# Martin Lewis highlights government review of aggressive council tax debt collection



In a heartfelt announcement on social media, Martin Lewis, founder of Money Saving Expert and advocate for financial well-being, shared a significant development regarding council tax debt collection practices. Expressing a mix of emotions, he revealed the government’s willingness to scrutinise what he described as "the most vicious and aggressive form of debt collection." The scale of the issue has been brought to light through Lewis's ongoing campaign in partnership with the Money and Mental Health Policy Institute, which he established to address the financial predicaments facing consumers, particularly those with mental health struggles.

Lewis highlighted the intense and rapid escalation of debt collection once a single payment is missed. His revelations indicate that within just three weeks of a missed payment, councils can demand the entire year's council tax along with additional administrative charges that may exceed £150 due to court fees. "It's absolutely catastrophic and devastating for people's finances. No commercial company would be allowed to do the same," he lamented during his appearance on "Good Morning Britain." This sharp critique underscores the concern that current practices may not only be financially crippling but also emotionally damaging, especially to vulnerable individuals.

Research from the Money and Mental Health Policy Institute illustrates the far-reaching impact of these aggressive collection methods. The study found that up to two million people with mental health issues are at heightened risk due to the stressful demands for full annual payments shortly after a missed instalment. This approach, likened by Lewis to the tactics of "the worst loan sharks," starkly contrasts with the consumer protections afforded in other sectors where reasonable steps must be taken before escalating debt recovery efforts.

The emotional toll of such policies is not merely theoretical. Lewis shared his conversations with several individuals whose lives have been upended by council tax debt collection, revealing distressing stories including one example of bailiffs confronting a person in a hospital bed. He urges that the consultation initiated by Pat McFadden, Chancellor of the Duchy of Lancaster, represents a potential turning point, hoping it will lead to reforms that lead to a more humane approach.

The implications of council tax debt mechanisms extend beyond individual hardship; they may also bear broader societal costs, such as increased reliance on mental health services and social support systems as those crushed under financial pressure struggle to cope. Lewis’s campaign is crucial in advocating for policies that balance the need for fiscal responsibility with compassionate treatment of residents facing genuine hardships.

As the consultation progresses, many will be watching closely to see if the government can reform these outdated practices to create a more equitable system. Lewis's impassioned pleas remind us that while financial obligations are crucial, the methods used to enforce them should reflect a commitment to consumer welfare and dignity.

With the government's acknowledgment of the issue, there lies a glimmer of hope for change that could alleviate the pervasive suffering caused by current debt recovery processes. A more considered and respectful approach to council tax collection may not only relieve millions of financial stress but also restore a sense of agency and respect to those burdened by debt.

### Reference Map

1. Paragraphs 1, 2, 3, 4
2. Paragraphs 1, 2, 4
3. Paragraphs 2, 3, 4
4. Paragraphs 2, 3, 4
5. Paragraphs 2, 4
6. Paragraph 2
7. Paragraphs 2, 4

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.theargus.co.uk/news/25165194.martin-lewis-gives-teary-update-huge-council-tax-change/?ref=rss> - Please view link - unable to able to access data
2. <https://www.theguardian.com/money/article/2024/sep/09/martin-lewis-authorities-handle-unpaid-council-tax-like-worst-loan-sharks> - In September 2024, Martin Lewis criticized local authorities for their aggressive council tax collection practices, likening them to 'the worst loan sharks.' He highlighted that a single missed payment could escalate rapidly, leading to large penalties, court summonses, and bailiff actions. Lewis emphasized that such practices disproportionately affect individuals with mental health issues, urging for a more compassionate approach to debt collection.
3. <https://www.moneyandmentalhealth.org/press-release/council-tax-collection-practices-are-so-aggressive-theyd-make-the-banks-blush-up-to-2m-people-with-mental-health-problems-are-at-risk-of-hideous-harms-warns-marti/> - The Money and Mental Health Policy Institute, founded by Martin Lewis, released research in September 2024 revealing that aggressive council tax collection methods are harming up to 2 million individuals with mental health problems. The study found that councils demand full annual payments within weeks of a missed installment, leading to significant financial and psychological distress for vulnerable residents.
4. <https://www.moneysavingexpert.com/news/2024/09/martin-lewis-council-tax-debt-collection-warning/> - In September 2024, Martin Lewis warned that aggressive council tax debt collection practices are putting up to two million people at risk of serious harm. He called for government action and urged local authorities to reconsider their methods, emphasizing that such practices are outdated and disproportionately affect individuals with mental health issues.
5. <https://www.bigissue.com/life/money/martin-lewis-council-tax-debt-collection-mental-health/> - Martin Lewis criticized council tax debt collection practices in the UK, stating they are 'so aggressive they'd make the banks blush.' He highlighted that councils demand full annual payments within weeks of a missed installment, leading to significant financial and psychological distress for vulnerable residents, especially those with mental health problems.
6. <https://www.telegraph.co.uk/money/tax/martin-lewis-accuses-cash-strapped-councils-loan-sharks/> - In September 2024, Martin Lewis accused cash-strapped local councils of using loan shark tactics in their council tax collection methods. He highlighted that councils are now chasing more than two million people who have fallen behind on council tax, leading to significant financial and psychological distress for vulnerable residents.
7. <https://www.itv.com/news/2024-09-09/martin-lewis-campaign-to-stop-grotesque-council-tax-collection> - Martin Lewis launched a campaign in September 2024 to change council tax debt collection policies, criticizing current methods as 'grotesque.' He emphasized that missing a single installment can lead to demands for full annual payments, causing significant distress for individuals, particularly those with mental health issues.