

Putting clients first

Impact Report 2021



Key achievements

Launching our Client Activation Portal helped clients quickly apply for a debt solution and manage their plan online



We almost doubled the number of organisations using our digital referral and call back service, making it easier for partners to refer clients to debt advice



Our pilot with The Trussell Trust helped our advisors offer free food parcels for clients in need of emergency support



Becoming the first provider to offer multi-channel debt advice through StepChange Your Way, allowing clients to switch between online, phone and webchat



More than 80% of our colleagues gave our new flexible home working policy a positive rating



Winning five industry awards: three senior leaders recognised in the Credit 500 Index, a Financial Services Forum Innovation Award for our Covid Payment Plan as the 'Most Innovative New Product', a Smart Money People Consumer Credit Award for 'Best Financial Support Provider' and we were awarded the Credit Strategy TRI Awards 'Personal Debt Solution Provider of the Year'



We were among the first to provide access to statutory Breathing Space



Our Covid Debt Rescue campaign contributed to the government releasing £65m in funds to support those in problem debt



Our partnership with IncomeMax helped hundreds of clients to increase their income





CEO statement

Last year, for many of us, was a more challenging and trying year in some ways than the one that preceded it. As the pandemic dragged into its second year, the impact of distance from family and friends, and ongoing restrictions and health worries took its toll on people across the country.

And of course, as parts of the economy remained shuttered, the impact was felt on people's finances. At the end of 2021, our polling suggested that one in three people struggled to keep up with bills and credit commitments – double the pre-pandemic number.

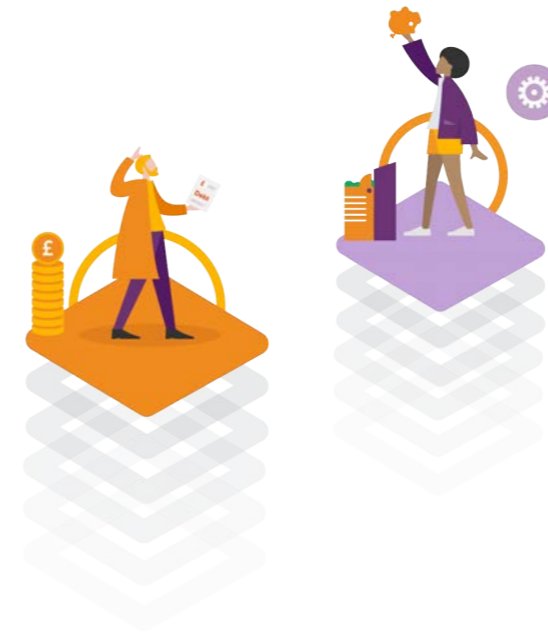
While we have seen a significant increase in enquiries in the second quarter of 2022, these figures did not translate into a surge in demand for debt advice in 2021. Volumes of new clients helped by StepChange remained below the level that we saw before the pandemic. We know that for many, temporary measures, such as payment 'holidays' and forbearance has delayed the problem – kicking the financial can down the road. But for others, the respite given by lower expenditure and support measures may have helped them step back from a financial precipice.

However, one thing is for certain. Those who are coming to us for debt advice are increasingly presenting with more complex problems; multiple issues spanning not just their finances but also their housing, their ability to put food on the table and their mental health. In 2021, a record number of our clients disclosed an additional vulnerability of some sort, on top of their financial problems.

These different dynamics are also putting additional pressures on our advisers and our finances. In 2021 StepChange had to go through a difficult but sadly necessary reduction in colleague numbers as our funding suffered a drop due to the pandemic. Throughout this, our colleagues did not once waver in their commitment to supporting our clients and this Impact Report is a tribute to them. We are hoping for greater multi-year certainty of funding from 2023 through Money and Pensions Service commissioning.

This report is a chance to reflect with a great deal of pride on what we have achieved as an organisation. Three million clients reached in total, with some 336,947 clients guided and 157,905 clients going through full debt advice. That is no mean feat and shows our ongoing impact on a daily basis.

We've also continued to raise awareness of the issue of problem debt – with a blockbuster year of media coverage and reach. We made great progress in shaping the political response to the pandemic by advocating on behalf of our clients – particularly those reliant on Universal Credit and those in the rental sector.



And we forged some fantastic new collaborations with our partners – without whom none of this could be possible.

As we progress through 2022, we know the world will continue to change at a rapid pace. In March 2022 we launched our new organisational strategy – Stepping Up in a Changing World – which sets out how we will respond to a new landscape, whilst continuing to put our clients at the heart of everything we do. There's a lot to do and a lot to still be understood about what's changed as we emerge from the pandemic.

But as this Impact Report shows, with the level of commitment and dedication that we have among our colleagues and supporters, we're ready for the challenge.

Phil Andrew
Chief Executive Officer



Our purpose

As the UK's leading debt charity, we are contacted by hundreds of thousands of people a year online and by phone, across all nations and regions. Our purpose is to provide holistic support for all people experiencing problem debt.

We work in partnership with a broad network of organisations – from mental health charities to income support services to achieve that purpose. For those we can't help directly, we offer triage and information to ensure they receive the support they need.



Our vision

Our vision is to create a society free from problem debt.

Problem debt is not just an issue for individuals but goes much further - it damages families and communities.

By helping those in debt get back on their feet, and by campaigning for policies that aim to prevent problem debt, we can help to overcome the difficulties that debt creates for our society in the 21st century.



Our mission

We provide free debt advice and solutions for people at risk of or struggling with problem debt and we seek to influence public policy and private sector practice to prevent people falling into problem debt in the first place.

We made good progress against our objectives in 2021, which was the final year of our five-year strategy *Stepping Forward*.

Objective 1: High quality debt advice and solutions meeting client need

Our first objective is to provide the highest quality debt advice and solutions for people struggling with problem debt and its associated challenges

Key achievements

1 StepChange Your Way: seamless, multi-channel debt advice

Last year we established ourselves as the only provider to offer a multi-channel debt advice service, from advice all the way through to solution set up. We give clients the opportunity to switch between online and phone advice whenever they need to and access debt advisor webchat. Our research shows that our clients value this flexibility, and we believe it's vital to help clients access advice at a time that suits them, through the channel of their choice. We're also the only provider to allow clients to access online debt advice anonymously, offering the confidentiality that many require.

"I used the online tool to understand which debt solutions might be right for me and then called up to put everything in place. Going through debt advice was a huge relief."

● Dean, StepChange client

2 Leading access to statutory Breathing Space

After years of campaigning, we gave clients access to statutory Breathing Space in May 2021, rapidly embedding it within our client journey and connecting up with the Insolvency Service portal ahead of the rest of the sector. We worked closely with the Insolvency Service and listened to and acted on creditor feedback, refreshing the client journey to both improve the data entered by clients, and make locating clients on creditor systems easier.

From 4 May, when Breathing Space launched, to 31 December 2021, we saw 27,543 clients apply to the scheme, representing between 7% and 9% of those seeking advice from us. Around 90% of those clients have gone on to complete full debt advice compared to around 25% of clients that did not apply. Breathing Space clients are also around two to three times more likely to go on to take up a debt solution than clients that did not access it. This suggests that these protections give people more encouragement to stay engaged with debt advice and get the debt solution they need.



79% of clients said they would recommend Breathing Space



80% highly rated the application process with StepChange

3 Enhancing our focus on vulnerable clients

In 2019 we saw 44% of our clients disclosing at least one additional vulnerability on top of their financial vulnerability, and this increased by more than 10% by June 2021 – making the vulnerability agenda even more critical.

In 2021 we enhanced our focus on vulnerability by delivering training modules for 100% of debt advisors focused on supporting clients at risk of harm. This included clients experiencing domestic abuse and those in contact with illegal money lenders.

Last year we also began refreshing our Vulnerability Strategy, working closely with creditors to understand their approach to vulnerability to ensure we can take a joined-up, holistic approach to supporting clients. Our new strategy will help us focus on building more partnerships with specialist organisations to ensure clients achieve the best outcomes from our service.

"It's really common for people with neurodisabilities to find financial management difficult... even though some of us can look as if we are coping. I think StepChange saves lives. We all mess up. But they are there to help and they won't judge you."

● Sarah, StepChange client

4 Our impact across Scotland, Wales and Northern Ireland.

In 2021 we helped more than 15,000 clients to access debt advice and solutions across Scotland and Wales. In addition, to enable us to support a growing client base, we won over £1 million to deliver the Scottish Government's multi-channel debt advice service, alongside £116k from the Welsh Government. We are deeply grateful for the support both the Scottish and Welsh Governments in helping us to deliver our mission, and we are strengthening our partnerships with organisations across Scotland and Wales to make sure we can support as many clients in the regions as possible.

StepChange provided full debt advice to 1,437 clients in Northern Ireland, which represents around 10 in 10,000 of the population in Northern Ireland. This is lower than other areas of the UK, which is due to the charity's lower presence as part of the wider debt advice provision in Northern Ireland.

Key facts and figures



3 million clients reached in total (-9%)*



Over **500,000** clients guided, advised or supported in total



336,947 clients guided (+53%)**



157,905 clients advised (-20%***)



39,130 clients supported (-4%****)



£402 million of debt was repaid by clients (-1.3%)



24,463 clients became debt free from problem debt with our support (+2%)

*The number of people who have visited our website or called our phoneline for information or support with their money or problem debt

**The number of people who've used a StepChange money guidance or advice tool to support them with budgeting, income or to identify what support they'll need with problem debt

***The number of people who have completed full debt advice or received emergency advice or support

****The number of people who've started or remain on a StepChange supported or recommended debt solution

Sarah's story

“

I had quite a difficult upbringing, and after my parents divorced, I ran away from home. I ended up living off benefits whilst doing my A Levels as I was living away from my family. Other than the benefits, I didn't have much support, which meant that I didn't develop good financial habits, and it didn't pave the way for my future very well.

For as long as I can remember, I would go round in circles, working out a budget, but then suddenly blowing it all, and having to start again. It didn't matter how many times I re-worked my finances - I would just keep overspending.

I just kept telling myself that I had it all under control, but my debts were creeping up dramatically over time.

I'd heard of StepChange through word of mouth and hearing people mention it on the TV, so my husband encouraged me to get in touch.

I picked up the phone and spoke to a debt advisor and explained my situation. They were really kind, non-judgemental and supportive, and patiently told me about all of the different options available

It's not easy facing up to the mess you've made with your finances. But StepChange made it a lot less painful and have been there for me every step of the way.

It's made such a difference to my life and I feel much more in control of my finances. I'm now halfway there with paying back my debt and I wouldn't have been able to do it without StepChange.

I think StepChange saves lives. We're all human, we all mess up. But they are there to help and they won't judge you.

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Objective 2: Meaningful collaboration and efficiency

Our second objective is to build even stronger partnerships with organisations across the sector and be the most efficient provider of free debt advice and solutions

Key achievements

1 Strengthening our partner network

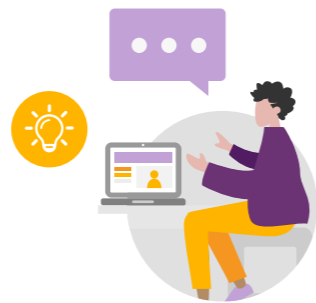
As the difficulties faced by clients have expanded, we have grown our network of partners to provide holistic support to our clients with problem debt and wider challenges.

In 2021 we initiated pilots with the Trussell Trust and IncomeMax to provide specialist support for our most vulnerable clients. So far, we've started helping our clients access food vouchers through the Trussell Trust partnership, and we've begun referring vulnerable clients for detailed income maximisation sessions with IncomeMax.

As we continue to diversify our funding across the UK, we seek to provide maximum quality and value for money to our funders, with an ambitious change roadmap which will drive further efficiencies, service enhancements and improved management information and reporting.

“Thank you very much – they approved my PIP. I'm so glad we spoke.”

● Client who had his Personal Independence Payments (PIP) reinstated after speaking to IncomeMax



2 Expanding the organisations digitally referring to debt advice

Last year we had more than 90 organisations using our digital referral and call back service which allows frontline staff to refer customers to debt advice quickly and easily. Feedback from creditors has been excellent, with referrers commenting that the Easy Referral Form saves their advisors time and has helped to improve the transition to and take up of debt advice.

We have now expanded this service to help us look at both a client's secured lending alongside their unsecured debt, helping creditors' mortgage teams to refer their customers to mortgage advice and improving the client journey. We provide our partners with detailed performance related data so that they have a clear understanding of the number of people they refer to us and also, most importantly, the outcomes for their customer base.

“Due to the digital referral form being easily accessible and user friendly, our agents have embraced the change and we are now seeing three- or four-times higher referral volumes into StepChange than this time last year.”

● Customer service agent, national building society

3 Rapid, digital access to debt solutions

In 2021 we launched our Client Activation Portal, helping clients quickly and easily apply for a debt solution online. Now accessible to 100% of clients applying for a Debt Management Plan, Token Payment Plan and Debt Payment Programme, the portal enables clients to upload their documents and quickly and easily check in on progress.

We also launched the Fast Dox Client Portal last year, helping clients complete their Individual Voluntary Arrangement (IVA) journey via their mobile phones. More than 87% of clients on an IVA used the portal, and as a result, we have seen the average time it takes for clients to complete their IVA journey reduced from 84 to 40 days.

“The (Fast Dox) portal is great. I have been able to book my appointment so quickly, at a date and time that suits me. It's been good to read all of the information before my appointment, so I understand more about an IVA and my options.”

● Client using the Fast Dox Portal

4 Support from major funders

We would like to extend our thanks to the Money and Pensions Service (MaPS), one of our key funders. MaPS enable us to continue delivering debt advice services through telephony, online and multi-channel routes, and providing clients with help to apply for Debt Relief Orders. As well as our funding relationship, we are part of the Money Advisers Network (MAN) which delivers advice as part of the MaPS PACE pilot. We are currently engaging with MaPS on their work to design and implement a new quality framework for debt advice organisations.

Key facts and figures



We launched **two new** digital pilots with partner organisations



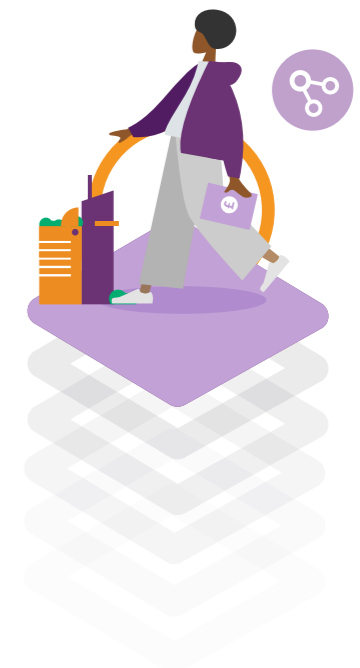
We onboarded **97 partners** to the digital referral and call back service



14,916 clients used the Client Activation Portal



87% of clients on an IVA used the Fast Dox Portal



Objective 3: Campaigning to reduce the harm of problem debt

Our third objective is to champion the cause of people in, and at risk of, problem debt by campaigning for change in public policy and private sector practice

Key achievements

1 Campaign win: Covid Debt Rescue

Our research on the financial impact of the pandemic estimated that 460,000 private tenants would accrue arrears and be vulnerable to eviction in 2021. In response we joined forces with housing and advice charities to launch Covid Debt Rescue, a campaign calling for a package of emergency financial support. This saw the Government release an additional £65 million of funds.

“The additional £65 million of support for low-income earners is welcomed. While more will be needed, it should reduce the immediacy of the mounting eviction pressure facing the most vulnerable households.”

● Peter Tutton, Head of Policy, Research and Public Affairs at StepChange

2 Campaign win: New bailiff oversight body

In 2021, together with our Taking Control campaign partners, we began talks with representatives of the enforcement sector to develop a framework for a new independent bailiff oversight body to ensure those in problem debt are treated fairly. We look forward to seeing it launch in 2022.

“In the absence of statutory regulation, this collaboration between the debt advice and enforcement sectors should help to address the poor practice that has characterised too many people’s experiences with bailiffs.”

● Peter Tutton, Head of Policy, Research and Public Affairs at StepChange

3 Campaign win: Progress on credit and financial services regulation

StepChange has long campaigned for action against misleading online advertisements from debt solution lead generators and the referral fees that drive bad practice. So, in 2021, we welcomed action by the Financial Conduct Authority (FCA) to stop debt packager firms from taking referral fees.

We argued for a duty of care to be introduced by the Financial Services Act, and that legislation resulted in the FCA consulting on a new Consumer Duty that should help address key drivers of problem debt.

Key reports in 2021: Insight and data to drive change



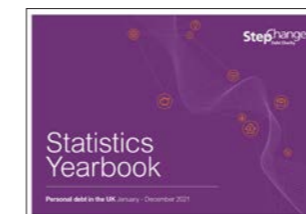
Stormy Weather

Our report highlighted deepening hardship experienced by people financially affected by the pandemic.



The True Cost of Tax Credit Overpayments

Our report linked unaffordable benefit deductions to the need for improvements in public sector debt management practice.



Consultation responses and client data reports

Our Statistics Yearbook, monthly client data reports, and consultation responses gave regular updates on the scale and nature of problem debt.



Scotland in the Red

Scotland in the Red demonstrated the extent of problem debt particularly on vulnerable clients in Scotland through the pandemic.

Key facts and figures

Three major campaign wins

14+ consultation responses

Provided Secretariat services for the APPG on debt and personal finance

Joint research published with organisations such as Money Advice Trust and Shelter

Objective 4: Testing out prevention alongside cure

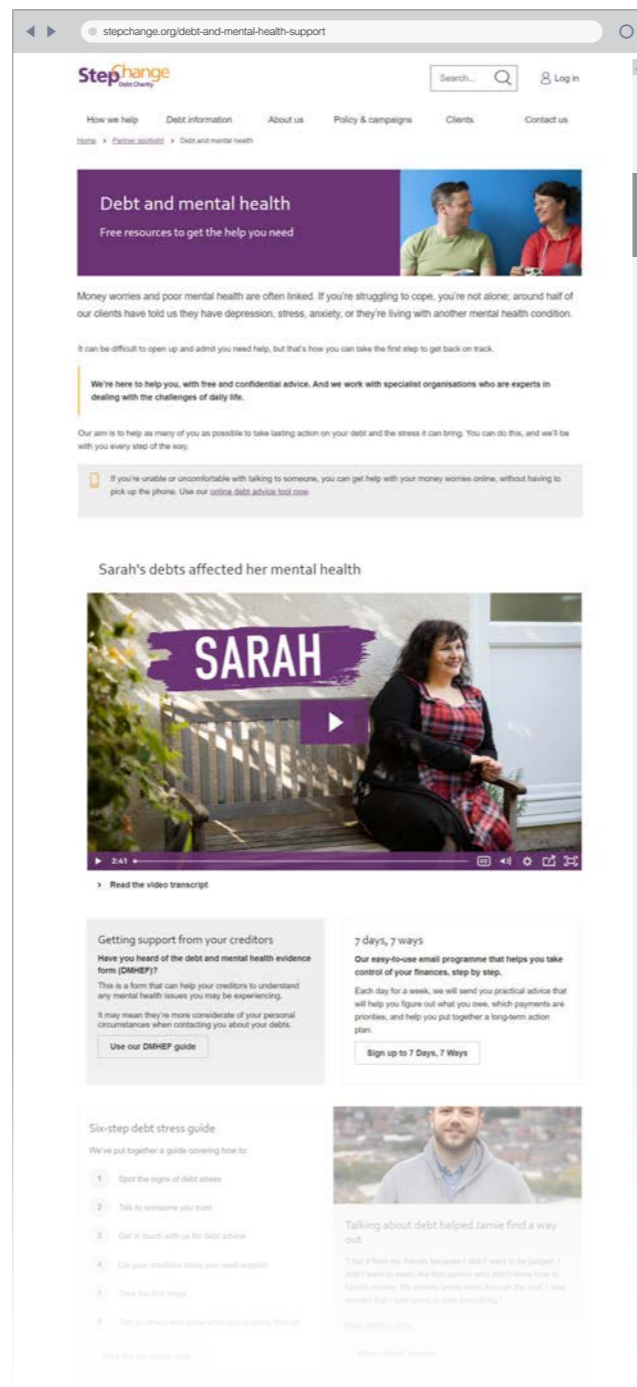
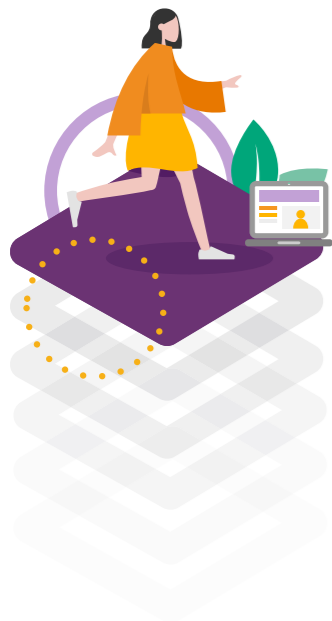
Our fourth objective is to educate and inform people through our services to enable them to manage their money better and recover from problem debt

Key achievements

1 Rapid, real-time information and support

As the pandemic continued to impact people's finances, we updated our website in immediate response to changes to the support measures from the government and creditors. We also expanded our guidance on dealing with specific issues such as council tax arrears, County Court judgments and government debts.

We know that reassurance is vital to people seeking help with their debt problems, so we put our clients' stories front and centre on the website, adding a range of videos communicating first-person real-life experiences to help clients feel less alone.



2 Launch of new debt guide for Scotland

With support from the Scottish Government, we launched a new print and digital guide to debt advice in Scotland, which offers an insight into the advice process and how StepChange and a range of other organisations can help. The guide, produced in English, Urdu, Punjabi and Polish, has the potential to be used by creditors, charities and community organisations across Scotland to encourage people to seek debt advice and support referrals.

“As more Scots find themselves in need of support from a free debt advice charity, the Scotland Debt Guide will provide them with a clear starting point on the road to recovery.”

● Sharon Bell, Head of StepChange Scotland



Key facts and figures

6m visited our website

1.43m users of our website and MoneyAware debt advice blog*

49,000 users of our welfare benefits calculator

13.1m page views of our website advice content and MoneyAware, our debt advice blog**

*We now only count a user when a person has engaged with our site for at least 30 seconds.

**Page views of 30 seconds or more of our website advice content. Repeated views of a single page are counted.

Matt's story

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Before switching to my current job, I worked at a coffee shop chain as a barista for around eight years. Due to the nature of my job, my hours were variable, meaning that it was very hard to budget or plan ahead for big purchases. At one point, I took out a personal loan to help with a rent deposit, and other large expenses followed.

After a while, things started to get tight and I was struggling to keep on top of my credit commitments. I also slid into rent arrears.

My initial reaction was panic, and I didn't want to tell anyone about the situation I was in. I became reliant on payday loans and credit cards to get by, and had to research options for customers with a bad credit score.

After some time passed, I let my partner and my dad know about my circumstances, and they paid off some of the loans to try and improve my credit score, but despite agreeing to pay them back £50 per month I was soon falling short after covering my household bills.

I went back to taking out payday loans and things started to spiral again.

My parents were getting increasingly worried about bailiff action and what the repercussions could be if my finances didn't improve, and the situation was also taking a toll on my relationship with my partner. When I incurred a County Court Judgement, suddenly everything felt a bit scarier.

I was panicked about how to feed myself, couldn't focus at work, and was worried about bailiffs turning up at my front door. I decided to get help, and that's when I contacted StepChange.

StepChange has been a massive lifesaver for me. Without it my debts would have been far more detrimental to me, and the debt management plan has given me peace of mind and helped with my mental health.

I can't speak more highly of the help I received and I want to pass it on to others.

I'm looking forward to finishing my debt solution and eventually buying a house in the not too distant future.

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Objective 5: Getting the message out

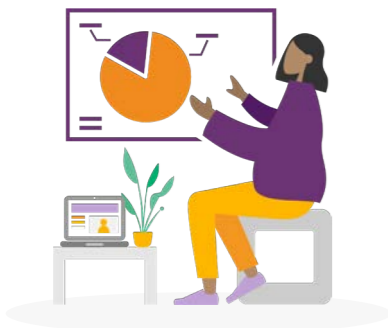
Our fifth objective is to create greater awareness of free debt advice and specifically among vulnerable groups

Key achievements

1 Building our partner proposition

In 2021, we explored new ways to engage with our partners, including a series of webinars on our Breathing Space approach and our response to the Covid-19 pandemic. We also built significant support for our campaigns and we delivered over 70 engagement and awareness sessions to our partners. We've continued to work with our partners to better understand their needs, and we'll use this insight to continue to develop our partner-facing proposition.

Last year we reached over **2,000 colleagues** at partner organisations with awareness and engagement sessions



2 Launching new marketing campaigns

In March, we launched our annual Debt Awareness Week (DAW) campaign, which turned into our most successful DAW to date. We achieved a significant reach to prospective clients, and we also achieved record-breaking engagement with our partners with over 170 organisations supporting the campaign.

In November, we then launched an integrated marketing campaign with the theme of starting conversations on debt. Our campaign directly increased brand consideration by +4% and maintained brand awareness on an upwards trajectory.

Our campaign reached more than **4 million people** experiencing problem debt



3 Understanding our audiences

In 2021 we introduced a new insights strategy for the charity to deepen our understanding of our audiences – consumers, clients, creditors and colleagues - so that we can continue to build better products, services and experiences and also improve our marketing effectiveness.

Our ambition is to continue to build an insight portfolio combining research data, client behaviour analytics and market data to enable decisions to be made with a 360-degree view, and to provide insight and expertise to our partners.

“We're delighted to have a comprehensive new Insights Strategy to provide us with a really clear view of our clients, creditors and colleagues, understand the things that are important to them and their situation, so that we can directly serve those needs.”

● Caroline Darnbrook, Head of Marketing and Brand, StepChange.

4 Our online reach and media coverage


Last year, our media coverage increased substantially in comparison to previous years. We achieved more than 3,800 pieces of coverage and saw StepChange mentioned 364 times on the radio and on TV.

We continue to be very prominent online, ranking highly in search engines for a wide range of debt terms. We've also successfully tackled 50 instances of trademark infringement in advertisements by firms attempting to masquerade as StepChange.

We secured **3,875** pieces of press coverage in 2021



Key facts and figures

 Over **13 million** views of our debt advice webpages

 **364 mentions** on TV and radio

 **50** press releases

Objective 6: Empowering our people

Our final objective is to engage and develop our colleagues.

As mentioned at the beginning of this report, at the end of April we began a consultation on a number of proposals to secure the long-term future of the charity following a reduction in demand for full debt advice throughout the pandemic meaning our ongoing funding was also reduced. These proposals included a compulsory redundancy programme which resulted in 61 compulsory redundancies (the initial proposed number of 170 redundancies was significantly reduced as a result of collective consultation). This was a very challenging time for colleagues at the charity, and we would like to thank colleagues again for their unwavering commitment to serve clients.

Key achievements

1 Flexible home working

Our flexible home working policy has proved extremely successful and saw an 83% positive rating in our staff engagement survey. Aside from the fact that once the new ways of working were embedded there was no detrimental impact on performance and quality of output, the vast majority of our colleagues commented on how the hybrid working arrangement has positively impacted on their work life balance and also saves them money on commuting costs.

2 Our Equality, Diversity and Inclusion Strategy

We have successfully recruited a new Equality, Diversity and Inclusion Manager to implement our strategy and drive it forward. In 2021, we made significant progress in examining the experiences that take place for colleagues during employment, focusing on recruitment, internal communication, development, promotion and policies and reviewing how we can make improvements in these areas.

“ Having a diverse workforce will bring about new ideas, helping us to better support colleagues, clients and partners. As a leadership team we are committed to listening to feedback and creating a workplace that we can all be proud of. ”

● Phil Andrew, CEO, StepChange

3 Gender Pay Gap results


Our Gender Pay Gap continues to be significantly lower than most organisations in the UK, and overwhelmingly lower than organisations operating in the same sector. In addition, last year we made progress on narrowing – or eliminating – the pay gap on some measures. Our median pay is at parity for the first time, the mean pay gap has continued to fall and median bonus remains at parity. We continue to monitor our gender pay gap, taking action to meet our ultimate commitment of a zero gap.


4 Developing our leaders

Last year we initiated the refresh of our Leadership Strategy and defining what we want our leaders to be. Working alongside a leadership consultancy, we have begun to develop a leadership behavioural framework and next year we'll be rolling out a leadership programme to all levels of leader across the organisation.

Key facts and figures

 Each colleague received **41 hours** of training

 We awarded **20 colleagues** with an Iain Kendall Award for excellence

 Our CEO and Executive team hosted two townhall sessions reaching over **900** colleagues



Thank you to our supporters

Each of these organisations supported us financially in 2021, and many have worked with us on policy to improve the debt landscape. We'd like to express our gratitude for their support, without which our work would not be possible.

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| 118 118 Money | Damart | McCambridge Duffy | Sainsbury's Bank |
| Aberdein Considine & Co | DPD | Money and Pensions Service | Santander |
| Affinity Water | E.ON | Moneyline | Scottish Government |
| American Express | Elderbridge | Monzo | Secure Trust Bank |
| Anglian Water | Freeman Grattan Holdings | Moorcroft Debt Recovery | Shelby Finance |
| Arrow Global | Harvey and Thompson | Morses Club | Shell Energy |
| Auden Group Limited | Hitachi Capital | N Brown | Southern Water |
| Barclays UK | Hoist Finance | Nationwide Building Society | Spark Energy |
| Betway Group | Home Retail Group | NatWest | SteadyPay Limited |
| Bristol and Wessex Water | Hoopers Department Store | NewDay | StepChange Financial Solutions |
| Bristow & Sutor | HSBC Bank | Northumbrian Water | StepChange Voluntary Arrangements |
| British Gas | Ikano Bank | Nottingham Building Society | TBI Financial Services |
| Cabot Credit Management | Intrum | OVO Energy | Tesco Bank |
| Capital One | Jaja Finance | Paragon | The Very Group |
| Capital Resolve | Klarna | Pega | TSB |
| CARS | Lantern | PRA Group | United Utilities |
| Clarion Housing | Leeds Building Society | Provident Financial Group | Utilita Energy |
| Computershare | Lendable Ltd | Red Kite Community Housing | Virgin Money |
| Co-operative Bank | Link Financial | Redcats | Welsh Government |
| Creation Financial Services | Lloyds Banking Group | Royal Mail | Welsh Water |
| Credit Security | Lowell Financial | | Yorkshire Water |
| Curo Group | Marston Group | | Zopa |



