

Statistics on mortgage and landlord possession actions in the county courts – first quarter 2009

Ministry of Justice
Statistics bulletin

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Introduction

This bulletin presents the numbers of mortgage and landlord possession actions in the county courts of England and Wales for the first quarter of 2009. It also shows revisions for previous quarters.

- The figures report how many possession proceedings have been issued, and how many orders for possession have been made by the county courts.
- They do not indicate how many properties have actually been repossessed. Repossessions can occur without a court order being made while not all court orders result in repossession.
- Figures showing the actual number of repossessions are published on a quarterly basis by the Financial Services Authority (FSA) and the Council of Mortgage Lenders (CML). Further information can be found on the following websites:

www.fsa.gov.uk/Pages/Doing/Regulated>Returns/IRR/statistics/index.shtml

www.cml.org.uk

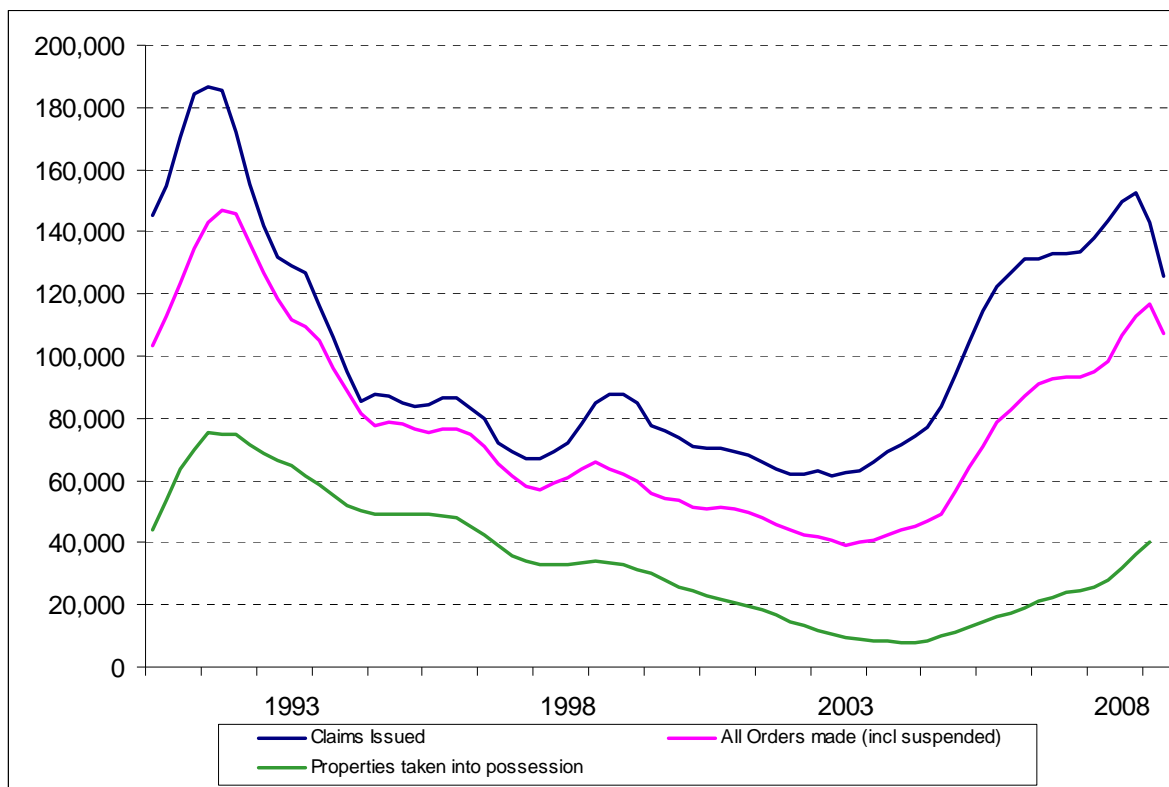
Findings

Mortgage Possession actions

During the first quarter of 2009:

- 22,609 mortgage possession claims were issued on a seasonally adjusted basis, 42% lower than in the first quarter of 2008 and 13% lower than in the fourth quarter of 2008.
- 17,054 mortgage possession orders were made on a seasonally adjusted basis, 39% lower than in the first quarter of 2008 and 43% lower than in the fourth quarter of 2008.
- 47% of mortgage possession orders were suspended, broadly the same as in the first quarter of 2008 and 45% in the fourth quarter of 2008.

Figure 1: Mortgage Possession Actions – England & Wales, 1990 to 2009 Qtr1 (12 month moving totals plotted at end date)

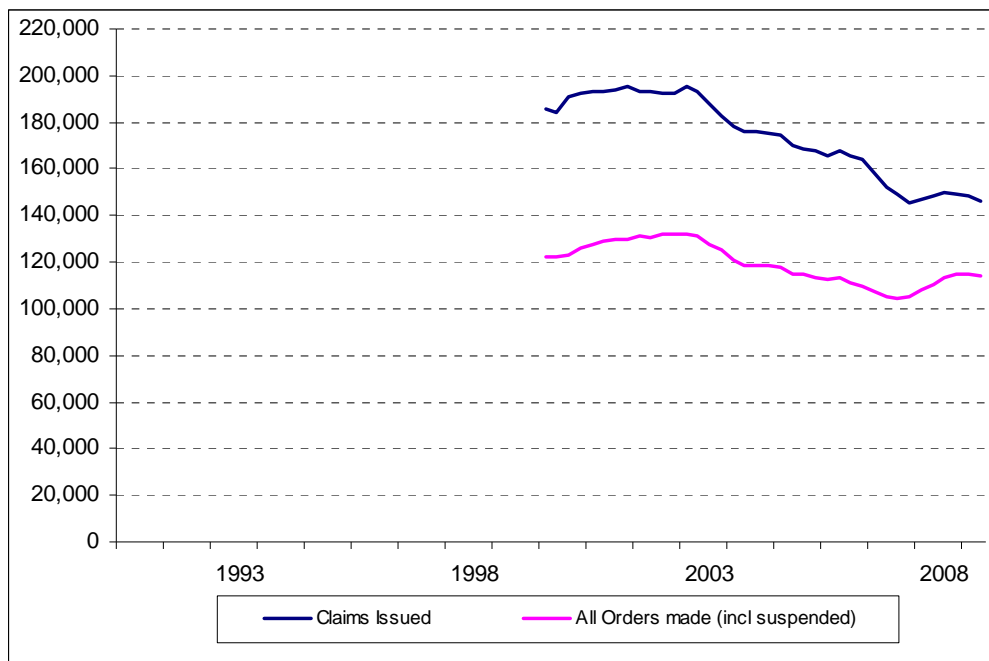


Landlord Possession actions

During the first quarter of 2009:

- 35,745 landlord possession claims were issued using the standard and accelerated possession procedures on a seasonally adjusted basis, 5% lower than in the first quarter of 2008 and 1% lower than in the fourth quarter of 2008.
- 27,485 landlord possession orders were made through the standard and accelerated possession procedures on a seasonally adjusted basis, 5% lower than in the first quarter of 2008 and 3% lower than in the fourth quarter of 2008.
- 44% of landlord possession orders made through the standard and accelerated possession procedures were suspended compared to 42% in the first quarter of 2008 and in the fourth quarter of 2008.

Figure 2: Landlord Possession Actions – England & Wales, 1999 to 2009 Qtr1 (12 month moving totals plotted at end date)



Recent developments and statistical revisions

Introduction of Mortgage Pre-Action Protocol

A new Mortgage Pre Action Protocol, approved by the Master of the Rolls, for possession claims relating to mortgage or home purchase plan arrears came into effect on 19 November 2008. The protocol applies to mortgage arrears on:

- first charge residential mortgages and home purchase plans regulated by the Financial Service Authority under the Financial Services and Market Act 2000;
- second charge mortgages for residential property and other secured loans regulated under the Consumer Credit Act 1974 on residential property; and
- unregulated residential mortgages.

The Protocol gives clear guidance on what the courts expect lenders and borrowers to have done prior to a claim being issued. The main aims of it are to ensure that the parties act fairly and reasonably with each other in any matters concerning the mortgage arrears, to encourage more pre action contact between lender and borrower and to enable efficient use of the court's time and resources.

The introduction of the MPAP coincided with a fall of around 50% in the daily and weekly numbers of new mortgage repossession claims being issued in the courts as evidenced from administrative records. As orders are typically made (where necessary) around 8 weeks after claims are issued, the downward impact on the number of mortgage possession orders made was seen in the first quarter of 2009. Presently, the extent to which the MPAP has resulted in the issue of claims being delayed rather than abandoned is unclear.

More details about the protocol can be viewed using the link:

www.justice.gov.uk/publications/mortgatelandlordpossession.htm

Incorporation of complete Possession Claim On-Line data

In April 2009 there was a major upgrade to the extract of data from the Possession Claim On-Line (PCOL) system, that are uploaded into the Department's Management Information System (MIS), from which the figures in this bulletin are sourced.

Previously, from the fourth quarter of 2006 onwards, data relating to an average 7% of mortgage possession orders and 4% of landlord possession orders for each quarter between 2006 Q4 and 2008 Q4 had been excluded from MIS. These 'missing' records were of orders drawn by county courts with access to PCOL on behalf of other county courts.

The numbers of orders made shown by previous bulletins therefore included estimates of the numbers of 'missing' orders. These took the form of upward adjustment factors for each HM Courts Service region which were applied to the corresponding numbers of orders made at county courts without access to PCOL. The bulletins included the numbers of orders for courts without access to PCOL for each HMCS region rather than for each county court.

The impact of including the 'missing' PCOL data has been to revise upwards the number of mortgage possession orders by an average 0.7% and the number of landlord possession orders by an average 1.2% for each quarter between 2007 Q1 and 2008 Q4.

Proposed future changes to published National Statistics on possession actions

A technical note is being published alongside this bulletin, setting out two proposed changes to the future publication of National Statistics on court actions for possession.

In summary, the proposed changes are as follows:

- A change to the definitional basis of the published National Statistics on the number of possession orders made in the county courts of England and Wales. We propose publishing the **number of possession claims that lead to an order**, rather than **number of possession orders** as at present.
- The inclusion of a new, additional Local Authority level breakdown of the published National Statistics for both the 'claims' and 'orders' series.

Users are invited to comment on the detail of these proposals, with responses requested by 12 June. See:

www.justice.gov.uk/publications/mortgatelandlordpossession.htm

Table 1: Mortgage possession actions in the county courts^{1*}

Year	Quarter	Not Seasonally Adjusted		Seasonally Adjusted		Properties taken into possession ³
		Claims Issued	Orders Made ²	Claims Issued	Orders Made ²	
1990		145,350	103,508			43,900
1991		186,649	142,905			75,500
1992		142,162	126,881			68,600
1993		116,181	105,283			58,600
1994		87,958	77,681			49,200
1995		84,170	75,258			49,400
1996		79,858	71,203			42,600
1997		67,073	57,156			32,800
1998		84,836	66,055			33,900
1999		77,885	55,964			29,900
2000		70,430	50,918			22,900
2001		65,862	47,997			18,200
2002		63,203	41,759			12,000
2003		65,886	41,038			8,500
2004		77,250	46,683			8,200
2005		114,764	70,964			14,500
2006		131,258 (r)	90,826 (r)			21,000
2007		137,725 (r)	94,913 (r)			25,900
2008		142,743 (r)	116,872 (r)			40,000
2004	Q1	18,915	11,342	18,073	11,081	
	Q2	18,510	11,469	18,481	11,304	3,900
	Q3	19,284	11,944	19,461	11,653	
	Q4	20,541	11,928	21,311	12,697	4,300
2005	Q1	25,709	14,075	24,679	14,525	
	Q2	28,313	18,365	28,201	17,237	7,100
	Q3	29,871	19,707	30,148	19,170	
	Q4	30,871	18,817	32,093	19,998	7,400
2006	Q1	33,246	21,963	31,845	21,461	
	Q2	32,989	22,159	32,852	22,027	10,000
	Q3	34,445 (r)	24,060 (r)	34,763	23,366	
	Q4	30,578 (r)	22,644 (r)	31,947	24,093	11,000
2007	Q1	34,818 (r)	23,778 (r)	33,161	23,149	
	Q2	33,189	22,741 (r)	33,102	22,678	12,800
	Q3	34,977 (r)	24,384 (r)	35,273	23,680	
	Q4	34,741 (r)	24,010 (r)	36,499	25,552	13,100
2008	Q1	40,874 (r)	27,375 (r)	38,710	28,068	8,500
	Q2	39,072 (r)	30,913 (r)	39,019	29,238	10,000
	Q3	38,048 (r)	30,603 (r)	38,378	29,755	11,100
	Q4**	24,749 (r)	27,981 (r)	26,086	29,771	10,400
2009	Q1**	23,968 (p)	17,587 (p)	22,609	17,054	

Notes:

* Data relating to 1999 onwards are sourced from county court administrative systems and exclude duplicate observations. Data prior to 1999 are sourced from manual counts made by court staff.

** The Mortgage Pre Action Protocol for possession claims relating to mortgage or home purchase arrears was introduced on 19th November 2008. It's introduction has coincided with a substantial fall in the number of new mortgage possession claims in 2008 quarter 4 and in the number of mortgage possession orders in 2009 quarter 1. These changes in volumes have negatively impacted the quality of the seasonally adjusted figures for these quarters. More details are available in "Recent Developments and Statistical revision" section.

1. Includes all types of lenders.

2. Includes suspended orders.

3. Council of Mortgage Lenders (CML) previously published six monthly figures on repossessed properties. Quarterly data is only available from 2008. Please see the CML website for more information.

All period figures denoted by (r) are based on revised data and replace those provided in the last bulletin

All period figures denoted by (p) are based on provisional data

Table 2: Landlord possession claims issued in the county courts^{1*}

Year	Quarter	Not Seasonally Adjusted			Seasonally Adjusted		
		Accelerated Procedure	Standard Procedure	Total	Accelerated Procedure	Standard Procedure	Total
1990			131,017				
1991			119,134				
1992			117,671				
1993			96,497				
1994			83,081				
1995			102,995				
1996			111,807				
1997			130,163				
1998			155,128				
1999		13,908	171,476	185,384			
2000		16,660	176,123	192,783			
2001		17,518	175,901	193,419			
2002		18,096	177,377	195,473			
2003		18,352	159,724	178,076			
2004		20,429	154,186	174,615			
2005		21,078	144,636	165,714			
2006		23,008 (r)	135,167 (r)	158,175 (r)			
2007		24,496 (r)	122,561 (r)	147,057 (r)			
2008		23,049 (r)	125,165 (r)	148,214 (r)			
2004	Q1	4,947	41,211	46,158	4,930	39,007	43,937
	Q2	5,338	36,717	42,055	5,112	39,228	44,340
	Q3	5,132	38,381	43,513	5,054	37,720	42,774
	Q4	5,012	37,877	42,889	5,331	38,255	43,586
2005	Q1	4,888	36,445	41,333	4,911	34,542	39,453
	Q2	5,619	35,237	40,856	5,349	37,593	42,942
	Q3	5,358	37,109	42,467	5,274	36,416	41,690
	Q4	5,213	35,845	41,058	5,552	36,281	41,833
2006	Q1	5,520	38,234	43,754	5,578	36,272	41,850
	Q2	5,800	32,466	38,266	5,482	34,552	40,034
	Q3	6,126 (r)	35,102 (r)	41,228 (r)	6,026	34,417	40,443
	Q4	5,562 (r)	29,365 (r)	34,927 (r)	5,951	29,802	35,753
2007	Q1	5,916 (r)	31,500 (r)	37,416 (r)	5,991	29,887	35,878
	Q2	6,492 (r)	28,826 (r)	35,318 (r)	6,111	30,614	36,725
	Q3	6,248 (r)	31,731 (r)	37,979 (r)	6,127	31,108	37,235
	Q4	5,840 (r)	30,504 (r)	36,344 (r)	6,290	30,996	37,286
2008	Q1	6,272 (r)	32,861 (r)	39,133 (r)	6,357	31,199	37,556
	Q2	6,502 (r)	29,843 (r)	36,345 (r)	6,095	31,652	37,747
	Q3	5,653 (r)	31,823 (r)	37,476 (r)	5,538	31,186	36,724
	Q4	4,622 (r)	30,638 (r)	35,260 (r)	5,002	31,151	36,153
2009	Q1	4,646 (p)	32,661 (p)	37,307 (p)	4,708	31,037	35,745

Notes:

* Data relating to 1999 onwards are sourced from county court administrative systems and exclude duplicate observations. Data prior to 1999 are sourced from manual counts made by court staff.

1. Includes all actions regardless of the category of landlord

All period figures denoted by (r) are based on revised data and replace those provided in the last bulletin

All period figures denoted by (p) are based on provisional data

Table 3: Landlord possession orders made in the county courts^{1,2*}

Year	Quarter	Not Seasonally Adjusted			Seasonally Adjusted		
		Accelerated Procedure	Standard Procedure	Total	Accelerated Procedure	Standard Procedure	Total
1990			112,780				
1991			95,013				
1992			96,958				
1993			82,724				
1994			63,561				
1995			82,599				
1996			87,849				
1997			99,869				
1998			112,236				
1999		11,395	111,067	122,462			
2000		13,254	114,321	127,575			
2001		13,558	117,684	131,242			
2002		13,557	118,598	132,155			
2003		13,483	107,211	120,694			
2004		15,156	102,630	117,786			
2005		15,892	96,977	112,869			
2006		17,322	89,779 (r)	107,101 (r)			
2007		18,962 (r)	88,886 (r)	107,848 (r)			
2008		18,020 (r)	96,456 (r)	114,476 (r)			
2004	Q1	3,611	26,704	30,315	3,674	25,714	29,388
	Q2	3,921	25,410	29,331	3,891	26,423	30,314
	Q3	4,049	26,042	30,091	3,840	25,841	29,681
	Q4	3,575	24,474	28,049	3,740	24,639	28,379
2005	Q1	3,618	24,119	27,737	3,687	24,204	27,891
	Q2	4,162	24,731	28,893	4,132	24,729	28,861
	Q3	4,126	24,323	28,449	3,904	24,092	27,996
	Q4	3,986	23,804	27,790	4,171	23,969	28,140
2006	Q1	4,161	24,396	28,557	4,250	23,473	27,723
	Q2	4,204	21,805	26,009	4,174	22,762	26,936
	Q3	4,777	22,310 (r)	27,087	4,510	22,112	26,622
	Q4	4,180	21,268 (r)	25,448 (r)	4,370	21,387	25,757
2007	Q1	4,574	22,191 (r)	26,765 (r)	4,689	21,304	25,993
	Q2	4,636 (r)	20,552 (r)	25,188 (r)	4,606	21,515	26,121
	Q3	5,049	22,727 (r)	27,776 (r)	4,749	22,558	27,307
	Q4	4,703	23,416 (r)	28,119 (r)	4,914	23,498	28,412
2008	Q1	4,766	24,208 (r)	28,974 (r)	4,906	24,167	29,073
	Q2	4,788 (r)	23,782 (r)	28,570 (r)	4,755	23,956	28,711
	Q3	4,655	24,229 (r)	28,884 (r)	4,370	24,080	28,450
	Q4	3,811	24,237 (r)	28,048 (r)	3,976	24,281	28,257
2009	Q1	3,390 (p)	25,057 (p)	28,447 (p)	3,502	23,983	27,485

Notes:

* Data relating to 1999 onwards are sourced from county court administrative systems and exclude duplicate observations. Data prior to 1999 are sourced from manual counts made by court staff.

1. Includes all actions regardless of the category of landlord
2. Includes suspended orders

All period figures denoted by (r) are based on revised data and replace those provided in the last bulletin

All period figures denoted by (p) are based on provisional data

Annex (containing court-level statistics)

See: www.justice.gov.uk/publications/mortgatelandlordpossession.htm

Within this spreadsheet:

Table 1A shows the number of mortgage possession actions in the county courts of England and Wales on a non seasonally adjusted basis.

Table 2A shows the number of landlord possession orders made in the county courts of England and Wales on a non seasonally adjusted basis.

Explanatory notes

1. This is a National Statistics publication produced by the Ministry of Justice. National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.
2. The data provided in each of the tables relate to possession **claims issued** and **orders made** in county courts in England and Wales.
3. The mortgage data include all types of lenders whether local authority or private (e.g. banks and building societies).
4. The landlord data include all types of landlord whether social or private sector, and cover actions made using both the standard and accelerated possession procedures. The accelerated possession procedure is used by landlords in relation to assured shorthold tenancies, when the fixed period of tenancy has come to an end. It enables orders to be made by the court solely on the basis of written evidence and without calling the parties to a hearing.
5. The Q1 2009 figures are provisional and therefore liable to revision to take account of any late amendments.
6. Percentage changes are not provided where there are less than 20 observations in the past period.
7. Figures on mortgage and landlord possession actions are published on a quarterly basis.
8. The information contained in this publication has been produced using the Management Information System (MIS), a data warehousing facility drawing data directly from court-based information systems.

9. Seasonally adjusted figures are provided as well as non-seasonally adjusted ones to provide a clearer picture of the underlying behaviour of the data series after removal of seasonal or other calendar influences. The seasonal adjustment models are designed using X12 ARIMA, the standard tool used for this purpose in government statistics.

The two sets of figures serve distinctly different purposes. In broad terms, the unadjusted figures are the most accurate count of the actual number of possession actions in a given period, while the seasonally-adjusted figures give a better and more meaningful picture of changes over time.

10. The mortgage possession figures do **not** indicate how many houses have actually been repossessed through the courts. Repossessions can occur without a court order being made while not all court orders result in repossession.

- **Claims Issued.** A claimant begins an action for an order for possession of property by issuing a claim in a county court.
- **Orders Made.** The court, following a judicial hearing (or judicial involvement in accelerated procedure cases) may grant an order for possession immediately. This entitles the claimant to apply for a warrant to have the defendant evicted. However, even where a warrant for possession is issued, the parties can still negotiate a compromise to prevent eviction.
- **Suspended Orders.** Frequently, the court grants the claimant possession but suspends the operation of the order. Provided the defendant complies with the terms of suspension, which usually require the defendant to pay the current mortgage/rent instalments plus some of the accrued arrears, the possession order cannot be enforced.

11. The statistics shown for "properties taken into possession" are existing published figures from the Council of Mortgage Lenders (CML), which is an industry body representing around 98% of the UK residential lending industry. It should be noted that:

- The Ministry statistics on court actions cover England and Wales only. CML statistics cover the whole of the UK.
- CML statistics on actual possessions include properties surrendered voluntarily, and are published each quarter. Given the time lags involved, some of the court orders for these possessions may have been granted in earlier time periods.
- Mortgage possessions counted in the CML statistics predominantly relate to the non-repayment of loans which are secured as a "first charge" against the property. The large majority of "second charge" lending (any loan secured on a property for which a separate first charge loan already exists) falls outside the membership of the CML

and therefore any resulting repossessions will not be counted in the CML's figures.

More details about the differences between mortgage possession data published by the Ministry, the CML and the Financial Services Authority at: www.justice.gov.uk/docs/mortgage-lending-stats-note.pdf

Historic Factors

A new Pre-Action Protocol for housing possession claims based on rent arrears came into effect on 2 October 2006. The Protocol applies to rent arrears claims issued by social landlords (e.g. Local Authorities, Registered Social Landlords), and gives clear guidance on what the courts will be expecting landlords and tenants to have done prior to arriving at court. The main aim of the Protocol is to encourage more pre-action contact between parties and to enable court time to be used effectively. The introduction of the Protocol may therefore explain much of the reductions in the numbers of rent possession claims issued and orders made since then. This protocol can be viewed using the following link
www.justice.gov.uk/civil/procrules_fin/contents/protocols/prot_rent.htm

Symbols and conventions

The following symbols have been used throughout the tables in this bulletin:

- (r) = Revised data
- (p) = Provisional data

Contact points for further information

Current and previous editions of this publication are available for download at www.justice.gov.uk/publication/mortgatelandlordpossession.htm

Press enquiries should be directed to the Ministry of Justice press office:

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Tel: 020 3334 3534

Queries on the wider policy implications of these statistics should be directed to the Department for Communities and Local Government's press office:

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Queries on statistics shown for 'Properties taken into possession' and other related statistics should be directed to the Council of Mortgage Lenders' press office on:

Tel: 020 7438 9822

Other enquiries about these statistics should be directed to:

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General enquiries about the statistical work of the Ministry of Justice can be emailed to: statistics.enquires@justice.gsi.gov.uk

Other National Statistics publications, and general information about the official statistics system of the UK, are available from www.statistics.gov.uk

