

**Information Rights Team** 

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Our ref: FOI25/26-019 Date: 4 June 2025

Dear Andrew Clelland

## Re: Freedom of Information Act (FOIA) Request

Thank you for your email of 6 May in which you requested from the Insolvency Service:

"I would like to make a Freedom of Information request for the following data:

For each of the past 10 years up to and including 1st May 2025, please provide:

The total number of insolvencies across all sectors in the UK, by year.

The number and geographical area of limited companies in the Hairdressing and Beauty sector (SIC code 96020) that have declared insolvency.

The number and area of sole traders who listed Hair or Beauty as their trade and have declared insolvency.

The number and area of individuals who noted their occupation as Hairdresser or Beautician (or similar) and have declared insolvency.

For items 2 to 4, please also include the annual total for all sectors across the UK, in addition to the area-by-area breakdown.

(So for example if the total across all sectors for ltd companies was 10,000 l can calculate the number that were hair and beauty)

This information will support comparison between sector-specific insolvencies and national totals."

Your request has been dealt with under the Freedom of Information Act 2000 (FOIA).

I can confirm that the agency holds some of the information that you have requested.

Annual total numbers of insolvencies across all sectors in the UK, dating back to 2015, can be found in the accompanying tables of our <u>monthly company insolvency statistics</u>; Table 1a for England and Wales, Table 4a for Scotland, and Table 6 for Northern Ireland.

Because this information is reasonably accessible to you the agency is not obliged to provide you with a separate copy of the information pursuant to the exemption at section 21 of FOIA.

Table 1 of Annex A contains the annual number of company insolvencies in the Hairdressing and Beauty sector (SIC code 96020) by region/country, between 1 January 2015 and 30 April 2025. We cannot include 1 May 2025 because we currently only have data up to 30 April 2025. Table 2 of Annex A contains the annual number of company insolvencies across all sectors, broken down by region/country. The numbers in Annex A refer to all companies rather than limited companies. However, <a href="Companies House official statistics">Companies House official statistics</a> show that more than 98% of companies are limited companies.

The region or country pertains to the company address on the Companies House register as at the date the insolvency was registered.

Please note there are known accuracy issues with company address information held. Therefore, caution needs to be taken when interpreting the information provided in this letter and the attached document(s).

The information the agency holds is the address recorded on the Companies House register on the date the insolvency is registered with Companies House. This address is often the address of the insolvency practitioner (IP), who acts as an office-holder in an insolvency procedure, rather than the location of the company before it became insolvent.

Note that even where the data does accurately represent the registered address of a company, it may not necessarily reflect the location(s) of company activity or operation.

Company location information is not routinely published within the monthly official statistics series since the accuracy of the company address information held by the Insolvency Service does not meet the official statistics quality standards.

For sole traders declaring insolvency, the agency holds information on SIC codes only to the 3-digit level. "Hairdressing and other beauty treatment" is included in "Other personal service activities". Annual numbers for this sector for England and Wales can be found in section Q, division 96 on row 379 of table 4c in the accompanying tables of our monthly individual insolvency statistics, going back to 2015. For Scotland and Northern Ireland, we do not hold any industry data for sole trader bankruptcies. Please refer to Accountant in Bankruptcy for Scotland and Department for the Economy for Northern Ireland.

The agency does not hold information on the number and area of individuals who noted Hairdresser or Beautician as their occupation and have declared insolvency.

Under section 16 of the Act (Advice and Assistance) you may find it useful to note:

The counts provided in Annex A include compulsory liquidations, creditors' voluntary liquidations, corporate voluntary arrangements and administrations. There were no administrative receiverships or moratoriums for the breakdown featured in Annex A. Solvent company closures such as members' voluntary liquidations and dissolutions are not included in these counts.

Data for insolvency procedures in England & Wales are sourced from Companies House, with the registration date based on the date that an insolvency was registered at Companies House. Companies House carries out its statutory functions of maintaining the registry of corporate bodies that are regulated by the Companies Act 2006.

Industry breakdowns have been presented in line with the Standard Industrial Classification (SIC 2007). Companies self-report their sector (or industry) at the time of registration at Companies House. However, a company may have changed its primary business since first registration, or the industry sector might be recorded as that of its holding company and appear under "activities of holding companies". Please note that companies can register up to four SIC codes with Companies House to describe their activities. For these statistics, the first SIC code recorded on the Companies House register has been used to determine the industry in which a company operates.

Between April 2016 and early 2019, following changes to the IR35 rules and changes in VAT flat rate, some directors of personal service companies had cited these changes as the primary reason that their company's activities had become unviable, therefore leading to creditors' voluntary liquidation (CVL) of large numbers of these companies. These additional CVLs referred to as "bulk insolvencies" are included in Annex A. However, there were not any bulk insolvencies in the Hairdressing and Beauty sector. Annual total numbers of company insolvencies, including bulk insolvencies, can be found in table 1d of our monthly company insolvency statistics.

Companies with multiple insolvency procedures are included multiple times to give a full record of all registered insolvencies. Administrations which have directly resulted in a creditors' voluntary liquidation are included only as administrations. Similar information for administrations converting to a compulsory liquidation or to a company voluntary arrangement is not available so these are counted as both insolvency procedures.

These statistics may also not align with information published separately by Companies House or with data extracted from the Gazette. For further information on why numbers may not align, please refer to the Company Insolvency Statistics Methodology and Quality document.

## **Complaints**

If you are not satisfied with the response we have provided you and would like us to reconsider our decision by way of an internal review (IR), please contact our Information Rights team within 40 working days of this letter at foi@insolvency.gov.uk or by post at:

Information Rights Team
The Insolvency Service
3rd Floor
Cannon House
18 Priory Queensway
Birmingham
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You also have the right to contact the Information Commissioner's Office (ICO) if you wish for them to investigate any complaint you may have regarding our handling of your request. However, please note that the ICO is likely to expect an IR to have been completed in the first instance.

Kind regards

Information Rights Team The Insolvency Service

The Department for Business and Trade, Official receivers and the Adjudicator are Data Controllers in respect of personal data processed by the Insolvency Service. For the details about how personal data is processed by the agency, please see the full Insolvency Service Personal Information Charter here: <a href="https://www.gov.uk/government/organisations/insolvency-service/about/personal-information-charter">https://www.gov.uk/government/organisations/insolvency-service/about/personal-information-charter</a>