



## All Party Parliamentary Group on Mortgage Prisoners

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Nikhil Rathi  
Chief Executive Officer  
Financial Conduct Authority  
12 Endeavour Square  
London E20 1JN

Dear Nikhil

We are writing to ask that the FCA's proposal to limit mortgage payment deferrals to a maximum of 6 months is reviewed. Feedback from UK Mortgage Prisoners is already indicating that the limit will have a particularly negative impact on mortgage prisoners paying high SVRs, causing them financial hardship and stress. We believe the FCA should take account of the impact of the new restrictions on income and jobs by removing the 6 month limit and giving all mortgage holders the right to a 3 month payment deferral.

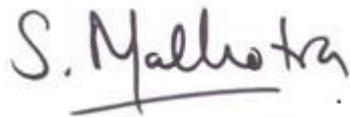
The limit of 6 months will penalise people in areas of the country and sectors of the economy which have had greater restrictions imposed on them since the initial March lockdown. If people are denied access to a payment deferral then it will be a lottery for them as to what they are offered by their existing lender. They could find their credit file damaged and be stuck paying higher interest rates. The self-employed and business owners could find their prospects of borrowing to invest or sustain their business constrained.

We also have grave concerns that the operational pressures parts of the mortgage industry are facing will mean that these customers will struggle to access any tailored support or gain a fair outcome. UK Mortgage Prisoners are telling us that their members are encountering difficulties contacting mortgage administrators and are not being offered support. The FCA's artificial limit of six months could cause significant hardship and exacerbate existing stress and mental health problems. Many of these individuals have been making partial payments since the initial lockdown and will find the ability to access further flexibility to get them through the new restrictions limited by the FCA's proposals.

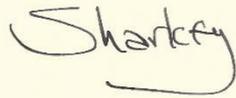
Those who need to continue to defer part or all of their mortgage payments due to the temporary impact of the new national restrictions need the right to do so. When their incomes recover mortgage holders will need to repay any amounts deferred, either by increasing their monthly payment or extending the term.

People in our communities are suffering and they need support which is quick and easy to access. We call on the FCA to expand the right to a further 3 month payment deferral to all customers and to not put an artificial limit on the support individual customers can access.

Kind regards



Seema Malhotra MP



Lord Sharkey

Co-Chairs, APPG on Mortgage Prisoners



Kevin Hollinrake MP

Co-Chair, APPG on Fair Business Banking

Alison Thewliss MP

Kate Osborne MP

Derek Thomas MP

Miriam Cates MP

Imran Ahmad Khan MP

James Grundy MP

Richard Holden MP

Simon Fell MP

Chris Green MP

Andrew Gwynne MP

Dame Diana Johnson DBE MP

Peter Gibson MP

Anthony Higginbotham MP

Marco Longhi MP

Bell Ribeiro-Addy MP

Alicia Kearns MP

Craig Whittaker MP

Mark Jenkinson MP

Damien Moore MP

Dehenna Davison MP

Chris Clarkson MP

Alec Shelbrooke MP

Lee Anderson MP

Mark Menzies MP

Mary Robinson MP

Will Wragg MP

John Stevenson MP

Brendan Clarke-Smith MP

Tony Lloyd MP