

More room to breathe

Building on five years of
Breathing Space



**citizens
advice**

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Executive Summary

Debt pressures have escalated in recent years. In 2025, Citizens Advice supported **over 400,000** people with debt – nearly a 45% increase compared with 2021. People we help owe nearly £9,000 on average, a 36% increase over the same timeframe. More and more people need help with wider issues such as housing, work, and family problems alongside debt itself.

Breathing Space was introduced in 2021 to help tackle this rising tide of financial difficulty. A statutory scheme, Breathing Space gives people a short period of legal protection from creditor action while they engage with debt advice. It was designed to relieve the psychological pressures associated with debt and enforcement, stop debts from escalating, and give people the time and space they need to get their debt situation under control.

Breathing Space regulations include a commitment to review the scheme at five-year intervals, with the earliest review completed no later than **4 May 2026**. Ahead of that review, this report outlines how the scheme is working in practice and the key issues that need to be addressed. It draws on evidence from Citizens Advice's frontline services, adviser surveys, case studies and new polling of people in problem debt.¹

The rationale for Breathing Space remains sound. Almost **2 in 5** people in problem debt (39%) report feeling overwhelmed by the amount of contact they received from creditors chasing payments for debts or unpaid bills - while among those who also have a mental health condition it's nearly **3 in 5** (57%). People with debt problems instinctively recognise the value of temporary protection from creditor action. More than **8 in 10** people in problem debt (82%) who haven't previously used the scheme agree it would have been helpful to them when they first started dealing with debt.² Debt advisers also see it as an extremely useful tool for many of the people they support.

¹ Source: online survey of 2,000 adults in England & Wales in problem debt. See methodology for full details.

² To accurately assess how people in problem debt might perceive Breathing Space, questions relating to this were asked to those who had not used the scheme or were not about to enter it. This gives a new unweighted base of 1,868 adults (with a weighted base of 1870) for questions about Breathing Space

But the scheme isn't fulfilling its full potential. Take-up remains well below forecast levels, and many advisers say they don't routinely recommend it to new clients. While low awareness plays a part, the evidence suggests deeper design problems, which make it a poor fit for many current debt situations.

Four limitations stand out. First, the 60-day limit is often not long enough to stabilise people's situations, particularly where they have complex debts, negative budgets, or wider issues such as ill health. Second, the rule that prevents someone having more than one Breathing Space within 12 months creates difficult trade-offs and prevents people who experience repeated financial shocks accessing protection when they most need it. Third, the exclusion of Universal Credit advances and third-party deductions leaves important gaps in protection for people whose budgets are already under severe strain. Finally, while most creditors comply, adviser evidence highlights breaches and communication failures that undermine the scheme's effectiveness.

Breathing Space is an important step forward in providing statutory protections for people seeking debt advice. But the debt landscape has shifted since the scheme was designed, and many people now need longer and more flexible support to stabilise their position. This report sets out how proportionate reforms could help ensure that Breathing Space achieves its intended outcomes and remains a credible, effective tool.

Recommendations

- 1** Ensure people who can bring their debt situation under control, but need more than 60 days to do so, can access additional time
- 2** Allow repeat access within 12 months where a person's circumstances change significantly
- 3** Close key protection gaps in relation to Universal Credit advances and debt deductions
- 4** Strengthen creditor compliance through clearer reporting requirements, consistent liaison points and more effective enforcement of existing rules

1. How Breathing Space works

An overview of Breathing Space

Breathing Space was [introduced in 2021](#) and gives people temporary legal protection while they engage with regulated debt advice. It is intended to provide a short period of respite so that people can work with an adviser to develop a long-term plan to deal with their debts.

This report focuses on the **standard version of Breathing Space**, which accounts for 98% of registrations.³ A separate scheme exists for people receiving mental health crisis treatment, with different rules and access arrangements. Table 1 below outlines the key differences and similarities between the two versions - but the analysis in this report relates exclusively to the standard scheme.

Who can use Breathing Space?

Breathing Space has broad [eligibility criteria](#), so most people who seek debt advice for the first time qualify to use it:

- It is available to people who **live in England or Wales**, have at least **one qualifying debt**
- Aren't already in an **insolvency remedy**
- Haven't used Breathing Space in the **previous 12 months**.

People can only enter Breathing Space through an [FCA-regulated](#) debt advice provider. An adviser **checks eligibility, gathers information, and submits an application** through an online system run by the Insolvency Service. Creditors are notified through the same online system, and protections take effect automatically the following day. During Breathing Space, people need to **remain**

³ The Insolvency Service's [Individual Insolvency Statistics](#) include monthly data on Breathing Space registrations.

in contact with their adviser, keep them updated on relevant changes in their circumstances and continue paying ongoing liabilities such as rent and utilities.

Breathing Space protections

During the 60-day Breathing Space moratorium, creditors must:

-  Stop any **contact chasing payment** for qualifying debts
-  Pause **recovery and enforcement** action
-  **Freeze interest, fees and charges**

Protections apply to nearly all debts that aren't secured on property - but a small number are excluded. The most significant exclusions are Universal Credit advances and third party deductions, which continue to be deducted during the moratorium.

Table 1: Breathing Space criteria and features

Feature	Standard Breathing Space	Mental Health Crisis Breathing Space
Eligibility criteria	<p>Available to individuals who:</p> <ul style="list-style-type: none"> • live in England or Wales • owe at least one qualifying debt • are not bankrupt, in a debt relief order or Individual Voluntary Arrangement • have not used a standard Breathing Space in the past 12 months 	<p>Available to individuals who meet the standard criteria and, in addition:</p> <ul style="list-style-type: none"> • are receiving mental health crisis treatment • have this confirmed by an Approved Mental Health Professional (AMHP) <p>There is no limit to the number of times an individual can enter Mental Health Crisis Breathing Space</p>
Access	Must be initiated by a debt advice firm authorised by the Financial Conduct Authority (FCA).	Can be initiated by a debt adviser upon receiving valid AMHP evidence confirming the client is in crisis treatment.
Debts excluded	<p>Certain debts are excluded, including:</p> <ul style="list-style-type: none"> • student loans • court fines • child maintenance arrears • debts resulting from fraud • Universal Credit advances and third-party deductions from UC 	Same exclusions as standard Breathing Space.
Client obligations	Clients must engage with debt advice, report material changes in circumstances, not take out new credit over £500 and continue to pay ongoing liabilities such as rent, utilities, insurance, council tax .	No ongoing engagement or payment obligations during crisis treatment. The moratorium continues automatically until treatment ends.
Duration	Fixed period of 60 days, with a review around the halfway point (day 25–35). Cannot be extended or repeated within 12 months.	Lasts for the full duration of the mental health crisis treatment, plus 30 days after treatment ends. Can be used multiple times if further crisis periods occur.

2. Valuable but under-used: the scheme in practice

People who use Breathing Space often see real benefits

Breathing Space has had a positive impact on many debt clients. A [StepChange Debt Charity evaluation](#) in 2022 found that clients who took it are over three times more likely to go through full debt advice and enter a solution than those that didn't take Breathing Space, and more likely to report improved wellbeing after advice.

Yolande's experience also illustrates how Breathing Space can give someone time to work with a debt adviser to prepare a solution.



Yolande* came to her local Citizens Advice for help with several credit card debts. She was being chased to repay these, which was causing her a lot of stress.

Yolande and her debt adviser needed time to work through her options. Using Breathing Space meant they could do this without ongoing pressure from creditors. Once they had identified a debt relief order (DRO) as the best debt solution for Yolande, Breathing Space gave them the time they needed to gather information and prepare her DRO application. As a result, Yolande has been able to legally write off her debts and obtain a fresh start.

An important feature of Breathing Space is that it can pause even very serious forms of enforcement such as bailiff action or eviction, preventing immediate harm.

Awareness and use of the scheme lag behind expectations

Breathing Space has strong instinctive appeal to people experiencing debt problems: when explained, more than **8 in 10** (82%) agree it would have been

helpful to them when they first started dealing with debt, while over **3 in 5** (63%) agree it would have reduced the pressure they felt.⁴

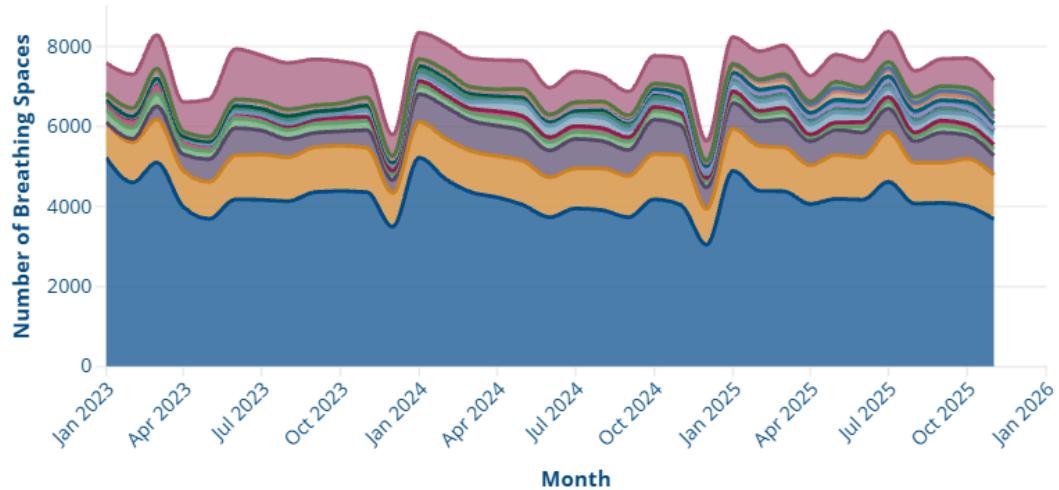
But awareness of the scheme is low. Just under **1 in 4** (24%) people in problem debt report being aware of Breathing Space. Similarly, take-up is lower than originally expected. In 2024, there were 89,020 Breathing Space registrations - far below the HM Treasury forecast of 700,000 for the scheme's first year, and a small fraction of the 1.7 million UK adults who accessed debt advice in 2024.

Table 2: Breathing spaces per month

Table 2: Breathing Spaces by top 5 advisers groups and others

Data from January 2023 to November 2025

■ StepChange Debt Charity ■ Citizens Advice ■ Money Wellness ■ Totemic Limited
 ■ Money Advice Trust trading as National Debtline ■ Dissolve Debt Ltd
 ■ MoneyPlus Group Limited (trading as MoneyPlus Advice)
 ■ Rethink Mental Illness trading as Mental Health and Money Advice (England) ■ Toynbee Hall
 ■ Debt Advisory Services (Scotland) Limited ■ Care About Money Limited ■ UK Debt Expert ■ Other



May 2021 to September 2025

Table 2 shows monthly Breathing Space applications by Money Adviser group. StepChange Debt Charity accounts for 59% of total applications since the start of the scheme, while Citizens Advice accounts for 14% and Money Wellness 5%.

⁴ To accurately assess how people in problem debt might perceive Breathing Space, questions relating to this were asked to those who had not used the scheme or were not about to enter it. This gives a new unweighted base of 1,868 adults (with a weighted base of 1870) for questions about Breathing Space.

Frontline insights point to scheme design flaws

Low awareness may be part of the explanation for modest take-up, but it is not the only factor. Another key driver is the mismatch between Breathing Space rules and the reality of the situations faced by people in debt. This will be explored in the next section.

3. Rigid rules limit the effectiveness of Breathing Space

Problem debt is often complex and time consuming to resolve. Any policy designed to help people access advice and move into a debt solution needs enough flexibility to respond to individual circumstances. But Breathing Space rules are rigid and don't allow for exceptions. The scheme's protections can't be extended beyond 60 days or accessed more than once in 12 months - under any circumstances.

This mismatch between rigid rules and the complex reality of problem debt is a major factor limiting the appeal and usefulness of Breathing Space.

Sixty days is often not enough

The 60-day time limit is widely recognised as a major drawback. Almost half of debt advisers (49%) surveyed in 2024 said clients often needed longer than 60 days to stabilise their situation, making this one of the top three reasons for not recommending it to new clients.⁵ Daffyd's story illustrates this.⁶



Daffyd's story

Daffyd came to us for help with his debts. Working with our advisers to maximise his income, we found he was eligible for Personal Independence Payment (PIP). This would make a big difference to his debt situation, so needed to be completed before we could establish his debt options.

However, 60 days isn't long enough for a PIP application to be processed. In addition, Daffyd's long-term health conditions mean he needs more time and more intensive support from our advisers to work through his benefit and debt issues.

Daffyd's Breathing Space ended before he could consider entering a debt solution - with no option to extend it or re-enter the scheme for another 12 months. He then received a Section 21 notice from his landlord, giving him just 2 months to leave his home.

⁵ Source: Online survey of debt advisers conducted by Citizens Advice. See methodology for full details.

⁶ Please note all client names have been changed to protect anonymity.

Most people in debt recognise they need longer

It's not just debt advisers who consider the 60-day duration of Breathing Space a limitation. When asked about the scheme, more than **6 in 10** people in problem debt (62%) who hadn't previously used it said that they might or would definitely need longer than 60 days to get advice and make a plan to deal with their debts.⁷

People who said they might need more than 60 days gave various reasons for this. The most common were:

- ❯ that it wouldn't be enough time to **feel ready or make good decisions** (29%)
- ❯ having **multiple debts or creditors** to deal with, so it might take some **time to work out a plan** (25%)
- ❯ feeling **overwhelmed** and finding it **hard to take the first steps** (23%)
- ❯ having **unstable or unpredictable** income and expenses (23%)
- ❯ dealing with **other problems** such as housing or personal issues (22%)

Similar findings emerged from a [StepChange Debt Charity evaluation](#) conducted in 2022: **41% of clients** felt 60 days was not long enough to stabilise their finances, and **27%** said their debt solution was not in place before the Breathing Space period ended.

Rising complexity makes the 60-day limit harder to meet

Problems with the length of the scheme have become even more acute due to changes in debt needs since the scheme was launched.

Even in ideal conditions, it can be challenging to complete debt advice and arrange a debt solution within a 60-day timeframe. Core debt advice tasks include verifying income and expenditure, contacting creditors to confirm debt balances, carrying out income maximisation and providing budgeting support - all of which are time-consuming even with good data and technology support.

⁷ To accurately assess how people in problem debt might perceive Breathing Space, questions relating to this were asked to those who had not used the scheme or were not about to enter it. This gives a new unweighted base of 1,868 adults (with a weighted base of 1870) for questions about Breathing Space.

But these pressures have intensified in recent years due to the rising levels of financial hardship, health-related barriers, and advice needs beyond debt. These trends put increasing pressure on the idea that debt can be resolved within a strict 60 day limit - as our frontline advice data illustrates.

How debt needs have changed over time

More people are facing negative budgets

In May 2021 when Breathing Space was launched, **38%** of the people we helped with debt advice were in a negative budget - meaning that their income was not enough to meet essential living costs. This has now risen to **half of debt clients**. Income maximisation, benefit claims and budgeting support can help address a negative budget - but often takes longer than 60 days.

The level and number of debts people have has been rising

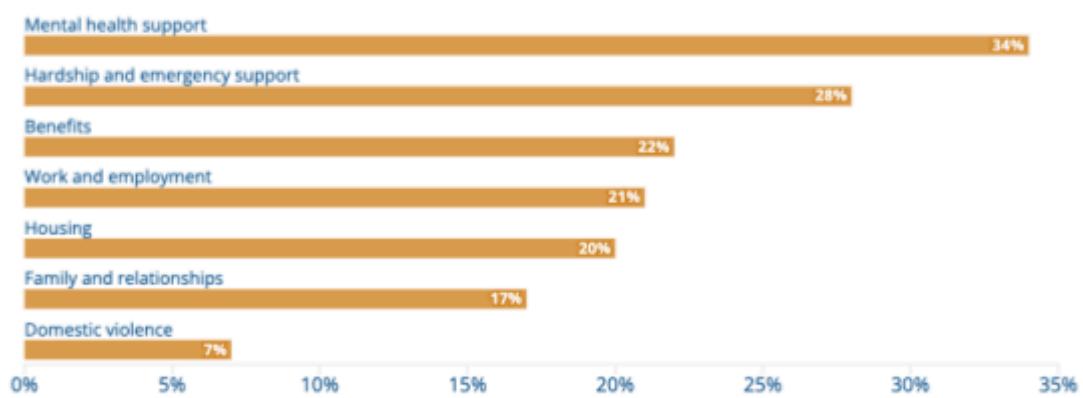
In 2025, 45% of our debt clients have 4 or more debt issues, compared to 40% in 2021. The average level of debt has also climbed to nearly £9,000 (£8,933) - a 36% increase on 2021 levels (£6,558) when Breathing Space was introduced.

Both of these issues increase the complexity involved in resolving debt problems, particularly where more serious 'priority' debts are involved. And more of our debt clients have priority debts than before. In 2025 more than half (53%) of debt clients had energy debts - 11% more than in 2021. Similarly, 47% of debt clients have council tax arrears - up 5% on 2021.

People increasingly need help with other issues

Another change is a **growing trend for people to need advice on issues beyond debt**, such as housing, work, family and relationships, which may need to be prioritised ahead of debt - cutting into the maximum 60 days allowed under Breathing Space. Our recent survey of people in problem debt shows how **widespread** these additional advice needs have become.

Proportion of people in problem debt who would have found each of the following types of advice helpful



The once-a-year rule forces difficult tradeoffs

Hand in hand with the issue of the 60-day limitation is the rule that people aren't eligible for Breathing Space if they have already used it in the previous 12 months. This was intended as a sensible safeguard, but in practice it creates a real dilemma for advisers about the best time to use the scheme's protections. Using Breathing Space early on risks leaving clients exposed later, while holding it in reserve can mean missing the chance to prevent harm sooner.

Policymakers assumed people would enter Breathing Space early in the advice journey - and some advice providers have embedded it into the start of their advice process. This works for many, but not all. Despite engaging with advice, a person might go on to experience a sudden change in income, new health problems, increased essential costs, or the escalation of enforcement activity. Since they have already used Breathing Space, it will now no longer be available to deal with a fresh crisis. More than **1 in 10** (12%) evidence forms we analysed concerned a client who couldn't access Breathing Space due to previous use within the past 12 months.⁸

Restricting Breathing Space leads to rationing and under-use

Because of this limitation on access, both advisers and clients sometimes feel the need to ration Breathing Space. Advisers may approach it as a targeted tool for managing acute enforcement risks rather than a standard step in the advice journey. Clients also choose to hold Breathing Space in reserve. Earlier this year, a Citizens Advice adviser reported the case of a client with significant council tax arrears who was being visited by bailiffs. Despite already being in a serious enforcement situation, the client "ended up deciding to hold on to the Breathing Space option" in case they needed it to stop further action "at a later date."

In some cases, this justifiable caution means people miss out on protections that could help stabilise their situation earlier or avoid reaching crisis altogether. Allowing repeat access in clearly defined situations, such as a change in income or imminent enforcement, would remove this dilemma and help ensure that people can receive protection at the point they most need it.

Targeted flexibilities could make Breathing Space more effective

The evidence in this report shows a clear case for a more flexible Breathing Space. Many people in problem debt face situations that can't realistically be brought under control within 60 days, such as multiple creditors, priority arrears, negative budgets or wider issues beyond debt. Advisers consistently describe situations where a small amount of additional time would allow clients

⁸ Evidence forms are short, anonymised summaries of cases submitted by Citizens Advice advisers. We analysed 200 forms submitted between 22/2/24 and 22/7/25 using a thematic coding framework, to identify common issues.

to gather information, address urgent underlying problems and move forward with a realistic plan of action.

This doesn't mean that everyone entering Breathing Space needs longer than the current 60 days, or that there should be unlimited flexibility. Any changes the government makes to Breathing Space will need to take account of impacts on creditors and the risk of clients disengaging with advice during the moratorium. For these reasons, we think changes should be targeted and proportionate, supporting clients who genuinely need more time and flexibility while maximising ongoing engagement with advice.

A **practical option** would be to maintain the current 60-day period as the default position, but allow advisers to extend it by up to 30 days - or up to 60 days in two increments - in defined circumstances. This would give advisers the discretion to keep protections in place where a client is actively engaging with advice and making progress, while keeping extensions time-limited and targeted.

A **further reform** would be to allow repeat access to Breathing Space within a 12-month period where someone experiences a significant change in circumstances, such as a sudden drop in income, new health problems or the start of enforcement action. This would help ensure that protections are available when most needed, avoiding the difficult dilemmas and trade-offs advisers currently face.

These adjustments would retain the basic framework of Breathing Space, while making it more responsive to the realities of today's debt problems and giving advisers the flexibility they need to support their clients effectively.

4. Gaps in protection undermine the scheme's impact

Breathing Space is supposed to offer comprehensive protection, but there are several key gaps. First, **Universal Credit advances and third-party deductions** aren't paused during Breathing Space, so a significant group of people on means-tested benefits gain little financial relief. Second, some people continue to experience stressful contact and enforcement activity during Breathing Space due to **creditor breaches**.

Universal Credit deductions are a major gap in coverage

Universal Credit (UC) advances aren't currently included in Breathing Space. Nor are deductions from UC to repay debts like energy arrears, council tax arrears and rent arrears - known as 'third-party deductions' or TPDs. People affected by this rule still have to repay significant amounts from their ongoing benefits despite being in Breathing Space - undermining the value of the scheme's protections.

It's important to underline that these exclusions are an anomaly - at odds with the treatment of benefits overpayments and third-party deductions from benefits other than UC. Announcing its decision in its 2019 [Breathing Space policy response](#), the government promised that UC advances and third-party deductions would be included 'on a phased basis' as early as possible after the scheme launched, justifying the delay by the need to align necessary IT changes with the wider UC rollout. But four years on, these debts are still outside the scheme.

Growing numbers of people fall into this protection gap

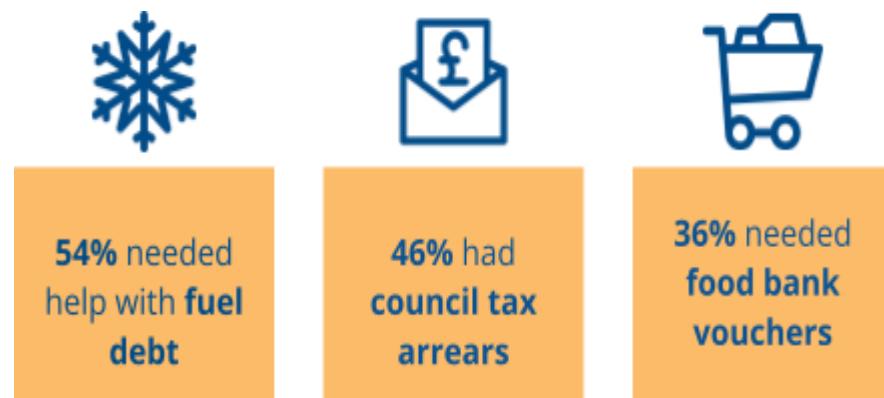
The rollout of Universal Credit is now well advanced, which means many more people are affected or at risk of being affected by this issue. Comparing recent [Department for Work & Pensions data](#) with 2021, when Breathing Space was

launched, the number of people receiving Universal Credit has **increased by a third**. In May 2025:

- Approximately **3.1 million UC households**, 47% of all UC households, had one or more deductions taken from their UC entitlement.
- **32% of UC households were repaying advance loan debts** and **13% were repaying third party deductions** - with average repayments of £40 and £37 per month, respectively.

Excluding UC deductions hits people on low incomes

Treating UC advances and deductions differently to other debts affects people with little or no financial buffer. In 2025, **71% of UC recipients we helped with debt were in a negative budget**, with an average **monthly shortfall of -£225**. Among the debt clients we help with UC deductions, many were struggling to meet essential costs:



Pausing UC advance repayments and third party deductions during Breathing Space would bring many people closer to a balanced budget. This would alleviate short-term pressure and give them time to explore debt solutions - including potential options such as a debt relief order or bankruptcy, which would write off these debts and provide a fresh start.

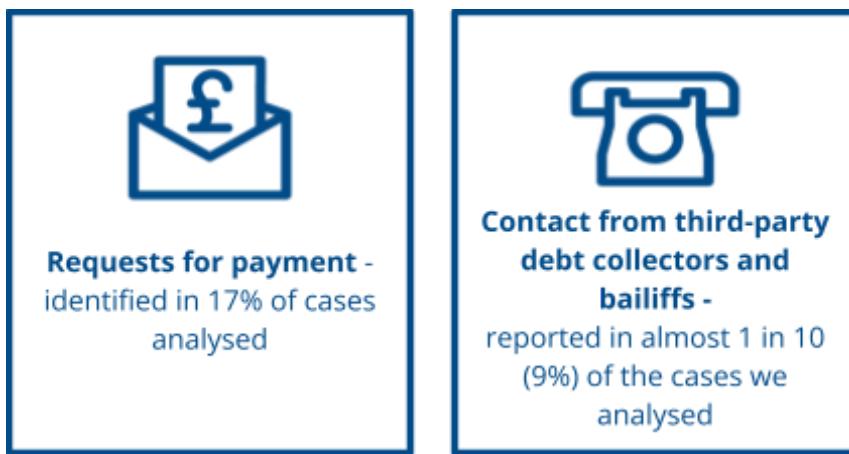
"The exception provided for existing UC and TPD undermines the value of the scheme as in most cases the pause is needed to balance the finances, but the DWP still take a significant proportion."

Including UC advances and deductions in Breathing Space is long overdue

There are wider questions about Universal Credit advances - such as the case for addressing the [five-week wait](#) which makes advances so prevalent - which are outside the scope of this report. These questions are complicated to resolve, but for Breathing Space, there is a simple solution which the government has already committed to but not yet implemented. Bringing Universal Credit advances and third-party deductions into Breathing Space as originally promised would make a significant practical difference to many people in debt and restore the policy intent of providing comprehensive respite from debt pressures.

Creditor breaches undermine promised protections

During Breathing Space, creditors aren't legally permitted to request payment or take enforcement action. Despite this, **our review of evidence forms found** repeated instances of:



Overall, **poor creditor conduct** was identified in **30% of cases analysed**.

Although most creditors observe Breathing Space, our findings highlight that breaches aren't unusual, and not everyone receives the protections the scheme should guarantee. There is similar evidence from a number of other sources. [StepChange Debt Charity](#) found: 9% of Breathing Space clients experienced doorstep enforcement, 37% had interest or fees added, and 24% had

unaffordable repayments taken. Recent [Financial Ombudsman Service decisions](#) show continued gaps in financial services compliance with Breathing Space.

Oversight and enforcement mechanisms are limited

Although complying with Breathing Space is a legal requirement, there are minimal consequences for creditors who flout the rules. [Insolvency Service guidance](#) suggests that debt advisers “contact the creditor to remind them of their obligations”. If a creditor still doesn’t comply, advisers can alert the Insolvency Service - but this only results in another written reminder. Since the start of the scheme, the Insolvency Service has sent 2,255 [Breathing Space compliance reminders](#) to creditors. This number may reflect the fact that there is little incentive to report noncompliance - since it doesn’t lead to meaningful action - rather than the real scale of noncompliance. Beyond reporting to the Insolvency Service, the only real avenue available to advisers is to help clients submit complaints to creditors, ombudsman schemes and regulators.

Not only is this enforcement toothless as a deterrent but places an unfair burden on people in problem debt to report misconduct. There’s little motivation for someone to report misconduct as their Breathing Space has already been breached and, given they’re working through debt issues, are likely to have limited capacity to undertake this at the time. Given this, it’s important to note that low reporting doesn’t translate to low incidence of breaches. It’s clear that for many people in problem debt, and the advisers supporting them, it’s often not worthwhile to report misconduct.

Poor compliance has real consequences for people in debt

Creditor breaches defeat the core purpose of Breathing Space. It’s critical that people who use the scheme get the protection that policymakers intended. Almost **2 in 5** people in problem debt (39%) report feeling overwhelmed by the amount of contact they received from creditors chasing payments for debts or unpaid bills, rising to half of those with disabilities (51%) and nearly **3 in 5** (57%) of those with a mental health condition. When contact and enforcement continue despite Breathing Space, this can result in real harm. Creditor misconduct also undermines trust in the scheme, impacting uptake: when we

asked people who haven't or aren't about to use the scheme if they had any concerns about how the scheme might affect their debt situation more than **1 in 5** (21%) said they were concerned their creditors might ignore it.⁹

Three recent cases **illustrate aspects of creditor non-compliance**.



Aliya went into Breathing Space hoping to reduce the pressure from creditors while they applied for a debt relief order (DRO). However, multiple creditors - the local council, an energy company, and telecoms company - breached the moratorium, with one starting court action against Aliya.

"Client is very stressed now as she went into a breathing space with a clear mind thinking this will all be sorted however not only has the creditors made her situation a lot more difficult by stressing her out [...] but all in all this is very disheartening for the client considering we have a good plan of action in place"

- Adviser, Citizens Advice



Beverley's story involves a high street bank - underlining that even major creditors sometimes fail to apply the rules. While in Breathing Space, Beverly started receiving texts from her bank - asking for a minimum payment of nearly £200 towards a debt included in the scheme, and stating she'd be charged £12 for each day the payment was missed.



Finally, Sam's case highlights the sharpest end of creditor enforcement. Contact from creditors was adversely affecting Sam's mental health, which made Breathing Space particularly appealing for Sam and their adviser. But bailiffs continued to go to Sam's house and they kept being chased by debt collectors for repayment. It turns out the energy company had not told the debt collectors working on their behalf that Sam was in Breathing Space. Facing continued

⁹ To accurately assess how people in problem debt might perceive Breathing Space, questions relating to this were asked to those who had not used the scheme or were not about to enter it. This gives a new unweighted base of 1,868 adults (with a weighted base of 1870) for questions about Breathing Space.

enforcement action from bailiffs caused Sam the undue stress that the scheme was designed to prevent.

Stronger compliance would support confidence

The government's review of standard Breathing Space should include a strong focus on ensuring people in the scheme receive the protections it promises. The review should **assess the extent and nature of creditor misconduct** and **investigate the drivers of creditor non-compliance**, such as with creditors' internal systems and processes, poor communication and information sharing between creditors and third parties or enforcement agents.

The review should then consider and make **recommendations** to improve creditor compliance with Breathing Space and address bad practice. Measures could include:



Stronger monitoring and enforcement. The Insolvency Service should publish regular data on creditor breaches and work directly with creditors and sector regulators to proactively enforce compliance.



Stricter sanctions for creditors who repeatedly don't comply, such as fines.

5. Summary and recommendations

Breathing Space is a valuable protection for people in problem debt. It has given many people the temporary relief they needed to stabilise their situation and start engaging with advice. The principle behind the scheme remains strong, and both advisers and people in debt continue to see its potential.

However, five years on, the scheme isn't working as well as it could. Take-up is far below expectations, and adviser evidence shows that many of its limitations stem from the way it was designed rather than how it is delivered. The landscape of problem debt has changed: more people are juggling multiple arrears, priority bills, insecure income, poor health and wider pressures. These situations often take longer than 60 days to resolve, but the standard version of the scheme offers no flexibility as to the duration or frequency of its protections. Gaps in protection for key debts and uneven creditor compliance further reduce its usefulness.

The government must review Breathing Space by 4 May 2026. This review should be thorough and is a chance to strengthen the scheme so it delivers the level of protection originally intended and reflects the current realities of problem debt. Based on our evidence and that from across the advice sector, we highlight priority issues and practical proposals for reform.

Policy recommendations

1. Ensure people who can bring their debt situation under control, but need more than 60 days to do so, can access additional time

The government should explore options that would give advisers flexibility to support people whose situations can't realistically be stabilised within 60 days. One approach would be to retain 60 days as the default while allowing advisers to grant one or more extensions in clearly defined circumstances, to clients who remain engaged and are making progress.

2. Allow repeat access within 12 months where a person's circumstances change significantly

People should be able to enter another Breathing Space within a year when they experience events such as a sharp drop in income or ill health, or where a creditor escalates to enforcement action. Adviser oversight would ensure repeat access is used appropriately and only where it is genuinely needed.

3. Close key protection gaps

Universal Credit advances and third-party deductions should be brought within scope. These deductions place major pressure on household budgets and continuing to recover them during Breathing Space undermines the purpose of the scheme.

4. Strengthen creditor compliance

Clearer monitoring requirements for the Insolvency Service and more robust enforcement of existing rules are needed. Even isolated instances of non-compliance can cause significant distress and undermine confidence in the scheme, especially for clients in vulnerable circumstances.

Methods

Citizens Advice's network of 240 local offices provides advice and support to people across England and Wales on a range of issues, including debt, housing and benefits. This report draws on our unique frontline data and insights, amongst other sources.

Review of Evidence Forms

Evidence forms are short, anonymised summaries of cases that are submitted by Citizens Advice advisers to highlight key cases of concern. Between 22 February 2024 and 22 July 2025, 200 evidence forms were submitted related to Breathing Space. These cases were systematically analysed using a thematic coding framework to identify common issues.

As this is qualitative data, the figures provided should not be considered an estimate of the prevalence of an issue. These figures instead demonstrate how commonly each issue was identified within the cases submitted for review based on the information that was volunteered.

Case studies in this report are also drawn from these evidence forms. Names and personal details have been changed to ensure anonymity.

Survey of people in problem debt

Citizens Advice commissioned Opinium to survey 2,000 adults in England & Wales in problem debt, based on the definition used for people needing debt advice in the [Money and Pensions Service \(MaPS\) Debt Needs Survey 2023](#). We focused on those who are expected to definitely need debt advice, based on the MaPS definition. This includes people who are behind on at least one priority bill, facing early or late-stage creditor action, or are using credit to pay for essentials. Specifically, meeting at least one of these criteria:

1. In the last 6 months have experienced: a court summons from the people you owe money to, being contacted by bailiffs, being evicted from your home, having your home repossessed

2. Currently behind on one priority bill (for example, rent or mortgage, loans secured against their home, council tax) and experienced a negative impact from this (for example, being unable to buy essentials) or using high cost credit
3. Currently behind on more than one priority bills.

Fieldwork took place between 26 September and 15 October 2025. Results were weighted to be representative of adults in problem debt according to targets from the Money and Pension Service 'Debt Need Survey 2023' on gender, age, region, home tenure, and ethnicity. To accurately assess how people in problem debt might perceive Breathing Space, questions relating to this were asked to those who had not used the scheme or were not about to enter it. This gives a new unweighted base of 1,868 adults (with a weighted base of 1870) for questions about Breathing Space.

Survey of debt advisers

Citizens Advice carried out an online survey exploring debt advisers' experiences of personal insolvency and debt solutions. The survey was carried out online and shared with other advice organisations. The survey ran from 25 September to 25 October 2024. 309 responses were received, with respondents from 10 debt advice organisations. Most respondents (58%) were Citizens Advice debt advisers.

Citizens Advice helps people find a way forward.

We provide free, confidential and independent advice to help people overcome their problems.

We are a voice for our clients and consumers on the issues that matter to them.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.

[citizensadvice.org.uk](https://www.citizensadvice.org.uk)



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