The Rt Hon Lucy Rigby KC MP
Economic Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

18 September 2026

Dear Minister,

The Statutory Debt Repayment Plan

The Government is rightly focused on helping people with the cost of living.

StepChange Debt Charity, PayPlan, Christians Against Poverty and UK Finance believe there is a practical opportunity to support that objective by bringing the Statutory Debt Repayment Plan (SDRP) into effect.

Having previously discussed this issue with you, we are writing jointly to propose a simpler scheme design and urge the Government to use the powers already available to introduce SDRP at the earliest opportunity.

The case for SDRP now is compelling, as it would:

- strengthen protections for people in problem debt;
- support the sustainability of free debt advice; and,
- make a tangible contribution to the Government's commitment to support the cost-of-living challenge and wider financial inclusion objectives without cost to the public purse.

Eligible debts could be combined into a single statutory repayment plan, with payments set at an affordable level over a manageable period. Keeping to the plan gives key protections, including a freeze on interest, fees and charges and a pause on recovery, collections and enforcement action. SDRP would:

- increase access to free debt advice by enabling more providers to participate in a free-to-client statutory framework with strong protections;
- give debt advisers a stronger statutory solution to confidently offer people who can repay if given time, stability and protection; and,
- support creditors by improving repayment outcomes and creating a fairer, more consistent contribution from those who benefit from successful repayment plans.

With more households facing acute financial pressure, those who could recover through a structured repayment plan should not have to wait for the Personal Insolvency Framework Review (the Review) to complete before receiving practical statutory support. SDRP and personal insolvency are designed for different consumers: the Review is focused on options for those who need full or partial debt write-off, while SDRP is designed for people who can repay their debts in full if given time, stability and protection. We support the objectives of the Review, however we believe SDRP can and should proceed now, since it would not prejudice wider reform.

Funding for free debt advice is under significant pressure, while more households are falling into arrears across a wider range of essential bills and credit commitments. By creating a statutory route for people who can repay their debts in full, SDRP would improve repayment outcomes and establish a more consistent mechanism through which creditors contribute to the advice and administration that makes those repayments possible. Based on current debt management plan volumes, we estimate that SDRP could unlock up to £16 million of additional annual funding for free debt advice from FCA-regulated creditors, and up to £8 million from utility providers, strengthening support for people in problem debt without additional cost to the public purse.

For the majority of clients seeking debt advice today, essential-service arrears sit alongside credit debts and are a key driver of financial distress. SDRP will therefore be more effective, credible and equitable if it reflects the full range of debts that households are struggling to repay. This immediate reform should also be clearly distinguished from the wider question of how free debt advice is sustainably funded. SDRP can unlock additional funding and improve outcomes for a defined group of consumers, but it cannot resolve the wider structural pressures on the debt advice sector. We therefore urge Government both to proceed with SDRP now and to commit to a broader review of debt advice funding, including the fair and proportionate contribution expected from all sectors which drive demand for free debt advice.

The statutory framework for SDRP was established by the Financial Guidance and Claims Act (2018) and SDRP can be brought into effect using the existing power in Section 7 of that Act. Attached is a proposed Scheme Design, informed by existing good practice in non-statutory debt management, client insight and the lessons from the Government's 2022 consultation.

With the necessary legislative powers already in place and making use of the simpler in principle scheme design proposed here, we believe Government should take the practical steps needed to bring this policy into effect.

We would welcome the opportunity to brief you and your officials in more detail ahead of a potential wider discussion at the next Financial Inclusion Committee.

Yours sincerely,

Vikki Brownridge, CEO, StepChange Debt Charity
Rachel Duffey, CEO, Payplan
Stewart McCulloch, CEO, Christians Against Poverty & Community Money Advice
Eric Leenders, MD Personal Finance, UK Finance