4 tips to protect your home if you're made redundant

Unemployment and redundancies in the UK are rising. While you might not be able to predict whether you'll be affected by economic uncertainty, there might be some steps you can take to protect your home if your income stops.

A challenging economic backdrop is leading to rising redundancies

According to MoneyWeek (21 January 2026), government data shows that unemployment and redundancy rates are rising.

In the three months to November 2025, the unemployment rate was up 1.1 percentage points to 4.9%. Provisional figures, which may be revised, show a fall of 43,000 in payroll employment in December 2025, which would represent the fastest fall in five years.

Many businesses are facing challenges relating to rising geopolitical tensions and trade wars. Coupled with GDP data from the Office for National Statistics (13 March 2026) showing the economy stagnated in January 2026, redundancy figures could rise further.

How to prepare financially for redundancy

Redundancy is often stressful and difficult to navigate. The pressure it places on your finances can be challenging to manage, especially if you have large financial commitments, such as paying a mortgage.

1. *Create an emergency fund*

Typically, it's advised that you have between three and six months of essential outgoings in an easy-access savings account to act as your emergency fund.

These savings could provide a valuable safety net if your income should suddenly stop, including if you're made redundant. If you don't already have an emergency fund, making it a priority could be a valuable step in safeguarding your home and finances.

2. *Take out appropriate financial protection*

Financial protection could pay you a regular income or a lump sum when the conditions of the policy are met. Certain options covering redundancy may offer peace of mind.

You should note that not all types of financial protection would pay out if you lost your job, so it's important to read the terms of your policy to understand the conditions and potential exclusions. To maintain the cover, you'll have to pay regular premiums, the cost of which can vary depending on your needs and lifestyle.

The money provided by financial protection could allow you to continue meeting your mortgage repayments and other expenses while you search for a new position.

If you'd like our support when searching for financial protection, please get in touch.

3. *Assess what you'd be entitled to*

Knowing your redundancy entitlements could highlight potential gaps in your finances or provide confidence if the amount exceeds your expectations.

Statutory redundancy pay is calculated based on your age, salary, and the number of years in your job. The government calculator could help you assess what you'd receive. Your employer might also offer enhanced redundancy packages, which should be detailed in your contract.

You might also be eligible for government support if you're no longer working, which you can check at the government's website.

4. *Review your budget*

If you're worried about being made redundant, auditing your finances and day-to-day budget now could be useful – are there any expenses you could reduce?

For example, if your previous mortgage deal has ended, you might benefit from lower repayments by taking out a new one. The lower repayments could improve your overall budget and reduce the pressure you'd face if you were made redundant.

Contact your lender if you're made redundant

If you're made redundant, you might want to turn away from the financial problems it causes. Ignoring the issues could lead to them compounding and might mean you fall into arrears with your mortgage.

Get in touch with your mortgage lender as soon as you can to discuss your options. You might be able to take a payment holiday, so you don't need to worry about mortgage repayments in the short term, or switch to interest-only payments, which would reduce your outgoings. Alternatively, you might extend the mortgage term to repay the loan over a longer time frame.

These solutions could ease your worries about meeting your mortgage repayments, reduce the risk of you losing your home, and allow you to focus on your next steps.

We could help you secure a mortgage

If you're looking for ways to reduce your outgoings, we might be able to help. We could search thousands of deals from across the market on your behalf to find a lender that suits your needs and potentially offers a competitive interest rate. Please get in touch to speak with our team.

Please note: This article is for general information only and does not constitute advice. The information is aimed at individuals only.

All information is correct at the time of writing and is subject to change in the future.

Note that financial protection plans typically have no cash in value at any time and cover will cease at the end of the term. If premiums stop, then cover will lapse.

Cover is subject to terms and conditions and may have exclusions. Definitions of illnesses vary from product provider and will be explained within the policy documentation.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

Approved by The Openwork Partnership on 13/04/2026.