



Financial Guidance and Claims Act 2018

2018 CHAPTER 10

PART 1

FINANCIAL GUIDANCE ETC

Objectives and functions of the single financial guidance body

6 Debt respite scheme: advice to the Secretary of State

- (1) The Secretary of State must, within three months of the establishment of the single financial guidance body, seek advice from the body on the establishment of a debt respite scheme.
- (2) A debt respite scheme is a scheme designed to do one or more of the following—
 - (a) protect individuals in debt from the accrual of further interest or charges on their debts during the period specified by the scheme,
 - (b) protect individuals in debt from enforcement action from their creditors during that period, and
 - (c) help individuals in debt [^{F1}and their creditors] to devise a realistic plan for the repayment of some or all of the debts.
- (3) The matters on which the Secretary of State may seek advice include (but are not limited to)—
 - (a) the appropriate person to administer the scheme (and the single financial guidance body may recommend the creation of a new body for this purpose);
 - (b) whether the scheme should apply in England only, or whether it should also apply in Wales or Northern Ireland (or both);
 - (c) the scope and design of the scheme, for example—
 - (i) the types of debtors and the types of debts it should cover;
 - (ii) the types of protections it should give;
 - (iii) the time period for which the protections should apply;

Changes to legislation: There are currently no known outstanding effects for the Financial Guidance and Claims Act 2018, Section 6. (See end of Document for details)

- (iv) what the obligations on debtors and creditors should be during any period for which protections apply, including any period of a repayment plan;
 - (v) the consequences of a failure by a debtor or a creditor to comply with a repayment plan;
 - (d) how the scheme should work, for example—
 - (i) how an application should be made for the protections given by the scheme;
 - (ii) suitable arrangements to keep creditors informed;
 - (iii) whether there should be a central register of persons admitted to the scheme;
 - (e) how the scheme should be implemented.
- (4) The single financial guidance body must provide the advice sought within 12 months of its establishment.
- (5) The Secretary of State must publish the advice.

Textual Amendments

- F1** Words in s. 6(2)(c) omitted (E.W.) (29.6.2021) by virtue of [Financial Services Act 2021 \(c. 22\)](#), **ss. 35(1)**, 49(2)(c) (with s. 35(4))
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Commencement Information

- II** S. 6 in force at 1.10.2018 by [S.I. 2018/1029](#), **reg. 2(d)**

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