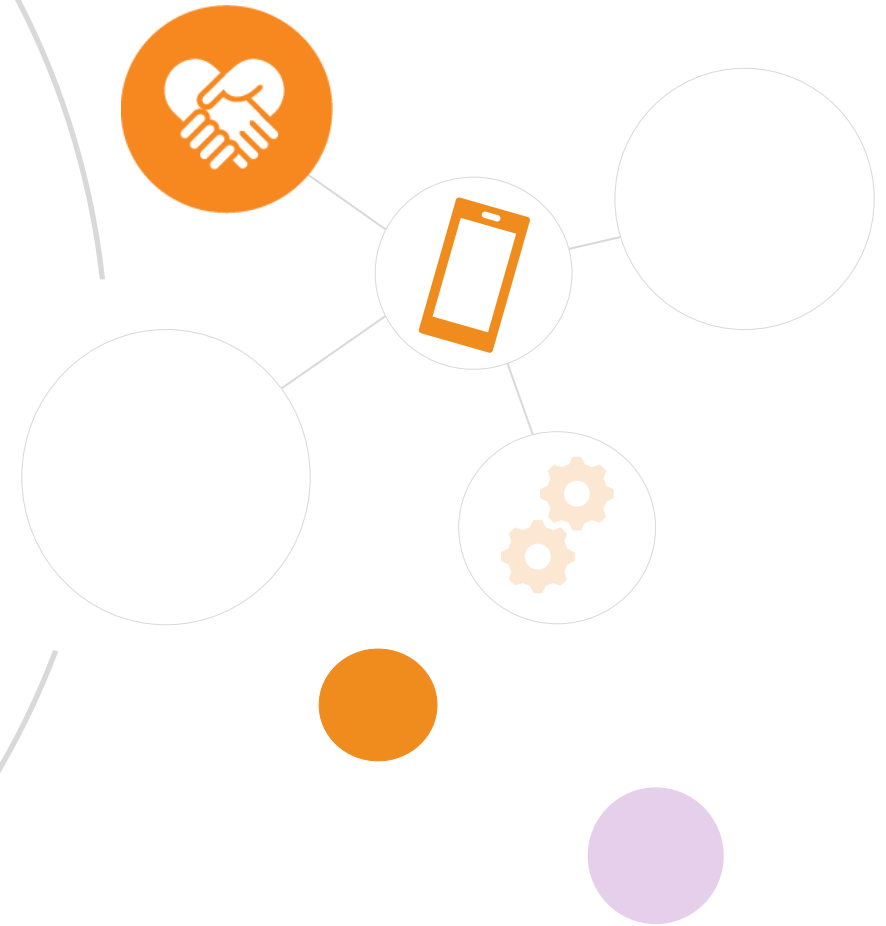


# Debt advice client insights

November 2022

Published January 2023



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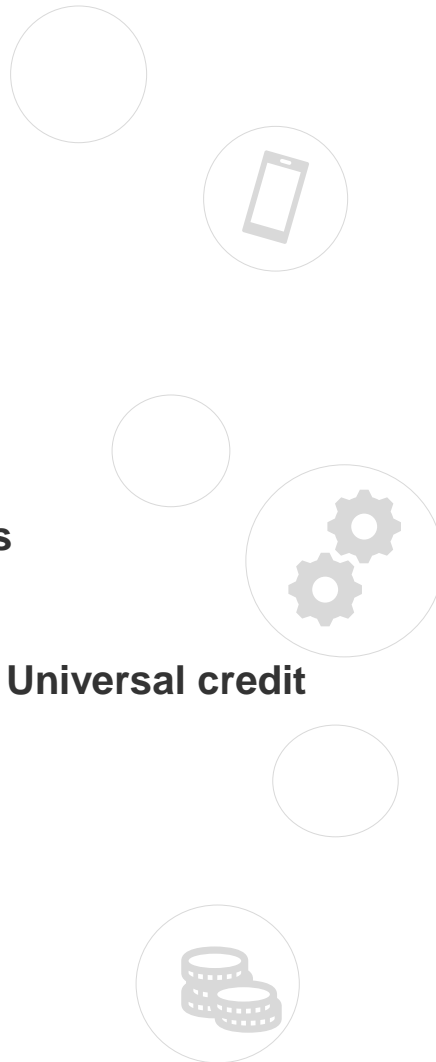
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## Background

This report from StepChange Debt Charity provides insight into the demographic and debt characteristics of new clients who first sought debt advice in November 2022.

This report also provides website traffic information as well as comparisons to previous months and years.

## Executive summary

November 2022 (14,277) saw fewer clients accessing full debt advice, compared to October 2022 (15,032), with three-quarters (76%) of new clients completing full debt advice online.

StepChange's website also saw a 4% decrease in website users this month (328,000), compared to October 2022 (342,000). There was also a 10% month-on-month decrease in traffic to the [emergency funding](#) webpage, and a 7% decrease in traffic to the [self-employed income calculator](#). Although, the debt information page with the [income and expenditure form](#) saw a 46% increase in traffic, compared to the previous calendar month, placing it as the second most visited debt information page in November.

The government's latest energy bills support scheme launched in early October 2022, and the proportion of new clients in arrears in November 2022 is fairly similar to last month. Comparing November to October 2022, the proportion of new clients with electricity arrears has decreased by one percentage point to 27%, and the proportion of new clients in arrears with their water and gas bills has marginally increased by one percentage point to 24% each.

A 'cost of living increase' continues to be cited by 21% of clients as their main reason for debt in November 2022, with women (23%) more likely than men (17%) to cite this as a reason. A 'lack of control over finances' (17%) is the second most common reason for debt, which is cited by 20% of men, compared to 15% of women.

New clients in November 2022 had similar proportions of unsecured debt types to previous months, with credit card debt remaining as the most common unsecured debt type held by two-thirds (64%) of new clients.

The proportion of new clients in full-time employment fell by one percentage point between October (41%) and November 2022 (40%). The proportion of clients in receipt of Universal Credit is 33%, and the proportion of clients with a negative budget is 34%.

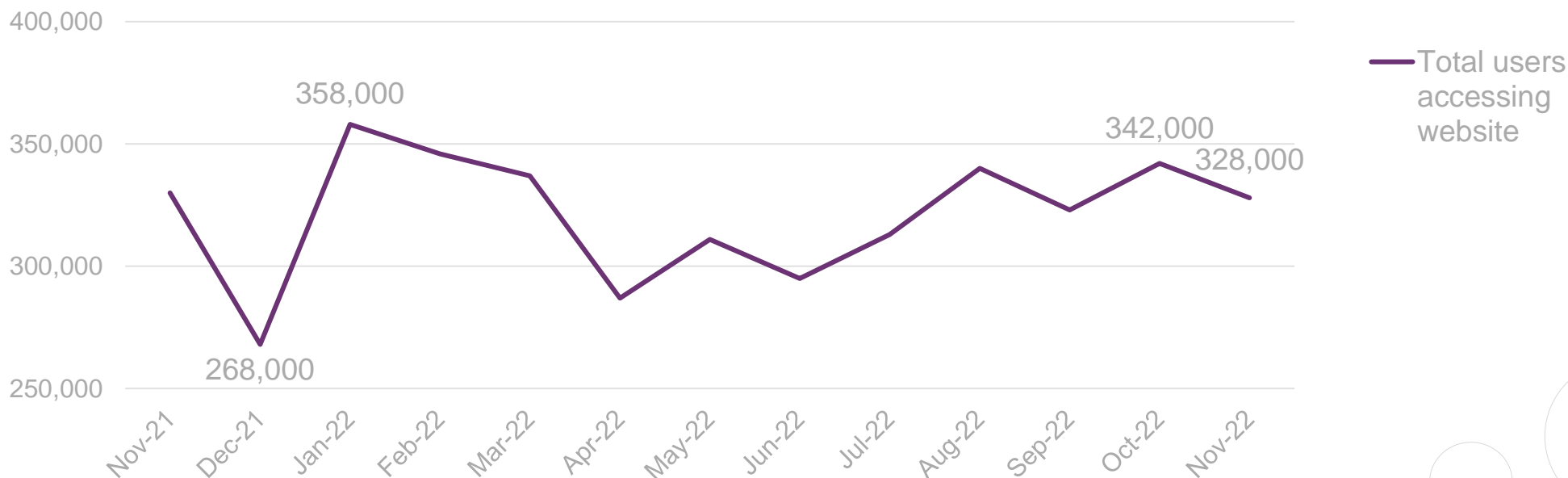
In terms of demographics, new clients in November had similar characteristics to those in previous months. The charity advised more under 25's (12%) compared to October 2022 (11%).

## Website trends

The number of monthly users accessing the StepChange Debt Charity website in November 2022 (328,000 users) has decreased by 4% compared to the previous calendar (October 2022= 342,000 users), with usage also down 1% compared to a year ago (November 2021= 330,000 users).

The [emergency funding](#) webpage remains as the most commonly viewed debt information page in November (19,800), although there's been a 10% reduction in users compared to October 2022 (22,000). There's been a 46% increase in traffic to the [income and expenditure form](#) page between October and November 2022 – now the second most viewed debt information page with 9,500 views. The [self-employed income calculator](#) was the third most viewed debt information page, with over 9,000 views, which is a 7% decrease compared to the previous calendar month.

### Total number of website users: November 2021 – November 2022



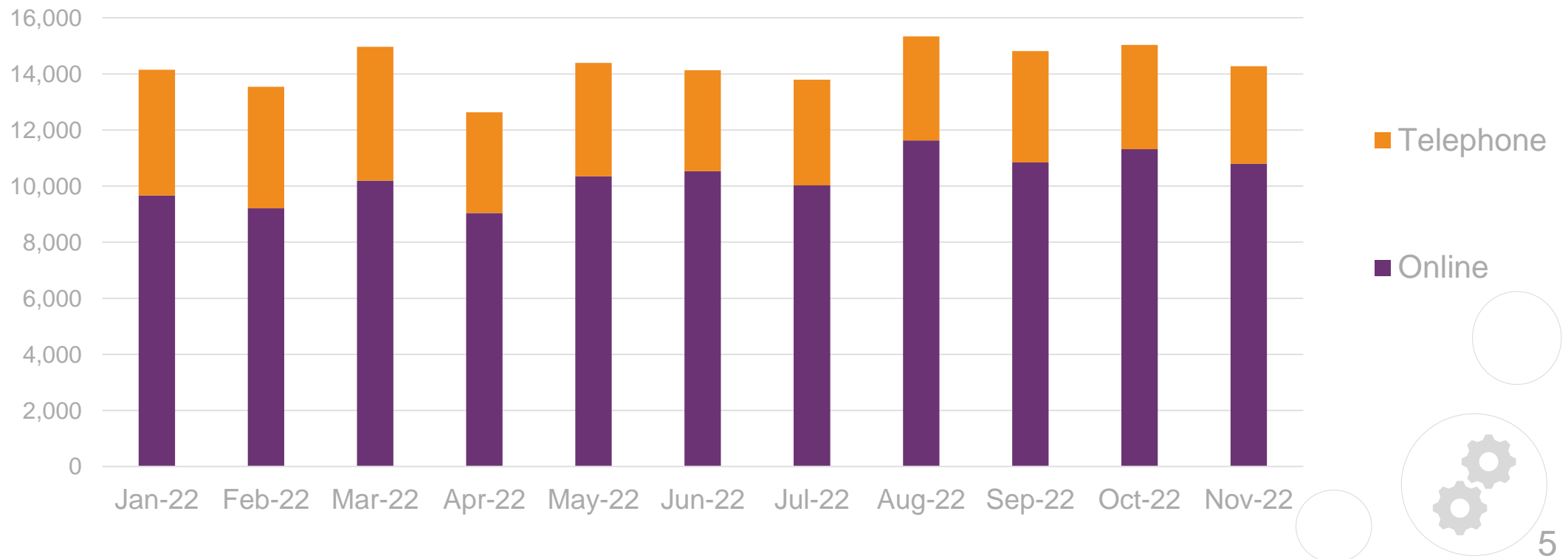
Note: In March 2022, functionality to opt-out of website statistical cookies was added to the website – this means the actual number of users and pageviews will be higher than reported from March 2022 onwards. An estimated 8% to 15% of website users are opting out of statistical cookies.

## Client volumes

November 2022 (14,277) saw a slight fall in the number new of clients seeking full debt advice, compared to October 2022 (15,032).

Around three-quarters (76%) of new clients were completing full debt advice online in November, which is one percentage point higher than October 2022 (75%).

### Number of new telephony and online clients: January – November 2022

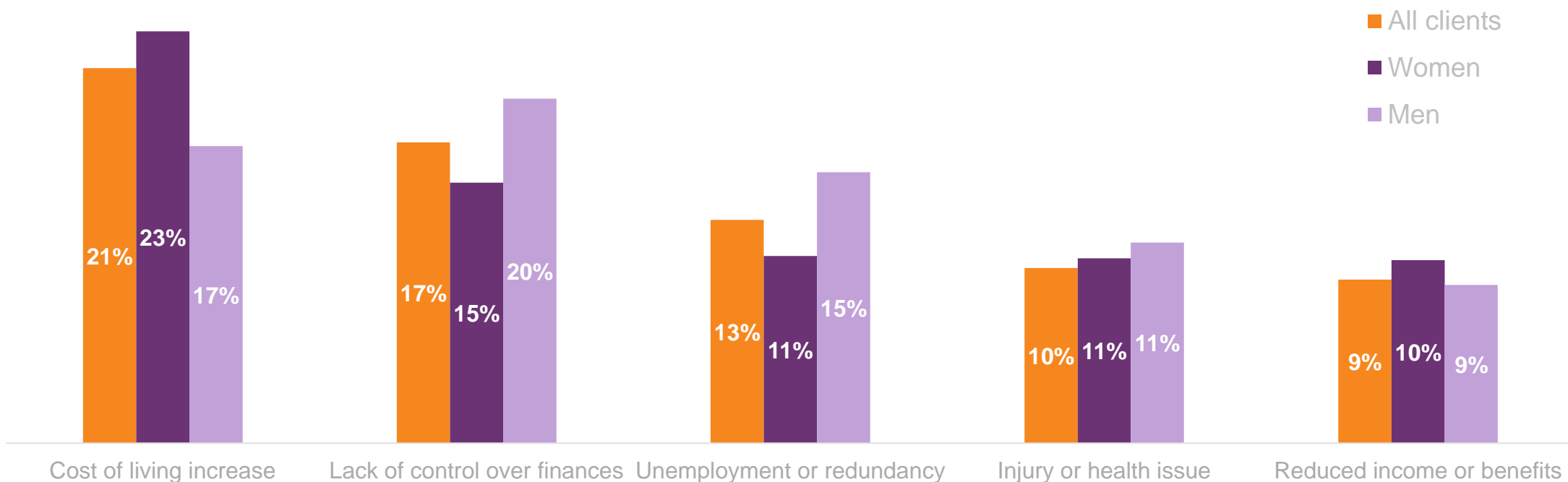


## Reasons for debt

The proportion of new clients citing a 'cost of living increase' as their main reason for debt is unchanged month-on-month at one in five (21%) new clients in November 2022. A 'cost of living increase' is more likely to be cited by women (23%) than men (17%) as their main reason for debt.

A 'lack of control over finances' (17%) is the second most common reason for debt. Among men, a 'lack of control over finances' is cited as the leading reason for debt, mentioned by one in five (20%) men, compared to around one in seven (15%) women.

### Top five most common reasons for debt\* by gender\*\*: November 2022



\*Clients can select multiple reasons for debt

\*\* Base too low to report Other Gender Identity

## Debt types

In November 2022, credit cards remain as the most common unsecured debt type, held by around two-thirds (64%) of new clients, at the time of advice.

Also, the proportion of new clients with other unsecured debt types this month has remained fairly similar to previous months.

### Proportion of new clients with each debt type at the time of advice

	November 2021	September 2022	October 2022	November 2022
Credit card	66%	64%	65%	64%
Personal loan debt	49%	44%	45%	45%
Catalogue debt	36%	32%	32%	32%
Overdraft	36%	32%	32%	32%
Store card	12%	12%	12%	12%
Short-term high cost credit or payday loan	11%	9%	10%	9%

## Arrears types

Following the launch of the government's latest energy bills support scheme in early October 2022, the proportion of new clients in arrears with their household bills in November 2022 is fairly similar to the previous calendar month.

The proportion of new clients with electricity arrears has decreased by one percentage point to 27%, compared to October 2022, and now sits at the same level as November 2021. The proportion of new clients in arrears with their water and gas bills has marginally increased by one percentage point to 24% each. The remaining arrears types are unchanged this month compared to October 2022.

### The proportion of new clients in arrears among those who have a responsibility for each bill type\*

	November 2021	September 2022	October 2022	November 2022
Dual fuel	48%	56%	51%	51%
Council tax	40%	31%	33%	33%
Electricity	27%	31%	28%	27%
Water	32%	26%	23%	24%
Gas	22%	26%	23%	24%
Rent	25%	21%	20%	20%
Mortgage	19%	15%	15%	15%
TV licence	4%	3%	3%	3%

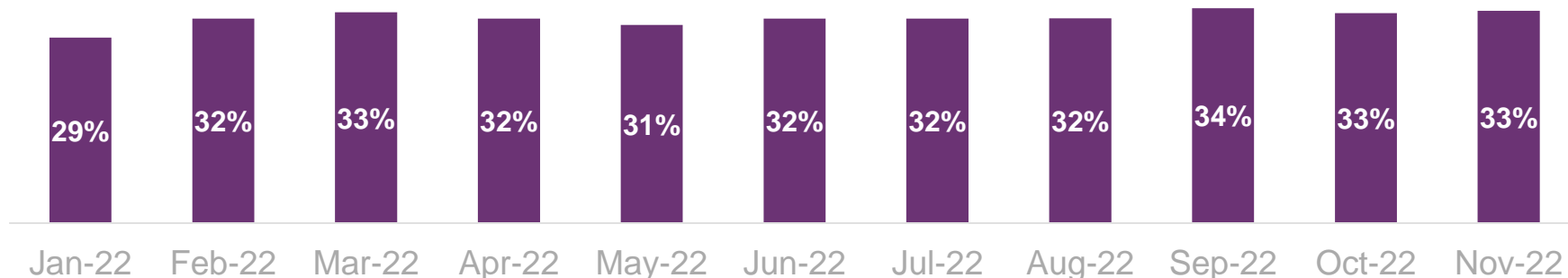


## Negative budgets and Universal Credit

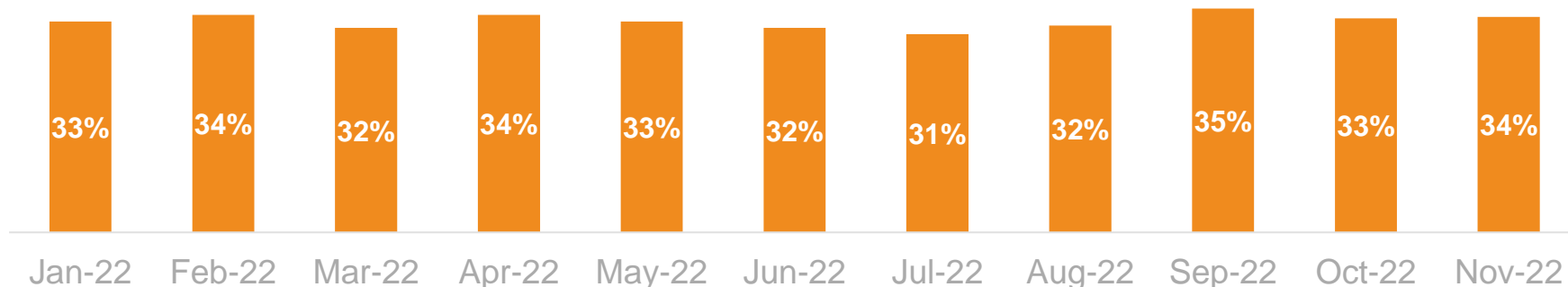
The proportion of new clients with a negative budget has remained consistent across October and November 2022 at one in three new clients (33%).

The proportion of new clients in receipt of Universal Credit has increased by one percentage point to 34%. This proportion matches the second highest level seen in new clients receiving Universal Credit payments in 2022, with 34% in February, April and now November.

### Proportion of new debt advice clients with a negative budget



### Proportion of new debt advice clients in receipt of Universal Credit



## Demographics

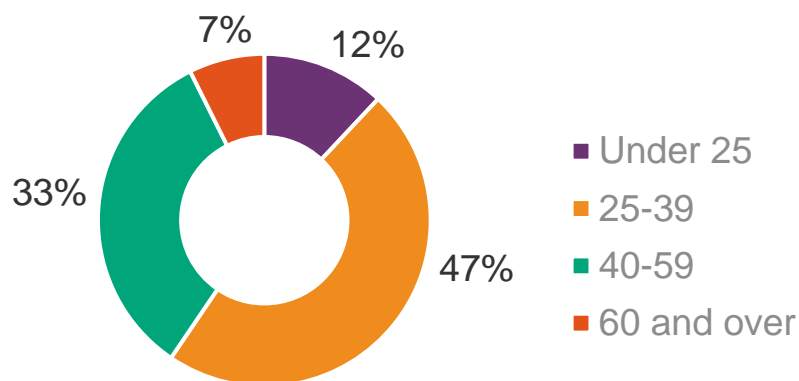
The proportion of women among StepChange's new client population is unchanged compared to October 2022 and November 2021. In November 2022, around two in three (63%) new clients were women.

StepChange continues to advise a disproportionately high number of new clients that fall into the younger age groups, with three in five (59%) new clients aged under 40, whereas in the general UK population\* under 40s account for 36% of UK adults.

### Gender split: New debt advice clients

	November 2021	September 2022	October 2022	November 2022
Women	63%	63%	63%	63%
Men	37%	36%	37%	37%
Other gender identity	<1%	<1%	<1%	<1%

### Age: New debt advice clients, November 2022



\*Source: ONS 2021



## Demographics continued - housing tenure

Renting in the private sector (33%) continues to be the most common housing tenure among new StepChange clients in November 2022. The next most common housing tenure among new clients is renting from a council or housing association, with this being around three in ten (31%) new clients.

In November 2022, the proportion of new clients who are homeowners (17%) remains unchanged month-on-month, although it is two percentage points higher than November 2021 (15%).

### Housing tenure among new clients

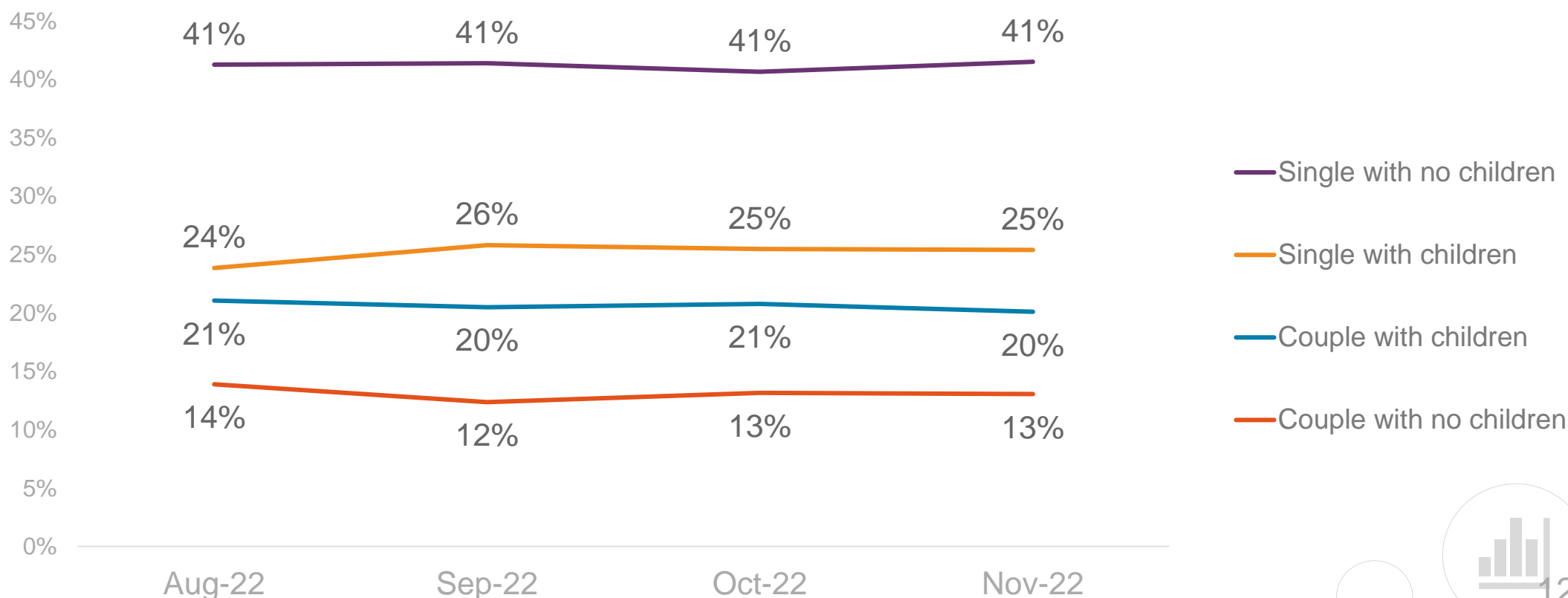
	November 2021	September 2022	October 2022	November 2022
Board payment (not with family)	3%	2%	2%	3%
Living with family	12%	12%	12%	13%
Mortgage	12%	13%	14%	13%
Other	3%	3%	3%	3%
Owns property outright	2%	3%	2%	2%
Renting - Council or Housing Association	32%	32%	31%	31%
Renting - private landlord	35%	33%	34%	33%
Shared ownership (mortgage and rent)	1%	1%	1%	2%

## Demographics continued - family composition

StepChange continues to advise a high proportion of new clients who are single with no children, which accounts for over two in five (41%) new clients. The proportion of new clients in this family composition has remained fairly consistent for the past few months.

The proportion of new clients who are in a couple with children has decreased by one percentage point between October and November 2022 to one in five (20%) clients.

### Family composition: August – November 2022



## Demographics continued - employment

The employment status of new clients in November is fairly similar to October 2022. The proportion of new clients in full-time employment decreased by one percentage point to four in ten (40%) clients, compared to October 2022.

### Employment status

Employment type	October 2022	November 2022
Carer	3%	3%
Full-time employed	41%	40%
Not working due to illness or disability	16%	16%
Part-time employed	14%	14%
Retired	3%	3%
Student	2%	2%
Unemployed: looking for work	11%	11%
Not in employment and not looking for work	8%	9%
Zero hour contract	2%	2%

- Around one in ten (9%) new clients were not in employment and not looking for work, which is one percentage point higher compared to the previous calendar month.
- In November 2022, 14% of new clients were in part-time employment, which is one percentage point lower than a year ago (November 2021= 15%).

In November 2022, 56% of new clients were in employment



## Methodology

This data is based on the 14,277 clients who first sought debt advice from the charity between 1 – 30 November 2022. All new clients accessed debt advice either through the charity's telephony service, or online channel.

Arrears types methodology (page 8): The number of clients in arrears on each household bill type is a percentage of the total count of clients who are responsible for paying that bill type. All household bill arrears figures in this document use this methodology.

If you require further information about this report, please contact [policy@stepchange.org](mailto:policy@stepchange.org).

If you think you might need debt advice, support with budgeting, or managing persistent debt, StepChange can help with expert advice. Visit [www.stepchange.org](http://www.stepchange.org) or call 0800 138 1111 Mon-Fri 8am-8pm, Sat 8am-4pm and take the first step towards taking back control of your finances.



[www.stepchange.org](http://www.stepchange.org)



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