

MOTOR VEHICLE

QUESTION

What will happen to my car / motor vehicle should I go bankrupt

ANSWER – Based on information provided

Complete questionnaire on following page

Point A

Value Less than £1k – then you can keep the car

Should it be agreed that you need your vehicle for work or for other domestic needs, but the value is greater than £1,000 then this may be sold and replaced with a cheaper alternative

The vehicle will be sold – the funds from the sale will either be used to purchase the new vehicle or you will be given the money to buy one, but you will have to provide proof of purchase.

£1,000 is the guide price for the purchase of a new vehicle

The price paid for the vehicle will be market price, but at least must cover the agents costs for the sale of the vehicle

See Additional Information sheet for the Insolvency Service Guidelines

Questions re motor vehicle/s

All information is strictly confidential

MOTOR VEHICLES	VEHICLE ONE	VEHICLE TWO
Vehicle Make & Model		
Year of Registration		
Colour of vehicle		
Vehicle Owner		
Estimated Value		
Condition of vehicle / damage		
Valid MOT / expires		
Current Mileage		
Valid Insurance / expires		
Is car subject to Hire Purchase? (If yes please supply name and address and reference number of Hire Purchase company)		
What are your monthly repayments?		
What Month and Year do payments end?	Month: Year:	Month: Year:
Do you need the vehicle for work (If YES obtain Experian valuation from Head Office and proceed to Point A)		
Do you need the vehicle for other domestic needs (if Yes please provide explanation) (If YES obtain Experian valuation from Head Office and proceed to Point A)		

ACTION TO BE TAKEN - office use only

Details of the online Valuation

ADDITIONAL INFORMATION

Insolvency Service Guide to Bankruptcy 21 July 2016

<https://www.gov.uk/government/publications/guide-to-bankruptcy>

Your motor vehicle will be sold to pay for your bankruptcy debts, unless you need it:

- for your work or vocation (eg, if you are the main carer for a disabled relative)
- to meet basic domestic needs where alternative transport is not practical

If the official receiver agrees you need the vehicle, it will be classed as 'exempt' and not included in your bankruptcy. You remain responsible for road tax, MOT and insurance.

If your vehicle is exempt but valuable it can be replaced with a cheaper alternative. The official receiver will use the money from the sale to either pay for the new vehicle directly or give you the money to buy one. You must provide proof of purchase for your new vehicle within 1 month. The guide price for a replacement is £1,000.

Stop the sale of your vehicle

If your vehicle is not exempt you may be able to keep it if a third party can pay to transfer it to them or you and you provide a:

- current insurance certificate
- vehicle registration document
- a valid MOT

The price paid will be the market value of the vehicle but must at least cover the agent's costs for the sale of the vehicle.

If you don't want to keep the vehicle the official receiver will dispose of it.

Vehicles under finance agreements

A finance agreement can be a:

- hire purchase
- conditional sale
- leasing agreement

The finance company can take back the vehicle when you become bankrupt. It may let another person take over your agreement if your payments are up to date. If someone else has already made payments for you, they'll become a creditor in your bankruptcy.

Motability vehicles

If you have a Motability vehicle on lease, it's up to Motability if you keep it. You'll need to keep up payments using your disability living allowance or personal independence payment.