



Standard Breathing Space

Gives eligible people in problem debt, who receive professional debt advice, access to a sixty-day period in which interest, fees and charges are frozen and enforcement action is paused – referred to as “breathing space”. Includes:

- credit cards; store cards; personal loans; pay day loans; overdrafts; utility bill arrears
- mortgage or **rent arrears**

Applies to all debts at application date

- but will be retrospective (i.e. includes all rent arrears up to date of moratorium commencing)
- some debts excepted - mainly to statutory bodies

A breathing space can only be started by:

- a debt advice provider who is authorised by the Financial Conduct Authority (FCA) to offer debt counselling
- a local authority (where they provide debt advice to residents)

Advisors can create a breathing space

- meaning the debt cannot be pursued in any way
- and legal proceedings based on it must stop
- This includes possession for rent arrears
- A standard breathing space is for 60 days – to be reviewed at the mid-stage

Landlord cannot:-

- Contact the tenant directly in relation to the debt
- Obtain a warrant in relation to the debt
- Serve a notice seeking possession because of the debt
- Sell on the debt to a third party
- Charge interest on the debt over the period covered by the breathing space
- Apply for a judgement in relation to the debt
- Enforce an existing money judgement for the debt
- Take control of the tenant's belongings during the breathing space
- Request third party deductions from Universal Credit or other benefits
- Start bankruptcy proceedings
- should also not contact the tenant to request payment of the debt during this time

but can:-

- Contact the tenant for anything not related to the debt:-
 - Maintenance
 - Repairs
 - Gas/electric certificates
- if the tenant has asked to talk to you about a debt solution or debt then you can answer these enquiries.

During the standard Breathing Space:-

- The tenant is liable to continue paying rent
- In theory, could be pursued for any new arrears, as not part of the Breathing Space Moratorium.

Mental Health Breathing Space

- Only for a mental health crisis
 - That is where the debtor has been hospitalised
 - Or is very close to it
- It lasts as long as the person's mental health crisis treatment, plus 30 days
- Also protect tenants from new rent arrears and the consequences of them; tenant NOT obliged to continue paying rent

Both

- Creditors can ask that they are stopped if they are unfair
- Applications to the court can be made to force the end
- Only restrict proceedings based on debt subject to a moratorium
- No restriction on:
 - Proceedings based on new debts
 - Section 21 claims
 - Claims for ASB