

# Housing Rights

[www.housingrights.org.uk](http://www.housingrights.org.uk)  
@housingrightsNI

## Policy Response

# A response to the call for evidence on a “breathing space” scheme for those in serious problem debt

December 2017

when everyone has a **home**

**Introduction**

Housing Rights is the leading provider of specialist housing advice in Northern Ireland, and has worked for over 50 years to help those in housing need. In 2016/17, we helped over 11,500 people deal with over 43,000 housing issues.

Our work includes helping people with mortgage, tenancy and other housing debts, and working to ensure that our clients are empowered to sustain their tenancies. Whilst the consultation on a “breathing space” scheme is initially relevant to England, Housing Rights welcomes the potential for this to be extended to Wales and Northern Ireland, and is pleased to have the opportunity to contribute on this basis.

## **Accessing a breathing space**

Housing Rights recommends that individuals seeking a 6-week breathing space from their debt should be required to engage with a regulated debt adviser. This advice should be rigorously regulated and quality assured, and advisers should be explicitly required to act solely in the best interests of the client.

Housing Rights would also recommend that regulated advice is free to the client, or at minimum, the client is clearly signposted to free sources of regulated advice by lenders and the Government.

Finally, given the specialised nature of housing debts and advice, and the importance of dealing effectively with these debts in order to sustain the home, Housing Rights would recommend that the regulation and quality assurance of advice should include specific requirements on standards of housing debt advice.

## **Priority of debts for a breathing space**

Housing Rights feels that all debts should be eligible for “breathing space” protection. Additionally, Housing Rights believes that mortgage, tenancy and other housing debts should be prioritised by any breathing space scheme. As the ultimate sanction of these forms of debt is eviction or possession of the client’s home, these debts should be prioritised in any breathing space and consequent debt repayment plan.

## **Interaction of breathing space with pre-action protocols**

Similar to the rest of the United Kingdom, Northern Ireland has specific pre-action protocols for lenders seeking to possess a home for mortgage arrears<sup>1</sup>, and social landlords seeking possession for rent arrears.<sup>2</sup>

These pre-action protocols are vital protections for clients seeking to sustain their tenancies and homes, and ensure that lenders and landlords follow due process of law when seeking possession of a property. Housing Rights would encourage the Government to confirm and ensure that the introduction of any breathing space scheme is explicitly additional to these existing pre-action protocols; it is important that the protections of these protocols are not compromised in any way.

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<sup>1</sup> <https://www.courtsni.gov.uk/en-GB/Judicial%20Decisions/Practice%20Directions/Documents/Revised%20Protocol%20on%20Possession%20Proceedings/Revised%20Pre%20Action%20Protocol%20for%20Repossession%20Proceedings.pdf>

<sup>2</sup> <http://bit.ly/2AlrTJR>

**Benefits of a breathing space scheme in Northern Ireland**

Housing Rights would welcome further detailed consideration from the Government on the creation of a breathing space scheme in Northern Ireland. This could have the potential to offer clients valuable time and space to establish a sustainable debt repayment plan, whilst the proposed consequent protections from further fees or interest during a repayment plan would make repayment more sustainable.

Housing Rights would welcome further engagement from the Government with Housing Rights, and other relevant Northern Irish stakeholders, in advance of any specific introduction of a breathing space scheme to Northern Ireland.