

# 'Between a Rock and a Hard Place'

The Dual Trauma of MABS Client Households in Mortgage Arrears Residing in Properties with Defective Concrete Blocks



**MORTGAGE  
ARREARS  
FINAL DEMAND**

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November 2025

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The Dual Trauma of MABS Client Households in Mortgage  
Arrears Residing in Properties with Defective Concrete Blocks

## An Exploratory MABS Research Study

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1. The views, opinions, findings, conclusions and/or recommendations expressed here are strictly those of the author(s). They do not necessarily reflect the views of the funders, who take no responsibility for any errors or omissions in, or for the accuracy of, the information contained in this report. It is presented to inform and stimulate wider debate among the policy community and society in general.

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# Abbreviations

*AHB: Approved Housing Body*

*ARA: Alternative Repayment Arrangement*

*BCA: Building Condition Assessment*

*BPFI: Banking and Payments Federation Ireland*

*CIB: Citizens Information Board*

*CBI: Central Bank of Ireland*

*CCMA: Code of Conduct on Mortgage Arrears*

*CPC: Consumer Protection Code*

*CSF: Credit Servicing Firm*

*DCB: Defective Concrete Blocks*

*DCBS: Defective Concrete Block Grant Scheme (2020)*

*DHLGH: Department of Housing, Local Government and Heritage*

*DMA: Dedicated Mortgage Arrears Adviser (MABS)*

*EDCBGS: Enhanced Defective Concrete Block Grant Scheme (2023)*

*GFC: Global Financial Crisis*

*MABS: Money Advice and Budgeting Service*

*MTR: Mortgage to Rent (Scheme)*

*NBE: Non-Bank Entity*

*NPL: Non-Performing Loan*

*NSAI: National Standards Authority of Ireland*

*PC: Protective Certificate*

*PDH: Principal Dwelling House*

*PIA: Personal Insolvency Arrangement*

*PIP: Personal Insolvency Practitioner*

*PRB: Pyrite Resolution Board*

*PRS: Pyrite Remediation Scheme*

*RCF: Retail Credit Firm*

*RLE: Reasonable Living Expense Guidelines*

*SFS: Standard Financial Statement*



# Abstract

The Defective Concrete Block Crisis (DCB) affects thousands of homes in the North West region, although the precise number is unknown. It has its origins in the “Celtic Tiger” period (1999-2008), when - unbeknownst to the families concerned (and hence a prime example of a force majeure event) - deleterious matter became embedded in the materials used to construct family homes. Associated “cracking”, which first manifested itself in the subsequent decade, has resulted both in defective properties and long-term trauma for the families concerned. Access and use issues have emerged in relation to the consequent State-backed remediation scheme, while the developing science suggests that further amendments may be needed to address and resolve the root cause of the problem.

In this exploratory piece of research, we focus on a heretofore largely ignored aspect of the Crisis, namely the mortgage arrears dimension, a crisis in its own right which has followed a strikingly similar pattern to its DCB counterpart in many respects over a corresponding period of time. We concentrate on a sample of MABS’ clients in counties Donegal and Mayo who are experiencing this dual phenomenon. The objectives are to: (i) Describe the mortgage arrears experience in a DCB scenario; (ii) Investigate the adequacy of current policy interventions to support borrowers in this situation and; (iii) Propose additional/alternative measures as appropriate. A mixed-method approach is employed towards these ends, comprising quantitative and qualitative methods.

Our findings are threefold. Firstly, mortgage arrears in this context are inextricably intertwined with the defective concrete block/scheme issue, and present an added layer of distress and financial cost. Secondly, the creditor response has been largely unhelpful in failing to recognise the vulnerability of doubly-distressed borrowers. Thirdly and finally, our existing mortgage arrears ‘consensual-restructuring’ architecture, based on debtor disclosure and engagement, is insufficient to deal expediently and comprehensively with the added trauma of the DCB dimension.

In pursuance of borrower security and affordability of tenure, we therefore propose enhancing and integrating the DCB and mortgage arrears policy domains. More fundamentally, moreover, we recommend the establishment of a Defective Concrete Block Remediation and Resolution Agency. This Agency would have a triple role, namely to: (i) provide related information to the public; (ii) administer and carry out works associated with the Scheme, and; (iii) perform a mortgage arrears resolution function, both in terms of creating ‘breathing space’ and making realistic and attainable determinations for borrowers in defective property situations.



# Foreword and Acknowledgements

It is with a deep sense of responsibility that I present this important research report, titled 'Between a Rock and a Hard Place - The Dual Trauma of MABS Client Households in Mortgage Arrears Residing in Properties with Defective Concrete Blocks.' This study highlights a profoundly challenging intersection of two crises that have impacted households primarily across Counties Donegal and Mayo: long-term mortgage arrears and the devastation caused by defective concrete blocks. Both issues have each, in their own right, created hardship and distress for families. Taken together, they represent a dual trauma that places an intolerable strain on people's financial, emotional, and social well-being.

The report provides evidence-based insights drawn directly from the lived experiences of MABS clients. It makes visible what is often hidden, the psychological toll of living in unsafe, deteriorating homes while simultaneously grappling with mortgage debt and financial exclusion. The findings are stark, but they also provide a clear pathway for reform. They call on policymakers, financial institutions, and wider society to act with urgency, compassion, and fairness.

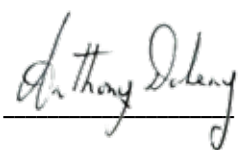
For MABS, this work reinforces our mission to ensure that those facing financial hardship are treated with dignity, supported through practical advice, and given a voice in shaping the policies that affect their lives. It also demonstrates the critical importance of independent research in informing policy debates and ensuring accountability.

I would like to sincerely acknowledge the dedication of the research author Dr. Stuart Stamp, supported by Paul Joyce whose expertise and commitment have been instrumental in bringing this report to fruition. Our thanks also go to the Research Oversight Committee, whose oversight and guidance ensured the rigour and independence of the study. Grateful acknowledgement to Project Lead Maria McCaul, National Development Officer with MABS Support and to Amie Lajoie who developed the research proposal prior to moving from Social Policy Executive with MABS Support to the OECD and who later peer reviewed the final report. I also acknowledge Elizabeth Wilson, Dedicated Mortgage Arrears Adviser, who highlighted these issues to MABS Support and other MABS Advisers, Staff and Management across the North Connacht and Ulster, and South Connacht regions for their invaluable contributions, and to the Citizens Information Board for their ongoing support in enabling this work.

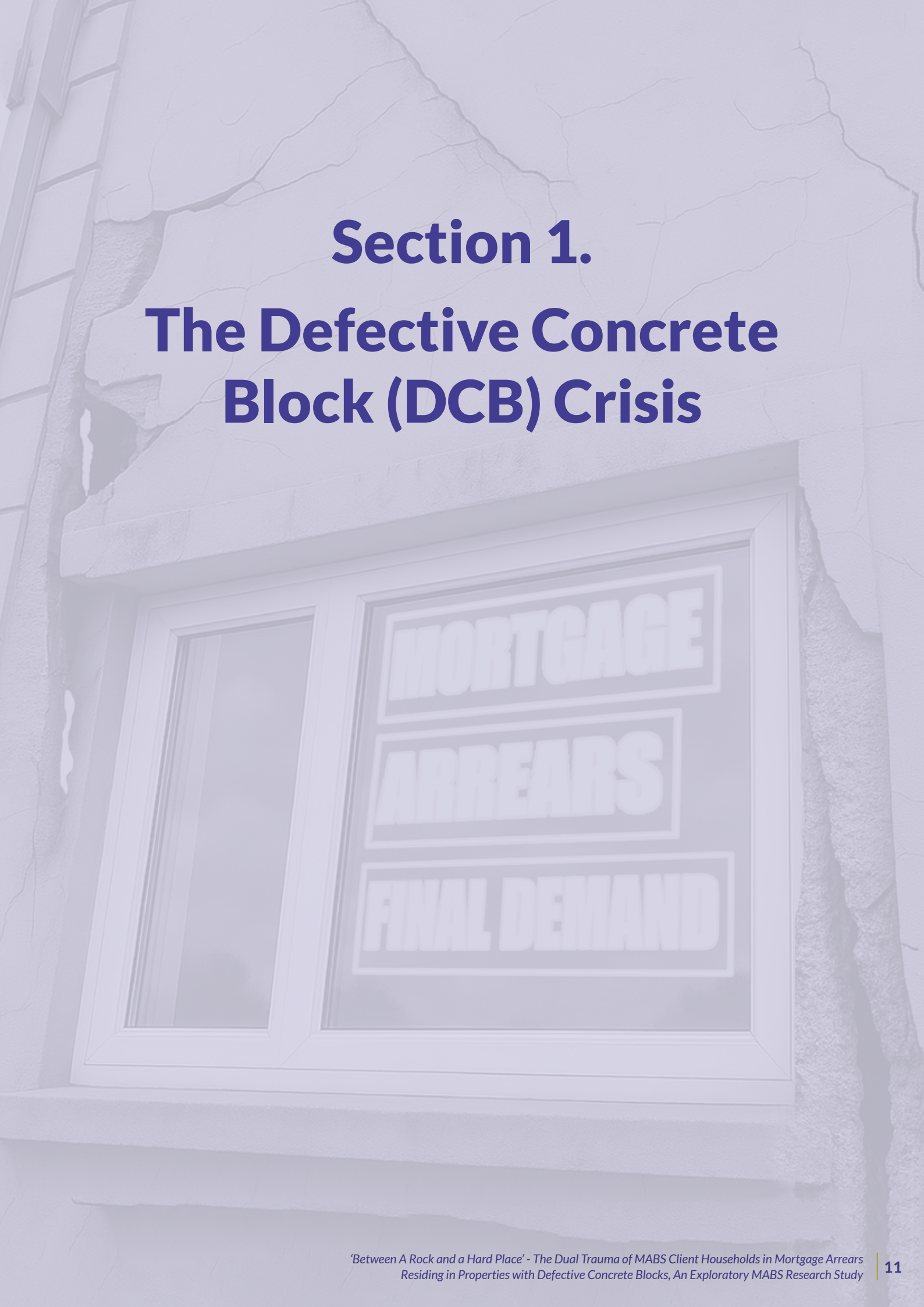
Above all, I extend my deepest gratitude to the MABS clients who shared their stories with courage and honesty. Their willingness to speak about deeply personal and painful experiences ensures that this report is grounded in reality and carries the authenticity that only lived experience can provide.

It is our hope that this report will act as both a resource and a catalyst. A resource for policymakers, practitioners, advocates and stakeholders, and a catalyst for the systemic changes that are urgently needed.

Families affected by this dual crisis cannot wait. Their resilience is worthy of recognition, and their rights must be respected and upheld.



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# Section 1.

## The Defective Concrete Block (DCB) Crisis

# 1. The Defective Concrete Block (DCB) Crisis

## 1.1 Origins and Developments

The defective concrete block crisis has its roots in deleterious building materials sourced from quarries for the construction of homes and other buildings in counties Donegal and Mayo primarily, though not exclusively.<sup>2</sup> Over time, these defects manifest themselves in the form of horizontal and/or vertical cracks which appear in gables, front and rear walls, particularly near corners, while in some cases parts of houses have literally fallen away.<sup>3</sup> The homes in question were constructed using concrete blocks during the years 1984-2011 in Co. Donegal, and 1998-2008 in Co. Mayo; however, the problems mainly manifest in properties built between 1999 and 2008 (Donegal), and 2000-2006 (Mayo),<sup>4</sup> a period which spans the so-called Celtic Tiger 'boom' years.

The homes in question constitute a mix of houses within estates and one off rural types, built by way of contract/developer build and direct labour/ self-build; other buildings such as schools are further thought to be affected, while social housing developments are also among those involved.<sup>5</sup> Initially there were estimated to be as many as 4,800 properties impacted in Co. Donegal and a minimum of 345 in Co. Mayo;<sup>6</sup> the extent of the problem may however be somewhat more widespread.<sup>7</sup> The issue first became evident to owner occupiers by way of external wall cracking,<sup>8</sup> in a minority of cases shortly after construction, but more commonly between 5 to 10 years after build, while other evidence - in the form of insurance claims and site visits - suggests a 4 to 13 year timescale between construction and cracks first showing.<sup>9</sup> For many, the problem became more obvious after particularly prolonged cold winter spells in 2009 and 2010.<sup>10</sup> However it did not become a public policy issue until a similar pattern of defects emerged within both counties during 2013, the problem being highlighted to the relevant government department toward the end of that year.<sup>11</sup>

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2 Doherty, E., Carcary, M., Ramsey, E., Kelly, D., and Dunlop, P. (2022) 'An examination of governance failure by the Irish State: The critical case of the 'Mica' / defective blocks issue.' Paper delivered at the 18th European Conference on Management Leadership and Governance, ECMLG 2022. Available at: <https://papers.academic-conferences.org/index.php/ecmlg/article/download/934/890/2985>, accessed 19<sup>th</sup> April 2025.

3 McCarthy, D. Kane, N. Lee, F. and Blaney, D. (2017). *Report of the Expert Panel on Concrete Blocks*. Dublin: Department of Housing, Local Government and Heritage, p.30/31 and p.41/42..

4 McCarthy et al (2017), *ibid*, p.4-5.

5 In Co. Mayo; see McCarthy et al (2017), *ibid*, p.4.

6 McCarthy et al (2017), *ibid*, p.80.

7 A figure of up to 10,000 homes has been suggested. See: O'Brien, T. (2021). 'Q&A: What is mica and why are people protesting over it?', *Irish Times*, 14<sup>th</sup> June 2021. See also: Cox, A. (2022) 'Expert warns defective blocks likely more widespread and scheme could cost €5bn', *RTE News*, available at: <https://www.rte.ie/news/2022/0424/1294028-defective-blocks>, accessed 28<sup>th</sup> April 2025.

8 Instances of internal wall cracking have also been reported. See: Hegarty, M. and Murphy, J. (2022) *Briefing document on defective materials in Mayo. Presentation to the Joint Oireachtas Committee on Housing, Local Government and Heritage on the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Bill 2022*, 23<sup>rd</sup> June 2022. Thursday, 23 Jun 2022

9 McCarthy et al (2017), *ibid*, p.33 and p.43.

10 It should be noted however that some houses had started to crack in years preceding these events. See: McCarthy et al (2017), *ibid*, p.29.

11 McCarthy et al (2017), *ibid*, p.4.

Attempts to resolve the problem at the household level have repeatedly met with failure, as people found that the insurance they thought was in place to cover such an eventuality - in the form of structural defect insurance and/or standard home buildings insurance) - did not.<sup>12</sup> Attempts to seek recompense from quarry owners<sup>13</sup> and the mortgage companies involved in the form of the banks have also come to nought.<sup>14</sup> This led to the formation of local action groups and associated pressure on government to respond by way of public policy to an issue that was clearly beyond the control of the households concerned both to prevent and resolve.

The impacts and costs to individuals resident in defective properties - in physical, psychological, social, and financial terms - have been identified by academic analysis.<sup>15</sup> These may be summarised as follows:

TABLE 1: Costs and Impacts to Individuals Residing in Defective Properties

Physical	Psychological	Social	Financial
<ul style="list-style-type: none"> <li>■ Cracking</li> <li>■ Damp and mould</li> <li>■ Ruined clothing</li> <li>■ Ruined crockery</li> <li>■ Stopped home improvement</li> <li>■ Stopped maintenance</li> </ul>	<ul style="list-style-type: none"> <li>■ Crying</li> <li>■ Denial</li> <li>■ Depression</li> <li>■ Despair</li> <li>■ Acknowledgement</li> <li>■ Anger</li> <li>■ Falling to pieces</li> <li>■ Insecurity</li> <li>■ Embarrassment</li> <li>■ Shame</li> <li>■ Stigma</li> <li>■ Constant thought</li> <li>■ Feeling stuck</li> <li>■ Fear</li> <li>■ Suicidal ideation</li> <li>■ Loss of hope</li> <li>■ Seeing no way out</li> <li>■ Isolation</li> <li>■ Feeling disposable</li> <li>■ Bury head in sand</li> <li>■ Burn out</li> <li>■ Energy sapped</li> </ul>	<ul style="list-style-type: none"> <li>■ Impaired relationships</li> <li>■ Children's activities</li> <li>■ No sleepovers</li> <li>■ Life stopped</li> <li>■ Intergenerational</li> <li>■ (nothing to pass on)</li> <li>■ Couch surfing</li> </ul>	<ul style="list-style-type: none"> <li>■ Inability to heat home</li> <li>■ Testing costs</li> <li>■ Scheme shortfalls</li> <li>■ Temporary housing costs</li> <li>■ Inability to rent out room</li> <li>■ Scrimping and saving</li> <li>■ Repair/rebuild</li> <li>■ Incurring debt</li> <li>■ Paperwork issues, complexity</li> <li>■ Insecurity</li> </ul>

Source: Preece (2024).

12 See: <https://www.oireachtas.ie/en/debates/question/2021-11-09/248/>, accessed 28<sup>th</sup> April 2025. In a Written Answer, the Minister for Finance explains why structural defect insurance (formerly provided by HomeBond in the case of property developments) and standard home insurance policies do not cover householders where the construction materials used are defective.

13 It appears that at least one such quarry has gone out of business. See: Joint Oireachtas Committee on Finance, Public Expenditure and Reform, and Taoiseach: Discussion on Defective Concrete Blocks, Wednesday, 1<sup>st</sup> May 2024, available at: <https://www.kildarestreet.com/committees/?id=2024-05-01a.435>, accessed 23<sup>rd</sup> July 2025.

14 Affected householders shared their experiences and perspectives in this regard as part of a Joint Oireachtas Committee Discussion on Housing, Local Government and Heritage on the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Bill 2022, 23<sup>rd</sup> June 2022. See: [https://www.oireachtas.ie/en/debates/debate/joint\\_committee\\_on\\_housing\\_local\\_government\\_and\\_heritage/2022-06-23/2/](https://www.oireachtas.ie/en/debates/debate/joint_committee_on_housing_local_government_and_heritage/2022-06-23/2/), accessed 28<sup>th</sup> April 2025.

15 Preece, J. (2024). *Emotions, policy and collective action in housing safety crises*. Glasgow: UK Collaborative Centre for Housing Evidence, University of Glasgow.

## 1.2. Policy Development

In response to the developing crisis, public policy has concentrated on remediating *the properties concerned*, and thereby indirectly, assisting the people who own and live in them. There have been four phases to the State's response, namely: (i) a *learning* phase, drawing lessons from how a broadly similar previous crisis was dealt with; (ii) a *review and assessment* phase, based on establishing an expert group to ascertain the extent of the problem and make recommendations; (iii) an *implementation* phase, involving creating a policy architecture based on a testing framework, underpinning legislation and an associated grant scheme, and (iv); a *modification* phase in response to scheme user issues and emerging science. We now consider each of these phases in turn from a homeowner perspective.

### 1.2.1 Pyrite Remediation in the Eastern Region

A policy template for dealing with widespread defective properties in the absence of industry resolution was emerging in Ireland around the time the crisis in Donegal and Mayo began to manifest itself in 2013. The developing policy framework was in response to a similar 'cracking' issue as result of so-called 'pyrite heave' in Fingal, Dublin City, Meath, Kildare and Offaly, first identified in mid 2007. It first involved the establishment by government of an expert group charged with identifying (i) the nature and scale of the problem (ii) possible options to address it and (iii) making recommendations that might help to prevent a similar situation arising in the future.<sup>16</sup>

On the basis of the Group's findings (2012), primary legislation<sup>17</sup> was enacted to underpin a Pyrite Remediation Scheme (PRS), administered and project managed by the Housing Agency under the auspices of a specifically created Pyrite Resolution Board (PRB).<sup>18</sup> Although it can take some time for applications to be decided,<sup>19</sup> once approved, remediation work is undertaken over a three-month period while householders vacate the property; specified recoverable expenses (with set limits) are provided to facilitate this work, payable 'up-front' in exceptional situations.<sup>20</sup>

At the end of the process, a certificate of remediation is issued to confirm the problem has been successfully dealt with in accordance with the relevant Irish Standard.<sup>21</sup> By the end of 2024, 2,851 dwellings had been remediated under the associated Pyrite Remediation Scheme (PRS) from 2014 to 2024 at an average cost

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16 Pyrite Panel (2012). *Report of the Pyrite Panel*. Dublin: The Pyrite Panel. Available at: <https://www.pyriteboard.ie/Pyrite/media/Pyrite/Updated/Report-of-Pyrite-Panel-June-2012.pdf>, accessed 28<sup>th</sup> April 2025.

17 The Pyrite Resolution Act 2013.

18 Pyrite Resolution Board (2024). *42nd Quarterly Progress Report (period ending 30<sup>th</sup> June 2024)*. Dublin: Pyrite Resolution Board.

19 We are advised that this can sometimes take well over a year.

20 The Housing Agency (2023). *Pyrite Remediation Scheme: Guide for Scheme Participants, 4th Edition, October 2023*. Dublin: The Housing Agency. Recoverable expenses cover the initial Building Condition Assessment (BCA) Report (maximum €500), alternative accommodation (€6,000), and contents removal, storage and return (maximum €2,500).

21 I.S. 398-1, revised in August 2017, used for testing and 'damage threshold' assessment purposes. See: <https://www.nsbai.ie/about/news/nsai-publishes-revised-reactive-pyrite-standard/>, accessed 24<sup>th</sup> July 2025. A so-called "Green Certificate" (Green Cert) is issued in respect of dwellings that have been assessed, at the request of the homeowner, in accordance with the standard and considered to be free from pyrite.

of €74,670 per dwelling.<sup>22</sup> It is our understanding that the construction industry,<sup>23</sup> the banks,<sup>24</sup> and the insurance sector<sup>25</sup> all contribute in various ways to the PRS. Criticism of the Scheme has largely focused on situations where a test reveals the presence of pyrite but below the specified 'damage threshold', thus leaving householders (e.g. those wishing to sell their property) 'in limbo' without either a certificate of remediation or a 'Green Cert'.<sup>26</sup>

The Pyrite Panel also made a number of *preventative* recommendations going forward. These included: (i) that the insurance sector should engage/re-engage to provide cover against defective materials (ii) that banks play their part in funding testing and remediation work, and (iii) that the State should both ensure that remediation is carried out in a timely manner and that information should be disseminated to relevant stakeholders effectively and efficiently. Academic analysis has suggested that these recommendations remained largely unimplemented as a similar problem emerged in counties Donegal and Mayo, suggesting that the 'burden sharing' approach advocated by the Panel was not being realised in policy terms.<sup>27</sup>

## 1.2.2. Establishment of the Expert Panel on Concrete Blocks

The policy response to the emergence of the 'defective concrete block' (DCB) crisis in counties Donegal and Mayo has essentially followed, at least in outline, that employed in the East Region and consists of four components, namely: (i) the establishment of an expert group to identify the extent and nature of the problem, outline technical remediation options and how these could be applied to deliver '*cost effective and satisfactory outcomes for (affected) homeowners*';<sup>28</sup> (ii) the creation of a quality standard for testing and assessment purposes; (iii) primary legislation, subsequently amended, and; (iv) a scheme, in this case a 'grant scheme' as opposed to a 'remediation' one.

Taking each of these in turn, some three years after the problem emerged as a public policy issue, the government established an independent 'Expert Panel on Concrete Blocks' in April 2016, which reported to the Minister of Housing and Urban Renewal in June 2017. Inter alia, on the basis of the mandated desktop study, the Panel concluded that '*the widespread pattern cracking in private dwellings in Counties Donegal and Mayo is primarily due to the excessive amount of deleterious materials in the aggregate used to manufacture the concrete blocks*'.<sup>29</sup>

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22 See: <https://www.oireachtas.ie/en/debates/question/2025-02-05/602/>, accessed 23<sup>rd</sup> July 2025. It is estimated that up to 4,000 dwellings may be eligible for remediation under the PRS at an estimated cost of approximately €230 million by 2026. See: 'Pyrite remediation to cost estimated €230m by 2026, figures show', Irish Times, 30<sup>th</sup> January 2023.

23 By way of a levy. See: <https://www.thejournal.ie/repairs-pyrite-homes-722056-Dec2012/>, accessed 29<sup>th</sup> April 2025.

24 By way of contributions to an up-front €50 million loan fund. See: <https://www.williamfry.com/knowledge/proposal-for-a-pyrite-levy/>, accessed 29<sup>th</sup> April 2025.

25 Again by way of a levy. See: Pyrite Resolution Board Terms of Reference (available at <https://www.pyriteboard.ie/Pyrite/media/Pyrite/Updated/ToR-for-Pyrite-Resolution-Board.pdf>, accessed 23<sup>rd</sup> July 2025. Further, since June 2014, a section of the industry (HomeBond) contribute towards technical and project management services, under the direction and supervision of the Pyrite Resolution Board and / or the Housing Agency, to the value of €2 million. The arrangements with HomeBond were expected to end in December 2024. (Pyrite Resolution Board (2024), *ibid*, p.5/6).

26 See Dáil Éireann debate, 25<sup>th</sup> May 2017: <https://www.oireachtas.ie/en/debates/question/2017-05-25/12/#:~:text=Without%20the%20certificate%2C%20the%20only,sit%20down%20and%20address%20it>, accessed 24<sup>th</sup> July 2025.

27 Doherty et al (2022), *ibid*, p.159-160.

28 McCarthy et al (2017), p.7.

29 *Ibid*, p.79. The Panel further concluded that '*the deleterious material in County Donegal was primarily muscovite mica while in County*

The Panel further outlined a sliding scale of five remediation options ranging from demolition down to foundation level<sup>30</sup> and rebuild (option 1), to re-build of outer leaf only (option 5).<sup>31</sup> To facilitate such determinations and address existing professional inconsistencies, the Panel recommended the development of '*a simple standardised protocol to assess and categorise the damage... establish the likely cause... and facilitate an informed judgement to be made by a competent professional regarding the appropriate remediation works to be applied*'.<sup>32</sup>

### 1.2.3. Irish Standard I.S. 465:2018

In response to the Expert Panel Report (June 2017), the Government charged the National Standards Authority of Ireland (NSAI) with the development of an Irish Standard 'for use by those who intend to provide assessment and testing services for dwellings that are suspected of being affected by defective concrete blocks'.<sup>33</sup> The Standard, which came into effect on the 13<sup>th</sup> November, 2018 contains sections on two specified materials, namely 'mica' and 'pyrite', and describes its scope (our italics) as follows:

'(a) (This Irish Standard) establishes *a protocol* for assessing and determining whether a building has been damaged by concrete blocks containing excessive amounts of certain deleterious materials (aggregate containing free or unbound muscovite mica or potentially deleterious quantities of pyrite);

(b) describes *methods for establishing the extent of the problem* and categorises dwellings;

(c) describes the *scope of any testing* required and evaluation of the findings, and;

(d) provides the Chartered Engineer with guidance on the *selection of appropriate remedial works* to be undertaken'.<sup>34</sup>

In an accompanying Press Release dated 20<sup>th</sup> November 2018, the government made reference to the forthcoming introduction of '*a grant scheme of financial assistance to support affected homeowners in the two counties to carry out the necessary remediation works to dwellings that have been damaged due to defective concrete blocks*'.<sup>35</sup> The Scheme itself subsequently came into effect at the outset of 2020, just before the first Covid-19 cases were being reported in Ireland.<sup>36</sup>

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Mayo it was primarily reactive pyrite', and that 'related ingress of moisture into the concrete blocks... was possibly accelerated by the extreme weather conditions in winter 2009 / 2010 and late winter 2010'.

30 The reference to 'foundation level' is specified in the case of Donegal but not Mayo (*ibid*, p.77-78).

31 *Ibid*, p.77-78.

32 *Ibid*, p.82.

33 National Standards Authority of Ireland (2018). *Irish Standard I.S. 465:2018: Assessment, testing and categorisation of damaged buildings incorporating concrete blocks containing certain deleterious materials*. Dublin: National Standards Authority of Ireland (NSAI).

34 *Ibid*, p.7.

35 See: <https://www.gov.ie/en/department-of-housing-local-government-and-heritage/press-releases/department-of-housing-planning-and-local-government-welcomes-the-publication-of-is-4652018-assessment-testing-and-categorisation-of-damaged-buildings-incorporating-concrete-blocks-containing-certain-deleterious-materials/>, accessed 19<sup>th</sup> April 2025.

36 See: <https://www.hpsc.ie/a-z/respiratory/coronavirus/novelcoronavirus/surveillance/covid-19annualreports/First%20year%20of%20the%20COVID-19%20pandemic%20in%20Ireland.pdf>, accessed 28<sup>th</sup> July 2025.

## 1.2.4. The Defective Concrete Block Scheme 2020

Some seven years after the issue came to the public prominence, the first grant scheme itself - confined to counties Donegal and Mayo - was introduced in January 2020.<sup>37</sup> The Regulations specified a number of eligibility, process and grant approval requirements. The first applications were opened on Monday 29<sup>th</sup> June of that year.<sup>38</sup> The Scheme has now been amended so we do not propose to spend much time on it here, but arguably its key feature was what is often referred to as the so-called 90/10 provision (a maximum of 90% of the approved/actual cost as appropriate was payable), thereby placing a degree of financial responsibility on homeowners.<sup>39</sup> Allied to this were limits on remediation depending on the relevant Engineer's recommendation, ranging from €55,000 to €275,000 depending on the option recommended.

A number of challenges associated with accessing and using the '90/10' scheme subsequently arose, not least affordability issues associated with the householder contribution element.<sup>40</sup> These concerns led to a campaign for 100% redress, the establishment of a government working group, some amendments to the scheme but more fundamentally, the subsequent publication of a revised scheme, the one of current contextual relevance to this research and to which we now turn.<sup>41</sup>

## 1.2.5. The Enhanced Defective Concrete Blocks Grant Scheme 2023

The Enhanced Defective Concrete Blocks Grant Scheme 2023<sup>42</sup> is underpinned by legislation in the form of the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022<sup>43</sup> and related regulations, namely the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Regulations 2023 (S.I. 347/2023);<sup>44</sup>; the latter were further amended by way of the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022 (Section 11) Order 2024 (S.I. 577/2024).<sup>45</sup>

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37 By way of a Statutory Instrument (S.I. 25 of 2020), namely the 'Dwellings Damaged by the Use of Defective Concrete Blocks in Construction (Remediation) (Financial Assistance) Regulations 2020'. See: <https://www.irishstatutebook.ie/eli/2020/si/25/made/en/print>, accessed 29<sup>th</sup> April 2025.

38 See: <https://www.donegallive.ie/news/news/553437/mica-redress-scheme-to-open-on-monday.html>, accessed 29<sup>th</sup> April 2025. The article puts a figure of €40 million on the Scheme.

39 Doherty et al, *ibid*, p.155.

40 Among the barriers to entry to the scheme were: inadequate set rates regarding rebuilding costs; exclusion of certain 'up-front' and 'finishing' costs which had to be borne by the homeowner; prohibitive damage thresholds; insufficient overall cost grant cap; and resulting shortfalls requiring the homeowner to find considerable sums of money. See: Hegarty, M. and Murphy, J. (2022) Briefing document on defective materials in Mayo. Presentation to the Joint Oireachtas Committee on Housing, Local Government and Heritage on the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Bill 2022, 23<sup>rd</sup> June 2022. Various terms, conditions, caps and exclusions were also articulated in a Joint Oireachtas Committee hearing in June 2022 to which householders among others contributed. See: [https://www.oireachtas.ie/ga/debates/debate/joint\\_committee\\_on\\_housing\\_local\\_government\\_and\\_heritage/2022-06-23/2/](https://www.oireachtas.ie/ga/debates/debate/joint_committee_on_housing_local_government_and_heritage/2022-06-23/2/), accessed 30<sup>th</sup> April 2025.

41 Doherty et al, *ibid*, p.155.

42 See: <https://www.gov.ie/en/department-of-housing-local-government-and-heritage/services/defective-concrete-blocks-grant-scheme/>, accessed 30<sup>th</sup> April 2025.

43 See: <https://www.irishstatutebook.ie/eli/2022/act/28/enacted/en/html>, accessed 30<sup>th</sup> April 2025.

44 See: <https://www.irishstatutebook.ie/eli/2023/si/347/made/en/print>, accessed 30<sup>th</sup> April 2025.

45 See: <https://www.irishstatutebook.ie/eli/2024/si/577/made/en/print>, accessed 6<sup>th</sup> June 2025. This Order increased certain maximum limits; the current overall scheme limit is now thus €462,000.

The Enhanced Scheme is funded - at least in part - by a so-called 'Defective Concrete Products Levy', introduced on 1<sup>st</sup> September 2023, which consists of a 5% levy on concrete blocks, pouring concrete and other concrete products, paid by the person or company who first supplies or sells the concrete product.<sup>46</sup> The introduction of the levy stems from a government 'polluter-pays' decision of November 2021 'that a levy should be imposed on the construction sector to contribute towards meeting the substantial cost of the (sic) Mica Redress Scheme'.<sup>47</sup>

Details of the enhanced scheme were published by the Department of Housing, Local Government and Heritage (DHLGH) on 3<sup>rd</sup> July 2023.<sup>48</sup> The core elements of the Scheme from a user perspective are helpfully set-out on the Citizens Information website, summarised below as follows:<sup>49</sup>

- **Upper grant limit:** 100% of remediation work covered up to a maximum of €462,000 (previously €420,000) depending on your home damage and size.
- **Remediation options:** 5 ranging from a full demolition and rebuild of your property, to a demolition and rebuild of the outer leafs of the affected walls<sup>50</sup>
- **Assessment:** The Housing Agency will assess and test your property to see which option is most suitable. If you don't get the full rebuild option and then need a full rebuild in the next 40 years, the scheme guarantees that you can get another grant.
- **What is covered:** Professional fees; A building condition assessment report; Approved remediation works; Alternative accommodation costs; Removal and storage costs; Essential immediate repair work; The cost of disconnecting and reconnecting services and utilities like electricity and internet; Value Added Tax (VAT)
- **Eligibility:** your property must be damaged because defective concrete blocks were used to build it; must be in Clare, Donegal, Limerick, Mayo or Sligo; must be your main residence, or a rented property that was registered with the Residential Tenancies Board before 2 November 2021; must have been built before 31 January 2020; and must not be an unauthorised structure.
- **Application process:** (i) first get a (competent professional's) building condition assessment (BCA)

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46 See: <https://www.citizensinformation.ie/en/housing/housing-grants-and-schemes/local-authority-housing-grants-and-supports/schemes-for-houses-affected-by-pyrite-or-mica/#0c684b>, accessed 2<sup>nd</sup> May 2025.

47 See: <https://www.gov.ie/en/department-of-finance/press-releases/minister-donohoe-announces-changes-to-defective-concrete-products-levy-and-the-rental-tax-credit/#defective-concrete-products-levy>, accessed 2<sup>nd</sup> May 2025.

48 A small number of 'community facilitators' - employed by local development companies by way of funding provided by the DHLGH and channelled through relevant local authorities - are available to support and guide homeowners through the application process and facilitate access to relevant support services. See: <https://www.gov.ie/en/department-of-housing-local-government-and-heritage/collections/defective-concrete-blocks-grant-scheme-community-facilitators/>, accessed 18<sup>th</sup> August 2025.

49 See: <https://www.citizensinformation.ie/en/housing/housing-grants-and-schemes/local-authority-housing-grants-and-supports/schemes-for-houses-affected-by-pyrite-or-mica/#aaf6f6>, accessed 30<sup>th</sup> April 2025.

50 Foundations however are specifically excluded as works which do not qualify for grant assistance under the Enhanced Scheme: 'Homeowners are not precluded from carrying out works to their home which do not qualify for grant assistance. The cost of any such work must however be borne by the homeowner. A non-exhaustive list of non-qualifying works, which are outside the scope of this grant scheme (include) remedial works to foundations, and associated ground works... Foundations can be left in situ and built upon and this is the approach recommended'. See: <https://assets.gov.ie/static/documents/enhanced-defective-concrete-blocks-grant-scheme-ministerial-guidelines.pdf>, p.6-7, accessed 28<sup>th</sup> July 2025.

report (approximate cost €500 to €750,<sup>51</sup> reimbursable if your application is successful); (ii) apply to your local authority if you meet the specified damage threshold;<sup>52</sup> (iii) your local authority will then refer your application and report to the Housing Agency; (iv) if the Housing Agency confirms you meet the damage threshold,<sup>53</sup> they will get a competent engineer to assess and test your property, decide on the appropriate remediation option and associated grant amount, and advise you accordingly (NB. Actual grant payments are administered in stages by the local authority).

- **Reviews:** Since 6 November 2024, you can get the Housing Agency to complete a technical review of your application, if you were offered a remediation option that was not the full demolition of your home. The review of your application will consider recent research about damaged properties in Donegal. If you decide to continue with the remediation works, you continue to have the 40-year government guarantee.
- **Appeals:** If you are not happy with a decision made when applying for the scheme, you can appeal it to an Independent Appeals Panel. You can appeal about (a) how your local authority validates your application (b) The Housing Agency's decision about whether your home meets the damage threshold for the scheme (c) The remediation option that is chosen for your home (d) The grant amount that is approved for your home (e) If the local authority refuses to make the grant payment that has been approved.
- **Transferability:** If you applied for the original remediation scheme, your application transfers to the enhanced scheme. You will benefit from the increased grant amounts available under the enhanced scheme.

In comparison to the preceding "East Region" (PRS) scheme outlined above (Section 1.2.1.), four key differences between that PRS and Enhanced Schemes are notable. First, as regards terminology, the PRS is a 'remediation scheme' whereas the Enhanced Scheme is a '*grant scheme of last resort*',<sup>54</sup> based on vouched expenses. Second, whereas *project management* for the PRS is largely the responsibility of a statutory body in the form of the Housing Agency, in the case of the Enhanced Scheme, this *burden is primarily placed on the homeowner*. Third, *no exceptional 'up-front' payments* are available through the Enhanced Scheme. And fourthly, as we understand it, there is *no duty* placed on the banking and insurance sectors to contribute to the Enhanced Scheme, in contrast to the PRS.<sup>55</sup> It is also noteworthy that there is an independent statutory body which publishes periodic updates on the PRS, namely the Pyrite Resolution Board.

On the latter point, during the course of our research, we noted inconsistencies in data production between various public bodies. While Donegal County Council produce in-depth data on various aspects of the

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51 We have reports that the cost in Donegal is now considerably higher.

52 The damage threshold 'is designed to ensure the worst affected homes are remediated first'. See: Oireachtas Library & Research Service (2022). L&RS Bill Digest: Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Bill 2022. Dublin: Oireachtas Library & Research Service, p.3.

53 If so, the Housing Agency will then inform your local authority and they will inform you.

54 See: <https://www.oireachtas.ie/en/debates/question/2025-05-15/103/>, accessed 24<sup>th</sup> July 2025. The official reasons for this are stated to be relative scale, flexibility demands, and the contrasting number of remediation options.

55 The Banking and Payments Federation Ireland (BPF) have however proposed a 'bank guarantee' type scheme to deal with the barrier of up-front payments. See: <https://www.kildarestreet.com/committees/?id=2024-05-01a.435>, accessed 28<sup>th</sup> July 2025.

Scheme,<sup>56</sup> we were unable to identify similar details with regard to Mayo County Council, and it is noteworthy that a parliamentary question was put to the relevant Minister by a local TD on this very issue in March this year.<sup>57</sup> The existence of a national dataset was, however, highlighted in a recent newspaper article,<sup>58</sup> but the information provided<sup>59</sup> is much less detailed than that produced by Donegal County Council and consists mainly of headline data. The published figures indicate that up to end-May 2025, relatively few completions have taken place (7.1%) and that fewer than half of those initially thought to be affected by the defective concrete block crisis in Donegal have applied to the Scheme (Table 2 below).<sup>60</sup>

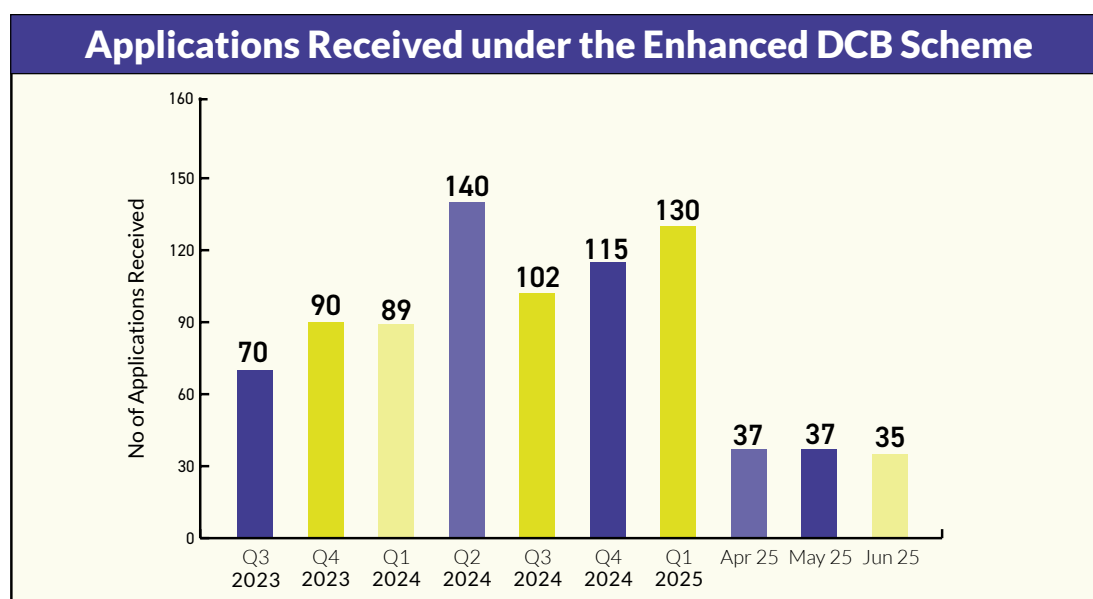
TABLE 2: Defective Concrete Block Scheme Applications, Approvals and Completions.

	Donegal Co. Council	Mayo Co. Council	Total
Total Applications	2,106	429	2,535
Commencements	613	242	N/A
Completions	102	79	181

Source: Donegal County Council and Department for Housing, Local Government and Heritage.

It is noticeable however that the number of new applications in Donegal dropped by around 22% in Q2-2025 compared with the corresponding quarter for last year; the figure is also down by 16% on Q1-2025 (see Figure 1 below).<sup>61</sup>

Figure 1: Applications Received by Donegal Co. Council under the Enhanced Defective Concrete Blocks Grant Scheme



Source: Donegal County Council.

56 See: <https://www.donegalcoco.ie/media/epqnk1dd/monthly-report-on-dcb-applications-as-at-30th-june-2025.pdf>, accessed 28<sup>th</sup> July 2025.

57 See: <https://www.oireachtas.ie/en/debates/question/2025-03-19/898/>, accessed 28<sup>th</sup> July 2025.

58 'A scheme for the wealthy': Just 7% of applicants have had defective concrete homes fixed' Irish Times, 21<sup>st</sup> August 2025.

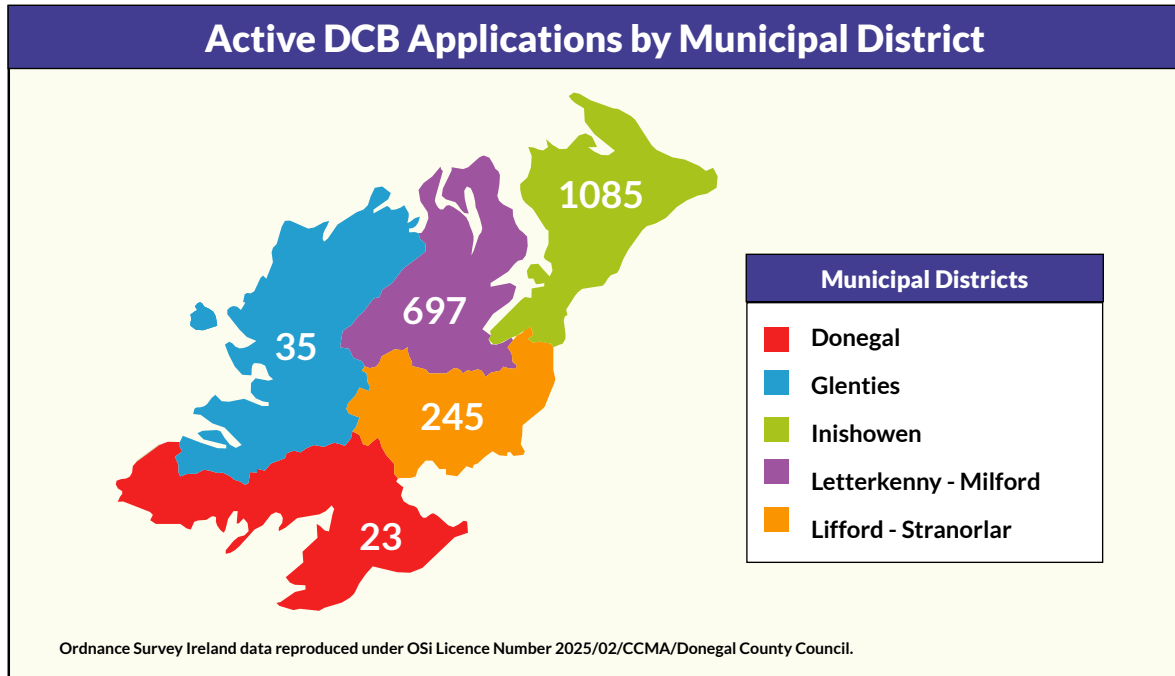
59 See: <https://www.gov.ie/en/department-of-housing-local-government-and-heritage/collections/statistics-for-defective-concrete-block-scheme/>, accessed 21<sup>st</sup> August 2025.

60 Based on the Expert Group's estimate of up to 4,800 affected properties in Donegal: see McCarthy et al (2017), *ibid*, p.80.

61 Donegal County Council, *ibid*, p.6.

There is also an important spatial dimension to applications,<sup>62</sup> as shown below:

Figure 2: Active Grant Scheme Applications in Co. Donegal by Municipal District



Source: Donegal County Council.

The June 2025 Donegal progress report also contains some important findings with regard to the operation of the EDCBGS in practice. The salient points are as follows:

- To date, **98%** of applications assessed by the Housing Agency have been determined to meet the Damage Threshold.<sup>63</sup>
- The average remediation grant approved by the Housing Agency is €347,545.<sup>64</sup>
- Over 70% (71.3%) of approvals are for full demolition and re-build (option 1).<sup>65</sup> This means that in approaching 3 in 10 cases, the decision involves some form or combination of 'leaf demolition and rebuild' only.
- In terms of the staged allocation of payments, around 88 applicants every month have received a payment since the inception of the enhanced scheme, a figure which has increased to an average of 171 payments per month for the first half of 2025.<sup>66</sup>

<sup>62</sup> Ibid, p.7.

<sup>63</sup> Ibid, p.3.

<sup>64</sup> Ibid, p.4. Taking both the Enhanced and previous Schemes together, 1,170 grant amounts have been decided amounting to a total of €397,104,538, an average of €339,405 per grant (ibid, p.7). This includes 591 grants from the previous scheme (which averaged out at a lower figure of €331,997 per grant). As of end-May 2025, a total of €109,853,154 has been paid out.

<sup>65</sup> Ibid, p.4.

<sup>66</sup> A total of 2,118 payments have been made over a 24 month period, ibid, p.5.

- The average timescale for Determination of Damage Threshold *alone* by the Housing Agency is around two months (60 days).<sup>67</sup>
- 73% of all approved applicants have now submitted the required information (Declaration of Floor Area - DOFA, dimensioned drawings) to enable Grant Calculation by Donegal County Council.<sup>68</sup> This means that over a quarter of approved applicants have not done so.

To provide some context here, an initial regulatory impact assessment (RIA) as to the possible total cost of the scheme including inflation, estimated the overall cost of the scheme, including provision for inflation at 3% per annum for a period of 15 years, to amount to €2.7 billion.<sup>69</sup> This figure is calculated on an average cost of €244,000 per home<sup>70</sup> and based on a likely number of 7,500 homes expected to be eligible for grant assistance.<sup>71</sup> The State is thus devoting considerable resources to addressing the problem; in Donegal alone, taking both the enhanced and previous schemes together, 1,170 grant amounts have been decided amounting to a total of €397,104,538, an average of €339,405 per grant<sup>72</sup>. This includes 591 grants from the previous scheme (which averaged out at a lower figure of €331,997 per grant). As of end-May 2025, a total of €109,853,154 has been paid out. As we will see later however, the issue is that the Scheme could work more inclusively, effectively and expediently (Section 6.1).

## 1.3. Issues and Concerns

The most recent figures with respect to the Enhanced Defective Concrete Blocks Grant Scheme (EDCBGS) suggest that take-up in Donegal at least is lower than that expected in official estimates, and that there have been relatively few ‘complete remediations’ (just 181) since the first scheme went ‘live’ in January 2020, some five and a half years ago. While the new Scheme comprises certain enhancements,<sup>73</sup> there is emerging evidence that access and use barriers remain. Below we consider three of these most relevant to our research, namely: (i) the scientific dimension; (ii) financial costs, in particular, up-front costs, and the ability to mortgage and insure affected properties going forward, and (iii) the project management aspect.

### 1.3.1. The Emerging Science

Perhaps the most important development in relation to public policy in this area relates to the scientific understanding underpinning it. As we have seen earlier, it was initially thought that the problem was caused primarily by excess mica (in Donegal) and pyrite (in Mayo), hence the EDCBGS was designed on this basis.

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<sup>67</sup> *Ibid*, p.3.

<sup>68</sup> *Ibid*, p.2.

<sup>69</sup> Department of Housing, Local Government and Heritage (2022). *Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Bill 2022: Regulatory Impact Assessment*. Dublin: Department of Housing, Local Government and Heritage.

<sup>70</sup> The average grant thus appears to exceed the original estimate by around €100,000.

<sup>71</sup> Taking into account that the scheme may have to be extended to the counties of Clare, Limerick, Sligo, Tipperary and possibly beyond.

<sup>72</sup> *Ibid*, p.7

<sup>73</sup> See: Oireachtas Library & Research Service (2022), *ibid*, p.3.

The emerging evidence suggests, however, that the underlying problem may relate to a further substance, namely pyrrhotite 'oxidising and releasing sulfur, which is really problematic because this turns into sulfuric acid which then goes on to destroy the concrete by a process called internal sulfate attack'.<sup>74</sup> This development is significant because it suggests that the enhanced scheme may be based on a flawed assumption and thus may not be adequate to address the issue comprehensively.

The upshot of this emerging research is that a review of the relevant Irish Standard (I.S. 465) is being undertaken at the time of writing, with the public consultation element having only recently been closed.<sup>75</sup> Once this work has been completed, a revised standard is to be published, which may entail a review of existing remediation determinations as well as underpinning future ones. A related amendment Bill is also in the pipeline.<sup>76</sup> The upshot of this development is that 'following the publication of any revised standard published by the NSAI, the enhanced DCB scheme will be reviewed and any amendments that may be required will be considered at that point'.<sup>77</sup>

In the interim, Ministerial Guidance in relation to the Scheme includes the following statement: 'The Housing Agency will, in their analysis and deliberations, take into consideration the presence of pyrrhotite'.<sup>78</sup> A key area of concern here relates to whether the foundations of homes may be defective, given that such works are not covered by the scheme as outlined earlier and that academic research appears to have identified foundations that are at risk of deterioration due to pyrrhotite/internal sulphate attack.<sup>79</sup> Ministerial Guidance in relation to the Scheme thus now includes the following statement:

*The issue of foundations is under review by the National Standards Authority of Ireland (NSAI) and, should the current position change, provision will be made to in respect of foundations within the Enhanced Grant Scheme. Once the necessary review has been concluded and any revised standard published the Enhanced Defective Concrete Blocks Grant Scheme will be reviewed at that point having regard to any amended standard.*<sup>80</sup>

As a result, householders who have applied under either the initial or enhanced schemes - or who may be thinking of applying - appear to find themselves in a state of uncertainty or 'limbo', as it would appear are the various stakeholders involved such as professionals, service providers and statutory bodies, until the pyrrhotite/Irish Standard/Scheme relationship is resolved.<sup>81</sup> A related issue here concerns disputes between engineering professionals on the basis of the existing standard.<sup>82</sup>

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74 See: <https://www.rte.ie/news/ireland/2024/0817/1465391-mica-scheme/>, (17<sup>th</sup> August 2024), accessed 30<sup>th</sup> April 2025.

75 See: <https://www.nsainep.ie/Home/Expired/33540>, accessed 28<sup>th</sup> July 2025.

76 See: Dáil Éireann Debate on Defective Building Materials, 10<sup>th</sup> June 2025, available at: <https://www.oireachtas.ie/en/debates/question/2025-06-10/759/#:~:text=This%20review%20will%20be%20informed,and%20publish%20the%20revised%20standard.&text=It%20is%20not%20possible%20to,742>, accessed 28<sup>th</sup> July 2025.

77 See: <https://www.rte.ie/news/ireland/2024/0817/1465391-mica-scheme/>, (17<sup>th</sup> August 2024), accessed 30<sup>th</sup> April 2025.

78 See: <https://assets.gov.ie/static/documents/enhanced-defective-concrete-blocks-grant-scheme-ministerial-guidelines.pdf>, accessed 28<sup>th</sup> July 2025, p.6.

79 See: <https://www.independent.ie/irish-news/only-43-mica-damaged-homes-in-donegal-have-received-full-grants-from-redress-scheme/a1389293175.html>, (28<sup>th</sup> January 2024), accessed 30<sup>th</sup> April 2025.

80 See: <https://assets.gov.ie/static/documents/enhanced-defective-concrete-blocks-grant-scheme-ministerial-guidelines.pdf>, accessed 29<sup>th</sup> July 2025, p.7. The Guidelines further state inter alia that 'in relation to works carried out under remediation options 2-5, a second grant option is available for such a home for a period of 40 years, if within that period, blockwork which was not removed as part of the initial remediation work subsequently proves defective in accordance with the IS:465:2018 standard', *ibid*, p.2.

81 'Limbo' is the term used by a Chartered Engineer in a related Joint Oireachtas Committee debate last year (1<sup>st</sup> May 2024). See: <https://www.kildarestreet.com/committees/?id=2024-05-01a.435>, accessed 30<sup>th</sup> April 2025..

82 See: <https://www.rte.ie/news/ireland/2024/0817/1465391-mica-scheme/>, accessed 29<sup>th</sup> July 2025.

## 1.3.2. Financial and Up-Front Costs

The improved terms of the Enhanced Scheme are clearly set out in official documents, but evidence is also emerging of homeowner dissatisfaction in terms of experiences to date as regards both access and use issues from a financial perspective. Inability to afford the expense involved in foundation testing (not covered by the Scheme) – and replacing foundations<sup>83</sup> – has been raised at political level,<sup>84</sup> while the lack of up-front funding to meet testing fees and the capital costs associated with initial and ongoing remediation works has also been cited.<sup>85</sup> Arguably the biggest financial barrier, however, is presented by what many perceive to be the various costs still incurred by homeowners *not provided for* by the Scheme.<sup>86</sup> Various examples of these were cited by homeowner representatives during a related Dáil debate and include the following:<sup>87</sup>

- Finishing costs such as carpets, kitchens, curtains, painting, and reinstatement of bathroom tiles;
- Flooring;
- Certain fees, including planning fees;
- Boundary walls and garages;
- Sewerage costs;
- Removal of rubble to licensed tips;
- Re-instating gardens and lawns;
- Inflation (not just in terms of testing and building costs, but also in terms of prescribed square foot rates for grant calculations which do not appear to take into account rising costs);<sup>88</sup>

More general issues which have financial implications for householders include the inability to downsize,<sup>89</sup> and the ‘slow’, ‘complex’ and ‘cumbersome’ nature of the scheme’s administration.<sup>90</sup> While there are relatively few specific references to the impacts of the Defective Concrete Block Crisis – or indeed of the related Grant Schemes – on over-indebtedness in general and mortgage arrears specifically,<sup>91</sup> the experiences cited

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83 Our understanding is that this could amount to €15,000-€20,000.

84 By Rose Conway-Walsh TD, Joint Oireachtas Committee on Finance, Public Expenditure and Reform, and Taoiseach: Defective Concrete Blocks: Discussion Wednesday, 1 May 2024.

85 See for example: European Parliament (2024). Mission Report following the fact-finding visit to the region of Donegal (Ireland) from 30 October to 1 November 2023 on the use of defective mica blocks in construction in Ireland. Brussels: European Commission.

86 Various estimates put these at €40,000 to €50,000, or even as high as €100,000. See: <https://www.mayonews.ie/news/home/1339112/first-pyrite-infected-home-in-westport-demolished.html>, accessed 29<sup>th</sup> July 2025. A waiver of VAT costs in this context has also been suggested.

87 See: [https://www.oireachtas.ie/en/debates/debate/joint\\_committee\\_on\\_housing\\_local\\_government\\_and\\_heritage/2022-06-23/2/?highlight%5B0%5D=defective&highlight%5B1%5D=concrete&highlight%5B2%5D=blocks&highlight%5B3%5D=bill&highlight%5B4%5D=2022](https://www.oireachtas.ie/en/debates/debate/joint_committee_on_housing_local_government_and_heritage/2022-06-23/2/?highlight%5B0%5D=defective&highlight%5B1%5D=concrete&highlight%5B2%5D=blocks&highlight%5B3%5D=bill&highlight%5B4%5D=2022), accessed 29<sup>th</sup> July 2025.

88 See: Hegarty and Murphy (2022), *ibid*.

89 See: Hegarty and Murphy (2022), *ibid*.

90 This has reportedly led to builders walking off sites in Donegal. See: <https://www.donegaldaily.com/2025/07/22/builders-walking-off-sites-due-to-dcb-payment-delays-council-hears/>, accessed 29<sup>th</sup> July 2025.

91 The BPF reports that relatively few borrowers have approached the three retail banks for assistance to date, but that specialised area-concentrated/specialised teams are in place in these institutions. No reference is, however, made to non-bank entities. Further, that borrowers can elect (our italics) to be treated as vulnerable customers. See: <https://www.kildarestreet.com/committees/?id=2024-05-01a.435>, accessed 29<sup>th</sup> July 2025.

below hint at a broader underlying problem:

*Mr and Ms (X) described their efforts and sacrifices to pay off the mortgage for their house. The problem started with small cracks that became bigger and bigger. They repaired the exterior leaf but the problem expanded. They had to apply for total demolition under the Scheme, adding that they need to take a new mortgage.<sup>92</sup>*

*The cap forces 33% of our homeowners into even more debt. It leaves them unable to send their children to college or unable to rebuild a granny flat for their parents. Homeowners will not be able to draw down a top-up or second mortgage as their homes are currently worthless, while many are still repaying their first mortgage.<sup>93</sup>*

*Faced with a choice between paying for repair work to save his home from being condemned and keeping up his monthly mortgage payments, (named person, aged 42) decided to get the construction work done and is now €20,000 in arrears...He applied to his bank for a loan top-up so he could pay for the repair work. "I was told they couldn't because the house was worth nothing.... (he) hired a contractor to do the work anyway and arranged to pay the €17,000 bill to keep that side of the house standing in weekly instalments. The bank agreed to allow (him) to pay interest only on his mortgage for a short period but when this expired he was required to pay the full amount. "So I gave him [the contractor] the mortgage money every month. I had to pay the builder back, I didn't have the money to pay both."<sup>94</sup>*

Finally from a financial perspective, concerns have been raised about the ability of borrowers with mortgages on defective properties to borrow in the future, for example to fund home improvements, given the likely need to do so in light of potential grant shortfalls. The industry response here is that normal creditworthiness assessments would apply in such circumstances, that no special rate will apply to impacted borrowers, and that professionally certified remediation certificates will facilitate both lending and insurance going forward.<sup>95</sup> Where properties have not been tested, the situation – both in terms of accessing further loans and potential sales to purchasers necessitating a mortgage - is much less clear; our sense is that a formal test would be required in such circumstances.<sup>96</sup>

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<sup>92</sup> European Parliament (2024), *ibid*, p.5.

<sup>93</sup> See: Hegarty and Murphy (2022), *ibid*, p.3.

<sup>94</sup> See: <https://www.thejournal.ie/mica-vulture-fund-4305211-Oct2018/>, accessed 29<sup>th</sup> July 2025.

<sup>95</sup> 'BPMI members, that is, AIB, EBS, Haven, Bank of Ireland and PTSB, have a willingness to lend based on the certification and professional opinion provided by others in the conveyancing process, as per the standard process by which mortgages are approved. This position is confirmed in respect of all of the remediation options, Nos. 1 to 5, under the grant scheme. It also applies to the future sale of remediated properties, to the switching of mortgages attached to remediated properties and to future top-ups'. (See: <https://www.kildarestreet.com/committees/?id=2024-05-01a.435>, accessed 29<sup>th</sup> October 2025). The BPMI has also confirmed that the so-called damage default clause will not be invoked and further, that there is no obligation on borrowers to inform their lender where there has been confirmation of defective materials in the property, although this would be encouraged to facilitate relevant lender supports. See: <https://bpfi.ie/dcb-info/>, accessed 29<sup>th</sup> October 2025.

<sup>96</sup> See the above Dáil debate, *ibid*.

### 1.3.3. Project Management

The issue to arise here concerns the responsibility placed on homeowners to in essence 'project manage' their own remediation work, particularly where it concerns a demolition and re-build as in the vast majority of grant approvals. While this issue has been touched on in the various pieces of literature reviewed earlier, it was brought to light most clearly in a media article focused on an affected householder who happens to be a project manager themselves.<sup>97</sup> Among the various dimensions cited are management of the following: demolition; commuting to work and school; alternative accommodation; storage; the re-build itself, and; essential services (waste, electrical and water), while also dealing with the emotional trauma of the whole situation.

*As well as a business degree, (named person) has a diploma in project management which she never imagined would become so useful. So, these days her evenings are filled with spreadsheets as she meticulously plans the demolition of the home she created over two decades ago. The emotional toll is clear though as she recalls how lucky she felt to purchase this house... (she also) stresses that she knows only too well she is relatively lucky, unlike some of her neighbours who have children and cats and dogs to worry about during this major disruption.*

*She cites the fact that the family who owned the first house which was knocked in early November have had to relocate 46 kilometres away, whilst commuting back to school and work. "I'm not sure where I will be living after my house is demolished. My workplace is just up the road and whilst my family have offered me a room, of course, they have busy households and I am used to my own space," she says.*

*Indeed, there are so many hoops she has to jump through before then, she really hasn't had time to dwell on it. "I'm going to project manage the entire process in a bid to make it more affordable. That means finding storage for all my stuff, insuring the site, devising a waste and building management plan, organising an electrical and water supply for the various tradespeople, and that is before the rebuild even starts," she explains.*

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<sup>97</sup> See: <https://www.irishtimes.com/ireland/housing-planning/2024/01/01/i-really-couldnt-believe-my-luck-when-i-found-my-dream-home-says-woman-spending-her-last-christmas-in-pyrite-riddled-property/>, accessed 29<sup>th</sup> July 2025.

## 1.4. Summary

The Defective Concrete Block Crisis (DCB) affects thousands of homes in the North West region, although the precise number is unknown. It has its origins in the “Celtic Tiger” period (1999-2008), when - unbeknownst to the families concerned (a prime example of a force majeure event)<sup>98</sup> - deleterious matter became embedded in the materials used to construct family homes. Associated “cracking”, which first manifested itself in the subsequent decade, has resulted both in defective properties and long-term trauma for the families concerned. Attempts to resolve the issue by individual households came to naught as the construction, insurance and banking industries respectively eschewed responsibility for resolution.

In response to the developing crisis, public policy has concentrated on remediating the **properties** concerned and thereby indirectly, assisting the people who own and live in them. While considerable state resources are being expended on addressing the problem, access and use issues have, however, emerged in relation to the associated statutory-based grant scheme - particularly in terms of associated up-front and total cost shortfalls, and the need for individual homeowners to project- manage remediation works - while the developing science suggests that further amendments to the scheme may be needed to address and resolve the root cause of the problem.

There are two core themes to emerge from our literature and policy review in this respect. The first is one of *unequal burden sharing*, which to date appears to have fallen primarily on the households themselves, despite them being entirely blameless for the crisis which has occurred. This burden lies both in terms of having to live in such distressing circumstances and being assigned primary responsibility for rectifying them, including in terms of having to assume both a financial and project management role in relation to grant scheme-funded remediation works. The absence of a financial contribution towards remediation on part of the banking and insurance sectors, to contribute financially to remediation - in contrast to their financial engagement in helping to address a previous pyrite crisis in the East Region - is noteworthy here.

Further, the burden has been carried by householders for a very long period of time, given that the problems in Donegal and Mayo first emerged in public policy terms as long ago as 2013. Delays in policy implementation and associated administrative processes have thus prolonged the problems experienced by affected homeowners, while the current scientific uncertainty about the root cause of the problem appears to be creating a state of limbo for them.

The second theme relates to what might be termed a public and societal information deficit. We were unable for example to identify a reliable, up to date estimate as to the full extent of the defective concrete block problem in counties Donegal and Mayo, and indeed beyond. Further, there appear to be inconsistencies in the publication of Grant Scheme data between public bodies, with no one ‘official’ template used. Information on the developing science is also difficult to ascertain. Thus, it is hard for society both to get a handle on the full incidence and nature of the problem, and the extent to which social policy is addressing it in practice. Moreover, there does not appear to be any mechanism for garnering learning from the scheme to enable necessary modifications to be expediently made on a periodic basis. It is also noticeable that while there are various sources of publicly available information and support for those potentially impacted, there is no singular source to whom borrowers can reliably turn in the round.

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<sup>98</sup> i.e. *Unforeseeable, external and unavoidable.*



# Section 2.

## The Mortgage Arrears Crisis

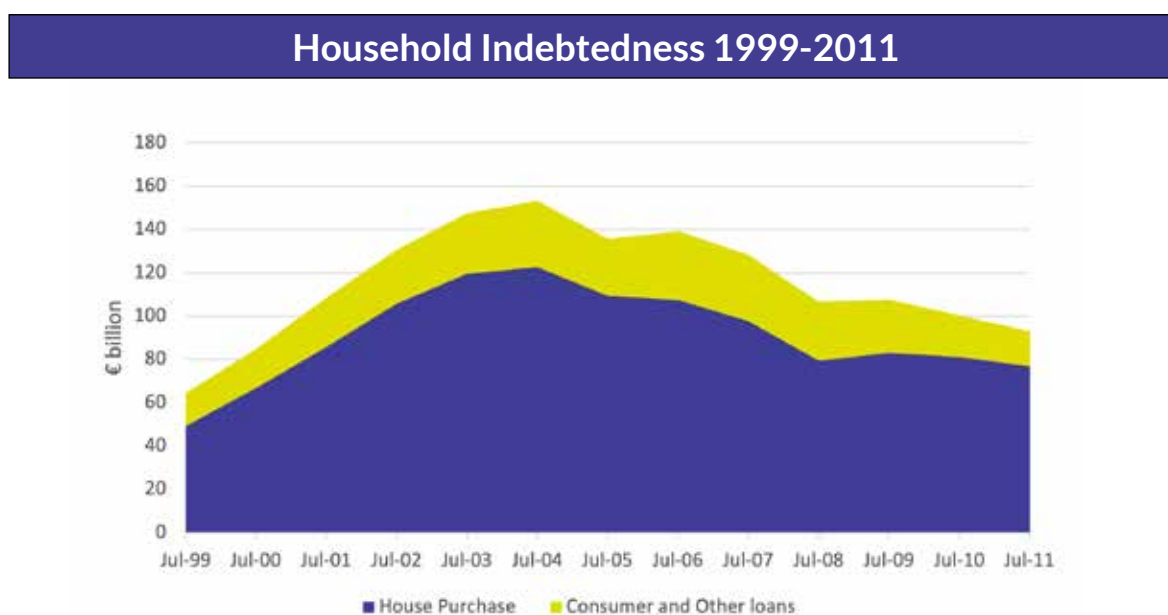
# 2. The Mortgage Arrears Crisis

## 2.1. Origins and Developments

### 2.1.1. The “Credit Boom”

Mirroring the defective concrete block crisis described above, what might be termed the ‘Irish Mortgage Arrears Crisis’ also had its origins in the so-called ‘Celtic Tiger’ period (1999-2008), when a combination of ‘far from prudent lending’ and ‘non-intrusive regulation’, against a backdrop of societal financialisation,<sup>99</sup> development-led economic growth and rising property prices, led to a household credit bubble that subsequently ‘burst’ in the lead up to and aftermath of the Global Financial Crisis in 2008.<sup>100</sup>

Figure 3: Household Indebtedness: 1999-2011



Source: Central Bank Quarterly Reports 1999-2011

During (and particularly towards the end), of this period, increasingly higher mortgages were advanced by way of extended repayment terms, relaxed deposit requirements, inflated loan to income and value ratios, and offers of low introductory interest rates,<sup>101</sup> a further consequence was the emergence for the first time in Ireland of a sub-prime (non-bank) lending sector during 2004.<sup>102</sup>

<sup>99</sup> See: Aalbers, M. (2008) *The Financialization of Home and the Mortgage Market Crisis*. *Competition and Change*, 12(2), 148-166. Also: Downey, D. (2014). *The Financialisation of Irish Homeownership and the Impact of the Global Financial Crisis* in A MacLaran and S Kelly (eds), *Neoliberal Urban Policy and the Transformation of the City*. London: Palgrave Macmillan.

<sup>100</sup> See: *Houses of the Oireachtas* (2016). *Report of the Joint Committee of Inquiry into the Banking Crisis, Volume 1: Report*. Dublin: Houses of the Oireachtas, January 2016.

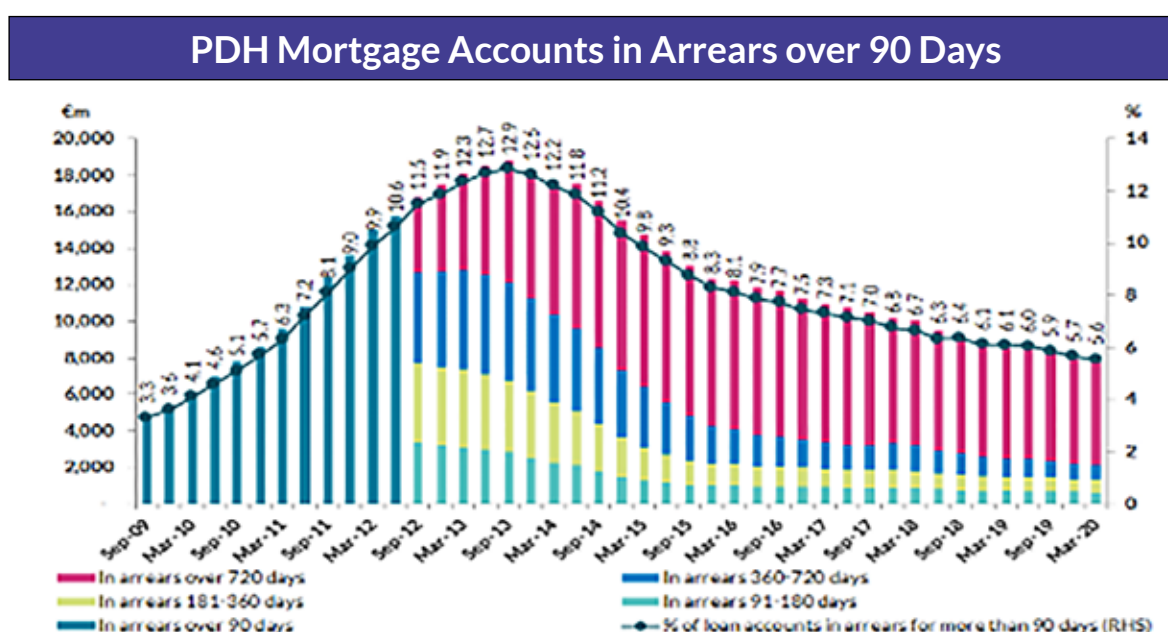
<sup>101</sup> Waldron, R. and Redmond, D. (2013). 'The Extent of the Mortgage Crisis in Ireland and Policy Responses', *Housing Studies*, 29 (1), p.149-165.

<sup>102</sup> Joyce, P. and Stamp, S. (2014). *Redressing the Imbalance: A study of legal protections available for consumers of credit and other financial services in Ireland*. Dublin: Free Legal Advice Centres, p.8.

## 2.1.2. The Global Financial Crisis (GFC)

The Global Financial Crisis (2008) which followed led to a housing market collapse, soaring unemployment, an economic downturn and a full-scale banking crisis in Ireland. It further resulted in what is now commonly referred to in Ireland as the ‘bank bailout’ and the need for the State to enter into an EC/ECB/IMF (“Troika”) programme of financial assistance,<sup>103</sup> which in turn resulted in a subsequent period of austerity across the public finances.<sup>104</sup> Associated spending, employment, welfare and service cutbacks, allied to a ‘credit crunch’, created a mortgage arrears and personal debt crisis that peaked in 2013<sup>105</sup> before ‘deepening’ in the years that followed as the chart below illustrates:

Figure 4: Principal Dwelling House (PDH) Mortgage Arrears Accounts, 2009-2020



Note: The breakdown of arrears greater than 90s days is not available pre-September 2012

Source: Central Bank of Ireland

103 European Commission (2010). Memorandum of Understanding between the European Commission and Ireland. Brussels: European Commission.

104 Whelan, K (2013). Ireland’s Economic Crisis: The Good, the Bad and the Ugly. Dublin: University College Dublin.

105 The peak occurred at the end of June 2013 when a grand total of 142,892 PDH accounts (18.5% or almost 1 in 5) were in arrears. See: <https://www.centralbank.ie/statistics/data-and-analysis/credit-and-banking-statistics/mortgage-arrears>, accessed 7<sup>th</sup> May 2025.

### 2.1.3. Causes of Mortgage Arrears

There are various dimensions (structural,<sup>106</sup> institutional,<sup>107</sup> individual<sup>108</sup> and cultural<sup>109</sup>) to the incurring of over-indebtedness in general including mortgage difficulties. Hence, arrears are not distributed evenly across the principal dwelling house (PDH) mortgage population and the risk of experiencing repayment difficulties increases for certain groups or cohorts. Central Bank commissioned research shows certain borrowers to be more unfortunate than others in this regard, namely those who are:<sup>110</sup>

- On a lower income;
- Who have experienced larger income drops;
- Unemployed and who have experienced job loss;
- In fragile or precarious employment;
- Facing higher mortgage repayment to income (RTI) and loan to value (LTV) ratios;
- Liable for additional equity release mortgages;
- Repaying over longer terms;
- Variable rate borrowers;
- Carrying higher levels of non-mortgage indebtedness.

Demographic factors are also at play here, as the risk of mortgage arrears increases where people have lower formal educational levels and/or a larger number of dependent children. Further, there is evidence that older borrowers (aged over 60) may find it more difficult to resolve longer term mortgage arrears,<sup>111</sup> given age limitations of future income generation and that 'solutions that retain homeownership while clearing debt balances may need to rely on the **value of the property** in the future'.<sup>112</sup> Crucially, the **period of purchase** also matters, in that mortgages drawn down during the latter years of the 'boom' or so-called 'Celtic-Tiger peak' – namely during the 2004 - 2008 period – appear to be more associated with prolonged repayment difficulties than those drawn down at other times.<sup>113</sup>

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106 e.g. *Inequality and life chances*.

107 e.g. *Aggressive marketing of credit and irresponsible lending*.

108 e.g. *Money mismanagement and over-borrowing*.

109 e.g. *The normalisation of home-ownership and use of certain forms of credit*.

110 See in particular: McCarthy, Y. (2014). *Dis-entangling the mortgage arrears crisis: The role of the labour market, income volatility and housing equity*. Dublin: Central Bank of Ireland. Also: McCann, F. (2017). *Resolving a Non-Performing Loan crisis: The ongoing case of the Irish mortgage market*. Dublin: Central Bank of Ireland, Research Technical Paper, 10/RT/17.

111 One quarter of engaged long-term mortgage arrears (LTMA) borrowers are over 60 years of age. See: Kelly, J., Lyons, P., McCann, F. and O'Brien, E. (2021). 'Long-term mortgage arrears: Analytical evidence for policy considerations', *Financial Stability Notes*, Vol. 2021 No.8. Dublin: Central Bank of Ireland, July 2021, p.14.

112 Joyce, P. and Stamp, S. (2021). *Ten Years and Counting: Conclusions from a decade of attempting to resolve family home mortgage arrears*. Dublin: Free Legal Advice Centres, p.42.

113 Central Bank research for example has found that over half (53%) of payment breaks granted during the COVID-19 pandemic involved PDH mortgages drawn down during the years 2004 to 2008. See: Gaffney, E. and Greaney, D. (2020). 'COVID-19 Payment breaks on residential mortgages', *Financial Stability Notes*, Vol. 20, No.5, September 2020, Dublin: Central Bank of Ireland. MABS research has also identified the same period as being associated with longer-term arrears among its client base, particularly where a mortgage broker was involved. See: South Mayo MABS (2016). *An Analysis of Mortgage Arrears Among South Mayo MABS' Clients*. Castlebar: South Mayo Money Advice and Budgeting Service (assisted by Dr Stuart Stamp and Paul Joyce BCL, BL).

## 2.1.4. Consequences of Mortgage Arrears

There is a strong moral and cultural ‘Catholic-familial’ emphasis on the repayment of debt in Ireland,<sup>114</sup> placing both a stigma and psychological burden on those who fall into arrears, even though this is commonly due to external factors such as those outlined above. Payment pressure from creditors, including use of the legal process and associated involvement of the courts, are additional factors here. As a consequence of this combination, those who experience financial difficulty also often undergo a range of psycho-social impacts, such as those referenced in the Table below, identified by way of EU-wide research:<sup>115</sup>

TABLE 3: Self-reported Psychological/Well-being Impacts of Over-indebtedness

<ul style="list-style-type: none"> <li>■ Depression</li> <li>■ Stress</li> <li>■ Pressure (constant)</li> <li>■ Worry (continual)</li> <li>■ Feeling “worn out”</li> <li>■ Fragility</li> <li>■ Anguish</li> <li>■ Needing “calm and rest”</li> <li>■ Being scared/living in fear</li> <li>■ Anxiety</li> <li>■ Feeling “discouraged”</li> </ul>	<ul style="list-style-type: none"> <li>■ Frustration</li> <li>■ Nervousness</li> <li>■ Helplessness</li> <li>■ Despair</li> <li>■ Vulnerability</li> <li>■ Hopelessness</li> <li>■ Loss of control</li> <li>■ Feeling of “betrayal”</li> <li>■ Guilt</li> <li>■ Suicidal ideation</li> </ul>
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Source: European Commission.

## 2.1.5. The Current Mortgage Arrears Situation<sup>116</sup>

At the end of March 2025 a total of 40,332 residential mortgage **accounts** were in arrears amounting to 5.8% of the total stock of 696,538 mortgages on principal dwelling houses (PDH) in Ireland.<sup>117</sup> If we apply the Central Bank of Ireland’s rule of thumb that ‘in broad terms, for mortgage accounts in arrears there is an average of 1.2 accounts per underlying property’,<sup>118</sup> this suggests that there are currently in the region of 33,610 **households** experiencing mortgage arrears across the country.

114 Stamp, S. (2016) “Personal Finance: Financial Services, Access to Credit and Debt Management”, in M. Murphy and F. Dukelow, *The Irish Welfare State in the Twenty-First Century: Challenges and Change*. London: Palgrave Macmillan (p.119-140).

115 Alleweldt, F. and Kara, S. (2013). *The over-indebtedness of European households: updated mapping of the situation, nature and causes, effects and initiatives for alleviating its impact*. Brussels: European Commission, p.172-194.

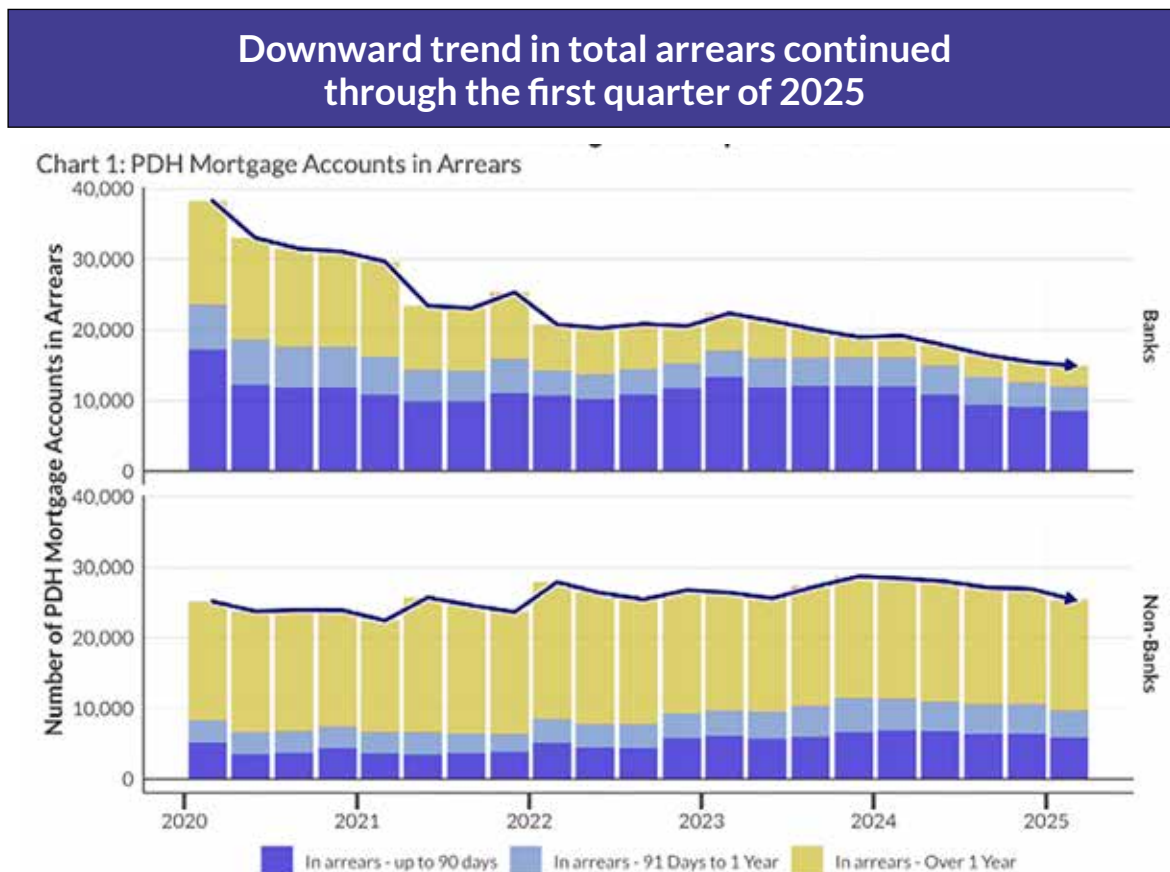
116 Each quarter, the Central Bank of Ireland reports headline mortgage arrears statistics on the basis of returns that are made by lenders on a quarterly basis. In our view, the Bank could and should request and obtain similar information on the position of borrowers in mortgage arrears whose family homes are adversely affected by defective concrete blocks; these data could also be published quarterly as a subset of the overall data to inform public policy development in this context.

117 Central Bank of Ireland (2025). *Residential Mortgage Arrears & Repossessions Statistics – Q1 2025, Statistical Release 13<sup>th</sup> June 2025*. Dublin: Central Bank of Ireland.

118 Duignan, D. Hopkins, A. Meehan, C. and Sherman, M. (2020). *Behind the Data: Understanding Long-term Mortgage Arrears in Ireland*. Dublin: Central Bank of Ireland.

Around two thirds of these arrears accounts (an estimated 63%) are held by non-banks (defined as Retail Credit Firms (RCF) and Credit Servicing Firms (CSF), licensed by the Central Bank), with the remaining third (around 37%) owing to banks. However, when we look at accounts in *longer term arrears*, the proportion involving non-bank entities increases. In terms of accounts in arrears of over one year for example, we find that 84 per cent of these are held by non-banks.<sup>119</sup>

Figure 5: PDH Mortgage Arrears held by Banks and Non-Banks, March 2025



Source: Central Bank of Ireland

This trend is also reflected in cases going through the civil courts, where we identify ‘Non-Bank Entities’ (NBE) as being the plaintiff in over 7 out of 10 (**73%**) cases, over four times their estimated total PDH market share of 16%.<sup>120</sup> As to what is happening in terms of accounts in arrears overall, the current situation is set out in Table 4 below; as can be seen, formal repossession demands and legal proceedings are involved in around 40% of these cases.

119 Central Bank of Ireland (2025), *ibid.*

120 MABS Internal Court Mentor reports, 2015 to date.

TABLE 4: PDH Mortgage Accounts in Arrears, March 2025

Current situation	Number of accounts
No formal demand has been issued for the repossession of the dwelling	25,462
A formal demand has been issued	5,425
Legal Proceedings are in progress	4,655
Legal Proceedings have concluded and arrears remain outstanding	4,790
<b>Total</b>	<b>40,332</b>

Source: Central Bank of Ireland

Further detail provided in these Central Bank figures indicates that:

- A total of 51,695 accounts are classified as restructured.
- Of these 51,695 accounts, split mortgages (16,972), arrears capitalisations (9,734), and term extensions (8,777) are the three most prominent of these restructured arrangements, accounting for 69% of the total.<sup>121</sup>
- 41,975 of these restructured accounts are not in arrears (presumably the remaining 9,720 are still in arrears).
- 44,072 accounts (85%) are meeting the terms of the restructure (hence, 15% are not).

<sup>121</sup> Such measures do not involve any lender 'hit' and can lead to a borrower paying more over the long-term. In contrast, options such as write-down of the mortgage principal or permanent interest-rate reduction appear to be rarely used or at least reported.

## 2.2. Mortgage Arrears Policy Development

In response to the developing mortgage arrears crisis, public policy followed a similar path to that employed to deal with its defective concrete block counterpart. In this case, public policy has concentrated on addressing *the accounts concerned*, and thereby indirectly, assisting the people who owe the mortgages involved. Again, there was a *learning* mechanism to draw on (in this case the experience of the State-funded Money Advice and Budgeting Service – MABS – initially established in 1992)<sup>122</sup>, an *assessment* stage consisting of the establishment of expert groups to make recommendations,<sup>123</sup> and an *implementation/modification* phase involving the creation (and subsequent amendment) of a policy architecture, in this case based on a broader combination of regulatory, legislative, schematic and service elements which we now summarise below, again from a borrower perspective. The overall public policy response to family home mortgage arrears is based on the idea of **'consensual restructuring'**, whereby the State creates frameworks based on debtor disclosure and engagement with a view to hopefully resolving the problem.<sup>124</sup>

### 2.2.1. The Code of Conduct on Mortgage Arrears (CCMA) 2013

The Code of Conduct on Mortgage Arrears (CCMA) has as its core a Mortgage Arrears Resolution Process (MARP).<sup>125</sup> This 2013 Central Bank of Ireland (CBI) Code<sup>126</sup> sets out the rules of engagement for the assessment of clients in mortgage arrears by the lenders it regulates. The CCMA confers responsibilities on creditors which can be sanctioned by the CBI for breaches of its provisions; however, it does not confer rights on borrowers and is therefore generally not admissible in legal proceedings. Further, unlike its counterpart the Consumer Protection Code (CPC), as it stands, the CCMA does not contain any reference to or definition of a “vulnerable consumer”.<sup>127</sup>

The MARP contained within the Code lays down a set of rules and time frames as to how mortgage lenders should deal with borrowers in difficulty. The key tool used to determine mortgage sustainability and associated repayment capacity is a prescribed (and somewhat long and intrusive) ‘Standard Financial Statement’, which is to be completed and returned by borrowers who are thereby deemed to be ‘engaging’ with the institution concerned. On receipt, the lender in question then *decides* whether or not ***in their view*** the mortgage is sustainable or not and if so - at least potentially - which option(s) it will offer.

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122 See: <https://www.mabs.ie/en/news/mabs-celebrates-30-years-supporting-the-people-of-ireland/#:~:text=Over%20the%20past%2030%20years,for%20the%20next%2030%20years.%E2%80%9D>, accessed 30<sup>th</sup> July 2025.

123 The “Cooney Group” (2010) followed by the “Keane Group” (2011). See: Joyce, P. and Stamp, S. (2022). *Pillar to Post Paper 4: A Review of Debt Resolution Mechanisms and the Debt Support Services, with final recommendations for reform*. Dublin: Free Legal Advice Centres, p.26 and p.50.

124 Spooner J. (2018) ‘The quiet-loud-quiet politics of post-crisis consumer bankruptcy law: the case of Ireland and the Troika’, *Modern Law Review*, ISSN 0026-7961.

125 See: <https://www.centralbank.ie/docs/default-source/Regulation/consumer-protection/other-codes-of-conduct/24-gns-4-2-7-2013-ccma.pdf>, accessed 7<sup>th</sup> May 2025.

126 The 2013 Code updates the first (2011) version.

127 The current definition of ‘vulnerable consumer’ focuses primarily on disability that may affect an individual’s decision-making capacity. (See: <https://www.centralbank.ie/docs/default-source/regulation/consumer-protection/other-codes-of-conduct/4-gns-4-2-7-cp-code-2012.pdf>, p.77). The newly revised Central Bank of Ireland (CBI) Consumer Protection Code (SI 81/2025, issued 25<sup>th</sup> March 2025 and due to apply from 25<sup>th</sup> March 2026), alters the definition of this term. It will thereafter refer to those whose individual circumstances make that consumer especially susceptible to harm. We discuss the associated implications for dually impacted borrowers in Section 6 later.

It should be noted that these options can differ considerably from lender to lender. If the borrower is unhappy with the option offered or with a lender declaration of unsustainability, s/he can appeal to an *internal lender Appeals Board* within the institution concerned; however, there is no independent appeals or review body to impose a resolution on the parties.

A large number of mortgage re-structures (as outlined above) have taken place on foot of the Code, while a considerable minority of what appear to be 'difficult to resolve' cases remain outstanding. On the most recent CBI mortgage arrears data for Q1-2025 for example,<sup>128</sup> of the 40,332 current arrears cases, 14,632 (over 36%) are in arrears of 2 years or more, while some 30,612 (76%) remain un-restructured.<sup>129</sup>

## 2.2.2. Loan Sales

As mentioned above, another important contextual factor here is that as a result of portfolio sales of so-called 'non-performing loans' (NPL) by mainstream banks to non-bank entities (NBE),<sup>130</sup> many borrowers now find themselves having to engage with a company other than their original lender. As we have noted in previous research, while this clearly has its downsides from a borrower perspective (not least the fact that there is no right to object to or prevent the sale),<sup>131</sup> there is a potential upside in terms of the possibility of resolution:

*It is clear that portfolios of impaired loans have generally been sold to funds at a reduced rate, perhaps of a sizeable scale in some cases, but neither the relevant borrowers nor (presumably) the State is aware of the detail of these 'commercially sensitive' agreements, though they fundamentally affect both public policy and housing policy. The reality is, nonetheless, that funds have more scope for write-down than the original lenders because they purchased such loans at a discount.*<sup>132</sup>

During the course of this research, we came across a small number of instances of significant write-downs - in full and final settlement - in the context of defective block situations, suggesting that the above hypothesis may be accurate, at least to a certain degree.<sup>133</sup>

## 2.2.3. Personal Insolvency Arrangements

The Personal Insolvency Act 2012 as amended provides for a number of statutory personal insolvency options. This legislation was enacted on foot of a government commitment to the Troika to:

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<sup>128</sup> Central Bank of Ireland (2025), *ibid*.

<sup>129</sup> Of these, 19,741 are co-operating but not on a re-structure arrangement; 4,334 are not co-operating and in legal proceedings; and 6,537 are not co-operating and not in legal proceedings.

<sup>130</sup> Based on European Central Bank guidance on financial stability. See: <https://bpf.ie/wp-content/uploads/2021/07/Sale-of-NPLs-to-Investment-Funds-6-Sept-2019.pdf>, accessed 7<sup>th</sup> May 2025.

<sup>131</sup> Loan application forms and loan documentation prepared by lenders generally authorise loan sale at any point without the need to seek the borrower's consent. In an attempt to alter this position, a Private Member's Bill tabled by Pearse Doherty, TD, in 2019, the 'No Consent, No Sale' Bill was opposed by Government and made no further progress.

<sup>132</sup> Joyce, P. and Stamp, S. (2022). *A Review of Debt Resolution Mechanisms and the Debt Support Services, with final recommendations for reform*. Dublin: Free Legal Advice Centres, p.133.

<sup>133</sup> The balances written off here consisted of well over half a million euro in one case and over €100,000 in the other.

*Reform the personal insolvency regime for financially responsible individuals (including sole traders), which will balance the interests of both creditors and debtors. The objectives will be to lower the cost and increase the speed and efficiency of proceedings, while at the same time mitigating moral hazard and maintaining credit discipline.*<sup>134</sup>

The option most relevant to situations of household mortgage arrears is the Personal Insolvency Arrangement (PIA), described by the state body overseeing the administration of the legislation (the Insolvency Service of Ireland or ISI) as follows:

*A Personal Insolvency Arrangement (PIA) is an insolvency solution for people with unsecured and secured debts. Secured debt is a debt backed or secured by an asset (for example, a housing loan where a house is mortgaged to secure the loan debt). It is a formal agreement with creditors that will write off some unsecured debt and restructure any remaining secured debt, while keeping the person in their home where possible.*<sup>135</sup>

PIAs are proposed by a prescribed intermediary, namely an authorised Personal Insolvency Practitioner or PIP (either an accountant or solicitor) who operates in the private sector. In proposing an arrangement, the practitioner must have regard to a set of conventionally-derived Reasonable Living Expense (RLE) guidelines, produced and updated annually by the ISI,<sup>136</sup> to ensure that people have dignity to live during the period the arrangement lasts which can be up to 6 years.

A debtor has the right to appeal a creditor refusal to accept a PIA proposal put forward by their PIP.<sup>137</sup> A major flaw in the PIA context however is that many have no or little disposable income left over once the RLE relevant to their household circumstances has been applied; this means that they do not have any or sufficient spare resources to propose to creditors or indeed to pay for the services of the PIP. Ironically, therefore, many such debtors transpire to be too poor to become insolvent.<sup>138</sup>

Partly as a result of this anomaly, numbers of PIA completions have proved to be and remain low, relative to initial expectations.<sup>139</sup> The most recently published data in this regard show that just 7,615 PIAs were approved between 2013 and 2023 inclusive;<sup>140</sup> to these may be added n=861 approved during 2024,<sup>141</sup> bringing the overall total to 8,476.<sup>142</sup> The Act was supposed to have been reviewed by mid-July 2017 according to its statutory provisions, but we still await this review to take place.<sup>143</sup>

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134 EU/IMF: Programme of Financial Support for Ireland 14/12/2010: Memorandum of Understanding between the European Commission and Ireland ("Restoring Financial Sector Viability", p.7, point 16).

135 See: <https://assets.gov.ie/static/documents/back-on-track-pia-guide-2022.pdf>, accessed 7th May 2025.

136 See: <https://www.gov.ie/en/publication/8df24-reasonable-living-expenses/>, accessed 7th May 2025.

137 The Personal Insolvency (Amendment) Act 2021 amended s.115A of the Personal Insolvency Act 2012 to allow a debtor to seek a review of a creditor rejection of his/her PIA application.

138 Stamp, S. (2016). *It's All About Access: An Independent Evaluation of the Waterford MABS Personal Insolvency Practitioner (PIP) Research Project*. Waterford: Waterford MABS and the Citizens Information Board.

139 Initial government expectations were for 15,000 PIA/Debt Settlement Arrangement applications during the first year alone. See: <https://www.kildarestreet.com/wrans/?id=2013-05-02a.89>, accessed 7th May 2025.

140 Insolvency Service of Ireland (2024). *Insolvency Service of Ireland Statistics Report - Quarter 4 2023*. Dublin: Insolvency Service of Ireland, p.11.

141 Insolvency Service of Ireland (2024). *Insolvency Service of Ireland Statistics Report - Quarter 4 2024*. Dublin: Insolvency Service of Ireland, p.11.

142 The vast majority of PIA applications (14,143/15,104 or c.94%) appear to result in a Protective Certificate (PC) being issued. In a considerable number of cases these do not appear (at least as yet in some cases) to have resulted in a PIA. Our reading of the data is that in 6,628 cases (44%), there has been an application but no approval.

143 Joyce and Stamp (2022), *ibid*, p.109.

## 2.2.4. Mortgage to Rent Scheme

The Mortgage to Rent (MTR) scheme, administered through the Housing Agency (HA), is a government initiative to help ‘MARP engaging’ homeowners who are at risk of losing their home through mortgage arrears.<sup>144</sup> The basic idea is that the owner-occupier in question voluntarily surrenders their property to their mortgage lender, which then sells the property to an approved housing body or local authority who then charge a social rent to the now tenant. The proceeds of sale go towards discharging the outstanding mortgage balance, with any shortfall being a matter for negotiation between lender and borrower.

Certain limits on income, property value and equity apply, and the borrower must meet the qualifying criteria for social housing and not be over-accommodated. Legal and financial advice (paid for by the lender at set rates) must be obtained prior to application. The advantage of the scheme is that it allows the borrowers and families in question to stay in the family home with no outward sign that anything has changed. Property maintenance becomes the responsibility of the relevant housing body or local authority. The Scheme’s main disadvantage is the loss of ownership and thereby potential for sale or inheritance,<sup>145</sup> however, there is also a ‘buy-back’ option should circumstances improve after a 5-year period.

To date, take-up has been low despite loosened criteria for potential applicants, with just 7,577 people (4,258 adults and 3,319 children) benefitting from the Scheme as at 30<sup>th</sup> June 2025. The following data taken from the Housing Agency’s website indicates that well over half (over 58%) of possible cases submitted prove to be ineligible or terminated for various reasons:

TABLE 5: Mortgage to Rent Status Update, June 2025

Completions	Actively being progressed	Ineligible or terminated	Household over/under-accommodated	Agreement on sale not reached	Total cases submitted
2,742 (36.2%)	403 (5.3%)	4,441 (58.5%)	341*	376*	7,585 (100%)

Source: Housing Agency.<sup>146</sup> (\* Included in ineligible or terminated category)

144 See: <https://www.housingagency.ie/housing-information/mortgage-rent-scheme>, accessed 7<sup>th</sup> May 2025.

145 See also: [https://www.housingagency.ie/sites/default/files/2025-03/MTR-Guide-01\\_11\\_2024-V2\\_0.pdf](https://www.housingagency.ie/sites/default/files/2025-03/MTR-Guide-01_11_2024-V2_0.pdf), accessed 7<sup>th</sup> May 2025.

146 See: <https://www.housingagency.ie/housing-information/mortgage-rent-statistics>, accessed 13<sup>th</sup> August 2025.

## 2.2.5. Abhaile and MABS

Abhaile, an initiative first established in July 2016<sup>147</sup>, is an aid and advice service for borrowers in family home mortgage arrears cases, broadly intended to put in place solutions to arrears and, wherever possible, to enable the borrower to remain in the family home.<sup>148</sup> Applicants must be: in mortgage arrears; insolvent; at risk of losing their home; and reasonably accommodated in terms of cost. The service thus focuses on longer term arrears and consists of a number of strands. Two of these involve the provision of a voucher (administered through MABS) to enable qualifying applicants to consult a *Personal Insolvency Practitioner* (for an initial assessment) and/or *Consultation Solicitor* (for legal advice but not representation).

A further strand involves a *Personal Insolvency Court Review Service* whereby an applicant who has worked with a PIP to propose a PIA can access the services of a Legal Aid Board solicitor and barrister to ask a court to review an associated refusal in accordance with s.115A of the Personal Insolvency Act 2012. A fourth strand consists of a *Duty Solicitor Service*, whereby the Legal Aid Board ensures that a 'rota' solicitor is present at each Circuit Court on dates when repossession hearings are being heard. The role of the Duty Solicitor is to provide information and advice to borrowers who do not have legal representation in court, and if necessary speak on their behalf at the hearing.

For the purposes of this research, which centres on MABS clients experiencing the dual problem of mortgage arrears and living in homes built with defective materials, two further strands are particularly relevant. These comprise (i) *Dedicated Mortgage Arrears Advisers (DMAs)*, employed to provide a specialist level of advice, support and advocacy in the more difficult to solve or longer-term arrears cases,<sup>149</sup> and (ii) *Court Mentors* (often but not exclusively DMAs), who provide 'in-court' advice and information to un-represented borrowers attending Circuit Court repossession hearings.<sup>150</sup>

Abhaile reports are published annually, the most recent being the seventh for 2023, dated September 2024, which indicates that solutions have been put in place in just over one third (35%) of cases overall (and in 32% of DMA cases).<sup>151</sup> The initiative has also been the subject of an independent strategic review in 2023 which recommended among other things a fixed time-period extension, together with enhancements in terms of impact monitoring and data collation.<sup>152</sup>

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147 *Indecon International Research Economists (2023). Strategic Review of the Abhaile Service. Dublin: Departments of Social Protection and Justice, p.1.*

148 See: <https://www.mabs.ie/en/abhaile/about-abhaile/>, accessed 7<sup>th</sup> May 2025.

149 *We have previously completed an (internal only) independent evaluation of the DMA Service, which concluded that it plays inter alia a hugely important role in improving housing security and preventing homelessness. See: Stamp, S. and Joyce, P. (2018). Evaluation of the Dedicated Money Adviser (DMA MABS) Service (unpublished). Internal report for the Citizens Information Board.*

150 *Records of sittings and associated hearings compiled by Court Mentors have been analysed for MABS by the authors of this report from January 2016 to date. Among other things, these reports contain positive commentary from Circuit Court Registrars across the country who regularly commend Court Mentors and MABS in general for the helpful support they provide to distressed borrowers. Crucially, these reports also indicate that most defendants are not legally represented and that over 70% of plaintiffs are now non-bank entities.*

151 *Government of Ireland (2024). Abhaile: Aid and Advice for Borrowers in Home Mortgage Arrears, Annual Report January-December 2023. Dublin: Departments of Justice and Social Protection. At the time of writing (September 2025), the eighth report for 2024 has just been published; this includes revised reporting methodologies which indicate inter alia that 40% of DMA cases in progress during 2024 concluded in a resolution by the end of that year. See: [https://assets.mabs.ie/documents/Abhaile\\_Eighth\\_Annual\\_Report\\_2024.pdf](https://assets.mabs.ie/documents/Abhaile_Eighth_Annual_Report_2024.pdf), p.28-29, accessed 12<sup>th</sup> September 2025.*

152 *Indecon (2023). Strategic Review of the Abhaile Service. Dublin: Indecon International Economic Consultants.*

Figure 6: Abhaile Outcomes: July 2016 to December 2023.

Outcomes	Received DMA Advice	Received PIP Advice	Total at December 2023	Total at December 2022	Change 2023 v 2022
	14,087 borrower households	14,714 est. borrowers *(see overleaf)	28,801 borrowers	25,647 borrowers	3,154
A solution in place:					
- Personal Insolvency (PIA)	N/A	4,165	4,165	3,676	489
- Informal solution (ARA, MTR)	3,488	1,277	4,765	3,749	1,016
- Bankruptcy	N/A	185	185	198	-13
Trial solutions in place	963	N/A	963	927	36
<b>Total solutions/ trial solutions in place</b>	<b>4,451 (31.6%)</b>	<b>5,627 (38.2%)</b>	<b>10,078 (35%)</b>	<b>8,550 (33.3%)</b>	<b>1,528 (48.4%)</b>
In progress to formal solution	N/A	3,380	3,380	3,132	248
In progress to informal solution	7,373	2,129	9,502	8,849	653
<b>Total in progress solution</b>	<b>7,373 (52.3%)</b>	<b>5,509 (37.4%)</b>	<b>12,882 (44.7%)</b>	<b>11,981 (47%)</b>	<b>901 (28.6%)</b>
Concluded without solution	430 (3.1%)	197 (1.4%)	627 (2.2%)	587 (2.3%)	40 (1.3%)
Not engaging after financial advice	1,833 (13%)	3,197 (21.7%)	5,030 (17.5%)	4,352 (17%)	678 (21.5%)
On hold due to COVID-19	N/A	184 (1.3%)	184 (0.6%)	177 (0.7%)	7 (0.2%)
<b>Total</b>	<b>14,087 (100%)</b>	<b>14,714 (100%)</b>	<b>28,801 (100%)</b>	<b>25,647 (100%)</b>	<b>3,154</b>

**TABLE 6.1: Summary of cumulative totals of outcomes in place/in progress since July 2016 to the end of December 2023 – borrowers who received Abhaile financial advice from a DMA or PIP.**

Source: Abhaile

MABS itself, although fundamental to the Abhaile structure, has a much broader societal remit.<sup>153</sup> It has long played – and continues to play – an important role in alleviating personal over- indebtedness and its effects among both mortgage and non-mortgage debtors alike, with the psychological support element it provides being identified as a key element.<sup>154</sup> However, in line with similar services in other countries, a dearth of financial options and resources among its lower income client base can hamper resolution efforts among this cohort.<sup>155</sup> MABS services are both widely used and diverse. In 2023 for example:

<sup>153</sup> MABS has a role for example ‘in highlighting the need for social policy changes to improve the client situation’ as referenced in its 2023 Annual Report. See: MABS Chairs Network (2024). *The Money Advice and Budgeting Service Annual Report 2023*. Dublin: Citizens Information Board, p.20.

<sup>154</sup> Stamp, S. (2009). *Personal Debt, Poverty and Public Policy in Ireland*. PhD Thesis: NUI Maynooth.

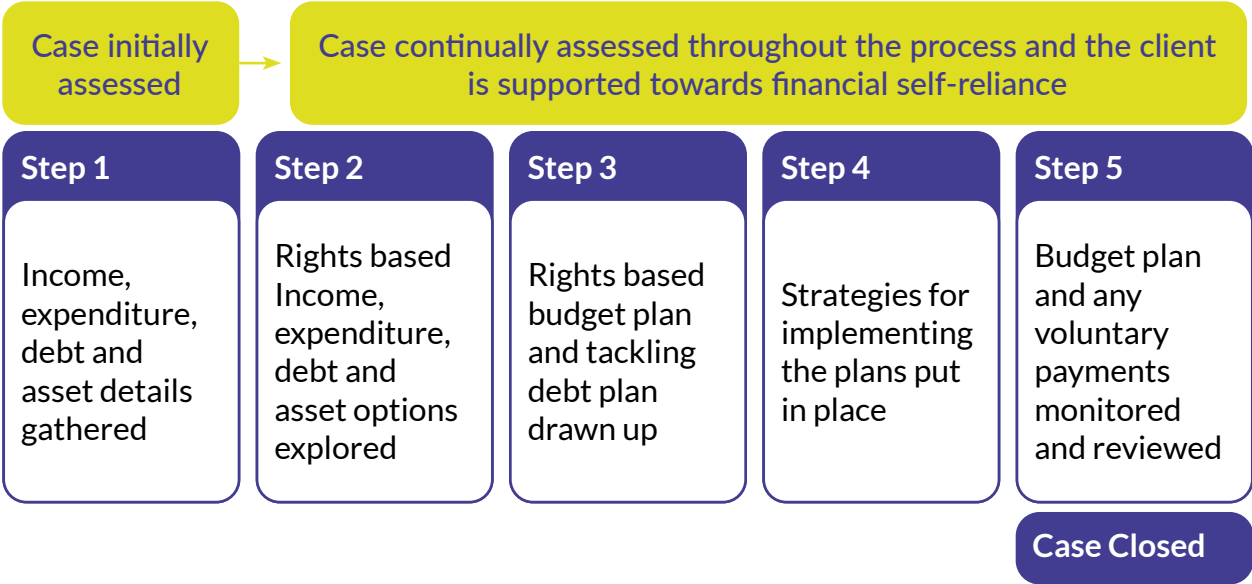
<sup>155</sup> See for example: Orton, M. (2010) *The Long-Term Impact of Debt Advice on Low Income Households: The Year 3 Report*. Warwick: Warwick Institute for Employment Research and Friends Provident Foundation.

MABS companies supported 19,487 new clients nationally, while the MABS Helpline managed 29,169 calls, an increase in demand of 20% and 9% respectively. We also continued to support those struggling with high energy bills, and our MABS services secured €4.3m from the various hardship funds to assist clients. We also support people with a range of measures to address their indebtedness, such as Debt Relief Notices (DRNs). In 2023, we supported 163 clients to address their debt by means of a DRN, with a total debt value of €2.7m.

We continued to support those facing mortgage arrears, with our network of Dedicated Mortgage Arrears (DMA) Advisers through the Abhaile scheme. In 2023, our staff issued 3,015 vouchers under the scheme. We also support clients facing home repossession in the Courts, and during the year our Court Mentors attended 361 Court hearings. In addition to supporting people who are facing financial difficulties, MABS has always played an active role in financial education and money management. In 2023, we delivered 406 money management sessions and were represented at 252 community networking events.<sup>156</sup>

MABS caseworkers, including DMAs and Court Mentors, follow a well-established, internationally recognised, money advice process, grounded on a rights-based approach, reflected in the MABS service casework mission statement, namely: “To work towards the elimination of over-indebtedness through the provision of a free, confidential, independent community and rights-based Money Advice and Budgeting Service, which identifies, supports, educates and empowers those experiencing or at risk of over-indebtedness, especially those on low income, and to use the knowledge and experience gained to bring about policy change towards this end”.<sup>157</sup> The six stages involved are described in Figure 7 below.<sup>158</sup>

Figure 7: The MABS Money Advice Process



Source: MABS.

<sup>156</sup> MABS Chairs Network (2024), *ibid*, p.2.  
<sup>157</sup> See: [https://www.citizensinformationboard.ie/downloads/social\\_policy/MABS\\_Clients\\_and\\_Mortgage\\_Arrears\\_Jan2013.pdf](https://www.citizensinformationboard.ie/downloads/social_policy/MABS_Clients_and_Mortgage_Arrears_Jan2013.pdf), p.7-8, accessed 30<sup>th</sup> July 2025.  
<sup>158</sup> Taken from the MABS Money Advice Manual. (McCaul, S. and Stamp, S. (2006). *A Good Practice Manual for MABS Money Advisers*. Dublin: Comhairle.

## 2.3. Issues and Concerns

There are three key issues of concern in a mortgage arrears policy context as discussed below: first, that borrower engagement often *does not lead to resolution*; second, that from a regulatory and industry perspective, there appears to be a sense that *current measures are sufficient* to deal with mortgage arrears in a defective concrete block situation; and third, that the two policy ‘crisis’ domains we have examined appear to operate *entirely independently* of each other i.e. we can find no references to the defective concrete block issue in any of the components of our mortgage arrears system, nor vice versa (there is no reference to mortgage arrears in either the provisions of the Enhanced Defective Concrete Blocks Grant Scheme or the legislation underpinning it).

### 2.3.1. Limited Policy Success

As regards the first of these issues, the various mortgage arrears measures have clearly worked for many who have been able to avail of an Alternative Repayment Arrangement (ARA)/restructure under the CCMA/MARP, a Personal Insolvency Arrangement (PIA), the Mortgage to Rent Scheme (MTR), or who have been enabled to put in place a solution to their household debt problems through using the services of MABS and/or Abhaile. This is clearly though not the case for everybody and as we have seen, those with limited resources can find themselves with little to offer or arrange to creditors by way of ‘consensual-restructuring’. There is also a clear power differential at play here between well-resourced, powerful financial institutions and atomised, individual borrowers, many of whom lack the means to access legal services to represent them. The outcome data presented earlier in each case illustrate that the key components of our mortgage arrears system are not working for a considerable number of those who engage with them.

### 2.3.2. Perceived Adequacy of Current Measures

A Central Bank response to questions from a public representative on the subject of ‘Properties affected by Defective Concrete Blocks & Forbearance Measures by Retail Banks and Lenders’ indicates that from the Bank’s perspective, no amendment to current policy is required.<sup>159</sup> The reply illustrates that from a regulatory standpoint, the view is as follows: the CCMA is an adequate policy mechanism: a case-by-case approach is the most appropriate way of determining the solution to an individual’s problem; sympathy and positivity should be demonstrated by lenders, and; people are obliged nonetheless to repay their mortgages.

Further, the Bank goes on to reiterate that: each lender is free under the Code to take its own institutional approach; borrowers are encouraged to engage; The Financial Services and Pensions Ombudsman (FSPO) provides a suitable avenue of appeal for borrowers dissatisfied with how their lender is dealing with them; routine supervision of regulated lenders by the Bank is sufficient to cover the full range of arrears and pre-arrears cases including those where the defective concrete block issue is present, and; loans will be categorised as performing and non-performing in line with general metrics.

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<sup>159</sup> See: [https://www.centralbank.ie/docs/default-source/publications/correspondence/oireachtas-correspondence/response-deputy-doherty-on-properties-affected-by-defective-concrete-blocks-forbearance-measures-by-retail-banks-and-lenders-published-30-may-2023.pdf?sfvrsn=a4249e1d\\_2](https://www.centralbank.ie/docs/default-source/publications/correspondence/oireachtas-correspondence/response-deputy-doherty-on-properties-affected-by-defective-concrete-blocks-forbearance-measures-by-retail-banks-and-lenders-published-30-may-2023.pdf?sfvrsn=a4249e1d_2), accessed 30<sup>th</sup> July 2025.

This view, that the status quo is sufficient to deal with ‘dual problems’, appears to be echoed by the financial institutions themselves in the form of their representative body, the Banking and Payments Federation Ireland (BPMFI). The BPMFI for example make no reference whatsoever on their dedicated webpage to the treatment of arrears in respect of mortgaged properties containing defective materials.<sup>160</sup> While the information provided focuses on lender notification, further borrowing, future sale, insurance cover, lender contact and helpful supports, there is no reference whatsoever to MABS or to Abhaile at the time of writing. Nor is there any mention of arrears in the organisation’s statement to the Joint Oireachtas Committee hearing referenced earlier.<sup>161</sup> This lacuna suggests that the issue has not (yet) arisen as a problem requiring specific attention by the industry as a whole, which includes both mainstream banks and non-bank entities.<sup>162</sup>

### 2.3.3. Independent Policy Silos

What is striking about the policy analysis review undertaken for the purposes of this research is that while each domain seems largely to have mirrored the other, neither ‘talks’ to one another. In other words, there are no references whatsoever to the defective concrete block issue in our mortgage arrears architecture, and no references at all to mortgage arrears in the measures designed to address the defective concrete block crisis. The two policy areas thus appear both to have developed and to operate entirely independently of each other in discrete policy silos (Table 6).

TABLE 6: Independent Policy Silos: Defective Concrete Block and Mortgage Arrears Crises

Theme	Defective Concrete Block Crisis	Mortgage Arrears Crisis
<i>Genesis of crisis</i>	Celtic Tiger period (1999-2008)	Celtic Tiger period (1999-2008)
<i>Trigger period</i>	2009-2010 (wet weather)	2008-2009 (Global Financial Crisis)
<i>Emergence of problem</i>	2013 to date	2009 to date
<i>Cause of problem</i>	Force majeure (entirely)	External factors (predominantly)
<i>Consequences of problem</i>	Psycho-social impacts Relationship tensions Added costs (remediation/external) Household bears burden brunt	Psycho-social impacts Relationship tensions Added costs (interest/penalty) Household bears burden brunt

160 See: <https://bpmfi.ie/dcb-info>, accessed 30<sup>th</sup> July 2025. There is, however, a reference in the PTSB contact details information to their ‘Arrears Support Unit, if the customer is in financial difficulty or is at risk of going into financial difficulty’. During the course of the research, we also came across a document entitled ‘Mica Defects: Banks’ Framework Commitment to Support Impacted Customers’, dated February 2020. Again, no reference is made to arrears within the document; further, it only applies to the (then) four pillar banks.

161 See: <https://bpmfi.ie/defective-concrete-blocks-joc-finance-opening-statement/>, accessed 8<sup>th</sup> May 2025.

162 The full list of BPMFI members is as follows: AIB; Avant Money; Bank of Ireland; BCM Global; BMW Group Financial Services; Bunq; Cabot Financial Ireland; Close Brothers’ Dilosk; Finance for You; Finance Ireland; First Citizen; Hudson Advisors; Lapithus; Mars Capital; Pepper; PTSB; Promontoria Servicing Ireland Ltd; SME Finance and Leasing Solutions DAC; Spry Finance; Start Mortgages; Toyota Financial Services; and, US Bank. See: <https://bpmfi.ie/bpmfi-members/>, accessed 8<sup>th</sup> May 2025.

Theme	Defective Concrete Block Crisis	Mortgage Arrears Crisis
Establishment of Expert Groups	2016 (EPCB) <sup>163</sup>	2010 (Cooney) 2011 (Keane)
Expert Group Reports and Recommendations	2017 (EPCB)	2010 (Cooney) 2011 (Keane)
Subsequent Legislation	2020 (Regs)	2012 (PIA)
Further/Amended Legislation	2022 (Act) 2023 (Regs) 2024 (Regs)	2015 (PIA) 2021 (PIA)
Regulatory activity	BCAR <sup>164</sup> (2014)	CCMA (2010/2011/2013)
Subsequent Schemes	2020 (DCBS)	2012 (MTR) 2015 (DMA/Court Mentor) 2016/17 (Abhaile)
Amended Schemes	2023 (EDCBGS) 2024 (EDCBGS)	2017 (MTR) 2021 (MTR) 2024 (MTR)
Current situation (Schemes)	Limited take-up/resolution Quality standard (assessment) under review Many households in limbo (awaiting QS review outcome)	Limited take-up/resolution PIA review still awaited Abhaile due to end 2027 Many borrowers in limbo (harder to solve cases)
Mutual policy references	Nil	Nil
Overall crisis trend	Increasing	Declining but deepening

A contributory factor here may lie in the fact that while a homeowner may be an indirect beneficiary of one or indeed both of the two sets of measures, s/he is not their primary focus. In the defective concrete block scenario, the primary purpose is to remediate the **defective property**, while in the case of mortgage arrears, the emphasis is largely on the **distressed account**. What is needed from the perspective of a dually impacted homeowner is a more *integrated* approach that focuses on the **household** that lives in the defective property and is experiencing arrears in respect of the mortgage used to purchase it.

<sup>163</sup> Expert Panel on Concrete Blocks.

<sup>164</sup> The Building Control (Amendment) Regulations 2014.

## 2.4. Summary

As with the defective concrete block crisis, its mortgage arrears counterpart also has its genesis in the Celtic Tiger years (1999-2008) as a result of a combination of what is now widely recognised as imprudent lending and non-intrusive regulation. While the peak of the crisis (mid-2013) which followed the Global Financial Crisis (2008) has long since passed, the problem persists for many borrowers for whom the problem has deepened. Predominant among these owner occupiers are those from cohorts at greater risk than others, principally due to external factors such as poverty, unemployment and ill-health, and demographic factors including older age and formal education level.

Lender profiles have changed as a result of loan portfolio sales, to the extent that the majority in longer-term arrears now find themselves dealing with an entity (typically a non-bank) different to the one (generally a bank) that sold them the mortgage in the first place. As in the defective property scenario, the burden has again been carried predominantly by the households and families concerned, with noticeably similar adverse psychological and social impacts.

The policy emphasis since the crisis first manifested itself during the 'post-Crash' years (2009-2015) has remained on the creation of frameworks of engagement, whereby creditors and debtors are facilitated to come to a consensual resolution of mortgage arrears and related problems, providing the latter consents to full disclosure and engages. Examples here are: the Central Bank of Ireland's (regulatory) Code of Conduct on Mortgage Arrears and associated Mortgage Arrears Resolution Process; (statutory) Personal Insolvency Arrangements (PIAs); the Housing Agency's Mortgage to Rent Scheme, and; the State's Abhaile and MABS Services. While each measure has facilitated resolutions for many, there remain a considerable number of households for whom these initiatives have either not worked or have proved elusive.

One reason for this is the uneven playing field which exists between powerful, well-resourced financial service providers and atomised, poorly resourced and often legally un-represented mortgage borrowers. As a result, those with insufficient disposable incomes and a lack of realisable assets can find themselves excluded from the measures set up to assist them. Many such households would appear to require debt write-downs and permanent interest rate reductions, but the institutional emphasis on restructures and voluntary arrangements tends to ensure that lenders rarely take such financial hits. Interestingly, there is little or no evidence of concern among regulatory and lender institutions about mortgage arrears in the context of properties with defective concrete blocks, the apparent view being that existing 'case by case' measures - based on borrowers seeking help - are more than adequate to cover such a dual problem.

The policy development process in each domain (defective properties and mortgage arrears) has been remarkably similar, but it is striking that these measures have been developed entirely discretely, and that neither set of measures references the other, despite - we suspect - the homes in question invariably being mortgaged. The result is in essence two separate policy silos, although the same household may be experiencing both issues. This may be because policy has predominantly focused on properties and distressed accounts rather than the householders who live in and own them.

# Section 3.

## Methodology



MORTGAGE  
ARREARS  
FINAL DEMAND

# 3. Methodology

## 3.1. Motivation

The motivation for this research stems from MABS staff concerns in counties Donegal and Mayo that living in a defective concrete block situation appears to present both an additional layer, and particular barrier, to clients seeking mortgage arrears resolution. While the numbers presenting with this dual problem are currently relatively low, there is a sense among practitioners that a much broader arrears issue may be bubbling under the surface.

There appear to us to be four largely untapped constituencies here. The first consists of a cohort currently unable to deal with their mortgage difficulties on account of having to deal with the issue of the blocks and perhaps other pressing problems; in other words, this is a group *not yet* ready to tackle any associated mortgage arrears. The second comprises a cohort who are *refusing* to pay their mortgage, perhaps as a result of advice from various sources. The third cohort might be termed those *in denial*, hoping that the problem will go away. The fourth and final group would be those *engaging* with their lenders but who have not (yet) approached MABS<sup>165</sup>. Reports from counties not currently included in the Grant Scheme (Leitrim and Louth) further suggest that the DCB problem might be broader than currently thought<sup>166</sup>.

As a result, the MABS regions involved, together with the national MABS support company (MABS Support CLG), decided to investigate the extent to which defective properties may be hampering arrears resolution among their current client base, how and why this is happening in practice, and what could be done to facilitate a resolution to the mortgage arrears dimension of client households' problems.

## 3.2. Research Design

Following a consultation process between staff and researchers, we agreed that the population for our research would consist of MABS clients in counties Donegal and Mayo (the epicentre of the defective concrete block problem) who have presented with mortgage arrears<sup>167</sup> and who are known, or strongly suspected,<sup>168</sup> to be living in properties built with defective concrete blocks. The core research question we are endeavouring to address through this research may be summarised as follows:

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165 As we recommend later, the best way to get an estimate of the potential demand for MABS services is for the Central Bank of Ireland to require regulated entities to collate information on the number of 'dual problem' borrowers, and for this information to be made available to MABS and periodically published for social policy purposes.

166 See: 'Those affected by defective concrete blocks in Leitrim need to speak up', *Leitrim Observer*, 25th October 2025. See also: 'Three houses in Louth may have been hit by defective concrete blocks', *Irish Independent*, 28th October 2025.

167 i.e. who are 'engaging'.

168 That is they have either had a test done to confirm they live in a defective property, or are living in a property which has developed cracks and is located in a development or locale where the problem is known to exist. The aim here is not to exclude clients who cannot afford to have a test carried out.

*How effective is our policy framework for assisting borrowers in mortgage arrears residing in homes with defective concrete blocks in counties Donegal and Mayo?*

The objectives of the research are as follows:

- i. To identify the *profiles and experiences* of MABS clients in this ‘dual’ situation;
- ii. To investigate the *adequacy of current interventions* to support borrowers in this ‘dual’ situation and highlight any *policy gaps* in existing supports for these borrowers, and;
- iii. To propose *additional/alternative interventions* as needed by way of recommendations.

These objectives necessitate a mixed methods approach<sup>169</sup> to the research consisting of both quantitative and qualitative elements. The research design thus consists of six discrete but interlinked stages, which were completed over a four-month period (the end of April to the end of August 2025). These six stages are as follows:

- a. A literature and policy review.
- b. An administrative/case study data analysis of a sample of (n=34) relevant MABS client Standard Financial Statements (SFS).
- c. A semi-structured questionnaire survey of MABS staff across the two counties (12 respondents).<sup>170</sup>
- d. Key informant contacts as identified through stages (a) to (c) above.<sup>171</sup>
- e. Semi-structured client interviews (10 respondents) selected from the sample of SFS in (b) above, and completed over the telephone.<sup>172</sup>
- f. A focus group with a selection of MABS staff (drawn from (c) above) to ‘test’ emerging findings and recommendations.

A Research Advisory Committee (RAC) was established at the outset, its terms of reference being to oversee the research and to ‘ensure the project stays on track and achieves its goals in a transparent, effective manner (and) to advise and support the researchers in terms of any challenges that arise’. The Committee consisted of representatives from the two regions involved (North Connacht and Ulster MABS and South Connacht MABS), MABS Support CLG and the Citizens Information Board.

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169 Cresswell, J. (2003). *Research Design – Qualitative, Quantitative and Mixed Method Approaches*. California: Sage.

170 DMAs, Money Advisers, Co-ordinators, Service Delivery Managers and Administrators all contributed by returning questionnaires.

171 These included MABS staff in other regions with experience of dealing with a previous pyrite problem in the East Region, plus those who had worked with financial institutions previously. Perspectives from the Personal Insolvency Practitioner and Community Facilitator sectors were also sought. Given the primacy given to the MABS client experience, and the considerable detail on external stakeholder perspectives (e.g. statutory and creditor bodies) garnered by way of the literature and policy review, we decided in conjunction with the Research Advisory Committee that the views of such parties would be best sought by way of a follow on/implementation piece following publication of this exploratory research.

172 The average interview length was 39 minutes, with a range of 21 to 95 minutes.

### 3.3. Ethics and Values

At all times, we follow standard academic research protocols in terms of treatment of the confidentiality of data accessed and garnered, the principle of informed (signed) consent as regards client interviews,<sup>173</sup> and anonymity in the reporting of findings.

In undertaking this work, we adopt a client-centred *human rights lens* in order to examine the dual dimension to the research from the household perspective. By this we mean that we take as a starting point the need to treat all debtors (and indeed potential debtors) humanely, equitably and *with dignity* if and when things go wrong and, as far as possible, to prevent people from getting into difficulty in the first place. We also proceed from a standpoint that any policy developments in this area should be inclusive in nature and not marginalise, either deliberately or unwittingly.<sup>174</sup> We take as our guiding research principles those set out by the United Nations as regards the right to adequate housing.<sup>175</sup> The three most relevant to our enquiry are as follows:

- **'Security of tenure:** *housing is not adequate if its occupants do not have a degree of tenure security which guarantees legal protection against forced evictions, harassment and other threats.*
- **Affordability:** *housing is not adequate if its cost threatens or compromises the occupants' enjoyment of other human rights.*
- **Habitability:** *housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards'.*

### 3.4. Limitations

The Request for Tender (RFT) envisaged there being a total of n=50 SFSs available for analysis. As it transpired, the total accessible for analysis was n=34, as many clients were in the SFS preparatory stage at the time of our enquiry.

The RFT also specified a qualitative interview sample of 8-10 participants, and while here we were able to access a higher figure of 12 clients, However, 2 of these did not proceed as we were unable to arrange interviews in each case. This is understandable and the norm, given the sensitive nature of research of this type.

Both the quantitative (SFS) and interview samples were, however, sufficient to enable consistent themes to be identified, and we are satisfied that this consistency suggests critical saturation had been reached in respect of each research method relative to the unit of analysis (i.e. MABS client households in the two regions) and the objectives of the research.

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<sup>173</sup> The client's money adviser acted as gatekeeper by inviting relevant clients to participate on the basis of a pre-prepared research information sheet, and asking for their signed consent based on a form designed by (and returned to) the researchers. A first name and mobile number only was then provided to the lead researcher who contacted the prospective interviewees and conducted the interviews on the basis of a semi-structured questionnaire agreed with the RAC. Interviews were recorded with the client's permission, subsequently transcribed and the recordings deleted. All interviews were conducted from a dedicated MABS phone-line in the MABS office in Blanchardstown.

<sup>174</sup> Joyce and Stamp (2022), *ibid*, p.145.

<sup>175</sup> UN-Habitat (2009). *The Right to Adequate Housing*. Geneva: Office of the United Nations High Commissioner for Human Rights.

## 3.5. Report Structure

We began by examining the development of the defective concrete block crisis in counties Donegal and Mayo and how public policy has responded in this context (Section 1), and then conducted a similar exercise in respect of the concurrent mortgage arrears crisis (Section 2). Having outlined our research design and lens in this section (Section 3), we now turn to our primary data findings which follow.

The first set of these (Section 4) identifies the socio-economic and demographic profiles of the 'dually impacted' MABS client subset, based on our analysis of the relevant SFSs. This dataset also allows us to develop a profile of the mortgages and properties involved, together with the broader extent of clients' financial situations. Supplementary information, obtained from the relevant MABS' advisers, further enables us to identify the current state of play in each instance for example, as regards legal proceedings.

In Section 5, we focus on the qualitative experiences and perspectives of a sub-sample of these clients and the advisers working with them in relation to the development of mortgage arrears problems, how the lenders in question have dealt with these, and the extent to which the defective concrete block issue (including the grant scheme) has impacted or not on financial difficulty. We then draw on the various sources of data gathered to examine our mortgage arrears policy architecture in the light of what we have learned through the various research stages (Section 6), before drawing overall conclusions and making recommendations in Section 7.

# Section 4.

## Client Profiles and Circumstances

A window with a sign that reads "MORTGAGE ARREARS FINAL DEMAND" is set against a background of cracked concrete. The sign is white with black text and is framed by a white border. The concrete is light-colored and has several large, irregular cracks running across it. The window is white and has a single pane. The overall scene is in a muted, light blue-grey color palette.

MORTGAGE  
ARREARS  
FINAL DEMAND

# 4. Client Profiles and Circumstances

In this section, we present the first set of primary data findings based on analysis of n=34 Standard Financial Statements (SFSs) submitted by clients to creditors through MABS services in Donegal (n=27) and Mayo (n=7). The administrative data contained therein enables us to build a profile of the existing client base who are experiencing both mortgage arrears and living in properties with defective concrete blocks. The underlying aim here is to ascertain the capacity of clients to address their mortgage arrears' situations, given the circumstances in which they find themselves. We do not have every piece of information for every client, so we specify sample sizes in each instance.

There are four dimensions to the data contained in the SFSs: (i) demographic data in relation to age, marital status, household size and composition; (ii) socio-economic data in respect of employment status, main and total household income, expenditure relative to income and housing costs, and any relevant assets; (iii) mortgage related data with regard to lender, outstanding balance, payments (both due and actual), term remaining, property value, and interest rate and type; (iv) data relating to arrears as to the stated causes, balances, restructuring (if any), and other debts. We present our findings in this order.

In addition, we requested supplementary information from the relevant MABS staff working with these clients as regards: (v) whether they are currently resident in the property or not; (vi) how resolution options and proposals are working out; (vii) whether or not they have applied to the Grant Scheme and if so, the state of play in this regard, and; (viii) whether legal possession proceedings are in train and if so, the stage reached in this process. The findings with respect to these additional dimensions are also presented below.

## 4.1. Demographics

The SFSs contain data on age, marital status, household size and composition.

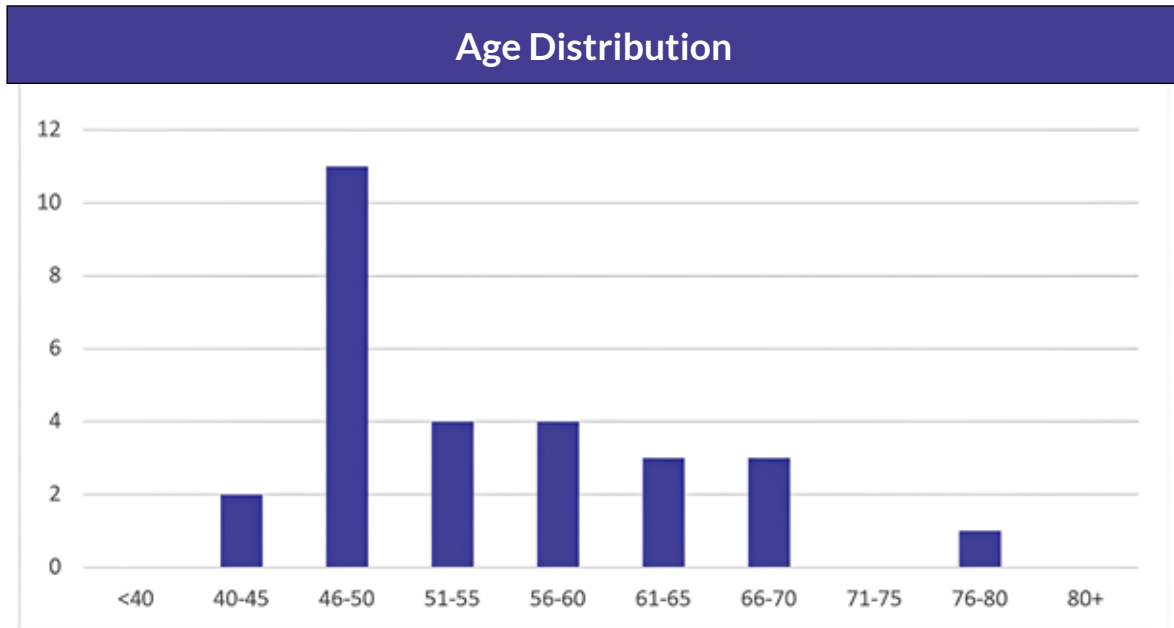
### 4.1.1. Age

Beginning with age, the (mean) average client is 54 years old,<sup>176</sup> meaning that they have **relatively few years of earning capacity** remaining within which to discharge their mortgages (Chart 1). A quarter of the sample are aged over 60 and none are under 40.

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<sup>176</sup> The average among our interview sample was even higher, at 59 years.

Chart 1: Age Range of the SFS sample

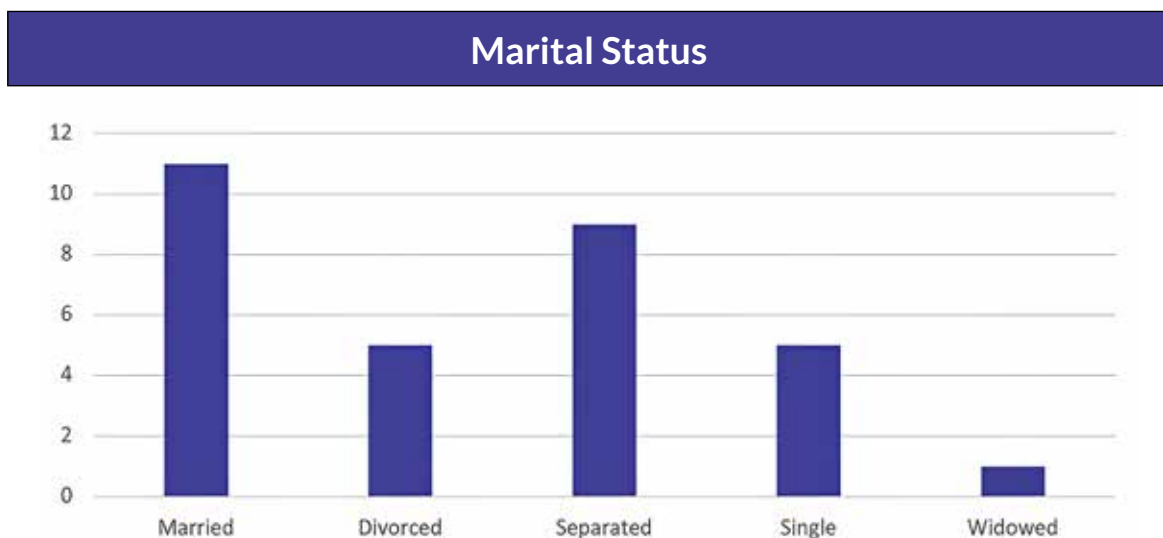


Source: SFS analysis (n=28).

### 4.1.2. Marital Status

The most striking thing about marital status is the percentage of clients who are either **separated or divorced** (45.2%). This compares to a figure of just 6% for the population at large,<sup>177</sup> strongly indicating that dealing with a combined defective block/mortgage arrears issue is having an impact on intra-household relationships.

Chart 2: Marital Status of the SFS Sample



Source: SFS analysis (n=31).

177 See: <https://www.cso.ie/en/releasesandpublications/ep/p-cpsr/censusofpopulation2022-summaryresults/>, accessed 1<sup>st</sup> August 2025.

### 4.1.3. Household Size and Composition

The average household size among our sample (n=33) is 3.24 persons (1.72 adults and 1.63 children). This is noticeably **higher** (by almost a fifth) than that among the population at large (2.74 persons).<sup>178</sup> The majority (72%) contain children under the age of 18,<sup>179</sup> with one third (33%) consisting of one adult with at least one child under 18 (we presume that these households consist of a person **parenting alone**); this is considerably higher than the national average.<sup>180</sup>

## 4.2. Socio-economic Data

Information on employment status, household income, expenditure and assets are contained in the SFSs. From these data, we are also able to derive equivalized incomes which we combine with household composition to calculate poverty rates among the sample.

### 4.2.1. Employment Status

Turning first to employment status, we have information on 31 of the 34 households. Most of these (n=23 or 68%) contain someone in employment, and the majority report this to be of a permanent nature (18/23). In each of these cases, a **wage or salary** is the main household income source (Table 7).

TABLE 7: Main Income Source: SFS Client Sample

Main income source	Number	Percentage
Wage/salary	23	67.7
Social welfare/Pension	10	29.4
N/S	1	2.9
Total	34	100

Source: SFS analysis (n=34).

Social welfare however plays a role in the household income of almost half (n=16 or 47%) of the SFS sample.<sup>181</sup> Two things are striking here: firstly, a fifth of households (n=7) are receiving some form of **ill-health related payment(s)** and secondly, a further fifth (n=7) are in receipt of a **low pay supplement** in the form of the Working Family Payment (WFP).

178 See: <https://www.cso.ie/en/releasesandpublications/ep/p-cpsr/censusofpopulation2022-summaryresults/householdsizeandmaritalstatus/>, accessed 31<sup>st</sup> July 2025.

179 These are households containing dependants who are unlikely to be in a position to help with household expenses and are likely to be the subject of a significant amount of those expenses.

180 According to Census 2022, 'almost 220,000 family households (17%) were headed by one parent in 2022.' The national figure would thus be lower were all households to be included. See: <https://www.cso.ie/en/csolatestnews/pressreleases/2023pressreleases/pressstatemencensus2022resultsprofile3-householdsfamiliesandchildcare/>, accessed 31<sup>st</sup> July 2025.

181 There were references to households receiving: Working Family Payment (7); Disability Allowance (3); Jobseekers Allowance/Benefit (3); One Parent Family Payment (2); Carers Allowance (2); Attendance Allowance (1); Invalidity Pension (1); Domiciliary Care Allowance (1); and, Supplementary Welfare Allowance (1).

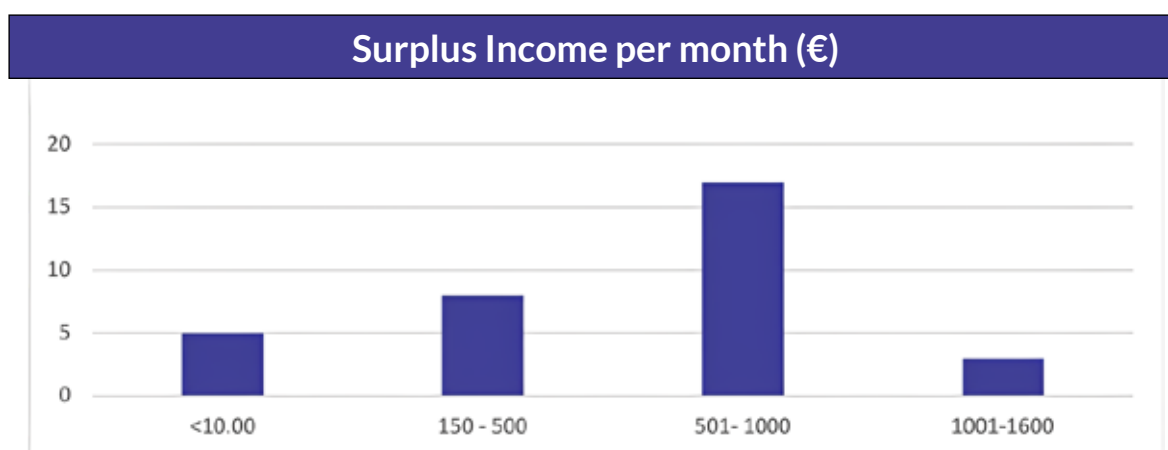
## 4.2.2. Household Income and Poverty

The above findings suggest household incomes to be low compared to the national average, and this is indeed the case. The average (mean) net household income among the sample is €3,095.48 per month;<sup>182</sup> this amounts to just €37,145 per annum, which is **over a third lower** than the corresponding figure for the population as a whole (€58,922 per annum).<sup>183</sup> As a consequence, poverty rates among the sample are relatively high: almost half of sampled households (n=15 or 44%) have individualized (equivalized) incomes<sup>184</sup> which are below the poverty line; this compares to just 11.7% of the population at large.<sup>185</sup> In other words, the risk of poverty among the SFS sample is heading towards **four times** the national average.

## 4.2.3. Expenditure

After paying their essential expenditure (exclusive of housing costs), most households have some form of surplus to put towards their mortgage costs and, in some cases, other credit commitments (Chart 3). However, in most cases, this figure would **not be enough** to cover contractual mortgage obligations. The average monthly surplus per household (median) is €618.46.<sup>186</sup>

Chart 3: Surplus Monthly Income (before housing costs) of the SFS Sample



Source: SFS analysis (n=33)

However, average housing costs are considerably higher than this, at €979.97 per month (median); the distribution is shown in Chart 4.<sup>187</sup>

182 The median (mid-point of the distribution) is €2,927.83 per month.

183 See: <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2024/>, accessed 1<sup>st</sup> August 2025.

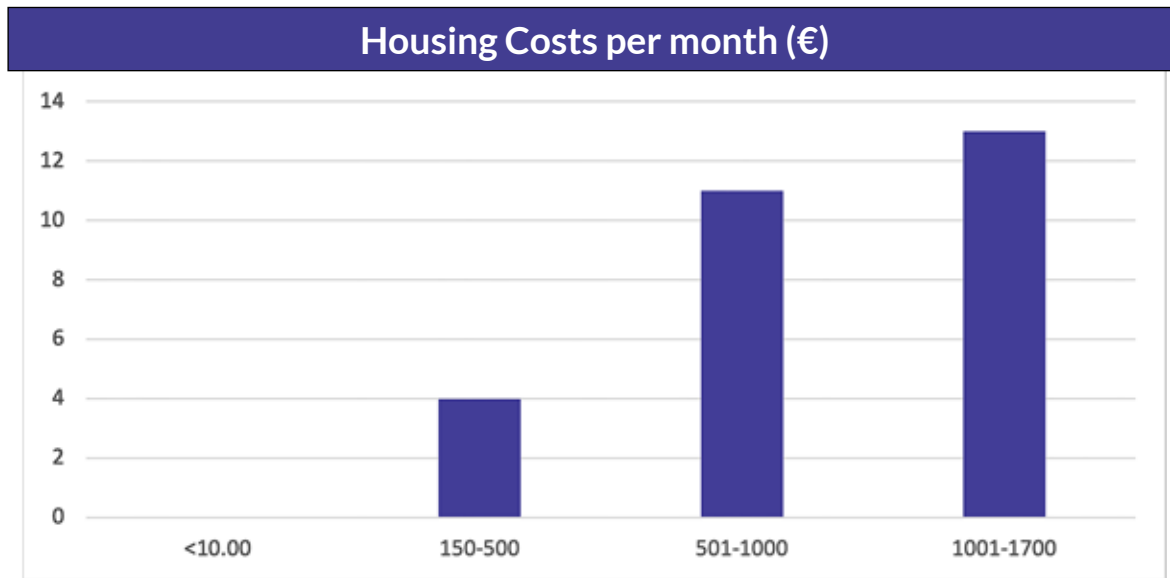
184 This figure is calculated by dividing total net household income by the number of equivalised adults within it, calculated as follows: Household reference person/head = 1 adult. Other adults (partners, non-dependent children) = 0.66 adults. Children under 18 = 0.33 adults. So, a couple with a 6 year old child would be treated as 1.99 adults.

185 The poverty line, conventionally referred to as the 'at risk of poverty threshold' (calculated as 60% of the median) stood at €17,998 in 2024 i.e. €1,499.83 per month (ibid).

186 The mean is €547.11. The median gives a more accurate picture when a distribution varies considerably as in this case, where it ranges from a considerable monthly deficit (-€669.57) to a reasonable surplus (+€1,538.08).

187 The mean contractual mortgage cost is €1,000.36.

Chart 4: Housing Costs (per month) of the SFS Sample



Source: SFS analysis (n=28)

The average shortfall between income and contractual mortgage costs is -€350.59 per month (median);<sup>188</sup> only n=6/27 households would thus be in a position to meet their due mortgage payments but even here, there is not much 'headroom' for three client households, where the surpluses are €0, €0.35c and €39.16 per month respectively (Table 8).<sup>189</sup>

TABLE 8: Deficit/Surplus for Housing Costs after Deduction of Essential Expenses: SFS client sample

Deficit/surplus (per month)	Number	Percentage
-€1,600 to -€1,000	7	25.0
-€999 to -€500	5	17.9
-€499 to -€1	10	35.7
0 to +€300	6	21.4
Total	28	100.00

Source: SFS analysis (n=28)

Most of the sample (n=22) are recorded as **making payments**, in most cases part-payments. These payments range from €150 to €500 per month (n=14) to €500 to €1,000 per month (n=8). The contractual payment was being paid in only n=3 cases, however, predominantly on account of impaired payment capacity.

<sup>188</sup> The mean is -€491.26 per month.

<sup>189</sup> In the remaining three surplus cases, the figures are €80.86, €105.91 and €280.62 respectively.

## 4.2.4. Assets

Very few of the cohort reviewed report having any assets. Not one has a second property and only n=7 report having a realizable asset. In n=5 cases this is stated to be a motor vehicle;<sup>190</sup> in another case, the only asset is reported to be 'furniture', while notably for the purposes of this research, one client reports that their only asset is "*savings towards MICA rebuild scheme*".

In summary, this is a cohort of households for whom the only realistic mortgage arrears solution - on the basis of their means - appears to be **some form of write-down of the mortgage principal**, so that they can either meet the associated lower costs over a reasonable period or come to some form of full and final settlement agreement (perhaps on the basis of a lump sum from family).<sup>191</sup>

## 4.3. Mortgages, Lenders and Properties

In addition to repayments, the SFSs contain data on the mortgage lenders involved, outstanding balances, the term remaining, property values, and interest rate and type. We now consider each of these in turn.

### 4.3.1. Mortgage Lenders

The most salient finding in terms of mortgage lenders is that **the vast majority have been sold** from banks to non-bank entities (NBE); in some cases, sale appears to have happened more than once. In almost all cases where we could identify the date of initial drawdown,<sup>192</sup> mortgages were extended during the "Celtic Tiger" years (2000 -2008). All qualitative interviewees (see Section 5) - a reflective sub-set of the SFS sample - referenced a mortgage sale, hence none at all (n=10) were now dealing with their original lender; each also cited their initial drawdown period as being between 2000 and 2008.<sup>193</sup>

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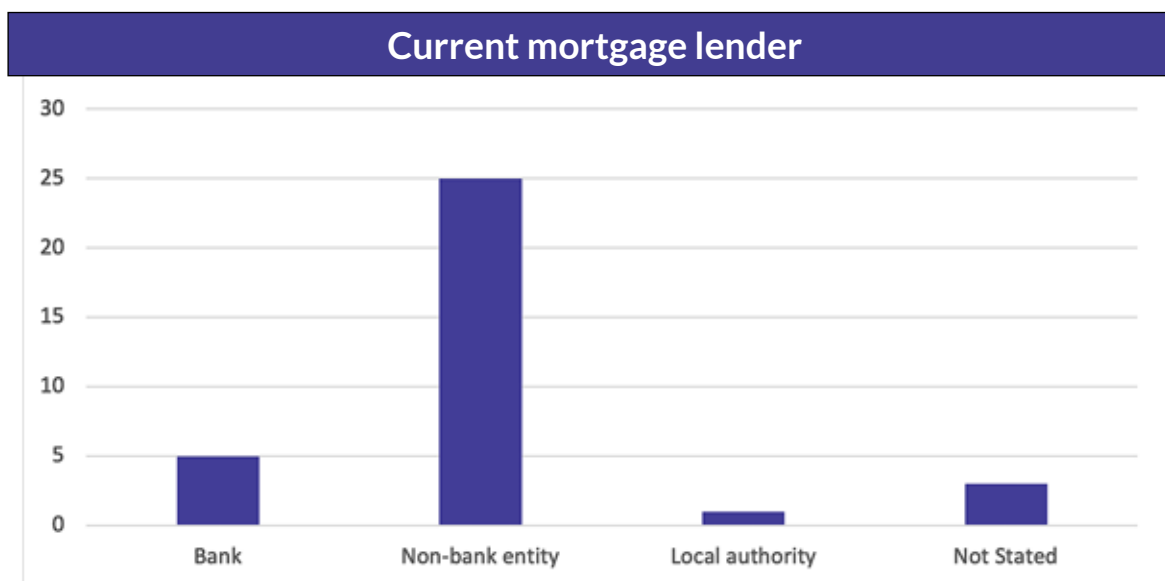
190 Two of these are older vehicles, registered in 2013 and 2014 respectively. In a third case, savings of €10,000 are recorded in addition to a motor vehicle.

191 This source was specifically cited in 3 of the 10 interviews with MABS clients.

192 These were all Co. Mayo cases (n=7); just one was drawn-down subsequently, from the local authority in 2012.

193 2000 (n=1); 2001 (n=1); 2004 (n=1); 2005 (n=1); 2006 (n=2); 2007 (n=1); 2008 (n=3). The majority of these were Co. Donegal cases.

Chart 5: Current Mortgage Lender of the SFS Sample



Source: SFS analysis (n=34).

### 4.3.2. Outstanding Balances, Mortgage Terms and Interest Rates

The average outstanding mortgage balance (n=34) was €128,465 (median).<sup>194</sup> Current property market values are, moreover, very low indeed given the defective block issue, with the result that most of the properties where a value is stated within the SFS (n=12/17) are in reality in **negative equity**. Turning to the details we have on the mortgages involved, two factors relating to mortgage arrears resolution are noticeable, namely that (i) **remaining terms are long** and (ii) **interest rates are high**.

The distribution of the remaining mortgage term is cited in n=24 SFSs and shown below (Chart 6). The median term is 149 months<sup>195</sup> which equates to 12.4 years. When we combine this with the age of borrowers, even if full payments were to be made to discharge the outstanding balance by the end of this period,<sup>196</sup> most would be **well past State retirement age** by this point.<sup>197</sup> As to interest rates, the average stated (n=21) is 4.8% (with a range of 1.1% to 7.9%), with the vast majority (n=23/26) being variable in nature.<sup>198</sup>

<sup>194</sup> The mean is €154,035. If for example (and we have no way of knowing) we assume that NBEs have bought these loans at a discount of say 50%, that means that their actual liabilities are just half this (c.€64,000 - €77,000).

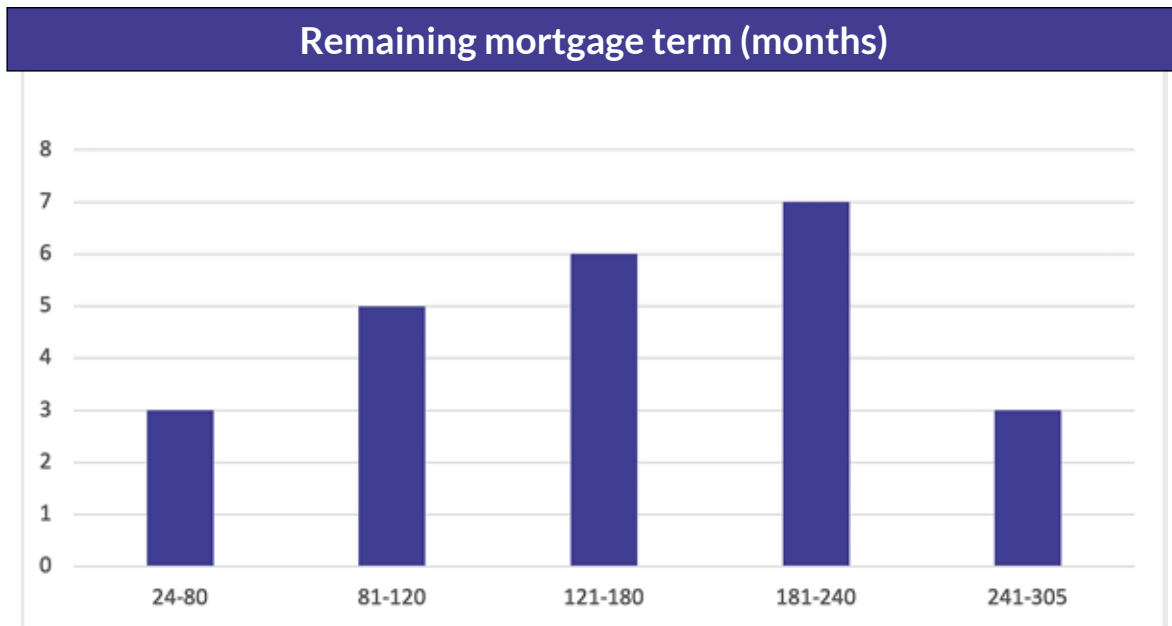
<sup>195</sup> The mean is 160 months.

<sup>196</sup> This calculation is possible for n=20 clients.

<sup>197</sup> n=3 would be between 67 and 70, and n= 8 would be between 71 and 75. However, as we have already seen, the vast majority are making only part payments at present, so these periods would be considerably longer in all likelihood. This finding is in line with Central Bank of Ireland research, see: Duignan, D. and Kearns, A. (2021). Behind the data: Mortgage borrowers facing end of term repayment shortfalls. Dublin: Central Bank of Ireland, July 2021.

<sup>198</sup> The remainder were fixed (n=1), tracker (n=1) and part fixed, part variable (n=1). There were two mortgages involved in this case, one of two such cases in the sample.

Chart 6: Remaining Mortgage Term (months) of the SFS Sample



Source: SFS analysis (n=24).

### 4.3.3. Insurances

As regards related insurances, despite the finding from our literature review that borrowers are not covered in respect of defective construction materials, it is striking that **insurance cover of some form among the sample is more common than not** (n=19/34). Just under half (n=16) are paying home building/contents insurance, while some pay into life assurance (n=7) and mortgage protection policies (n=4). The average premium payment is €43.50 per month.

## 4.4. Arrears, Restructures, Legal Proceedings and Other Debts

By way of context here, it is important to note that the vast majority of SFS clients (n=29/31)<sup>199</sup> **continue to reside in their properties**. In addition, of the n=27 cases where we have reports in relation to the Enhanced Defective Concrete Blocks Grant Scheme (EDCBGS), only a minority n=6 (just over a fifth) are in the Scheme.<sup>200</sup> A further n=2 have applied, while others have either had an engineer's report done themselves (n=1), are awaiting a related Building Condition Assessment (n=1), or 'will not meet the damage threshold for the Enhanced Scheme' (n=1). Taken together, **around two thirds of the sample overall appear not to have (or be) engaged with the Scheme in any way at all** (discussed further in Section 6.1 later).

<sup>199</sup> In n=3 cases, this was either not stated (n=2) or not known (n=1).

<sup>200</sup> One of these clients has transferred from the initial scheme.

### 4.4.1. Arrears

All cases appear to be in arrears at the time of SFS submission as would be expected.<sup>201</sup> While a figure is stated in most cases (n=28), this is to be treated with caution as in some instances where the mortgage has been 'called in', this effectively equates to the outstanding balance. With this caveat in mind, the average arrears balance (mean) as reported is €67,148; the median is €61,343. Given the age, income and resource data referenced earlier, **we again do not see any way these balances can be realistically discharged without a significant or full write-down.**

The cause(s) of mortgage arrears are also referenced in the SFSs by way of a section which invites borrowers to tick various boxes each containing a potential cause – in some cases where there are multiple factors at play, more than one box is ticked. The most referenced reasons, in line with the academic research literature, tend to be mainly 'external' debt triggers, namely: Reduced income (11); Divorce/separation (11); Illness (7); Unemployment (6); (Cost of) household bills (2); Business failure (1); 'Can no longer afford mortgage' (1); Bereavement (1). In addition, the category "other" was frequently used (in 11 cases), and we suspect that this may largely relate to the presence of defective materials had the form included this specific option. This was the clarification of the 'other' option in two cases for example:

*House has pyrite, no funds to access the redress scheme, and on a low income*

*Other (Mica etc)*

### 4.4.2. Restructures

Only 1 restructure was reported at the time of completion of the (n=34) SFSs. We asked the relevant MABS staff member working with each client for an update on the respective cases as of June 2025. It was encouraging to see that resolution had been achieved in a number of instances; an Alternative Repayment Arrangement (ARA) was now in place in n=4 cases,<sup>202</sup> with full mortgage payments now resumed in a further (n=1) case. In another (n=1), a trial ARA is in place. If we add to these cases an additional one where a PIA was approved on appeal (n=1), this means that there has been a resolution in 7/34 cases (20.5%), and while these are positive outcomes, they are still considerably **less common than those for Abhaile** in general (33%), and in terms of PIAs (where the overall figure is 14.5%).<sup>203</sup>

The following reports from the MABS staff concerned suggest that most clients are undergoing a **prolonged and protracted process** with many apparently either going round in circles or running into a brick wall.

- Exploring Insolvency/challenges re Valuation/Marked peremptory at last court hearing in May-adjourned until 23/09/25
- SFS with lender
- Client no longer living in property, ex partner moved in and client is now renting

<sup>201</sup> This period ranges from January 2021 to May 2025. Most SFSs that contained this detail (n= 28) were submitted during 2023 (n=8) and 2024 (n=13).

<sup>202</sup> One of these involved a 'split' mortgage.

<sup>203</sup> 4,165 PIAs are reported out of a total of 28,801 Abhaile cases. See Figure 6 earlier.

- Self-help due to non-engagement - In negotiations with lender re ARA
- Closed case due to non-engagement
- Deemed unsustainable
- Exploring insolvency again
- Maintaining monthly repayments though no ARA offered
- ARA offered June 2025
- Negotiations for full and final settlement has been submitted by solicitor
- Full and final settlement offered and rejected
- Exploring insolvency - PC (Protective Certificate) being sought
- MTR under review pending pyrite testing results
- No payments being made, clients want a write off
- Couldn't proceed with PIA as client is waiting for a full pyrite test. Part payments being made.
- Waiting for assessment of SFS
- Sporadic payment being made, client is looking for an ARA with a write down or a settlement.
- Seeking ARA (re-capitalisation & reduction in repayments)

We will return to the respective policy and practice dimensions involved in our analyses which follow in Sections 5 and 6 later.

### 4.4.3. Legal Proceedings

In addition to dealing with the defective concrete block issue and trying to manage overwhelmingly precarious financial situations, many clients are also having to deal with the stresses of the legal process. We have reports on n=32 cases of which n=18 are stated not - at least currently - to be subject to legal proceedings; however, n=14 are, while in two further cases, these are “pending”. **There will thus soon be a 50/50 split between ‘legal’ and ‘non-legal’ cases within the sample.** MABS staff were asked to report on the stage these proceedings had reached (if known). The responses reveal that a number (n=7) are at ‘late stage’, while others are at ‘2<sup>nd</sup> adjournment’ (n=2)<sup>204</sup> and ‘3<sup>rd</sup> adjournment’ (n=2) respectively. A further n=3 cases have been ‘struck-out with liberty to re-enter’.<sup>205</sup>

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<sup>204</sup> In one of these, a Protective Certificate (PC) is in place.

<sup>205</sup> In n=2 of these cases, the reason given is that an ARA has been agreed with the lender. A further case is reported as struck out, but no reason is given. It would be important in an impact context for MABS to record the reasons for strike-out in each case in which the service is involved.

#### 4.4.4. Other Debts

As regards other 'non-mortgage debts', none at all are reported in around half of sample cases (16/34 or 47%). Among the slight majority who report other debts, we have reports of the following creditors: Bank/loan (9); Trade/business (6); Credit union (6); HP/PCP<sup>206</sup> (5); Credit card (3); Revenue (3).<sup>207</sup> Debt balances are stated in half of cases (17/34) with the average (median) amounting to €9,000 (median).<sup>208</sup> Thus with the odd (mainly business related) exception, **this is not a cohort of clients who have engaged in widespread use of unsecured credit.**

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<sup>206</sup> Hire Purchase / Personal Contract Plan.

<sup>207</sup> There are other singular reports of debts owing to a family member, an ex-spouse, utilities, an accountant, and a solicitor.

<sup>208</sup> The mean is €18,119 per client.

## 4.5. Summary

Our analysis of clients' Standard Financial Statements (SFS) gives an indicative picture of the demographic, socio-economic, mortgaged, and arrears situations of MABS clients experiencing the dual problem of mortgage arrears and living in properties with defective concrete blocks. Beginning with age, we find the average client to be around 54 years old and a quarter of the sample to be aged over 60; thus, they have relatively few years of earning capacity remaining within which to discharge their mortgages.

There is also an identifiable feature with regard to marital status, in that over 45% are either separated or divorced compared to a figure of just 6% for the population at large. Aside from the suggestion that trying to deal with such a traumatic dual problem is impacting intra-household relationships, we also know from previous research we have carried out that resolution attempts can be hindered in cases where both parties do not agree, or where one party has become dis-engaged.

Households are larger than average, and most contain children under 18; further, lone parents form a considerably larger proportion of the sample than expected. Factors such as these are known to be associated with a higher risk of poverty and over-indebtedness. Data in relation to employment status, income and associated poverty rates show this to be a cohort of households in mostly low paid work, with many dependent on social welfare supplements; ill-health related payments are also present among a sizeable minority.

Against this backdrop, it is unsurprising to find relatively low levels of household income, assets or savings, and a high rate of poverty, which amounts to four times the national average. While most households have some disposable income to put towards housing costs, it is nowhere near enough to meet contractual mortgage repayments; nonetheless, most families are paying a considerable percentage of their monthly mortgage costs. The vast majority of households are still resident in their properties despite the associated defects, but relatively few are availing of, or have even engaged with, the Enhanced Defective Concrete Blocks Grant Scheme.

The mortgages concerned were mostly drawn down from mainstream lenders during the Celtic Tiger period (2000-2008), but as a consequence of the Global Financial Crisis (GFC) and associated bank financial stability concerns, the majority have since been sold to Non-Bank Entities (NBEs). The average outstanding mortgage balance on these loans is just shy of €130,000, but the current market (often merely site) value of the defective properties involved means that negative equity is common among the sample. Arrears are widespread as might be expected among a MABS client dataset, and while the causes are mainly external in nature in line with the literature, there are indications that the defective blocks themselves are an added factor.

Remaining mortgage terms are long and interest rates (mainly variable in nature) are high, a combination – in the context of limited incomes and assets - likely to leave many well beyond retirement age before they discharge their liabilities, if at all. In light of the above, only a minority (around a fifth) have been able to agree an alternative repayment arrangement (ARA) or secure a PIA. The majority appear to be stuck in prolonged and protracted processes, with around half also having to cope with legal possession proceedings to repossess their properties. Other, mainly unsecured debts are not, however, widespread among the sample, with the average debt per client in the region of €9,000.



# Section 5.

## Experiences of Mortgage Arrears in a Defective Block Context

# 5. Experiences of Mortgage Arrears in a Defective Concrete Block Context

In this section, we present the findings from our qualitative interviews with a sample of n=10 MABS clients (5 female and 5 male), resident in counties Donegal and Mayo, and broadly reflective of the SFS cohort.<sup>209</sup> We begin by describing the emergence of the defective block problem and its impacts on the households concerned before turning to the background to and emergence of the mortgage arrears problems in these cases. The response of the lenders concerned is then described, including in terms of the instigation of repossession proceedings in the courts. We conclude by making some concluding observations in terms of overall feelings of entrapment and constant struggle among the sample.

## 5.1. Emergence of the Defective Block Issue

Mortgage arrears in this context are **inextricably intertwined** with the deleterious material issue as the mortgage is in essence secured on a defective property and as we will see later, the costs involved can both cause and compound an arrears problem. The respondents' reflections in this regard have three dimensions; first, a practical one in terms of living in a house that is deteriorating around them; second, the psychological (traumatic) impacts which result and are clearly ongoing;<sup>210</sup> and thirdly a dawning realization that their homes are now unsellable. Turning to the observable defects first, damp, crumbling walls and cracking gable ends were each highlighted:<sup>211</sup>

*There are cracks all around and the window is buckling... it's very bad with dampness*

*It got significantly worse on one side of the house, that was where we had disturbed the blocks, and then one gable of our house that was quite exposed, we started to notice cracks coming along there.*

*The outside of the house was getting a bit rough looking, (partner) was flat out filling when he painted the outside of the house.. he got the chisel and the block hammer and he chiselled a small square out of the base of the house... it was coming out like Weetabix, it was coming out crumbly, it was on the path, he rubbed his fingers through the stuff and it went to powder, then I could see these cracks although had to be up close, but now I can see the cracks from the end of the drive.*

The latter response illustrates defects are not just **visible**, they impact on **other senses** such as touch; there were further references to other sensory effects, including the *sound* of cracking and the *smell* of dampness:

*It's full of Mica, that's the problem and what a nightmare that's been... I've been in building all my life,*

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209 The average age is however slightly older, as referenced earlier.

210 The feelings expressed across the interviewee sample are not unlike those associated with the "Kubler-Ross Curve" stages of grief following a bereavement, namely: denial, anger, bargaining, depression, and acceptance. See: <https://www.ekrfoundation.org/5-stages-of-grief/5-stages-grief/>, accessed 7<sup>th</sup> August 2025.

211 In line with the findings from the literature review in Section 1.

*I seen cracks and I thought to myself, loads of cracks, but I put a bit of plastic like filler in it and then painted the house, and then after a while the corner stones they call them, they started to crack right up, and then the whole thing, the lintels above the window, they broke in the middle, they were hanging down so you were frightened to go near them, they frightened the life out of my wife and she kept saying about the noise, oh god it's awful.*

*The outside of my kitchen, I could send you on photographs, there's water coming in the windows, I have towels below the windows 24/7 because the rain's coming in, there's actually moss and mould growing on the kitchen walls, the tiles are off my walls, the paint's coming off, it's in total disrepair*

The emergence of a defective block problem led to many entering an understandable initial stage of **denial**:

*We had a conversation about the Mica at that time (initial cracking)- I said to (partner) I hope to God we don't have it, he said to me you know we have it, I know it from drilling the walls, he got the chisel and the block hammer and he chiselled a small square out of the base of the house...*

*I'd say we didn't really notice until (10 years later)... we just thought it was settling cracks, it was probably 10 years before we noticed there was cracks, in the outside more so, so it probably took 9-10 years before we thought mm, we really need to look about this... then we went into the denial stage, you know, we can't face this, hoping it will all go away, that it won't be us, it's everybody else, it won't happen to us.*

A dawning realization, often confirmed by external examination, that the problem was indeed caused by the presence of a deleterious material has clearly had a **traumatic** psychological<sup>212</sup> (and in some cases physical)<sup>213</sup> impact on many respondents. Feelings of anger are also identifiable, against the companies that manufactured the blocks, the insurance companies that refused to pay out, the banks which sold on the related mortgages, and the State which is perceived by many both as having allowed it all to happen and failing to provide adequate redress to those impacted. The emergence of a defective concrete block problem has also had a practical impact in that properties are consequently unsellable:

*So then the bank, whenever we put the house for sale, the estate agent over a period of years, she would be bringing people to the house and to be honest with you, you couldn't give the house away because it's worth nothing, it's crumbling... so she said unless I repaired the house she wasn't going to try and sell it any more so it was taken off the market... it's actually finished to the best because it was a forever home, there was solid oak doors, solid wood floors, triple glazing windows, marble fireplace, Stanley range, it's finished to the highest standard, the highest spec, but now it's worth nothing.*

*I couldn't give house away, it's worth nothing, it's a dirty, rotten gaff*

*I had suspicions over mica because there were scratches appearing in the property... an engineer came*

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212 One respondent recounted how they had been on the verge of suicide as a result of their problems.

213 There were references to asthma, COPD and to being 'really sick again as a result of the stress'.

down and surveyed the property... the results came back and they said that the mica issue was not of serious concern...I was surprised but at the same time happy and put the property on the market... so the house went on the market, it sold very quickly and the buyers asked me about the mica... we came to an arrangement (for a further test) and if mica was an issue, then I would pay and if it wasn't, they would cover the costs... so long story, the report came back and mica actually was a problem, and so they pulled out, I paid the test and the sale fell through, and the estate agent confirmed what I already knew, that you are not going to be able to sell the property.

## 5.2. The Mortgages Concerned

Interviewees were asked about the origin and history of the respective mortgage accounts on their defective properties. Each was drawn down during the “Celtic Tiger” period (2000-2008). ‘**Imprudent lending**’, a key feature of the boom, was referenced by these respondents:

*We actually built in you know the Celtic Tiger, during the boom, there was loads of builders, loads of money, when we actually went for a mortgage we were actually told do you want extra because to get a holiday, to up your car, they were actually throwing money at you*

*I was with (names bank), they closed up, we took the mortgage out in 2000, then they closed and it was transferred to (names purchasing bank)*

It is striking that in three cases the original lender is no longer trading in Ireland. Each respondent referenced at least one **loan sale**, and in a half of cases (n=5), more than one. Put another way, half the sample have dealt with two lenders since drawdown while the other half have had to deal with three. This has led to understandable confusion, frustration and concern, given that clients in general were not asked for their consent prior to sale:<sup>214</sup>

*I got a letter just to say that your mortgage had been transferred to (named NBE), in actual fact I didn't even know who (named NBE) was at that stage so I googled them, there was no real formality as such, just a letter that I would be dealing with them in future.*

*My mortgage was taken over when (named lender), left the market and (other named lender) are now managing the account, they don't say whether they own it, whether they do or don't is a matter of concern*

*Q. Is your lender still (named bank)?*

*A. No it's gone now to I think now it's... I can't recall – I can give you the solicitor's name for the bank.. mine was with (names NBE) for a while then it changed to somebody else, honest to God I can't remember their name... (paper rustling) sorry I have it now, it's (names another NBE).*

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<sup>214</sup> As discussed earlier in Section 2. In one case, there is however a suggestion that prior consent had not been given, and that the client was pushed into agreeing to sale to prevent repossession proceedings being taken against them.

*My mortgage has been sold on a number of times... I was with (names NBE) for a while, now I'm with (names another NBE), part of problem is you're never sure who you are dealing with, you're engaging with someone then they've moved on, you have to begin over and over and over again... and that was part of our problem, engaging with somebody to try and rectify the issue, then they would move on or it would be sold on and you're beginning all over again*

*Then (names bank) kind of cast us on to (names NBE)*

*I originally borrowed with (names bank), but now they're called (names NBE), the thing is, I didn't like the set-up... I was still going up and paying my mortgage in (town), I'd be doing this for quite a long time, I wasn't paying the full amount but I was still paying... and they (the bank) were quite happy with that then all of a sudden, just out of the blue, I got a letter from them saying they were handing me over to this new company which are debt collectors... they walked off scot-free*

*It (the mortgage) was sold when (names bank) pulled out of the market.*

*(Names NBE), I'd never heard of them in my life, only that they (the original bank) were handing me down to another company and then I'd be paying them and they're done.*

We presume that each loan sale is accompanied by some form of discount for the loan purchaser; within our sample of 10, there are reported to be 15 such sales.

## **5.3. The Development of an Arrears Problem**

### **5.3.1. Income Shocks**

Respondents explained in considerable detail how their arrears accrued. In each case there transpires to be a multiplicity of factors combining, in line with the academic literature. An **external income shock** related to employment or self-employment was cited by several, particularly in the aftermath of the Global Financial Crisis:

*When I took out the mortgage in 2007, I was in permanent employment with a pretty good income, in 2012 the company actually closed and I then secured another (lower paid) position... I was on yearly contracts, so I never knew from year to year if the contract was being renewed or not... there was insecurity in my employment*

*It was when that recession came on, was that 2008 (yes), that's when work was kind of drying up slightly and I ended up struggling to be honest... I was in the building trade, work was drying up, it was a struggle.*

*And then my husband... he left that work, then we actually got into a wee bit of trouble with our mortgage*

*And as well, we had our first child and I didn't get paid maternity leave so I suppose all the timing of that*

*I had a new job when I came back (but) I overworked and had (mentions mental health issues)... that was the start of the decline of my finances... it was during Covid, everything was compounded... I immediately went out of work as a result and during Covid there was nowhere else to look, then a month later I found out I was expecting.*

**Ill-health**, a prime example of a force majeure factor, featured as a contributory factor in several of the narratives and as the root cause of mortgage arrears in two. Addiction also played a role.

*I had felt unwell for weeks... my husband (describes how he also fell seriously ill) he hasn't been able to work since... he gets an odd day's work here and there but not me*

*But then I got into difficulties back in (names year), I took sick and my work and everything else and I was in bad shape so I needed help*

*My husband was (names adverse experience)... he took it horrendously badly and started to drink and that was the start of our problems.*

### 5.3.2. Expenditure Increases

The latter two responses point to another external cause, namely an **increase in expenditure** as a result of a growing family, particularly in the context of separation and children's needs following a relationship breakdown.

*Around that time as well my partner and I separated and I was bringing up two children, early teenagers, one of them my youngest had medical problems which I had to pay for personally, and then there was tuition costs etc and insecurity in my employment, and that was mainly the cause of the arrears'*

*Then I became pregnant and had a son, he's (names particular needs), then my relationship broke down*

*My marriage broke up, and my then husband left the family home, left me with a young child, I think the mortgage was paid up to (names year) and then I had a young child to rear... I was left on my own and couldn't afford to pay it and then everything just fell by the wayside, I had the young child to rear...then the mortgage fell into arrears, my husband said I'm not paying for it anymore.*

*My marriage broke up... so I had the children, I was rearing the kids and I had a lot to do at the time.*

*So my (ex-partner) left the property and went elsewhere... for a year before that (they) stopped paying the mortgage or their half of it.*

Another contributory cause related to expenditure concerns the combined impact of both **cost of living rises** and **interest rate increases**. Once again, each of these is outside an individual's control.

*The cost of living going up, rising and rising... and what messed us up with the mortgage then was that we were not on a set (fixed) mortgage, we were on a variable one and it kept going up and up and up, in the space of 7 months the interest went up by over 200 Euro (a month) and that really, really crippled us.*

*The interest rate was extremely high, it was a horrible time, I asked (named NBE) was there any way you could reduce the interest rate, but they said no that would not be possible.*

To reiterate, the various factors referenced above invariably occurred not in isolation but **in combination**. So for example, in one case, ill-health, associated job loss, separation, an increase in family size and a child with particular needs all combined to lead to a serious mortgage arrears problem. However, an **omni-present factor in all cases is the defective concrete block property** which each respondent owner occupies.

### 5.3.3. Defective Concrete Block Implications

There are three ways in which the defective concrete block crisis impacts on the accrual of mortgage arrears. Firstly, it can act as the **root cause** by increasing expense and eroding savings; an important context here as we have seen in Section 4 is that this is a cohort of households on relatively low incomes to begin with.

*With our house, we had noticed a leak in our sitting room so we had a bay window and we'd noticed leaking in our sitting room, so we tried to rectify that multiple times, we had windows and block repair done, we actually spent thousands and thousands trying to fix the problem without realising it was Mica... when we thought we were actually fixing the problem, we probably actually made it worse by disturbing the blocks.*

*Even before we got on the Scheme, we were trying to get a mobile home sorted through our own money, our own savings, and it just wasn't feasible to pay the mortgage on our only wage, it's only my husband's, I gave up work to look after the kids (they have a large family)... He then had to take about 4 or 5 weeks off work to demolish so that's a loss of earnings... you would have been spending money even before we demolished, even filling in the cracks as well, that was really expensive.*

*I've had to pay for the maintenance, like the filling in cracks... it's not cheap, and then you fill in the cracks and then repaint, and then inside I've had cracking as well so that's had to be fixed.*

*The chimney had to be knocked down and rebuilt twice... it was the costs and what I was paying out, how much I was trying to keep the heating on, I couldn't put down a fire then you see (because of the state of the chimney)*

The latter responses allude to the second way in which defective concrete blocks can impact on mortgage arrears in that they can **compound** the problem by adding to costs and thereby to financial difficulties in general. Several respondents referenced the added costs of trying to keep a defective home warm, while there was also a reference to a feeling of throwing good money after bad:

*You would have been spending money even before we demolished, even filling in the cracks as well, that was really expensive... and then obviously your heating costs, because there were cracks in the house, you had to use extra heating, you could just not heat the house at all, there were times you were wrapping up the kids in extra clothing, and putting gloves on them and stuff like that, you kind of had*

*the heating constantly on really for a good 6 months of the year, you know yourself the weather here... there were a lot of factors coming in and we were struggling a lot you know.*

*How the whole concrete block fed into that is that my house is harder to heat no... everything is starting to move so it's had a real financial impact and I didn't need any extra financial pressure... so that pressure coming from the day to day living and heating the house and that type of thing...*

*It's kind of a side-bar too but my boiler has started to give real problems and that cost me money... under the normal run of things, I would have had some financial help from my family if I needed it, so if it was a case that you could replace that and eradicate the problem, but you don't want to do that because there's no point in replacing something that could be demolished in the next year or two.*

*Paying the mortgage was like putting money into a bottomless pit.*

Thirdly, in a form of vicious circle, the arrears - and associated fears as to the potential repossession of a remediated property - can serve to **prevent** people accessing the very scheme designed to deal with the deleterious construction material issue and thus perpetuate the dual problem. The issue here is that some are reluctant to engage in the remediation process and all that comes with it, where they fear that their lender will subsequently initiate or conclude possession proceedings once the house has returned to positive equity.

*I paid for the test but I didn't do any more with that, I haven't done anything with that until I get the house sorted out, sure why should I bother, there's no point in me doing it until I get the house secured... sure (named NBE) could take the whole thing off me so there'd be no point in doing that.*

*I've had it (a determination), the house has to be knocked to the ground... the advice I've had is that you can't go any further until you have something on paper that they (named NBE) are not going to come back and say we're taking full repossession of the property*

*Q. So is your concern that you'd be remediating only for the lender's benefit?*

*A. Yes, the house would be worth a quarter of a million.*

## 5.4. Engagement with lenders

### 5.4.1. Lender Responses

What is striking about the responses across the board in this regard is the apparent **absence of specialised, dignified treatment** for this economically vulnerable cohort of borrowers among the NBE sector.<sup>215</sup> While a minority did not cite any particularly negative experiences with their various lenders,<sup>216</sup> the majority did, in many cases in considerable detail. At the milder end of the spectrum was apparent indifference:

*I did flag it to (named loan owner) when I moved over to them that this is a mica house, but it just seemed to be glossed over.*

**Lack of knowledge and understanding** of the defective block issue within a purchasing NBE led to considerable frustration for these respondents:

*We tried to negotiate with them, we've probably been with them 8 or 9 years ... I was trying to negotiate with them to maybe try and give us another year or so. They would kind of half promise you yes, we'll see, we'll see, then when you thought you were getting somewhere with them, they would just change the goals, they were very inconsistent... They haven't a clue, they do not have a clue, you ring them and they're away down in Dublin, I actually had to stop ringing them because I was losing the head with them, I just couldn't cope with this, thank God (names money adviser) dealt with it*

*Every time I got onto them I lost the head, because you had to explain it all over to somebody different every time and they hadn't a clue, they kept saying ah sure the govt are helping you, there's times I was just shouting down the phone to them and having to explain it all, that's when we were at the height of it.. So (named NBE) were of no help, they didn't have a clue, they were oblivious to the whole thing and they were like 'what's Mica' at that time, they didn't have a clue, a notion as to what it was about... I know at the end of the day it is what it is, but they don't care.*

*They want their money every month whether I'm living in a tent or whether I'm living out in a shed, they just want their money every month, they don't care about the condition of the house, they don't really care about the humanistic side of things, they just want their money and that's it full stop.*

The lack of a **dedicated point of contact** for 'dually impacted' borrowers could lead to further frustration, as in this instance:

*We also came against people saying that we weren't engaging or returning calls when we absolutely were returning calls, and we were engaging, but it was because we were trying to contact somebody else that was no longer there, it looked like we were ignoring the situation which we weren't at all.*

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<sup>215</sup> In contrast to the retail banks (*ibid*, footnote 92) although the evidence we have reviewed and gathered suggests that the 'specialised area-concentrated/specifically-trained teams in place in these institutions' will be rarely used in light of widespread loan sales.

<sup>216</sup> One reported that their NBE had been 'fine'

In other cases, however, highly questionable practices were referenced. In the instance below, repeated phone calls were compounded by a demand that the respondent pay for a test with money they didn't have:

*Every other week I'd be getting a phone call from the bank before I went into (names establishment), I'd be in the toilets crying and bawling my eyes out, I had to contact the banks and write them a letter saying please do not ring me anymore, I can't deal with this anymore.. there was no human side to it at all... I actually wrote them letters, correspondence, they were on at me to sell the house, asking what's happening, the estate agent had the house off the market and they wanted to know why...I sent them off photographs of the side of the house, the outside of the house, there's cracks you can nearly get your hands into, the corner stones are all falling off... And they basically wrote back and said we want an official thing to say that you've got Mica, they wanted me to hire an engineer to come... I told them I couldn't afford 2,000 or 3,000 Euro, they really don't want to know.*

In another case, what the borrower took to be collection agents employed by an NBE appear to have engaged in practices designed to frighten them into a sale; these included a visit from a purported estate agent, people dressed and acting in an intimidating manner, and the placing in their absence of security tape on entrance doors.

*(Named NBE) made it exceptionally difficult for me, in fact I think some of their practices were horrific actually... it caused me great stress and distress, it was terrible... 3 months later, I had an unknown virus which probably came on because of severe stress... sleepless nights.*

Finally, lender practice could also be a **barrier to resolution**. In one case, this is the subject of an ongoing complaint in relation to a Mortgage to Rent application (MTR).<sup>217</sup> In four others, the issue concerns the NBE's refusal to accept a lump sum payment in full and final settlement. The first of these involves a property which is both in a very bad state of repair and subject to a right of way issue which would likely render open market sale almost impossible in any event:

*Myself and MABS over years and years, that's all we're trying for, a settlement... all I want is to get the house flattened (Respondent mentions a figure of €20,000)*

*Q. How would you raise the 20,000?*

*A. The family are going to back me, I wouldn't be able to borrow anyway the way things are... I don't want a letter 2 or 3 years down the road (after remediation) to tell me we're taking the property.*

The remaining three cases are broadly similar in that significant percentage offers have been made and rejected in each instance. In the first of these, the respondent proposed a life assurance pay-out on the death of their spouse, but this proved to be unacceptable:

*All they got was (names figure) on their life insurance... I offered it to (named NBE), I put that to them, that's all I had, I offered it to them but they said no, no, given the house is coming down, it's going to be a brand new house, we're asking you to sell the house, which is the bit I don't like... it must have been 2*

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217 We discuss the issues around MTR in the Section that follows.

*years ago, we offered that money to (named NBE) and they wouldn't accept it... they didn't accept it, the words they said were that you're going to have a house re-built, and the house will be worth more, so you stay in the house and settle then... so I'd sell the house to satisfy them.*<sup>218</sup>

In the other proposed lump settlement cases, the offers in question (again to be funded by family in the latter case) formed much higher proportions of the respective outstanding balances; nonetheless, these proposals have **proved unacceptable** to date.

*I decided we needed to get the banks sorted... because I wanted to get the stress away from me if there was a chance of getting a deal done with them... so that was fine, MABS and I worked together on it and we put an offer in of (c. 40% of the balance) into them and that was ongoing for the last 2 years and they were to-ing and fro-ing... because they didn't own the mortgage and we didn't know that... so then they sent a letter to us saying they have taken over now, they have the mortgage and they started to put the heavy on us, they didn't accept it... so we upped the offer then to (c.50% of the balance) and we thought that was reasonable, ... and they said no, they wanted (c.80% of the balance),<sup>219</sup> they were adamant that that was the lowest they would do it.*

*The bottom line is they (original named bank) sent a valuer around, I got a valuation done (c.75% of the balance)... and the next thing is (named NBE) took over and we were back to square one... the mortgage arrears (balance) has probably gone up (names figure)... so I have proposed to (named NBE) that they write down the mortgage to the original valuation (c.70% of the balance), and I have access to family who will lend me that money to pay them off... in the meantime, my proposal is still live with them, they've had it for at least 2 months and I've had no response from them whatsoever... and that's where we stand.*<sup>220</sup>

What is notable in the various examples cited is that considerable amounts of **time** appear to be involved in each instance, thereby prolonging the **stress** involved in dealing with the mortgage arrears element of the defective concrete block situation.

## 5.4.2. Legal Proceedings

In addition to coping with the dual trauma of a defective concrete block/mortgage arrears scenario, many borrowers (half the SFS and interview samples) are also facing legal proceedings to force repossession of their family homes. A sense of **frustration, resignation and treading water** as a result of repeated adjournments is evident in these responses.<sup>221</sup>

*(Named NBE) were pushing for repossession, I was representing myself with (names MABS adviser) support, their barrister tried to put a story across that I was kicking the can down the road to waste time...well I haven't wasted any time, the process has wasted time... the judge said that I had to be given time to do an*

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218 This respondent is nearing the end of the Grant Scheme remediation process.

219 The site value alone is considerably more than the outstanding mortgage balance.

220 The lender in question is taking repossession proceedings.

221 In our experience from analysing MABS Court Mentor data, the majority of hearings are adjourned.

affidavit and present it at the next hearing.<sup>222</sup>

*I'm in court now every twice a year with the banks because they want the money and I've nothing to give them.*

*I'm in court now next Friday and we'll see what will happen there, I don't know...it's in the County Registrar's, they go in and they just hang around and then we walk out of the court... this has been going on now for 3 months. It's just absolutely dreadful, you could do without it*

*Q. When did (named NBE) issue proceedings initially?*

*A. They wrote to me maybe about a year ago, saying that they were instigating it... the case was before the court and it was adjourned so there's a date now set for I think it's in September and we're to appear then for the repossession hearing.*

The reality of experiencing a legal repossession process on top of everything else had clearly proved difficult for one interviewee who referenced both the futility of the process and its **emotional impact**, particularly as a result of not being able to afford legal representation. The support received from MABS and Abhaile was hugely important in this context:

*They're taking me to the courts for a house that's no good to me and it's no good to them, it's appalling*

*Q. How long have you been in the legal process?*

*A. I would say it's maybe I'm guessing two years or more and emotionally it takes everything out of me to tell you the truth, it never goes away*

*Q. How have you found the courts?*

*A. This is the frustrating part for me, because mine and my (ex-spouse's), both our names are on the letters that come to me, (s/he) gets the letters as well at their new address, but (s/he) has never ever showed up in court but I'll always go... for the first court appearance, I went on my own, I just couldn't afford legal representation, so I stood up at the courts and in front of the judge and said I just can't afford legal representation and my situation, I want to fix it but nobody wants to help me and they put me in touch with MABS and that's how I ended up with MABS*

*It's horrible (breaks down, cries), it's just like I'm stuck between a rock and a hard place.. if the house didn't have Mica, I don't have an official diagnosis of Mica... a couple of weeks ago the County Registrar said that I should get an engineer to come but I can't afford it, it's about 2,000 Euro and I don't have that... at the last hearing my number and my ex-spouse's was called but I didn't even get to stand up because the solicitor for MABS<sup>223</sup> was there and he said this house has suspected Mica, they were there to speak up on my behalf.. I don't have any law qualifications or experience of speaking up, I don't know anything about the process.*

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<sup>222</sup> This case involved a PIA proposal.

<sup>223</sup> The Duty Solicitor under the Abhaile Scheme.

## 5.5. Overall Reflections

Two over-arching themes emerge from these detailed and at times harrowing narratives. The first is a sense of **cumulative entrapment**, in that the combined mortgage arrears/defective concrete block problem presents a sort of vice from which it seems impossible to escape, despite it not being a problem of their own making.

*I'm between a rock and a very, very hard place here*

*I was in a room with not many doors or options*

*We're trapped in here, there's nothing we can do... we're in a trap, we couldn't move, we're still waiting*

*The thing that really frustrates me is that when you want to sort it out, you go to the left and it's wrong, you go to the right and it's wrong, you're basically how can I fix it but nobody wants to hear you*

*We haven't asked for this, I haven't asked to be put in this situation, it's been given to me, and it's like sink or swim and I'm stuck*

*Sometimes I just feel so lost in this*

*It takes its toll*

*I'm just here like a sitting duck*

*It's horrible (breaks down, cries), it's just like I'm stuck.*

The second theme is a sense of **constant struggle**, of fighting on seemingly various fronts but getting nowhere, and an overall sense of **powerlessness**:

*I don't really know where to turn because I have the whole struggle of trying to maintain the house because I was in my early 20s when I bought this house, and it's been everything that my life's worked, so my priority was (A) to keep the roof over my head and (B) to try and protect what I've had all along... if the house was removed I actually just don't know I'd cope with that if that happened*

*I'm really fighting with everything*

*I'm at the mercy of other people making decisions about things that you've put so much into*

*I want to fix this, every month I'm getting further and further into debt, I go to court every twice, three times a year when I'm called, I'm trying to fix it but every door is shut in my face*

*I'm in this situation because I can't pay for my mortgage, and because I can't pay for my mortgage they want my house, I tried to sell it, it can't be sold because of the condition it's in, they still want their money*

*They're hounding me for something I can't give them, I've told them I can't afford it, there is no answer, there's no solutions for me, so I'm stuck.*

*The mortgage arrears side, it's forgotten, I feel like I'm being suffocated, that's honest to God.. but I can't pay my mortgage, I'm stuck and I haven't a clue what to do.*

## 5.6. Summary

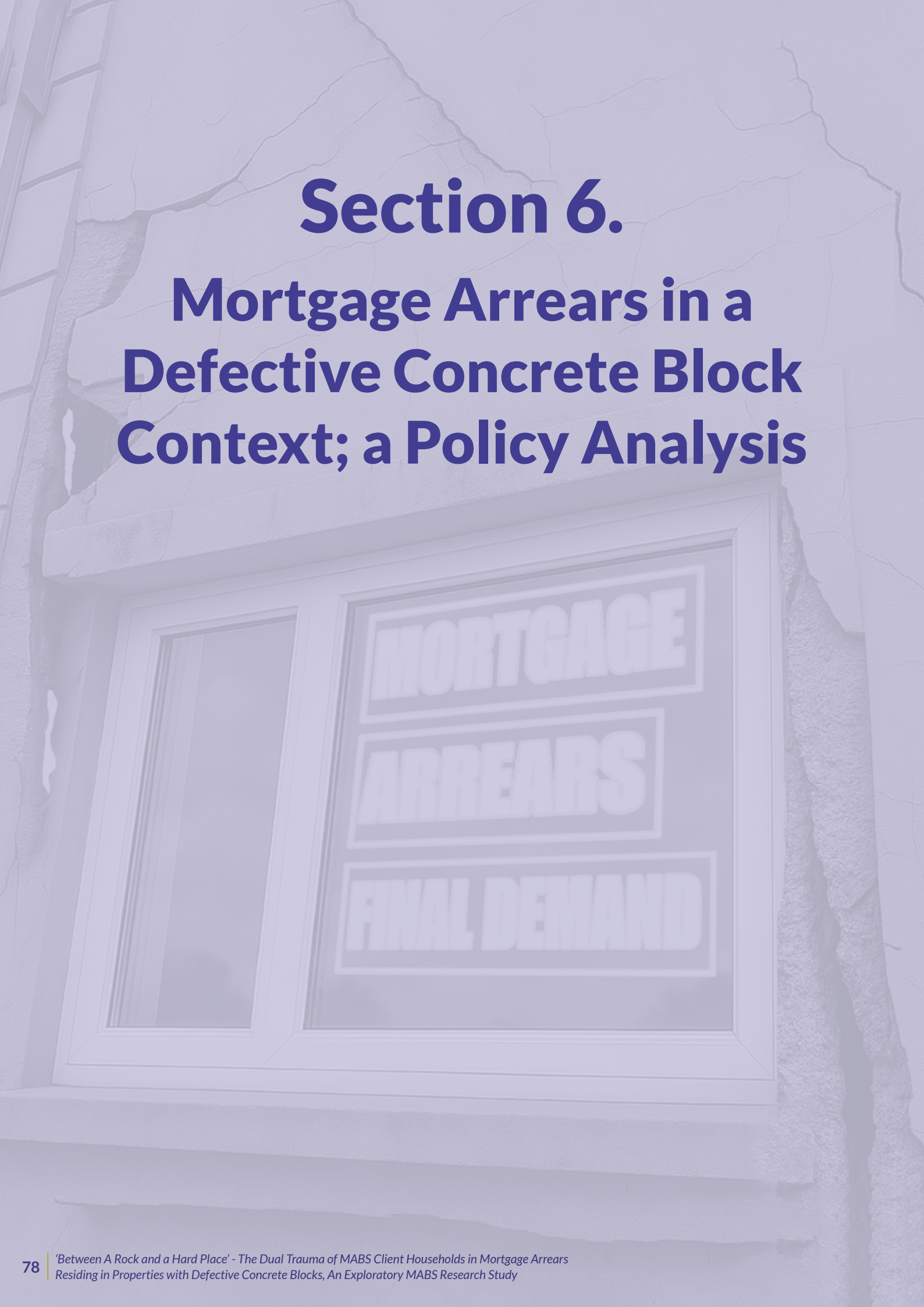
This section, based entirely on the lived experiences of respondents, shines a research light for the first time in Ireland on the **dual experience** of trying to cope both with mortgage arrears and the realities of living in a defective property. Taking the latter first, we identify three dimensions. The first of these involves the visible, tangible and audible effects of watching your home begin to deteriorate in front of your eyes. The second relates to the associated psychological (and sometimes physical) impacts beginning with denial, which mirror to a large extent those involved in the stages of grief following a bereavement, while the third is more practical in terms of a growing realisation that as they stand, respondents' homes are essentially unsellable at anything approaching their previous market value.

Against this backdrop, the borrowers in question have discovered that in the vast majority of cases, their mortgages have been sold on, without their prior consent or knowledge, to Non-Bank Entities (NBE), presumably as part of distressed loan-book portfolio sales. This is a cohort of clients who are in arrears largely as a result of defective blocks, accompanied by force majeure factors such as a drop in income, the effects of ill-health, or an increase in expenditure, including the exacerbating consequence of NBE's charging relatively higher interest rates. The defective concrete block dimension plays a triple role here, firstly as a root cause of arrears on account of the attempted remediation expense involved, secondly by compounding them through creating higher ongoing costs, and thirdly as a barrier to accessing the grant scheme (in that borrowers are understandably not willing to do so solely for the lender's benefit).<sup>224</sup>

Experiences of dealing with loan purchasers are overwhelmingly negative, as respondents have found them by and large to be most unhelpful, with practices ranging from indifference at best to what appears to resemble borderline harassment at worst. Unwillingness by creditors to respond favourably to what appear to be reasonable proposals in the circumstances, is an identifiable theme across these cases. Around half our sample are subject to legal proceedings, adding another - and arguably somewhat futile - element to household trauma. Overall, we conclude from the qualitative narratives that borrowers are experiencing a sense of cumulative entrapment and powerlessness stemming primarily from a deleterious construction material problem, which has arisen entirely outside of their control.

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<sup>224</sup> Once there is again sufficient equity in the property, the fear is that the lender will move to repossess as it will now be financially worth their while to do so.



# **Section 6.**

## **Mortgage Arrears in a Defective Concrete Block Context; a Policy Analysis**

# 6. Mortgage Arrears in a Defective Concrete Block Context; a Policy Analysis

As described in Section 1, we have in essence two discrete, siloed sets of policy instruments for dealing with each aspect of the dual problem, but neither references the other. In this concluding substantive section, we critically examine each of the relevant measures in turn based on the experiences both of MABS clients and the advisers working with them. We begin with a review of how the Grant Scheme can impact on mortgage arrears before turning to specific measures designed to deal with the latter problem, and how these are working out in practice in a defective concrete block context.

## 6.1. The Enhanced Defective Concrete Blocks Grant Scheme (EDCBGS)

In Section 4, we examined administrative data on MABS clients which showed that while the vast majority continue to reside in their properties, around two thirds appear not to have (or be) engaged with the Scheme in any way at all. Our literature and policy review (Section 1) throws some light on the possible reasons for this relating in the main to associated up-front and total cost shortfalls, and the need for individual homeowners to project-manage remediation works. We also referenced uncertainties about the developing science acting to create a 'limbo' situation for applicants and potential applicants. Each of these themes came through, and was elaborated upon, in the qualitative interviews summarised below.

It should be noted that despite the flaws referenced below, the Grant Scheme was enabling a minority of our sample (3/10) to remediate their properties. Our focus here, however, is on the financial side of the defective concrete block situation and in this context, many respondents made reference to constraints with regard to both accessing and using the Scheme as currently constituted. The majority of interviewees were not in the Scheme, and it transpired that in addition to being unwilling to remediate for the creditor's benefit (as discussed in the previous section), the major barrier was **up-front cost**.<sup>225</sup>

*I know that it's there but I can't avail of it because I can't afford an engineer... it's in the divorce settlement that my (ex-spouse) will get an engineer, (they'd) block test the house and pay the engineer but there's no hope of that.*

*At that stage (respondent here is talking about the previous 90/10 scheme), the redress wasn't what it was supposed to be and neither of us had any cash to pay towards making up the shortfall... it was just like a bit of a mess, a bit of a trap you know... I got the forms to apply but when I discovered there's going to be costs on my part, that's my understanding of it anyway, then that put me off... I dunno, it could be 40 grand or something in that region (up-front costs)... so we're kind of tied you know.*

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<sup>225</sup> One suggestion to emerge here is that Abhaile vouchers could be extended to cover the cost of a test.

*We've paid for tests but I didn't do any more with that, I haven't done anything with that...the grants need to be done properly, staged payments would be a great help to try and get the rebuild done.*

The up-front payment issue was also cited by some who were going through the Scheme, with an added problem being **delays** associated with the vouched expense component:

*You kind of yourself, you had to gather up 6,000 euro then which is another factor to pay the engineer for the report... so that was another amount of money we had to pull out of the money tree out the back... so that was another factor that I was trying to explain to (named NBE) but they just thought that you're making this all up... so we had to pay the 6,000 euro then to get the engineer's report then obviously do the core testing... you had to put that money forward yourself, that 6,000, now you did get 90% of it back but that took quite a while, I don't know how long, it took quite a few months to get back.*

Another respondent also referenced a delay, in this case in terms of awaiting a grant decision following a Building Condition Assessment (BCA);<sup>226</sup> they also reflected on the potential **mixed blessing** of a successful outcome in terms of having to go through the demolition process and manage the associated remediation works in the context of their mortgage arrears situation:

*I've got my core test done in March but we were told at that time that we'd have to wait around 8 to 9 months for a response as to what's actually going to happen... there's people around me and they're happy to have their (outer) leaf done if that's what they are going to do, but I'm not at all happy if they come and say we're going to go ahead with the (outer) leaf because the house is crumbling before my eyes... like it's getting worse, in the last few years you've seen it escalating more and more... so on the one hand I'm thinking this is a big win but on the other hand, if I'm paying my mortgage every month even though it's a struggle to pay it every month, is it going to be another battle...*

The placing of a **project management** onus on householders<sup>227</sup> also has financial implications, both in terms of coping with advance costs and managing the works and payments associated with the Scheme:

*It's a very poor system, it's shocking, the Scheme, because in reality, you would need at least 40 to 50,000 up front to keep it going because you have to have so much work done... our contractor, he did so much work out of his own money, so you have to have so much work done and then you have to claim for a payment, and there's no money ahead for the next stage, you're always 2 steps behind, we had turn our kitchen down there in May, it's due in next week but we've had to turn it down again because we're waiting on our money, a payment from the Council... now our first payment, we had to wait 11 and a*

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<sup>226</sup> A requirement of the Grant Scheme to enable a decision to be made on remediation. We understand there can also be delays around getting BCAs carried out in the first instance and in terms of appeals processes relating to the Scheme. Further, we had reports of people not meeting the damage threshold facing a quandary as to whether to carry out patch-work remediation themselves at their own cost (thereby further distancing themselves from potential access to the Scheme), or to do nothing and wait for their home to further decay sufficiently to meet the threshold.

<sup>227</sup> An important factor here is that the Scheme provides timelines between grant approval and the completion of works, including in relation to extension requests. See: <https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/defective-concrete-block-grant-scheme-pathway/>, accessed 11<sup>th</sup> August 2025.

half weeks,<sup>228</sup> this time, it's usually 4 to 5 weeks.

*The problem is the money is not there, the Council are not paying the money (up-front), they're expecting you to have so much work done and then they pay out, now who has that kind of money... it's not even fair on the contractors, because they're expected to foot up 40, 50, 60,000 of their own money<sup>229</sup>...at any stage then, there's no money to go ahead for the next stage... so you have so much work done, then the architect comes out to sign it off, then someone from the Council has to come out from their side and they need to sign it off, and then you've to go to the next stage to get your roof, your windows but there's no money ahead of the game... so it's a very, very poor system... this is why we're at a standstill again... last June we moved out, we demolished in July... this is a year in and we're only just starting to plaster outside, if the scheme was better laid out, we could be in the house by now.*

*I think it's a disaster to be honest, the whole set up, I'm set up but I thought when I got set up, the allowance on the house to build the house would go (direct) to the builder but no no, I've got to go in there, it goes in my account, I've got to go in and transfer it in to his account and then I've got to show them (the local authority) a statement to show I've paid it, it's an absolute disaster, and I get a receipt to show it's been paid into his account, but they won't accept that, it has to be a bank statement... I didn't want to be bothered with that... then say 3 or 4 days later, the money goes into my account.*

The availability of suitable **alternative accommodation** can also have implications in terms of access and use of the Grant Scheme. One respondent cited the lack of any appropriate alternatives in their locality as a barrier to entry. Another (quoted below) referenced the poor nature of living conditions while their property was being remediated, while the amount available proved to be an issue in a further case where the householders in question were left out of pocket.

*When this all happened, when I had to get out of the house, this fella got me a place in (names location), but when I went and saw the place, if you saw where they put me in, the Mica people paid the rent... in the place I was in, I wouldn't have given them a Euro, it was absolutely disgusting, desperate, and I was stuck in there for 10 months.*

*The Scheme didn't cover our last two and a half month's rent so we're out of pocket for that and paying our mortgage.<sup>230</sup>*

Those clients nearing the end of the process reflected on how the Scheme had played out for them from a user perspective. Each felt that although 'enhanced' compared to its predecessor, there are considerable **financial implications** for those using it given the way it is constituted. It seems that at the root of these overall - in addition to the up-front payment and project management components - is that the maximum

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228 Under the initial scheme.

229 According to a recent media report, this is causing problems for contractors too. See: 'Builders walking off sites due to DCB payment delays, council hears', Donegal Daily, 22<sup>nd</sup> July 2025. See: <https://www.donegaldaily.com/2025/07/22/builders-walking-off-sites-due-to-dcb-payment-delays-council-hears/>, accessed 11<sup>th</sup> August 2025.

230 The extra rent amounted to around €3,000 in total. Another respondent mentioned how lack of storage availability in their locale had resulted in them having to sell and re-purchase furniture, thereby incurring added costs.

ceiling is *inclusive* of the various allowable costs and fees. In other words, the actual amount available for remediation is *reduced* once these items are deducted. When allied to increasing construction costs<sup>231</sup> and planning requirements, applicants can be left with considerable financial commitments, particularly if their accommodation requirements have changed since the initial build<sup>232</sup> or if they wish to make their homes sustainable.<sup>233</sup>

*The other real situation I have is that my house wasn't built with a son with particular needs in mind, and now would be the time to make modifications but now I have to wait to hear is the house going to be demolished and then if or when you get confirmation that it is, at that stage then to start looking for planning permission and start having to pay for any changes to make to the house and I don't have the money for that, to do that type of thing...I'm banging my head off a brick wall... I am tired filling in forms and emailing people.*

*The top grant there is for 460,000... the 15,000 for accommodation and the 5,000 for storage... they take that off the scheme, then they take test and architect fees off you...when you submit your plan to the Council, they will then tell you how much you've been allocated and they'll go by the square footage, but they're not taking this (i.e. the set costs) into consideration ... so that's already 30,000 plus taken off you already, so that's why my (partner) had to do part demolish because otherwise our house would have been costing us... we got a rough estimate, our house could have been coming in at (well over the 460,000 limit)... so our contractor was trying to tweak it, we had to use a lot of our stuff again like our bathroom stuff, stairs, our internal doors, our whole kitchen, we're trying to save as much as we can to keep within the budget... even at that, they're not considering when you get in it's just a basic turnkey, even though we're using our own furniture, you're moving into a house that you still have some work to do and that costs.*

Finally, despite or perhaps on account of the multitude of information sources available,<sup>234</sup> there were elements of **misunderstanding** detectable in a small number of interviews about the provisions of the Scheme itself. We have already alluded to the uncertainty surrounding the developing science. One respondent who was clearly struggling to make sense of it all, referenced the lack of a concentrated source of reliable advice 'in the round', the fear that funding for remediation may be withdrawn if national economic circumstances deteriorate, and the resulting state of **limbo** that many clearly feel.

*I find the big rub for me (is that) it's so hard to summarise something so complicated... There isn't a clear path or assurances really ... there's so many people who don't know what to do about it (or) how to advise you on it, so in a lot of ways, you feel all at sea... there doesn't really seem to be anywhere, I'll ask for help for anyone that can give it to you but it doesn't seem there's many doors there that you could knock and rely on information because I don't feel people have the information there to give you... and this is all underpinned*

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231 Availability of builders in the context of increasing applications is another issue, particularly in the context of a widely-acknowledged national housing shortage.

232 It has been suggested for example that the Scheme should allow for downsizing. See: Hegarty and Murphy (2022), *ibid*.

233 There is, however, a **separate** Sustainable Energy Authority of Ireland (SEAI) grant scheme available to households availing of the Enhanced Defective Concrete Blocks Grant Scheme to also access grants to improve the energy performance of their homes. See: <https://www.seai.ie/grants/home-energy-grants/defective-concrete-blocks>, accessed 11<sup>th</sup> August 2025. Again, it is our understanding that 'up-front' - albeit reimbursable - costs are involved here as well.

234 We came across for example, information provided through various national government, local authority, statutory body and community sources.

*by the economical state of the country as it is, they all talk about tariffs and everything and it's a real concern for me to think if this drags on for long enough will the (bottom) fall in the whole country and we're going to be left with houses that are crumbling and that I'm expected to pay a mortgage on... I'm totally in limbo.*<sup>235</sup>

With respect to the latter point, we re-iterate that there are **no references whatsoever to mortgage arrears** within the legislation underpinning the Scheme, in associated official information guides, or in defective concrete block-specific material published by the representative body for financial institutions.

## 6.2. The Consumer Protection Code 2012

The relevance of the Consumer Protection Code (CPC) 2012 to our cohort of dually impacted borrowers lies in the potential protections afforded to them by the Code were they to be categorized as 'vulnerable consumers'.<sup>236</sup> The CPC, amended and published in 2015,<sup>237</sup> is issued on a legislative basis by the Central Bank of Ireland (CBI) as part of its dual mandate to maintain (industry and monetary) financial stability and protect consumers.<sup>238</sup> The Code is important from the perspective of our research as its rules protect customers of banks **and non-banks** in general and provide extra protections for 'vulnerable consumers', a description which we believe should - at least in theory - apply to the MABS client cohort reviewed for the purposes of this research. However, this is not at all clear as discussed below.

The current Code - as amended and revised<sup>239</sup> - provides that the term "vulnerable consumer" is defined as follows:

*A natural person who: a) has the capacity to make his or her own decisions but who, because of individual circumstances, may require assistance to do so (for example, hearing impaired or visually impaired persons); and/or b) has limited capacity to make his or her own decisions and who requires assistance to do so (for example, persons with intellectual disabilities or mental health difficulties).*<sup>240</sup>

The requirements imposed on providers of financial services who identify a consumer as vulnerable are set out as follows:

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235 This was a phrase used by several respondents in terms of their overall predicament.

236 The BPF, although perhaps reluctantly, appear to be open to this. During a JOC debate, a representative stated as follows: 'In regard to vulnerability, there was an ask for all impacted customers to be treated as vulnerable. We said to the redress focus group that we do not believe that is the appropriate approach but that if impacted homeowners want to be deemed vulnerable, they can opt in to that. They can signal that preference to their lender and be treated through the vulnerable customer unit which would have a different process in place'. See: <https://www.kildarestreet.com/committees/?id=2024-05-01a.435>, accessed 11<sup>th</sup> August 2025.

237 See: <https://www.centralbank.ie/docs/default-source/regulation/consumer-protection/other-codes-of-conduct/4-gns-4-2-7-cp-code-2012.pdf>, accessed 11<sup>th</sup> August 2025. The CPC consists of a set of rules to be followed by regulated financial service providers; the Bank has the power to investigate, discipline and undertake enforcement action against regulated entities who breach its provisions.

238 See: <https://www.centralbank.ie/about>, accessed 11<sup>th</sup> August 2025.

239 An 'Unofficial Consolidation' was published by the CBI on the 13<sup>th</sup> December 2023. See: <https://www.centralbank.ie/docs/default-source/regulation/consumer-protection/other-codes-of-conduct/unofficial-consolidation-of-the-consumer-protection-code.pdf>, accessed 11<sup>th</sup> August 2025.

240 *Ibid*, p.77.

*Where a regulated entity has identified that a personal consumer is a vulnerable consumer, the regulated entity must ensure that the vulnerable consumer is provided with such reasonable arrangements and/or assistance that may be necessary to facilitate him or her in his or her dealings with the regulated entity.<sup>241</sup>*

There are two issues with these current categorisations in our view. The first is that the above requirements seem to be **comparatively light** and not particularly onerous; for example, there is no explicit duty of care placed on the provider to take into account the nature of the consumer's vulnerability in the **outcome** of those dealings. However, the second and arguably more important issue is that the definition itself appears to constitute a **narrow** definition of vulnerability, in that it focuses primarily on the existence of a disability that may affect an individual's decision-making capacity. Thus, the vulnerability of a consumer is framed primarily, if not exclusively, in terms of his or her individual characteristics and circumstances and in the light of the external assistance available to help him/her to make decisions. It does not explicitly acknowledge that a consumer may be vulnerable for reasons other than disability.

The cohort of dually impacted mortgage arrears consumers at the heart of this research are (as we have described) vulnerable, primarily on foot of **economic, social and personal factors arising beyond their control**. Hence, **they do not appear to be covered by the definition as it stands**, unless they also have a disability and/or capacity issue. Moreover, the existing Code is completely silent on the issue of defective blocks in the context of vulnerability or consumer protection. The status of the Code and the relevant definition are however both set to change in the not-too-distant future but again, it is not clear as to whether the MABS client cohort reviewed will be covered by the revision.

In October 2022, the CBI published a lengthy discussion paper setting out its plans to commence a detailed review of the existing Consumer Protection Code. It subsequently embarked on a series of meetings with a range of stakeholders in late 2022 and through the course of 2023. There followed the publication of a Consultation Paper in March 2024 seeking submissions from interested parties and the Bank completed the review by issuing a draft Statutory Instrument (S.I.),<sup>242</sup> which was subsequently published as a government regulation earlier this year and will come into operation on 24<sup>th</sup> March, 2026.<sup>243</sup> The revised Code defines what is now termed a '**a consumer in vulnerable circumstances**' as follows:

*A consumer that is a natural person and whose personal circumstances, whether permanent or temporary, make that consumer especially susceptible to harm, particularly where a regulated entity is not acting with the appropriate levels of care, and 'vulnerable circumstances' shall be construed accordingly.<sup>244</sup>*

Regulation 34 further provides that:

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<sup>241</sup> *Ibid*, p.9.

<sup>242</sup> S.I. No. 81/2025 - Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Consumer Protection) Regulations 2025). See: <https://www.irishstatutebook.ie/eli/2025/si/81/made/en/print>, accessed 11<sup>th</sup> August 2025.

<sup>243</sup> See: <https://www.centralbank.ie/regulation/consumer-protection/consumer-protection-code>, accessed 11<sup>th</sup> August 2025.

<sup>244</sup> *Ibid*, Regulation 2.

*Where a regulated entity has identified that a consumer that is a natural person is in vulnerable circumstances, the regulated entity shall provide that consumer with such ongoing reasonable assistance as may be necessary to facilitate that consumer in their dealings with the regulated entity.<sup>245</sup>*

It is notable that this revised definition of a vulnerable consumer, due to come into operation at the end of March 2026, includes a person ‘whose individual circumstances (our emphasis) *make that consumer especially susceptible to harm*’. It is arguable that the discovery of defective blocks in a principal private residence, with the traumatic consequences that we have identified, renders these individual borrowers especially susceptible to harm, particularly where remediation has yet to be undertaken or completed and where there is usually no choice but to continue to reside in the affected dwelling. However, from the CBI’s perspective, it may be that the term ‘individual circumstances’ continues to refer to issues of disability and capacity, inherent in the person rather than resulting from events in the external environment.

It is also notable that this definition suggests that the consumer’s susceptibility to harm may be exacerbated where a regulated financial service provider is not acting ‘with the appropriate levels of care’. This revised wording could be read to suggest that borrowers in mortgage arrears, where those arrears are connected to the problem of defective blocks, require a level of care and attention that properly recognises the seriousness of their predicament.<sup>246</sup> While it is arguable that these new provisions might be interpreted and applied to fit the circumstances of dually impacted borrowers once they come into force, **an explicit reference to the defective concrete block issue within the ‘vulnerable consumer’ section of the revised Code** – currently absent - would bring much needed clarity here.

It should follow thereafter that the collection practices of relevant lenders would carefully consider the susceptibility to harm of the affected borrowers. In this regard, it is worth noting that a further regulation in the proposed statutory instrument (Regulation 35)<sup>247</sup> provides that staff, including those carrying out consumer-facing functions, must receive relevant training in relation to consumers in vulnerable circumstances.

## 6.3. The Code of Conduct on Mortgage Arrears 2013

In Section 2 (our literature and policy review), we concluded that there are general deficiencies from a borrower perspective in terms of the Central Bank’s Code of Conduct on Mortgage Arrears (CCMA) and its associated Mortgage Arrears Resolution Process (MARP).<sup>248</sup> To reiterate, these issues concern the following: the absence of rights for borrowers; the lack of any reference to “vulnerable consumers”; power imbalances which favour lenders, and; the absence of an independent appeals mechanism.<sup>249</sup> We did however

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<sup>245</sup> *Ibid.*

<sup>246</sup> *The practices highlighted by respondents in the previous section fall well short of these standards.*

<sup>247</sup> *Ibid.*

<sup>248</sup> *As with the CPC, the CCMA consists of a set of rules which regulated lenders must follow.*

<sup>249</sup> *Where a borrower is not offered an alternative repayment arrangement, generally where the lender concludes that the mortgage is not sustainable, legal proceedings may commence three months from the date the lender’s letter to this effect is issued or eight months from the date the arrears arose (Provision 45). Where the borrower is offered an alternative repayment arrangement but is not willing to enter into that arrangement, similar timelines apply (Provision 47). In either case, an appeal against the lender’s decision to the (internal) lender’s Appeals Board is available to the borrower.*

also conclude that despite these deficiencies, a large number of re-structures and resolutions have been facilitated by the Code, but that a substantial amount of arrears accounts remain unstructured.

As regards dually-impacted borrowers, we find some evidence of resolution within our administrative data analysis (Section 4) albeit only for a minority. Evidence of this positive aspect – though extremely limited – is also identifiable within the qualitative narratives. Two clients, are at the point of agreeing re-structured Alternative Repayment Arrangements (ARAs) through MABS, although again, both power imbalance and burden sharing issues emerge:

*We're currently working with (names MABS adviser) who has been working with (named NBE) for us, so we have a proposal from (named NBE) at the minute, we're just waiting... so our house has been re-built, and we're waiting for documentation to enable them to finalise that proposal to us... we were asked to resubmit the documentation that the engineer has done to cover that we had Mica which we had actually submitted 2 or 3 years ago and they wanted that off us again so that happened I want to say about 2 months ago...*

*And now they've come back, I think it's around the completion of building and another document around valuation of the house...so we have got back to them and said if they want a valuation of the house done, are they willing to contribute money to pay for that, we're waiting on a reply on that and the other document won't be available probably for a few months...so originally we had hoped to be able to start our new payments (by now) when we were due to go back into our house because we were renting... and we're just waiting to hear more now.*

*We were really getting nowhere with them for a couple of years... so I proposed (through MABS) that could we not extend the mortgage, it's probably up in 9 years' time, so I says could we not extend it for another 2 years or so, we actually asked for 5 years (but age was a barrier)... so just recently in the last couple of months, now it isn't actually finalised yet, they're only giving us a trial for now, so they have extended it for 2 years and that's including the arrears... it's nearly now almost 700 (per month).. it's still quite a lot of money.*

The consensus among MABS staff surveyed for the purposes of this research is that the CCMA is 'not effective' in a defective concrete block scenario, principally due to **the lack of any specific reference** to it within the terms of the Code. As this respondent observed:

*The issue of defective blocks and associated challenges is not addressed in the CCMA specifically. Provision 36. "A lender's ASU must examine each case on its individual merits." is really the only provision that lends itself to any interpretation in relation to the issue of defective blocks. But without a common specific approach to the issue of defective blocks and mortgage arrears, mortgage lenders are not being 'encouraged' to really assist homeowners.*

As referenced earlier (Section 2), the Central Bank takes the contrary view that the CCMA/MARP as it stands – which takes into account a case-by-case assessment based on individual borrower circumstances – 'is the most suitable way to achieve an appropriate and sustainable solution' in such cases. Thus, from the Bank's viewpoint, there is no need to treat the defective blocks problem as a distinct issue, even though the

mortgage arrears that may ensue are **inextricably linked** with it as we have identified.

The current revision of the Consumer Protection Code (CPC) into a statutory instrument referred to above,<sup>250</sup> also brings some structural changes to the MARP process. As a result of these changes, the current Code of Conduct on Mortgage Arrears (CCMA) 2013 will be effectively no more, and will now reappear with a revised and updated Mortgage Arrears Resolution Process (MARP) inserted into the revised CPC at Chapter 9 (Regulations 219-264).<sup>251</sup> The revised MARP at Chapter 9 proposes a number of changes to the process applicable from March 25<sup>th</sup>, 2026. **Again, however, no explicit reference is made to the defective blocks issue within this regulation.**

## 6.4. Personal Insolvency Arrangements

Statutory Personal Insolvency Arrangements (PIAs)<sup>252</sup>, outlined in Section 2, are - at least in theory - an option for distressed borrowers such as those in our sample who have accumulated mortgage arrears and in several cases, ancillary unsecured debt. However, there are notably fewer successful PIAs across our MABS sample (just n=1)<sup>253</sup> than would be expected relative to those for Abhaile more generally. References to PIA applications are also relatively rare - in just 5/34 SFS cases reviewed, with most of these at the 'exploration stage'. Two clients referenced exploring this option but with no success, as in this instance:

*I looked into that 4 or 5 years ago with a local PIP.<sup>254</sup>*

*Q. How did that work out?*

*A. It didn't work out at all... (the PIP) tried their best... they (NBE) refused.*

These findings suggest particular factors to be at play here and three of these are identifiable both from the clients themselves and from key informants working with them in both a MABS and Personal Insolvency Practitioner (PIP) context. These are: (i) the market value of the property (ii) the associated claw-back provision, and (iii) lack of resources among the clients concerned.

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<sup>250</sup> i.e. S.I. No. 81/2025, *ibid.*

<sup>251</sup> *Ibid.*

<sup>252</sup> Personal Insolvency Act 2012, Chapter 4.

<sup>253</sup> In this case, the (employed) borrower reported proposing a modest lump sum (including 10% of the arrears), together with re-structured payments over an extended period to take them to around age 70. Our sense is that the PIA proposal was initially refused, but the client successfully appealed by way of a s.115A review. The lender apparently knew of the defective block issue but the cracking appears to be fairly limited at this stage.

<sup>254</sup> The proposal consisted of a modest lump sum coupled with a reduced payment arrangement over an extended period.

## Market value

The issue here relates to differing viewpoints between creditor and debtor representatives on what constitutes 'market value'. The legislation clearly states that it is to be defined as '**the price which that property might reasonably be expected to fetch on a sale in the open market**'.<sup>255</sup> From the borrower viewpoint, in the case of an un-remediated property, this is in essence the site value, which would likely entail a fairly significant write-down on the creditor's part, even where the loan has been purchased at a discount through a portfolio sale.

However, the creditor view appears to be that they will only entertain proposals on the basis of *remediated* values, which would involve larger repayments; hence 'site value' proposals are routinely vetoed it seems. In the East Region as far as we can establish, PIA applications are only made by PIPs in respect of remediated values in 'pyrite heave' cases. The Act makes provision for the Insolvency Service of Ireland (ISI) to appoint a *de facto* arbiter in the case of such disputes,<sup>256</sup> and while we did not come across any evidence of this having happened, one interviewee felt strongly that such a practice could help overcome their particular 'market value' barrier. There may be merit in some form of agreed protocol between the ISI, the BPII and affected homeowner representatives<sup>257</sup> to determine 'market value' in defective block situations, both for PIA and arrears resolution purposes more generally.

## Claw-back provision

The Act further protects secured creditors by preventing debtors, who benefit from a write down based on a fall in the secured asset's value, from also benefitting from a recovery in its value.<sup>258</sup> The so-called '**claw-back**' provision means that the difference between written down and subsequent higher sale (or even re-finance)<sup>259</sup> values can be recouped by the creditor. Given that there will likely be a considerable difference between site and remediated market values, a borrower availing of a significant write-down as part of a PIA may find themselves - post-remediation - unable either to re-finance at lower interest rates or to sell the property without paying a substantial claw-back.

## Lack of resources

In Section 1, we identified lack of resources as a major factor in the low number of PIA approvals relative to initial, official expectations. Higher average poverty rates and corresponding lower than average incomes among the MABS client sample overall (see Section 4), suggest that even if market value and claw-back provisions are addressed in a defective concrete block scenario, borrowers would be highly unlikely to be

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255 S.105(6)(a).

256 Should 'market value' agreement not be reached, the Act makes provision in s.105(4) for the appointment of an independent expert by the Insolvency Service of Ireland. Our reading here is that the legislation did not foresee the extent of property value collapse experienced by those living in defective properties.

257 Perhaps under the auspices of the Banking and Insurance Focus Group, established in 2023 as a sub-group of the Implementation Steering Group for the Enhanced Defective Concrete Blocks Grant Scheme. See: <https://www.donegaldaily.com/2025/04/01/defective-blocks-group-holds-first-meeting-with-bank-and-insurance-industry-1/>, accessed 18<sup>th</sup> August 2025.

258 Section 103.

259 See: *Roache v Start Mortgages DAC* [2024] IEHC 666 (High Court PIA appeal), 24<sup>th</sup> November 2024.

able afford to put forward any form of acceptable proposal. Further, they may not be able to fulfil relevant 'payment record', 'co-operation' or 'engagement' criteria in any event.<sup>260</sup>

In short, it is hard to argue with the consensus among MABS staff<sup>261</sup> that the PIA option as constituted is not an effective one from the perspective of a dually impacted borrower unless s/he has (i) access to a sufficiently acceptable lump sum (e.g. to discharge arrears), (ii) sufficient income to pay a re-structured mortgage based on an independently-verified market value over a realistic time period given their age and earning capacity, and (iii) no intention of re-financing or selling their potentially remediated property within a 20 year time-scale. Finally in this regard, as with the CCMA, the **absence of any reference whatsoever to defective concrete block situations** within the Personal Insolvency Act 2012 is noteworthy.

It should also be noted here, in the context of much needed law reform, that the long-awaited statutory review of the personal insolvency legislation still has not been completed. According to the Act itself, this review should have commenced by the end of July 2016 (three years after the relevant provisions were commenced) and should have been completed by the end of July 2017.<sup>262</sup> Almost a full decade later, the legislative agenda of the current government is still largely silent on this issue, merely recording a commitment 'to update aspects of personal insolvency legislation, following agreement on new EU Insolvency Directive (currently under negotiation)'.<sup>263</sup>

## 6.5. Mortgage to Rent (MTR)

As discussed in Section 1, the Mortgage to Rent (MTR) Scheme appears only to work for a minority of applicants. Among our SFS sample (n=34), only one client is actively pursuing this option, but the outcome is uncertain given the following adviser update:

*'MTR under review pending pyrite testing results.'*

Data accessed through the Housing Agency confirms the paucity of successful MTR applications across our research areas, numbering only 28 (Donegal County Council) and 48 (Mayo County Council) between Q2-2015 and Q2-2025.<sup>264</sup> As regards our interview sample, one respondent described how their MTR application had come to nought following a number of process issues<sup>265</sup> and creditor practice, the latter being the subject of a complaint to the lender in question.

The main issues here are the **condition of the property** and the **framing of the Scheme** under which only the homeowner and not the purchasing Approved Housing Body (AHB) can apply for a grant.<sup>266</sup> We have reports

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<sup>260</sup> See: *Personal Insolvency Act 2012, Section 91.*

<sup>261</sup> A finding from the MABS Staff questionnaire survey.

<sup>262</sup> See: Joyce, P. and Stamp, S. (2022). *Pillar to Post Paper 4: A Review of Debt Resolution Mechanisms and the Debt Support Services, with final recommendations for reform.* Dublin: Free Legal Advice Centres, p.92-93.

<sup>263</sup> See: <https://www.gov.ie/en/department-of-the-aoiseach/publications/spring-2025-government-legislation-programme/>, p.22, accessed 21<sup>st</sup> August 2025.

<sup>264</sup> See: <https://www.housingagency.ie/sites/default/files/2025-07/Quarterly%20Reports%20by%20Local%20Authority%20%28Complete%29%20Q2%202025.pdf>, accessed 18<sup>th</sup> August 2025.

<sup>265</sup> One of these related to over-accommodation and the modification of a property to meet the needs of a person with a disability.

<sup>266</sup> A further barrier in some cases may be reluctance on the part of AHBs to purchase remote, 'one-off' dwellings.

of AHBs pulling out of the MTR process once the presence of a defective block is confirmed. It is noteworthy that in the East Region, pyrite-heave has not proved to be a barrier to MTR once the property has been remediated and/or a Green Cert has been issued. However there is a potential rub to remediation in an MTR scenario, namely that a remediated property may put the potential applicant over the value threshold even if they fulfil all other criteria. Each of these issues were cited by MABS staff working with clients in defective properties, the unanimous view among those who responded being that MTR is 'not effective' in this context.

*MTR is 100% not available as an option to anyone with DCB.*

*The MTR process could really only proceed alongside the defective concrete block remediation scheme.*

*If the house is rebuilt it will possibly be over the threshold value wise to qualify for MTR*

*Clients with DCB, cannot avail of MTR*

*To date, MTR is not possible for homeowners affected by DB*

*Houses with any sign of DCB are not considered for the scheme.*

*In MTR cases, housing bodies do not want to take on cases with pyrite as they (i.e. the AHBs) do not qualify for the Redress Scheme. Then if they wait until clients go through the redress scheme, the value of houses goes up and clients may not qualify for MTR.*

Once again, as with other debtor protection measures related to mortgage arrears, there is **no reference whatsoever to defective concrete blocks within the terms of the MTR Scheme** as it stands. Some suggestions were made by MABS staff as to how policy amendments might bring this option more into play, at least for some. Better collaboration **within** relevant public bodies would be a potential starting point here, while **enabling AHBs** to avail of the Scheme - at least in part - could increase access:

*I wonder if the process could be made more efficient on the County Council side – e.g. both the housing list/tenancy agreement and remediation schemes are both undertaken by the Councils but both by completely different sections (albeit it both in the Housing Dept). I do not know how collaborative those sections are within the council.*

*Once they get the IS465 issue sorted 267 I think it would be really useful for the Housing Agency to have internal discussions in relation to the bottle neck scenario, where they (the Housing Agency) hold the reins in relation to both schemes. They are currently deeming houses, not damaged enough for the DB Redress Scheme, (they do not meet the damage threshold) but not suitable for MTR.*

*Approved housing bodies could be allowed a percentage of the scheme to rebuild the property so that those with no other alternative could remain in their homes.*

*Could it be considered that Housing Bodies, if they take on houses for MTR with Pyrite, could they be eligible for the Redress Scheme – considering the shortage of houses also.*

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267 This is a reference to the standardised protocol for determining whether a building has been damaged by concrete blocks containing certain excessive amounts of deleterious materials (such as mica).

Taken together, we conclude that as it stands, unless modifications to MTR and the Grant Scheme are made, MTR is unlikely to be an option for dually impacted borrowers such as those that form part of this research.

## 6.6. Abhaile and MABS

Both Abhaile and MABS are essentially service providers, and hence the success of related interventions depends largely on two things, namely (i) the goodwill of creditors in responding to proposals put forward on behalf of clients and (ii) how well our consensual restructuring-based policy measures work in practice from a borrower perspective. As we have discussed in some detail to date, neither of these two dimensions are working expediently or comprehensively enough to the benefit of our research cohort.

What came across strongly from the client interviews however – and it should be noted that these were unprompted - was the importance of the **support** people were receiving through MABS<sup>268</sup> and why this matters.<sup>269</sup> The various reflections here illustrate the value people place on the following: the ongoing nature of the support provided; the highlighting of options that people would not have otherwise known about; the assistance with setting up payment plans; and, the re-assurance of having someone to fight your corner with you and be there for you.

*I've been with MABS for 5 years now... I'm still with MABS to try and sort out the situation... myself and MABS over years and years, that's all we're trying for, a settlement, fair play to MABS, they've worked with me for a long time*

*The mortgage lender wouldn't co-operate even though I sent in the various financial statements etc, they sent me a letter saying I had a number of options, I could move out of the house, I can't remember all the options but they weren't willing to come to a solution... at that stage, I contacted MABS and that's how I found out about the Personal Insolvency Arrangement*

*(Names staff member) and I worked together on it and we put an offer in*

*(MABS) have me set up on a thing now, (names adviser) did all that... I pay (X amount) a month*

*My score for MABS out of 10, 50...*

*(Names staff member) is brilliant*

*(Re-structure/Proposal) it's only now through (names staff member) in MABS, they've fought for us for the last two years*

*MABS have been absolutely fantastic... there seems to be a lot of people out there willing to take your money, give you half-baked advice and promise you the sun, moon and stars which do not arrive for you... that's why I actually went to MABS because I'm not going to pay someone to take money that I don't have off me to not*

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268 This includes a positive reference to the Duty Solicitor Scheme provided under Abhaile, referenced earlier in our analysis of related legal proceedings in Section 5.4.

269 Very much in line with Stamp (2009), *ibid*.

*get me any further... but I couldn't praise (names staff member) or the MABS Service enough, it really has been a lifesaver for me and if there's any time down the line that you want to pick up the phone and give me a call in relation to this, I'd be happy to talk to you, thanks for including me.*

The MABS staff who reflected on their role frequently mentioned the importance they place on its supportive and advocacy elements, and how these can combine to take at least some of the pressure off clients. Many made reference to a working 'mortgage arrears' protocol that exists between MABS and the Banking and Payments Federation (BPF<sup>270</sup>) – **also silent on the issue of defective concrete blocks** - and felt that this needs to be updated in this context. From our reading, not all NBEs appear to subscribe to the protocol<sup>271</sup> and given the findings of our research, it would seem timely to address this issue. It also appears to us that **a specific protocol for dealing with defective block/mortgage arrears cases** – which includes NBEs – is required.

## 6.7. The Borrower Viewpoint and Ways Forward

We conclude our substantive analysis with what is arguably the most important aspect to the whole research, namely interviewee responses to the following question:

*“What would work for you in terms of a solution to your mortgage arrears situation?”*

We were struck by the sense that no-one had appeared to have ever asked this question of them before. It was also striking that everyone had a solution from their perspective. In some cases this had worked - or was working out – albeit far too slowly; in most instances however as we have seen, borrowers were effectively stuck. Below are the solutions that people cited; in some cases more than one option was cited:

- Full and final settlement for a modest (accessible) lump sum;<sup>272</sup>
- PIA;
- MTR;
- Voluntary surrender;
- Re-structure over a longer term;
- Early access to pension;
- Maximisation of income;

Towards these ends, some cited changes they would like to see (the relevant quotes are in the associated footnotes), namely;

- Some form of 'breathing space' option;<sup>273</sup>

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270 See: [https://assets.mabs.ie/documents/BPFI\\_MABS\\_Framework\\_Agreement\\_May2023.pdf](https://assets.mabs.ie/documents/BPFI_MABS_Framework_Agreement_May2023.pdf), accessed 12<sup>th</sup> August 2025.

271 *Ibid*, p.12. The protocol was last updated in May 2023.

272 Either from family or through an insurance or pension policy.

273 'They really should have given everyone going through this... at least 5 years to give people room to breathe'.

- Earlier and more comprehensive engagement;<sup>274</sup>
- More creditor understanding both of the problem and of the Grant Scheme.<sup>275</sup>

In previous work, we have posited the establishment of an independent and objective, 'Mortgage Arrears Resolution or Review Office', available to make realistic and attainable determinations<sup>276</sup> for borrowers and lenders in mortgage arrears cases;<sup>277</sup> such an office would appear to be particularly apposite in defective concrete block situations, given the findings from our study.<sup>278</sup> We have further suggested that the provisions of Section 2A of the Land and Conveyancing Law Reform (Amendment) Act 2013<sup>279</sup> - applicable at Possession Order stage - should be applied much earlier in a mortgage arrears scenario, perhaps by way of an office such as the above.<sup>280</sup>

However, mortgage arrears are only one part of the story here, and the evidence we have gathered strongly indicates that what is needed from the perspective of an impacted household living in a defective property, is an office with much broader responsibilities and powers. As we have shown, people also require clarity about the developing problem and the Scheme itself. Further, they need the project management and financial burdens currently associated with remediation lifted from them. Finally, they want some breathing space on the mortgage arrears side<sup>281</sup> and a realistic, expedient resolution to this dimension of their problems.

With these various elements in mind, we propose the establishment of an independent, statutory, Defective Concrete Block Remediation and Resolution Office which would have four key functions:

- (i) To explain, administer, and carry out the Remediation Scheme on behalf of the State;
- (ii) In cases of associated mortgage arrears, to grant breathing space (debt respite) to the borrowers concerned, including those at risk of falling into arrears;
- (iii) To make realistic and attainable determinations for DCB borrowers in arrears<sup>282</sup> (appealable into the courts if either party is dissatisfied with the decision made), and;
- (iv) To collate and publish data on the extent of the problem, together with details on the ongoing results of applications to the Scheme.

274 'A conversation and engagement would have helped us and we certainly would have been engaging you know as much as we could... we felt lost because of the lack of engagement from them'.

275 'If they had educated themselves as to what the DCB crisis is'.

276 Appealable into the courts if either party is dissatisfied with the determination.

277 Joyce and Stamp (2022), *ibid*, p.136-141.

278 Such a body could for example play a role in proposing solutions post-remediation to the arrears problem that do not involve repossession and sale of the remediated property.

279 As amended by the Land and Conveyancing Law Reform (Amendment) Act 2019. See: <https://www.irishstatutebook.ie/eli/2013/act/30/enacted/en/html>, and <https://www.irishstatutebook.ie/eli/2019/act/22/enacted/en/html>, accessed 12<sup>th</sup> August 2025.

280 Joyce and Stamp (2022), *ibid*, p.140.

281 There is a government 'debt respite' scheme in the UK which, although more limited than would be needed here, could be drawn upon in terms of establishing basic principles. See: <https://www.gov.uk/options-for-dealing-with-your-debts/breathing-space>, accessed 12<sup>th</sup> August 2025.

282 In cases that are already the subject of repossession proceedings, it could be provided that they be struck out and remitted to the Office to be considered. Where the lender/NBE wishes to bring such proceedings, it could be provided that it would have to apply to the Office to obtain leave to bring repossession proceedings and justify its application on stated grounds.

## 6.8. Summary

Our policy architecture for dealing with mortgage arrears in a defective concrete block situation clearly requires significant amendment. Firstly, none of our relevant policy measures (both in the defective block and mortgage arrears' domains) even reference the other dimension to the problem, as highlighted earlier. More specifically, the Grant Scheme – although welcome and helping to bring about remediation for some in our sample – is constituted in such a way as to inhibit and, in some cases, even preclude people from accessing the financial support they need.

Problems with affording up-front payments, both in respect of initial testing and throughout the reconstruction process, were frequently identified against a backdrop of limited resources in the first instance. Additional costs for accommodation and furnishing (amongst other things) could also be incurred. When allied to the complexities of project management, many were clearly carrying an added logistical burden. By comparison, its East Region 'pyrite-heave scheme' predecessor - where pretty much the entire process was administered end-to-end by the Housing Agency - appears a much less burdensome model. The lack of an 'in the round', national, reliable source of information is also noteworthy, although the community facilitator service is playing a positive role with regard to the Grant Scheme at community level.

On the mortgage arrears side, the existing Central Bank of Ireland's Consumer Protection Code is both silent on defective blocks and narrow in its definition of vulnerable consumer; an amendment to it specifically to cover dually impacted borrowers would be welcome. It appears that the industry would be prepared to treat people in this way if requested to do so, though again, this places the burden on the borrower who may not be aware of such a provision in any event.

A revised code is due to come into force in March next year, but it is as yet unclear as to whether the revised definition of 'a consumer in vulnerable circumstances' will apply to borrowers living in defective properties. The related Code of Conduct on Mortgage Arrears (CCMA) also fails to reference the defective block scenario; further, it does not include any reference to vulnerability, and does not work quickly or comprehensively enough in this context, both on account of the complex interplay of the issues involved and the power imbalance between the parties. The 'one size fits all' approach is insufficient in our view, given that mortgage arrears among the MABS cohort are inextricably intertwined with the defective concrete block problem and require specific - as opposed to generalized - policy attention. Moreover, the conduct of NBEs, in terms of the treatment of borrowers, should be reviewed expediently by the Central Bank, based on the findings of our research.

Other mortgage resolution measures appear to be largely unworkable from the perspective of dually impacted borrowers. Personal Insolvency Arrangements (PIA) will be inaccessible to many on account of insufficient resources, age and earning capacities, inability to fulfill statutory co-operation and engagement requirements, and the twin difficulty of establishing a market value for defective properties and dealing with the potential for future claw-back post-remediation if/once this takes place. Experience elsewhere suggests that PIAs are only generally possible where a property is either first confirmed as 'clean' or has been successfully remediated; this is because the legislation creating them probably never envisaged a defective concrete block type situation. A protocol between the relevant parties is nonetheless worth exploring in this context, given that a PIA may still be achievable in certain cases.

Barriers also face those interested in exploring the Mortgage to Rent (MTR) option, the main one being the condition of the defective property involved, which is unlikely to be purchased by an Approved Housing Body (AHB) without some form of 'Green Cert'. Thus, those facing Grant Scheme access and use issues are unlikely to be able to avail of MTR unless the Scheme itself is amended to address these barriers, and/or to enable AHBs to apply to it themselves. In any event, the value of remediated properties may transpire to exceed the relevant ceiling, another issue requiring attention. Once again, the absence of any reference at all to the defective block issue in the MTR Scheme is notable, and we again identify a need for a more joined-up approach to service provision, in this instance within public sector bodies with a housing remit.

Against this backdrop of policy dis-functionality, service providers such as MABS, Abhaile and Personal Insolvency Practitioners, face obvious limitations as regards helping people to achieve resolutions. However, the ongoing supportive role played, particularly by MABS, is clearly valued by clients in terms of stress alleviation, re-assurance, creating awareness of otherwise unknown options, and giving people a voice. In an ongoing theme, the absence of a specific protocol between MABS/Abhaile and the financial service industry is a deficiency, and one that could be helpfully addressed.

Finally, and perhaps most importantly, the purpose of this research is to enable people to tell their stories, what has worked and not worked for them, and what could be done from their perspective to put things right, at least in terms of a resolution to the mortgage arrears aspect of their problems. We were struck by how many interviewees reported never having been asked this before, and by their readiness to propose solutions that would work for them and help others. Suggested resolutions included full and final settlement, a PIA, MTR transition, voluntary surrender, re-structure over a longer term, early access to a private pension, and the maximisation of income.

People also suggested ways in which creditors could deal with them more empathetically by way of earlier and more comprehensive engagement and better understanding, both of the defective block issue and associated grant scheme. In the round, we conclude that if remediation and resolution is to really work from a household perspective going forward, a new initiative is needed, and it is towards these conjoined ends that we propose the establishment of a Defective Concrete Block Remediation and Resolution Office with associated dual responsibilities.



# Section 7.

## Conclusion and Recommendations

# 7. Conclusion and Recommendations

## 7.1. Conclusion

The Defective Concrete Block Crisis (DCB) affects thousands of homes in the North West region, although the precise number is unknown. It has its origins in the “Celtic Tiger” period (1999-2008), when - unbeknownst to the families concerned (a prime example of a force majeure event) - deleterious matter became embedded in the materials used to construct family homes. Associated “cracking”, which first manifested itself in the subsequent decade, has resulted both in defective properties and long-term trauma for the families concerned. Attempts to resolve the issue by individual households came to naught as the construction, insurance and banking industries respectively eschewed responsibility for resolution.

In response to the developing crisis, public policy has concentrated on remediating the properties concerned and thereby indirectly, assisting the people who own and live in them. While considerable state resources are being expended on addressing the problem, access and use issues have, however, emerged in relation to the associated statutory-based grant scheme – particularly in terms of associated up-front and total cost shortfalls, and the need for individual homeowners to project - manage remediation works - while the developing science suggests that further amendments to the scheme may be needed to address and resolve the root cause of the problem.

There are two core themes to emerge from our literature and policy review in this respect. The first is one of unequal burden sharing, which to date appears to have fallen primarily on the households themselves, despite them being entirely blameless for the crisis which has occurred. This burden lies both in terms of having to live in such distressing circumstances and being assigned primary responsibility for rectifying them, including in terms of having to assume both a financial and project management role in relation to grant scheme-funded remediation works. The absence of a financial contribution towards remediation on the part of the banking and insurance sectors – in contrast to their financial engagement in helping to address a previous pyrite crisis in the East Region - is noteworthy here.

Further, the burden has been carried by householders for a very long period of time, given that the problems in Donegal and Mayo first emerged in public policy terms as long ago as 2013. Delays in policy implementation and associated administrative processes have thus prolonged the problems experienced by affected homeowners, while the current scientific uncertainty about the root cause of the problem appears to be creating a state of limbo for them.

The second theme relates to what might be termed a public and societal information deficit. We were unable for example to identify a reliable, up to date estimate as to the full extent of the defective concrete block problem in counties Donegal and Mayo, and indeed beyond. Further, there appear to be inconsistencies in the publication of Grant Scheme data between public bodies, with no one ‘official’ template used. Information on the developing science is also difficult to ascertain. Thus, it is hard for society both to get a handle on the full incidence and nature of the problem, and the extent to which social policy is addressing it in practice. Moreover, there does not appear to be any mechanism for garnering learning from the scheme to enable

necessary modifications to be expediently made on a periodic basis. It is also noticeable that while there are various sources of publicly available information and support for those potentially impacted, there is no singular source to whom borrowers can reliably turn in the round.

As with the defective concrete block crisis, its mortgage arrears counterpart also has its genesis in the Celtic Tiger years (1999-2008) as a result of a combination of what is now widely recognised as imprudent lending and non-intrusive regulation. While the peak of the crisis (mid-2013) which followed the Global Financial Crisis (2008) has long since passed, the problem persists for many borrowers for whom the problem has deepened. Predominant among these owner occupiers are those from cohorts at greater risk than others, principally due to external factors such as poverty, unemployment and ill-health, and demographic factors including older age and formal education level.

Lender profiles have changed as a result of loan portfolio sales, to the extent that the majority in longer-term arrears now find themselves dealing with an entity (typically a non-bank) different to the one (generally a bank) that sold them the mortgage in the first place. As in the defective property scenario, the burden has again been carried predominantly by the households and families concerned, with noticeably similar adverse psychological and social impacts.

The policy emphasis since the crisis first manifested itself during the 'post-Crash' years (2009-2015) has remained on the creation of frameworks of engagement, whereby creditors and debtors are facilitated to come to a consensual resolution of mortgage arrears and related problems, providing the latter consents to full disclosure and engages. Examples here are: the Central Bank of Ireland's (regulatory) Code of Conduct on Mortgage Arrears and associated Mortgage Arrears Resolution Process; (statutory) Personal Insolvency Arrangements (PIAs); the Housing Agency's Mortgage to Rent Scheme, and; the State's Abhaile and MABS Services. While each measure has facilitated resolutions for many, there remain a considerable number of households for whom these initiatives have either not worked or have proved elusive.

One reason for this is the uneven playing field which exists between powerful, well-resourced financial service providers and atomised, poorly resourced and often legally un-represented mortgage borrowers. As a result, those with insufficient disposable incomes and a lack of realisable assets can find themselves excluded from the measures set up to assist them. Many such households would appear to require debt write-downs and permanent interest rate reductions, but the institutional emphasis on restructures and voluntary arrangements tends to ensure that lenders rarely take such financial hits. Interestingly, there is little or no evidence of concern among regulatory and lender institutions about mortgage arrears in the context of properties with defective concrete blocks, the apparent view being that existing 'case by case' measures - based on borrowers seeking help - are more than adequate to cover such a dual problem.

The policy development process in each domain (defective properties and mortgage arrears) has been remarkably similar, but it is striking that these measures have been developed entirely discretely, and that neither set of measures references the other, despite - we suspect - the homes in question invariably being mortgaged. The result is in essence two separate policy silos, although the same household may be experiencing both issues. This may be because policy has predominantly focused on properties and distressed accounts rather than the householders who live in and own them.

Our study, in contrast, focuses on exploring borrower or householder lived experience among a sample of MABS clients in counties Donegal and Mayo experiencing the dual problems of mortgage arrears and living in homes with defective concrete blocks. It has three core objectives, which may be summarised as follows:

- (i) To identify the mortgage arrears dimension(s) to the defective concrete block crisis from a borrower perspective;
- (ii) To investigate the adequacy of current policy measures designed to assist dually impacted borrowers and identify any deficiencies, and;
- (iii) To propose additional/alternative interventions that may be needed towards resolving householders' mortgage arrears in this context.

A mixed methodology approach is used, predominantly comprising: (i) administrative/quantitative data analysis of a sample of 'dually impacted' MABS client Standard Financial Statements (SFSs) submitted to creditors, and (ii) semi-structured interviews with a sub-sample of clients to ascertain their individual experiences and perspectives of dealing with these two related issues. We take as our focus a human rights lens which has two distinct dimensions; firstly, that borrowers should be treated with respect and dignity when things go wrong as a result of predominantly external factors and secondly, that housing should be secure, affordable and habitable.

Administrative data analysis of clients' Standard Financial Statements (SFS) gives us an indicative picture of the demographic, socio-economic, mortgaged, and arrears situations of MABS clients experiencing the dual problem of mortgage arrears and living in properties with defective concrete blocks. Beginning with age, we find the average client to be around 54 years old and a quarter of the sample to be aged over 60; thus, they have relatively few years of earning capacity remaining within which to discharge their mortgages. There is also an identifiable feature with regard to marital status, in that over 45% are either separated or divorced compared to a figure of just 6% for the population at large. Aside from the suggestion that trying to deal with such a traumatic dual problem is impacting intra-household relationships, we also know from previous research we have carried out that resolution attempts can be hindered in cases where both parties do not agree, or where one party has become dis-engaged.

Households are larger than average, and most contain children under 18; further, lone parents form a considerably larger proportion of the sample than expected. Factors such as these are known to be associated with a higher risk of poverty and over-indebtedness. Data in relation to employment status, income and associated poverty rates show this to be a cohort of households in mostly low paid work, with many dependent on social welfare supplements; ill-health related payments are also present among a sizeable minority.

Within this context, it is unsurprising to find relatively low levels of household income, assets or savings, and a high rate of poverty, which amounts to four times the national average. While most households have some disposable income to put towards housing costs, it is nowhere near enough to meet contractual mortgage repayments; nonetheless, most families are paying a considerable percentage of their monthly mortgage costs. The vast majority of households are still resident in their properties despite the associated defects, but relatively

few are availing of, or have even engaged with, the Enhanced Defective Concrete Blocks Grant Scheme.

The mortgages concerned were mostly drawn down from mainstream lenders during the Celtic Tiger period (2000-2008), but as a consequence of the Global Financial Crisis (GFC) and associated bank financial stability concerns, the majority have since been sold to Non-Bank Entities (NBEs). The average outstanding mortgage balance on these loans is just shy of €130,000, but the current market (often merely site) value of the defective properties involved means that negative equity is common among the sample. Arrears are widespread as might be expected among a MABS client dataset, and while the causes are mainly external in nature in line with the literature, there are indications that the defective blocks themselves are an added factor.

Remaining mortgage terms are long and interest rates (mainly variable in nature) are high, a combination – in the context of limited incomes and assets – likely to leave many well beyond retirement age before they discharge their liabilities, if at all. In light of the above, only a minority (around a fifth) have been able to agree an alternative repayment arrangement (ARA) or secure a PIA. The majority appear to be stuck in prolonged and protracted processes, with around half also having to cope with legal possession proceedings to repossess their properties. Other, mainly unsecured debts are not, however, widespread among the sample, with the average debt per client in the region of €9,000.

Turning now to the qualitative dimension of our research, the lived experiences of respondents shines a research light for the first time in Ireland on the dual experience of trying to cope both with mortgage arrears and the realities of living in a defective property. Taking the latter first, we identify three dimensions. The first of these involves the visible, tangible and audible effects of watching your home begin to deteriorate in front of your eyes. The second relates to the associated psychological (and sometimes physical) impacts beginning with denial, which mirror to a large extent those involved in the stages of grief following a bereavement, while the third is more practical in terms of a growing realisation that as they stand, respondents' homes are essentially unsellable.

Against this backdrop, the borrowers in question have discovered that in the vast majority of cases, their mortgages have been sold on, without their prior consent or knowledge, to Non-Bank Entities (NBE), presumably as part of distressed loan-book portfolio sales. This is a cohort of clients who are in arrears largely as a result of external factors such as a drop in income, ill-health, or an increase in expenditure, including the exacerbating consequence of NBE's charging relatively higher interest rates. The defective concrete block dimension plays a triple role here, firstly as a root cause of arrears on account of the attempted remediation expense involved, secondly by compounding them through creating higher ongoing costs, and thirdly as a barrier to accessing the grant scheme (in that borrowers are understandably not willing to do so solely for the lender's benefit).

Experiences of dealing with loan purchasers are overwhelmingly negative, as respondents have found them by and large to be most unhelpful, with practices ranging from indifference at best to what appears to resemble borderline harassment at worst. Unwillingness by creditors to respond favourably to what appear to be reasonable proposals in the circumstances, is an identifiable theme across these cases. Around half our sample are subject to legal proceedings, adding another – and arguably somewhat futile – element to household trauma. Overall, we conclude from the qualitative narratives that borrowers are experiencing

a sense of cumulative entrapment and powerlessness stemming primarily from a deleterious construction material problem, which has arisen entirely outside of their control.

Against this backdrop, our policy architecture for dealing with mortgage arrears in a defective concrete block situation clearly requires significant amendment. Firstly, none of our relevant policy measures (both in the defective block and mortgage arrears' domains) even reference the other dimension to the problem as highlighted earlier. More specifically, the Grant Scheme – although welcome and helping to bring about remediation for some in our sample – is constituted in such a way as to inhibit, and in some cases even preclude, people from accessing the financial support they need.

Problems with affording up-front payments, both in respect of initial testing and throughout the reconstruction process, were frequently identified against a backdrop of limited resources in the first instance. Additional costs for accommodation and furnishing (amongst other things) could also be incurred. When allied to the complexities of project management, many were clearly carrying an added logistical burden. By comparison, its East Region 'pyrite-heave scheme' predecessor - where pretty much the entire process was administered end-to-end by the Housing Agency - appears a much less burdensome model. The lack of an 'in the round', national, reliable source of information is also noteworthy, although the community facilitator service is playing a positive role with regard to the Grant Scheme at community level.

On the mortgage arrears side, the existing Central Bank of Ireland's Consumer Protection Code is both silent on defective blocks and narrow in its definition of vulnerable consumer; an amendment to it specifically to cover dually impacted borrowers would be welcome. It appears that the industry would be prepared to treat people in this way if requested to do so, though again, this places the burden on the borrower who may not be aware of such a provision in any event.

A revised code is due to come into force in March next year, but it is as yet unclear as to whether the revised definition of 'a consumer in vulnerable circumstances' will apply to borrowers living in defective properties. The related Code of Conduct on Mortgage Arrears (CCMA) also fails to reference the defective block scenario; further, it does not include any reference to vulnerability, and does not work quickly or comprehensively enough in this context, both on account of the complex interplay of the issues involved and the power imbalance between the parties. The 'one size fits all' approach is insufficient in our view, given that mortgage arrears among the MABS cohort are inextricably intertwined with the defective concrete block problem and require specific - as opposed to generalized - policy attention. Moreover, the conduct of NBEs should be reviewed expediently by the Central Bank, based on the findings of our research.

Other mortgage resolution measures appear to be largely unworkable from the perspective of dually impacted borrowers. Personal Insolvency Arrangements (PIA) will be inaccessible to many on account of insufficient resources, age and earning capacities, inability to fulfill statutory co-operation and engagement requirements, and the twin difficulty of establishing a market value for defective properties and dealing with the potential for future claw-back post-remediation if/once this takes place. Experience elsewhere suggests that PIAs are only generally possible where a property is either first confirmed as 'clean' or has been successfully remediated; this is because the legislation creating them never envisaged a defective concrete block type situation. A protocol between the relevant parties is nonetheless worth exploring in this context, given that a PIA may still be achievable in certain cases.

Barriers also face those interested in exploring the Mortgage to Rent (MTR) option, the main one being the condition of the defective property involved, which is unlikely to be purchased by an Approved Housing Body (AHB) without some form of 'Green Cert'. Thus, those facing Grant Scheme access and use issues are unlikely to be able to avail of MTR unless the Scheme itself is amended to address these barriers, and/or to enable AHBs to apply to it themselves. In any event, the value of remediated properties may transpire to exceed the relevant ceiling, another issue requiring attention. Once again, the absence of any reference at all to the defective block issue in the MTR Scheme is notable, and we again identify a need for a more joined-up approach to service provision, in this instance within public sector bodies with a housing remit.

Against this backdrop of policy dis-functionality, service providers such as MABS, Abhaile and Personal Insolvency Practitioners, face obvious limitations as regards helping people to achieve resolutions. However, the ongoing supportive role played, particularly by MABS, is clearly valued by clients in terms of stress alleviation, re-assurance, creating awareness of otherwise unknown options, and giving people a voice. In an ongoing theme, the absence of a specific protocol between MABS/Abhaile and the financial service industry is a deficiency, and one that could be helpfully addressed.

Finally, and perhaps most importantly, the purpose of this research is to enable people to tell their stories, what has worked and not worked for them, and what could be done from their perspective to put things right, at least in terms of a resolution to the mortgage arrears aspect of their problems. We were struck by how many interviewees reported never having been asked this before, and by their readiness to propose solutions that would work for them and help others. Suggested resolutions included full and final settlement, a PIA, MTR transition, voluntary surrender, re-structure over a longer term, early access to a private pension, and the maximisation of income. People also suggested ways in which creditors could deal with them more empathetically by way of earlier and more comprehensive engagement and better understanding, both of the defective block issue and associated grant scheme.

As the title of our report illustrates, borrowers experiencing the dual trauma of mortgage arrears and living in a defective property can find themselves caught between a rock and a hard place. Re-examining our policies in this area through the lens of human rights' principles of housing security, affordability, habitability, dignity to live and inclusivity, could make the lives of this cohort of doubly-distressed citizens and their families that bit easier. It is with this intention that we put forward the following recommendations.

## 7.2. Recommendations

We recommend the following:

### Over-arching body establishment

1. An independent, statutory, Defective Concrete Block Remediation and Resolution Office should be established to explain, administer, and carry out the Remediation Scheme on behalf of the State (Section 1; Section 6.7).
2. This Office should be empowered to grant breathing space to dually-distressed borrowers in or at risk of mortgage arrears (Section 5; Section 6.7).
3. This Office should further be empowered to make determinations in defective concrete block situations, including in respect of cases that are already the subject of repossession proceedings and in those where the lender/NBE wishes to bring such proceedings (Section 5; Section 6.7).
4. This Office should be designated as the primary body responsible for collating and publishing information about: (i) the developing extent of the defective block problem nationally and regionally (ii) applications, decisions and current states of play with regard to the Grant Scheme (nationally and regionally), and; (iii) the DCB issue and Scheme overall from a public information standpoint. (Section 1; Section 5; Section 6.1).
5. This Office should further be assigned as the hub for receiving, collating and informing government as to policy issues which emerge with respect to the various dimensions of the defective concrete block issue, including its mortgage arrears aspect. (Section 1).

### The Central Bank of Ireland (CBI)

6. The Consumer Protection Code (CPC) and Code of Conduct on Mortgage Arrears (CCMA) should be modified to include specific reference to the defective concrete block (DCB) crisis and provide for the treatment of those affected as vulnerable consumers (Sections 6.2 and 6.3).
7. The Central Bank should further examine the practices of Non-Bank Entities (NBEs) and Credit Servicing Firms (CSFs) in this context (Section 5).
8. Power imbalances in the CCMA more generally, which favour lenders and disfavour borrowers, should also be addressed (Section 2).
9. The Central Bank should request - from the entities it regulates - information on the position of borrowers in mortgage arrears whose family homes are adversely affected by defective concrete blocks. These data should be published quarterly as a subset of its quarterly mortgage arrears statistics (Section 2).

## **Borrower experience**

10. A mechanism should be created to ensure that the voice of the dually-impacted borrower is incorporated into policy monitoring and development. One option here is to create a MABS client user group, perhaps drawn from those who participated in the research; this group could be augmented by staff with relevant experience in this domain ([Section 4](#); [Section 5](#)).

## **INTERIM MEASURES:**

### **The Grant Scheme**

11. Financial access and use barriers to the Grant Scheme should be addressed in respect of cost shortfalls, up-front expenses and potential accommodation expenses ([Section 1](#); [Section 6.1](#)).
12. Non-financial access and use barriers should also be addressed i.e. process delays and the project management burden ([Section 1](#); [Section 6.1](#)).
13. The Grant Scheme should be amended to allow Approved Housing Bodies (AHBs) to access it for Mortgage to Rent (MTR) purposes ([Section 6.5](#)).
14. Administration processes in respect of MTR and the Grant Scheme should be better integrated, both within the Housing Agency and within local authorities. ([Section 6.5](#)).

### **Insolvency Service of Ireland (ISI)**

15. The development of a protocol for the assessment of market value for Personal Insolvency Arrangement (PIA) purposes in a defective concrete block scenario should be undertaken under the auspices of the Insolvency Service of Ireland (ISI) ([Section 6.4](#)).
16. In addition, a further protocol to facilitate non-statutory arrangements including full and final settlements of DCB mortgage arrears cases should be explored. ([Section 6.4](#)).

### **MABS**

17. MABS should estimate the resources required in the defective block context to cope with the potential for future demand ([Section 6.6](#)).
18. Use of a voucher system might be considered for Building Condition Assessment (BCA) purposes ([Section 1](#); [Section 5](#)).
19. A protocol should also be developed with the Banking and Payments Federation (BPFI) to deal with mortgage arrears cases in a defective property scenario ([Section 6.6](#)).
20. A dedicated database should be kept for DCB clients for monitoring and policy purposes ([Section 4](#)).

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