

Written Ministerial Statement

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Department for Communities

EXTENSION OF THE DEBT RESPITE (BREATHING SPACE) SCHEME TO NORTHERN IRELAND VIA UK STATUTORY INSTRUMENT AND WITHDRAWAL OF THE DEBT RESPITE (NORTHERN IRELAND) BILL

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Mr Lyons (The Minister for Communities): I wish to update Members on the Executive's agreement in principle to work with HM Treasury to introduce statutory Breathing Space protections to Northern Ireland through a UK statutory instrument (Regulations) made under section 7 of the Financial Guidance and Claims Act 2018.

Breathing Space is a statutory debt respite scheme already operating in England and Wales. It provides temporary legal protections from creditor enforcement action for people experiencing problem debt, including pauses on enforcement action and freezes on most interest and charges. A standard breathing space lasts 60 days. A Mental Health Crisis Breathing Space offers the same protections for individuals in a mental health crisis, lasting as long as their mental health crisis treatment. Introducing these provisions in Northern Ireland will close an existing consumer-protection gap and align us with other UK administrations.

This work is subject to further policy development and consultation, final UK Ministerial approval, and will require draft Regulations to be laid before and approved by the Northern Ireland Assembly under the draft affirmative resolution procedure, as well as approved under the Westminster affirmative resolution procedure.

Previously, it had been intended that the Northern Ireland Debt Respite Bill would legislate for both Breathing Space and a Statutory Debt Repayment Plan (SDRP). As the SDRP has not been introduced at UK level and section 7 of the Financial Guidance and Claims Act 2018 provides the power to create a Breathing Space scheme in Northern Ireland, the Debt Respite Bill will be withdrawn from the Legislative Programme, as it is no longer required. Future consideration of an SDRP will be dependent on the UK Government's wider review of personal insolvency arrangements.

My Department is working closely with HM Treasury and will continue engagement with Committees, stakeholders and the public as the SI is developed, updating the Assembly as work progresses.