



## Economy, Energy and Fair Work Committee

Jamie Hepburn  
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Work and Skills

The Scottish Parliament  
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Sent by email only

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Dear Jamie,

### General Review of Debt Solution

Thank you for providing an update on the General Review of Debt Solutions in your letter dated 28 January 2021.

I understand that you have adopted a 3-stage approach to this review. During its inquiry the Committee raised concerns about the impact on family members of death during a Protected Trust Deed. The Committee's recommendations noted:

“On the one hand, it seems unfair that creditors who have agreed to be repaid via a Protected Trust Deed should get a windfall as a result of a death. On the other, it is recognised that the current legal framework requires debts to be settled before beneficiaries are entitled to receive anything from a deceased person's estate. The Committee recommends that the Scottish Government looks at whether Protected Trust Deed arrangements strike the appropriate balance in this area as part of its general debt review.”

In your response to the Committee's report you agreed that this is an area that needs to be included in the general review.

I am writing to you to request an update on where consideration of these issues fits within the 3 workstreams of the General Review, what work will be done to consider this matter further and within what timescale.

I note that the Committee's other recommendation in this area (that the statutory interest rate in relation to insolvency should be reviewed) has already been progressed through the Bankruptcy and Debt Advice review.

The Committee looks forward to receiving an update on these issues in due course.

Kind regards,

A handwritten signature in black ink, reading "Gordon Lindhurst". The signature is written in a cursive style with a large, stylized initial "G" and "L".

Gordon Lindhurst MSP  
Convener