end child poverty

FEELING THE PINCH

Furnishing your home with rent-to-own

NOVEMBER 2017

www.endchildpoverty.org.uk

#feelingthepinch

Feeling the Pinch: furnishing your home with rent-to-own

1. Introduction

The End Child Poverty Coalition is a coalition of nearly 100 organisations from all sections of civic society, including children's charities, child welfare organisations, social justice groups, faith groups, trade unions and others, united in our vision of a UK free from child poverty.

In January 2017, End Child Poverty showed how low income families are "*Feeling the Pinch*" – caught between reducing incomes resulting from benefits failing to increase in line with rising costs of living, and a hefty "poverty premium" which means that they can pay the most for essentials.

End Child Poverty is campaigning for an end to the benefit and tax credit freeze, and for housing assistance to keep pace with rents. We believe this is what can make the biggest difference to the daily lives and future outcomes of children living in poverty.

However, as this report demonstrates, families living on a low income also need action to tackle the "poverty premium" which means that they pay the most for day-to-day essentials.

The poverty premium can be felt in many different parts of the lives of low income families – from energy bills through to the cost of travel – but one area where it can have a profound impact is on purchasing goods and appliances for the home on high-cost credit.

Families with higher levels of income can usually afford to buy home appliances up front – if their washing machine breaks down, they have enough savings to be able to go to their local store and simply purchase a replacement up front. If for whatever reason they don't have the money to be able to buy outright, then they are likely to be able to pay on credit at a reasonably affordable rate. However, for many families who aren't able to afford to pay up front, and who cannot access lower cost credit, they may find themselves with little alternative but to turn to a "rent-to-own" company.

Rent-to-own enables you to pay for an item by instalments – often weekly – over an extended period of time. Whilst this helps enable those without the means to pay up front, it can cost a lot more overall.

It is not just high rates of interest which create the high-cost. With customers unable to find another supplier to buy from, the prices of the goods themselves can also be high.

Our analysis shows just how much rent-to-own prices can be – £1090 for a cooker, £1560 for a washing machine. Overall we found a list of 10 common items for the home cost £9132 – three times (or more than £6000) more than purchasing a similar list of ten items up front from a high street online retailer.

Rent-to-own carries a huge "poverty premium" and it is clear that action is needed to protect low income consumers.

Better regulation of rent-to-own companies is needed to ensure that the overall prices that they charge are reasonable.

However, tighter regulation of high-cost credit is not enough to end this poverty premium on its own – we also need better access to affordable credit for low income families. In 2010 nearly £800 million of interest-free credit was lent by the Government to low income families in need of assistance – by 2016 this had almost halved to £400 million. In this context it is easy to see why many families felt left with no alternative but to turn to high-cost credit.

The Government must reinvest in interest-free credit for families in need, to reduce their reliance on high-cost loans. In this way we can ensure that families living in poverty, who need access to the cheapest prices, are less likely to end up facing the highest.

Methodology

This report draws on analysis of three main data sources:

StepChange client survey
A survey of a small sample (89) of StepChange Debt Charity clients who have used rent-to-own to purchase household items was undertaken in August – September 2017. The responses from this survey were used to provide qualitative and some indicative quantitative evidence on the experiences of those who use rent-to-own and what alternatives they had available to them.

Online price comparison
We conducted an online comparison of example rent-to-own prices, with prices of purchasing comparable items up front from the cheapest available alternative retailer. This comparison looked at the overall cost of the item, including any delivery and installation costs, and costs of interest over the payment period.

Analysis of interest-free credit availability from the State
The final piece of analysis looked at the availability of interest-free credit from the State between 2010 and 2016. This was done through analysis of the annual report on the Discretionary Social Fund.

2. About Rent-to-own

What is rent-to-own?

Rent-to-own providers sell household items such as washing machines, fridges and beds - either in-store or online - that consumers pay for on a weekly or monthly basis for on average 3 years (can be from between 1 - 4 years[1]). They are sold under hire purchase agreements that mean the consumer does not own the goods until they have paid in full.

Rent-to-own is defined as a high-cost credit product by the Financial Conduct Authority (FCA).[2] The three main rent-to-own providers have representative APRs of between 68.9-69.9% but it can be up to 99.9% APR.[3] FCA analysis comparing pricing across credit products, found that rent-to-own was one of three products with the highest “cost of credit” as it had the highest overall cost (in interest and charges) of borrowing over the course of the agreement.[4] Another reason for the high-cost is that rent-to-own providers can sell goods at inflated prices, relative to the rest of the retail market. All this means that buying goods from a rent-to-own provider can regularly cost more than two or three times what it would cost if bought outright from another high street retailer.

The rent-to-own market

The rent-to-own market has reduced recently after a period of rapid growth. The market was still sizeable at the end of 2016, with 400,000 people having outstanding rent-to-own debts with a value of £0.5 billion.[5] Throughout 2016, approximately 45,000 new rent-to-own loans were taken out per month on average. In 2016, the market was dominated by three large rent-to-own providers who covered over 90% of the market.[6]

The market grew significantly following the financial crisis. In 2008, there were around 150 rent-to-own stores and by 2015 there were over 370. The three main providers' annual turnover grew by 118% between 2008 and 2015, from £238 million to £520 million.[7] There was a slight decline in the market as at the end of 2016: the number of loans fell by 26% and the value of loans fell by 28% compared with 2015.[8] Despite this decline, the level of consumer debts was increasing. From 2014 to 2016, the median amount of outstanding debt rent-to-own borrowers held, more than doubled: from £2,000 to £4,300.[9]

More recently, there have been further changes. One of the three main rent-to-own companies, Brighthouse, has closed a number of stores.[10] Another of these companies, Buy As You View (BAYV), went into administration in September 2017. Their administrator said BAYV had responded to "a period of significant market and regulatory change in the sector and has undertaken a substantial restructuring of its business model and operations". [11] This suggests there could be further changes and reductions in the rent-to-own market including a shift towards more online sales.

Who uses rent-to-own?

Rent-to-own consumers are typically on low incomes and are becoming increasingly financially vulnerable. The FCA found borrowers of rent-to-own had the lowest incomes of all high-cost credit borrowers[12] with an average (median) individual income of just £16,100 per year. They are also likely to have low credit scores, with a median score of 35 (out of 100 - where a lower value indicates a lower likelihood of repaying the debt).[13] The All Party Parliamentary Group (APPG) for Debt's inquiry into rent-to-own found that the typical consumer is a woman in her thirties (median age 36[14]) with children on a low income, often reliant on benefits, and living in rented accommodation.[15] Lone parent families, who make up a disproportionate share of rent-to-own customers, are much more likely to be living in poverty. According to the latest government statistics, 47% of children in lone parent families were in poverty in 2015/16, and a quarter were materially deprived (twice the national average)[16].

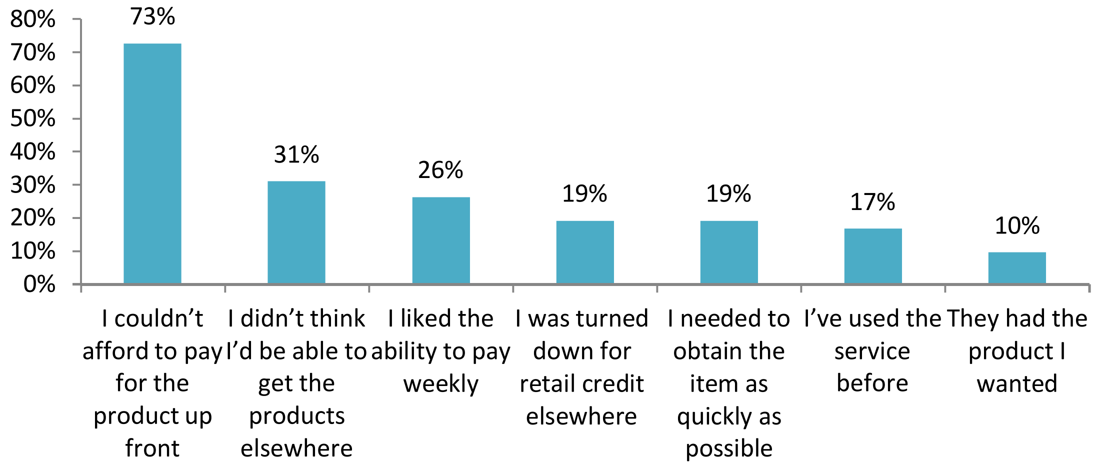
The FCA also found that rent-to-own consumers have become more financially vulnerable in recent years with their credit scores having declined noticeably between 2012 and 2016.[17] Rent-to-own customers are also more likely to be in household bill arrears and have other high-cost credit products and less likely to have a mortgage.[18] These borrowers are also likely to be repeatedly using rent-to-own. The FCA found repeat use is fairly common, with one quarter of borrowers taking out two loans and, over 10% three loans in 2016.[19]. As the FCA states, rent-to-own providers have established and built up over time a "core group of people that repeatedly borrow".[20]

3. Why do low income families use rent-to-own?

There is then a group of families that regularly have to turn to rent-to-own to purchase household goods. The question is, why turn to rent-to-own when it is higher cost than other alternatives. For many, the simple answer is that they do not have a choice.

The APPG on Debt found rent-to-own borrowers are predominately cash-constrained so have few alternative ways to purchase essential household goods like washing machines.[21] These families are turning to rent-to-own as finding the cash for one-off larger purchases is extremely difficult with no accessible funds. A previous survey of rent-to-own borrowers found that the most common reason for using this form of credit was because they could not afford to pay for a product up front (71% of respondents).[22] Similarly nearly three quarters (73%) of those who completed the StepChange client survey said that they used rent-to-own as they could not afford to pay for the product up front and nearly a third thought they wouldn't be able to access the products elsewhere.

Why did you choose to shop with [*named rent-to-own provider*] to purchase that item?



Some respondents to the survey said they tried to look at alternatives but could not afford to buy the goods from other stores:

"(Considered) buying from [high street retailer] but didn't have the money for it."

"I looked at getting them second hand but I still couldn't afford them."

"I could not afford to buy the beds outright."

For families living on a low income - unable to afford to pay for an item up front and unable to access mainstream credit - spreading the cost through weekly instalments is often the only available alternative.

Some clients tried, but were not able to access, mainstream credit or other sources of retail credit. The FCA found they were likely to have particularly low credit scores. Respondents spoke about being unable to access other sources of credit:

"I asked other retailers for credit but was unsuccessful."

"I tried [high street store] and got refused and I needed a sofa."

Families on low incomes are also likely to have little or no savings to dip into to cover the cost of larger purchases such as sofas or cookers. Clients told us about struggling to save before having to turn to rent-to-own:

"I did try to save but other bills had to be paid"

"Saving but got a big car repair bill in"

"Saving money to buy the product was my first option but I could not save enough… because the time to wait until the saving going to be up to the amount I needed is too long… Badly need the product."

4. Problems with rent-to-own borrowing

There are a range of issues with the rent-to-own sector: high-cost of credit and lack of alternatives for financially vulnerable consumers; the lack of price transparency; the inadequacy of affordability checks; and the poor treatment of customers in financial difficulties.

The high-cost credit and lack of alternatives

As outlined above, rent-to-own agreements are a high-cost type of credit. The cost of rent-to-own agreements are high not just because interest rates can be nearly 100% APR but also because add-ons such as insurance and service cover (see below) are expensive additions to the credit agreement. Moreover, goods bought from rent-to-own providers tend to be more expensive than near equivalents from other retailers.

The APPG on Debt also found rent-to-own companies only tend to provide relatively high-end goods, pushing up the price with few cheaper utility options available. For example, the lowest cost washing machine is over £1,000[23], whereas consumer group Which? suggests spending around £300 to get a decent washing machine.[24] This all adds up to rent-to-own customers often having to pay as much as three times more for goods than they would from other high street or online retailers.

In the survey, clients told us about their experiences of the high-cost of these credit agreements:

“Very expensive and the end bill you pay is terrible. Could have brought the goods twice over if I'd had the cash up front.”

“I personally won't be borrowing anything from anyone again for household stuff like this. Just so damned expensive.”

“The interest is incredibly high and the full amount you end up paying back is unnecessary.”

As rent-to-own is largely a captive market there are few alternatives, so there is little competitive pressure on charges and overall costs of the credit agreements.[25] Some people told us how they have no choice but to use rent-to-own and this can have a significant impact on their financial and emotional health:

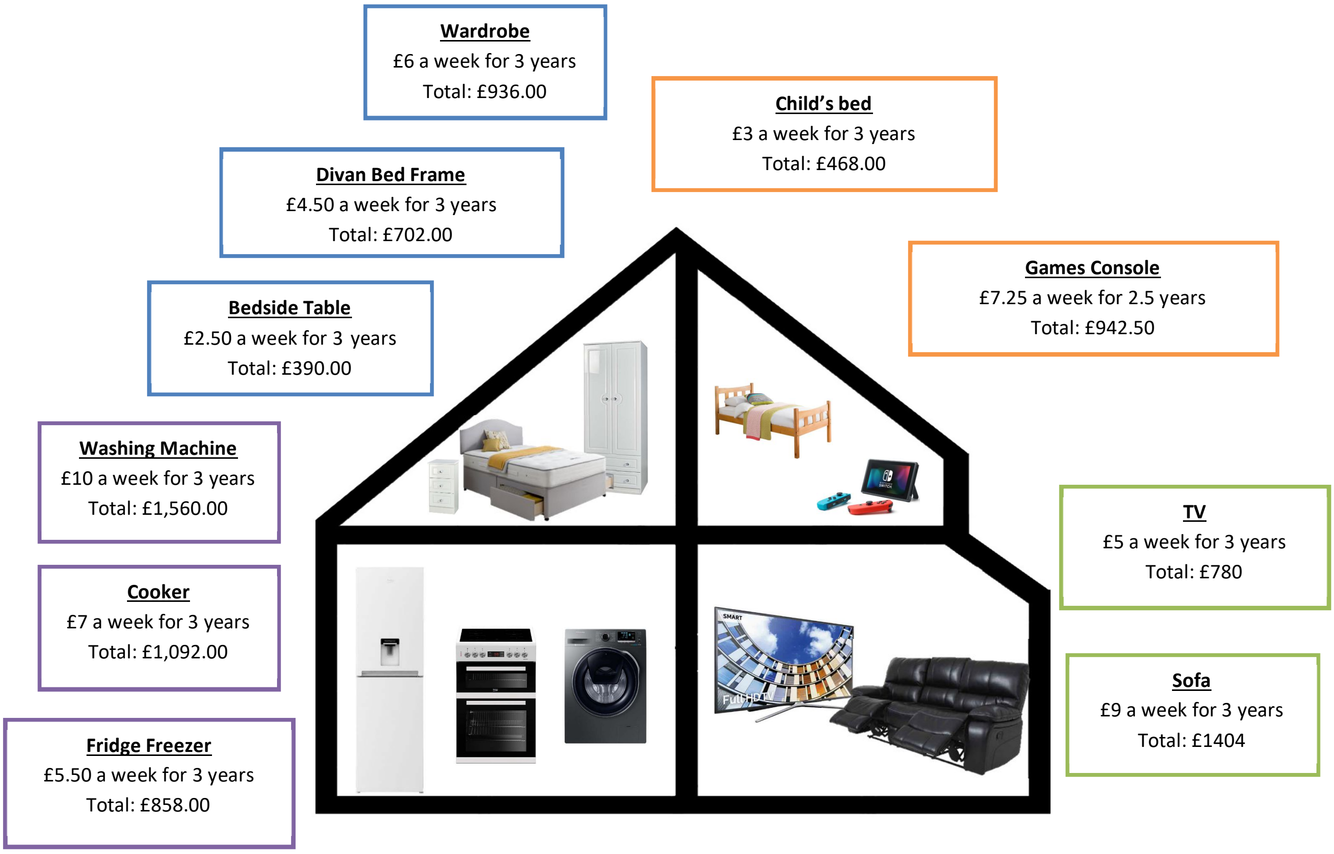
“We feel we have no choice but to sign contracts so we can have normal everyday household items like a fridge… If you do not pay on time, this can lead to not only financial problems in the family but health issues as well, depression and anxiety where the money is coming from to pay if the person is already struggling with other payments eg rent, council tax and other bills. You can get into a real mess.”

"I can't just go to (high street retailer) and say I want that, I just can't. So I have to go for these weekly... I have to do (rent-to-own)... the kids have to starve if anything like the oven breaks." **(Borrower interviewed by University of Bristol)**[26]

Families on low incomes have very few other options, therefore there is a high degree of dependency on this source of credit among its customers. The question is what more affordable alternatives are available for rent-to-own consumers. The next section looks at the provision of interest-free credit and how this could provide a more suitable alternative.

The Rent-to-own house – at a total cost of £9132 over 3 years[27]

We explored the overall cost of purchasing a set of ten rent-to-own items over a period of three years from one leading supplier. As shown below, in total the items would cost £9132 (including delivery and installation costs).



We also compared the cost of purchasing similar items up front from the cheapest available online retailer. In total, a similar set of 10 items available to buy up front were found to cost £3127.71 (also including delivery and installation charges) – a third of the price.

Price transparency and expensive add-ons

The APPG inquiry found that price transparency in the rent-to-own sector is poor. The three main rent-to-own providers all sell add-on features such as aftercare (warranties) and insurance alongside products. Previously, some aftercare policies were sold as compulsory. The FCA has announced that following their interventions, the largest rent-to-own providers no longer require consumers to take out the provider's own insurance products.

Prior to this intervention, the APPG inquiry found that some rent-to-own providers did not always give customers information about the separate costs of add-on features.[28] The inquiry also raised particular concerns about the way insurance is sold, as customers may already be covered by other policies and that the insurance sold can be poor value as it is usually cheaper to insure against fire, theft and damage through a single home contents insurance policy.[29]

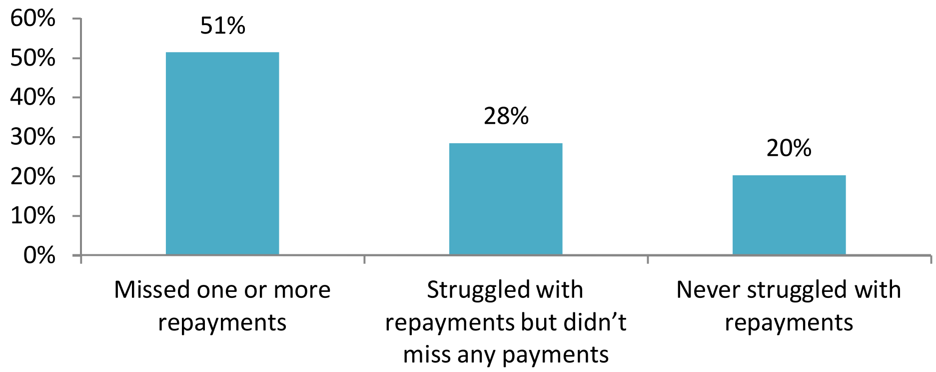
Affordability checks

Affordability assessments are what providers should undertake to ensure consumers can afford to repay what they borrow over the course of the credit agreement. There have been concerns raised that affordability checks are inadequate in this market with research finding that one fifth of rent-to-own customers spend more than 20% of their annual household income on rent-to-own repayments.[30]

Following engagement with the FCA, a major rent-to-own provider has recently agreed to pay over £14.8 million in redress to nearly 250,000 customers, in part for lending which may not have been affordable.[31] These customers' credit agreements were not assessed properly at the outset of the loan to determine whether they could afford to repay.

The adequacy of creditworthiness and affordability assessments is key to preventing customers falling behind with their payments and defaulting on the agreement. Where inadequate assessments of repayment ability are made, then borrowers are significantly more likely to fall into difficulties repaying. The concerns about affordability assessments in this market are evidenced in the high numbers of rent-to-own consumers falling into financial difficulties. Citizens Advice found that a third of rent-to-own consumers have been in arrears on their agreements.[32]

Half (51%) of those who responded to the StepChange client survey had missed one or more repayments and a further 28% had struggled with repayments.



Treatment of customers in financial difficulties

Questions have also been raised about the treatment of those consumers who have fallen into financial difficulties. For instance: a lack of forbearance when customers are struggling; creditors constantly contacting consumers demanding repayment; and repossession of essential goods. A previous survey of rent-to-own borrowers found that of those who had missed payments: over 90% were not given a payment holiday; more than a third (34%) were not able to agree an affordable repayment plan; and two in five (41%) said that the company was not understanding of their situation.[33]

StepChange Debt Charity has had cases reported to their advisers where clients have experienced poor collections practices with rent-to-own providers:

Case study:
A client had two rent-to-own credit agreements that had fallen into arrears. He said that a collections agent from the rent-to-own provider had visited his property and forced his way into the house by pushing past his partner at the door and had been threatening. The agent only left when the client said that they would call the police. The client made a formal complaint to the rent-to-own provider but there was no resolution as they claimed there was no evidence.

Case study:
A client was in hospital when a payment was due. The rent-to-own provider sent collection agents to her home two days after the late payment.

Case study:
Staff from a rent-to-own provider shop had gone to the client's home on various occasions to collect the debt. The client is particularly vulnerable as they have mental health problems and suicidal tendencies and has had a panic attack in the rent-to-own store.

Case study:
A client let the rent-to-own provider know that he was ill in bed but they still sent people round banging on the door after one missed payment threatening to take back the goods. They also told him that debt charities such as StepChange could not help him.

Under the Consumer Credit Act 1974, rent-to-own providers need to have a court order before they can repossess the goods from the borrower's home (or on private land).[34] However, borrowers are not always aware of this and may let agents in to their homes who then take their goods. As the above case studies illustrate, rent-to-own borrowers in financial difficulty can often be consumers in vulnerable circumstances.

The APPG on Debt found that over 10% of consumers have goods taken back or repossessed. These consumers can see their essential goods, such as cookers or washing machines, taken away even after they have made substantial repayments towards them.

5. Recommendations

1. More effective regulation of rent-to-own

In order to tackle the problems in the market, **there is a clear need for more effective and stronger regulation of rent-to-own providers.** That rent-to-own is largely a captive market of vulnerable consumers with few other alternatives also needs to be addressed. The following section on interest-free credit covers this in more detail.

There have been some recent improvements to regulation. The FCA has stated that the three largest rent-to-own providers have agreed to make “major improvements” including to price transparency, affordability and the handling of customers in arrears. They have also said that the largest rent-to-own providers no longer require consumers to take out the provider’s own (usually expensive) insurance products as a condition of the credit agreement. The FCA has stated that it will be investigating high-cost credit further and consulting on proposed solutions in Spring 2018 focusing on three sectors, including rent-to-own.[35]

We would urge the FCA to look at improving safeguards for customers in financial difficulty. This could include additional protections in this sector for those in arrears and safeguards against the loss of essential items. This could include, as recommended by the APPG inquiry, a “time to pay” guarantee providing periods of payment relief and forbearance for customers in financial difficulties. The FCA could also write into their rules that where essential household items are involved, lenders should have to accept affordable repayment of arrears before threat of or actual repossession occurs.

In order to tackle the high-cost of rent-to-own and the lack of price transparency, there have been calls for the FCA to go further: to extend the total cost price cap on payday loans to rent-to-own.[36] The FCA has stated that price-capping would be difficult in this market as goods can be “marked-up” independently of the interest rate.[37] In other words, even with a price cap on the interest charged in rent-to-own agreements, the providers could increase the retail price of the good, to increase profitability without breaching a rate based cap.

But this problem is not unknown in consumer credit law. The extortionate credit bargain provisions of the Consumer Credit Act 1974[38] included a reference to any ‘colourable cash price’ for goods or services included in the credit bargain. This suggests that, while perhaps difficult, it would be far from impossible for the FCA to consider the cost charged for goods and services as part of regulatory price control of rent-to-own agreements.

Therefore, **we call on the FCA to investigate the pricing of goods and services in the rent-to-own sector with regard to the transparency of the true cost of borrowing and the total agreement costs** relative to the price cap in place for short term high-cost credit.

The FCA should **also consider implementing a price cap that encompasses the cost charged for goods as part of rent-to-own agreements.** This would involve requiring the firms to monitor the average retail prices for equivalent goods they provide and demonstrate that they are not pricing their goods at significantly more than market price.

2. Improving access to interest-free credit from the State

For some decades the State has had a role in the provision of interest-free credit to families in need of additional help.

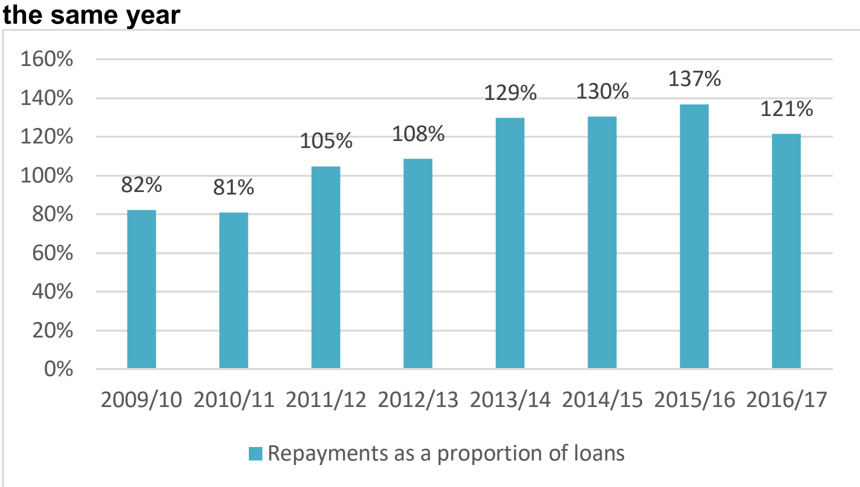
Such credit, provided through the "*Discretionary Social Fund*", includes credit for families who have been receiving certain out-of-work benefits for at least 6 months, and as a result, lack the basic income that they need in order to purchase essential items (these are known as Budgeting Loans, or Budgeting Advances). In the past, it also included credit for families in need of emergency support (known as "Crisis Loans").

Access to such interest-free credit helps to ensure that families in need do not have to turn to high-cost credit - like buying essentials on rent-to-own - when they can least afford the charges they face as a result.

At the same time, the provision of interest-free credit through the State provides excellent value for money. This is because money paid out was reclaimed – normally through people's benefit repayments. This meant that each year the additional investment required from the Government was limited because the scheme was principally recapitalised by repayments.

In 2010, around 80% of the value of loans made was recouped through repayments. (Not all of this will be from repayments from the same year – much of this is repayments from loans made in previous years). Since then, the value of repayments has exceeded loans made (largely as a result of cuts made to the amount of loans made – whilst repayments of loans from previous years have continued to be made.)

Crisis Loan/Budgeting Loan annual repayments as a proportion of the value of loans made in the same year



Access to interest-free credit through the State is reducing

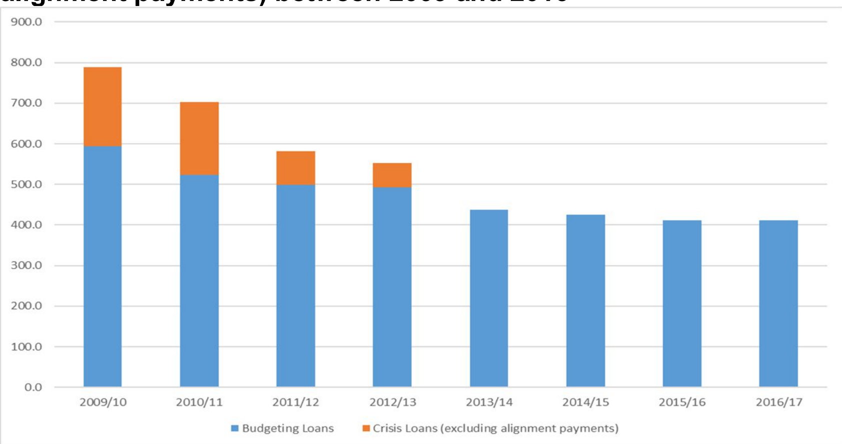
However, recent changes have substantially reduced the amount of interest-free credit available for families facing a crisis. In particular, Crisis Loans[39] were abolished from 2013, with some money provided to Local Authorities to provide alternative provision for families in a crisis.

The complexity of administering a local loans scheme has meant that very few Local Authorities have introduced credit provision, most preferring, in very restricted circumstances, to provide benefits in kind (such as used furniture or food aid) instead. Some Local Authorities no longer have any replacement scheme.

At the same time, real term spending on Budgeting Loans has fallen significantly since 2010 – particularly between 2010 and 2014.

Overall lending has reduced from around £790 million in 2009/10, to around £410 million in 2016/17 – a reduction of nearly 50%.

Real terms spending on loans through the discretionary social fund (excluding crisis loan alignment payments) between 2009 and 2016[40]



The Government should establish a single fund, which pulls together and extends current arrangements for the provision of interest-free credit from the State.
In particular, this opportunity should be used to extend the group of people eligible to apply for a loan of this sort. Currently, restrictive eligibility criteria means that these Budgeting Loans can only be made to those who have been out of work for at least 6 months (under Universal Credit, Budgeting Advances can only be provided to those who have had an income of under £2600 – or £3600 together for couples - over the last 6 months.)

Instead, access to interest-free credit should be made available to anyone eligible to receive Universal Credit – with no benefit criteria applying to families requiring access to help in a crisis.

In order to capitalise the new loans scheme, the Government should make a one off payment of £1.5 billion into the new fund. This, together with investment of existing budgets from current loans schemes, would enable the Government to establish a new scheme with around £2 billion available to lend in the first year.

In the following years, recapitalisation of this scheme should principally be made through repayments of existing loans. On the basis of a repayment rate of around 80%, we would expect additional costs of around £400 million per year to be needed to maintain the fund, plus an annual uplift to take account of inflation.

6. Conclusion

Our report has shown, that for too many families living in poverty, squeezed incomes and lack of access to affordable credit means that they are often faced with paying the highest prices for household essentials.

However, it doesn't have to be this way. Tighter regulation of the rent-to-own industry combined with improved access to interest-free credit from the State, could help end the poverty premium faced by too many families wanting to purchase household essentials.

If combined with an end to the benefit and tax credit freeze, and if housing assistance keeps pace with rising rents, action to improve the affordability of credit could make a huge difference to families "feeling the pinch".

Notes

[1] Citizens Advice (2015) Hire purchase, higher prices: Problem debt in the rent-to-own market
[2] Other high-cost credit products include: payday loans, home-collected credit, catalogue credit, pawn-broking, guarantor and logbook loans
[3] Financial Inclusion Centre (2016) Better and Brighter? Responsible Rent-to-own alternatives
[4] where the cost is assessed against the retail price of the product
[5] Financial Conduct Authority (FCA) (2017) High-cost credit including review of the high-cost short-term credit price cap: Feedback statement
[6] FCA (2017) High-cost credit: Feedback statement
[7] Financial Inclusion Centre (2016) Better and Brighter?
[8] FCA (2017) High-cost credit: Feedback statement
[9] FCA (2017) High-cost credit: Feedback statement
[10] Accessible: news.sky.com/story/rent-to-own-woes-deepen-as-buy-as-you-view-calls-in-administrator-11015646 (accessed 28.9.2017)
[11] Accessible: www.bbc.co.uk/news/uk-wales-41124162 (accessed: 28/9/2017)
[12] Both home-collected credit and rent-to-own borrowers have the lowest median annual net incomes.
[13] The credit score the FCA use is scaled from 0 to 100 where a lower value indicates increased credit risk (lower likelihood of repaying debt). From FCA (2017) High-cost credit: Feedback statement
[14] FCA (2017) High-cost credit: Feedback statement
[15] All Party Parliamentary Group (APPG) Debt and Personal Finance (2015) Report from the inquiry into the Rent-to-own sector
[16] Dept. for Work and Pensions: Households Below Average Income 2015/16
[17] FCA (2017) High-cost credit: Feedback statement
[18] FCA (2017) High-cost credit: Feedback statement
[19] FCA High-Cost Credit Review: Technical Annex 1: Credit reference agency (CRA) data analysis of UK personal debt July 2017
[20] FCA (2017) High-cost credit: Feedback statement
[21] APPG on Debt & Personal Finance (2015) Report from the inquiry into the Rent-to-own sector
[22] Citizens Advice (2015) Hire purchase, higher prices
[23] APPG on Debt & Personal Finance (2015) Report from the inquiry into the Rent-to-own sector
[24] Accessible: www.which.co.uk/reviews/washing-machines/article/which-washing-machine/which-washing-machine-should-you-buy (accessed 28.9.17)
[25] APPG on Debt & Personal Finance (2015) Report from the inquiry into the Rent-to-own sector
[26] University of Bristol (2016) Paying to be poor: uncovering the scale and nature of the poverty premium
[27] Online comparison made Nov 2017
[28] APPG on Debt & Personal Finance (2015) Report from the inquiry into the Rent-to-own sector, page 9
[29] APPG on Debt & Personal Finance (2015) Report from the inquiry into the Rent-to-own sector
[30] Citizens Advice (2015) Hire purchase, higher prices
[31] Accessible: www.fca.org.uk/news/press-releases/rent-to-own-provider-brighthouse-14-8-million-redress-249000-customers (accessed 24.10.17)
[32] Citizens Advice (2015) Hire purchase, higher prices
[33] Citizens Advice (2015) Hire purchase, higher prices
[34] Consumer Credit Act 1974 section 92
[35] The other two are home-collected credit and catalogue credit
[36] Citizens Advice (2015) Hire purchase, higher prices
[37] FCA (2017) High-cost credit: Feedback statements
[38] Replaced by the unfair credit relationship provisions introduced by the 2006 Act. The unfair credit relationship provisions were introduced to set a lower bar to judicial action than 'grossly exorbitant'. The approach to colourable cash price was intended to carry through to the new provisions.
[39] Crisis Loans for living expenses were abolished. Crisis Loan alignment payments (loans made for the period whilst waiting for benefit to be paid) were changed to "Short Term Benefit Advances" or "Advance Payments" under Universal Credit.
[40] Note: information on Budgeting Advances was unavailable at the time of writing so is excluded.

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