



# WHAT IS THE

# DEFERRED PAYMENTS SCHEME

Help with paying for your care home fee

2025-2026

# The Deferred Payment Scheme

**The Deferred Payment Scheme can help you pay for your care home fees, if you own your home and cannot afford to pay the full fee.**

**Under this scheme you will not have to sell your home to pay for your care in your lifetime, as your capital is tied up in your home.**

The scheme offers you a loan from the council using your home as security. It doesn't work in exactly the same way as a conventional loan. The council doesn't give you a fixed sum of money when you join the scheme but pays an agreed part of your weekly care and support bill for as long as is necessary.

You will pay a weekly contribution towards your care based on what you have been assessed as being able to pay from your income and other savings. The council pays the part of your weekly charge that you can't afford until your home is sold or you are deceased, whichever happens first. The deferred payment is recovered by the council from the proceeds of the sale of the property.

The part the council pays is your 'Deferred Payment'. The deferred payment builds up as a debt, which is cleared when the money tied up in your home is released. For many people this will be done by selling their home, either immediately or later on.

## Are there other payment options?

You can also pay the debt back from another source, if you want to. However, you do not have to sell your home if you don't want to. You may, for example, decide to keep your home for the rest of your life and repay out of your estate, or you may want to rent it out to generate income.

If you do this, you will be expected to use the rental income to increase the amount you pay each week, thus reducing the weekly payments made by the council, and minimising the eventual deferred payment debt.

## Charging interest

The deferred payments will attract interest the same way a normal bank loan will attract interest. The maximum interest rate charged is fixed by the government and is based on the cost of government borrowing. Interest rates are subject to review and may change on 1 January and 1 July every year. The interest will be compounded on an annual basis.

The interest will apply from the day you enter into the Deferred Payment Scheme. You will receive regular annual statements advising you how your charge is being calculated and what the outstanding sum on your deferred payment account is.

## Your agreement with Richmond Council

If you decide to use the Deferred Payments Scheme, you enter into a legal contract with the council by signing an agreement document. The council then places what is called a 'legal charge' on your property to safeguard the loan. The agreement covers both the responsibilities of the council and yours, one of which is to make sure that your home is insured and maintained.

If you incur expenses in maintaining your home while you are in residential or nursing care, these will be allowed for in the amount that you are assessed as contributing each week from your capital and income.

You can end the agreement at any time (for example if you sell your home) and the loan then becomes payable immediately. Otherwise, the agreement ends on your death and the loan becomes payable 90 days later.

The council cannot cancel the agreement without your consent.

## In order to apply for the Deferred Payment Scheme, you must:

- have capital (excluding the property) of less than £23,250;
- have your care and support needs assessed by a social worker as requiring a permanent residential or nursing registered care home;
- own or have part legal ownership of a property, which is not benefitting from a property disregard, and ensure your property is registered with the Land Registry (if the property is not, you must arrange for it to be registered at your own expense);
- have mental capacity to agree to a deferred payment agreement or have a legally appointed agent willing to agree this.





# Advantages of using the Deferred Payments Scheme

You should take independent financial and legal advice to help you decide which course of action will be financially better for you.

If there is an existing agreement for a 'top-up', where a family member or other person puts additional money towards your placement. If you decide to take advantage of the Deferred Payments Scheme, you can add the cost of the 'top up' payments to your Deferred Payments Scheme loan, if the council agrees that there is enough equity in your home.

The government's rules say that 'top-ups' for people not using the Deferred Payments Scheme currently have to be paid for by somebody else for example, a member of their family. Therefore, a deferred payment is currently the only way of paying the top up yourself without depending on a third party.

## Costs associated with the Deferred Payments Scheme

There is a one-off charge to cover the council's administration costs. This also includes legal costs, a Land Registry charge and a land search. For the year 2025-26, the charge will be £3,256.10.

## Other options

You may choose to put your property on rent, which could give you enough income to cover the full cost of your care and support. There are advantages to this as you will not accrue a debt, be liable for interest and administrative charges and your property will be occupied.

Your tenant will be paying utilities and council tax which will reduce your outgoings.

There are also various equity release products which may be suitable for your personal circumstances.

**We always recommend you take independent financial and legal advice to help you decide which course of action will be financially better for you.**

If you wish to apply for the scheme or would like more information you can contact the Financial Assessments Team:

Telephone: 020 8831 6400

Email: [charginghelpline@richmondandwandsworth.gov.uk](mailto:charginghelpline@richmondandwandsworth.gov.uk)

## As part of the Deferred Payment Agreement you will also need to:

- have a responsible person who is willing and able to ensure that necessary maintenance is carried out on the property to retain its value, you are liable for any such expenses;
- insure your property at your expense;
- if you fail to pay your contribution on a regular basis the council reserves the right to add this debt to the loan amount.

There can be no other beneficial interests on the property, for example outstanding mortgages or equity release schemes, unless this is approved by the council.

**Please Note:** Acceptance of any application under the scheme is subject to you meeting the criteria for entering the scheme, and the council being able to obtain security in your property.



# Independent financial advice

If you need care and support, you should get independent financial advice so that you can make the best decisions for you. An independent financial adviser can help you decide how to make your money cover long term care costs. They'll also make sure you're claiming all the benefits and allowances you're entitled to.

Many independent financial advisers offer a free first consultation, then charge either a fee or commission. You should ask about any charges before asking them to do any work for you.

It's important to make sure you find a financial adviser who is registered with the Financial Conduct Authority and accredited with the Society of Later Life Advisers (SOLLA). They can provide more information about the types of financial advice you can get and to look for.

## Where can I get independent financial advice?

### SOLLA

The Society of Later Life Advisers (SOLLA) has a 'find an adviser' webpage. You can find an independent financial adviser who is suitably qualified to provide later life advice via the website at [www.societyoflaterlifeadvisers.co.uk](http://www.societyoflaterlifeadvisers.co.uk)

### Financial Conduct Authority

The Financial Conduct Authority (FCA) regulates over 50,000 businesses and is accountable to the Treasury, although independent from government. Its aim is to enable consumers to get a good deal. The FCA maintains a register of firms or individuals it has authorised to do business, carry out regulated activities or provide products or services. You can search the FCA register at [www.fca.org.uk](http://www.fca.org.uk)

Citizen's Advice Bureau can offer general guidance and advice, or may be able to point you towards other suitable independent financial advisors.

Visit their website for further information [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

Age UK can offer general guidance and advice and help you plan better.

Visit their website for further information [www.ageuk.org.uk](http://www.ageuk.org.uk)

# Where can I get more advice and information?

## Adult Social Care

Richmond Council can provide information, support and guidance to adults with care and support needs, and those who look after them. Contact us Monday to Friday from 9am to 5pm.

Phone: 020 8891 7971  
SMS: 07860 034792  
Email: [adultsocialcare@richmond.gov.uk](mailto:adultsocialcare@richmond.gov.uk)  
Website: [www.richmond.gov.uk/adultsocialcare](http://www.richmond.gov.uk/adultsocialcare)

## Emergencies outside office hours

The Adults Emergency Duty Team is available between 5pm and 9am during weekdays and 24 hours over weekends and bank holidays.

Phone: 020 8744 2442  
Minicom: 18001 020 8744 9414

## National Organisations

There are many national organisations which provide general advice on care and support, financial issues and planning for the future, which include:

### Age UK

Age UK provides information and factsheets on a variety of subjects including paying for care and support at home, finding care home accommodation and planning for retirement.

Adviceline: 0800 055 6112  
Website: [www.ageuk.org.uk](http://www.ageuk.org.uk)

### Carehome Selection

Carehome Selection can help self funders find a care home or support at home that is suitable for them.

Telephone: 0808 175 3609  
Website: [www.carehomeselection.co.uk](http://www.carehomeselection.co.uk)



## **Carers Trust**

Carers Trust can help you access the support that you might need.

Telephone: 0800 144 8848

Website: [www.carers.org](http://www.carers.org)

## **Citizens Advice Richmond**

Citizens Advice provide free, independent, confidential and impartial advice to everyone on their rights and responsibilities.

Adviceline: 0800 144 8848

Website: [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

## **Independent Age**

Independent Age is a national charity helping older people maintain their independence by providing advice, information and support.

Helpline: 0800 319 6789

Website: [www.independentage.org](http://www.independentage.org)

## **Money Helper**

Money Helper is a free independent advice service. There is a section for family and care that includes topics paying for care.

Phone: 0800 011 3797

Website: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

## **Paying for care**

PayingForCare are a non-profit making organisation who offer advice about long term care, specifically around how to pay for care.

Website: [www.payingforcare.org](http://www.payingforcare.org)

## **The Society of Later Life Advisers (SOLLA)**

SOLLA is a not-for-profit organisation that aims to help people seeking advice about the financial issues in later life by ensuring they can find an Accredited Adviser local to them.

Phone: 0333 2020 454

Website: [www.societyoflaterlifeadvisers.co.uk](http://www.societyoflaterlifeadvisers.co.uk)

# Local Voluntary Organisations

There are many local voluntary organisations, which provide information and advice about a range of topics and can help find local services to meet your needs.

## Community Independent Living Service (CILS)

The Community Independent Living Service is a partnership of 20 local Richmond upon Thames charities that provides information & advice, wellbeing activities, social and practical support across the borough.

Phone: 020 3393 7011

Email: [advice@richmondaid.org.uk](mailto:advice@richmondaid.org.uk)

Website: [www.richmond.org.uk](http://www.richmond.org.uk)

Text/SMS: 07894 215835

For wellbeing, social and practical support service:

Phone: 020 8878 3073

Email: [info@ageukrichmond.org.uk](mailto:info@ageukrichmond.org.uk)

Website: [www.ageuk.org.uk/richmonduponthames](http://www.ageuk.org.uk/richmonduponthames)

## Age UK Richmond

Age UK Richmond provides free information, advice and support for older people and their carers. They can help with questions including money and benefits, housing, direct payments and care homes.

Phone: 020 8878 3625

Email: [info@ageukrichmond.org.uk](mailto:info@ageukrichmond.org.uk)

Website: [www.ageuk.org.uk/richmonduponthames](http://www.ageuk.org.uk/richmonduponthames)

## Citizens Advice Richmond

Richmond Citizens Advice provides free, confidential, impartial advice to everybody. They can give free impartial money advice on how best to manage all aspects of your personal finances.

Phone: 080 8278 7873 (Monday to Thursday 10am to 3pm)

Website: [www.citizensadvice.org.uk/richmond](http://www.citizensadvice.org.uk/richmond)

## **Carers Hub Service**

Richmond Carers Centre manages the Carers Hub Service and offers free and confidential information, advice and support for carers caring and/ or living in the Richmond borough.

Phone: 020 8867 2380

Email: [info@richmondcarers.org](mailto:info@richmondcarers.org)

Website: [www.richmondcarers.org](http://www.richmondcarers.org)

## **Rethink Advocacy**

Rethink Advocacy provides free independent and confidential advocacy support to help you make the right choices and decisions.

Phone: 0300 7900 559

(select the Wandsworth and Richmond option)

Email: [wandradvocacy@rethink.org](mailto:wandradvocacy@rethink.org)

Website: [www.rethinkadvocacy.org.uk](http://www.rethinkadvocacy.org.uk)

## **Richmond Aid**

Richmond Aid provides free advice and support for people with money or debt issues and benefits. They can also provide support with making a claim for benefits.

Phone: 020 3393 7011 (Monday to Friday 11am to 4pm)

Email: [info@richmondaid.org.uk](mailto:info@richmondaid.org.uk)

Website: <https://richmondaid.org.uk>

## **Ruils**

Ruils provides a range of advice for independent living and can help with arranging care and support.

Advice Line: 020 8831 6083

Email: [info@ruils.co.uk](mailto:info@ruils.co.uk)

Website: [www.ruils.co.uk](http://www.ruils.co.uk)

## Further information

For further information complete our online enquiry form  
[richmond.gov.uk/make-an-adult-social-care-enquiry](http://richmond.gov.uk/make-an-adult-social-care-enquiry)



Visit our web pages

[www.richmond.gov.uk/adultsocialcare](http://www.richmond.gov.uk/adultsocialcare)

### Our contact details

Monday to Friday from 9am to 5pm.

**Telephone:** (020) 8891 7971

**SMS Phone:** 07860 034 792

**Email:** [adultsocialcare@richmond.gov.uk](mailto:adultsocialcare@richmond.gov.uk)

### Write to us at:

Richmond Council

Adult Social Care and Public Health

Civic Centre, 44 York Street

Twickenham, TW1 3BZ

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[www.richmond.gov.uk/data\\_protection](http://www.richmond.gov.uk/data_protection)

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