400 Insolvent Scots A Week During 2012, Warns Scottish Debt Solutions Company Trust Deed Scotland

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Recession-bitten Scots are likely to have more misery heaped upon them in 2012 as over 20,000 individuals are predicted to declare insolvency, warns Scottish Debt Solutions Company Trust Deed Scotland.

The group of accounting and business advisory experts, PFK International, have made the dire predictions of 400 insolvent Scots a week following on from a year of little economic growth in 2011, and fear the figures may be even worse by the **end of 2012.**

Corporate recovery partner with PKF, Bryan Jackson, said: "There was a widespread assumption that in 2011 the economy would start to show signs of recovery and that personal insolvency would stabilise, albeit at an extremely high level. However, the fluctuations in the economy, the difficulties in the eurozone and the clear impact of public-sector cuts is increasing the number of Scots facing financial difficulties."

However, it is not just the less well-off sections of society that will be feeling the pinch. More affluent Scots who have traditionally used their homes to generate income by re-mortgaging during lean times are facing real problems as house prices drop and lenders clamp down on their borrowing criteria.

"The dramatic rise in the number of more affluent Scots being made bankrupt is a further sign that the after-effects of the recession are spreading among all sectors of society, with the result that I believe all personal insolvencies will continue to rise and remain at high levels for several years to come, said Bryan.

The most popular debt management measures among the affluent tend to be the Protected Trust DeedScotland (PTD) solution which involves transferring assets to a trustee - usually an **Insolvency Practitioner** - who then deals with paying the creditors. Although not sequestration, it is still a serious legal step that involves declaring yourself insolvent.

A spokesperson for **Scottish Debt Solutions Company**, Trust Deed Scotland, said: Four hundred individuals a week facing insolvency is a shocking statistic, but it shows just how bad things have been for the Scottish population and it seems only set to get worse for them.

Its a common misconception that only the poorest are affected by a recession. Many affluent individuals have a lot of their wealth tied up in property, which is no help during a hard economic times and a house price slump as they cannot get at their money when they need it. Protected Trust DeedsScotland are highly suitable for individuals with assets, which is why wealthier people often choose this route rather than face full sequestration.

The insolvency trade body R3 reported the second-highest number of **Protected Trust Deeds** ever recorded during the third quarter of 2011, and believes the housing slump is partly responsible for affluent individuals being in the financial dire straits they are.

"Unfortunately, the housing market is not likely to improve in the coming year to rescue heavily-indebted individuals, said John Hall, Scottish council member with R3. "Many are simply finding that they reach the stage where at the end of the month they cannot meet all of their payments and this tips them over into insolvency.

The likelihood is that we shall continue to see a lot more of this in the coming year."

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