

Community
Legal Service



Coventry Law Centre

CRISIS LOANS

Coventry Law Centre
Oakwood House, St Patricks Road
Coventry CV1 2HL

Tel: 024 76223053

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When can you get a crisis loan?

You should apply for a crisis loan if you do not have enough money to meet the immediate needs of yourself and your family.

The loans are intended to meet expenses in an emergency or when a disaster has occurred.

The following could be examples examples:

- loss of money
- hardship while waiting for income (for example, wages on starting work) to be paid in arrears
- fire or flood which has caused significant damage (but consider application for Community Care Grant if appropriate – see separate leaflet)
- emergency travel expenses, for example, if you are stranded away from home
- taxis to hospital for patients
- reconnection charges
- people without accommodation
- rent in advance payable to a private landlord when a Community Care Grant is being awarded following a stay in institutional or residential accommodation

There are also many items or services for which a crisis loan cannot be paid

Who can get a crisis loan?

YOU DO NOT HAVE TO BE ON INCOME SUPPORT OR ANY QUALIFYING BENEFIT TO RECEIVE A CRISIS LOAN.

As long as your circumstances are as above your application should be considered as for a benefit claimant.

Who cannot get a crisis loan?

- a resident in a residential care home, nursing home or hospital unless you are going to be discharged within two weeks
- a prisoner or in custody or released on temporary license
- a member of, and fully maintained by, a religious order
- in full time education and because of this not entitled to income support or job seekers allowance
- in certain circumstances, people who have received a job seekers allowance sanction or disallowance. You may still be able to obtain a crisis loan for cooking or heating items (not bills) or if a disaster has occurred.

If necessary, see a Welfare Rights Worker about the sanction, disallowance or crisis loan refusal.

How to apply for a crisis loan

You should apply for a crisis loan by telephoning 0800 1699891.

You should make sure that you give the crisis loan officer all the relevant information and ensure that they realise the urgency of the situation. **ALWAYS INSIST ON A FORM BEING COMPLETED AND THE APPLICATION BEING MADE SO THAT YOU RECEIVE A DECISION.**

How much do you get?

The award, if made, will be the smallest amount needed to tide you over or to eradicate the crisis. There is no minimum amount. There is a maximum amount of £1,500 but any previous loans and ability to repay is considered by the Social Fund Officer.

For immediate living expenses the maximum loan is:

- 75% of the Income Support personal allowance for yourself and partner plus
- the under 16 personal allowance for each child regardless of age

ANY CRISIS LOAN WILL NOT BE PAID IF THE SOCIAL FUND OFFICER CONSIDERS YOU WILL NOT BE ABLE TO REPAY THE LOAN, FOR EXAMPLE, IF YOU HAVE NO CURRENT INCOME OR ARE ON LOW INCOME WITH A LOT OF OTHER DEBTS.

When do you receive a decision?

You should receive a decision on either the day of the application or shortly afterwards.

You should receive a payment within this time, usually by post. Always insist on this if you and your family have no food or electricity cards for that evening.

A WRITTEN DECISION IS ESSENTIAL. This is necessary especially when refused.

Repayment of the loan

Before any payments made to you the Social Fund Officer will try to reach agreement on how you will repay the loan. If you are on benefit this will usually be made by direct deductions.

You do not have to accept the first offer made by the Social Fund Officer but if no agreement is reached no payment will be made. If you subsequently have difficulty in repaying the loan you can request in writing that the payments are rescheduled.

What if you are refused?

1. You are entitled to make a fresh application on the following day or on a later day if your circumstances change, for example, your money has been completely spent. This would mean the completion of a new application form.
2. If you have children you can apply to the Social Services if the crisis means you will have difficulty caring for any child.
3. Outside office hours you can apply to the Emergency Social Worker. Telephone **76832222**

How to ask for a review

You can ask for a review of the refusal of a crisis loan, the amount awarded or if a payment is made to a third party (a shop) rather than to you.

THERE IS NO RIGHT OF APPEAL TO AN INDEPENDENT TRIBUNAL

You have 28 days from date of decision to make a written application for review. In practice, for a crisis loan you would generally request a review on the same day or following day. Any amount paid on review may be reduced if you delay requesting a review.

The application must be made in writing to the DSS office. You should give full reasons for requesting a review. If possible, get a letter of support from your GP, Social Worker, Probation Officer or Health Visitor.

YOU SHOULD INSIST ON A DECISION ON THE SAME DAY OR SHORTLY AFTERWARDS.

What if the review is refused?

The next stage in the procedure is a request in writing to the Social Fund Inspector for a further review.

Although you again have 28 days to request this, in practice, in respect of a crisis loan you would write to the Inspector on the same day. If possible, this should be sent by fax to speed up the process.

The Social Fund Inspector's office will ask you to provide written grounds for your review when they send you the documents within a few days. The Law Centre can assist in advising or drafting a response to the Inspector's office.

The Social Fund Inspector may allow or disallow the application or refer the matter back to the local DSS office. If the Social Fund Officer refuses the application again you can reapply to the Inspector.

It is unlikely that an application can proceed beyond a refusal by an Inspector. In an exceptional case, for example, with an unusual point of law or a test case, it may be possible to seek Judicial Review at the High Court.