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Breathing Space: Citizens Advice debt experts explain what you need to know

From Tuesday 4th May 2021, the new Breathing Space and Mental Health Crisis Debt Respite Schemes will come into effect in England and Wales. Citizens Advice's expert debt advisors explain what you need to know about the new initiative.

What is Breathing Space?

Breathing Space is a new scheme that gives people temporary protection from most types of debt collection while they take action to get on top of their debts.

You can apply through a debt adviser for sixty days' Breathing Space. You must continue to engage with your debt adviser and not take out any new borrowing over £500 in this time. You'll also have to continue to make certain types of payments, including ongoing housing costs, utility bills, and taxes.

Interest and fees will be paused on debts included in Breathing Space while these conditions are met.

You can only apply for Breathing Space once in a 12-month period.

Teresa Archer Chief Officer at Citizens Advice West Oxfordshire, said:

"The coronavirus pandemic has had a huge impact on lots of people's finances, with millions falling behind on essential bills and getting into debt. With temporary protections on debt coming to an end, we're worried that the real struggle will soon begin for many.

"If you have unmanageable debts, the new scheme could give you the time to get the advice that will help, and to start taking action.

"Breathing Space isn't a temporary fix to simply keep your creditors at arm's length. You'll need to work with your debt adviser to try and make a plan to deal with your debts.

"For anyone who feels they can't manage their debt, the most important thing is to seek help as soon as possible from a free and impartial debt advice charity like Citizens Advice."

Citizens Advice across Oxfordshire helped someone with debt advice every 2 to 3 hours

In 2020, Citizens Advice across Oxfordshire helped almost 3000 people one-to-one with debt problems. This means the charity helped someone with debt advice every 2 to 3 hours.

Are there other types of Breathing Space?

If you're being treated for a mental health crisis, a separate scheme applies.

An approved mental health professional will need to confirm you are receiving crisis care. Your GP can't make this confirmation, but should be able to refer you to someone who can. You can then seek help from the scheme yourself, or someone else - for example a carer, social worker or mental health nurse - could apply on your behalf.

The pause on enforcement lasts as long as you're receiving crisis treatment, plus 30 days. A nominated person will need to keep in touch with your debt adviser to update them about your ongoing treatment. However, you won't need to receive debt advice or meet any ongoing requirements listed above.

You can apply for this type of Breathing Space more than once a year. If you still need more time to tackle your debts once your crisis treatment is over, you can still apply for standard Breathing Space afterwards.

Teresa Archer, Chief Officer at Citizens Advice West Oxfordshire said:

"We know that struggles with debt and with mental health often go hand in hand. If you're in the midst of a crisis, the special provisions in Breathing Space should give you the time and space you need until you are ready to address your problem debt.

"Really importantly, these provisions only apply if you're currently receiving crisis treatment when you make the application. So, even if you are struggling with your mental health, you won't be eligible unless an approved professional confirms that you're getting crisis treatment."

Who is eligible for Breathing Space?

For both types of Breathing Space, you'll need to live in England or Wales and not currently be in another formal debt solution - like a Debt Relief Order, Individual Voluntary Arrangement or bankruptcy. You'll also need to owe at least one qualifying debt.

These qualifying debts are quite broad and include things like credit cards, personal loans or overdrafts. Many priority debts, such as rent arrears, fuel arrears and council tax arrears will also qualify.

Some debts won't qualify for Breathing Space. These include court fines, Universal Credit advance payments and student loans. Secured debts like mortgages or car finance won't qualify unless you've fallen into arrears on your payments.

Your debt adviser will ultimately advise on whether Breathing Space is suitable for you while you identify a longer term debt solution.

“Most common types of problem debt would be qualifying debts in Breathing Space. This includes priority debts - like rent arrears or council tax debt - that can have particularly severe consequences when you can't pay them.

“Your debt adviser will work with you to find the best way forward. That might involve applying for Breathing Space to buy some time while you choose the right debt solution to fit your circumstances.”

Background

Nationally, money and debt advice pages on the Citizens Advice website received 4.4 million pageviews in 2020.

We give people the knowledge and confidence they need to find their way forward - whoever they are, and whatever their problem.

- The four Citizens Advice West Oxfordshire, Oxford, North Oxfordshire and South Northamptonshire and South Oxfordshire and Vale of the White Horse all exist to provide free, confidential, independent advice in Oxfordshire and they are all members of Citizens Advice, the national charity
- For Citizens Advice general local free telephone advice, visit www.caox.org.co.uk.
- Citizens Advice Freephone Adviceline 0800 144 8848 and Textphone: 0800 144 8884
- Citizens Advice in Oxfordshire are supported by more than 670 trained volunteers and 52 paid staff working across 14 advice centres. In the last year, we helped 27,000 people across Oxfordshire with 78,000 issues.
- Citizens Advice is made up of the national charity Citizens Advice; the network of independent local Citizens Advice charities across England and Wales; the Citizens Advice consumer service; and the Witness Service.
- Citizens Advice helped 2.7 million people face to face, over the phone, by email and web chat in 19-20. We had 3.5 million visits to our national website. For full service statistics see Citizens Advice monthly publication [Advice Trends](#).