



## The 12 NEW coronavirus financial NEED-TO-KNOWS

**1) Credit cards, personal loans & catalogue debt payment holidays due to be EXTENDED till 31 Oct.** On Friday, regulator the Financial Conduct Authority (FCA) published proposals which included extending card and loan payment holidays for those struggling due to the pandemic

- If you've not yet applied, you'll have till 31 Oct to do so.
- Already on a pay holiday? You can ask to extend it for a further 3mths.
- Partial pay holidays are allowed if you can repay some but not all of it.

First, because the holiday is just a deferment, you still have to pay what's missed, and the interest that's racked up, later. Plus, while it won't go on your credit file, [payment holidays can affect credit scores](#) as lenders use other methods to detect them.

But if you're struggling to repay, and need cash flow, do it. Better than than killing your finances. Though do check if you can get a [balance transfer](#) first to cut the interest before you stop paying.

**2) Paying off a loan** - Payment holidays don't stop interest. If you've an expensive loan, it's worth checking to see if you can do a loan switch to cut costs.

This is both a good and bad time to try. Good because rates are super-cheap, bad because loans are tougher to get. Still it's worth a check. Yet as there can be early repayment charges if you repay a loan early, it's not just about comparing APRs.

**3) 0% overdrafts extended BUT 40% rates may return.** The FCA's proposals on Friday also included new overdraft help. In April the regulator introduced up-to-£500 interest-free overdrafts for 3mths - under the new proposals, these will be extended.

- For those struggling due to coronavirus, on request, the first £500 of authorised overdrafts can be interest-free for a further 3mths.
- If you've not yet asked for help, you'll have till 31 Oct to do so.

**4) Travel insurance is available again - it WILL cover coronavirus illness but NOT coronavirus cancellations, and costs more.** In March, when the Foreign and Commonwealth Office (FCO) warned against all non-essential travel, travel insurance came to a near standstill. Now, a few insurers are offering policies.

**5) Existing annual travel insurance MAY cover Covid cancellations.** It depends on when you got the insurance and booked the holiday...

If the holiday was booked after mid-March, you're unlikely to be covered for cancellation, so switching isn't such an issue.

**6) Passport at or nearing expiry? Renew ASAP.** The Passport Office is warning, understandably, that renewing is taking longer than the usual 3wks. We're hearing reports that at the extreme, some are taking 3mths or more, while fast-track services and face-to-face appointments are suspended.

**7) Part-time furlough starts NEXT Wed.** From 1 Jul your employer can bring you back to work on a part-time basis - there's no limit on the number of hours you can work, but it'll have to pay your wage for any hours you do.

**8) Struggling to get a Tui refund? Call mid-afternoon.** A few weeks ago, Tui changed its policy and agreed it would offer cash cancellation refunds, allowing those who'd been sent a voucher to put it in the system to request a refund.

**9) How to get a Virgin travel refund.** Virgin Atlantic and Virgin Holidays. Both are giving vouchers for cancelled trips automatically, but they say refunds could be "120 days after requesting it".

**10) Energy firms could start chasing unpaid bills again next month.** Ofgem's chief executive Jonathan Brearley said suppliers "cannot extend unlimited credit to customers", so it's anticipated they'll [restart debt management activities](#).

#### **11) NI Direct - Statutory family-related payments for furloughed workers**

If you're entitled to Statutory Maternity Pay, Statutory Paternity Pay, Statutory Adoption Pay and Statutory Shared Parental Pay, you will not be disadvantaged if you are furloughed.

Your statutory calculations will be based on your full pay and not the 80 per cent furlough rate.

## **12) NI Direct Website - Time off to look after dependants**

You have the right to take time off work to look after a dependant. This is sometimes called 'compassionate leave'. Find out more at:

- [Time off for dependants \(compassionate leave\)](#)

To contact Kith & Kin Financial Wellbeing Social Enterprise please email [info@kithandkinfinance.org](mailto:info@kithandkinfinance.org) or call Sean Bruen 07732 704808

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