



# Insolvency Act 1986

## 1986 CHAPTER 45

### PART IX

#### BANKRUPTCY

#### CHAPTER IV

##### ADMINISTRATION BY TRUSTEE

##### *Distribution of bankrupt's estate*

#### **325 Claims by unsatisfied creditors.**

- (1) A creditor who has not proved his debt before the declaration of any dividend is not entitled to disturb, by reason that he has not participated in it, the distribution of that dividend or any other dividend declared before his debt was proved, but—
  - (a) when he has proved that debt he is entitled to be paid, out of any money for the time being available for the payment of any further dividend, any dividend or dividends which he has failed to receive; and
  - (b) any dividend or dividends payable under paragraph (a) shall be paid before that money is applied to the payment of any such further dividend.
- (2) No action lies against the trustee for a dividend, but if the trustee refuses to pay a dividend the court may, if it thinks fit, order him to pay it and also to pay, out of his own money—
  - (a) interest on the dividend, at the rate for the time being specified in section 17 of the <sup>M1</sup>Judgments Act 1838, from the time it was withheld, and
  - (b) the costs of the proceedings in which the order to pay is made.

#### **Modifications etc. (not altering text)**

**C1** s. 325 applied with modifications by [S.I. 1986/1999, art. 3, Sch. 1 Pt. II](#)

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**Status:** Point in time view as at 09/02/2018.

**Changes to legislation:** Insolvency Act 1986, Section 325 is up to date with all changes known to be in force on or before 06 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

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**Marginal Citations**

**M1** 1838 c. 110.

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