

## 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

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

- for your work or vocation (for example, 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. This does not apply if you own your vehicle through an ongoing hire purchase agreement (see 'vehicles under finance agreement').

If you are allowed to keep the vehicle 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 £3,250.

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 last updated 9 January 2025

[Guide to Bankruptcy - GOV.UK](#)

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#### 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 for 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 do not 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

A vehicle under a finance agreement cannot be exempt from your bankruptcy. The trustee will review your financial agreement to see if there is a benefit in claiming the vehicle for the estate.

If the trustee decides they will not be claiming the vehicle, they will give notice to you and the finance company.

The finance company may decide to 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.

### **Personal number plates**

The registration number will be valued. The official receiver may take an offer from a third party to buy the number to let you keep it.

### **Vehicle registration**

If you're registered as the current keeper of the vehicle the trustee will treat the vehicle as yours even if you did not buy it. It is for you and the person who bought the vehicle to prove the vehicle was not a gift.