

Changes to high-cost short-term credit (Including payday loans)

The FCA has rolled out new measures to help those affected by COVID-19. In order to access this help, you will need to speak to your creditor.

[From FCA website]

High-cost short-term credit (including payday loans)

If you are having temporary difficulties meeting payments due to coronavirus, you can request a freeze of repayments on your high-cost short-term credit loan for one month. The one month time frame reflects the shorter length of these types of agreement compared to other forms of credit.

High-cost short-term loans usually charge high interest rates. Under FCA proposals, the lender will not charge you the additional interest that would otherwise build up over the one month repayment freeze. You will still have to resume your payments in full following the one month freeze and you will still owe the outstanding balance.

If you are still facing payment difficulties once the freeze is over, the lender should offer you additional help in line with FCA rules. This may involve allowing you to make up your repayments in an affordable way. This may be, for example, by one single payment at the end of the term, or by a number of smaller payments.

If you think your finances won't be back on track after a month, you should speak to your lender about other options, including an affordable repayment plan.

[More info here](#)