



Llywodraeth Cymru
Welsh Government

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Leaseholder Support Scheme: guidance for applicants

Guidance on how to apply for the Leaseholder Support Scheme.

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Overview of the scheme

The Leaseholder Support Scheme is designed to help you if you're in, or facing significant financial hardship as a direct result of fire safety issues affecting your property.

The scheme will run for a two-year period, initially, starting from June 2022 and is available to all areas of Wales.

The scheme is free and is designed to offer leaseholders advice and solutions to their current financial concerns and in some cases to purchase leasehold properties.

Every household's financial concerns are different and the Leaseholder Support Scheme will support and advise applicants on the best course of action. This will include a financial review to determine the best options to support the household. This may, also, if appropriate, lead to the option of property buy-out, but this has to be the most appropriate solution for the leaseholder.

How the scheme works

This guidance gives a summary of how the Leaseholder Support Scheme works and the processes involved.

Information about each of these steps of the process is provided in the relevant section.

Information and guidance on how to apply for the scheme can be found in the **[‘Submitting your Application’ section of this guidance](#)**.

If you're considering applying to the Leaseholder Support Scheme for help, the

first step is to **complete the scheme eligibility checker** where you can check if you might be eligible for support.

Information submitted to the eligibility checker is for your personal use only. It is not visible to any third party and it's not saved or stored anywhere. The data is not retrievable, so please bear this in mind when you're filling the forms in.

If you think you're eligible to apply, then the next step is to make an application.

When your application has been submitted you will be assigned a case handler who will support you through the next steps. If you don't qualify at this time and your circumstances change then you can re-apply.

As all household financial circumstances are different, the Leaseholder Support Scheme will provide you with free advice from an Independent Financial Advisor. They will assist you with a review of your finances and provide support and advice to meet your specific circumstances.

Your financial details will not be shared with the Leaseholder Support Scheme in any way, but the advisor will confirm the appropriate route to take and if the best solution is to purchase the property from you. This service will be free of charge - the Independent Financial Advisor will invoice the Leaseholder Support Scheme directly and you will not be asked for any payment.

If the Independent Financial Advisor advises a buy-out is the best option for you then your case handler will explain what happens next should you wish to sell.

If your home is purchased you'll be able to sell it and move on, or you may have the potential option to rent your home back subject to individual circumstances.

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The scheme will also help you through this and the case handler will be able to guide you on how long the process is likely to take.

Your Eligibility for the Scheme

To be eligible for help from the Leaseholder Support Scheme you must be the owner of a property in an eligible building and in, or facing, significant financial hardship.

As the first step, you'll need to **complete the eligibility checker** to see if you may be eligible for support.

Information submitted to the eligibility checker is for your personal use only. It is not visible to any third party and it's not saved or stored anywhere. The data is not retrievable, so please bear this in mind when you're filling the forms in.

If the eligibility checker indicates you may be eligible for support, the next step is to make an application. Further information on how to do this is detailed in the **'Submitting your Application' section of this guidance**.

The type of information you'll be expected to provide for the application is shown below. Please provide as much information as you possibly can to help with the processing of your application.

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Building eligibility

Your building must be 11 metres or higher in height and have recognised or potential fire safety issues which make the property unable to receive an accurate valuation for mortgage purposes. These fire safety issues will have led to increased service charges which have been passed on to you, the leaseholder. Do not worry about knowing the exact height of the building as the eligibility checker has a way to identify eligible buildings based on the number of floors.

When you submit your application we will check the eligibility of the building. You must give us evidence so we can complete these checks.

Evidence you must give us

- Building name and address
- Contact details of managing agent for the building
- Service charge statements from the last year showing that there are additional costs related to fire safety issues

Additional optional evidence

If you are able to provide the additional optional evidence listed below this may speed up your application:

- A B2/A3 rating as a result of your EWS1 form (may be available from your managing agent)
- Documented fire safety failings under the Fire Safety Order 2005 or the Housing Act 2014
- Service charge statements from the last 3 years

- Evidence of lack of eligibility for re-mortgage due to fire safety issues

Applicant Eligibility

To be eligible for the scheme, you must be able to show that you are the owner(s) of the property and don't own more than 2 properties in total (including the eligible property).

The application will be based upon a household rather than an individual, so joint applications are welcome.

When you submit your application, evidence that you can use to show your eligibility includes:

Evidence you must give us

- Proof that you own the property that's eligible for the scheme e.g. mortgage statement

You will also be required to show how your disposable income puts you close to or below the poverty line. We use the Social Metrics Commissions' definition of significant financial hardship for this. We use the figures provided by the Office for National Statistics' Households Below Average Income (HBAI) to measure your disposable income against the Social Metric's Commission's definition of significant financial hardship. This will vary depending on the number of adults and dependants living in your property.

To help with this calculation you will need to provide your income after tax (your take home pay) and property related outgoings.

Income includes:

- your usual net earnings from employment
- any profit or loss from self-employment (losses are treated as a negative income)
- any state support - all benefits and tax credits you're receiving • any income from occupational and private pensions
- any investment income
- any maintenance payments you're receiving
- any income from educational grants and scholarships (including, for students, student loans and parental contributions)
- the cash value of certain forms of income in kind (for example, free school meals, free school breakfast, free school milk, free school fruit and vegetables, Healthy Start vouchers and free TV licence for those aged 75 and over)

To help you work out your income and costs if they're not paid to you on a monthly basis, please follow the table below to convert the payments into a monthly figure:

Payment frequency	Formula to convert to monthly basis
Weekly	Multiply by 4.35
Every 2 weeks	Multiply by 2.175
Quarterly	Divide by 3
Annually	Divide by 12

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Evidence you must give us

If you proceed to making a formal application, evidence that you can use to show your financial eligibility includes:

- Bank statements from the previous 3 months showing income and outgoings
- Payslips from the previous 3 months
- Any other documentation required to clearly evidence the income and costs declared in your application

Submitting your application

Before making an application, you must **complete the scheme eligibility checker** where you can check if you might be eligible for support.

Information submitted to the eligibility checker is for your personal use only. It is not visible to any third party and it's not saved or stored anywhere. The data is not retrievable, so please bear this in mind when you're filling the forms in.

The eligibility checker provides an initial indication, based on the information you provide, of whether or not you may be eligible to apply to the scheme.

If the eligibility checker indicates you may be eligible for support, you can submit an application to the Development Bank of Wales who administer the scheme on behalf of the Welsh Government. To apply you must complete the **Leaseholder Support Scheme application form**.

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The information needed for the application form is shown in the **Eligibility section of this guidance**. You must make sure all the information you provide in the application is as accurate as possible. You will also be asked to supply certain documents to support your application, this information can also be found in the Eligibility section of this guidance.

Action may be taken against anyone knowingly supplying false or misleading information, including the repayment of costs incurred by the scheme.

The completion of any part of this application process will not affect your credit score in any way.

Your application can be submitted to the Development Bank of Wales either via email or by post (contact details are shown in the application form section). Once your application is received, you will be assigned a case handler who will be your personal point of contact. They will get in touch, advise you of the outcome of your application, and guide you through the next steps.

If you do not qualify at this time and your circumstances change then you can re-apply to the scheme.

Reviewing your finances with an Independent Financial Advisor

If your application is reviewed and you are eligible for support from the scheme, the next step in the process is to review your finances with an Independent Financial Advisor. An Independent Financial Advisor will be able to advise you

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on the best course of action to meet your personal circumstances. It may be that your financial worries are temporary and a bespoke solution will be advised. The advice provided will be free of charge and it's entirely up to you if you wish to take it forward.

You will not be appointed a specific Independent Financial Advisor, instead you'll be provided with a list of Independent Financial Advisors who are qualified to provide financial advice, and have signed up to the Scheme, and you can choose from this list.

The list provided will hold details of qualified Independent Financial Advisors who understand the scheme objectives and can give the appropriate advice. You may also find an Independent Financial Advisor of your own, but before carrying out any work, they will first need to sign up to the scheme and meet the necessary qualifications. This online database on [fca.org.uk](https://www.fca.org.uk) may help.

Your case handler at the Development Bank of Wales will be there to guide you every step of the way and once you've chosen an Independent Financial Advisor they will put them in touch with you. When they have assessed your personal circumstances, the Independent Financial Advisor will be able to advise if the right solution for you is the potential sale of your home through the Scheme.

If this is the case and you wish to proceed to sell your property, your case handler will arrange a valuation of the property.

Valuation process

If the right solution for you is the sale of your home it will be valued by an independent Royal Institution of Chartered Surveyors accredited valuer.

It will be valued using the same process and market guidelines as applied to all

other homes and properties. This will give a fair market value for your property based on there being no fire safety concerns in the building.

The valuation will be arranged at no cost to yourself.

Any offer for the purchase of the property will be 100% of the valuation.

As the scheme is voluntary, if you are unhappy with the valuation provided, there's no obligation to accept the offer.

It is important to manage expectations with property values and although the property will be valued without any consideration of fire safety concerns we appreciate it may not meet your expectation of its value.

If you are unhappy with the first independent valuation, you may request a second one which will be conducted under the same industry standard guidelines set by the Royal Institution of Chartered Surveyors.

Purchase process

If you and your building are eligible for support from the scheme and your Independent Financial Advisor recommends the buy-out option as the best solution for your circumstances, then you'll be offered the option to sell your property.

Once the property has been valued and a purchase price is agreed, you will be connected with a Registered Social Landlord who may purchase the property via the scheme. Your case handler will work closely with the appropriate Registered Social Landlord to ensure you are kept fully up to date with the progress being made and you will also have a point of contact with the Registered Social Landlord themselves – you'll be able to contact this person directly with any questions.

Once your appropriate Registered Social Landlord has been agreed, a representative will arrange to come out to view and assess your property and discuss the sale with you. Following this they will then start their internal property acquisition process. This process involves requesting certain information from your building's Managing Agent / Responsible Person, checks with land registry, engagement with solicitors etc. Although this process is similar to the process for buying and selling a property on the open market, it is a more complex process. Therefore, it is important to note that this process may take longer than a simple house purchase.

Once the process is underway, the Registered Social Landlord will be able to give you an indication of what realistic timelines for completion are likely to look like.

Whilst we're unable to provide a fixed timescale as each situation will be different, please be assured the sale will be carried out as quickly as possible, given the complexity of the process.

Appointing a solicitor

Once the purchase of your property by a Registered Social Landlord has been confirmed you will need to appoint a solicitor to represent you in the sale and these costs will need to be covered by yourself. Try to get three quotes from different firms on the total cost of their service to be able to compare prices.

You can find information about appointing a solicitor at [moneyhelper.org.uk](https://www.moneyhelper.org.uk).

Leasehold information form (TA7) and leasehold pack

As the property is leasehold, as part of selling process you will need to provide a leasehold information form (TA7).

This document details everything there is to know about the lease, the freeholder, the management company and any other parties involved.

Your chosen solicitor will help you complete this document. The leasehold pack will be completed by the freehold owner, but you will typically have to pay for this series of documents. They should include a LPE1, a fire risk assessment, insurance, financial accounts and more.

If you have any concerns or need to make a complaint

We always try to give you the best service, but sometimes we can get it wrong. If we've got it wrong enough that you want to make a formal complaint, let us know by contacting us.

Leaseholder Support Scheme

Development Bank of Wales,
1 Capital Quarter,
Tyndall Street,
Cardiff,
CF10 4BZ

Email: applications@leaseholdersupportscheme.wales

Rydym yn croesawu gohebiaeth yn Gymraeg / We welcome correspondence in Welsh.

We try to resolve complaints quickly and to your satisfaction. To help us do this, please give as much information as possible about your concern, along with a contact name, and a phone number or email.

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If you don't want to make a complaint but would like to give us some feedback, you can tell us about your experience using the [Development Bank of Wales feedback form](#).

How we deal with your complaint

We always aim to resolve any issues as soon as possible and try to give an answer within five working days of receiving your complaint. However, if further investigation is needed, we'll keep you updated on our progress, next steps and the name of the person handling your complaint. Where further investigation is needed, we may need longer to consider our decision. You'll get written confirmation of our decision within eight weeks.

If after eight weeks you've not received a final response to your complaint, we'll write to you explaining the delay and, where appropriate, details of the process for referral to the Financial Ombudsman Service.

We work with third parties throughout the application process. If your complaint relates to one of these parties, we'll forward your complaint to them. We'll always let you know if your complaint has been forwarded and explain why.

What can I do if I'm still unhappy?

We're sorry if you're not happy with the decision we've taken, please let us know as soon as possible if the complaint has not been resolved to your satisfaction. Our final response will offer details of whether you may take your complaint to the Financial Ombudsman Service.

The Financial Ombudsman Service can be contacted by:

Website: <https://www.financial-ombudsman.org.uk/>

Email: complaint.info@financial-ombudsman.org.uk

Telephone: **0800 023 4567**

Address: Financial Ombudsman Service, Exchange Tower, London, E14 9SR

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