

The Rt. Hon. Philip Hammond MP
HM Treasury
1 Horse Guards Road
Westminster
London
SW1A 2HQ

Dear Chancellor of the Exchequer,

We are writing to ask you to extend the Government's proposed Breathing Space scheme to people experiencing a mental health crisis.

According to research by the Money and Mental Health Policy Institute, up to 23,000 people in England alone struggled with problem debt whilst hospitalised as a result of their mental health last year. This group are likely to be receiving calls and emails from banks, local authorities and other creditors at a time of acute distress, and are at risk of falling into further financial difficulty as a result of increased fees and charges on their debt and a drop in income from loss of wages and benefits. Thousands more people receiving mental health crisis support in the community will be in a similar position. The additional stress and anxiety they experience as a result of these financial pressures not only threatens to undermine their recovery, but makes it much less likely that they will be able to repay their debts in future.

Under the Government's welcome plans for Breathing Space, people who seek advice for problem debt would be given six weeks without fees, charges, interest or collections activity. This is intended to allow time to get on top of debts before they spiral out of control, but would not support the tens of thousands of people in mental health crisis who are too unwell to either manage their finances alone, or to seek debt advice. We are calling for these same protections to be offered to people during a mental health crisis, to give them time to recover without fear of their debts spiralling out of control.

Yours Sincerely,