

Debt Fairness Charter





Halving inflation to ease the cost of living and give people financial security is one of the five government priorities this year. As Economic Secretary to the Treasury, I have the privilege of playing a role in the responsible management of the UK's finances.

When debt arises government must manage it efficiently and effectively. Billions of pounds of debt owed to government is collected every year, which is used to pay for vital public services that UK citizens rely on, such as health, welfare, and education.

It is right and proper that people should repay money they owe. But everyone's circumstances are different, and this should be done in a way that is fair, compassionate, and appropriate for those in debt, taxpayers, and the government.

This Charter is designed for people who owe debt to government. Repaying what is owed should not be confusing, or unsettling, or ambiguous. Financial inclusion is important to me, everyone has the right to know what to expect. Through the publication of this Charter, the transparency of government debt management will increase, with information accessible to all.

In crafting this Charter, the government has worked closely with the debt advice sector. I am an advocate for working across boundaries, and it is through this collaborative effort that we can truly make a difference in people's lives.

I am delighted to publish the Debt Fairness Charter.

Bim Afolami MP

Economic Secretary to the Treasury

This Debt Fairness Charter sets out principles for how people who owe personal debt to central government should be treated.

People may owe money to central government for several reasons, for example, unpaid taxes, benefits overpayments, fines, fees, or outstanding loans.

If this describes your situation, you should read this Charter to understand government's responsibility to treat you fairly when working with you to repay what you owe. It also offers guidance on actions you can take to help this process.

If you are having difficulty repaying your debts, we commit to working with you on a way forward.

Our commitment to treating you fairly

Each government organisation operates differently and will continue to have their own policies and practices for how they manage debt. However, fairness is a key consideration for all government organisations, to provide fairness to both the taxpayer and those needing additional support.

The principles on the next page outline what you can expect from us when repaying your debts. They have been created to make sure we work with you in a way that is suitable and appropriate to your circumstances.

We recognise it can be difficult to get in touch and speak about your debts. Once you do, we will listen and treat you with respect so we can find a resolution that works.

The below principles also apply to organisations working on behalf of the government to collect debt.

Through this Charter, we will:



Understand your situation

- Work with you and listen to understand your financial situation.
 To do this, we might ask you about your income, assets, and spending.
 We need this information to make sure the agreed next steps are suitable for your financial circumstance.
- Work with you and listen to understand your personal situation.
 Understanding your personal situation will inform how we work
 with you, or make sure the agreed next steps are suitable to your
 personal circumstance.

For example, any physical or mental health conditions, or experience of economic abuse

- Take note of what you have told us so we can make sure the plan
 for resolving your debt is tailored to your situation, only taking payments
 we know you can afford. We will tell you about options available and work
 with you to reach an appropriate outcome.
- Be flexible if your situation changes. For example, if you are struggling to pay, we may offer you flexibility, and reassess your options if appropriate. If you can afford to make higher repayments, we will help you repay what you owe faster.



Support and advice

- Make you aware of independent and free debt advice and tell you
 how to access this, so you can seek advice if you are struggling financially.
 We will allow you sufficient time to seek debt advice.
- Make you aware of other support options available, so you can get support for issues that might impact your ability to repay what you owe.

For example, if you require mental health support or are experiencing economic abuse.



Communication

- Actively work with anyone authorised to deal with us on your behalf, for example, a debt adviser or family member.
- Communicate with you clearly, openly and with respect, ensuring you understand the options that are available.

We will also protect the information we hold about you and treat it in line with General Data Protection Regulation (GDPR).

These principles are intended to achieve a debt solution that works for everyone. If your debts are not repaid without explanation or we are not able to agree a solution, we will tell you about what might happen next. This may include a possible move to enforcement action.

The principles outlined in the previous section demonstrate how we will work with you to help deal with your debt in a way that is suitable and appropriate to your circumstances.

To help us do that, there are some things we may need from you.



Sharing information about your situation

• If we ask for information about your financial situation or personal situation, share this with us so that we can find a solution.

For example:

- other debts, income, or assets that you might have
- if you are experiencing any physical or mental health challenges
- We might sometimes need proof of your circumstances if relevant, send us the information in the timeframe we agree with you, or let us know if there are any challenges to doing so.
- If you're having difficulty making repayments, let us know as soon as possible so we can help you.
- Let us know if your situation changes, including if you can afford to make higher repayments, or repay more quickly.



Support and advice

• Engage with us and – if appropriate – free, independent debt advice, which will help make sure you're getting support for all the debts you owe.



Communication

- If you have particular support needs or adjustments regarding how we communicate with you, let us know as soon as possible so we can meet these needs.
- Let us know as soon as possible if your contact details such as an address, email, or phone number – change so we can communicate with you correctly.
- Communicate with our staff clearly, openly and with respect as we commit to doing with you.
- Use online, self-service options, if you are able to.

Situations not covered by this Charter

This Debt Fairness Charter sets out principles for how people who owe personal debt to central government should be treated.

There are exceptions when it is not appropriate to directly follow all principles in this Charter. This Charter does not replace any legislation or powers given by Parliament to departments for collecting debt, for example, where deductions are taken from benefits or earnings. The relevant government department will clearly explain where the Charter does not apply to you.

The following are also not covered by this Charter:

Debt that is a result of fraud or criminal activity – this will be dealt with using existing policies, practices, and legislation.

Debt owed to local authorities – your council will have its own approach to managing debt.

If you believe you haven't been treated fairly

If you believe you have not been treated in line with the principles in this Charter, please get in touch with the relevant government organisation. Errors may happen, but we will aim to put these right where possible.

Please note the following links are for raising complaints only. If you need to contact a department about dealing with your debts, you should contact them using the contact details in any communications you have received.

This Charter does not cover Local Authorities. Information on council tax debts, rent arrears, or any other debts owed to your local authority, can be found on your local authority website.

Department*	Contact details
Child Maintenance Service	gov.uk/child-maintenance-service/complaints- and-appeals
Department for Work & Pensions (DWP)	gov.uk/government/organisations/department- for-work-pensions/about/complaints-procedure
Driver and Vehicle Licensing Agency (DVLA)	gov.uk/government/organisations/driver-and- vehicle-licensing-agency/about/complaints- procedure
HM Courts and Tribunal Service	gov.uk/government/organisations/hm-courts- and-tribunals-service/about/complaints- procedure
HM Revenue and Customs (HMRC)	gov.uk/complain-about-hmrc
Home Office	gov.uk/government/organisations/home-office/ about/complaints-procedure
Legal Aid Agency	gov.uk/government/organisations/legal-aid- agency/about/complaints-procedure
Student Loans Company	gov.uk/government/organisations/student-loans- company/about/complaints-procedure

^{*} Please note this is not an exhaustive list of all central government departments and Arm's Length Bodies.