

# Debt advice client insights

April 2022

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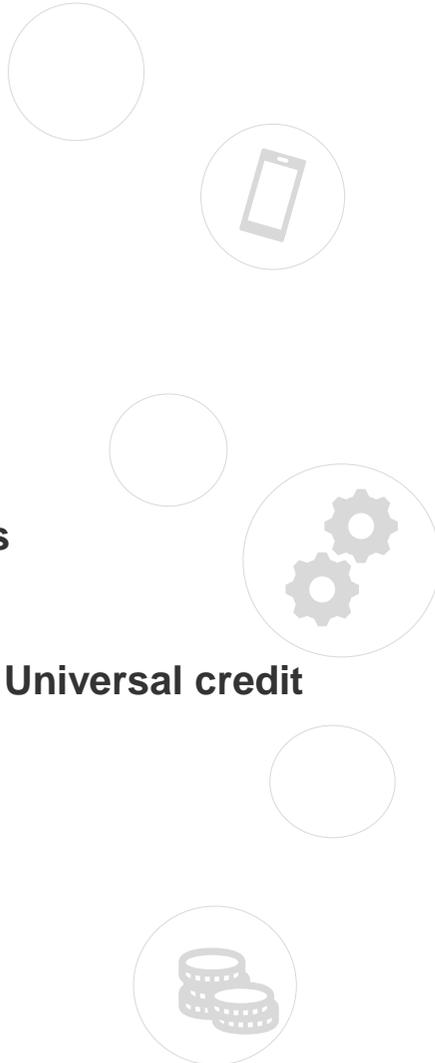
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## Background

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

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

## Executive summary

Fewer clients accessed full debt advice in April 2022 (12,500) compared to March (around 15,000), however this represents a similar seasonal trend also found in 2021; the first quarter of each year has seen more clients needing debt advice than in April.

This seasonal decrease is also reflected in website statistics. The number of visits to the StepChange Debt Charity website also fell compared to previous months. However, web traffic to pages such as 'emergency funding' remained at a similar level between March and April 2022, potentially reflecting the difficult financial situations facing households given increasing inflation levels, and energy price rises.

A growing proportion of clients cited a 'cost of living increase' among their main reasons for debt (15%). This is now the second most commonly cited reason among new StepChange Clients. By comparison, just 7% of clients cited this in September 2021.

The charity's latest data also emphasises that life events such as injury, illness, unemployment and redundancy continue to be cited as common reasons for debt across UK households.

An increased proportion of clients were in receipt of Universal Credit in April (34%) compared to March (32%), and around one third (32%) of clients were in a negative budget at the time of advice. The latter has increased from 29% in April 2021, which again points to the additional difficulties facing households.

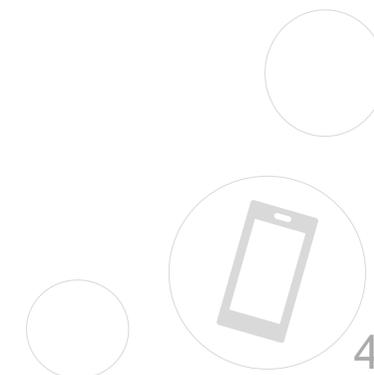
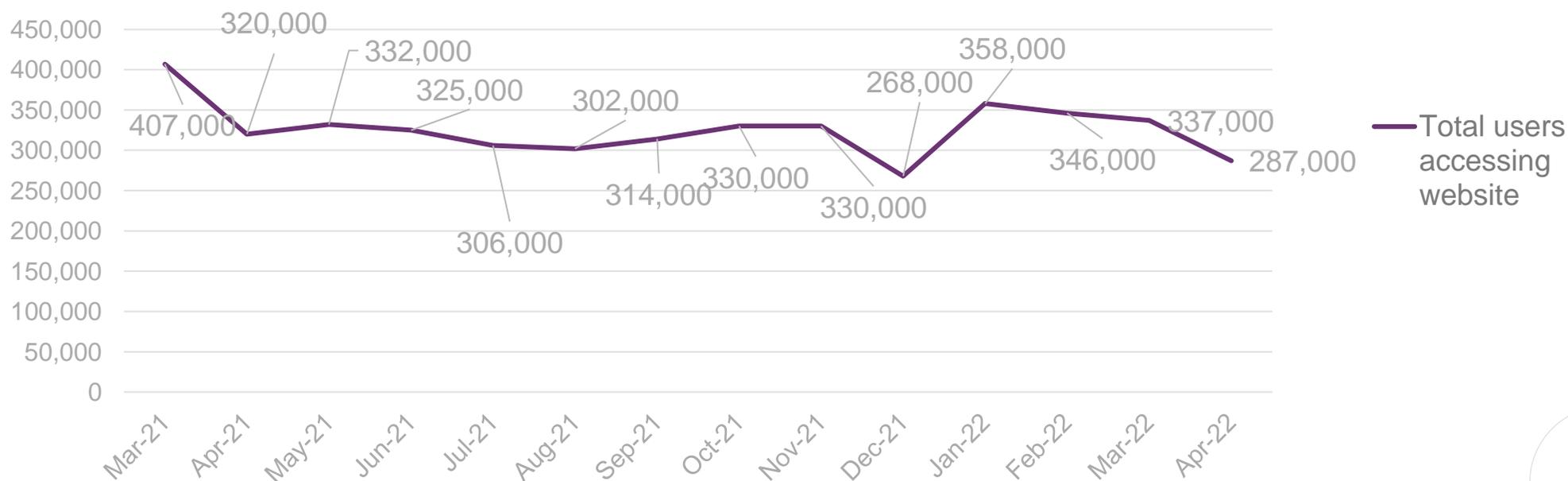
With that said, the proportion of new clients behind on the most common unsecured debt types such as credit cards, catalogues and payday loans have fallen compared to previous months. The proportion of clients with household arrears such as council tax has also decreased. However, energy arrears levels continue to slowly increase.

## Website trends

Almost 300,000 new clients visited the charity's website in April 2022. This is slightly lower than the number of users in the previous three months of 2022, however this fall reflects a similar seasonal trend found in April 2021.

Emergency funding remained as the most commonly visited debt information page (18,000) in April 2022. The self employed income calculator (13,000) and statute barred debt (9,000) pages were also the second and third among the most visited debt information pages on the StepChange Debt Charity website; a consistent trend with previous months.

### Total number of website users: March 2021 – April 2022

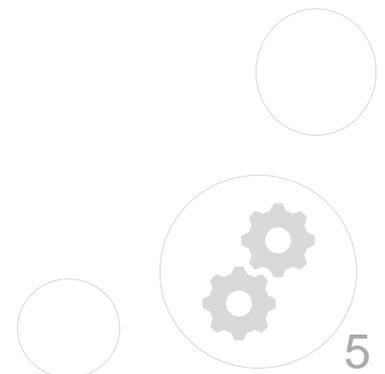
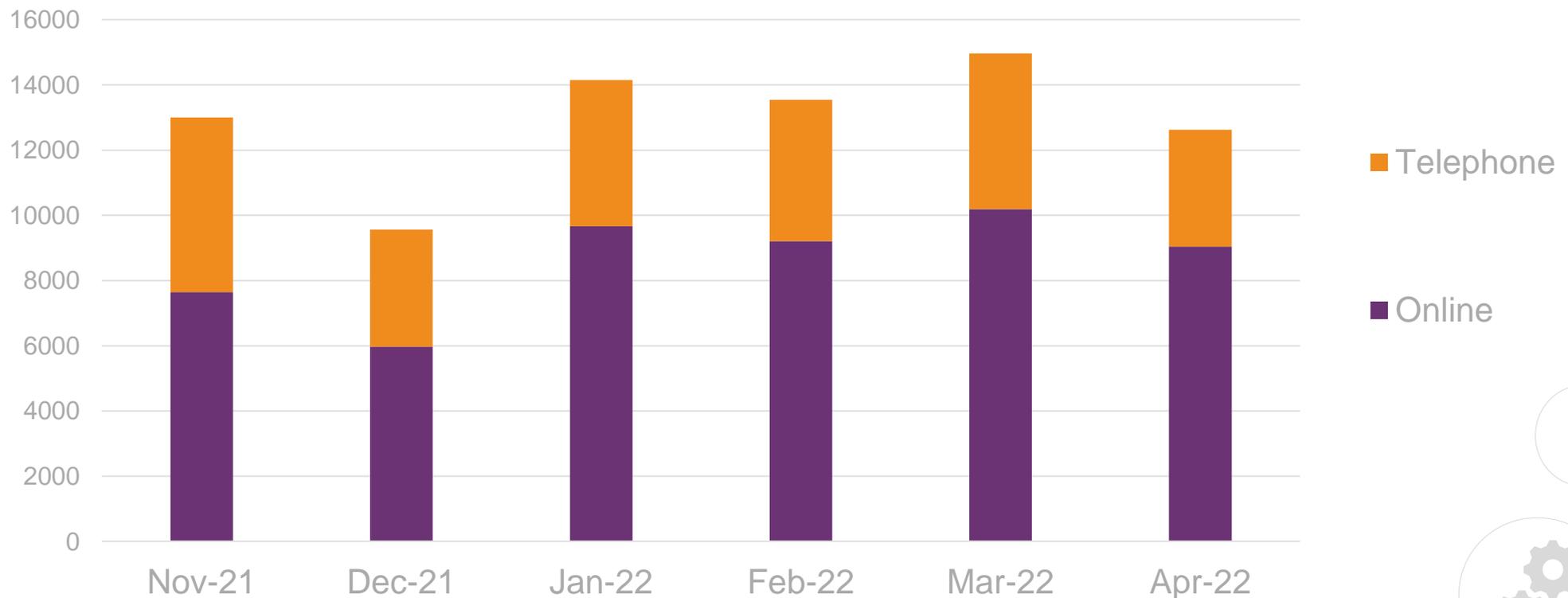


## Client volumes

April saw a fall in the number of clients compared to previous months. Over 12,000 clients received full debt advice in April, compared to almost 15,000 in March.

This follows a similar trend to 2021; more clients sought advice in March 2021 (16,000) than in April 2021 (12,000).

### Number of new telephony and online clients: October 2021 – April 2022

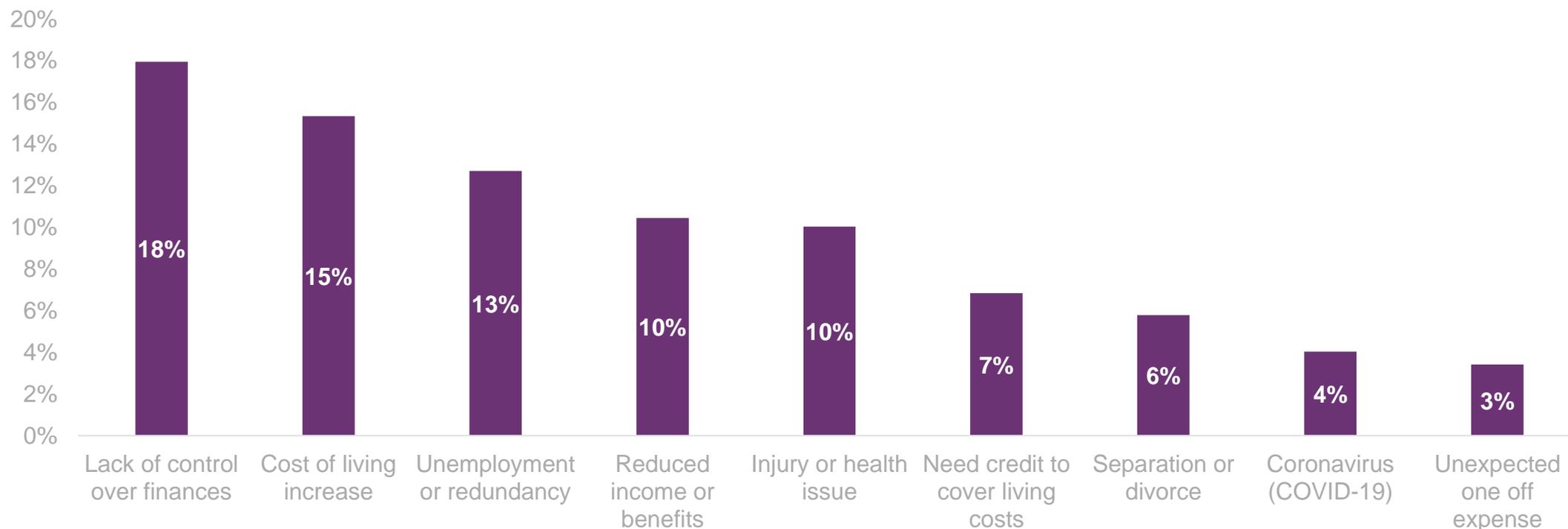


## Reasons for debt

The proportion of clients citing a 'cost of living increase' as their main reason for debt continues to rise; In April this was the second most commonly cited reason among all new debt advice clients (15%).

A lack of control over finances continues as the most commonly cited reason, with a similar proportion of new clients citing this in April (18%) as March (18%). A majority of new clients had experienced life events such as unemployment or redundancy (13%), a reduction in income (10%) or an injury or health issue (10%), which had caused them to experience problem debt.

### Most common reasons for debt\*: April 2022



\*Clients can select multiple reasons for debt

## Debt types

Credit cards continued as the most commonly held debt type, despite a fall of three percentage points between March (67%) and April (64%) 2022.

The proportion of clients with overdrafts, catalogue debts, payday loans and store cards all also fell between March and April 2022. However, these proportions are similar to those among new clients in April 2021.

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

	April 2021	February 2022	March 2022	April 2022
Credit card	64%	66%	67%	64%
Personal loan debt	47%	48%	46%	46%
Overdraft	33%	35%	34%	33%
Catalogue debt	34%	37%	37%	35%
Short-term high cost credit or payday loan	10%	11%	11%	10%
Store card	12%	13%	13%	12%

## Arrears types

There was a fall in the proportion of clients behind on council tax at the time of advice between March (38%) and April (34%) 2022. However this trend is reflected in previous years. For example in March 2021, 37% of clients were behind on council tax at the time of advice, falling to 34% in April 2021.

The proportion of clients in arrears on their gas and electricity bills continues to slowly rise, and are higher than levels found in April 2021.

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

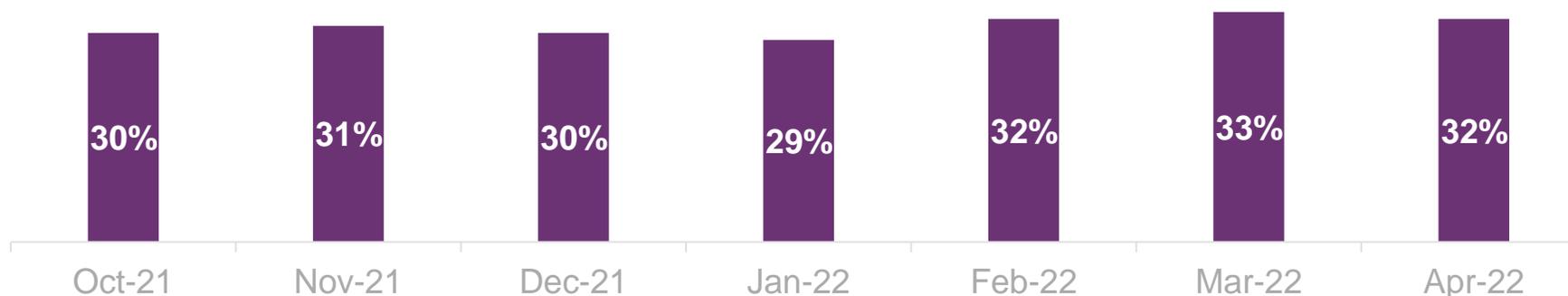
	April 2021	February 2022	March 2022	April 2022
Council tax	34%	39%	38%	34%
Electricity	27%	28%	28%	29%
Gas	22%	23%	24%	24%
Water	31%	32%	32%	29%
Rent	23%	24%	23%	21%
Mortgage	18%	18%	18%	16%
TV license	4%	4%	3%	3%

## Negative budgets and Universal Credit

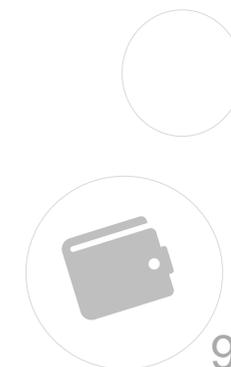
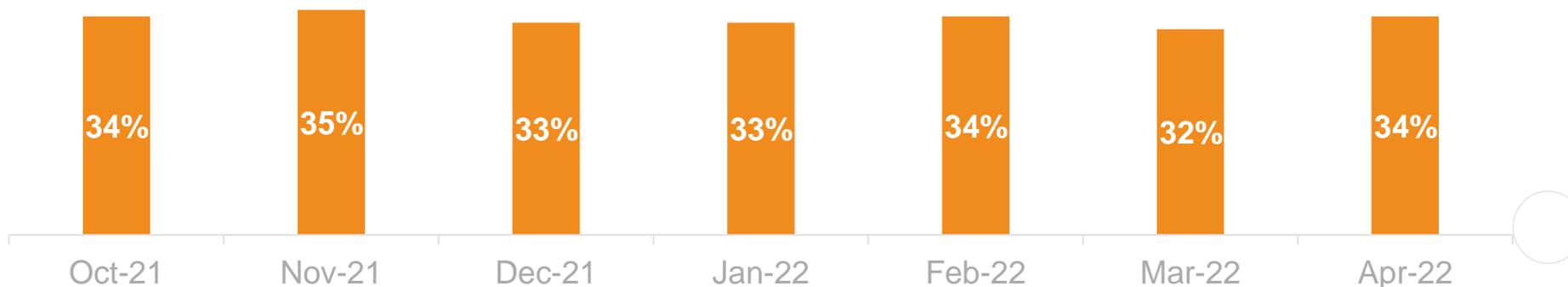
There was a one percentage point fall between March (33%) and April (32%) in the proportion of clients with a negative budget (where monthly expenditure is greater than monthly income after proceeding through the charity's debt and budgeting advice process) at the time of advice. However, this remains higher than April 2021, where 29% of new clients had a negative budget at the time of advice.

There has been a two percentage point increase in new clients with Universal Credit between March and April. More than one third (34%) of new clients were in receipt of this benefit in April 2022. This is similar to the proportion found in April 2021 (35%).

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



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



## Demographics

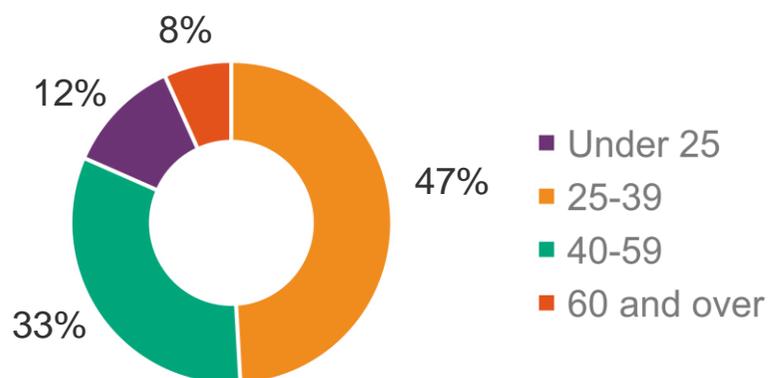
A similar proportion of women received debt advice in April (63%) as previous months, and this proportion has slightly increased compared to a year ago (61% in April 2021).

The age breakdown for new clients in April 2022 remains similar to previous months and years. A majority of new clients were aged between 25 and 59 (80%) in this month.

### Gender split: New debt advice clients

	April 2021	February 2022	March 2022	April 2022
Women	61%	62%	64%	63%
Men	36%	37%	36%	37%
Other gender identity	<1%	<1%	<1%	<1%

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



## Demographics continued - housing tenure

Renting in the private sector continues to be the most common housing type among new StepChange clients in April (35%), and around one third (32%) of clients are renting from their local authority or a housing association.

Just 15% of new clients in April 2022 were homeowners, which reflects a similar proportion to new clients in April 2021 (14%).

### Housing tenure among new clients

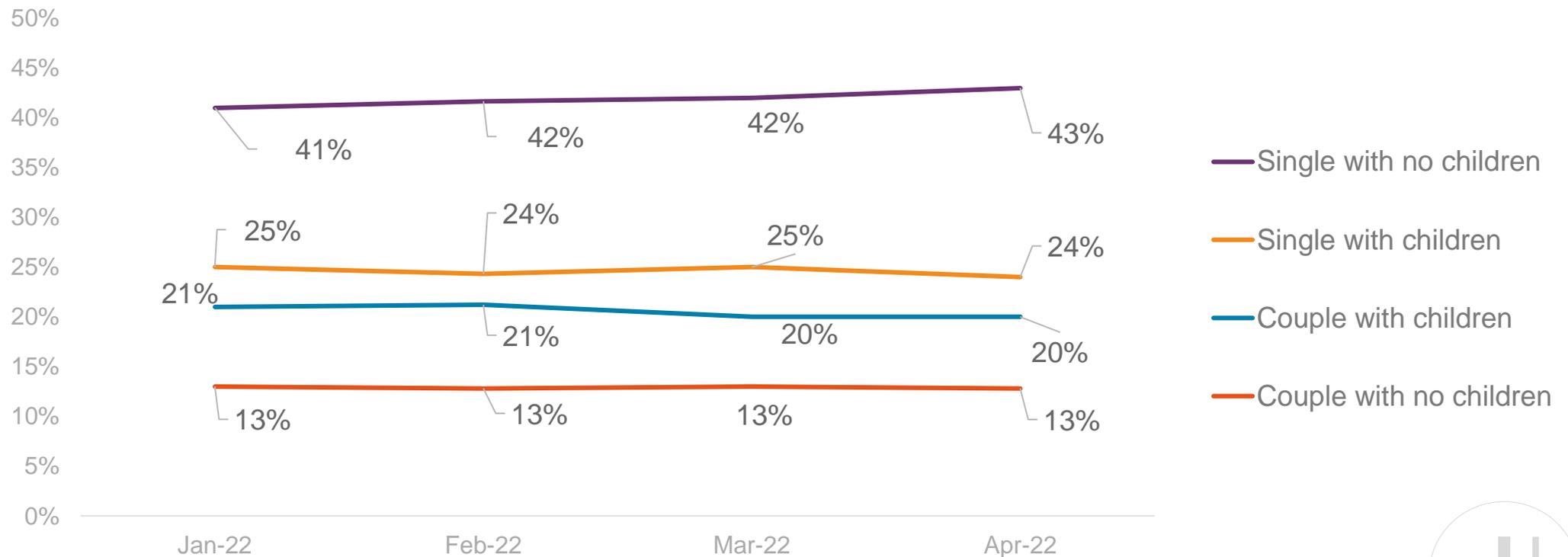
	April 2021	February 2022	March 2022	April 2022
Board payment (not with family)	3%	3%	3%	2%
Living with family	15%	12%	13%	13%
Mortgage	12%	12%	12%	12%
Other	2%	3%	3%	3%
Owns property outright	3%	2%	2%	2%
Renting - Council or Housing Association	31%	33%	33%	32%
Renting - private landlord	34%	34%	34%	35%
Shared ownership (mortgage and rent)	1%	1%	1%	1%

## Demographics continued - family composition

The charity continued to advise a high proportion of single parents, accounting for around one quarter (24%) of new debt advice clients in April.

The proportion of new clients who are single with no children continues to rise. This proportion has increased by two percentage points between January (41%) and April (43%).

### Family composition: January – April 2022.



## Demographics continued - employment

A majority of new StepChange clients are in employment (56%). The proportion of clients in full time employment remains at 40% in April 2022.

9% of clients were unemployed and not looking for work, and 11% were unemployed and looking for work.

### Employment status

Employment type	March 2022	April 2022
Carer	3%	3%
Full-time employed	40%	40%
Not working due to illness or disability	15%	16%
Part-time employed	15%	14%
Retired	3%	3%
Student	2%	2%
Unemployed: looking for work	12%	11%
Not in employment and not looking for work	9%	9%
Zero hour contract	2%	2%

- A similar proportion of clients were in employment in April 2021.
- In April 2022, 3% of new clients were retired
- 3% of new clients in April 2022 were carers

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



## Methodology

This data is based on the 12,639 clients who first sought debt advice from the charity between 1 – 30 April 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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