

Rent arrears and bankruptcy

Bankruptcy is a way to get your debts written off. You still need to sort out rent payment problems with your landlord if you want to keep your home.

Who can apply for bankruptcy?

You can apply for bankruptcy if you have debts you can't pay. Always get advice from a free, independent debt adviser before going bankrupt. Bankruptcy is difficult and expensive to undo, so make sure it is the right decision for you.

What happens if you go bankrupt?

You can't be asked to pay most of your debts once the application is approved. You'll still have to pay some debts, like court fines and child maintenance. Ask a debt adviser which debts are written off and which you'll still have to pay.

If you owe rent, your landlord gets a letter telling them about the bankruptcy. Once that happens, they can't get a county court judgment (CCJ) for arrears.

Risk of eviction

Any landlord, including the council, can take you to court to get the property back if you owe rent. Bankruptcy only stops your landlord from asking the court to order you to pay the money back. This can put you in a tricky situation. There are steps you can take to make it less likely your landlord will take steps to evict you after the bankruptcy.

Talk to your landlord

If you have rent arrears and want to go bankrupt, it's better to talk to your landlord about it first. Let them know you are still going to pay what you owe.

If you rent from the council or a housing association, they probably have a written policy in place about bankruptcy. They might have decided not to evict people with rent arrears who go bankrupt. You might not have to pay the money back at all.

Factsheet

Arrange to pay your arrears

Most landlords just want the money they are owed. A debt adviser can help you negotiate a set amount to pay each month. Even though bankruptcy rules say you must not normally pay your debts after the bankruptcy has been approved, there is an exception for rent arrears if you are at risk of eviction.

You'll usually still be able to keep paying after you go bankrupt, as long as the total amount is still a reasonable rent for your area. Your landlord is more likely to let you stay if you've shown you can keep to an arrangement.

If you have already been to court

Get advice straight away if you already have a suspended possession order (SPO) in place. Your landlord can ask court bailiffs to evict you if you don't make the payments set by the court. You can usually still pay your arrears under an SPO if the payment is still a reasonable rent for your area. If it's much higher, you'll need to apply to court to get the amount reduced.

Ask a debt adviser for help with the application form. They could help you find a free housing solicitor or legal adviser to help you at court.

Where to get more help

Organisations you can contact for advice about your debt problems, including bankruptcy:

[National Debtline](#)

[Citizens Advice](#)

[Stepchange](#)

[Payplan](#)

