# Safe Harbours

**Why we need a new extended breathing space guarantee to help people in temporary financial difficulties recover from debt**

# Overview

This briefing sets out the need for a new statutory scheme to help people recover from financial difficulties and get their debt problems under control.

Millions of households are currently struggling with debt and millions more are on the edge of serious financial difficulty. Without effective help at the right time, people become trapped in a vicious circle of escalating debt and deepening hardship. This debt trap causes lasting harm for individuals and significant costs for UK society as a whole. We estimate the wider social costs of current debt problems to be £8.3 billion.

It doesn't have to be this way. We know that people can regain control of their finances and avoid the worst consequences of unmanageable debt. But the experience of StepChange Debt Charity clients set out in this report shows how this recovery is dependent on getting effective protection from three key drivers of worsening debt problems:

- Further default interest and charges inflating debts
- Pressure to meet unaffordable repayments
- Collection and enforcement action by creditors

The problem is that people in England and Wales can only get a guarantee of protection by entering into one of the existing statutory **insolvency** schemes. While insolvency schemes give vital help to people whose debt problems have already become intractable, they are not generally a suitable or accessible option for people in temporary financial difficulties who still have a good chance of bringing their debts under control given the space and support to recover.

As a result only a small minority – less than one in ten of people currently seeking debt advice are getting the guarantee of protection from a statutory scheme that would help them recover from financial difficulties. We believe that the absence of an effective statutory scheme protecting people in England and Wales **before** their debt problems become unmanageable is a significant public policy failure. Without that guarantee, people are not seeking help with their debts as quickly as they might and financial recovery is delayed.

In Scotland policy makers have started to address this with the Debt Arrangement Scheme (DAS) that gives breathing space for people to stabilise their finances and ongoing protection for people repaying their debts. This is not to say that we think that the current DAS scheme is the exactly the right answer for people in Scotland struggling with debt; but it gives a good starting point for plugging the gap in statutory protection in England and Wales.

This briefing draws on research by StepChange Debt charity, including in-depth survey responses from 926 StepChange Debt Charity on their experiences of seeking help with problem debts.

## Where are we now with debt?

The economy is growing, unemployment falling and households are finally seeing some real terms wage growth. Yet some 2.9 million households are currently at crisis point with severe unmanageable debt problems[1]. This figure has not substantially fallen over the last three years, drawing on a much larger pool of households in different degrees of financial distress.

- Some 21 million are struggling with their bills[2]
- 18 million people are worried about making their income last until payday
- Research by the Money Advice Service found that for nearly 9 million people financial difficulty had progressed to more serious and persistent arrears, with bills and debts described as a heavy burden[3].

Our *Life on the edge* research found low and middle income households are the most financially vulnerable. But rising living costs or an income reducing life event pulls a broader range of households into financial difficulties. Six million households are trying to cope with such shocks to household budgets by taking on more credit to get through to payday. Using credit in this way, as an income safety net, can buy time but only at the cost of increasingly acute payment difficulties as debt repayments deepen the holes in next month's budget. We estimate some three million households are caught in the vicious circle of using credit to keep up with other credit commitments[4].

## Why debt matters

Using credit in this way pushes households into further hardship as debts mount up. Nine in ten parents in indebted households told us they had cut back on essentials for their children in the last 12 months in order to keep up with debt repayments[5]. Previous StepChange Debt Charity research found around 70% of our clients living below the poverty line when contractual debt repayments were taken from net household income[6].

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[1] Cutting the cost of problem debt: the £8.3 billion challenge. (2014) StepChange Debt Charity

[2] StepChange Debt Charity commissioned an online survey from Populus. Total sample size is 2,322. Fieldwork was undertaken 24th-26th October 2014. The figures have been weighted and are representative of all GB adults (aged 18+). Estimates of the number of adults affected have been calculated by StepChange Debt Charity. These estimates are based on 2012 population estimates from the Office of National Statistics which indicate that there are 48.8 million adults in Great Britain.

[3] Indebted lives: the complexities of live in debt (2013) Money Advice Service

[4] Life on the edge: Towards more resilient family finances (2014) StepChange Debt Charity

[5] The debt trap: Exposing the impact of problem debt on children. (2014) StepChange Debt Charity and The Children's Society

[6] StepChange Debt Charity Statistical Yearbook 2012.

In repeated surveys around 50 percent of StepChange Debt Charity clients tell us they waited a year or more between first worrying about their debt problems and getting advice. During this period the financial costs of debt grow rapidly.

- We estimate that in just six months a typical StepChange Debt Charity client would see an extra £2,300 added to their debts if creditors applied default interest and charges on all their accounts.
- The average total unsecured debts of StepChange Debt Charity clients who waited a year or more before seeking advice were over £5,000 more than those who sought advice within a month of starting to worry about their debts[7]
- People waiting over 6 months to seek advice were disproportionately more likely to have debts over £10,000, had more credit card and overdraft debt outstanding and had contractual credit repayments that were on average 14% higher than people who sought advice earlier.

Debt also has a heavy human cost that grows as the pressure and hardship mounts. We know that the distress problem debt creates is linked to poor mental health[8] and can have negative consequences for family life and employment.

- 74% of StepChange Debt Charity clients polled said debt had affected their sleep patterns[9]
- 43% said debt worries left them unable to concentrate at work
- 6% said it caused changes to work attendance like arriving late or taking more time off.
- 2% said that it led to them losing their job. If scaled up to the 2.9 million people with severe debt problems this means nearly 60,000 people out of work as a result of problem debt.
- 57% of indebted parents said debt put their current or most recent relationship under strain. 7% said their relationship broke up because of debt[10].
- Children in households experiencing debt problems were more than twice as likely to say they had been bullied at school[11].

Personal debt creates a large additional social cost that has consequences for all of us. We estimate that the external or wider social costs arising from the debt problems faced by the 2.9 million people currently in severe financial difficulties total around £8.3 billion. Debt related unemployment and lost productivity costs £2.3

[7] Based on a poll of 1,300 StepChange Debt Charity clients in 2014
[8] According to the Royal College of Psychiatrists one in two people in debt have a mental health problem and people with debt problems are twice as likely to develop major depression as people without problem debt: Primary care guidance on debt and mental health (2014) Royal College of Psychiatrists
[9] StepChange Debt Charity Statistics Yearbook Personal Debt 2013
[10] The debt trap, op.cit.
[11] Ibid

billion; debt related mental health costs £960 million, relationship breakdown costs £790 million and we estimate the external costs of people losing their homes or being evicted because of debt to be £2.8 billion.

## The help that people need

Around four in ten of the StepChange Debt Charity clients surveyed for this briefing said that when they fell into financial difficulties they were initially confident that they would get back on track quickly or manage by juggling bills and credit. Instead prolonged use of credit as a coping strategy is likely to deepen the hardship and stress people experience, creating further serious and lasting harm. So the way that people experience financial difficulties matters. Better coping strategies are possible and needed.

This downward spiral can be stopped when people get some respite from ever growing debts and demands for payments that they cannot afford. Our clients told us how their finances started to stabilise when their creditors agreed to freeze further default interest, charges and debt collection activity against them.

- 60% said that their financial situation had stabilised once all of their creditors agreed to freeze further interest, charges and enforcement action
- But no one said their financial situation had stabilised in cases where none of their creditors had agreed to give them this help[12].

This difference highlights how these protections are fundamental to avoiding worsening debt problems and starting the process of recovery. It is clear that when this help is not available, people instead resort to a coping strategy of juggling payments and unaffordable credit that fuels further financial difficulties.  We asked our clients what they did when their creditors would not agree to freeze further interest, charges, collection and enforcement action.

- Six in ten of those people that did not get the help they needed from their creditors went on to take out more credit to try to cope with their debt problems
- 21% took out a payday loan.
- 29% said that a creditor's actions prompted them to pay that bill and fall behind on other bills.
- 28% said that the unrelieved stress from debt made it harder for them to focus on applying for new or better paid work[13].

So it is important for creditors to give support and forbearance when they can see people falling into financial difficulties. There is no doubt that creditors are doing this in many cases. As the debt advice sector has developed over the last two to three

[12] Figures based on a survey of 926 StepChange Debt Charity Clients carried out in 2014
[13] Ibid

decades we have seen a general increase in creditors' appetite to show forbearance and engage with the debt advice sector. Around a half of StepChange Debt Charity clients are now referred to us by a creditor that has become aware of financial difficulty. More recently we have begun to see some creditors using *pre-arrears* approaches that can identify customers showing earlier signs of financial difficulty[14]. We now have well established forums like the *Money Advice Liaison Group* where debt advisers and creditors work through common problems.

Yet despite this extensive infrastructure to encourage good practice, households are clearly not getting the help they need from their creditors when they need it. Around 80% of the StepChange Debt Charity clients we polled said they had contacted one or more of their creditors for help before they sought debt advice. But far too many didn't get any help at all:

- 32% of those with credit debts said none of their creditors helped by freezing interest, charges or enforcement action
- 33% said none of their utility providers helped them
- 38% said their landlord had not helped
- 50% with council tax arrears said their council had not helped[15]

The standard public message to people worrying about debt is "speak to your creditors and seek debt advice". It may be that creditors are not recognising requests for help when they come, or that they are waiting for an assessment from a debt advisor before committing to offer help like freezing interest, charges, collection and enforcement action. Research and reviews by successive financial services regulators have found firms not consistently and effectively embedding good practice into their arrears management policies and procedures, despite requirements in the rules to do so[16]. Whatever the reason, the common message to talk to your creditors is not currently working for a significant minority of people in financial difficulties.

Once people get to debt advice the outcomes are better and more consistent. Many more StepChange Debt Charity clients reported helpful and supportive behaviour by creditors when they were supported by debt advice. Nearly eight in ten said their anxiety had reduced and nearly half said their family relationships had improved. We heard a strong message that debt advice played a big part in supporting people to find or stay in employment.

- 83% of those in work said debt advice made it easier to sustain their current job[17]
- 32% of those out of work said debt advice made it easier for them to apply for a new job
- 27% of those who had been out of work said debt advice made it easier for them to sustain a new job

[14] See for instance "Understanding financial difficulties :Exploring the opportunities for early intervention", Collard S (2011), , Personal Finances Research Centre/ Barclays Bank
[15] Survey of 926 StepChange Debt Charity clients carried out in 2014
16 Recent examples include: Thematic review: Mortgage lenders' arrears management and forbearance, (2014) Financial Conduct Authority; Consumer credit research: Payday Loans, Logbook Loans and Debt Management Services, (2014) ESRO
[17] Survey of 926 StepChange Debt Charity clients carried out in 2014

These are the exactly the outcomes needed to give people the best chance of recovery and to make inroads into those large social costs of debt. But while we can be very confident that debt advice is making a significant difference, we cannot guarantee that people seeking help from debt advice will get these outcomes. Too many of our clients told us that their creditors continued to act in ways that made their debt problems harder to deal with, even after receiving debt advice.

- 43% said some or all of their creditors continued to add charges
- 51% said some or all creditors continued to add interest
- 39% said some or all of their creditors continued recovery action[18].

The lack of a help guarantee undermines both the effectiveness of debt advice and the public message to seek advice early. Nearly eight in ten StepChange Debt Charity clients we surveyed said they would have got advice earlier if they knew this would stop further interest, charges and enforcement action and would let them make reduced payments they could afford for a temporary period. Six in ten said they would have sought advice earlier if they knew it would deliver the temporary help from creditors that they needed.

## Can better regulation ensure people get the help they need?

Public policy already recognises the need to ensure that creditors behave in a way that does not make debt problems worse. But it does this only in a very partial way.

Some creditors are overseen by statutory regulators with powers to set standards and sanctions for non-compliance. The Financial Conduct Authority makes rules and guidance requiring consumer credit businesses to treat customers in arrears fairly. The gas and electricity regulator OFGEM includes requirements for fair treatment of customers in arrears in the licence conditions for domestic fuel providers.

But other creditors are covered by little or no effective oversight of their conduct towards people in financial difficulty. In 2014 a third of StepChange Debt Charity clients rented their homes from a private landlord, but there is only minimal protection giving people time to clear rent arrears in affordable instalments. The number of people we are seeing with council tax debt has grown more than four fold since 2010, but there is no requirement on local authorities to give people in financial difficulties the help they need. While some local authorities have excellent debt collection policies it is notable that 25% of indebted parents told us that they had been treated badly or very badly in respect of council tax arrears[19].

However the experience of our clients suggests that even the best regulators are not always successful in ensuring that creditors consistently offer people in financial difficulties the help they need. Rules made by the Financial Conduct Authority require consumer credit firms to consider freezing interest and charges[20], to allow reasonable affordable debt repayments[21] and to not threaten court action as a way of

[18] Ibid
[19] The Debt Trap, op. cit.
[20] CONC 7.3.5G
[21] CONC 7.3.8G

pressuring people in financial difficulty to pay more than they can afford[22]. The FCA also requires credit firms to give people in financial difficulty up to 60 days breathing space to seek debt advice and develop a repayment plan[23]. And yet nearly a third of the StepChange clients polled said they were not helped by consumer credit firms.

We believe that there is a good case for the FCA to tighten its rules further, firming up the language of guidance and recasting key points as rules. We would also urge the FCA to consider extending the breathing space provisions further, to give people time to recover from an income shock, rather than merely time to seek advice.

That said, we are not convinced that tightening the rules and guidance controlling creditor conduct will by itself be enough to deliver the protection people in financial difficulties need. The challenge of ensuring that creditors follow rules consistently in every case cannot be underestimated.

StepChange Debt Charity clients have six creditors on average. If this average holds for all of the 2.9 million people we estimate to be in severe problem debt, then there are 17.4 million creditor-customer relationships that need to be monitored on an ongoing basis by regulators to ensure compliance. Furthermore the evidence of any non-compliant conduct will generally come to light only after people have already experienced the detriment it caused.

While there is still a pressing need for effective oversight of debt recovery and forbearance practices, regulatory approaches are never by themselves likely to give people in financial difficulties the guarantee of protection they need. They must be backed up by statutory debt remedies that directly support people with problem debts at the point when they seek help.

## The accepted need for statutory debt remedies and the limitations of current provision

Successive governments have accepted this need for statutory debt remedies that can give people in financial difficulty a guarantee of protection. In England and Wales this is recognised in legislation creating three personal insolvency remedies[24]. However, as insolvency options they are focused on people with intractable debt problems whose circumstances are unlikely to significantly change in the foreseeable future. The key protection is to give people a fresh start by writing off some or all or the debt they owe.

While this meets an important need, it is clear that insolvency remedies are only being taken up by a small minority of the people currently seeking help with financial difficulties.

In 2014 around 315,000 people received advice from StepChange Debt Charity leading to a recommended debt solution. The number of people recommended an insolvency option, while large, was only 22% of this. Looking at demand for debt

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[22] CONC 7.3.18R

[23] CONC 7.3.12G

[24] Bankruptcy (debtor petition), Debt Relief Orders and Individual Voluntary Arrangements. There is a fourth court based debt remedy, the Administration Order that has fallen into disrepair and is now rarely used in comparison with the three insolvency remedies.

advice more generally the proportion of people actually entering into an insolvency solution is even lower as not everyone who is recommended an insolvency solution takes that option up. Less than one in ten of the 1.5 million people seeking debt advice entered into an insolvency option[25].

There are two broad reasons for this low take up of insolvency options.

The first is that insolvency options are not a suitable option for the majority of people seeking help with financial difficulties. Most StepChange Debt Charity clients say life events like unemployment, illness, relationship breakdown or a sudden increase in expenditure are the key triggers for their debt problems. These events can quickly throw household budgets into chaos but people can and do recover.

For some the budget shock is not too deep to prevent getting their debts under control through budgeting advice, forbearance and more time to pay. Others have a realistic prospect of a positive change of circumstances in the foreseeable future that would make their debt problems manageable and solvable with the right support. Around half the people advised by StepChange Debt Charity in 2014 fit this description.

So while financial difficulties may be deep and protracted they are temporary in that people can and want to get back towards where they were before the budget shock. At the time of seeking advice they do not clearly need debt relief and as a result insolvency options can look expensive, or disproportionately onerous, or ineffective or even harmful:

- When a person becomes bankrupt their assets, including their home, may be sold for the benefit of creditors. The costs of realising assets can be high. So bankruptcy can be a good solution for people with few or no assets and relatively large debts that they have no real prospect of ever clearing. It can be a bad solution for homeowners.
- Undischarged bankrupts can be banned from holding a number of public offices and people becoming bankrupt may face sanctions by employers in some jobs and professions.
- Debt relief orders write off debt after a one year 'moratorium' period but a change of circumstances in this period could lead to the order being revoked. This may make a DRO unsuitable for people expecting some improvement in their financial situation in the near future.
- Individual Voluntary Arrangements have a risk factor, as failing to keep up with payments (perhaps because of a further significant change in circumstances) can mean the IVA fails. This can leave people back in the position where they started, without debt relief but with significant fees paid. Figures from the Insolvency Service on IVA outcomes suggest that between a quarter and a third of IVAs terminate before completion[26]. So IVAs are likely

[25] Debt advice estimates from 2013 research by the Money Advice Service (ibid). In 2013 100,998 people entered a personal insolvency remedy (Table 2, Insolvency statistics July to September 2014 tables. (2014) Insolvency Service.

[26] Outcome status of new cases registered between 1990 and 2013 in England and Wales: Individual voluntary arrangements outcome data tables (2014) Insolvency Service

[26] A Protected Trust Deed performs broadly the same function as an Individual Voluntary Arrangement in England and Wales.

to be unsuitable for people whose financial situation is still adjusting to change.

The second reason for low uptake is that people might be suitable for an insolvency option at the time they seek advice but are unable to access the right scheme for a number of reasons:

- A bankruptcy application currently costs up to £705 which can be a significant barrier to access. This is highlighted by the experience of a StepChange Debt Charity client who told us "*I knew that the only way to solve my problem would be bankruptcy due to my situation and I couldn't afford the fees which I still cannot*".
- Debt Relief Orders have strict entry criteria based on maximum limits on the size of debts, assets and disposable income. The £90 application fee can also be a barrier for people on very low incomes at the time of seeking advice.
- An IVA is a relatively expensive remedy to deliver and people need sufficient disposable income to enable them to pay a dividend to creditors. This makes IVAs at least initially inaccessible to many people recovering from a temporary but severe income shock like unemployment.

## Filling the protection gap

This low take up of insolvency options highlights three unmet needs in the current framework of statutory schemes supporting people in financial difficulties in England and Wales.

- There is no statutory scheme suitable for the needs of people in temporary financial difficulties who need time to recover control of their finances but who do not need or want debt relief.
- There is no statutory scheme focused on supporting people to repay their debts where they can.
- There is no interim protection for people who are suitable for an insolvency scheme but not immediately able to access it.

We believe that there is an urgent need to fill these gaps with a new statutory debt remedy that **complements** the existing insolvency schemes through two key protections:

- **Provide an extended period of guaranteed breathing space protection from further interest, charges, collection and enforcement action. This would give people the time and space to stabilise their finances and start to recover from debt; or a period of interim protection where some time is needed to access a suitable insolvency option.**
- **Give people who need more time to repay their debts, but can do so within a reasonable period, at least the same statutory protection from further interest, charges, collection and enforcement action that the law currently gives to people who need an insolvency option .**

In Scotland there is already a scheme providing these protections. The Scottish Government introduced the Debt Arrangement Scheme (DAS) in 2004 to give protection against further recovery action for people who needed help with their debts but did not need insolvency. DAS was designed to complement court based relief from debt enforcement that only applied to single debts, with a non- court based scheme to suspend enforcement activity simultaneously across multiple debts.

Initial take up was fairly low so DAS was amended in 2007 to include a six week breathing space period (intimations) protecting people preparing an application and a vital additional protection – freezing interest and charges for people in the DAS scheme. Since then the number of approved applications for debt payment plans under the Debt Arrangement Scheme has grown to over 1,000 approvals a quarter, around the same as the number of Protected Trust Deeds[27].

DAS is successfully supporting people with a period of guaranteed statutory breathing space protection. Where people can demonstrate an ability to repay their debts in a reasonable period the period of protection from interest, charges and enforcement carries on while people stick to the terms of their DAS debt payment plan. So DAS also succeeds in ensuring that people trying to repay their debts get the same protection as people seeking debt relief through an insolvency scheme.

**StepChange Debt Charity urges policy makers to act with urgency to introduce a scheme offering similar protection for people in England and Wales.**

However the period of initial breathing space protection (the intimation period) in DAS is only six weeks long before people need to show they can repay debts in a reasonable period. This is long enough for people to seek debt advice and budgeting help. But it is not long enough for people who have suffered a significant drop in income to stabilise their finances. People who have lost their job, had work hours reduced, experienced a period of severe illness or a relationship breakdown will often be able to recover control of their finances without needing insolvency, but this will take longer than six weeks.

As a result StepChange Debt Charity finds that DAS is not helping everyone we see in Scotland who needs a period of guaranteed breathing space protection. DAS is not always providing an effective alternative to destructive coping mechanisms like using high cost credit to juggle payments. **Therefore we urge the Scottish**

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[27] A Protected Trust Deed performs broadly the same function as an Individual Voluntary Arrangement in England and Wales

**Government to extend the intimation period of DAS breathing space. A period of up to 12 months (with a possibility of further extension in exceptional circumstances) should ensure people in temporary financial difficulties get the help they need.** With this revision we believe that DAS would deliver an effective solution to more people in Scotland. A scheme established in England and Wales would benefit from a similar period of breathing space protection.

## Conclusion: A new debt scheme for England and Wales

**We need a new way of helping people in financial difficulty in England and Wales. The existing voluntary, statutory and legislative protections are not helping enough people early enough to stop the harm and social costs that debt causes.** DAS in Scotland provides a policy framework to build on. In England and Wales, already existing but unimplemented legislation provides a template for how a similar scheme could be built upon the current good work of debt advice charities. The Tribunal Courts and Enforcement Act 2007 TCE) contains provisions for *statutory debt management schemes* that would protect people repaying debts from further interest, charges or enforcement action by creditors.

In some respects the protections are not as well drafted as DAS. There is not the same protection for rent and mortgage arrears as under DAS. There is no explicit equivalent of a breathing space period for people who do not immediately have the means to pay off debts in a reasonable period but whose circumstances are likely to improve in the near future. The TCE Act debt management scheme provisions do have a greater potential to grant debt write-off than DAS, but this is not required to meet the needs of people in temporary financial difficulty.

In contrast the TCE Act offers a much less complex and unwieldy administrative architecture than the current DAS system which debt advice practitioners in Scotland say could be improved. This legislation sets out a framework of parameters within which debt advice providers can design a scheme to be approved by government. Once approved the delivery would involve minimal cost for government and because the scheme has been designed by debt advice practitioners, will be very efficient to run.

We are already working on a detailed blueprint setting out the design for an extended breathing space guarantee scheme for England and Wales. We are confident that by using the existing expertise, infrastructure and practices of debt advice charities a scheme can be designed quickly for approval so we can start to deliver the guarantee of help and protection that people in financial difficulties need. Some of the headline points from this blueprint are as follows:

- We will use our existing best advice models to define when a person should enter the scheme, or take another option to deal with their debts.

- The circumstances of people on the scheme will be regularly reviewed to ensure that the extended breathing space guarantee remains the best help available.
- The scheme will not make any charge to people seeking help with debts
- Our scheme would **not** seek to compel creditors to pay a fee or charge (which is possible under the TCE legislation).
- We would not seek to use the ‘debt write-off’ provisions in the legislation - debt write-off is best left with insolvency remedies or voluntary settlement agreements for now.
- The scheme would be open to home owners and renters that need its help.
- The scheme would assess people’s ability to make repayments using existing robust and commonly agreed standard budgeting guidelines.
- We envisage the period of an extended breathing space guarantee (where people in acute payment difficulties can make token or even no payments while working to improve their circumstances) lasting no more than a year in normal circumstances.
- But ongoing engagement with debt advice and any agreed repayments would be a condition of ongoing protection under the scheme.
- The protection from further interest, charges and recovery action would continue while people are making payments to clear their debts in a reasonable period, as is the case with the DAS scheme.
- The scheme would be part of holistic debt advice aimed at helping people recover.
- The scheme would work closely with creditors, other charities, Government and other agencies to ensure people get referred for help with debt problems as soon as possible.
- The legislation provides safeguards for creditors who can appeal to the court against inclusion. But we will work with creditors to resolve disputed issues quickly whenever possible.

But first we need a clear commitment from Government to introduce a statutory protection scheme that will work for the great majority of people seeking help from debt advice agencies. The current public policy response to household debt is simply not working well enough. It is not encouraging people to seek help early enough, not delivering the right support for people who do seek help and not doing enough to reduce the human and financial costs of debt.

Debt need not be as traumatic and destructive as it now is.  Experience of financial difficulties is likely to remain widespread for the foreseeable future. Public policy needs to respond by helping households to manage through in a way that supports recovery and breaks the vicious circle of debt, hardship and despair.  We believe that the protections set out in this report, a period of extended breathing space that carries on when people are repaying their debts, is the best place to start.

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