



Financial Services Act 2021

2021 CHAPTER 22

Debt respite scheme

35 Debt respite scheme

- (1) In section 6(2)(c) of the Financial Guidance and Claims Act 2018 (debt respite scheme), omit “and their creditors”.
- (2) In section 7 of that Act (debt respite scheme: regulations), after subsection (4) insert—
 - “(4A) The regulations may include the following as part of the scheme so far as it applies in England and Wales—
 - (a) provision about the involvement of creditors in the process of devising a plan for the repayment of some or all of an individual’s debts;
 - (b) provision to protect an individual, during the period of a repayment plan, from being required to repay a debt to which the plan applies otherwise than in accordance with the plan;
 - (c) provision for an amount payable in respect of a debt in accordance with a repayment plan—
 - (i) to be payable instead towards the costs of operating the repayment plan, other repayment plans or the debt respite scheme, and
 - (ii) to be treated, so far as paid towards those costs, as permanently reducing a debt to which the plan applies.”
- (3) In section 7(5) of that Act, after paragraph (b) insert—
 - “(ba) make provision binding the Crown,”.
- (4) The amendment in subsection (1) does not have the effect that further advice on the establishment of a debt respite scheme has to be sought, provided or published under section 6(1), (4) or (5) of the Financial Guidance and Claims Act 2018 (such advice having been sought, provided and published in accordance with those provisions before the day on which this Act is passed).