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Factsheet for case GB-2020-12/587

Mortgage and Rent Protective Provisions

Factsheet generated on 25 April 2020, 21:24

Country	United Kingdom, applies nationwide
Time period	Temporary, 17 March 2020 - 17 June 2020
Type	Legislation or other statutory regulation
Category	Measures to prevent social hardship – Keeping a safe home
Case created	14 April 2020 (updated 21 April 2020)

Background Information

The measures - mortgage holidays and the prevention of eviction from residential tenancies in relation to Covid-19 - are part of the measures announced by the Chancellor on the 17th of March, in addition to his Budget 2020 pledges.

The protection from eviction - set to last for at least three months - is set in statute in Section 81 of the Coronavirus Act 2020 (<https://www.legislation.gov.uk/ukpga/2020/7/part/1/crossheading/residential-tenancies-protection-from-eviction>)

Content of measure

Under the new measure, if a person is experiencing financial difficulties in meeting their mortgage repayments because of COVID-19, they may be entitled to a mortgage or rental holiday for 3 months. This includes landlords whose tenants are experiencing financial difficulties because of COVID-19. Where a tenant is experiencing financial difficulties because of COVID-19, the government will ensure they do not face the threat of eviction for at least 3 months:

- The government has agreed with mortgage lenders that they will offer repayment holidays of 3 months to households in financial difficulty due to COVID-19.
- This will also apply to landlords whose tenants are experiencing financial difficulties because of COVID-19.

- The offer of a payment holiday can be made available to customers who are up to date with payments and not already in arrears.
- Customers who are concerned about their current financial situation should contact their lender at the earliest possible opportunity to discuss whether this is a suitable option for them.
- Under the Coronavirus Act, landlords will not be able to start proceedings to evict tenants for at least a 3 month period. This applies to private and social renters.
- At the end of this period, landlords and tenants will be expected to work together to establish an affordable repayment plan, taking into account tenants' individual circumstances.

Use of measure

Currently unknown.

Actors, target groups and funding

Actors	Target groups	Funding
National government	other workers & citizens	No special funding required

Social partners

Role of social partners	Informed
Form of involvement	Unknown

The measure first applied only to those with mortgages. There was widespread criticism, including from the TUC, that tenants would not be similarly helped, particularly when landlords are to benefit from mortgage holidays.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 17 March 2020: HM Treasury 'How to access government financial support if you or your business has been affected by COVID-19.' (assets.publishing.service.gov.uk)