R3 Insolvency Insights

2,029 Corporate insolvencies in October 2025	**10,552** Personal insolvencies in October 2025	**3,236** Compulsory liquidations in Jan-Oct 2025	**North East** Facing the highest rate of personal insolvencies

Corporate Insolvency Overview

- In October 2025, corporate insolvencies rose by 2% to 2,029 cases, up from 1,995 in September. Year-on-year, corporate insolvencies have increased 17%.
- This year has seen a sharp increase in Compulsory Liquidations, now at their highest level in over five years (3,236) — largely initiated by HMRC and local authorities, reflecting a tougher stance on outstanding public debts.
- Latest figures rank the following sectors as distressed according to volume of insolvencies in 2025:

Construction
3,823 insolvencies

Wholesale and retail
3,156 insolvencies

Accommodation and food services
3,060 insolvencies

- Retail and hospitality continue to be under pressure as consumers tighten spending ahead of the Budget, while construction and manufacturing are grappling with reduced demand and ongoing trade and cost challenges.
- London and the North West have the highest volume of insolvencies so far in 2025, registering 4,667 and 4,048 respectively.

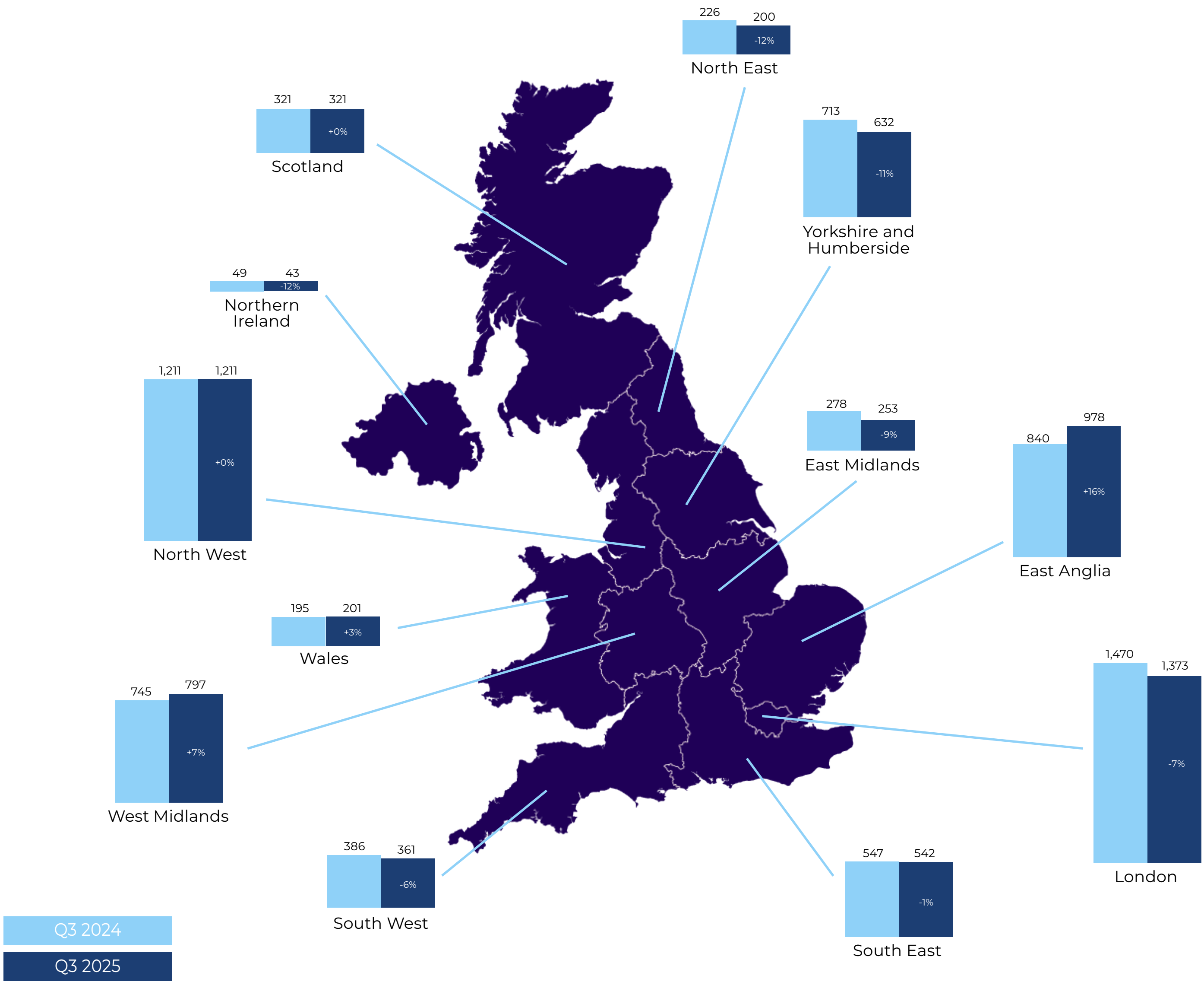
President Analysis

"These figures are against a backdrop of economic uncertainty with businesses and consumers alike delaying major financial decisions until they can assess the outcome of the Autumn Budget. This hesitancy is creating a sense of stagnation, with business owners looking to the Chancellor for measures that boost growth and consumer spending.

Another factor is the recently passed Renters Rights Bill, which, while providing welcome protections for tenants, may also increase regulatory costs for landlords, potentially leading to higher rents. With tenants already spending over a third of their income on rent on average, any rise could directly impact future personal insolvency rates."

Tom Russell
Director,
James Cowper Kreston.
R3 President

Regional Overview - Corporate insolvencies (Q3 2024 vs Q3 2025)



Personal Insolvency Overview

- Compared to the previous month, personal insolvencies declined by 4% in October to 10,552 cases, though this represents a 14% increase year-on-year.
- The increase is driven by a rise in Individual Voluntary Arrangements (6,107 in October), with households increasingly seeking help as financial pressures mount.
- Persistently high living costs are forcing people to turn to credit to manage basic expenses such as water bills — an unsustainable and worrying trend.
- Since 2008, the North East has had the highest individual insolvency rate (33.4 per 10,000 adults).

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