



Breathing Space & Mental Health Crisis moratorium

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Our Customer Guide to Breathing Space Moratorium

We have created this guide to help you understand what Breathing Space means as a customer. This guide will outline our Breathing Space scheme in detail, how you can apply, and what will happen to your water account going forwards.

What is a Breathing Space Moratorium?

Breathing Space is a debt respite scheme to support people in problem debt. It's a new legislation that comes into effect on 4 May 2021 and aims to give anyone in problem debt the opportunity to take control of their finances.

Breathing Space gives customers legal protections from all creditors for up to 60 days whilst accessing professional debt advice and enter an appropriate debt solution. The protections include pausing most enforcements action and communication from creditors and freezes most interest and charges on outstanding debts.

Mental Health Crisis Moratorium (MHCM) is only available to people in problem debt and are receiving Mental Health Crisis treatment (sectioned under the Mental Health Act) and has some stronger protections. The Mental Health Crisis Moratorium will end 30 days after the Mental Health Crisis treatment has ended which does not have a limit of 60 days.

Below are the key differences of the two moratoriums:

Key topics	Breathing Space	Mental Health Crisis Moratorium
Eligibility	Person must be in problem debt.	Must be in problem debt and receiving Mental health crisis treatment
Access	Via debt adviser	Via debt adviser, using evidence from Approved Mental Health Professional (AMHP)
Duration	60 days (review between 25-35 days)	Duration of crisis treatment plus 30 days
Protections	Prevents enforcement action on certain debts	As in standard Breathing Space without requirements to meet the conditions set out (e.g. paying ongoing liabilities)
	Prevents addition of fees, charges/interest relating to the debt	
Obligations	Must engage with debt adviser inform of any changes in circumstances	Nominated point of contact must engage with debt advisor
	Must continue to pay priority ongoing liabilities (utility bills and council tax)	
	Must not take out additional credit >£500	
Frequency	Not more than once a year	Unlimited

Who is eligible?

Both moratoriums are open to any of our customers currently in problem debt and are accessing professional debt advice. Problem debt is someone who cannot or is unlikely to be able to repay all or some of their debt.

Applying for the scheme

Before a debt adviser can start the application for Breathing Space, they must confirm that you meet all of the conditions below:

- You must be an individual.
- You must owe a qualifying debt to a creditor (you can see qualifying debts on page 3)
- You must live or usually reside in England and Wales.
- You must not have a Debt Relief Order (DRO), an Individual Voluntary Arrangement (IVA), an Interim Order, or be an undischarged bankrupt at the time you apply.
- You must not have already had a Breathing Space within the last 12 months at the time you apply.

The Debt Adviser must be satisfied that you will meet both of the following conditions:

- You cannot or are unlikely to be able to repay all or some of the debt.
- A Breathing Space is appropriate for you.

You or someone with Power of Attorney can apply to a debt adviser for a Breathing Space Moratorium however you can only access a Breathing Space by seeking debt advice from a professional debt adviser. A Breathing Space can only be requested by:

- A debt advice provider who is authorised by the Financial Conduct Authority (FCA) to offer debt counselling.
- A local authority where they provide debt advice to residents.

Once we're notified of a customer entering a Breathing Space, all correspondence and communication relating to your debt with Severn Trent will stop immediately, unless it's requested by yourself through the debt adviser, or if you initiate contact with us to discuss arrangements to settle the debt. The debt adviser will be your point of contact and they will communicate with us, as a creditor, on your behalf.

Although all applications will be considered, the debt adviser might decide a Breathing Space is not appropriate for you as a customer of Severn Trent. For example, if a customer could pay their debts with some budgeting help, or they already have assets that could easily be sold to clear the debt, a Breathing Space would not be the right solution.

A Breathing Space might also not be appropriate for a customer who can enter a more suitable debt solution straight away, such as a repayment plan, without needing the protections, all of our repayment plans and schemes can be found on page 5 of this guide.

If you're eligible, your debt adviser will review your application for a Breathing Space Moratorium, and they will consider the following factors:

- You have funds or income available to pay debts as and when they become due.
- You would benefit from entering a debt solution, either now or in the immediate future, an example for a debt solution may be a repayment plan.
- You are eligible to enter a debt solution during or as soon as possible after the Breathing Space Moratorium ends.
- A Breathing Space Moratorium is necessary for the debt adviser to assess which debt solution would be most appropriate for you, and they will ensure this is sustainable for your needs.

Obligations & criteria

There are some obligations regarding the Moratorium that you must ensure you follow once entered:

- You must engage with the debt adviser to inform them if your circumstances change at any point within the 60 days.
- You must continue to meet certain ongoing liabilities, for example you must ensure to pay your priority bills.
- You must not take out any additional credit over £500.

Information you must provide your Debt Adviser.

The Debt Adviser will need some information from you to be able to consider your application, the information they may ask you to provide is below:

- Your full name, date of birth & usual residential address. If you don't have a fixed address your Debt Adviser will follow the usual protocols to ensure this information is accurately filled in, and they may ask you to provide a previous address where they can identify you.
- If you are applying for the scheme as part of a business, and you are a sole trader, you must include your trading name or names, and any business address.

- Details of any debt that you owe, to the best of your knowledge, including the type of debt owed and the name and contact details of the creditor.
- Details of any enforcement agents or other agents that have been instructed by a creditor to collect or enforce debt collection on their behalf, including any contact details.

What is a debt practitioner/adviser?

A Debt Adviser is anyone who is an approved practitioner by the Financial Conduct Authority, offering professional debt advice.

If you need assistance to help to get your finances back on track below is a list of Debt Practitioners and charities that may be able to help you:



Step Change Debt Charity – you can visit their website stepchange.org/policy-and-research/breathing-space, or you can contact them on **0800 138 1111**.



Citizens Advice Bureau – you can visit their website citizensadvice.org.uk and you can contact your local Citizens Advice. You can also phone the advice line on **0800 144 8848**.



National Debt line – you can visit their website nationaldebtline.org or you can contact them on **0808 808 4000**.



Turn2Us – You can visit their website turn2us.org.uk and you can use their online form to contact one of their teams.

What debts are included & excluded for Breathing Space?

Problem debt is any secured debt arrears that a customer is having difficulty paying. Any arrears outstanding on your water account will fall under this category.

Debts included in a Breathing Space must be qualifying debts. Debts are any sum of money owed by a customer to a creditor, most debts are likely to be qualifying debts. These will include:

- Credit cards
- Store cards
- Personal loans
- Pay day loans.
- Overdrafts
- Utility bill arrears
- Mortgage or rent arrears.

Joint debts can be included in a Breathing Space, even if only one person is applying for the moratorium. The joint debt would become a Breathing Space debt, and Severn Trent will apply the same protections to the account. Qualifying debts can include any debts before the legislation came into force on 4 May 2021.

New debts incurred whilst you're in a Breathing Space are not qualifying debts. Neither are new arrears on a secured debt that arises during a Breathing Space.

When you are receiving advice from your Debt Adviser they will establish if your balance or debts warrants you to enter the Breathing Space Moratorium.

Below is a list of debts that are excluded and won't be considered to enter a Breathing Space:

- Secured debts.
- Debts incurred because of fraud/fraudulent breach of trust.
- Fines imposed by court for an offence.
- Confiscation orders
- Social security crisis or budgeting loans
- Student loans
- Damages in respect of death or injury caused to another person.
- Advance Universal Credit (UC) payments
- Child Maintenance
- Council tax liabilities that aren't yet due.

For more information you can visit the Government website [here](#).

Our responsibilities as creditors

As a creditor, once we are notified that a customer has entered the Breathing Space Moratorium, we will stop all debt recovery action, including enforcement action, and we will apply a protection to the account. The protection will stay in place until the Breathing Space period ends.

We will receive a notification from the Insolvency Service to notify us when a customer enters the Breathing Space, and the date this started from.

Midway review

During a standard Breathing Space, a debt adviser must carry out a midway review between day 25 and day 35. This is to make sure they are satisfied that you are complying with the moratorium obligations.

If the debt adviser thinks the customer has continued to comply with the obligations and is communicating with them, the Breathing Space moratorium will continue until the agreed end date.

If the debt adviser thinks the customer hasn't met all of their obligations, they can cancel the standard Breathing Space moratorium in respect of some or all of the debts.

The Mental Health Crisis Moratorium does not have a midway review, but the debt advisor will regularly check that the person is still receiving Mental Health Crisis treatment.

If you pay us through your benefits

If you pay us through Water Direct, where we take deductions straight from your benefits, we will notify the Department for Work and Pensions (DWP) that you've entered Breathing Space, and they will amend your deductions so you'll only be paying your ongoing charges with no arrears during Breathing Space.

Reporting payment behaviour to credit reference agencies

If you are accepted onto Breathing Space, all debt recovery activities including additional charges/interest, costs and fees, court action or third party debt collection will be suspended on your account, and you will not be contacted regarding any qualifying debts unless you request this through your debt adviser. We also won't issue any default notices on your credit file during this period.

We will continue to report your payment behaviour as normal on your credit file every month where we receive no payments. If you'd like further information on how we share data with Credit Reference Agencies, you can find our policy at stwater.co.uk/help-and-contact/legal/sharing-data-with-credit-reference-agencies.

Once Breathing Space ends

Once your Breathing Space moratorium ends, we will contact you either by letter or by email to let you know. Along with this we will provide you information on all of our Help When you Need It schemes, which can also be found on page 6 of this guide.

When a Breathing Space ends, our debt recovery process will resume as normal from the point the account was paused, unless you've gone into a debt solution for example a Debt Relief Order or Bankruptcy, or if you've made a formal agreement with us to deal with the debt, such as a payment arrangement.

A Mental Health Crisis Breathing Space will end either 30 days after your Mental Health Crisis treatment ended, or 30 days after the date a debt adviser receives no response when asking for confirmation from the nominated point of contact about a your ongoing Mental Health Crisis treatment.

Help with paying your bill.

We know that sometimes it's difficult to pay your bills. If you ever need a helping hand, our financial support schemes can offer you the help you might need.

We have several schemes that can help you if you're struggling to pay your bill, whatever your circumstances. From setting up regular, manageable payments, to reducing your bill to an amount you can afford if you're on a low income, we're here to help. Our schemes are below in detail.

Watersure

The WaterSure Scheme can help you if your income is low and you use a lot of water, which makes managing your account and payments difficult.

Eligibility for WaterSure

To get support through the WaterSure Scheme, you must be on a water meter, you or somebody in your household must receive at least one of the eligible State benefits, and have a medical condition that requires the use of more water or 3 or more children under the age of 19 living in the property.

Eligible benefits

You may be eligible for support through WaterSure if you or anyone in your household receives the following:

- Housing Benefit

- Income Support
- Working Tax Credit
- Child Tax Credit (other than the basic element of £547.50)
- Pension Credit
- Universal Credit
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Disability Living Allowance or Personal Independence Payment

Eligible medical conditions

You may be eligible for WaterSure if anyone in your household has a medical condition requiring significant water use.

Those conditions could include:

- Desquamation (flaky skin disease)
- Weeping skin disease (eczema, psoriasis, varicose ulceration)
- Incontinence
- Abdominal stoma
- Crohn's disease
- Ulcerative colitis
- Renal failure requiring home dialysis.

Any condition that a doctor confirms requires extra water use would be eligible.

Reduction in charges for Watersure

If you meet the criteria above, we'll make sure your bill is capped at our average yearly charge.

If your meter reading is lower than the capped amount, you will only pay for the water you have used.

Big Difference Scheme

This scheme is open to all customers and could save you up to 90% on your bill.

The scheme is open to every Severn Trent customer, regardless of your age, employment status, or whether you receive benefits or not. You don't need to be behind on your bills or on benefits to apply and eligibility is based on an assessment of your overall household income.

The scheme runs for 12 months at a time and you will have to re-apply at the end of each year-long period. The Big Difference Scheme is run in partnership with the Severn Trent Trust Fund.

There are several ways you can apply for the Big Difference Scheme. You can contact us through any of our contact channels, all of our contact information is on the last page of this document. Alternatively, you can apply directly through the Big Difference Scheme website bigdiff.co.uk.

When you apply, you will need to share income details for every adult in your household either:

- Payslip(s) if employed, or
- Benefits statement if you receive any benefits.

The Big Difference Scheme is one of our payment assistance schemes that is reported to Credit Reference Agencies, you can find out more information on this in our policy which can be found at stwater.co.uk/help-and-contact/legal/sharing-data-with-credit-reference-agencies.

Severn Trent Trust Fund

This is a charitable trust to help Severn Trent customers struggling with their bill. The trust was set up in 1997 and is a registered charity that provides financial help to Severn Trent customers who are unable to pay their water charges.

They can provide help with:

- water and sewerage charges if you are in hardship and unable to pay.
- charges which are collected by other companies on behalf of Severn Trent.
- Other essential bills, household needs or priority debts.

You can apply for assistance on the Severn Trent Trust Fund Website sttf.org.uk, or you can phone on **0121 3557766**.

Alternative payment options

We offer a wide range of payment options and frequencies. You can pay by Card, Direct Debit, Watercard or through your state benefits.

Pay online.

- Online credit or debit card payment – this is a quick, simple, and secure method. You can quickly make a card payment using your online account. You can register for an online account at www.stwater.co.uk/my-account/register if you haven't already got one, or you can make a card payment as a guest at www.stwater.co.uk/fastpay.

Pay automatically.

- Pay by Direct Debit – you can pay by Direct Debit quickly and easily. This is the most convenient way to make sure your bill is always paid in full and on time. You can choose the date, frequency and discuss the amount you pay with us, this ensures your payment is sent to us each time without you having to worry about it.
- Pay by Standing Order – you can set up and manage your payments using your bank's telephone, online, or remote banking services, once you've set up your Standing Order you must contact us to let us know your chosen payment date, frequency and payment amount, we'll then set up a payment plan on your account to match what you've set up with your bank, this will stop any further reminders or debt recovery taking place on your account. You must ensure to quote your Severn Trent Water account number as the payment reference so these payments can be applied to your account without delays.
- Pay through your benefits with Water Direct – If you receive Income Support, Jobseeker's Allowance, Employment Support Allowance, Pension Credit or Universal Credit, you can apply for Water Direct where payments can be automatically paid out of your benefits.

Pay in Person.

- Pay at a PayPoint store – you can pay using a Watercard at your nearest PayPoint store. You can also pay at a PayPoint store using a payment booklet or using the barcode on the giro slip at the bottom of your bill.
- Pay at your bank – if you prefer to pay over the counter at your bank or building society, do not forget to take your bill with you. This service is free at most banks; however, we recommend you always check first.
- Pay at the Post Office – you can take your bill, along with your preferred payment method of either cash or card, to any Post Office to make a payment, please be aware the Post Office may charge you for this service.

Pay by post or phone.

- Pay by Post – if you receive paper bills, your bill will arrive with a payment slip attached where you can fill this out and write a cheque for this amount.
- Pay by Phone - you can make regular, or one-off payments over the phone by Debit or Credit card when you call us on **03457 500500**.

If you have individual needs and find it hard to use our payment methods, please let us know and we'll try to find an arrangement that works for both of us.

Water Direct

If you receive certain benefits from the Government, you may be able to pay your water bill through Water Direct, straight from your benefits payment.

If you have arrears of at least £50 on your account and you or anyone in your household receives any of the following State benefits you may be eligible to have payments deducted directly from your benefits:

- Income Support
- Jobseeker's Allowance
- Employment Support Allowance
- Universal Credit
- Pension Credit.

The Water Direct scheme gives you peace of mind, knowing that your water bill is taken care of and you can use the money in your account for something other than paying bills.

If you're eligible for the Water Direct scheme and your application to the scheme is successful, the Department of Work and Pensions will deduct an amount from your benefits payment and use that to credit your Severn Trent account.

Water Direct is one of the schemes that is reported to Credit Reference Agencies, you can find out more information on this in our policy which can be found at stwater.co.uk/help-and-contact/legal/sharing-data-with-credit-reference-agencies/.

Single occupier

If you live on your own, and we've been unable to successfully fit a water meter at your property in the last 12 months, you could be eligible for a lower tariff.

- If we've tried and been unable to install a meter at your home in the last 12 months, and you live on your own, you will be eligible for the single occupier tariff.
- If you rent your home and your landlord has not agreed to let you install a water meter, you will not be eligible for the single occupier tariff.

You don't need to apply for the single occupancy tariff. You'll be automatically switched to the single occupier tariff from the date we were unable to fit the meter at your home.

We are unable to backdate the single occupancy tariff charge. We're only able to begin billing you by that tariff from the date we tried to fit the meter.