investment' when relying on county court bailiffs. HCEOs, by contrast, were seen as the most effective means of enforcing a debt as they require engagement from the debtor, which was viewed as positively affecting the overall likelihood of recovery. The industry average for the proportion of cleared writs of control that were paid in full was 19.5%.[116]

However, debt advice charities warn that both writs and warrants of control – particularly when used as the first method of attempted enforcement – are often highly detrimental to a debtor, both financially and psychologically. HCEOs in particular are regarded as more intrusive and as having less regard for the debtor. [117]

HCEOs are appointed by the Ministry of Justice, and minimum standards of behaviour are set out under the High Court Enforcement Officers Regulations 2004.[118] [119] HCEOs are also required to become members of the High Court Enforcement Officers Association, which offers its own Code of Best Practice to expand on statutory regulation. The Code concerns matters such as standards of professional conduct, the proportionality of enforcement action, training and complaints handling.[120] Though HCEOs are technically 'officers of the court', many act via private enforcement firms. Industry self-regulation is carried out through the Enforcement Conduct Board, of

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113 *StepChange, 'High Court Enforcement Officers. Free Advice'.*

114 *Conway, 'Civil Law: Debt Enforcement'.*

115 *HRJ Foreman Laws Solicitors, Enforcement Options: Which One Is Best?*

116 *High Court Enforcement Group, '2024 Enforcement Statistics and HCE Group's Strong Performance'.*

117 *Civil Justice Council, CJC Report on Civil Enforcement.*

118 *Legislation.gov.uk. 'The High Court Enforcement Officers Regulations 2004.'*

119 *Sheldon, 'What Is High Court Enforcement?'*

120 *High Court Enforcement Officers Association, 'High Court Enforcement Officers - Best Practice 2021'.*

which HCEOs may choose to become members. The Conduct Board aims to improve fair treatment of customers subject to enforcement action. A consultation on additional standards seeking to improve the treatment of vulnerable customers and increase the use of sustainable payment options for those in payment difficulty finished in October 2025.[121] There is currently no independent statutory regulator for HCEOs.

2. Attachment of Earnings Order:

Payments towards an outstanding debt are deducted from a defendant's wages. This method must be initiated by the County Court, although proceedings may be transferred from the High Court to the County Court for the purposes of receiving an AEO. Interest must not accrue on debts with an AEO attached, except in cases where the defendant has failed to pay anything following the issue of a CCJ. AEOs are inexpensive and easy to apply for through the county courts, and the creditor does not have to rely on the debtor to make payments, as deductions are made automatically by their employer. Courts may refuse to issue an AEO where a debtor has multiple creditors and their debts total less than £5,000; in such cases, an administration order may be issued instead (see section titled 'What options are available to an individual or a business with a judgment against them?'). If a debtor has several unpaid CCJs, they may also apply to the court for a consolidated AEO, which results in a single monthly payment being deducted from their wages.

This method, however, has certain disadvantages for the creditor: first, debts with an AEO attached can take a long time to recover. Secondly, AEOs prevent the use of other modes of debt enforcement from being used simultaneously.[122] For debtors, debt advice charities have noted the importance of limiting the amount of money deducted each month to avoid endangering a debtor's financial situation.[123]

3. A charging order:

The court secures the judgment debt against the defendant's property or land. Importantly, registering a charge does not automatically result in the sale of the asset; it simply provides the creditor with security rather than immediate repayment.[124] Charging orders are generally considered effective for dealing with large debts, provided sufficient equity is held in the property. However, they must typically be used in conjunction with other debt recovery methods to secure repayment. If the creditor wishes to compel the sale of the property, they must make a separate application for an order for sale. Even where an order for sale is granted, the proceeds may not be

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[121] *Enforcement Conduct Board, Vulnerability and Ability to Pay Standards.*

[122] *Conway, 'Civil Law: Debt Enforcement'.*

[123] *Civil Justice Council, CJC Report on Civil Enforcement.*

[124] *Conway, 'Civil Law: Debt Enforcement'.*

sufficient to settle the debt if prior charges are registered against the same property.[125]

4. Third Party Debt Order:

Enables the court to freeze the defendant's bank account and determine whether these funds can be used to satisfy the judgment.[126] [127] This mechanism is generally affordable for creditors and effective when the debtor has savings or accessible balances. It cannot be applied to joint bank accounts unless every account holder is also jointly liable for the judgment debt.[128] One disadvantage of this method for a creditor is that it requires information about the debtor, which can sometimes be challenging to obtain.[129]

5. Freezing order:

An order made by the courts to prevent a defendant from dealing with their assets, intended to prevent the transfer or sale of assets before a judgment can be enforced. Applications for freezing orders are often made before a judgment is obtained. However, freezing orders can be both expensive and difficult for creditors to obtain, and they can impose extreme restrictions on a debtor's livelihood.[130]

When the defendant is a business

1. Notice of Enforcement:

Much like a warrant or writ of control, a notice of enforcement allows enforcement agents to enter a business premises and take control of valuable assets for resale, to make up the value of an unpaid debt. Just as with an individual debtor, a business debtor will be allowed seven clear days to pay after receiving a notice before enforcement agents are permitted to enter the premises and a Controlled Goods Agreement is signed.[131]

2. Statutory Demand:

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[125] *HRJ Foreman Laws Solicitors, Enforcement Options: Which One Is Best?*

[126] *HM Government, 'Make a Court Claim for Money - Enforce a Judgment'.*

[127] *Ministry of Justice, 'PART 70 – GENERAL RULES ABOUT ENFORCEMENT OF JUDGMENTS AND ORDERS – Civil Procedure Rules'.*

[128] *Conway, 'Civil Law: Debt Enforcement'.*

[129] *Civil Justice Council, CJC Report on Civil Enforcement.*

[130] *Civil Justice Council, CJC Report on Civil Enforcement.*

[131] *Opus Business Rescue, Dealing with Creditor Enforcement Action against Your Business.*

A formal demand that an unresolved debt, which has already been proven, usually by the issue of a CCJ, must be paid in full within 21 days. Failure to pay within this period grants the creditor permission to issue a Winding Up Petition against the company.

3. Winding Up Petition:

A Winding Up Petition, once ordered, means that a defendant's bank accounts will be frozen and all trading must cease, unless the business owner seeks explicit permission to continue trading via a Validation Order from the courts. A petition will be heard in court within approximately 8-10 weeks, and if granted, the company will be forced into liquidation.[132]

Issues commonly cited by creditors seeking to enforce a judgment

A recent Civil Justice Council review of enforcement practices indicates that, among non-bulk claimants, there is a widespread perception that the current enforcement framework is unduly complex and generally ineffective. Several major concerns are highlighted:

- Long court delays;
- Lack of court resources, in particular regarding County Court bailiffs
- Lack of communication about the progress of enforcement proceedings;
- Lack of detailed information regarding the debtor's financial circumstances. Creditors often wasted unnecessary time and money seeking accurate information about a debtor's financial position to establish which enforcement methods to use. It was noted that raising questions under Section 71 of the Civil Procedure Rules, which requires the debtor to appear in court to answer questions about their financials, rarely increased the likelihood of a successful outcome.
- Lack of engagement from debtors. Stakeholders across the enforcement landscape recognise that improved communication between parties is fundamental to creating a more efficient system. Such communication should begin before proceedings are issued, primarily through adherence to the Pre-Action Protocol (PAP) for debt claims. The Civil Justice Council has proposed that HMCTS gather data to monitor the extent to which the PAP is being used. Better insight into current usage would support future reforms aimed at strengthening engagement.

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[132] *Opus Business Rescue, Dealing with Creditor Enforcement Action against Your Business.*

Evidence from the debt advice sector also indicates that aspects of current debt collection practices, including the tone and wording of communications, can deter individuals from engaging. It is therefore essential that creditor communications encourage help-seeking and informed decision-making. StepChange reports that many people experiencing financial difficulty avoid contacting creditors because they believe it will not benefit them and may negatively affect their credit rating.[133]

Collectively, these issues contribute to the view that the enforcement process does not consistently support straightforward or proportionate resolution for individual claimants. Among the enforcement methods available, however, charging orders, writs, and warrants of control were regarded as most effective.

Feedback from interviews carried out by Registry Trust with CCUA members affirms these findings. Respondents noted a variable success rate of enforcement of between 40% and 80%, with success depending significantly on the enforcement method. Two of seven respondents made specific mention of charging orders as a particularly effective mechanism, with a success rate of around 80%. Preferred enforcement mechanisms varied, although charging orders followed by writs of control were the most popular. Writs were viewed as more effective than warrants (one respondent reported a success rate of 28% vs 22% in achieving full payment, respectively).

What options are available to an individual or a business with a judgment against them?

Both individuals and businesses have several options upon receiving a judgment. All debtors have access to the following three options:

- Pay the debt within 30 days. Doing so means that the CCJ will not be registered, and there will be no adverse consequence for either the debtor's credit rating.
- Pay the debt after 30 days. Paying after 30 days does not prevent registration, but marks the judgment as 'satisfied' on the debtor's credit record.
- Applying to have the judgment 'set aside'.

Under specific circumstances, a defendant can apply to have a judgment set aside, meaning it will be permanently removed from their credit record. There are two types of setting aside:

Mandatory setting aside:

[133] *Civil Justice Council, CJC Report on Civil Enforcement.*

If the claim has been filed in error (i.e. the money is not owed), the defendant can request that a default judgment be set aside. To do this, a defendant must fill in the application notice (N244) and send it to the court. This requires a court fee of £313 and a private hearing at court to explain why the money is not owed. This fee is reduced to £123 if the application is made by consent (the claimant agrees to the setting aside). A judgment may be set aside if an order was made in the debtor's absence, the debtor was not given sufficient opportunity to put in a defence, or if proceedings did not follow the rules of the court. A default judgment must also be set aside if there has been an error in the proceedings, for example, if either an acknowledgement of service, a defence form, or a reply for requesting more time to pay was put in within the time limit.[134]

Discretionary setting aside:

A court may decide to honour a defendant's request to have a judgment set aside even if the defendant has failed to respond to the claim within the allocated time period. Courts may choose to do this if:

- The court believes the defendant to have a strong chance of winning the claim;
- There is some good reason as to why the judgment should be set aside in the eyes of the court.

There is no time limit for making an application for a discretionary setting aside, but the courts will take into consideration whether a defendant made their application 'promptly'[135].

However, in some cases, the fees required to make an application may exceed the value of a judgment itself, especially in cases against individuals – in 2025, the most common value of a new consumer judgment was £283, with 45% of judgments issued for sums below £500.[136]

The application fee also still applies in cases where the judgment is alleged to be fraudulent. In instances of non-service (where the debtor never received notice of the judgment, and was therefore given no opportunity to defend themselves), the full fee also applies. The Civil Justice Council has recommended that, in these latter cases, the application fee should be reduced to the same level as in applications made by consent.[137]

[134] *National Debtline, 'Setting aside a CCJ: What It Means and How To Do It'.*

[135] *National Debtline, 'Setting aside a CCJ: What It Means and How To Do It'.*

[136] *Registry Trust Ltd, 2025 Annual Statsbook.*

[137] *Civil Justice Council, CJC Report on Civil Enforcement.*

Other options are specific to debtor type (i.e. whether the debtor is an individual or a business). For individuals, many of the same options are available post-judgment as pre-judgment – for example, Breathing Space, Debt Management Plans, Individual Voluntary Agreements, and Debt Relief Orders (see section titled 'What options are available to individuals in arrears?') can all be put in place after a judgment has already been issued to aid in the repayment of debts. In addition, debtors also have access to the following relief options following the issue of a judgment:

- Request an Instalment Order. An Instalment Order constitutes a formal request to pay a debt in affordable stages, rather than outright.
- Redetermination. A request to vary agreed-upon instalments can be filed by completing an N245 application (if the payment plan was set by the creditor) or an N244 (if the payment plan was set by the court). This request is then sent to the creditor for approval. If they disagree, the court decides on a payment plan and writes to the debtor to inform them of the decision. If a court officer decided the original payment, a District Judge will review the case and determine the new rate of payment. This usually happens without a hearing.[138]
- Administration order. Administration orders may be used once a CCJ has been issued, which cannot be paid in full and must therefore be paid monthly. Only debts of under £5,000 are eligible, and money must be owed to at least two creditors. To apply, a debtor must fill out an N92 form and return it to the court. The court will then decide how much of the debt should be repaid, the size of the monthly instalments and how long the arrangement will last. A court fee of no more than 10% of the value of the debt will be charged each time a payment is made. Failure to meet payments can result in an Attachment of Earnings Order (see below). AEOs are registered on the Register of Judgments, Orders and Fines, are removed after six years, and are marked as satisfied once paid, like CCJs.[139]
- Variation. A request to alter a payment plan if a debtor's circumstances change. Applications for variation require a £15 court fee.
- Token payments. If the debtor lacks sufficient funds to pay the debt ordered by the CCJ, they may offer a token payment of as little as £1 to signal an intent to repay and help prevent further escalation. Creditors are expected to honour token payments as part of adequate forbearance, but are not obligated to do so.[140]

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[138] *StepChange, 'What If I Don't Know How to Pay a CCJ?'*

[139] *HM Government, 'Options for Dealing with Your Debts - Administration Orders'.*

[140] *StepChange, 'What If I Don't Know How to Pay a CCJ?'*

The options available to business debtors differ from those available to individuals. They are:

- Entry into a Company Voluntary Arrangement (CVA). CVAs are legally binding agreements between an insolvent or contingently insolvent company and its creditors outlining how the company's debts will be handled. Agreements will involve either partial or full repayment of debts, depending on what the business can afford. At least 75% of the company's creditors must agree to the terms of the CVA, but if approved, the CVA binds all creditors regardless of how they voted. CVAs allow a company's directors to retain control of the company, and the company is allowed to continue trading. Having a CVA agreed also means that no further interest is allowed to accrue on a company's previous debts and that no further enforcement action may be taken while the agreement is in place. CVAs therefore provide a means for business owners facing payment difficulties to avoid liquidation.[141]
- Members' Voluntary Liquidation (MVL). An MVL may be used when an indebted company remains solvent and can meet its liabilities in full. The process requires the appointment of a licensed Insolvency Practitioner, who is responsible for submitting any necessary documentation, finalising any VAT obligations, and arranging for the company's removal from the Companies House register. Once a statutory one-month period has elapsed, the liquidator distributes the remaining surplus to shareholders. Although the MVL is publicly recorded, it is not treated as an insolvency procedure and therefore does not hurt the company's credit standing.
- Creditors' Voluntary Liquidation (CVL). A CVL is used where the company is insolvent. The directors initiate the winding-up process, after which shareholders pass a resolution to proceed with voluntary liquidation. A licensed insolvency practitioner is appointed as liquidator, who is responsible for realising the company's assets, adjudicating creditors' claims and conducting an examination into the company's affairs and the conduct of its directors. A meeting of creditors must then be convened to review the company's financial position. If creditors nominate an alternative liquidator to the one proposed by shareholders, the creditors' choice will generally take precedence.
- Closure via Administrative Dissolution. Administrative dissolution provides a lower-cost option for closing a company that is unable to fund liquidation costs. The process utilises the provisions of Sections 1003 - 1008 of the Companies Act 2006, allowing the company to apply for removal from the Register. Costs typically begin at approximately £250. The key advantages of this method for an

[141] *Westoby, 'Options Now That Your Company Has a County Court Judgement'.*

indebted business include an immediate commencement of the closure process, no requirement for a formal creditor's meeting, significantly lower costs than a liquidation, and fewer intrusive interventions compared to a formal insolvency procedure. Administrative dissolution also allows directions to retain complete control of the process without deferring to either creditors or an appointed liquidator.

- Business Continuation via Pre-Pack Administration. A pre-packaged administration, or 'pre-pack', may be employed where a business remains viable but is currently experiencing financial distress. Under this approach, directors establish a new company and purchase all viable assets of the existing entity as it enters administration. Remaining assets are sold by the administrator, and the proceeds are used to satisfy the claims of priority creditors.[142]

PHASE 5 – Understanding the Impact of a Judgment: How is Judgment Data used, for what, and by whom?

Section 1: Users of judgment data

1. CRAs and CISPs

Credit Reference Agencies (CRAs) and Credit Information Service Providers (CISPs) are some of the largest users of judgment data.

CRAs use data on judgments, as well as other credit-related incidents, to calculate a business or individual's credit score based on estimated creditworthiness – data which is then passed on to lenders and other entities. Registered CCJs result in a significant decline in an individual's credit score.[143]

CISPs use judgment data alongside other data sources and provide a wider range of credit-related services beyond traditional credit reporting, including risk assessment tools and data analytics and insights to support access to credit.

This report focuses specifically on the way judgment data is used by CRAs.

The exact impact of a CCJ on an entity's credit score is left up to the commercial discretion of the CRA. There is no law determining the precise weighting of a CCJ. Each

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[142] *Westoby, 'Options Now That Your Company Has a County Court Judgement'.*

[143] *UK Debt Expert, 'How Much Will My Credit Score Go up When a CCJ Is Removed?'*

CRA uses its own algorithm to determine creditworthiness based on a range of credit data, including CCJs. For this reason, lenders and other users of CRA data are free to apply their own weightings/interpretations of CCJ data when making lending decisions.[144] CRAs, for example, typically do not distinguish CCJs by value when calculating a credit score. However, the value of judgment is also included in the information passed from CRAs to lenders, who are far more likely to make a distinction on this basis. Lenders are not given access to a CRA's actual score.

Experian states that the two most important factors in determining an individual's credit score are payment history and current level of outstanding debt. Information on payment history and other credit incidents (including CCJs) is generally held on a report for six years, but the most recent 12 months are prioritised in credit score calculations. Missed payments have a limited impact on the overall score after this period has lapsed. Experts at Experian deemed CCJs a 'significant risk signifier' for lenders in their decisions to supply credit. However, they confirmed that the negative impact of a CCJ on credit scores declines over time, likely by a handful of points each year, until its removal. Having the judgment satisfied also slightly reduces its negative impact on the overall score.

Experian scores creditworthiness out of 999. A new CCJ deducts up to 250 points from the total. The total deducted when a CCJ is issued will depend on other factors, such as an existing credit history. This compares to the following credit incidents:

- Three recent applications for credit (-50 points);
- Having any arrears in the last six months, no longer outstanding (-70 points);
- Having an average age of all current credit agreements of less than 18 months (-75 points);
- A recent missed payment, still outstanding (-130 points);
- An account default (-350 points).

If a second judgment is issued within a similar space of time, its impact on a credit score is likely to be substantially lower than the first judgment.

CRAs are regulated by the FCA,[145] specifically CONC 8.10,[146] and must now abide by the FCA's Consumer Duty, which came into effect in July 2024. The FCA notes several concerns regarding CRA practice that the Consumer Duty is specifically intended to resolve. For example, the process of raising a dispute or complaint regarding an

[144] *House of Commons Treasury Committee, Credit Searches - Third Report of Session 2009–10.*

[145] *FCA, 'Credit Rating Agencies'.*

[146] *FCA, 'FCA Handbook'.*

individual or business's credit rating can be obtuse and difficult to navigate in certain instances, with consumers sometimes having their complaints transferred between CRAs, CISPs, and lenders without resolution. Secondly, the FCA also notes instances of inadequate correlation between the price of a service provided by a CRA (for example, credit repair or credit builder subscriptions) and the value of that service to consumers. Under the Consumer Duty, firms must now consistently monitor the value of the products and services they offer and provide evidence to the FCA if needed.

In 2019, the FCA launched a review of the sector titled the Credit Information Market Study (CIMS). An interim report of the review's main findings was published in 2022. The FCA found that, in general, the UK's credit information sector compared favourably to other countries in terms of depth and coverage of credit information, as well as the range of products and services available. 90% of UK adults surveyed reported awareness of credit information and credit scores. However, there were also several major issues identified in the market:

- Major discrepancies in the credit information held on individuals across the three major CRAs (Experian, Equifax, TransUnion). This includes information highly pertinent to lending decisions: for example, among individuals with a default recorded with one major CRA, only about one-third have this information consistently recorded across all three major CRAs.
- There is inherent difficulty in matching new credit information to individuals without a unique personal identifier, and
- firms often end up with duplicate files for the same individual.
- Weak incentives for CRAs to demand higher quality data, as doing so raises costs for data contributors. If the data contributor is also a customer of the CRA, they may switch to another provider to avoid price rises. If they are not, they may simply stop providing data.
- These combined have the potential to lead to market failures: the oversupply of credit to individuals whose risk is understated, and undersupply to those whose risk is overstated.
- Market concentration in just three leading firms, which limits positive disruption. High barriers to entry for new firms, including a lack of access to historical credit information, which firms require to conduct accurate assessments.
- Low understanding of credit information and its uses among consumers. Difficulties for individuals in accessing their credit information and in raising disputes.[147]

[147] *FCA, Credit Information Market Study Interim Report and Discussion Paper.*

Experts at Experian also reported that, while most larger lenders do typically share data across all three major ratings agencies, smaller firms – including buy-now-pay-later firms and smaller debt collections agencies – are more likely to share with only one firm. This is mainly due to the significant costs associated with sharing data with all three major firms. They estimated that around 90-95% of the data held between firms would be the same, though, as noted above, the 2019 FCA report did find evidence of significant discrepancies.

A final report was published in 2023, outlining a series of proposed industry-led remedies to address the issues outlined above. The main themes of these reforms include:

- Improving quality, coverage and consistency of credit information. Harmonise data reporting, encourage contributors to share information.
- Improving consumer engagement with credit information by making it easier for consumers to access data, understand what is held and dispute mistakes.
- Increasing competition in the sector by lowering barriers to entry and making it easier to switch between CRAs.
- Reform of industry governance measures to enhance transparency and accountability, via the establishment of a new industry governance body, the Credit Reporting Governance Body (CRGB), designed to oversee implementation and enforcement of these standards. The CRGB's main roles are intended to be: policing data-sharing and quality rules; supporting stakeholders with education; supporting innovation and competition in the sector; and contributing to enhanced financial inclusion.[148]

An Interim Working Group (IWG), comprising representatives from industry and consumer bodies, was established following the publication of the report to produce recommendations on the design and implementation of the CRGB. The CRGB has now been established as an industry-led, self-regulatory body, replacing the Steering Committee on Reciprocity.[149]

2. Consumer credit

Lenders use data supplied by CRAs to guide decisions about whether to lend and on what terms. This is true for both individual and business customers. They also make decisions based on the information on an agent's application form, which helps determine affordability (including income, average outgoings, dependants, etc.), and

[148] *FCA, Report 1: What the Credit Reporting Governance Body Should Do.*

[149] *FCA, 'MS19/1'.*

on their own records if the agent has already banked with them. Lenders create their own credit scores based on these three sources of information. This score is not accessible to the prospective debtor. Applications will typically be accepted if a debtor scores over a lender's pre-determined 'pass mark'. Lenders are legally required to award at least 51% of customers their advertised credit rate.

A 2017 report by the FCA found that 63% of lenders in its research sample had policy rules in place regarding CCJs. This was relative to 50% who had rules regarding general credit history and 39% who had rules regarding relative income. Of 22 factors examined in the report, CCJs ranked highest (behind bankruptcy, IVAs, and age) in terms of the proportion of organisations with policy rules in place regarding them. Of all organisations sampled in the study:

- 14% had a policy to decline credit automatically;
- 36% had a policy to consider lending depending on the characteristics of the CCJ (number of CCJs, time since issue, status, value of the relevant debt);
- 13% had a policy to review on a case-by-case basis;
- 13% did not take any account of CCJs at all in determining lending decisions.

The pattern was found to be broadly similar regarding CCJs as other credit-related incidents like IVAs or DROs. In terms of their overall importance in decisions to lend, CCJs ranked 12th out of 20 variables considered highly important in assessments of a borrower's creditworthiness.[150]

Specific policies regarding the impact of a CCJ's age, value and status vary by company, and aggregate industry-wide data is lacking. However, in the majority of cases, these factors will impact how CCJs are treated in lending decisions. The impact of a CCJ may gradually decrease over time if it is being paid off as agreed and other credit is responsibly handled.[151] [152] [153]

According to the FCA's 2015 Credit Card Market Study, perceived credit risk (which may be affected by CCJs, alongside a host of other factors) in the provision of credit cards is managed primarily through credit limits rather than interest rates.[154]

Again, lenders themselves do not have access to an individual's actual credit score - although they can see a CCJ on record -even when conducting a soft credit check.[155]

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150 *FCA, 'Assessing Creditworthiness in Consumer Credit'.*

151 *carringtondean.com, 'What Happens to an Unpaid CCJ after 6 Years?'*

152 *vanquis.com, 'What Is a CCJ?'*

153 *lendingstream.co.uk, 'Will A Satisfied CCJ Affect My Credit?'*

154 *FCA, 'Interest Rates and Risk-Based Credit Limits in the UK Credit Card Market'.*

155 *loqbox.com, 'How Much Does A CCJ Affect Your Credit File?'*

3. Mortgage lenders

Mortgage lenders may also consider judgment data when deciding whether, and on what terms, to supply individuals with a mortgage. Most sources agree that the size, timing and status of a CCJ are likely to determine whether a mortgage application will be accepted. Guidance from Essential Mortgages suggests that most mainstream lenders are cautious about lending to those with a recent CCJ (six-12 months). However, specialist lenders may be more willing to lend, taking into account factors such as the CCJ's size and status (whether it is satisfied). Some mortgage lenders will only lend if the CCJ has been satisfied (paid off) for more than 12 months. Unsatisfied CCJs that are less than three years old are most likely to lead to rejections.

From 0-three years: CCJs typically need to be satisfied for mainstream lenders to consider an application. Specialist services are available, possibly at higher rates. Over 50 UK lenders will currently consider CCJs registered in the last three years. [156]

From three to six years: mainstream lenders may still reject an application if a CCJ is unsatisfied, although more are beginning to allow judgments over three years old. If satisfied and over three years old, it becomes easier to get a mortgage and access more competitive rates.

A number of specialist lenders consider applicants with more recent or unsatisfied CCJs.[157]

Having a larger deposit may also increase the willingness of mortgage providers to lend within the first 12 months of a CCJ. [158]

The impact of a CCJ on mortgage access may not be as severe as recipients expect. A 2019 report by Pepper Money finds that consumers tend to overestimate the impact of a CCJ on mortgage access. 93% were found not to know that it is possible to get a mortgage with a CCJ registered as recently as six months ago. 25% of those who had experienced an adverse credit incident over the last three years believed they had to wait more than five years after a CCJ before applying for a mortgage. In reality, around 95% of those with adverse credit (though not specifically limited to those with CCJs) did have a mortgage accepted the first time they applied.[159] However, the fact remains that those seeking a mortgage shortly after the receipt of an unsatisfied CCJ are more likely to be subject to less favourable terms. [160]

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[156] *Online Mortgage Advisor, Can You Get a Mortgage with a CCJ?*

[157] *Essential Mortgages, 'Can You Get a Mortgage with CCJs?'*

[158] *Online Mortgage Advisor, Can You Get a Mortgage with a CCJ?*

[159] *Pepper Money, Adverse Credit Study - An in-Depth Look at Adverse Credit and Its Impact.*

[160] *Online Mortgage Advisor, Can You Get a Mortgage with a CCJ?*

4. Landlords

CCJ data is also frequently used by landlords and reference agencies acting on their behalf. In particular, CCJs may be impactful in the automated 'express checks' conducted by reference agencies. However, the presence of a CCJ is often not the end of an application – landlord discretion is important, as are factors such as whether the CCJ was disclosed. As in credit and mortgage lending, specific insights into the circumstances of the relevant debt, its value and repayment status, as well as other credit history indicators, are likely to guide decision making, although aggregate industry-level data on the importance of these factors is not available.

5. Employers

Employers in certain sectors conduct credit checks on prospective employees and may consider the presence of a CCJ in their hiring decisions.[161] Jobs in banking or finance, or roles involving budget oversight or client fund management, are most likely to be affected. Other sectors requiring a high degree of trustworthiness, such as government, security or legal, may also consider CCJs as a potential risk factor.[162]

Impact of a judgment on the debtor

CCJ can have significant and long-lasting financial consequences for individuals.[163] [164] Once registered, a CCJ is entered into an individual's credit file. Unless paid off within the first 30 days of receipt, a CCJ remains on file for six years, regardless of whether the debt is paid off later. However, judgments which have been paid, which are marked as 'satisfied', may have a lesser impact overall on an individual's overall credit rating.[165] During the period in which the CCJ remains on file, however, recipients may face substantial constraints in accessing financial and other essential services.[166]

Evidence points to a correlation between CCJs and subsequent engagement in subprime lending, as CCJ recipients turn to high-cost, non-prime markets after being excluded from mainstream lending options. [167] [168] [169]

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[161] *Experian. 'Employment and Credit Checks'.*

[162] *Debt Advisory Services. 'Can a CCJ affect my job or career in the UK? (A guide for 2025).'*

[163] *Registry Trust Ltd, Written Evidence Submitted by Registry Trust Ltd (RTL).*

[164] *Registry Trust Ltd, 'Ultimate Guide to County Court Judgments (CCJs)'.*

[165] *loqbox.com, 'How Much Does A CCJ Affect Your Credit File?'*

[166] *118 118 Money, 'Navigating the Maze'.*

[167] *Burton et al., 'Making a Market'.*

[168] *Alan and Lóránth, An Empirical Analysis of Subprime Consumer Credit Demand.*

[169] *Magrini and Sells, An Uneven Recovery? How Covid-Debt and Covid-Saving Will Shape Post-Pandemic Cities.*

A 2023 review conducted by LexisNexis highlights the pattern of reliance on expensive, non-mainstream credit among judgment recipients, with concerns that borrowers may enter or remain trapped in cycles of unaffordable debt.[170] More broadly, national YouGov polling suggests that adverse credit histories, including but not limited to CCJs, continue to act as a barrier to accessing credit, with around 17% of adults reporting refusals on this basis.[171]

A second survey conducted by Ipsos on behalf of the Money and Pensions Service found similar results - 19% of respondents reported having an application for consumer credit (not including mortgages) declined within the last 12 months. The most frequent (38%) reason given for rejections was 'poor credit history'.[172]

Analysis by the Centre for Social Justice of credit risk scores also indicates that individuals with CCJs are disproportionately represented among high-cost credit users. Nearly half of borrowers with low affordability scores, many of whom had an existing CCJ, were already heavily indebted when they took out additional high-cost credit in 2022/23, underscoring the heightened financial vulnerability associated with judgment status.[173]

Recovery after a CCJ

How long do the negative consequences of a CCJ last?

A CCJ remains on file for six years after it is first registered. For as long as it remains on file, a CCJ will negatively impact a person or business's credit score. However, CRAs do differentiate between satisfied and unsatisfied CCJs, and the impact of a CCJ may gradually decrease over time if it is being paid off as agreed and other credit is responsibly handled.[174] [175] [176]

Lenders are also more likely to consider applications from those with older or satisfied CCJs[177], although precise data on industry-wide practice is lacking. The weighting of CCJs in lending decisions, including on how this may vary with judgment age, is a matter of commercial discretion.

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[170] *LexisNexis, 'Cost of Living'.*

[171] *YouGov, 'Which Britons Have Been Refused Credit?'*

[172] *Money and Pensions Service, 'One in Five UK Adults Declined for Credit in a Year'.*

[173] *Centre for Social Justice and centreforsocialjustice.org.uk, Beyond the Tipping Poin - Where after High Cost Credit?*

[174] *carringtondean.com, 'What Happens to an Unpaid CCJ after 6 Years?'*

[175] *vanquis.com, 'What Is a CCJ?'*

[176] *lendingstream.co.uk, 'Will A Satisfied CCJ Affect My Credit?'*

[177] *Citizens Advice, 'County Court Judgments and Your Credit Rating - Overview'.*

Advice on CCJ recovery

Advice on CCJ recovery is available via several non-profit debt advice charities. In general, the best and most effective means of CCJ recovery is payment of the debt, according to the terms outlined by the court order. If payment is made in full within one month, the CCJ is removed entirely. Payment after this point will result in the 'satisfaction' of the judgment – the judgment stays on record but will generally be viewed more favourably by CRAs, lenders, etc. Consumers are advised to check their credit file to ensure that satisfied CCJs are correctly marked as such.[178]

If a CCJ arose due to exceptional circumstances beyond a debtor's control – a job loss, illness, bereavement, etc – the debtor may write a 200-word Notice of Correction to explain the circumstances of the judgment. Lenders must read this before proceeding with an automated lending decision. All applications with a Notice of Correction must be reviewed manually, though this does not guarantee acceptance.[179]

Taking other standard steps to improve credit scores – making regular, on-time payments on credit accounts and utilities, limiting further credit applications, including buy now, pay later agreements – are also advised as ways to gradually rehabilitate a debtor's creditworthiness following a CCJ. Debtors should register on the Electoral Roll if they have not already done so, as a lack of proof of residence can also damage lenders' willingness to lend.[180]

The following can provide a boost to an individual's credit score (point scores shown derive from the Experian rating system):

- Registering on the Electoral Roll (+50 points);
- Having no applications for credit within the last six months (+50 points);
- Having an average age of all credit accounts of >five years (+20 points);
- Open mortgage account over 12 months old (+50 points).

Experian offers an initiative called The Rental Exchange, which helps individuals improve their credit scores by reporting regular rental payments to CRAs. This also provides an alternative route to establishing financial credibility without taking on additional debt.[181]

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178 *Anderson Brookes, 'CCJ Process: Navigating the County Court Judgement Process for UK Businesses'.*

179 *PayPlan, 'How to Use a Notice of Correction'.*

180 *Checkmyfile, 'Will a Satisfied CCJ Affect My Credit?'*

181 *Experian, 'The Rental Exchange Initiative | Consumer Information'.*

Initiatives to improve credit repair and financial resilience following a CCJ

Several notable efforts are currently underway to help individuals improve their financial health following the receipt of a CCJ and regain access to mainstream finance.

In November 2025, the Government published its Financial Inclusion Strategy, a wide-ranging framework aimed at improving financial resilience and removing barriers to financial services, particularly for vulnerable populations like those experiencing mental or physical health challenges or economic abuse. A portion of the framework is explicitly dedicated to addressing problem debt. Remedial initiatives include expanding access to free debt advice by increasing funding for existing debt advice services and establishing a new service dedicated to advising on energy debts. The strategy also includes initiatives to bolster innovation in the debt advice sector, such as online triage systems, to improve the efficacy of service delivery. The plan also outlines the need for urgent reform in the IVA sector.[182]

Registry Trust itself has been making the case for a series of reforms aimed at addressing some of the most pressing issues in the current system of judgment records. One of these reforms would be the registration of partially settled judgments (where a payment lower than the total value of the CCJ is agreed to and paid by the debtor) in addition to judgments which have been fully satisfied. Failure to record partial settlements not only leads to the overstatement of credit risk but also disincentivises individuals from making partial payments, especially if other debts are more urgent.[183]

A second key improvement proposed by Registry Trust relating to the satisfaction of judgments would be to reverse the burden of proof of judgment satisfaction from defendants to claimants, particularly in the case of bulk claimants. Consumer journey evidence shows that people are often unaware of CCJs, or assume satisfactions are automatic, and may face cumbersome processes to get a Certificate of Satisfaction. Unsurprisingly, only an average of about 12% of judgments on the Register are currently marked satisfied. Shifting the responsibility onto bulk claimants could reduce the knowledge and administrative burden placed on debtors, increasing the likelihood that satisfied judgments are correctly recorded and thereby limiting the unnecessary negative impact of outdated CCJs on individuals' credit records.

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[182] *HM Treasury, 'Financial Inclusion Strategy'.*

[183] *High Court Enforcement Group, 'Registry Trust Judgment Initiatives'.*

The FCA is consulting, following its credit information market study, on proposed approaches to implementing FCA remedies, one of which is that regulated firms should mandatorily report the satisfaction of CCJs.[184]

As noted in the report of its 2025 Annual Review, Registry Trust acknowledges work already underway by the Government on Smart Data which may serve to streamline the judgment satisfaction process. A new Smart Data scheme, for example, could create the trust framework for API-enabled communications between claimants, courts and Registry Trust which keeps the courts as the legal authority while removing the manual burden of processing satisfactions. It is important, however, to ensure that greater use of automation and innovative technologies does not come at the expense of data integrity and quality.

A final proposal was to include claimant data on the Register. In England and Wales, individuals must apply to the relevant court for information about the issuer of a judgment, which can sometimes take several weeks. For recipients of a recent CCJ, this process may take them past the 30-day window to repay the judgment in full and have it removed from the Register. This is particularly pressing given long backlogs at the CNBC, with customers often waiting more than 20 days for their queries to be answered.

Other benefits of including claimant data include improved insight for analysts and policymakers into the main sectors responsible for driving changes in the amount and value of CCJs, as well as which types of debt are posing most significant challenges to consumers, better insight into consumer behaviour regarding the prioritisation of debts, and enable regulators to oversee whether companies are adequately following the relevant protocols on treating customers fairly.[185] It would also be possible for lenders to take claimant information into consideration when making a lending decision. For example, a claim for an unpaid parking fine could potentially have less impact on a decision to lend than a judgment for outstanding credit card debt. However, the extent of this material impact remains uncertain, and the date and value of a judgment may continue to matter more.[186] The Government has announced its intention to implement this proposal by making the necessary amendments to the Register of Judgments, Orders and Fines Regulations by secondary legislation (2005).

[184] *FCA, 'CP26/7'.*

[185] *High Court Enforcement Group, 'Registry Trust Judgment Initiatives'.*

[186] *UK Finance, 'Including Claimant Data on the Register of Judgements, Orders and Fines'.*

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