

South West firms told to stay 'vigilant' as insolvencies hit three-year high

Business leaders in the South West have been warned to stay "vigilant" for signs of financial distress after new data showed corporate insolvencies have reached the highest levels for more than three years

Figures from the government's Insolvency Service found the number of companies in England and Wales unable to pay debts last month rose by more than a third last month, to a total of around 2,500. This reflected a more than 50% increase compared to pre-pandemic levels in March 2019 (1,581).

The number of personal insolvencies also rose at a similar rate last month, with a total of 11,438 compared to February's total of 8,237.

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Charlotte May, South West chair of insolvency and restructuring trade body R3, said the rise had been driven by increasing numbers of, which she said were also at a three-year high.

Ms May said: "Business owners have spent three years trading through a pandemic and economic uncertainty, and an increasing number are choosing to shut their businesses before that choice is taken away from them and as the turbulent trading climate proves too much.

"Businesses across Britain are struggling at the moment. Costs continue to rise at a time when consumers are cutting back on discretionary spending, and when staff are requesting pay

rises to cover their bills.

“With the Government’s Energy Bill Relief Scheme ending at the end of March, many businesses will be facing further increases in costs at a time when they can ill-afford them. Directors in the South West need to be vigilant about the signs of financial distress and seek advice as soon as they spot issues with their business or begin to worry about its finances.”

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