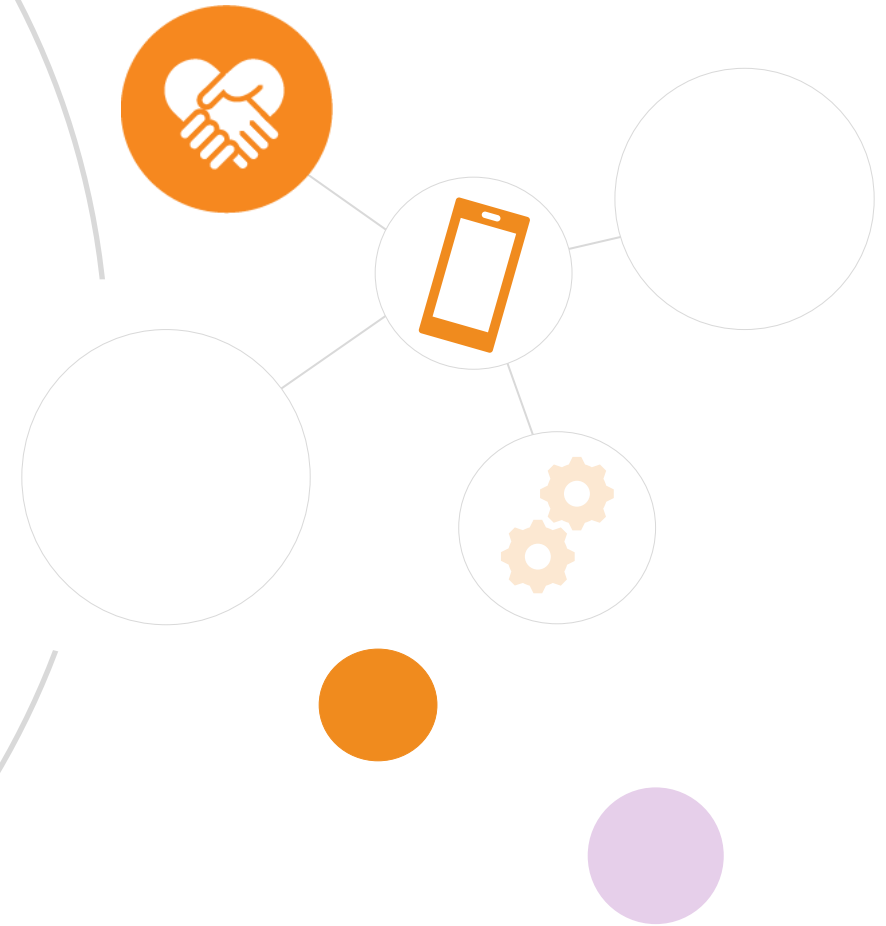


Debt advice client insights

February 2023

Published March 2023



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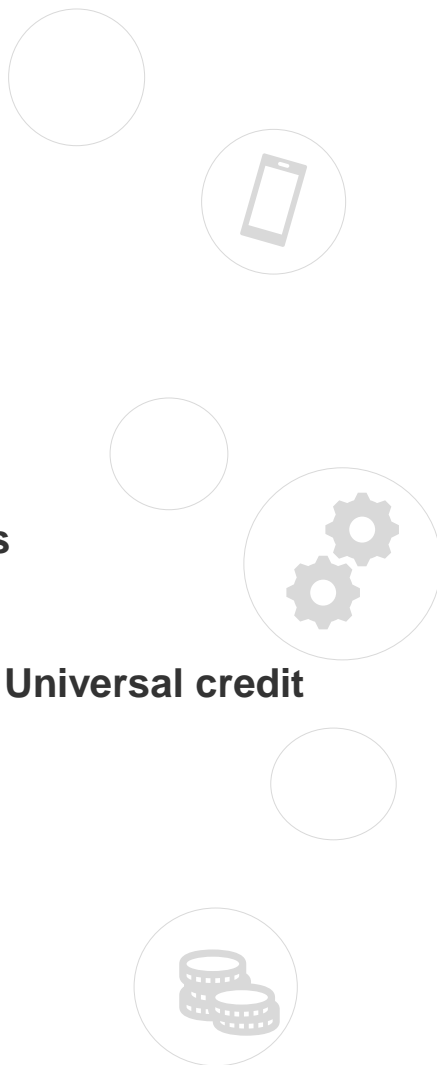
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Background

This report from StepChange Debt Charity provides insight into the demographic and debt characteristics of new clients who first sought debt advice in February 2023.

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

Executive summary

In February 2023, 16,076 new clients were seeking debt advice which is 14% lower than January 2023 (18,665), and 19% higher than a year ago (February 2022=13,543). January is traditionally the charity's busiest month in the year, and with February as a shorter month, we expect to see reduced volumes. Despite the fall in the number of clients seeking full debt advice, February 2023 is higher than any single month in 2022.

The fall in the number of new clients seeking debt advice is also reflected in the number of users to the charity website, which had 344,000 users in February 2023, which is 11% lower than January 2023 (388,000) and 1% lower than February 2022 (346,000).

Since June 2022, a 'cost of living increase' has remained as the main reason for debt and has increased for the third consecutive month to one in four (25%) clients, setting a new all time high. February 2023 represents the highest proportion of clients citing a 'cost of living increase' as their main reason for debt.

Credit cards remain as the most common unsecured debt type, which is down between January (67%) and February 2023, and unchanged compared to February 2022 at 66%.

The proportion of clients in arrears with their dual fuel bills has increased from 51% in January to 54% in February 2023, which is the first increase seen since October 2022.

In February 2023, StepChange advised more women (64%) than the same time last year (February 2022=62%).

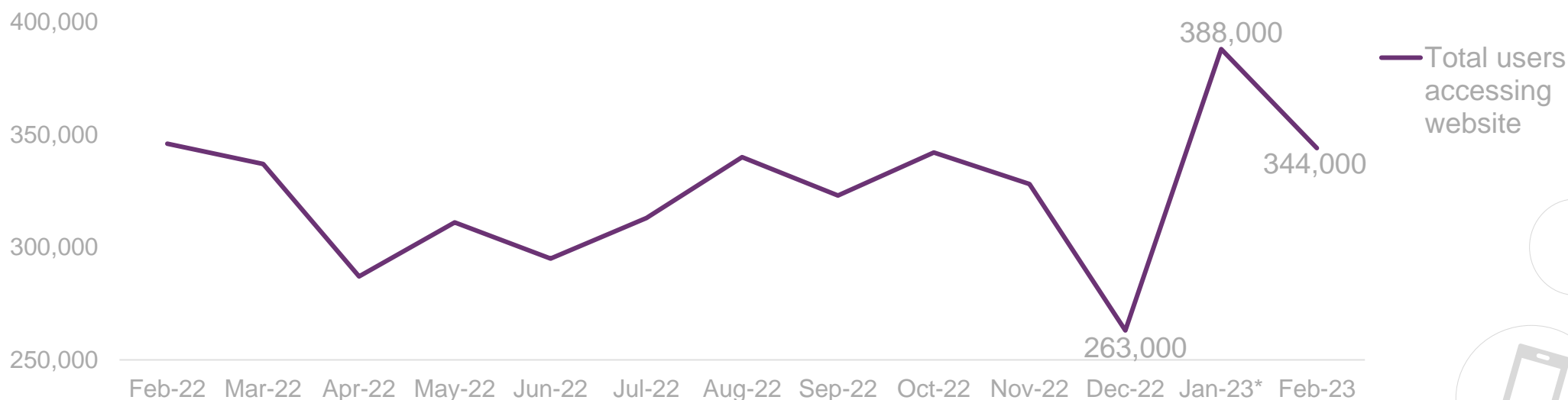
There has been a one percentage point month-on-month increase in the proportion of single adults with no children (41%) seeking advice, following a three percentage points decline between December 2022 (43%) and January 2023 (40%).

Website trends

In February 2023, the charity website had 344,000 users, which is 11% lower than January 2023 (388,000) and 1% lower than February 2022 (346,000). January is traditionally the charity's busiest month in the year, and with February as a shorter month, we expect to see reduced volumes.

The [emergency funding](#) webpage remained as the most commonly viewed debt information page in February (20,000), although 19% lower than January (25,000). The [self-employed income calculator](#) (8,000) saw a 43% drop in views this month, following a 50% increase between December 2022 (7,000) and January 2023 (14,000); the webpage also saw a 30% decrease in views compared to February 2022 (11,000). The [income and expenditure form](#) page was 13% down in views between January (8,000) and February 2023 (7,000), although 17% higher than February 2022 (6,000).

Total number of website users: February 2022 – February 2023



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.

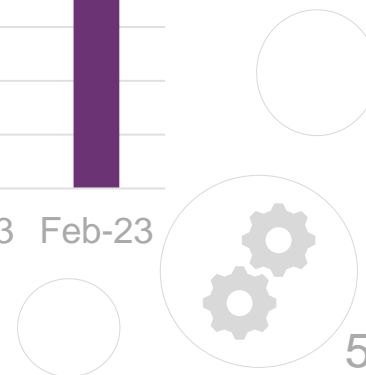
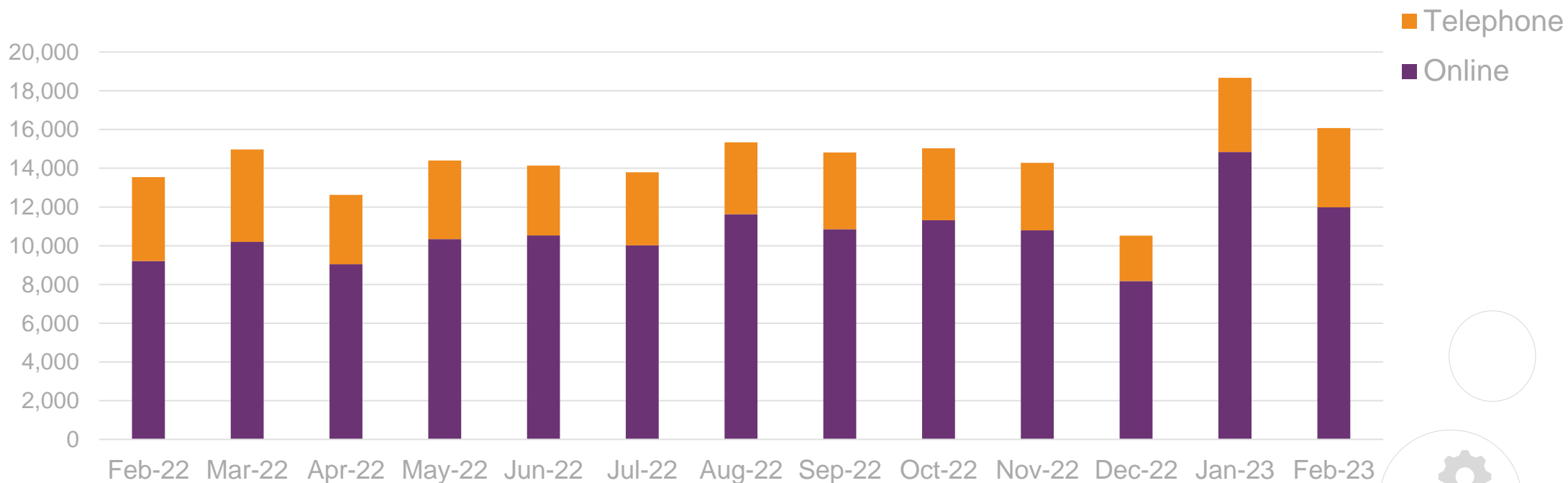
*Correction: The number of website users for January 2023 has been corrected to 388,000 users.

Client volumes

The number of new clients seeking full debt advice in February 2023 is 16,076 clients, which is 14% lower than January 2023 (18,665), although 19% higher than a year ago (February 2022=13,543).

Despite the month-on-month decrease in the number of new clients seeking debt advice, the number of new clients in February 2023 is higher than any single month in 2022.

Number of new telephony and online clients: February 2022 – February 2023

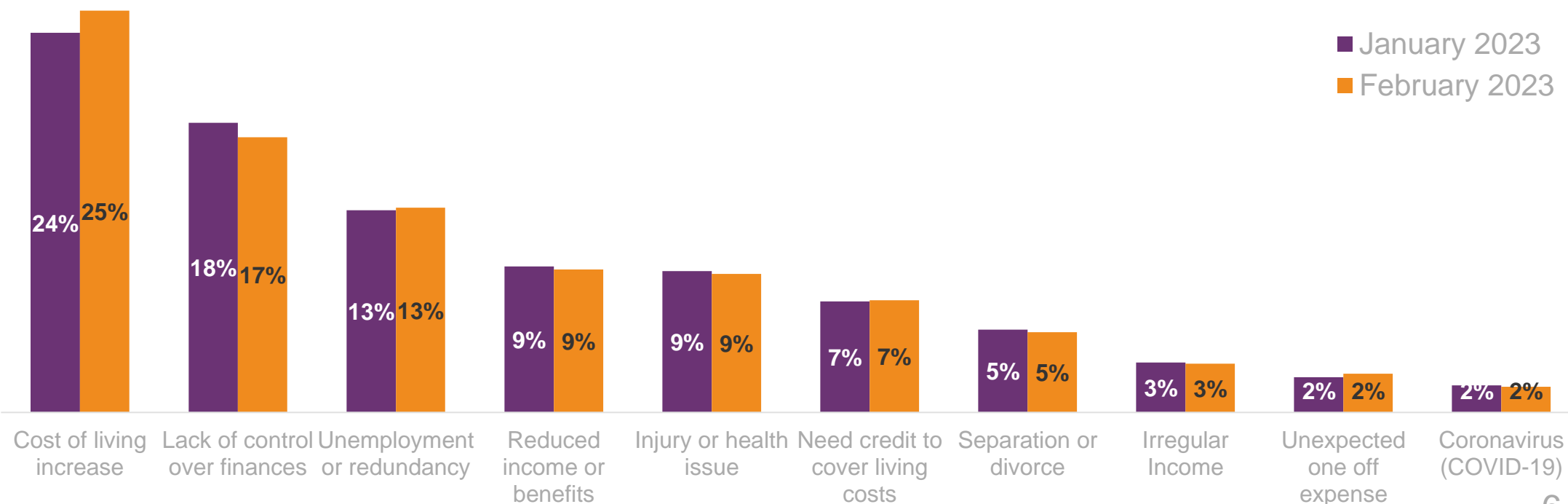


Reasons for debt

The proportion of clients citing a 'cost of living increase' as their main reason for debt has increased for the third consecutive month to one in four (25%) clients, setting a new all time high.

A 'lack of control over finances' (17%) is the second most common reason for debt, which is marginally down by one percentage point month-on-month. All other remaining reasons for debt are unchanged between January and February 2023.

Most common reasons for debt*: January 2023 vs. February 2023



Debt types

There's been minimal changes to the proportion of clients with each debt type between January and February 2023. Credit cards remain as the most common unsecured debt type, with two thirds (66%) of new clients holding this debt type, which is down by one percentage point month-on-month and unchanged compared to February 2022.

The proportion of clients with personal loan (45%) and catalogue (34%) debts are each down by one percentage point month-on-month and both are three percentage points lower than February 2022. A third (33%) of clients are in debt with their overdraft, which is up by one percentage point month-on-month, following five months of no movement.

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

	February 2022	December 2022	January 2023	February 2023
Credit card	66%	63%	67%	66%
Personal loan debt	48%	44%	46%	45%
Catalogue debt	37%	31%	35%	34%
Overdraft	35%	32%	32%	33%
Store card	13%	12%	13%	13%
Short-term high cost credit or payday loan	11%	9%	9%	9%

Arrears types

The proportion of clients with dual fuel arrears has increased by three percentage points from 51% in January to 54% in February 2023, which is the first increase seen since October 2022. Compared to February 2022 (43%), there's been an eleven percentage points increase in the proportion of clients with dual fuel arrears.

The proportion of clients in gas (27%), rent (21%) and mortgage (17%) arrears has also increased between one and two percentage points month-on-month, returning back to the levels seen in December 2022. The proportion of clients in arrears with their water bills has decreased from 32% in February 2022 to 23% in February 2023, although the average arrears balance has increased by £156.

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

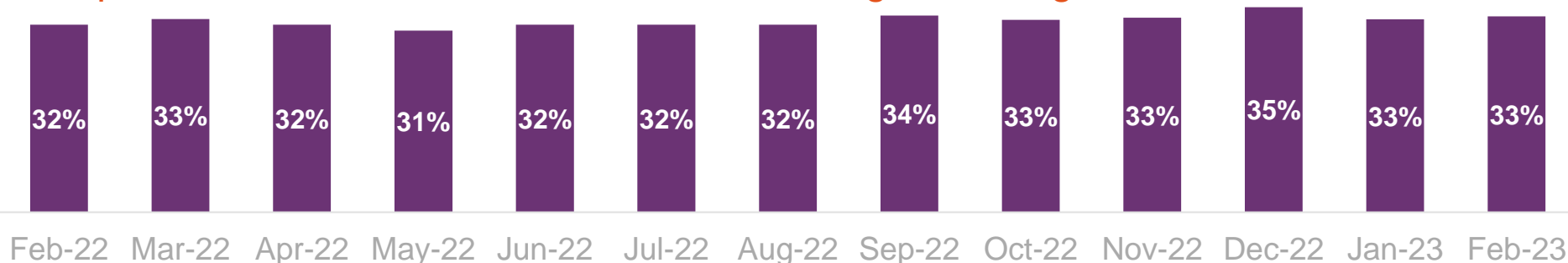
	February 2022	December 2022	January 2023	February 2023
Dual fuel	43%	51%	51%	54%
Council tax	39%	34%	34%	35%
Gas	23%	27%	26%	27%
Electricity	28%	27%	26%	26%
Water	32%	23%	24%	23%
Rent	24%	21%	20%	21%
Mortgage	18%	17%	15%	17%
TV licence	4%	3%	3%	3%

Negative budgets and Universal Credit

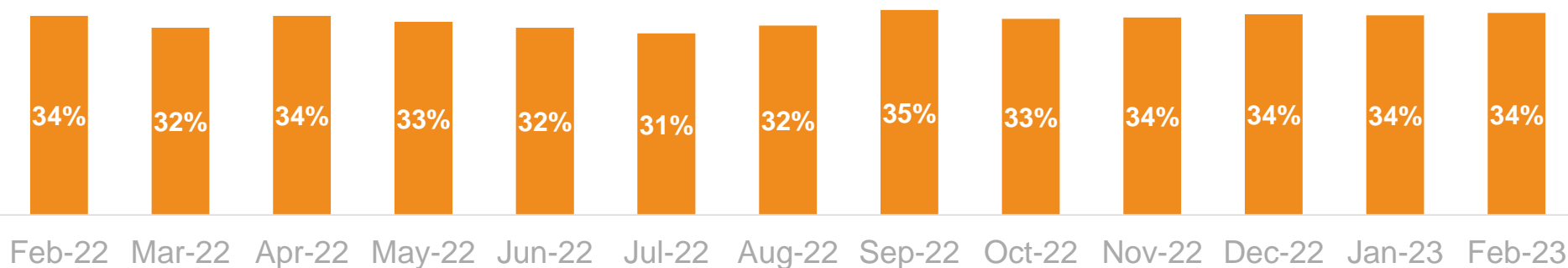
The proportion of clients with a negative budget is unchanged month-on-month at 33%, and one percentage point higher than a year ago (February 2022=32%).

The proportion of new clients who are in receipt of Universal Credit remains at 34%, for the fourth consecutive month, and is unchanged compared to February 2022.

Proportion of new debt advice clients with a negative budget



Proportion of new debt advice clients in receipt of Universal Credit



Demographics

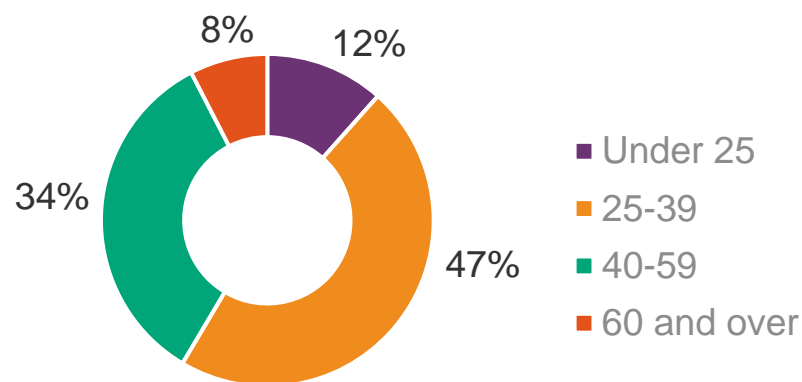
The proportion of women seeking full debt advice fell by one percentage point between January (65%) and February (64%) 2023.

The proportion of women seeking full debt advice this month is two percentage points higher than the same time last year (February 2022=62%).

Gender split: New debt advice clients

	February 2022	December 2022	January 2023	February 2023
Women	62%	62%	65%	64%
Men	37%	38%	35%	36%
Other gender identity	<1%	<1%	<1%	<1%

Age: New debt advice clients, February 2023



Demographics continued - housing tenure

In February 2023, renting from a private landlord (33%) continues to be the most common housing tenure among new clients, which is unchanged for the fourth consecutive month. Renting from a council or housing association is the next most common housing tenure, which has increased by one percentage point, to just over three in ten clients (31%).

There has been a one percentage point increase in the proportion of clients who own their property outright between January (2%) and February (3%) 2023.

Housing tenure among new clients

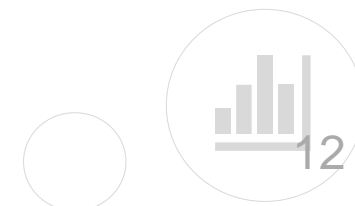
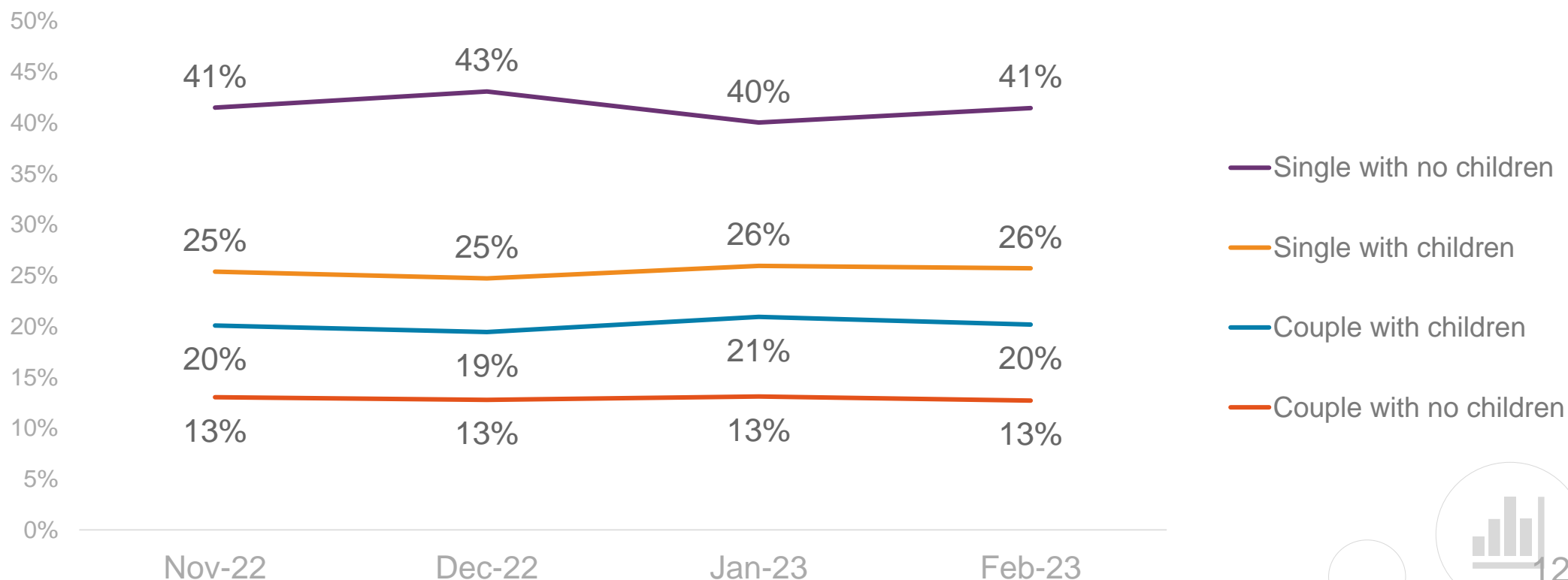
	February 2022	December 2022	January 2023	February 2023
Board payment (not with family)	3%	2%	2%	2%
Living with family	12%	14%	14%	13%
Mortgage	12%	13%	13%	13%
Other	3%	3%	3%	3%
Owns property outright	2%	2%	2%	3%
Renting - Council or Housing Association	33%	31%	30%	31%
Renting - private landlord	34%	33%	33%	33%
Shared ownership (mortgage and rent)	1%	1%	2%	1%

Demographics continued - family composition

The family composition types of new clients in February 2023 remained fairly similar to the previous month. The proportion of single adults with no children increased by one percentage point month-on-month, following a three percentage points decline between December 2022 (43%) and January 2023 (40%).

In February 2023, one in five (20%) StepChange clients are in a couple with children, which is marginally down by one percentage point compared to January (21%).

Family composition: November 2022 – February 2023



Demographics continued - employment

In February 2023, the employment status of new clients is fairly similar to the previous calendar month. The proportion of new clients in full-time employment is unchanged month-on-month at 41%.

Employment status

Employment type	January 2023	February 2023
Carer	3%	3%
Full-time employed	41%	41%
Not working due to illness or disability	15%	15%
Part-time employed	14%	14%
Retired	2%	3%
Student	2%	2%
Unemployed: looking for work	12%	11%
Not in employment and not looking for work	8%	9%
Zero hour contract	2%	2%

- The proportion of new clients who are retired is up by one percentage point from 2% in January to 3% in February.
- Around one in ten (11%) clients were unemployed and looking for work, which is one percentage point lower than January (12%).
- In February, just under one in ten clients were not in employment and not looking for work (9%).

In February 2023, 58% of new clients were in employment



Methodology

This data is based on the 16,076 clients who first sought debt advice from the charity between 1 – 28 February 2023. 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.

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 or call 0800 138 1111 Mon-Fri 8am-8pm, Sat 8am-2pm and take the first step towards taking back control of your finances.



www.stepchange.org



0800 138 1111 (Freephone)