



# Financial support for renters and homeowners

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# Overview

We will look at the financial support available to residential occupiers due the coronavirus pandemic.

We will cover:

- Rent
- Mortgages
- Council Tax
- Utilities
- Other financial support



# Extent of the Problem

- 60% of tenants unable to pay their rent in full (Guardian survey)
- Over 1.2 million new claims for Universal Credit in the past three weeks (DWP)
- Over 9 million employees are expected to be furloughed (BBC)
- 50% of employers expect to furlough staff (People Management and CIPD survey).
- One in four UK employers expect to make permanent redundancies because of the coronavirus crisis, (People Management and CIPD survey).

# Rent – Universal Credit

The main state support is now UC Housing Costs

Who can claim UC?

A claim can be made where a person is:

- Out of work or on a low income
- Aged 18 or over (there are some exceptions for 16 or 17 year olds)
- (and their partner) is under state pension age
- Have less than £16,000 in savings\*
- Lives in the UK
- A partner's income and savings is taken into account.

\*If a self-employed person has put money aside to pay tax, it shouldn't reduce UC. This must be noted in the online UC journal and reiterated on the phone.



# UC – How to Claim

Claims should be made online wherever possible – long delays on 'phone

No longer need to ring – the DWP will phone claimants

The universal credit helpline is:  
0800 328 5644.



# UC Housing Costs

Housing costs are assessed by reference to LHA

Approximately 30% of private sector rent

5 week wait - can apply to get an advance, which is a loan up to the amount of the first estimated payment.



# Shortfall between UC and rent

## Discretionary Housing Payment (DHP)

- Must be claiming Housing Benefit or UC with housing costs
- Apply to local council – most have online forms
- DHP can also be claimed to pay rent arrears

Separately many local councils have homelessness prevention funds which can be used to pay arrears or shortfalls

Adults social services for those with care needs (Care Act)

Children's (social) Services – s17

# Rent holiday?

- Although there is public pressure on housing associations to offer rent holidays due to COVID-19, no HA has yet agreed.
- See, for example, the petition launched by the Acorn Union:  
<https://acorntheunion.org.uk/coronavirus-campaigns/>



# Mortgage payments

- Support for Mortgage can only be applied for 9 months from date of qualifying for UC
- Mortgage “holidays” – mortgage lenders in the UK have agreed to permit homeowners experiencing personal financial difficulties to take payment “holidays” from their existing mortgages for up to three months
- Must be arranged with the lender
- The lender should then contact the government’s equity loan administrator to discuss the options available
- Other options include: switching to interest only payments, deferring interest payments or extending the mortgage term.

# Protection for tenants and mortgage payers

- Pre-action protocols (Possession Claims based on Mortgage arrears and Possession Claims by Social Landlords)
- 3 month notice requirement (s81 and sched 29 Coronavirus Act 2020)
- Guidance: Landlords are strongly advised not to serve new notices seeking possession (also applies to excluded tenancies and licences)
- 90 day stay on possession proceedings (including warrants and writs of possession)
- Guidance: Landlords should not issue or continue possession proceedings without a very good reason to do so



# Council Tax Reduction/Support and relief

- People eligible for means tested benefits or struggling to pay council tax can apply for a Council Tax Reduction (confusingly also called CT support by some LAs).
- The application is made to the LA (not the DWP).
- People struggling due to Covid-19 may be able to take a council tax “holiday” by deferring payments from April 2020 to June 2020.
- This is being offered on a council by council basis, so you will need to contact the local council for details about how to obtain council tax relief.
- The relief is usually restricted to people in a vulnerable household severely affected by the coronavirus pandemic.



# Utilities relief

- The government has agreed emergency measures with all the major energy suppliers in the UK to ensure that the energy supply to the most vulnerable is protected throughout the pandemic.
- Providers of essential services such as gas, water, broadband, telecom and electric have been prohibited by the agreement from discontinuing services during the outbreak.
- Over 4 million people using pre-payment meters in the UK will be affected by the measures. The scheme will ensure that disconnection of credit meters will be suspended completely.
- People who are vulnerable, using pre-payment meters, or unable to leave the house, should contact their suppliers.



# Utilities grants

British Gas Energy Trust offers grants and schemes that are open to anyone.

The following companies offer grants specifically for their own customers:

- npower Energy Fund
- Scottish Power Hardship Fund
- Ovo Energy Fund
- E.on Energy Fund
- EDF Energy Trust
- SSE (Southern Electric) Priority Assistance Fund

# Other financial support



# Self-employment Income Support Scheme

Self-employed workers can 'apply' for taxable grants to combat loss of income due to the coronavirus pandemic.

The grants are worth up to 80% of profits, capped at £2,500 a month and is taxable.

Assessed on profits over the last three years.

Must have filed a tax return for 2018/19.

-Must earn more than 50% of your total income from self-employment.

Average trading profit must be less than £50,000/year.

For both these requirements, the Government says it will first check your 2018/19 tax return – if you met the requirements that year, you'll be eligible.



# Overdrafts

- Emergency measures by regulator the Financial Conduct Authority (FCA) require banks to ensure for those struggling due to coronavirus on request, to make the first £500 of authorised overdrafts interest-free for 3mths
- This does not affect credit scores
- HSBC, TSB, Lloyds, Halifax, Bank of Scotland and Santander are automatically giving all overdrawn customers up to a £500 interest-free overdraft





# Credit cards

- The emergency measures by the FCA also require banks and other lenders to give those struggling due to coronavirus, who ask, a payment holiday of up to 3 months on personal loans, credit and store cards and catalogue debt.
- The payment holidays will not affect a credit score.

# Charity

- Turn2us is a national charity providing practical help to people who are struggling financially.
- Turn2us has launched the Coronavirus Grant Fund – a one-off crisis payment of £500 per household to help those facing financial hardship due to the global pandemic.
- They also maintain a list of charities providing grants to individuals
- Other sources of grants are charities aimed at people from a particular background (e.g. the Royal British Legion for former service personnel: If you, or someone you know, might be eligible for a grant, please contact [info@britishlegion.org.uk](mailto:info@britishlegion.org.uk) or call our helpline on 0808 802 80800)



# Food banks and free school meals

Trussell Trust maintains a database of local foodbanks

<https://www.trusselltrust.org/get-help/find-a-foodbank/>

Children unable to attend school who would normally receive free school meals should get delivered meals, food parcels, or supermarket vouchers.

# Zero-rate websites with O2

- O2 have made over 20 support, financial guidance and advice websites zero-rated during the ongoing Covid-19 outbreak.
- This means that O2 customers won't use any of their network data when browsing these sites.
- Among the websites are Citizens Advice, Mind, StepChange, Scope and Age UK.



# BPP students demystify Covid19

BPP law students nationally and globally have worked together remotely in teams to put together a series of fact sheets, available on our website:

<https://probono.bppuniversity.ac.uk/blog/bpp-students-demystify-covid19/>





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