

Clerk of Committee
Economy and Fair Works Committee
Scottish Parliament
Edinburgh
EH99 1SP

21st March 2024

Dear Chair

Re: New Earning Arrestment Model – Bankruptcy and Diligence (Scotland) Bill 2024

I am writing in relation to possible new Earning Arrestment Models that could be adopted and could allow the Protected Minimum Amount to be increased, with a minimum impact on public costs.

I have attached the models in PDF and Excel format, that compare the current model with the proposed one for daily, weekly and monthly Earning Arrestments.

The main feature of this model is:

- The Protected Minimum Amount would be increased to £1,000 for net monthly salaries, with no deduction being taken from net salaries below that amount.
- It introduces a new threshold that deductions will be calculated with and changes the current thresholds.
- No one earning less than £1,500 monthly would pay more than they currently do.
- Those earning more than £1,500 each month would pay more, but slightly with the increased amount increasing as net salaries increase.
- This, I hope would reduce any unexpected costs for local authorities.

However, I strongly believe more needs to be done, if such a model was introduced.

I would like to see a new subsection introduced into S49(1)(c) of the Debtors (Scotland) Act 1987 to allow creditors to replace the specified amounts in the tables with a lower percentage amount above the Protected Minimum Amount, where the circumstance of a household require it. Those in debt would be able to request this from their creditor once every 6 months and the creditor would be required to consider it. I believe that section 50 as currently drafted would be wide enough to allow someone in debt to request a review from the Court where there is a dispute as to whether the decision to refuse a request is reasonable.

People with local authority creditors would also have the option of using their council's complaint procedure if they disagree with a decision, and people with consumer credit lenders could use a firm's complaint procedure to request a review.

I appreciate concerns have been raised this could occur too frequently, which is why I believe a limit of making an application only once in any 6-month period is reasonable. I would also point out that of the seven different earning arrestments in Scotland, variations are possible for 5 of them at

present, and this includes arrestments to arrest funds for the payment of a Trust Deed and Sequestration, including by the Accountant in Bankruptcy. If this is possible, there is no reason why it shouldn't be possible for Earning Arrestments or present a problem for employers.

Finally, I believe we have a duty to work to reduce the indebtedness of people and our system of diligence should not exacerbate that unnecessarily. I would, therefore, ask in terms of the execution of diligence, postal and electronic diligence should be the preference for Earning and Bank Account Arrestments and the service of Charge for Payments, with personal service only being possible where these other methods of service are not possible. This would just require amendments to S70(3) and S73CA (as both introduced at Stage 2 of the Bankruptcy and Diligence (Scotland) Bill 2023) and new subsections to be included into S90 of the 1987 Act for Charge for Payments.

Yours Sincerely

Approved Money Adviser



Advice Talks Ltd (SC533215)

Advice Talks Ltd (SC533215) is registered with the Information Commissioners Office (ZB190131) and is authorised by the Financial Conduct Authority to provide Debt Counselling and Adjusting Services (Registration Number: 951248). Alan McIntosh is an Approved Money Adviser for the purposes of the Debt Arrangement Scheme. You can get further free advice and assistance by visiting the Money & Pensions Service's [MoneyHelper](#) site.



Weekly Earning Arrestment Model

| Existing Arrestment Model | | | | |
|---------------------------|---------|-------------------|---------|---------|
| Net income | PMA | Arrestment Amount | | |
| | | % of Deduction | | |
| | | 19% | 23% | 50% |
| £161.07 | £150.94 | £4.00 | | |
| £184.10 | £150.94 | £6.30 | | |
| £207.13 | £150.94 | £10.68 | | |
| £230.16 | £150.94 | £15.05 | | |
| £253.19 | £150.94 | £19.43 | | |
| £276.22 | £150.94 | £23.80 | | |
| £299.25 | £150.94 | £28.18 | | |
| £322.28 | £150.94 | £32.55 | | |
| £345.31 | £150.94 | £36.93 | | |
| £368.34 | £150.94 | £41.31 | | |
| £391.37 | £150.94 | £45.68 | | |
| £414.40 | £150.94 | £50.06 | | |
| £437.43 | £150.94 | £54.43 | | |
| £460.46 | £150.94 | £58.81 | | |
| £483.49 | £150.94 | £63.18 | | |
| £506.52 | £150.94 | £67.56 | | |
| £529.55 | £150.94 | £71.94 | | |
| £552.58 | £150.94 | | £76.59 | |
| £575.61 | £150.94 | | £81.89 | |
| £598.64 | £150.94 | | £87.19 | |
| £621.67 | £150.94 | | £92.48 | |
| £644.70 | £150.94 | | £97.78 | |
| £667.73 | £150.94 | | £103.08 | |
| £690.76 | £150.94 | | £108.37 | |
| £713.79 | £150.94 | | £113.67 | |
| £736.82 | £150.94 | | £118.97 | |
| £759.85 | £150.94 | | £124.26 | |
| £782.88 | £150.94 | | £129.56 | |
| £805.91 | £150.94 | | £134.86 | |
| £828.94 | £150.94 | | | £142.52 |
| £851.97 | £150.94 | | | £154.03 |
| £875.00 | £150.94 | | | £165.55 |
| £898.03 | £150.94 | | | £177.06 |
| £921.06 | £150.94 | | | £188.58 |
| £944.09 | £150.94 | | | £200.09 |
| £967.12 | £150.94 | | | £211.61 |
| £990.15 | £150.94 | | | £223.12 |
| £1,013.18 | £150.94 | | | £234.64 |
| £1,036.21 | £150.94 | | | £246.15 |
| £1,059.24 | £150.94 | | | £257.67 |
| £1,082.27 | £150.94 | | | £269.18 |
| £1,105.30 | £150.94 | | | £280.70 |
| £1,128.33 | £150.94 | | | £292.21 |
| £1,151.36 | £150.94 | | | £303.73 |

| Proposed Arrestment Model | | | | | |
|---------------------------|---------|-------------------|--------|---------|---------|
| Net income | New PMA | Arrestment Amount | | | |
| | | % of Deduction | | | |
| | | 31% | 18% | 22% | 45% |
| £161.07 | £230.10 | £0.00 | | | |
| £184.10 | £230.10 | £0.00 | | | |
| £207.13 | £230.10 | £0.00 | | | |
| £230.16 | £230.10 | £0.00 | | | |
| £253.19 | £230.10 | £7.16 | | | |
| £276.22 | £230.10 | £14.30 | | | |
| £299.25 | £230.10 | £21.44 | | | |
| £322.28 | £230.10 | £28.58 | | | |
| £345.31 | £230.10 | £35.72 | | | |
| £368.34 | £230.10 | £42.85 | | | |
| £391.37 | £230.10 | | £47.00 | | |
| £414.40 | £230.10 | | £51.14 | | |
| £437.43 | £230.10 | | £55.29 | | |
| £460.46 | £230.10 | | £59.43 | | |
| £483.49 | £230.10 | | £63.58 | | |
| £506.52 | £230.10 | | £67.72 | | |
| £529.55 | £230.10 | | | £72.79 | |
| £552.58 | £230.10 | | | £77.85 | |
| £575.61 | £230.10 | | | £82.92 | |
| £598.64 | £230.10 | | | £87.99 | |
| £621.67 | £230.10 | | | £93.05 | |
| £644.70 | £230.10 | | | £98.12 | |
| £667.73 | £230.10 | | | £103.19 | |
| £690.76 | £230.10 | | | | £113.55 |
| £713.79 | £230.10 | | | | £123.92 |
| £736.82 | £230.10 | | | | £134.28 |
| £759.85 | £230.10 | | | | £144.64 |
| £782.88 | £230.10 | | | | £155.01 |
| £805.91 | £230.10 | | | | £165.37 |
| £828.94 | £230.10 | | | | £175.73 |
| £851.97 | £230.10 | | | | £186.10 |
| £875.00 | £230.10 | | | | £196.46 |
| £898.03 | £230.10 | | | | £206.83 |
| £921.06 | £230.10 | | | | £217.19 |
| £944.09 | £230.10 | | | | £227.55 |
| £967.12 | £230.10 | | | | £237.92 |
| £990.15 | £230.10 | | | | £248.28 |
| £1,013.18 | £230.10 | | | | £258.64 |
| £1,036.21 | £230.10 | | | | £269.01 |
| £1,059.24 | £230.10 | | | | £279.37 |
| £1,082.27 | £230.10 | | | | £289.73 |
| £1,105.30 | £230.10 | | | | £300.10 |
| £1,128.33 | £230.10 | | | | £310.46 |
| £1,151.36 | £32.87 | | | | £320.82 |

| Increase/Decrease |
|-------------------|
| -£4.00 |
| -£6.30 |
| -£10.68 |
| -£15.05 |
| -£12.27 |
| -£9.51 |
| -£6.74 |
| -£3.98 |
| -£1.22 |
| £1.55 |
| £1.31 |
| £1.08 |
| £0.85 |
| £0.62 |
| £0.39 |
| £0.16 |
| £0.85 |
| £1.26 |
| £1.03 |
| £0.80 |
| £0.57 |
| £0.34 |
| £0.11 |
| £5.18 |
| £10.25 |
| £15.31 |
| £20.38 |
| £25.45 |
| £30.51 |
| £33.22 |
| £32.07 |
| £30.92 |
| £29.77 |
| £28.61 |
| £27.46 |
| £26.31 |
| £25.16 |
| £24.01 |
| £22.86 |
| £21.70 |
| £20.55 |
| £19.40 |
| £18.25 |
| £17.10 |

Monthly Earning Arrestment Model

| Existing Arrestment Model | | | | |
|---------------------------|---------|-------------------|---------|-----------|
| Net income | PMA | Arrestment Amount | | |
| | | % of Deduction | | |
| | | 19% | 23% | 50% |
| £700.00 | £655.83 | £15.00 | | |
| £800.00 | £655.83 | £27.39 | | |
| £900.00 | £655.83 | £46.39 | | |
| £1,000.00 | £655.83 | £65.39 | | |
| £1,100.00 | £655.83 | £84.39 | | |
| £1,200.00 | £655.83 | £103.39 | | |
| £1,300.00 | £655.83 | £122.39 | | |
| £1,400.00 | £655.83 | £141.39 | | |
| £1,500.00 | £655.83 | £160.39 | | |
| £1,600.00 | £655.83 | £179.39 | | |
| £1,700.00 | £655.83 | £198.39 | | |
| £1,800.00 | £655.83 | £217.39 | | |
| £1,900.00 | £655.83 | £236.39 | | |
| £2,000.00 | £655.83 | £255.39 | | |
| £2,100.00 | £655.83 | £274.39 | | |
| £2,200.00 | £655.83 | £293.39 | | |
| £2,300.00 | £655.83 | £312.39 | | |
| £2,400.00 | £655.83 | | £332.62 | |
| £2,500.00 | £655.83 | | £355.62 | |
| £2,600.00 | £655.83 | | £378.62 | |
| £2,700.00 | £655.83 | | £401.62 | |
| £2,800.00 | £655.83 | | £424.62 | |
| £2,900.00 | £655.83 | | £447.62 | |
| £3,000.00 | £655.83 | | £470.62 | |
| £3,100.00 | £655.83 | | £493.62 | |
| £3,200.00 | £655.83 | | £516.62 | |
| £3,300.00 | £655.83 | | £539.62 | |
| £3,400.00 | £655.83 | | £562.62 | |
| £3,500.00 | £655.83 | | £585.62 | |
| £3,600.00 | £655.83 | | | £618.34 |
| £3,700.00 | £655.83 | | | £668.34 |
| £3,800.00 | £655.83 | | | £718.34 |
| £3,900.00 | £655.83 | | | £768.34 |
| £4,000.00 | £655.83 | | | £818.34 |
| £4,100.00 | £655.83 | | | £868.34 |
| £4,200.00 | £655.83 | | | £918.34 |
| £4,300.00 | £655.83 | | | £968.34 |
| £4,400.00 | £655.83 | | | £1,018.34 |
| £4,500.00 | £655.83 | | | £1,068.34 |
| £4,600.00 | £655.83 | | | £1,118.34 |
| £4,700.00 | £655.83 | | | £1,168.34 |
| £4,800.00 | £655.83 | | | £1,218.34 |
| £4,900.00 | £655.83 | | | £1,268.34 |
| £5,000.00 | £655.83 | | | £1,318.34 |

| Proposed Arrestment Model | | | | | |
|---------------------------|-----------|-------------------|---------|---------|-----------|
| Net income | New PMA | Arrestment Amount | | | |
| | | % of Deduction | | | |
| | | 31% | 18% | 22% | 45% |
| £700.00 | £1,000.00 | £0.00 | | | |
| £800.00 | £1,000.00 | £0.00 | | | |
| £900.00 | £1,000.00 | £0.00 | | | |
| £1,000.00 | £1,000.00 | £0.00 | | | |
| £1,100.00 | £1,000.00 | £31.00 | | | |
| £1,200.00 | £1,000.00 | £62.00 | | | |
| £1,300.00 | £1,000.00 | £93.00 | | | |
| £1,400.00 | £1,000.00 | £124.00 | | | |
| £1,500.00 | £1,000.00 | £155.00 | | | |
| £1,600.00 | £1,000.00 | £186.00 | | | |
| £1,700.00 | £1,000.00 | | £204.00 | | |
| £1,800.00 | £1,000.00 | | £222.00 | | |
| £1,900.00 | £1,000.00 | | £240.00 | | |
| £2,000.00 | £1,000.00 | | £258.00 | | |
| £2,100.00 | £1,000.00 | | £276.00 | | |
| £2,200.00 | £1,000.00 | | £294.00 | | |
| £2,300.00 | £1,000.00 | | | £316.00 | |
| £2,400.00 | £1,000.00 | | | £338.00 | |
| £2,500.00 | £1,000.00 | | | £360.00 | |
| £2,600.00 | £1,000.00 | | | £382.00 | |
| £2,700.00 | £1,000.00 | | | £404.00 | |
| £2,800.00 | £1,000.00 | | | £426.00 | |
| £2,900.00 | £1,000.00 | | | £448.00 | |
| £3,000.00 | £1,000.00 | | | | £493.00 |
| £3,100.00 | £1,000.00 | | | | £538.00 |
| £3,200.00 | £1,000.00 | | | | £583.00 |
| £3,300.00 | £1,000.00 | | | | £628.00 |
| £3,400.00 | £1,000.00 | | | | £673.00 |
| £3,500.00 | £1,000.00 | | | | £718.00 |
| £3,600.00 | £1,000.00 | | | | £763.00 |
| £3,700.00 | £1,000.00 | | | | £808.00 |
| £3,800.00 | £1,000.00 | | | | £853.00 |
| £3,900.00 | £1,000.00 | | | | £898.00 |
| £4,000.00 | £1,000.00 | | | | £943.00 |
| £4,100.00 | £1,000.00 | | | | £988.00 |
| £4,200.00 | £1,000.00 | | | | £1,033.00 |
| £4,300.00 | £1,000.00 | | | | £1,078.00 |
| £4,400.00 | £1,000.00 | | | | £1,123.00 |
| £4,500.00 | £1,000.00 | | | | £1,168.00 |
| £4,600.00 | £1,000.00 | | | | £1,213.00 |
| £4,700.00 | £1,000.00 | | | | £1,258.00 |
| £4,800.00 | £1,000.00 | | | | £1,303.00 |
| £4,900.00 | £1,000.00 | | | | £1,348.00 |
| £5,000.00 | £1,000.00 | | | | £1,393.00 |

| Increase/Decrease |
|-------------------|
| -£15.00 |
| -£27.39 |
| -£46.39 |
| -£65.39 |
| -£53.39 |
| -£41.39 |
| -£29.39 |
| -£17.39 |
| -£5.39 |
| £6.61 |
| £5.61 |
| £4.61 |
| £3.61 |
| £2.61 |
| £1.61 |
| £0.61 |
| £3.61 |
| £5.38 |
| £4.38 |
| £3.38 |
| £2.38 |
| £1.38 |
| £0.38 |
| £22.38 |
| £44.38 |
| £66.38 |
| £88.38 |
| £110.38 |
| £132.38 |
| £144.67 |
| £139.67 |
| £134.67 |
| £129.67 |
| £124.67 |
| £119.67 |
| £114.67 |
| £109.67 |
| £104.67 |
| £99.67 |
| £94.67 |
| £89.67 |
| £84.67 |
| £79.67 |
| £74.67 |

Daily Earning Arrestment Model

| Existing Arrestment Model | | | | |
|---------------------------|--------|-------------------|--------|--------|
| Net income | PMA | Arrestment Amount | | |
| | | % of Deduction | | |
| | | 19% | 23% | 50% |
| £23.01 | £21.56 | £0.00 | | |
| £26.30 | £21.56 | £0.90 | | |
| £29.59 | £21.56 | £1.53 | | |
| £32.88 | £21.56 | £2.15 | | |
| £36.17 | £21.56 | £2.78 | | |
| £39.46 | £21.56 | £3.40 | | |
| £42.75 | £21.56 | £4.03 | | |
| £46.04 | £21.56 | £4.65 | | |
| £49.33 | £21.56 | £5.28 | | |
| £52.62 | £21.56 | £5.90 | | |
| £55.91 | £21.56 | £6.53 | | |
| £59.20 | £21.56 | £7.15 | | |
| £62.49 | £21.56 | £7.78 | | |
| £65.78 | £21.56 | £8.40 | | |
| £69.07 | £21.56 | £9.03 | | |
| £72.36 | £21.56 | £9.65 | | |
| £75.65 | £21.56 | £10.28 | | |
| £78.94 | £21.56 | | £10.48 | |
| £82.23 | £21.56 | | £11.24 | |
| £85.52 | £21.56 | | £12.00 | |
| £88.81 | £21.56 | | £12.75 | |
| £92.10 | £21.56 | | £13.51 | |
| £95.39 | £21.56 | | £14.27 | |
| £98.68 | £21.56 | | £15.02 | |
| £101.97 | £21.56 | | £15.78 | |
| £105.26 | £21.56 | | £16.54 | |
| £108.55 | £21.56 | | £17.29 | |
| £111.84 | £21.56 | | £18.05 | |
| £115.13 | £21.56 | | £18.81 | |
| £118.42 | £21.56 | | | £20.36 |
| £121.71 | £21.56 | | | £22.00 |
| £125.00 | £21.56 | | | £23.65 |
| £128.29 | £21.56 | | | £25.29 |
| £131.58 | £21.56 | | | £26.94 |
| £134.87 | £21.56 | | | £28.58 |
| £138.16 | £21.56 | | | £30.23 |
| £141.45 | £21.56 | | | £31.87 |
| £144.74 | £21.56 | | | £33.52 |
| £148.03 | £21.56 | | | £35.16 |
| £151.32 | £21.56 | | | £36.81 |
| £154.61 | £21.56 | | | £38.45 |
| £157.90 | £21.56 | | | £40.10 |
| £161.19 | £21.56 | | | £41.74 |
| £164.48 | £21.56 | | | £43.39 |

| Proposed Arrestment Model | | | | | |
|---------------------------|---------|-------------------|-------|--------|--------|
| Net income | New PMA | Arrestment Amount | | | |
| | | % of Deduction | | | |
| | | 31% | 18% | 22% | 45% |
| £23.01 | £32.87 | £0.00 | | | |
| £26.30 | £32.87 | £0.00 | | | |
| £29.59 | £32.87 | £0.00 | | | |
| £32.88 | £32.87 | £0.00 | | | |
| £36.17 | £32.87 | £1.02 | | | |
| £39.46 | £32.87 | £2.04 | | | |
| £42.75 | £32.87 | £3.06 | | | |
| £46.04 | £32.87 | £4.08 | | | |
| £49.33 | £32.87 | £5.10 | | | |
| £52.62 | £32.87 | £6.12 | | | |
| £55.91 | £32.87 | | £6.71 | | |
| £59.20 | £32.87 | | £7.30 | | |
| £62.49 | £32.87 | | £7.90 | | |
| £65.78 | £32.87 | | £8.49 | | |
| £69.07 | £32.87 | | £9.08 | | |
| £72.36 | £32.87 | | £9.67 | | |
| £75.65 | £32.87 | | | £10.39 | |
| £78.94 | £32.87 | | | £11.12 | |
| £82.23 | £32.87 | | | £11.84 | |
| £85.52 | £32.87 | | | £12.57 | |
| £88.81 | £32.87 | | | £13.29 | |
| £92.10 | £32.87 | | | £14.01 | |
| £95.39 | £32.87 | | | £14.74 | |
| £98.68 | £32.87 | | | | £16.22 |
| £101.97 | £32.87 | | | | £17.70 |
| £105.26 | £32.87 | | | | £19.18 |
| £108.55 | £32.87 | | | | £20.66 |
| £111.84 | £32.87 | | | | £22.14 |
| £115.13 | £32.87 | | | | £23.62 |
| £118.42 | £32.87 | | | | £25.10 |
| £121.71 | £32.87 | | | | £26.58 |
| £125.00 | £32.87 | | | | £28.06 |
| £128.29 | £32.87 | | | | £29.55 |
| £131.58 | £32.87 | | | | £31.03 |
| £134.87 | £32.87 | | | | £32.51 |
| £138.16 | £32.87 | | | | £33.99 |
| £141.45 | £32.87 | | | | £35.47 |
| £144.74 | £32.87 | | | | £36.95 |
| £148.03 | £32.87 | | | | £38.43 |
| £151.32 | £32.87 | | | | £39.91 |
| £154.61 | £32.87 | | | | £41.39 |
| £157.90 | £32.87 | | | | £42.87 |
| £161.19 | £32.87 | | | | £44.35 |
| £164.48 | £32.87 | | | | £45.83 |

| Increase/Decrease |
|-------------------|
| £0.00 |
| -£0.90 |
| -£1.53 |
| -£2.15 |
| -£1.75 |
| -£1.36 |
| -£0.96 |
| -£0.57 |
| -£0.17 |
| £0.22 |
| £0.19 |
| £0.15 |
| £0.12 |
| £0.09 |
| £0.05 |
| £0.02 |
| £0.12 |
| £0.64 |
| £0.60 |
| £0.57 |
| £0.54 |
| £0.50 |
| £0.47 |
| £1.20 |
| £1.92 |
| £2.65 |
| £3.37 |
| £4.09 |
| £4.82 |
| £4.75 |
| £4.58 |
| £4.42 |
| £4.26 |
| £4.09 |
| £3.93 |
| £3.76 |
| £3.60 |
| £3.43 |
| £3.27 |
| £3.10 |
| £2.94 |
| £2.77 |
| £2.61 |
| £2.45 |

Weekly Earnings

| Net Earnings | Deduction |
|--|---|
| <i>Less than £230.10</i> | <i>Nil</i> |
| More than £230.10, but less than £368.34 | 31% of earnings greater than £230.10 whichever is greater |
| More than £368.34 but less than £506.42 | £42.85 plus 18% of earnings greater than £368.34 |
| More than £506.52 but less than £667.73 | £67.72 plus 22% of earning greater than £506.62 |
| More than £667.73 | £103.19 plus 45% of earnings greater than £667.73 |

Monthly Earnings

| Net Earnings | Deduction |
|--|--|
| <i>Less than £1,000</i> | <i>Nil</i> |
| More than £1,000, but less than £1,600 | 31% of earnings greater than £1,000 whichever is greater |
| More than £1,600 but less than £2,200 | £186 plus 18% of earnings greater than £1,600 |
| More than £2,200 but less than £2,900 | £294 plus 22% of earning greater than £2,200 |
| More than £2,900 | £448 plus 45% of earnings greater than £2,900 |

Daily Earnings

| Net Earnings | Deduction |
|--|--|
| Less than £32.87 | Nil |
| More than £32.87, but less than £52.60 | 31% of earnings greater than £32.87 whichever is greater |
| More than £52.60 but less than £72.36 | £6.12 plus 18% of earnings greater than £52.62 |
| More than £72.36 but less than £95.39 | £9.67 plus 22% of earning greater than £72.36 |
| More than £95.39 | £14.74 plus 45% of earnings greater than £95.39 |