

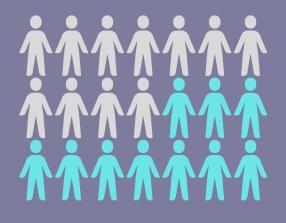
Economic and Social Research Council

# Home Matters 2021

# Debt Adviser Survey Responses

This ESRC-funded project explores the court system's response to the COVID-19 pandemic. It questions the extent to which it has proven effective in addressing the risks and challenges posed by the pandemic and what lessons, if any, we might want to take forward into the post-pandemic era.

This leaflet offers a summary of the data provided by debt advisers. An analysis of the data will follow soon.

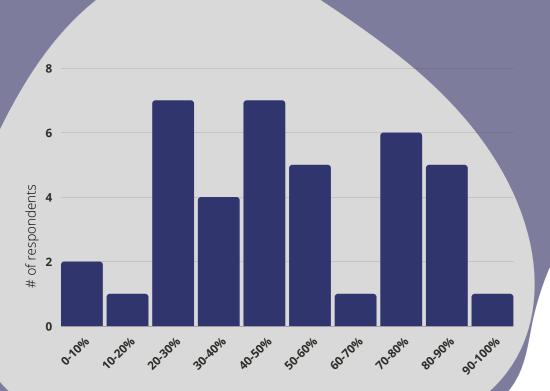


Between 15 June and 31 July 2021, an online survey was made available to debt advisers. Responses were received from 43 debt advisers who advised clients located in England, Wales and NI. We would like to thank those who took the time to complete the survey.

## Occupier Engagement in the Arrears and Eviction Process

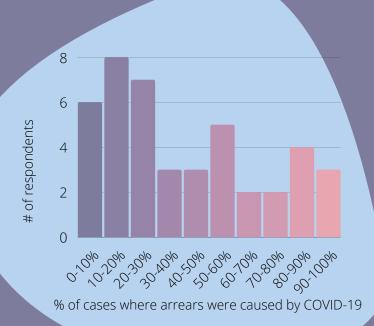
There was a mixed response to the question of whether clients engaged with their housing provider and/or the court system.

"Most people are genuinely terrified and tend to ignore their position until they are at crisis point."



"Most of my clients have mental health issues and so can go through a cycle of engagement and disengagement, and back again." % of cases in which occupiers engaged

"Some clients are able to identify and look to address the problem whereas others are so overwhelmed due it being one of many problems and it falls into the same pile as their other debts that they cannot afford."



#### The Impact of COVID-19

A significant proportion (21 out of 43) of debt advisers indicated that very few of their clients cited the COVID-19 pandemic as a major cause of their arrears.

> "The majority of my clients had rent arrears long before the COVID situation."

"Many have cited the pandemic but this is not the whole story. Clients who have claimed benefits consistently throughout the pandemic have seen their income increase slightly and... council tax has fallen. Leisure and travel costs have fallen too mostly. Obviously there are other costs like gas and electric and food that have gone up. It's not clear cut.."

#### **Advice Provision**

Most of the debt advisers (38) experienced a change in the methods used to provide advice due to the pandemic, often moving from F2F to fully remote means. Around half would now prefer to use a mix of methods.



"Telephone advice worked a lot better than I would have expected." "We piloted video advice but the vast majority of our clients either did not have access to the required technology, or were incapable of using the technology."

#### Breathing Space/Debt Respite Scheme

Some of the debt advisers (ten) did not consider the 'Breathing Space/Debt Respite' Scheme' to be useful. The main reasons included that it adds little value to existing provision and is too short to be useful.

"... the standard 'Breathing Space' is a complete waste of time. However under the right circumstances the 'Breathing Space' under the mental health programme may have its uses but I have still managed to get holds on recovery for longer. "



"It isn't perfect by any means but it is very helpful. I've put 11 cases in so far and it has just given space, mostly for the DRO changes to come into effect and also to get bailiffs off the client's back once they were allowed to start visiting again."

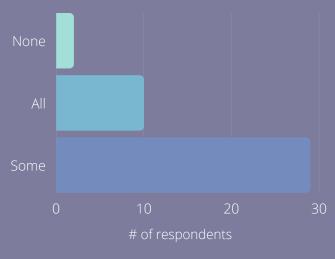
"I have not used it as it does not seem to offer any benefit to clients. We can normally obtain a hold on action anyway and without the additional duties imposed on the client by 'Breathing Space' or the additional administrative burden it imposes on the adviser. "

## Most Effective Means for Reducing Debt?



"Resolving benefits, debt relief orders, payment arrangements." "Hard to say - every case is different and there is no onesize-fits-all approach applied."

"The best way is to look at the situation as a whole and resolve all issues that arise which frees the client to concentrate on the most important things. This will be a combination of benefit claims, resolving benefit issues, redistributing available income to priorities, long term solutions to historic non-priority debts, and encouraging clients to seek further medical/mental health intervention."



# Is Mediation Appropriate in Housing Possession Cases?

A majority of debt advisers considered mediation to be appropriate in *some* housing possession cases.

"Sometimes it is appropriate but there will always be cases which mediation will not help - for example with counterclaims for landlord breaches involving inappropriate conduct."

"It is just dialogue for the sake of it."

"Mediation will only work if the client's situation of being unable to pay rent is demonstrably temporary and a private landlord can see they will get the arrears repaid eventually. HAs don't really need mediation as they have a tried and tested approach which works when a client becomes motivated to resolve their rent arrears situation."

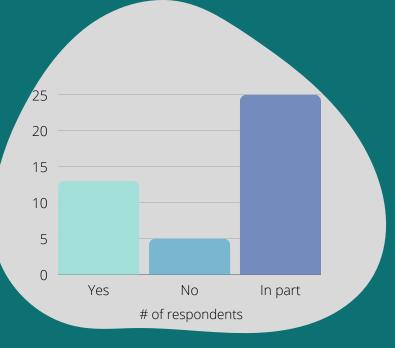
## Rental Mediation Service (RMS)

Referrals to the temporary RMS are made by Duty Solicitors. We were interested, however, to know whether knowledge of the scheme was filtering through the debt/arrears process more generally. Most debt advisers (34) were not aware of the RMS.

"No relevant cases."

Only one debt advisor knew of a client being referred to the scheme.





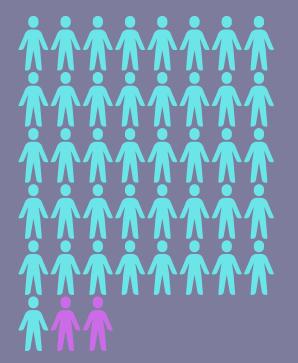
#### The Response to COVID-19

An overwhelming majority (38) of debt advisers thought that the variety of measures (particularly those designed to tackle household debt) put in place since March 2020 have been effective, at least in part, in responding to the COVID-19 pandemic

"Some of the measures have been useful but in reality it was just a sticking plaster over a large wound."

"Kicked the can down the road only."

"The support has only put a temporary stop or slowed down action. The fundamental issues of clients either not budgeting and getting into debt or being in unaffordable tenure has not gone away. The mechanism to evict has been slowed/stopped during the pandemic but this is now moving forward once again."



#### **Evictions in the Future?**

Perhaps unsurprisingly, 41 of the debt advisers expect to see more clients threatened with eviction in the coming months.

"COVID restrictions and support are easing but this does nothing to address the problems caused by the pandemic that sadly do not end with the relaxation of social distancing."

"I expect the real impact of COVID on household finances won't kick in until furlough has ended and the government have removed the UC uplift."

> "Definitely expect more cases as courts pick up the pace on those who benefitted from forbearance during the pandemic. Support measures have now stopped in the main and we are already seeing action starting to ramp up."

"Undoubtedly coupled with the phasing out of the UC uplift this is going to explode."

> "I have seen a lot of tenants accruing much higher rent arrears and landlords not taking action due to the government restrictions and rules changes. However, once these changes relax I think many landlords particularly private landlords will want their money back and will seek possession."

"Given the mountain of rent arrears this is inevitable but, where do the evictees go?"

#### **Further information**

If you have any questions about the survey or would like a copy of the full report when it's published please contact us at:

homematters@hull.ac.uk

#### Acknowledgements

The research team would like to thank all the respondents who took part in this survey. Sharing your experience with us will help develop an improved understanding of the possession process. It will also help us to put forward informed proposals that could help to shape the process into the future.

Special thanks go to the ESRC for funding this project.