



HM Treasury

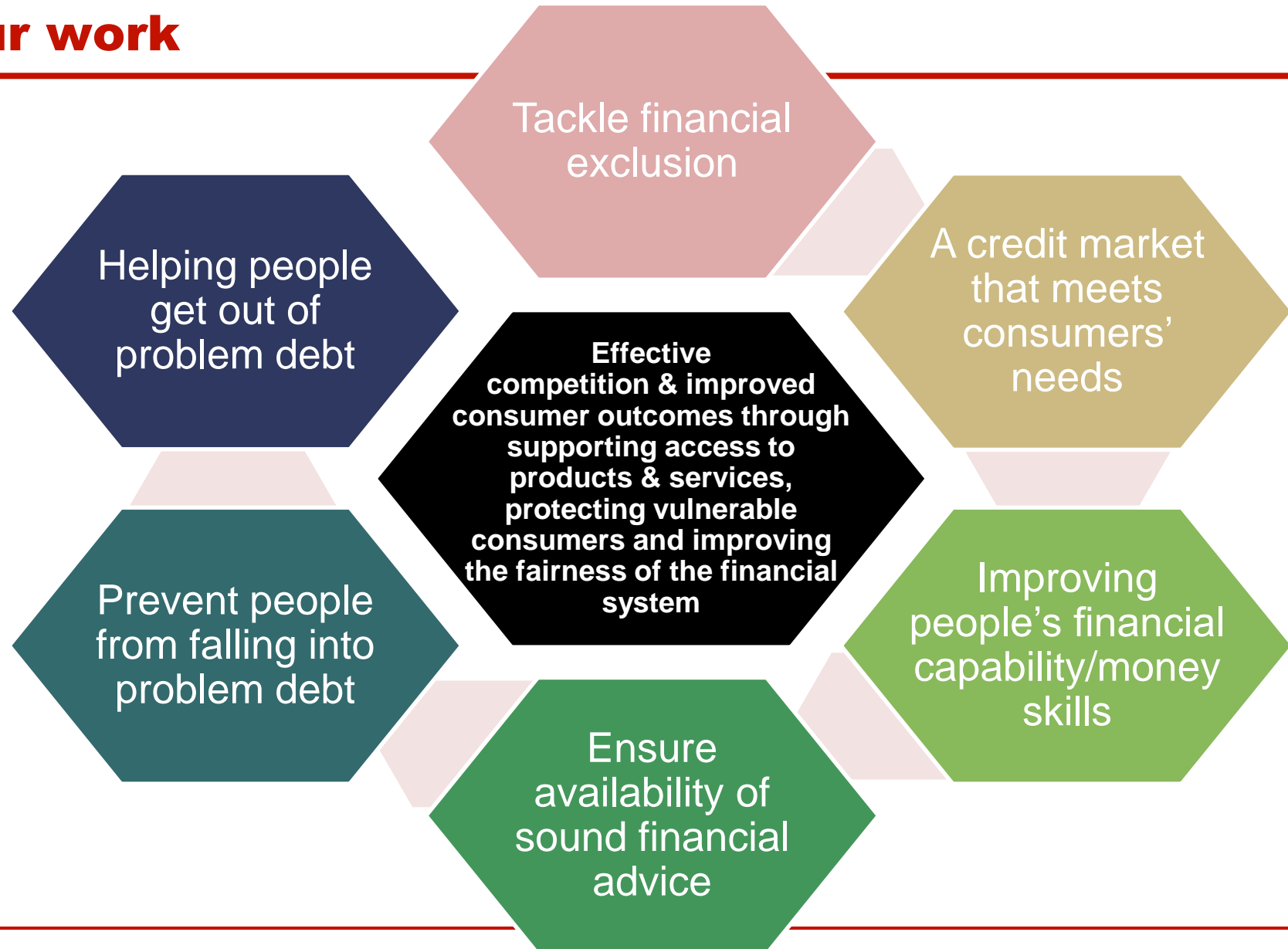
# **Breathing space and the mental health mechanism**

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# Our work



# Background

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- Breathing space will give people in problem debt the right to legal protections from creditor action for up to 60 days, while they receive debt advice and enter an appropriate debt solution.
- A client's debt situation will not worsen during this period and there will be a break from creditor contact about debts that are owed.
- It gives the client time, without the fear of debts rising, to engage with professional debt advisers to identify a positive, sustainable solution to their debt, in order to start to rebuild their financial position.
- **There is an alternative access mechanism for people in mental health crisis treatment, allowing them to access tailored protections quickly, and for a longer period if needed, despite the challenges they may face in accessing debt advice.**

# What is breathing space?



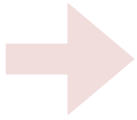
# Mental health mechanism – same scheme, but...

Length of crisis treatment, plus 30 days



## Mental Health

- Evidence of mental health crisis treatment provided to debt adviser



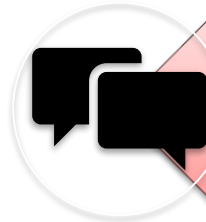
## Debt adviser checks:

- Credit check to identify any additional debts to include
- Does not have to offer advice



## Protections

No enforcement e.g. no bailiffs, no contact chasing for repayment, court action is paused.



## Professional Debt Advice



## Debts Don't Escalate

Interest is frozen and there are no fees and charges

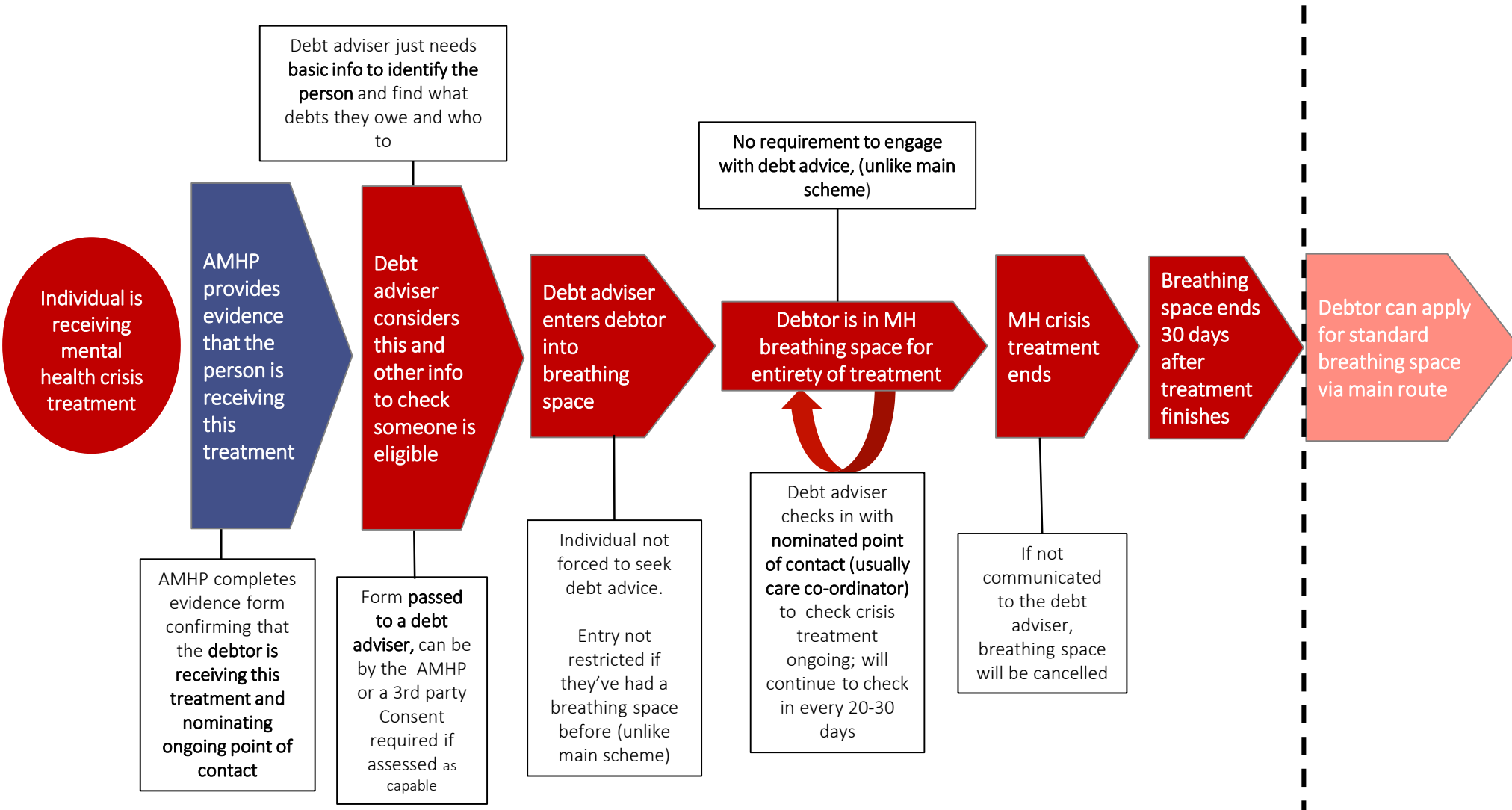


**Broad range of debts can be included** e.g. financial services (mortgages, credit cards, payday loans); utilities (phone, electricity) and public sector (council tax, tax credit and UC overpayments) and more

- AMHP evidence, rather than debt advice process
- CRA check and eligibility criteria apply; no bar to those in breathing space in last year
- Same protections, last for length of treatment plus 30 days
- Not asked to engage with debt advice during crisis care
- Debt adviser discretion on ongoing liabilities



# Outline process



# What counts as mental health crisis treatment?

## PART 3

### Mental health crisis moratorium

#### Meaning of mental health crisis moratorium

**28.**—(1) A mental health crisis moratorium is a moratorium under this Part in respect of a debtor who is receiving mental health crisis treatment.

(2) In these Regulations, a debtor is receiving mental health crisis treatment when the debtor—

- (a) has been detained in hospital for assessment under sections 2 or 4 of the Mental Health Act 1983,
- (b) has been detained in hospital for treatment under section 3 of that Act,
- (c) has been removed to a place of safety by a police constable under sections 135 or 136 of that Act,
- (d) has been detained in hospital for assessment or treatment under sections 35, 36, 37, 38, 45A, 47 or 48 of that Act, or
- (e) is receiving any other crisis, emergency or acute care or treatment in hospital or in the community from a specialist mental health service in relation to a mental disorder of a serious nature.

(3) In this regulation “specialist mental health service” means a mental health service provided by a crisis home treatment team, a liaison mental health team, a community mental health team or any other specialist mental health crisis service.

- Detained for assessment or treatment under the Mental Health Act
- Removed to a Place of Safety under that Act
- Receiving crisis treatment in any setting from a specialist mental health service mental health team) for a mental disorder of a serious nature



Can only be certified by an AMHP – extremely strong protections that require robust professional judgement



## Key points for AMHPs

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- You can make a certification, but are not required to do it
- You can make a certification because you think it will help, or because someone else has suggested it will
- You can use your knowledge and judgement to make the certification – the regulations do not determine how you do this, or where
- Beyond name, address and DOB, you are not required to give any further information about the individual (but it helps)
- [You only need to seek consent if the individual has capacity to give it]
- You will not need to have an existing relationship with a debt adviser, or to engage directly with the debt adviser to certify
- Post-certification, can hand off to the nominated point of contact
- There are no penalties or other sanctions in the scheme for anything that an AMHP does, or does not do



# Implementation challenges

Challenge	Plan
Avoiding burdens on both AMHPs, other professionals and debt advisers	Limit AMHP role to essentials Plan specialist debt advice support
Keeping evidence form simple to complete and easy to submit	Limit mandatory fields Online form, supports different formats
The importance of the nominated point of contact in continuing the protections	Clear prompts in guidance and form Training for debt advisers
Ensuring process works for people with/without capacity; with/without active support from carers/advocates	Regulations anticipate different scenarios and give clear cover Monitor for gaps
Joining up with debt advice at the right time in a person's treatment	Plan specialist debt advice support to include end of treatment handover [TBC]
Smoothing the path to debt advice with the right specialist skills	Online form – one simple access point to reach specialist debt advice

# Scheme guidance and evidence form


**We need your input on these to get them right.**

## Guidance

- Is the level of detail right?
- Should we include any other information?
- Where should it appear?
- What would the right format be, for you to use?

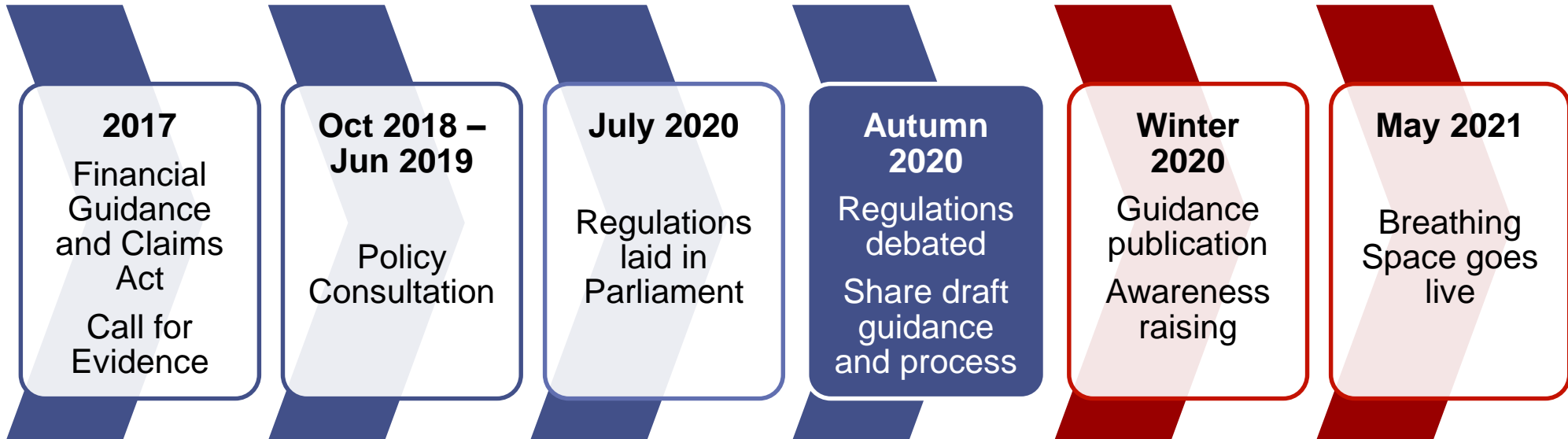
## Evidence form

- Would it be quick/easy to complete?
- Is anything missing? Does anything look unnecessary?
- What would the right format be, for you to use?
- Where should it appear?



How can we improve these for you?

## Next steps



- What questions do you have about the scheme?
- What concerns you about it?
- Do you think the scheme will help the people you support?