



COVID-19 : Financial hardship

This fact sheet has information for people experiencing financial hardship because of coronavirus (COVID-19).

What impact is COVID-19 having on people?

Many of us are feeling anxious right now about our health, the economy and our financial wellbeing.

Today, because of COVID-19, many of us will have dramatically changed financial circumstances that we could never have imagined a month or more ago.

You may be worried about how you will afford to pay your mortgage and keep the roof over your head or about paying your car loan or credit cards.

The reality is that there will be many of us within our communities that won't be able to meet our home loan and personal loan repayments until this National Emergency ends.

Many banks are offering to postpone home loan repayments for up to 6 months.

What can you do if you are experiencing financial hardship?

If you have experienced a change in circumstances that leaves you temporarily struggling to meet your repayments, the law in Australia gives you the right to ask your bank to postpone, or lower repayments for a period of time. This applies to home loans, personal loans and credit cards.

What are the banks doing to help people experiencing financial hardship?

Most banks have created financial assistance packages in response to COVID-19 that have a range of measures to support their personal and business customers.

Many banks are offering to postpone home loan repayments for up to 6 months at the customer's request.

The banks seem genuinely willing to help their customers affected by COVID-19, so you should speak to your bank without delay.

What can you do if you are unhappy with how your bank is dealing with you?

If you are finding it difficult dealing with your bank or if they are unwilling to assist, you can make a complaint to the Australian Financial Complaints Authority.

The Australian Financial Complaints Authority is an external dispute resolution scheme that all banks belong to. This Authority can consider your request and make a binding decision on the bank.

Where can you get help?

Legal Aid WA provides legal advice for mortgage hardship and other financial hardship matters. We also have a Mortgage Stress self-help guide on our website that contains information, videos and sample letters you can use when talking to the bank.

Help and advice is also available from financial counsellors and community legal centres.

This fact sheet contains information only. It is not legal advice. If you have a legal problem, you should speak to a lawyer. Legal Aid WA aims to provide accurate information but does not accept responsibility if it is not.

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