

New restrictions, missing protections

During the national lockdown the government, along with essential service providers, recognised the financial strain the restrictions would have on people's ability to pay bills and put a range of protections in place to account for this.

However, millions of people in England now face new restrictions on the way they live and work but do not have equivalent protections from the financial hardships that come with them.

People in tier 2 and 3 areas are not sufficiently protected from the enforcement action that follows missing bills and aren't receiving the support they need to help pay them back. Particularly concerning is the lack of support for people behind on their rent and council tax bills.

Council tax

Our research suggests that in the first 3 months of the pandemic 2.8 million people fell behind on council tax bills. Between April and August, there was a pause on face-to-face bailiff visits for council tax collection, but since then visits have resumed with covid secure practices.

People in tier 2 and tier 3 areas will be facing financial hardship like they did during the national lockdown, but will now face bailiffs at their doors if they're unable to pay their council tax bills. The government should introduce a pause on enforcement of council tax debts in tier 2 and 3 areas to bring the protections in line with those in the first national lockdown.

For many people with council tax arrears, it's unlikely they'll be able to pay these back any time soon, especially with further restrictions coming into place. In light of the new restrictions, the government should provide local authorities with further hardship funding to enable them to support people who are behind on their council tax bills. This should be prioritised for areas in, or entering, tier 3 restrictions.

Private rented sector

In the private rented sector, the pause on possession proceedings came to an end on 20th September, and the notice period for most notices seeking possession was increased to 6 months. However, this extended notice period only applies to a newly issued notice seeking possession. That means, where people were given 3 months notice of eviction between 26th March and 29th August, their landlord can bring possession proceedings once the 3 month notice has expired.

While the government has said bailiffs won't be able to enter properties to carry out evictions in tier 2 and 3 areas, claims for possession can still proceed and the courts can still order possession. So, people may face receiving a possession order despite local restrictions and face the possibility of eviction imminently once their area moves back to T1. There is also no new financial assistance from the government for people behind on their rent across any of the 3 tiers.

As of July, around 1.2 million people were behind on their rent, and this number is unlikely to reduce as people face further restrictions. To avoid a surge of evictions and people falling into unmanageable debt, the government should introduce a national programme of government-backed grants and loans for tenants struggling to pay their rent because of the pandemic. This could be administered through local authorities and should be prioritised in areas under tier 3 restrictions.

The table below compares protections in place in England across sectors under the previous lockdown and the current 3 tier system¹.

¹ Colour coding system: Green - same or greater protections than national lockdown, Amber - some protections but fewer than during national lockdown, Red - no new protections

	During national lockdown	Now		
		Tier 1 - Medium	Tier 2 - High	Tier 3 - Very high
Energy	Voluntary package of support from suppliers including a pause on disconnections and the impact of covid-19 must be considered when moving customers to prepay to collect debt.	Same as during national lockdown	Same as during national lockdown	Same as during national lockdown
Telecoms	<u>Voluntary commitments</u> from all major telecoms providers to remove data caps, offer new packages, and work with customers in financial difficulty.	Ofcom is referring providers to its proposed <u>guidance</u> for 'treating vulnerable consumers fairly', but is not explicitly requiring firms to take action by building this guidance into its general conditions.	No more than tier 1	No more than tier 1
Consumer credit	Payment holidays and interest-free overdrafts available until 31 October.	<u>New guidance</u> for those who have had the full payment holiday or who are newly in financial difficulty.	No more than tier 1	No more than tier 1
Private rented sector	Pause on all possession action, including beginning possession proceedings, between 27 March and 20th September .	6 month notice period for evictions from 29 August in most cases.	Bailiffs shouldn't enter properties to enforce warrants. All other stages	No more than tier 2.

	<p>Notice period for evictions was 3 months.</p> <p>£180 million for discretionary housing payments (DHP), allocated pre-pandemic.</p>	<p>No further financial support beyond DHP funding increase.</p>	<p>in the eviction process can take place.</p> <p>No further financial support for people with rent arrears.</p>	
<p>Council tax</p>	<p>Magistrate courts stopped making liability orders.</p> <p>Pause on face-to-face bailiff visits between April and August.</p> <p>£500 million hardship fund to reduce bills of those claiming council tax support by £150.</p> <p>Councils have their own approach to further affordability measures.</p>	<p>Bailiff action resumed with covid secure practices such as social distancing. Councils discretion whether to pause enforcement.</p> <p>No further financial support beyond hardship fund</p>	<p>No more than tier 1</p>	<p>No more than tier 1</p>

Recommendations:

The government should introduce:

For people struggling to pay their council tax

1. A pause on enforcement of council tax arrears in tier 3 areas.
2. Further hardship funding for councils to help people with council tax arrears.

For people struggling to pay their rent

3. People in tier 2 and 3 areas who are facing eviction should be given at least 1 month's notice when local restrictions come to an end before they are made to leave their home.
4. A national programme of government-backed grants and loans for tenants struggling to pay their rent because of the pandemic.