



Regulators' guidance for firms and consumers: a summary

COVID-19

24 March 2020

PLEASE NOTE: this is not a complete summary of regulators' positions and new announcements are being made frequently.

Ofcom

[Statement on 24 March 2020](#)

The priority for our sectors through the coming months is to maintain support for consumers and businesses. We recognise that our planned work programme will need to be adapted and rescheduled so that our stakeholders can focus their time and effort on business-critical matters. We are also ready to adapt our regulatory approach during this period.

We will take a pragmatic approach to enforcement during this time. Compliance with regulatory obligations continues to be important. However, we recognise that the impact of the coronavirus means that it will not always be possible to meet these obligations. In such circumstances, industry should take decisions that support critical services, vulnerable people and those who are relying on communications services. We will support those decisions where they are in the interests of consumers and businesses.

Ofcom will remain in close contact with our sectors over the coming weeks, so that we can respond quickly to any new developments. For example, we have already written to all broadcasting licensees directly with more detailed advice, and **we are working with industry and the Government to make sure telecoms customers stay connected, are supported if they are struggling financially and are protected from unexpectedly high bills.**

Ofwat

[20.3.20 Joint letter on commercial customers, Ofwat and MOSL](#)

Disconnection for non-payment

It is clear that customers may have difficulties in making timely payments during this time, in particular if their premises are temporarily closed. During this time, **we do not think it is reasonable for retailers to request disconnection for non-payment where the delay in payment is caused by factors related to coronavirus.**

Ofwat is considering potential urgent changes to the Customer Protection Code of Practice to require retailers to treat non-payment during these times as force majeure events and so do not qualify for disconnection (subject to suitable limits).

Non Payment

The Government has recently announced a support package for business to protect against the economic emergency caused by the coronavirus. **We will be monitoring the market closely to understand whether coronavirus ultimately leads to nonpayment of bills as opposed to delayed payment.** We will engage further with industry and interested stakeholders about what further actions could be required to address this risk materialising.

[19.3.20 CEO letter](#)

Support for vulnerable consumers

Many families and individuals are now facing uncertain futures, and the number of customers in vulnerable situations or facing severe problems meeting their financial obligations can be expected to increase significantly in the coming months. The industry has an opportunity to demonstrate its commitment to its public purpose by all companies providing effective support, compassionate treatment and clear advice to customers at this time.

In the coming days and weeks I would like to see companies across the sector learning lessons from each other and seeking to drive up the standard of support to those unable to pay their bills. I would also like to see all companies consider whether they can go further to ease the financial burden on households, including by considering opportunities to **increase financial assistance and by adopting suitably supportive and flexible payment and debt collections practices.**

It is vital that customers of all companies have easy access to information on the support available. I note that some companies have made real efforts in recent days to bring all relevant information together for their customers via their websites and social media. I encourage companies to share best practice in communicating with customers, and for all companies to consider what more they can do to ensure they are communicating as clearly as possible with all their customers at this difficult time.

Ofgem

[19.3.20 CEO message](#)

I have spoken to many industry leaders in the last week to stress that for Ofgem and the industry, the priority is to protect our customers and those who work in the industry. This means focussing on maintaining our secure and reliable service and addressing on our customers' needs – particularly the most vulnerable.

[19.3.20 Department for Business, Energy & Industrial Strategy and energy suppliers agreement](#)

An agreement reached between the Department for Business, Energy and Industrial Strategy and domestic energy supply companies setting out principles to support energy customers impacted by COVID-19.

Identifying and prioritising customers at risk.

We will seek to identify and prioritise customers who may need additional support and consider the needs of customers taking into account that:

- Any Customer can suddenly become vulnerable even if they are not classed as such already.
- Priority Service Register customers may need extra advice and support
- Prepayment meter customers, both smart and legacy will need specific support
- Customers with health conditions or who are or are vulnerable to a cold home, may need to maintain a constant supply of energy.

We will support customers who are impacted financially as a direct or indirect result of COVID-19.

Based on individual circumstances, this could include:

- **Considering reassessing, reducing or pausing debt repayment and bill payments for domestic customers in financial distress.**
- **Considering referring customers who are struggling to pay to third party debt advisers such as StepChange and Citizens Advice.**
- Suspending credit meter disconnections

We will support prepayment meter customers directly or indirectly impacted by COVID-19 to stay on supply.

Based on individual circumstances, this could include:

- Extending discretionary/ friendly credit or sending out a pre-loaded top up card.
- Enabling customers to nominate a trusted third party to be able to pick up discretionary credit sent to a shop on their behalf.
- Switching smart prepayment meters into credit mode or extending non-disconnection periods (consumers will be made aware any credit will need to be paid back).
- Promoting online smart prepayment top-up channels.
- **Having particular regard to the regulatory requirements and the potential impact of COVID-19, when applying the 'safe and reasonably practicable' test when considering switching a customer from credit to prepay.**
- Take reasonable steps to contact prepayment customers with advice on what to do in the event of self-isolation

Providing information

We will make available information, advice and guidance to customers on what help is available, including that the energy usage of self-isolating customers may go up as a result and sign posting to sources of support.

24.3.20 Ofgem Information for consumers

What should I do if I am struggling to pay my bills?

Information on the employment and financial support announced by the government on 20 March is available on GOV.UK. This includes the Universal Credit, Employment and Support Allowance and your rights if your hours are cut or you are laid off.

The government has also launched an emergency package with energy suppliers to ensure you don't face any additional hardships in heating or lighting your home during the coronavirus outbreak. **If you are struggling with money problems or are repaying a debt, options will include:**

- **reviewing bill payment plans, including debt repayment plans**
- **payment breaks or reductions in how much you pay**
- **giving you greater time to pay**
- **in some cases access to hardship funds**

No credit meters will be disconnected during the outbreak.

If you think you can't afford to pay for any extra gas or electricity used because you're having to self-isolate at home, support will be available through your energy supplier.

Your supplier must take into account how much you can afford, and will explain your options.

FCA

[17.3.20 Information for firms](#)

Impact on consumers

Our rules already provide flexibility to firms in a number of areas and we expect them to use this flexibility to support consumers, bearing in mind customers' individual circumstances.

For example, a number of firms have taken some steps to enable customers' access to cash, such as waiving fees for individual savings accounts (ISAs) and allowing them to end their term deposits early.

We welcome firms taking initiatives going beyond usual business practices to support their customers. When doing so, firms should notify us so we can consider the impacts and offer support as appropriate.

We still expect firms to deal with complaints promptly. However, where the pandemic prevents this firms should contact us; we understand the pressures firms will be under. Firms are reminded that they should aim to resolve any complaint within 8 weeks (15 days for payments firms). If they cannot, they should write to the customer explaining why they have not met the deadline.

Insurance products

On 19 March 2020, we published an update on [expectations for general insurance firms during the pandemic](#).

[20.3.20 Information for mortgage consumers](#)

Payment holidays

A 'payment holiday' means you agree with your lender that you will not have to make mortgage payments for a set amount of time. Payment holidays are designed to help you when you may experience payment difficulties – in this case because of the coronavirus situation.

It is important to remember that you still owe the amounts that you don't pay as a result of the payment holiday. Interest will continue to be charged on the amount you owe.

This means that, at the end of the payment holiday, you will have to make up the missed payments. There will be various options for doing this, for example by increasing your monthly payments slightly, or by adding a short extension to your term. Your lender will be able to explain to you what options it offers.

Applying for a payment holiday

You should contact your lender if you think you may potentially experience payment difficulties as a result of the coronavirus situation.

Your lender shouldn't need any evidence that your income has been affected by coronavirus.

Interest on your mortgage during the payment holiday

You will still be charged interest during the payment holiday, unless your lender has told you otherwise.

When the payment holiday ends

At the end of the agreed payment holiday, you will continue to make payments. And you will need to agree with your lender a manageable way to make up the missed payments given your circumstances. Your lender will explain to you the options that they offer.

If you are still not able to make your full mortgage payments due to coronavirus, then it may offer you a further payment holiday if appropriate to your circumstances.

Your credit score

Our guidance makes clear to firms that they should ensure that taking a payment holiday will not impact your credit score.

Agreeing the payment holiday

We expect lenders to offer payment holidays to borrowers who may experience payment difficulties as a result of the coronavirus. Many lenders have already committed to this.

Your lender may also offer other options if they are more appropriate for your circumstances, and where it is in your interest.

If you are behind with your mortgage payments.

You can still have a payment holiday. You will need to discuss this with your lender. It will consider whether a payment holiday is appropriate as well as any measures that are already in place to help you through your payment difficulties.

How long do I have to apply for a mortgage holiday?

If you think you may experience payment difficulties and may need a payment holiday, you should speak to your lender in good time before the next payment is due. Please be considerate of others when contacting your lender and allow those with much closer dates into the queue first.

You can apply for a payment holiday at any time before this guidance is reviewed in 3 months. The payment holiday will not start, however, until it has been agreed with your lender.

Contacting your lender at this time

Lenders have committed to responding as quickly as possible, but due to high levels of demand and staff having to work from home, service levels might be slower than usual.

Repossessions

Lenders are temporarily stopping repossession actions

During this current period of unprecedented uncertainty and upheaval we do not think people should be at risk of losing their homes. We therefore expect lenders to stop repossession action. This applies to all mortgage borrowers at risk of repossession, whether or not their incomes are affected by coronavirus. Many lenders have already committed to this.

If you already have a repossession order on your home

We would not expect the lender to go ahead with the repossession, unless you want them to. Please contact it to discuss your situation.

Choosing for your home to be repossessed

You may choose for your home to be repossessed if you believe it's in your best interest – for example, because you've already made plans for alternate accommodation. If this is the case, please contact your lender so that it knows this.

Interest during this period

You will continue to be charged interest on the amount you owe, plus any fees and charges you owe according to your lender's tariff of charges.

Financial implications if repossession is stopped

The amount you owe will increase because interest will continue to be charged. This means that you are likely to get less back if and when your property is repossessed and then sold by your lender.

If property prices go down between now and the time your property is sold then you might get even less back, or nothing if your property is sold for less than you owe.

Your lender will be able to give you more information on how this affects you.

If you do not want repossession to be stopped, contact your lender immediately.

Who does this guidance apply to

To meet the challenges coronavirus could pose to borrowers we expect all regulated mortgage lenders and administrators to comply with our guidance.

Where there are companies which are unregulated (and technically out of scope of our guidance) which make decisions that affect mortgage borrowers, given the current emergency, we expect them to adopt this guidance on a voluntary basis as an appropriate response. Many of these firms are responsible for the mortgages of individuals often known as 'mortgage prisoners', who could be vulnerable.

We will consider the extent to which they have adopted this guidance in assessing our regulatory approach and whether those companies, or senior individuals within those firms, are fit and proper as part of any future application for authorisation.

Gambling Commission

18 March 2020 Statement

As a reminder, we expect licensees to:

- Assess individual affordability on an ongoing basis – customers may be experiencing disrupted income. (Social Responsibility code 3.4 refers to our [guidance](#))
- Increase social responsibility interactions and intervene where customers are showing signs of gambling related harm
- Onboard new customers in a socially responsible way and not exploit the current situation for marketing purposes
- Refresh the information they have on customers regularly
- Review the levels which trigger interaction for AML and SR
- Ensure that your gambling products have been tested by a test house before they are released to the market.