

## **SUMMARY DOCUMENT:**



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If you're struggling with your finances because of coronavirus, or if you're coming to the end of a payment holiday and are wondering what happens next, the FCA has published guidance for firms on how they should support you at this time. Visit our [consumer pages](#) to find out more about the support that is available.

## **Support for mortgage borrowers impacted by coronavirus**

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Consumers should keep up with payments on their mortgage if they can afford to do so and should only seek support where such support is necessary. Our [consumer pages](#) set out what support is available, including:

- Those who have not yet had a payment holiday will be eligible for a payment holiday of 6 months in total.
- Those who have previously had payment holidays of less than 6 months will be able to top up, as long as the total period doesn't exceed 6 months. This includes those receiving tailored support and those who are behind on payments.
- Consumers who have already had 6 months of payment holidays will not be eligible for a further payment holiday. Firms will instead provide tailored support appropriate to their circumstances. This may include the option to defer further payments.

Consumers have until 31 March 2021 to apply for an initial or a further payment holiday. After that date, they will only be able to extend existing deferrals to 31 July 2021, provided these extensions cover consecutive payments, and subject to the maximum 6 months allowed. Consumers who have not yet taken a payment holiday, and who think they need the full 6 months, should apply in good time before their February 2021 payment is due.

These payment holidays would not be reported as missed payments on a consumer's credit file. This does not mean that consumers' ability to access credit will be unaffected in future, as lenders may take into account a range of information when making lending decisions to help ensure that credit is affordable.

Tailored support may be reported on a consumer's credit file, and lenders should inform them where this will be the case. Any payment holidays offered as tailored support could be recorded on a consumer's credit file.

The FCA will continue to keep the support available to consumers under review.

## Support for consumer credit customers impacted by coronavirus

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Consumers should keep up with payments on their loans or other credit products if they can afford to do so, and should only request payment holidays where necessary. Our [consumer pages](#) set out what support is available, including:

- Those who have not yet had a payment holiday will be eligible to apply for a payment holiday of up to 6 months in total.
- Those who currently have a payment holiday will be eligible to apply for a further period, as long as the total length of their payment holiday doesn't exceed a maximum of 6 months in total.
- Those who have previously had a payment holiday of less than 6 months will also be eligible to apply for a further period, as long as it doesn't exceed 6 months in total.
- A firm may assess that a payment holiday is obviously not in a customer's interest. In such cases, the firm should instead provide tailored support appropriate to the customer's circumstances.
- Consumers who have already had 6 months of payment holiday or who are in arrears that are unrelated to coronavirus, will not be eligible for a further payment deferral. Instead, firms will provide support appropriate to their circumstances.
- High-cost short-term credit consumers, such as those with payday loans, will be able to apply for a payment holiday of 1 month.

Consumers who are struggling with the cost of their overdrafts as a result of coronavirus will be able to request support which reflects their individual circumstances, as set out in our tailored support guidance, published in September. This could include reducing or waiving interest.

Consumers will have until 31 March 2021 to apply for an initial or a further payment holiday. After that date, they may be able to extend existing payment holidays to 31 July 2021, provided these extensions cover consecutive payments, up to the maximum 6 months allowed. If consumers who have not yet taken a deferral think they need the full 6 months, they should apply in good time before their February 2021 payment is due (it is then possible that they may be granted up to the maximum of 6 months of payment holidays).

A payment holiday would not be reported as missed payments on a consumer's credit file. This does not mean that consumers' ability to access credit will be unaffected, as lenders may take into account a range of information when making lending decisions to help ensure that credit is affordable.

Tailored support may be reported on a consumer's credit file, and lenders should inform consumers where this will be the case. Any payment deferrals offered as tailored support could be recorded on a consumer's credit file.