



Chris Heaton-Harris
Member of Parliament for Daventry
House of Commons, London SW1A
0AA
Tel: 020 7219 7048

February 2021

Dear Constituent,

Thank you for contacting me about plans for a 'breathing space' for people in debt. I do understand what a stressful time this is for many people in the country.

Problem debt is often difficult to escape and can have a devastating impact on existing issues including family problems and poor mental health. It is only right that people who fall into problem debt are helped to find a sustainable, long-lasting plan to solve their debt problems. That is why I welcome the action being taken to protect those who find themselves in problem debt through a new breathing space scheme.

This scheme will have two parts: a breathing space period and a statutory debt repayment plan. Together, these two aspects of the scheme will protect debtors from creditor action, help them get professional advice on their debt problems, and assist them in paying off their debts in a sustainable way.

Colleagues in the Treasury have already started work on this scheme by investing an additional £12.5 million in throughout 2020-21, in order to implement breathing spaces as soon as possible.

The breathing space will provide debtors with a 60-day period in which interest and charges on their debts are frozen and enforcement action from creditors is paused. During the time, debtors will have to seek professional debt advice to find a sustainable solution, encouraging them to seek advice earlier and give them the headspace to identify the right debt solution for them. The statutory debt repayment plan is a new debt solution that will extend the breathing space protections to debtors who commit to fully repaying their debts in a manageable timeline.

On the wider issue of helping those who find themselves in problem debt, I am glad that an extra £37.8 million support package has been made available to debt advice providers this year and the government-commissioned Money Advice Service is spending over £56 million to provide debt advice to over half a million people in the same period.

If you would like free debt advice from the Money Advice Service, you can find out more at:

www.moneyadviceservice.org.uk/en/tools/debt-advice-locator.

Thank you again for taking the time to contact me.

Yours faithfully,

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY