



# Breathing Space

Operational Processes  
May 2021

# Introduction

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## What is Breathing Space?

Breathing Space is a **60-day moratorium** period for eligible customers in problem debt, giving them the right to protection from creditors. During the moratorium, interest, fees and enforcement on the customers' debt should be frozen.



## StepChange's role

As a debt advice provider it is our role to assess a client's eligibility for Breathing Space and whether it is appropriate for them. We will complete an assessment of a client's situation and submit their Breathing Space request if they wish to proceed. We will also act as the point of contact for customers, creditors and the Insolvency Service.

## What's in this pack?

This pack explains how to contact the **Breathing Space Query Team (BSQT)** at StepChange and outlines the process we will follow to deal with some of the expected frequently asked questions.

# Communicating with StepChange

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The **Breathing Space Query Team** (BSQT) is a small dedicated team with the remit of handling all creditor queries and responses related to open Breathing Space cases. The inbox will be monitored Monday-Friday, 9am-5pm.

You can contact the BSQT from Tuesday 4 May at:

[breathingspacecreditorqueries@stepchange.org](mailto:breathingspacecreditorqueries@stepchange.org)



To protect client data confidentiality, we recommend using encrypted email, or if this is not available to your organization, limiting the amount of personal details provided (eg using client reference numbers rather than names).



Encrypted email is our preferred method of communication. If your organisation is currently using a secure messaging service to communicate with StepChange then we can discuss this with you.

# Frequently asked questions

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## Creditor cannot identify a client/locate a debt

If you are unable to identify a client or their debt following the submission of client details, please notify the Breathing Space Query Team. They will then contact the client to gain the additional information needed. When the client has returned this information to the BSQT, this will be sent to you. If the client does not respond to our request, no further action will be taken.



## Adding a debt

When you receive a Breathing Space notification and search your records, if you identify an additional debt(s) you must advise the BSQT as soon as possible. The team will contact the client to request additional details. Once this information is received, the debt can be added to the plan and Breathing Space requested for that debt. The regulations require us to add additional debts up to day 45 of Breathing Space, however using our discretion we will consider adding additional debts up to day 55.

If adding the debt changes the solution to one that makes the client ineligible for Breathing Space, the cancellation process pre- or post-midway review will apply. If the client does not respond to our communication, no further action will be taken and Breathing Space will apply only to the current submitted debts.

# Frequently asked questions

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## Creditor is no longer dealing with a debt

When the client applies for Breathing Space, some of their debts may have already been transferred to another organisation, for example a Debt Collection Agency. In this case please notify us who the debt has been passed on to, so that we can action the transfer in the Insolvency Service Portal\*.



## Disputing client eligibility

You are able to dispute either the eligibility of a debt or the client's overall eligibility for Breathing Space. The BSQT will be responsible for responding to disputes within either 35 days of the start of the moratorium, or 35 days from the date the debt was included. They will review the data we hold and may contact the client for more information. We will then confirm our decision with the creditor via email, including an explanation for the outcome.

If Breathing Space is cancelled for the client, they will be informed via the Insolvency Service, and we will also confirm the decision to them, including our justification.

\* Breathing Space case changes will be visible to creditors in the Insolvency Service Portal once creditors have access to this.

# Frequently asked questions

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## Breathing Space for existing StepChange clients

Most Breathing Space applications are likely to come from new clients, however there may be occasions whereby clients on an existing StepChange debt solution will be offered Breathing Space. For example, they may have had a significant change of circumstances that means their current solution is no longer suitable. In this case, the client will be re-advised, and if we are able to offer an alternative solution, they may be offered Breathing Space during the interim period while the new solution is set up.



## Cancellations

The BSQT will be responsible for cancellations outside of the mid-point review. The team will cancel either a single debt or all Breathing Space if a creditor dispute is upheld.



## Deceased clients

If we are notified that a client on Breathing Space has passed away, the BSQT will be responsible for notifying the Insolvency Service, and cancelling the Breathing Space in the portal, whether or not the midpoint review has passed. The Insolvency Service will then backdate the cancellation to the date of the client's death. We do not require evidence such as a death certificate.

# Frequently asked questions

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## Client querying ongoing creditor collections activity

Clients may contact us if it appears that their request for Breathing Space has not been applied by individual creditors. If the contact from the creditor comes within 7 days of their submission, it is possible that the collections activity trigger was pre-submission, or the creditor was unable to activate immediately upon request.

We will advise the client to reflect this scenario, however if the activity continues, the client will be advised to contact the BSQT directly. The team will then contact the individual creditor to resolve the issue.



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