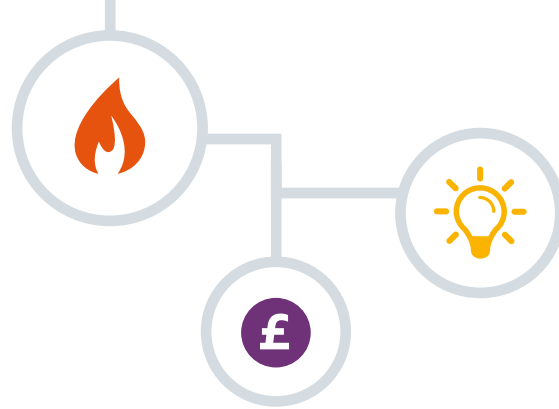


Personal Debt
in the UK

2019 Statistics Mid-Year Update

January – June 2019



Between January and June 2019, we experienced our busiest ever start to the year. **331,337 new clients** from across the UK contacted StepChange Debt Charity for help with their problem debt.

Unless otherwise stated, the figures in this document are based on the 190,484 new clients who received a full debt advice session between 1 January to 30 June 2019. Some % totals in this document may not add up to 100% due to rounding.

Contacts to the charity

Volumes

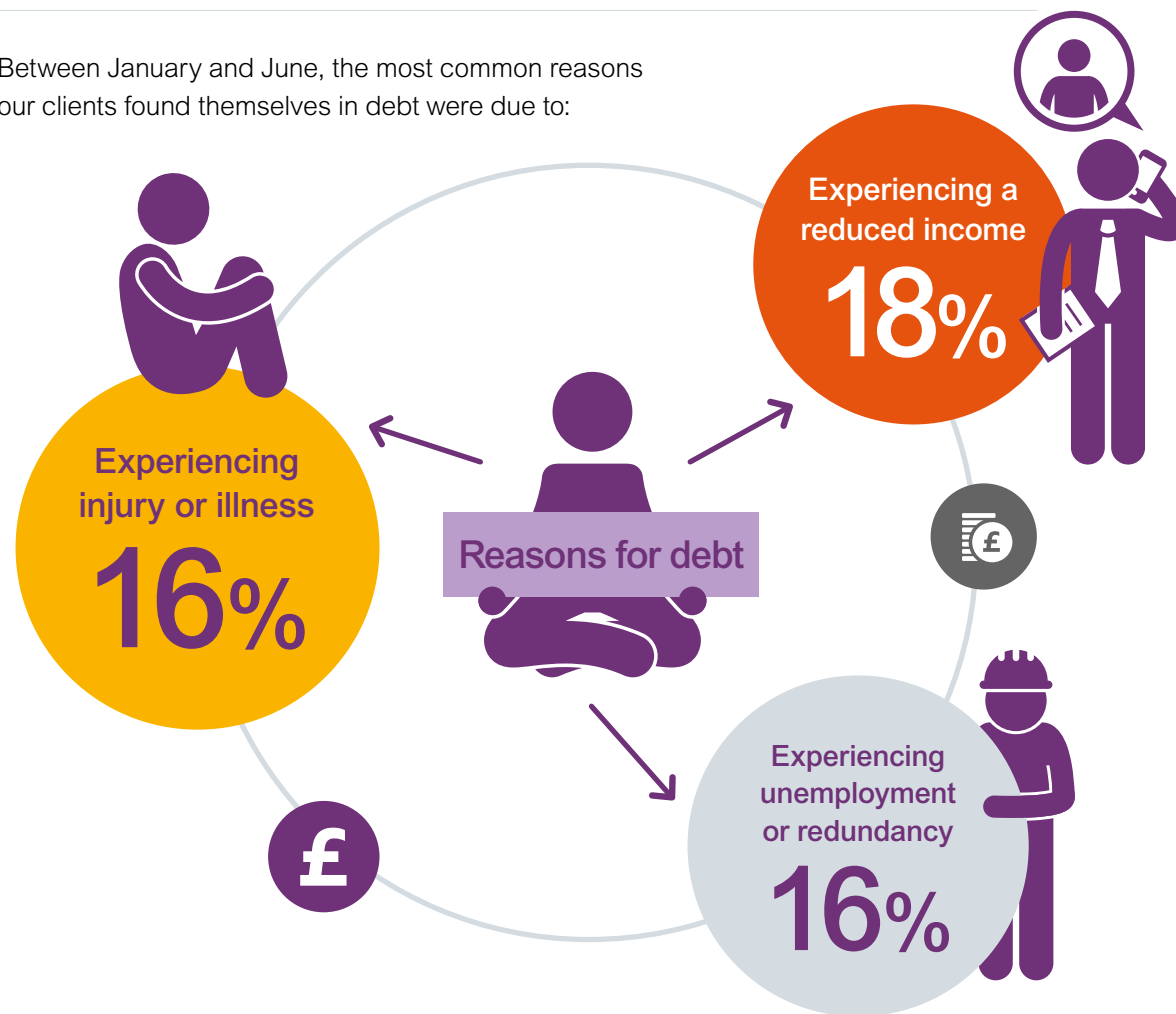
In the first six months of 2019, 331,337 new clients from across the UK contacted StepChange Debt Charity for help with their debts, either through our telephone or online debt advice channels. This equates to one new client contacting us for help every 48 seconds.



35% of all new clients contacted us over the phone, whilst 65% contacted us through our online debt advice channel.

Reasons for debt

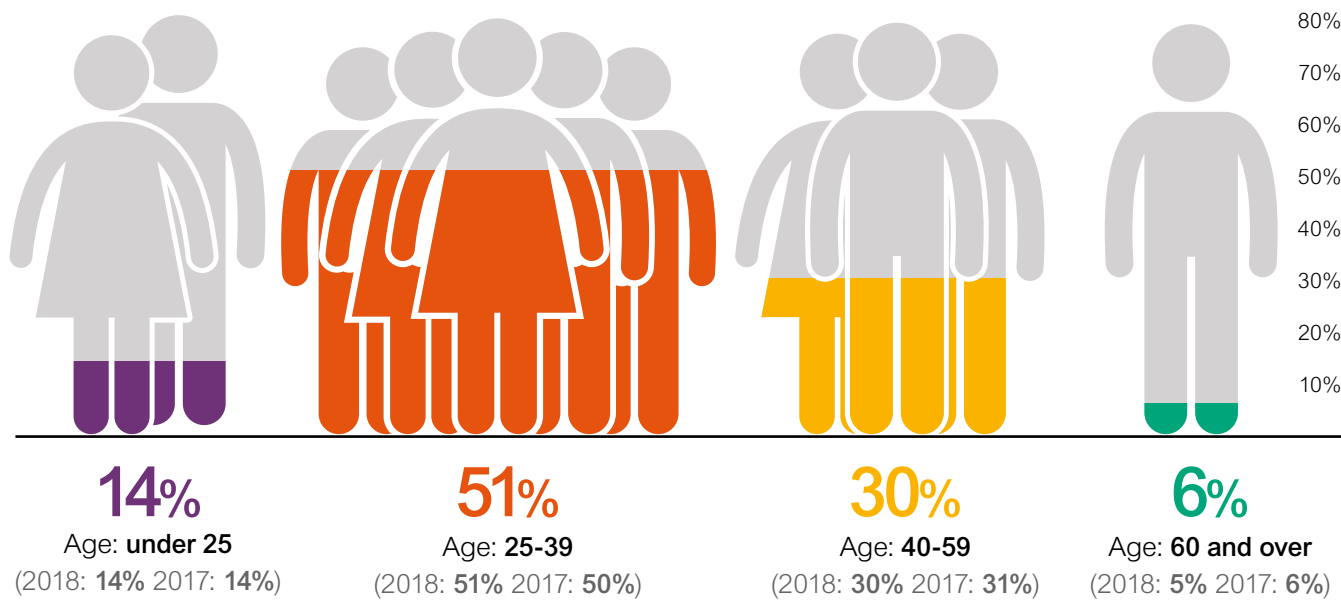
Between January and June, the most common reasons our clients found themselves in debt were due to:



Our clients

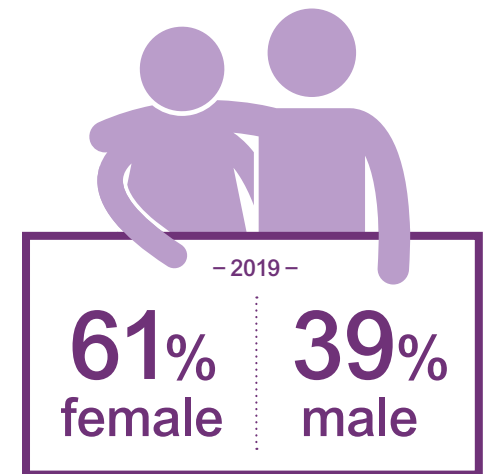
Age

Our clients remain significantly younger on average than the general population. In the first half of 2019, almost two thirds (65%) of new clients were aged under 40, compared to just 36% of all UK adults.



Gender

The proportion of women seeking advice continues to rise. In the first half of 2019, 61% of new clients were women, compared to 57% in 2014.

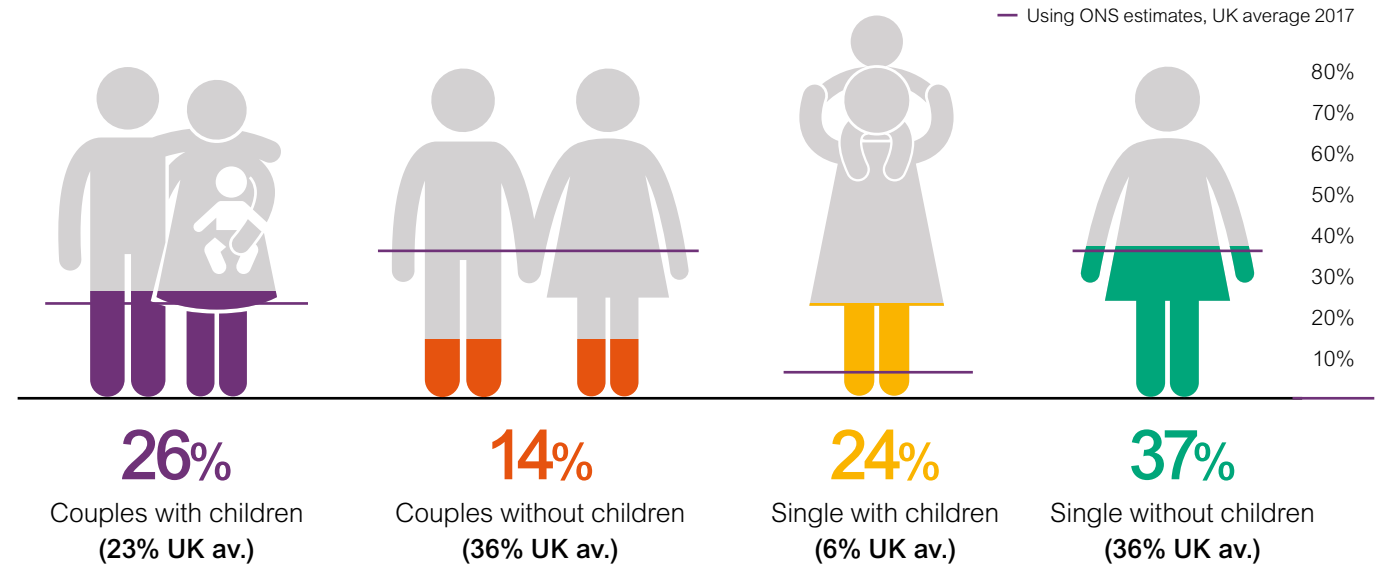


← General Population

Family composition

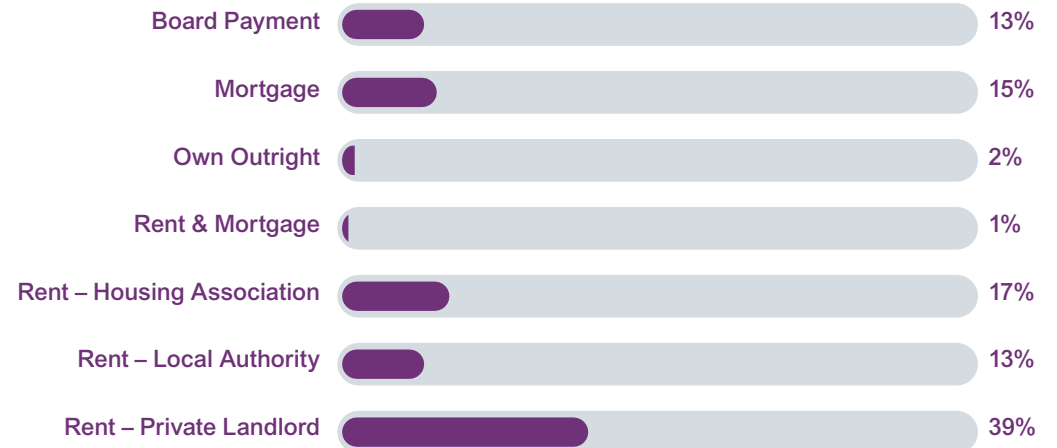
Single parents remain alarmingly overrepresented among our clients compared to the general population.

One quarter of new clients (24%) are single parents, a proportion which has also been steadily rising over the past few years; in 2014, 18% of new clients were single parents. More than 85% of our single parent clients are women.



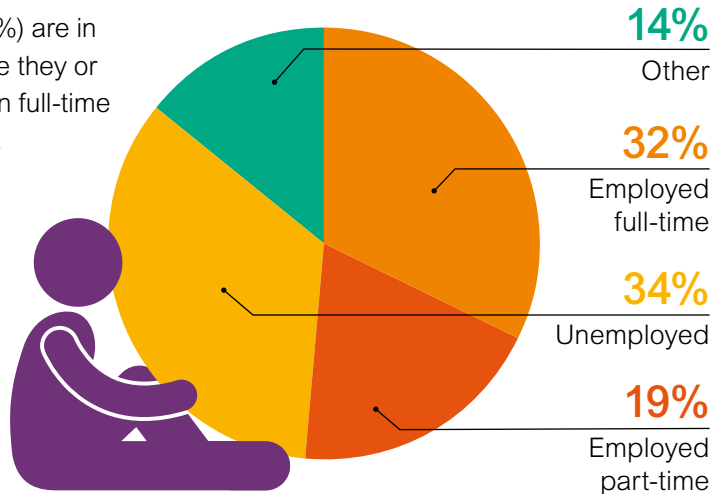
Housing tenure

Our clients are also disproportionately renters. In the first half of the year, 82% of new clients were renting their home, including a growing proportion of clients renting from a private landlord (39% in 2019 compared to 36% in 2015).



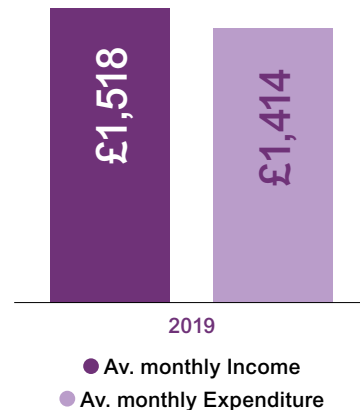
Employment status

Half of clients (51%) are in households where they or their partner are in full-time or part-time work.



Average income and expenditure

Between January and June this year, almost one third (31%) of new StepChange clients had a negative budget* after the StepChange advice and budgeting process.



*A negative budget describes where a client's monthly expenditure is greater than their monthly income after the StepChange advice and budgeting process.

Vulnerable clients

Between January and June 2019, 43% of clients were identified as having an additional vulnerability on top of their financial difficulty.

Half of clients identified as vulnerable have a mental health condition (50%). For our clients, other vulnerabilities include physical health issues, learning disabilities, hearing difficulties, sight loss or impairment or any other condition which makes dealing with debt problems additionally challenging.

In terms of demographics, over half of clients (52%) with an additional vulnerability are single and do not have children.

Clients with a vulnerability are also most likely to be older, with 57% of clients who have at least one additional vulnerability aged over 40.

Vulnerable clients have an average income of £1,276, which is lower than the average for all clients (£1,518). Vulnerable clients are also more likely to be behind on their household bills, with 59% in arrears at the time of advice, compared to 41% of all clients.

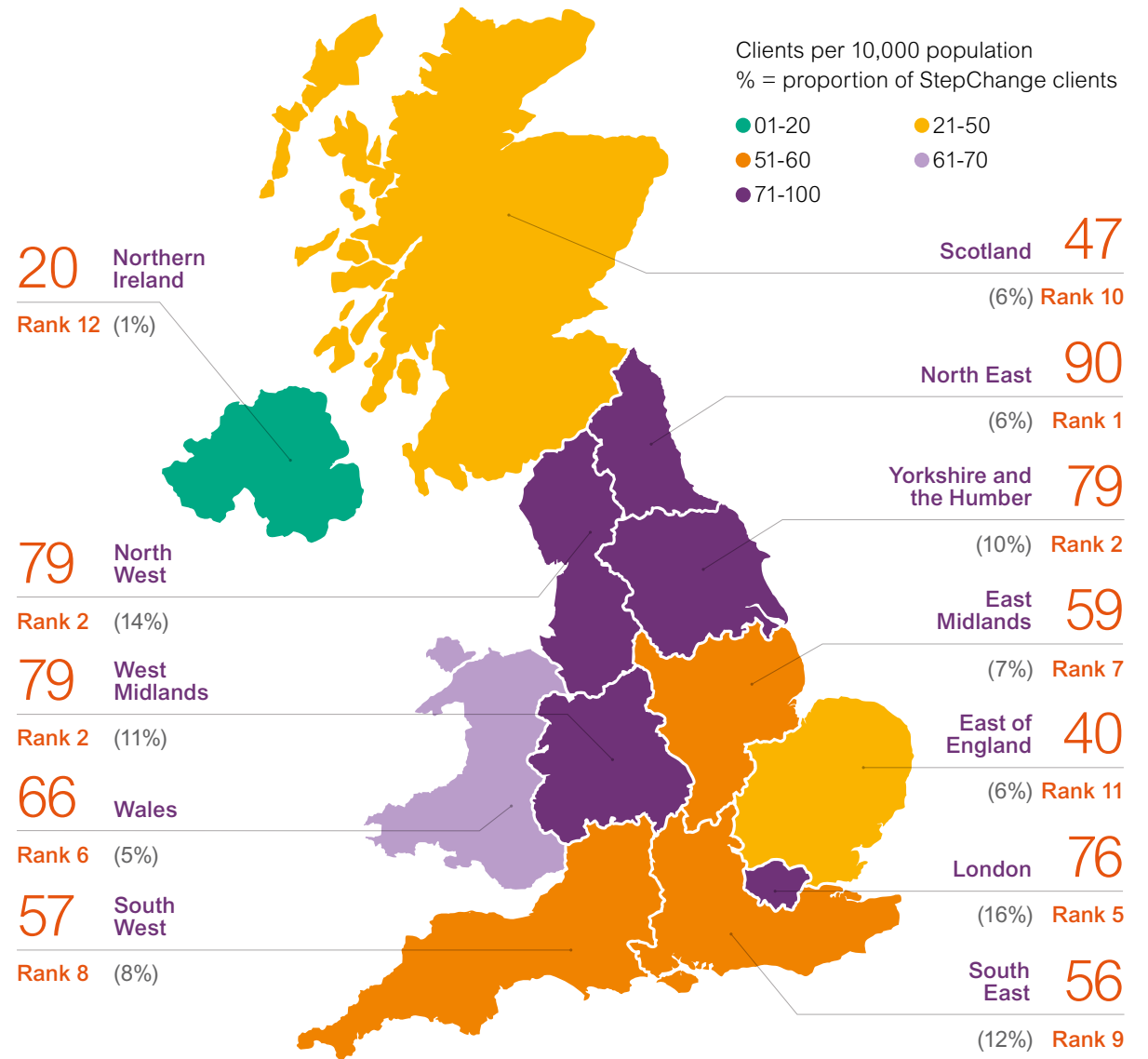
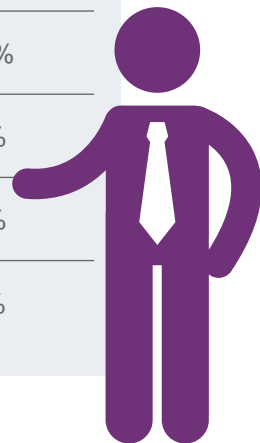


Locations

Wales (66) and England (67) are almost tied on being the nation with the highest number of new clients who contacted StepChange in the first half of this year per 10,000 of the population.

The North East (90) is the English region with the highest number of new clients per 10,000 of the population, and London (16%) is the English region with the highest proportion of clients.

Nation	Clients per 10,000 of population	% = proportion of StepChange clients
England	67	88%
Wales	66	5%
Scotland	47	6%
Northern Ireland	20	1%



Debts and Arrears

Types of debt

The total average unsecured debt of our clients is made up of:

Av. Debt Amount



PERSONAL LOAN
£8,809



OTHER
£4,317



CREDIT CARD
£7,542



CATALOGUE
£2,106



PAYDAY LOAN
£1,888



OVERDRAFT
£1,483

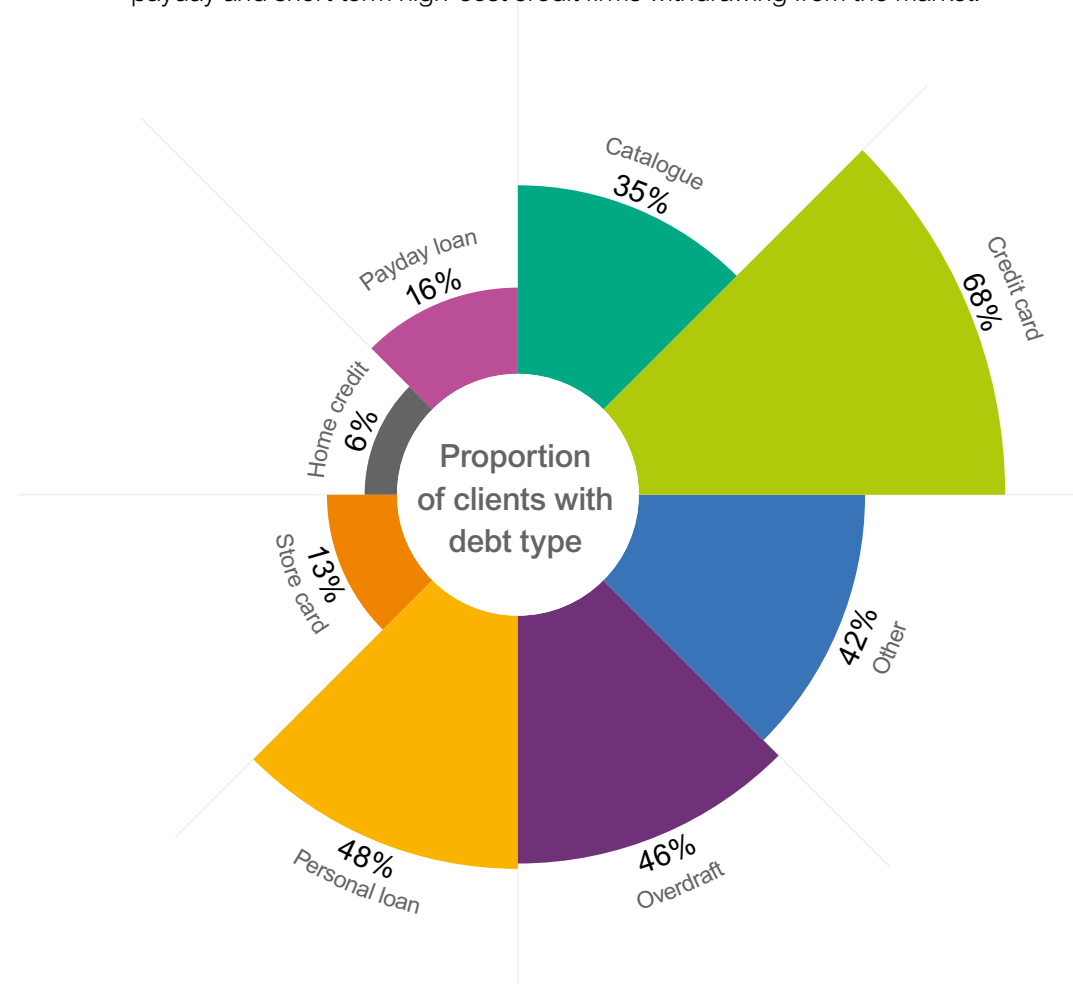


HOME CREDIT
£1,722



STORE CARD
£1,275

We have seen the proportion of clients with short-term high-cost credit loans fall by around 2% compared to 2018, which may coincide with some payday and short-term high-cost credit firms withdrawing from the market.



Average unsecured debt

Average client debt

The average debt per client has been increasing since 2017. In the first six months of 2019, the average unsecured debt increased by £255.

	2015	2016	2017	2018	2019
Average unsecured debt	£13,173	£13,071	£13,280	£13,544	£13,799



Loans from family and friends

Although not calculated in our average unsecured debt statistics, we have seen a rise in the proportion of clients owing money to family or friends over time. For example, in 2014, 22% of new clients owed money to their family or friends, however our latest stats show around one third of new clients (33%) now owe money to their family or friends. The average total debt per client owed to family or friends is £5,548.



Credit cards



Credit cards continue to be the most common type of debt, with almost seven in ten (68%) new clients having at least one credit card debt at the time of advice.

Male clients (70%) are slightly more likely than female clients (66%) to have this debt type.











Clients aged 18-24 are less likely to have a credit card than any other age group. 56% of clients aged under 25 have a credit card, compared to 69% of those aged 25-39, 73% of those aged 40 – 59 and 69% of those aged 60 and over.

Despite the majority of StepChange clients renting their homes, clients with mortgages are most likely to have at least one credit card; 85% of mortgage clients have a credit card, compared to 64% of renters.

In terms of family composition, single parents are the least likely group to have credit card debt. For example, three quarters (75%) of couples with children have a credit card debt, compared to 61% of single parents.

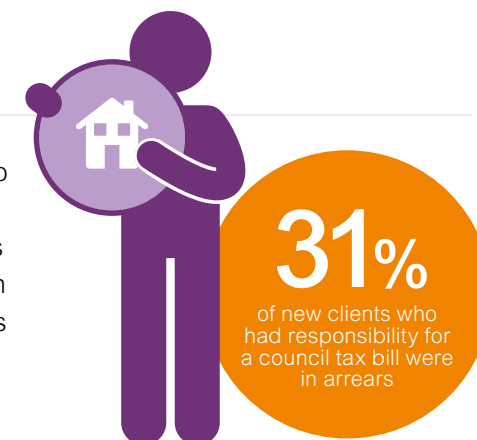
Arrears on essential household bills

In the first half of 2019, 41% of new clients had fallen behind on at least one household bill. Our latest stats show the average arrears amount per client is £2,044.

Household bill type	% of clients in arrears with that expenditure	Number in arrears	Average arrears amount
 Council Tax	31%	39,990	£1,089
 Water	24%	28,688	£765
 Rent	22%	26,414	£1042
 Hire Purchase	22%	7,343	£969
 Electricity	18%	25,297	£769
 Mortgage	18%	4,872	£3,005
 Secured Loan	18%	1,274	£3,154
 County Court Judgements	16%	2,965	£1,950
 Gas	13%	13,210	£612
 TV Licence	8%	9,661	£87

Council tax

In 2018, 30% of new clients who had responsibility for a council tax bill were in arrears. This has now slightly increased to 31% in the first six months of 2019. This is the first increase since 2015.



Energy bills

Between January and June, we have also seen an increase in the proportion of clients falling behind on electricity bills and gas bills compared to full year statistics for 2018.

In the first half of this year, 18% of new clients with responsibility for paying an electricity bill were in arrears at the time of advice (compared to 16% in 2018). Additionally, 13% of new clients with responsibility for paying their gas bill had fallen behind at the time of advice (12% in 2018).



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For data tables, visit the

[StepChange Debt Charity website.](#)

For help and advice with problem debts use our [online debt advice tool](#),

or call (Freephone) 0800 138 1111

Monday to Friday 8am to 8pm and

Saturday 8am to 4pm.

