

**5.8 Senator F. du H. Le Gresley of the Chief Minister regarding the Jersey Law Commission's review of the Bankruptcy (Désastre) (Jersey) Law 1990 (Social Désastre):**

Would the Chief Minister advise what action is being taken in relation to the Jersey Law Commission's review of the Bankruptcy (Désastre) (Jersey) Law 1990 (Social Désastre) and whether he is minded to pursue the Commission's suggestion, in their consultation paper dated April 2010, that in order for more debtors to have access to the bankruptcy system, another form of personal bankruptcy process should be introduced by legislation?

**Senator T.A. Le Sueur (The Chief Minister):**

I acknowledge the Senator's long held concern, in fact, that of the Citizens Advice Bureau also, for the protection of people in debt and his interest in suggesting to the Jersey Law Commission that they examine the law under désastre. The Legislation Advisory Panel has reviewed the issue social désastre in recent years and agrees that the difficulties built into the concept are concerning and potentially detrimental to many debtors who seek assistance but who are in such significant debt that they are unlikely to be granted désastre. The panel is currently awaiting the production of the final topic report on the Bankruptcy (Jersey) Law 1990, which I understand is presently being undertaken by the Law Commission and should be completed later this year, at which stage the panel will be able to examine social désastre in the wider context and formulate a way forward. I believe it is too early at this stage to state whether another form of bankruptcy process should be introduced by legislation, and this is a matter that the Legislation Advisory Panel will have to consider in more detail. I can, however, assure the Senator, I do believe that more debtors should have access to the bankruptcy system, that any solution will require proper examination in the wide context. In the meantime, I will raise the matter with the Legislation Advisory Panel for further consideration at its next meeting.

**5.8.1 Senator F. du H. Le Gresley:**

I thank the Chief Minister for that very comprehensive response, however perhaps the Chief Minister could offer an explanation as to why during the current recession in Jersey there was only one personal bankruptcy in 2010 and 2 in 2009, yet in the southwest of England there were 15,000 personal insolvencies in 2009, being an average of 36 insolvencies per 10,000 adult population?

**Senator T.A. Le Sueur:**

I am always reluctant to make comparisons, but I do accept that the figures seem totally disproportionate. I would simply say that because there are totally different systems in the U.K. and in Jersey it is difficult to make meaningful analysis of that difference, and that is why, once we see a complete picture, then hopefully we may be able to learn a better way forward. I acknowledge, as I have already said to the Senator, that the present system does have significant flaws in it.