

HOW VISA COSTS AFFECT DEBT

MIGRANT VOICE, 2022



The cost of visas impacts all aspects of the lives of migrants in the UK. With costs exceeding £2,500 per application per person every 2.5 years, and some routes to settlement taking 10 years the impact is devastating.

One of the most worrying effects on migrants on a path to settlement in the UK is the massive amounts of debt they are forced into in order to pay for the visa fees and other associated costs of renewing their visas.

Below are examples of how migrants are forced into huge amounts of debt due to the extortionate cost of visas. These examples come from our report on the Extortionate Cost of Visas - **Destroying hopes, dreams and lives: How the UK visa costs and process impact migrants' lives.**

Two-thirds of respondents to our research told us that they have been forced into debt to pay for their visa costs. People have reported debts reaching £30,000. This can entail loans from friends and family, banks and commercial lenders and credit card debt. Debt can affect people's short- and long-term futures, as repaying loans while continuing to manage day-to-day bills is a "juggling act" and sometimes living in debt becomes a long-term reality. "The moment we finish paying this we will be late to prepare for the next payment. We are always digging a deeper trench for debt."

For many, going into debt is the only option of such expensive visa fees. Respondents said that even with tight control on spending they could not afford the total cost of their visa and were forced to take loans from relatives, friends or banks.

One person said that because one of his visa applications had been refused he was not able to get loans from his bank. He is forced to rely on relatives and friends to pay for visas for himself and his family.

Due to these high visa costs needing to be paid every 2.5 years, high costs create a vicious cycle for people on lower incomes, as they are not able to pay off their debt from past fees while also saving for the next one. A focus group participant said, "The moment we finish paying this [loan] we will be late to prepare for the next payment. We are always digging a deeper trench for debt."

People can go into debt temporarily or repeatedly whenever the time for a new application comes. It is significant that some survey respondents, when asked whether they had gone into debt, answered “Not yet”, aware of the uncertainty of their situation.

Paying back the loans and the day-to-day bills is a “juggling act”. Sometimes living in debt becomes a long-term condition, and the debt can be very high. One respondent said they have been “under a huge amount of debt since 2016” and another wrote that “Since 2015 I am in roughly £30k debt.”

Debt has a devastating impact on all aspects of people’s lives. They’re unable to buy essentials, have to take on more precarious work, and mental health can be seriously affected and lead to long term health conditions.

This is one of four briefings, looking at the impact of the visa renewal process and costs on mental and physical health, work, food and housing, and debt. The impact and effects of these policies are only likely to get worse with the cost of living crisis.

In order to fix this Migrant Voice are calling for

- Visa fees for adults not to be higher than the administrative cost, children should go free,
- Abolish the Immigration Health Surcharge,
- Cap all routes to settlement at 5 years,
- Cut waiting times and improve communication from the Home Office, devise a quicker, simplified and less stressful visa application process