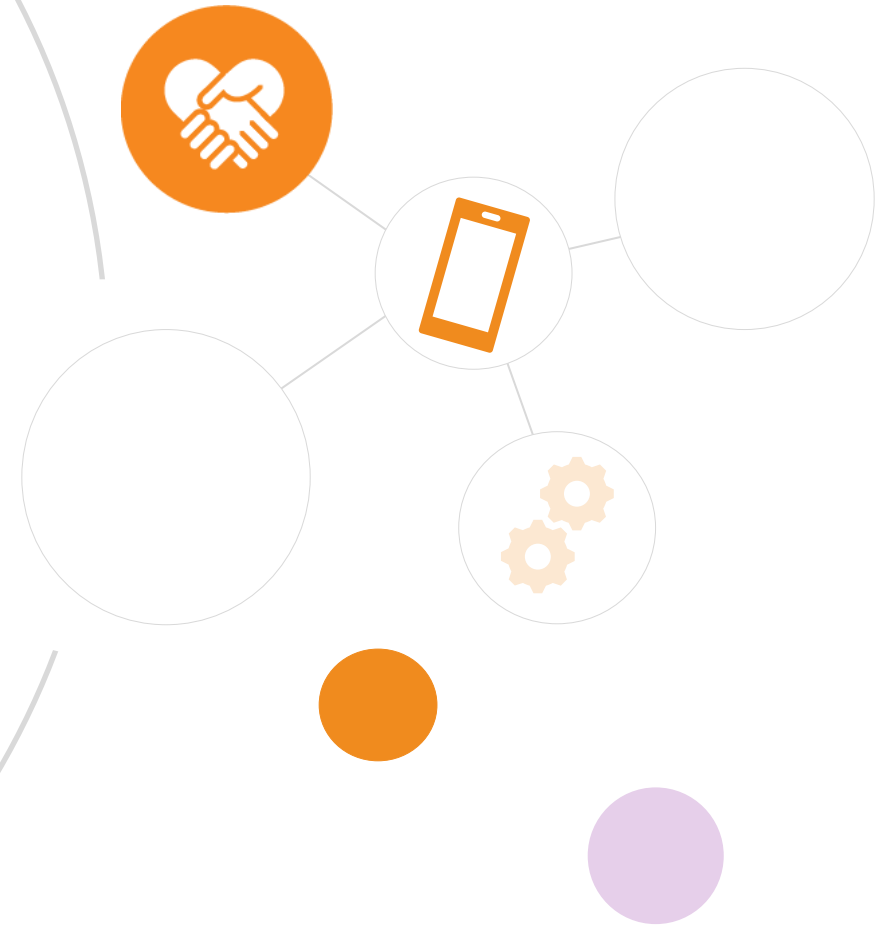


# Debt advice client insights

May 2023

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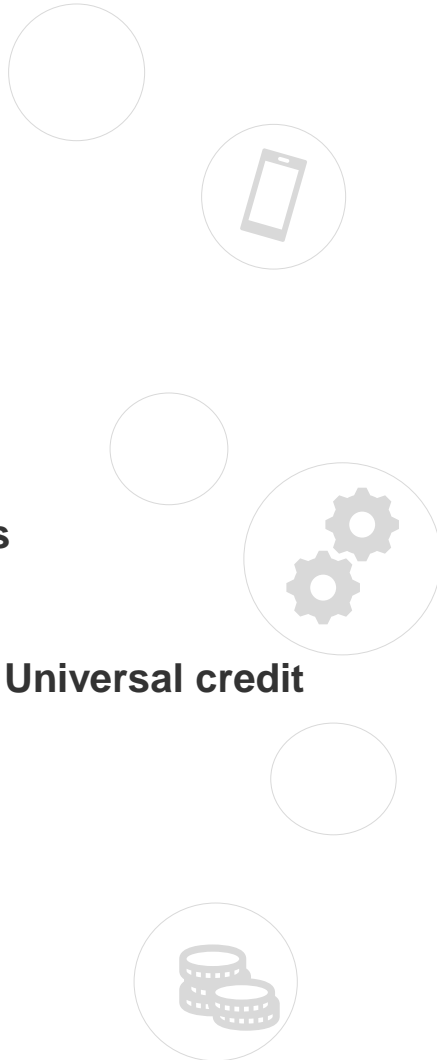
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## Background

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

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

## Executive summary

May 2023 saw 15,483 clients accessing full debt advice, which is 7% higher than April 2023 (14,512). The number of clients accessing debt advice in May 2023 is higher than the same month in previous years, for example 8% higher than May 2022 and 24% higher than May 2021.

The StepChange debt charity website was accessed by 315,000 users in May 2023, which is unchanged month-on-month. In line with previous months, the [emergency funding](#) webpage continues to be the most viewed debt information page with 19,000 views.

New clients accessing debt advice continue to cite increases in the cost of living as the most common reason for debt, cited by 27% of clients in May 2023. A 'cost of living increase' as a main reason for debt has increased by eleven percentage points compared to May 2022 (16%).

Among clients with a responsibility for paying dual fuel bills, the proportion of clients in arrears with this bill type is 57% in May 2023, which is six percentage points higher than January 2023 and May 2022 (51% each).

One in three (34%) clients had a negative budget in May 2023, which is unchanged month-on-month. The proportion of clients in receipt of Universal Credit has increased by three percentage points between April (35%) and May 2023 to 38%.

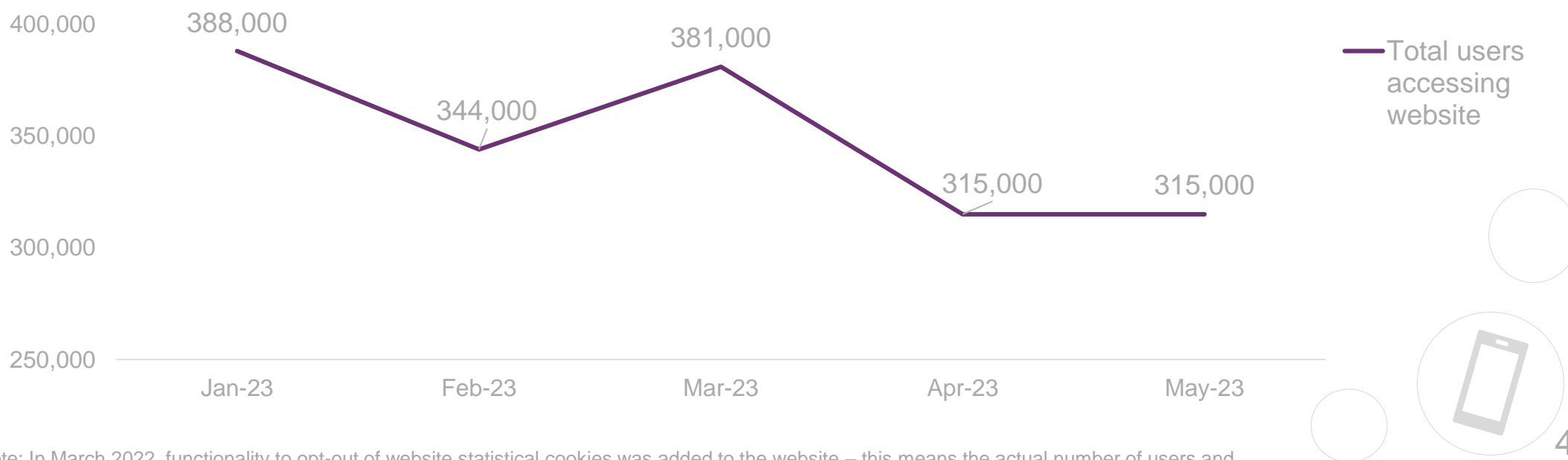
In terms of the demographic profiles of clients, there has been a two percentage points increase in the proportion of clients with a mortgage between May 2022 (12%) and May 2023 (14%). In May 2023, three in five clients (60%) were in some form of employment which is four percentage points higher than May 2022 (56%).

## Website trends

In May 2023, the StepChange charity website was accessed by 315,000 users, which is unchanged when compared to the previous calendar month.

The most commonly viewed debt information page in May 2023 was the [emergency funding](#) webpage which received 19,000 views. The second most commonly viewed debt information page was the [self-employed income calculator](#) which had 8,000 views. The [statute barred](#) webpage was the third most commonly viewed debt information page in May 2023, with 6,000 views.

### Total number of website users: January – May 2023



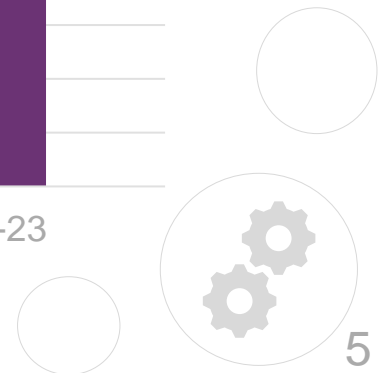
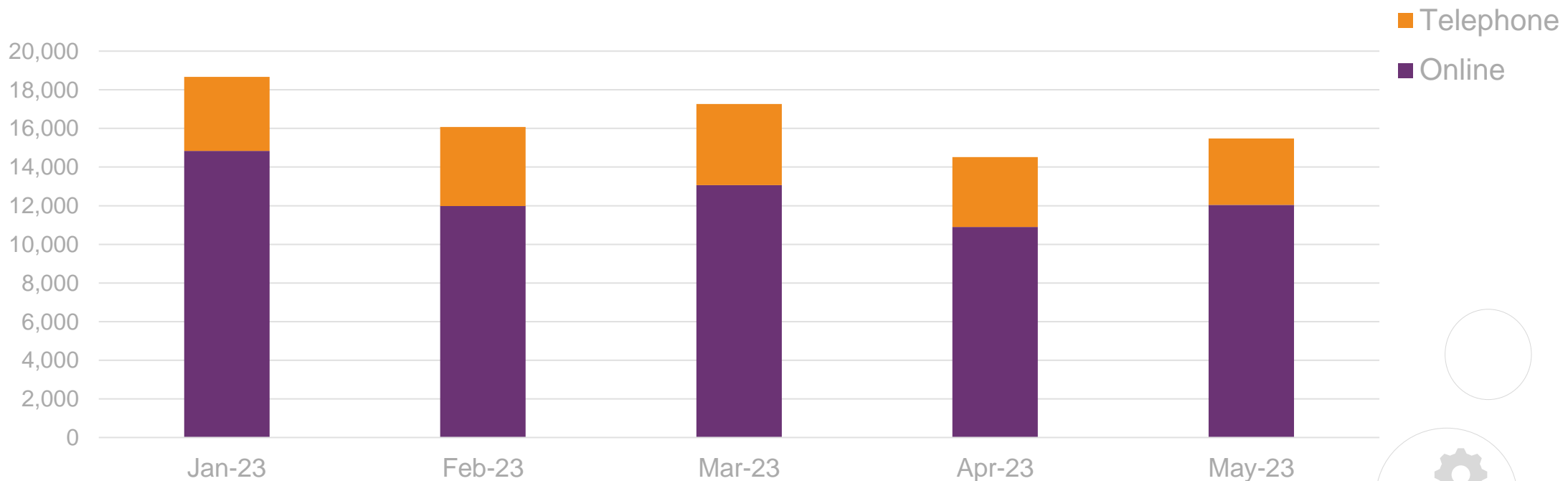
Note: In March 2022, functionality to opt-out of website statistical cookies was added to the website – this means the actual number of users and pageviews will be higher than reported from March 2022 onwards. An estimated 8% to 15% of website users are opting out of statistical cookies.

## Client volumes

May saw a 7% month-on-month increase in the number of new clients who sought debt advice, from 14,512 clients in April to 15,483 clients in May 2023.

Furthermore, the number of new clients who sought debt advice in May 2023 was higher than the same month in previous years, for example 8% higher than May 2022 (14,393), and 24% higher than May 2021 (12,459 clients).

### Number of new telephony and online clients: January – May 2023

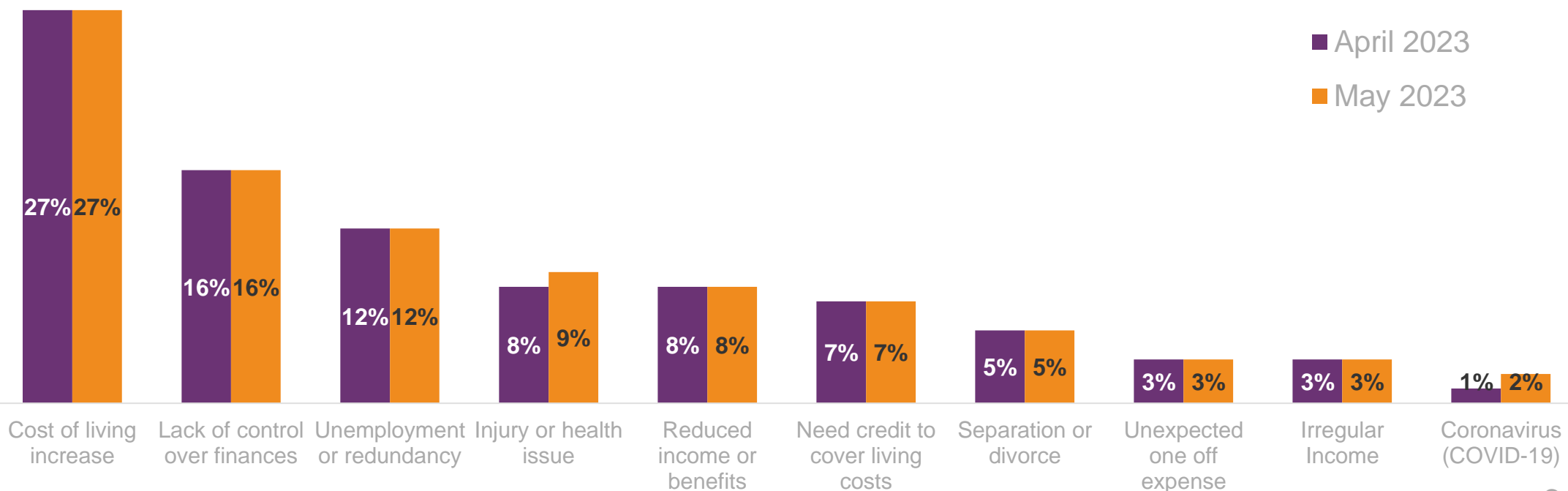


## Reasons for debt

Following five consecutive months of increases, a 'cost of living increase' continues to be the main reason for debt among new clients in May 2023. Increases in living costs was cited by 27% of clients in May 2023, which is unchanged month-on-month, although eleven percentage points higher than May 2022 (16%).

There's been minimal changes among the other main reasons for debt, with a 'lack of control over finances' (16%) continuing to be cited as the second most common reason for debt, followed by 'unemployment or redundancy' (12%).

### Most common reasons for debt\*: April vs. May 2023



## Debt types

The debt profiles of new clients in May 2023 is similar to previous months. Credit cards continue to be held by two thirds (65%) of clients in May, which is on par with April 2023 and May 2022.

The proportion of clients who held catalogue debts, at the time of advice, decreased by two percentage points when compared to the previous calendar month.

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

	May 2022	March 2023	April 2023	May 2023
Credit card	65%	65%	65%	65%
Personal loan debt	46%	44%	45%	44%
Catalogue debt	34%	33%	33%	31%
Overdraft	34%	32%	31%	32%
Store card	12%	13%	12%	12%
Short-term high cost credit or payday loan	10%	8%	8%	8%

## Arrears types

Dual fuel remains as the most commonly held debt type, with 57% of clients in arrears with this bill type in May 2023, among those with a responsibility for paying this bill type. The proportion of clients with dual fuel arrears has decreased by one percentage point between April (58%) and May, however it is six percentage points higher than the beginning of this year and a year ago (January 2023 and May 2022 = 51% each).

Among those who have a responsibility for paying gas bills, the proportion of clients in gas arrears has increased by two percentage points month-on-month to three in ten (29%) clients.

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

	May 2022	March 2023	April 2023	May 2023
Dual fuel	51%	55%	58%	57%
Council tax	35%	33%	31%	31%
Gas	23%	29%	27%	29%
Electricity	28%	27%	27%	27%
Water	29%	23%	22%	21%
Rent	21%	20%	20%	19%
Mortgage	15%	15%	16%	15%
TV licence	3%	3%	3%	3%

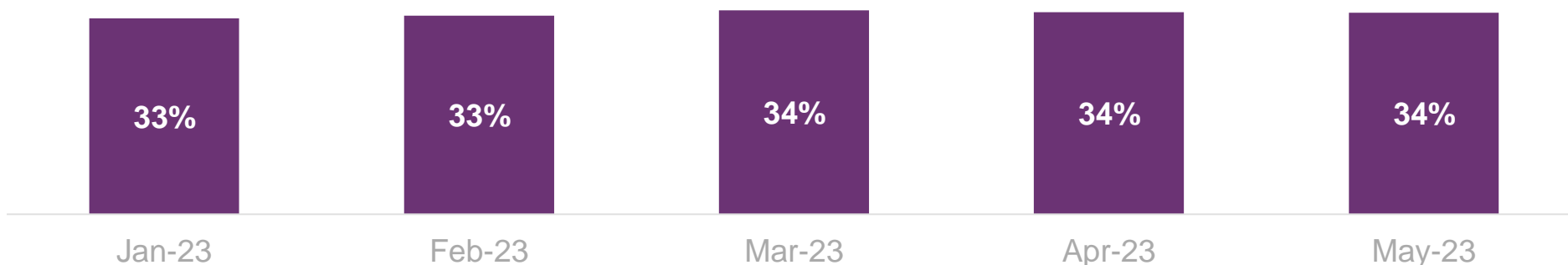


## Negative budgets and Universal Credit

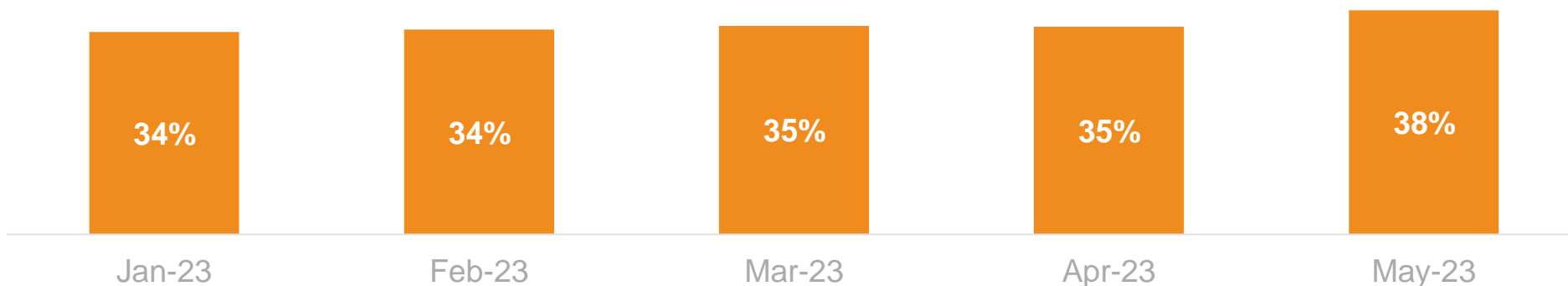
In May 2023, the proportion of clients with a negative budget is unchanged for the second consecutive month at 34%.

The proportion of new clients in receipt of Universal Credit (UC) has increased by three percentage points between April (35%) and May 2023 to 38%. Between April (17%) and May (21%) 2023, there has been a four percentage points increase in the proportion of clients who are in receipt of UC and in part-time employment. Furthermore, the proportion of clients in receipt of UC with children has also increased from 61% in April to 65% in May 2023.

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



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



## Demographics

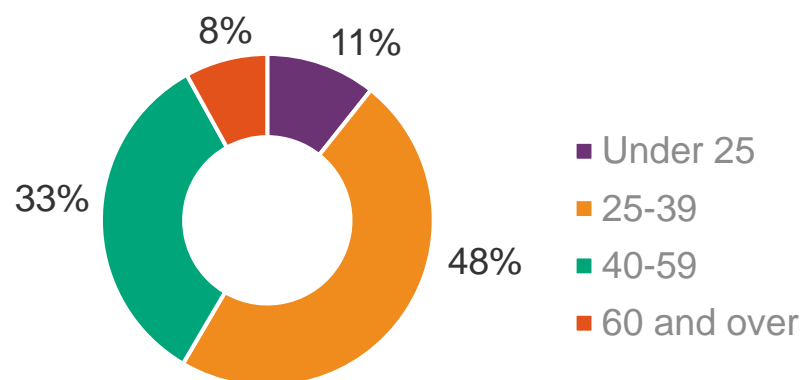
The proportion of women among StepChange's new client population in May 2023 is 63%, which is one percentage point higher than April 2023 (62%) and unchanged compared to May 2022.

The age profile of new clients in May 2023 remains fairly similar to previous months and years, with four in five (81%) StepChange clients aged between 25-59 this month.

### Gender split: New debt advice clients

	May 2022	March 2023	April 2023	May 2023
Women	63%	64%	62%	63%
Men	37%	36%	38%	37%
Other gender identity	<1%	<1%	<1%	<1%

### Age: New debt advice clients, May 2023



## Demographics continued - housing tenure

The most common housing tenure among new clients is renting their home from the private sector in May 2023, which is unchanged for the second consecutive month at 34%. The next most common housing tenure among clients is renting their home from a council or housing association (30%).

The proportion of clients with a mortgage has increased by one percentage point between April (13%) and May (14%) 2023 and by two percentage points compared to a year ago (May 2022 = 12%).

### Housing tenure among new clients

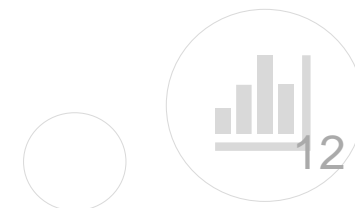
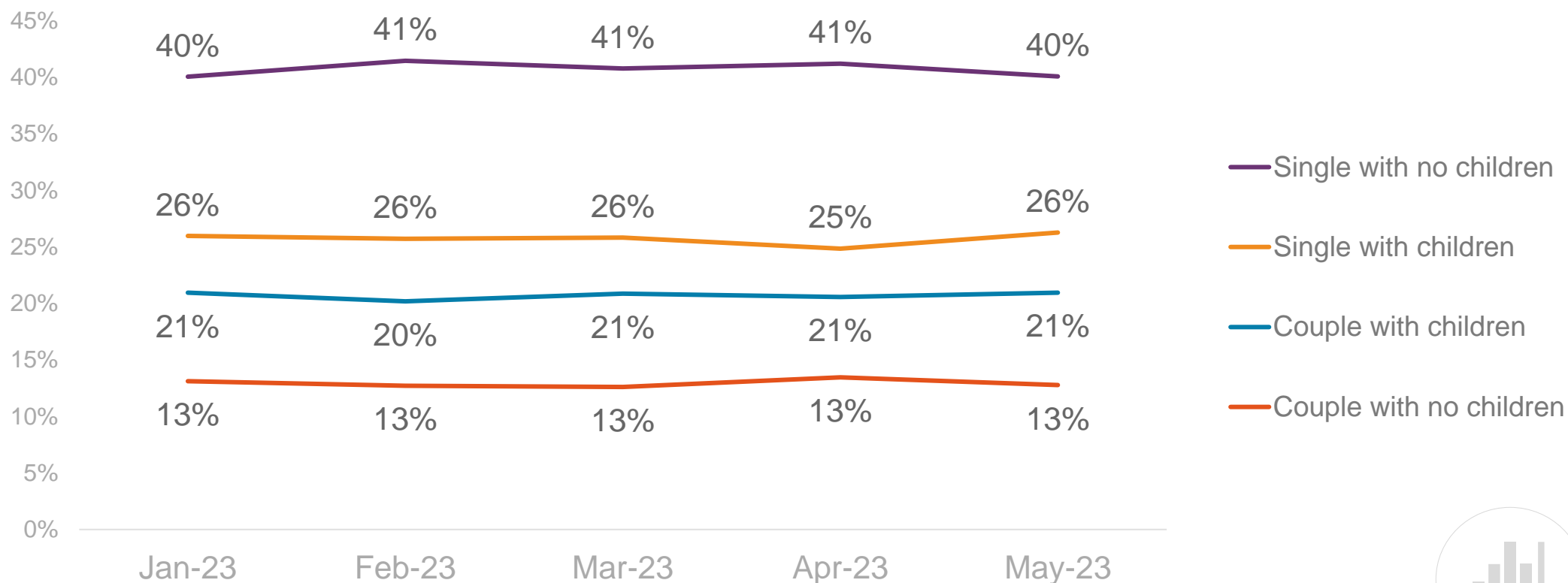
	May 2022	March 2023	April 2023	May 2023
Board payment (not with family)	2%	2%	2%	2%
Living with family	13%	13%	12%	12%
Mortgage	12%	13%	13%	14%
Other	3%	3%	3%	3%
Owns property outright	2%	3%	3%	3%
Renting - Council or Housing Association	32%	30%	31%	30%
Renting - private landlord	33%	34%	34%	34%
Shared ownership (mortgage and rent)	1%	1%	1%	2%

## Demographics continued - family composition

StepChange continues to advise a high proportion of single adults with no children, accounting for two in five (40%) new clients in May 2023.

In May 2023, the proportion of clients who are single with children accounted for one in four (26%) new clients.

### Family composition: January – May 2023



## Demographics continued - employment

Three in five (60%) StepChange clients were in some form of employment in May 2023, which is four percentage points higher than a year ago (May 2022 = 56%).

### Employment status

Employment type	April 2023	May 2023
Carer	3%	3%
Full-time employed	41%	41%
Not working due to illness or disability	15%	15%
Part-time employed	14%	16%
Retired	4%	4%
Student	2%	1%
Unemployed: looking for work	11%	10%
Not in employment and not looking for work	8%	8%
Zero hour contract	2%	3%

- The proportion of clients in part-time employment has increased by two percentage points between April (14%) and May 2023 to 16% - the highest level we have seen this year so far.
- In May 2023, 3% of clients were on zero hour contracts, which is one percentage point higher than the previous calendar month.

**In May 2023,  
60% of new  
clients were in  
employment**



## Methodology

This data is based on the 15,483 clients who first sought debt advice from the charity between 1 – 31 May 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](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-2pm and take the first step towards taking back control of your finances.



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



0800 138 1111 (Freephone)