

About this consultation

The Financial Conduct Authority has launched a consultation proposing a further range of temporary measures to support mortgage holders who are facing financial challenges arising from the coronavirus.

About Age UK

Age UK is a national charity that works with a network of partners, including Age Scotland, Age Cymru, Age NI and local Age UKs across England, to help everyone make the most of later life, whatever their circumstances. In the UK, the Charity helps more than seven million older people each year by providing advice and support. It also researches and campaigns on the issues that matter most to older people. Its work focuses on ensuring that older people: have enough money; enjoy life and feel well; receive high quality health and care; are comfortable, safe and secure at home; and feel valued and able to participate.

Key points and recommendations

Firms need to ensure that customers, particularly those who are vulnerable, fully understand the long-term implications of any action that they take for their finances.

Owing to the short time available to us, we have been unable to consider the impact of each of the measures in detail but have the following general points to make.

The long-term impact

We are concerned that people will take advantage of the flexibility that is offered without fully appreciating the long-term impacts on their finances, and particularly that debt will still

possessions for buy-to-let mortgages should only be used to ensure that a tenant is able to remain in the property if either the tenant or mortgage holder encounter difficulties.

We appreciate that following a mortgage holiday, the lender may increase mortgage repayments to recoup the amount outstanding. In determining any new repayment level, the lender should ensure that any increase would not justify a significant increase in the rent that could be unaffordable to the tenant.