

Debt Respite Scheme (Breathing Space)

The Debt Respite Scheme (Breathing Space) is a statutory scheme aims to help people in problem debt to better manage their finances, seek professional debt advice and reach sustainable debt solutions.

People in problem debt can only access a breathing space by seeking professional debt advice from:

1. a debt adviser, authorised by the Financial Conduct Authority (FCA) to offer debt counselling, or
2. a local authority, where they provide debt advice to residents

Debt advisers are responsible for the administration of a breathing space. They are the point of contact for the debtor, their creditors, and the Insolvency Service.

Although all applications must be considered, the debt adviser might decide a breathing space is not appropriate for a debtor.

There are 2 types of Breathing Space:

1. Standard Breathing Space

This is available to anyone with problem debt – it gives the debtor legal protection from creditors for up to 60 days.

To be eligible for standard Breathing Space, the debtor must:

- a. be an individual
- b. owe a qualifying debt to a creditor
- c. live or usually reside in England or Wales
- d. not have a debt relief order (DRO), an individual voluntary arrangement (IVA), an interim order, or be an undischarged bankrupt at the time they apply.

2. Mental Health Crisis Breathing Space

This is only available to someone who is receiving mental health treatment. This protection last for as long as the treatment +30 days.

There is no time limit on how long a mental health crisis can last or how many times an individual receiving mental health treatment can claim Breathing Space.

To be eligible for mental health breathing space, the debtor must:

- a. Meet the same criteria and conditions for a standard breathing space
- b. be receiving mental health crisis treatment at the time that an application is made.
- c. a debtor who has had a standard or mental health crisis breathing space in the last 12 months may be eligible for a mental health crisis breathing space
- d. there is no limit to how many times a debtor can enter a mental health crisis breathing space.
- e. The debt advisor must be satisfied that the debtor cannot, or is unlikely to be able to, repay all or some of their debt and that breathing space is appropriate.

A breathing space moratorium, in other words a suspension, provides protection for people in problem debt by pausing enforcement action and freezing charges, fees and interest on certain

types of debts for up to 60 days. Anyone who cannot or is unlikely to be able to repay their debts can apply to a debt adviser for a standard breathing space.

More information about the Debt Respite Scheme (Breathing Space) is available [here](#).