

SL(5)635 – the Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020

Background and Purpose

These Regulations establish a debt respite scheme for people in problem debt.

The scheme gives eligible people in problem debt who receive professional debt advice access to a 60-day period in which interest, fees and charges are frozen and enforcement action is paused. This moratorium period is often referred to as 'Breathing Space'.

For people receiving mental health crisis treatment, the scheme establishes an alternate route by which the protections of a moratorium may be accessed and ensures that the protections are in place for the duration of their crisis treatment.

Procedure

These Regulations are made by the Treasury, but must be laid before and approved by a resolution of the Senedd and each House of Parliament.

Scrutiny under Standing Order 21.7

We note and welcome the intention of these Regulations, namely to incentivise more people in problem debt to access professional debt advice, to do so sooner, and to enable them to enter the debt solution that is most appropriate in view of their individual circumstances.

We also note that these Regulations are made by the Treasury under Part 1 of the Financial Guidance and Claims Act 2018, to which the Assembly gave its legislative consent on 13 February 2018. During the Assembly debate on consent, the Minister for Housing and Regeneration at the time, Rebecca Evans MS, said of any future debt respite scheme:

This is still some way off, but we will continue to work closely with the UK Government and the SFGB, when it's established, in addition to advice providers and other stakeholders to influence the development of any scheme and determine whether it meets the requirements of Wales.

We would be grateful if the Welsh Government could:

- (a) set out how the debt respite scheme has been developed to meet the requirements of Wales;
- (b) confirm whether it is content that these Regulations do not generally come into force until 4 May 2021.



Implications arising from exiting the European Union

None.

Government response

A Welsh Government response is required.

Legal Advisers

Legislation, Justice and Constitution Committee

27 October 2020



Senedd Cymru

Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad

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Welsh Parliament

Legislation, Justice and Constitution Committee