

Debt advice client insights

March 2023

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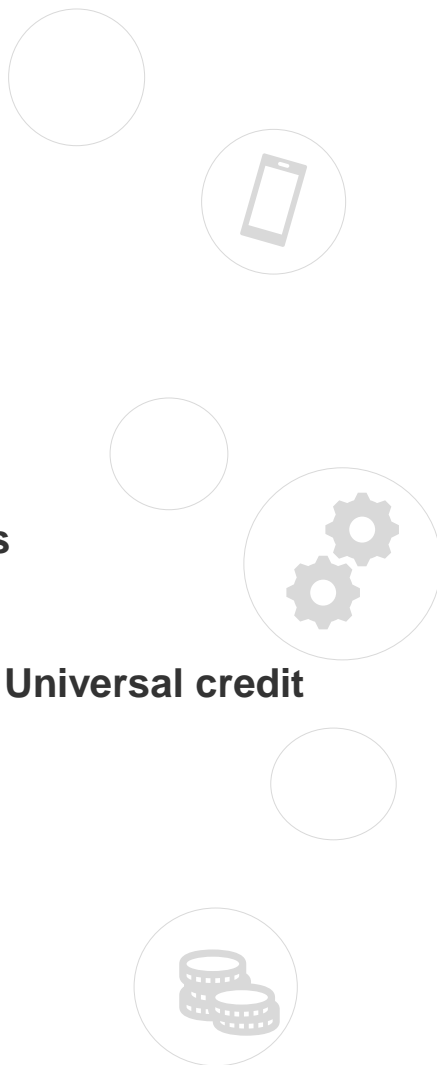
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Background

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

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

Executive summary

Over 17,000 clients proceeded through to full debt advice in March 2023, which is 7% higher than February 2023 (16,076) and 15% higher than March 2022 (14,966). There's also been an 11% increase in the number of website users between February (344,000) and March (381,000) 2023.

In March 2023, there is growing evidence that new clients are feeling the impact of increased living costs. The proportion of clients citing a 'cost of living increase' as their main reason for debt has increased for the fourth consecutive month to 26%.

Also, a growing proportion of clients had a negative budget (34%) and were in receipt of Universal Credit (35%) – both measures increased by one percentage point, when compared to the previous calendar month.

Furthermore, there have been increases in the proportion of clients in energy arrears. Among those with a responsibility for paying each bill type, the proportion of clients in arrears with their dual fuel (55%), gas (29%) and electricity (27%) bills has increased by one to two percentage points between February and March 2023.

Clients in March 2023 held similar proportions of unsecured debt types to the previous calendar month, with credit card debt remaining as the most common unsecured debt type, held by two-thirds (65%) of clients.

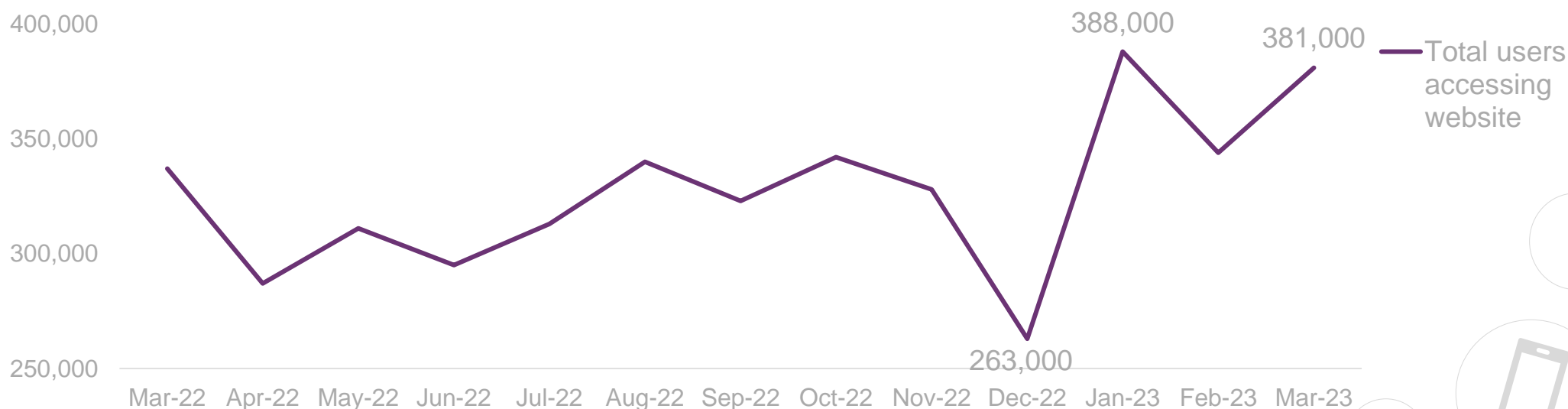
In terms of the demographics of clients, new clients in March 2023 had similar characteristics to those in February 2023. StepChange continues to advise women (64%), renters (64%), single adults without children (40%) and those in full time employment (40%).

Website trends

The StepChange charity website received 381,000 users in March 2023, which is 11% higher than February 2023 (344,000) and 13% higher than March 2022 (337,000). Although the number of website users increased in March 2023, user levels are still 2% lower than January 2023.

The [emergency funding](#) webpage remained as the most commonly viewed debt information page in March (24,000), with a 20% month-on-month increase in views. The [self-employed income calculator](#) saw a 22% increase in views between February (8,000) and March (10,000) 2023. The [income and expenditure form](#) saw an 11% increase in views between February (7,000) and March (8,000) 2023.

Total number of website users: March 2022 – March 2023



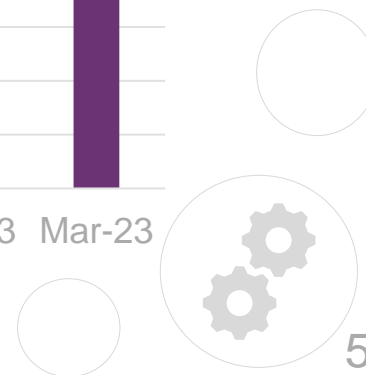
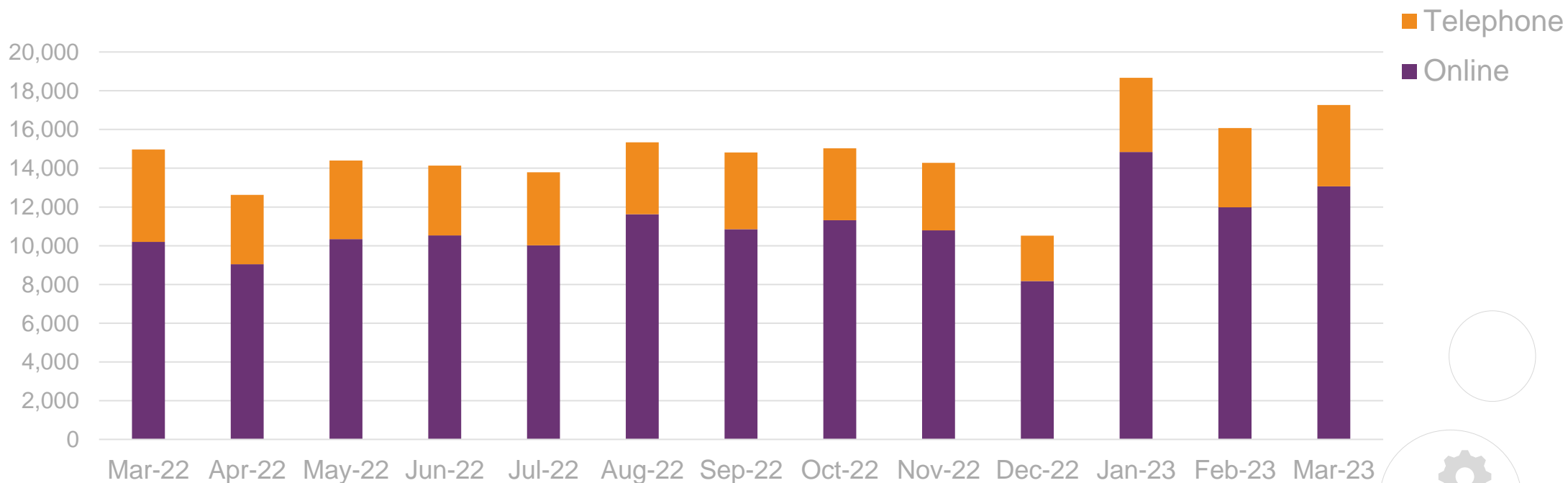
Note: In March 2022, functionality to opt-out of website statistical cookies was added to the website – this means the actual number of users and pageviews will be higher than reported from March 2022 onwards. An estimated 8% to 15% of website users are opting out of statistical cookies.

Client volumes

In line with the increase in the number of website users, March also saw an increase in the number of new clients seeking debt advice.

In March 2023, 17,267 new clients sought debt advice which is 7% higher than February 2023 (16,076) and 15% higher than March 2022 (14,966).

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

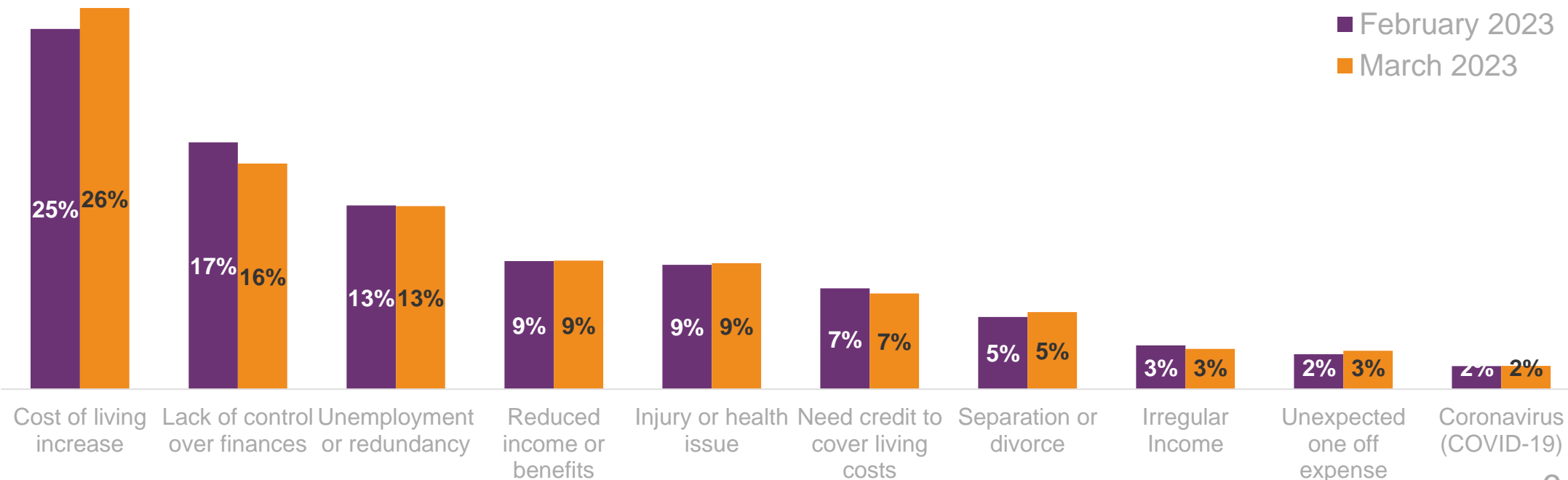


Reasons for debt

In March 2023, the proportion of clients citing a 'cost of living increase' as their main reason for debt has increased for the fourth consecutive month to just over one in four clients (26%), which is 13 percentage points higher than March 2022 (13%). A 'cost of living increase' has remained as the main reason for debt since June 2022.

The proportion of clients citing a 'lack of control over finances' as their main reason for debt has declined by one percentage point for the second consecutive month to 16%.

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



Debt types

Following a four percentage point increase between December 2022 (63%) and January 2023 (67%), the proportion of clients with credit card debts has been steadily declining by one percentage point for the second consecutive month. Credit cards remain as the most common unsecured debt type, held by two thirds (65%) of new clients at the time of advice.

The proportion of clients with each debt type, at the time of advice, is lower in March 2023 Compared to March 2022, with the exception of store card debts, which is unchanged year-on-year at 13%.

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

	March 2022	January 2023	February 2023	March 2023
Credit card	67%	67%	66%	65%
Personal loan debt	46%	46%	45%	44%
Catalogue debt	37%	35%	34%	33%
Overdraft	34%	32%	33%	32%
Store card	13%	13%	13%	13%
Short-term high cost credit or payday loan	11%	9%	9%	8%

Arrears types

In March 2023, the proportion of clients with dual fuel arrears has increased for the second consecutive month to 55%, which is one percentage point higher than February (54%) and six percentage points higher than a year ago (March 2022=49%). The proportion of clients in gas (29%) and electricity (27%) arrears has also increased compared to February 2023, by two percentage points and one percentage point, respectively.

Compared to February 2023, the proportion of clients in council tax (33%), rent (20%) and mortgage (15%) has decreased, whereas those with water (23%) and TV Licence (3%) arrears remains unchanged.

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

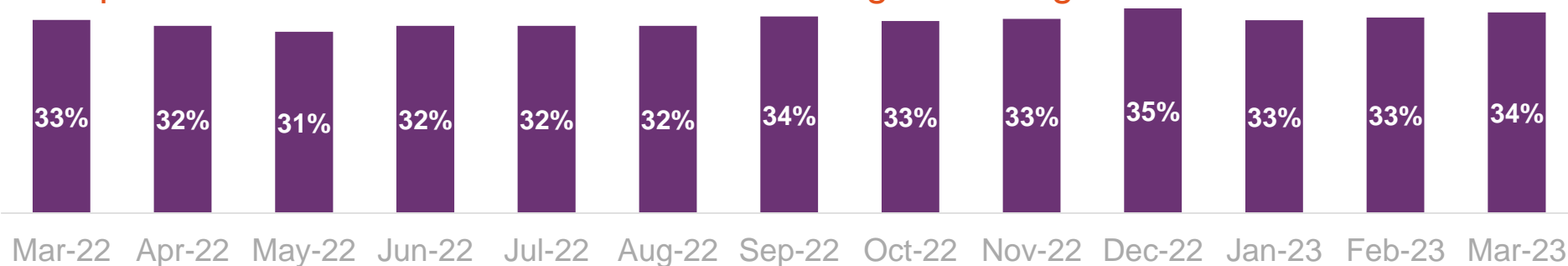
	March 2022	January 2023	February 2023	March 2023
Dual fuel	49%	51%	54%	55%
Council tax	38%	34%	35%	33%
Gas	24%	26%	27%	29%
Electricity	28%	26%	26%	27%
Water	32%	24%	23%	23%
Rent	23%	20%	21%	20%
Mortgage	18%	15%	17%	15%
TV licence	3%	3%	3%	3%

Negative budgets and Universal Credit

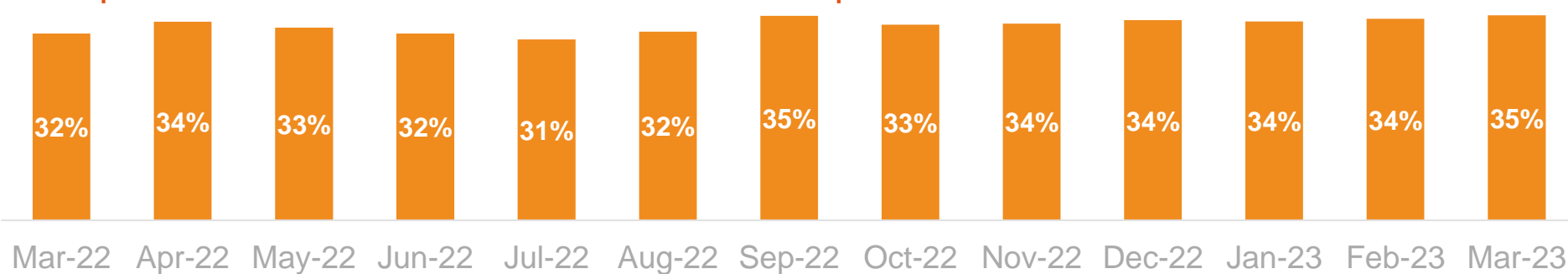
The proportion of clients with a negative budget is one percentage point higher than February 2023 and March 2022, at just over one third of clients (34%).

In March 2023, the proportion of clients in receipt of Universal Credit has increased by one percentage point month-on-month to 35%, a level which was last seen in September 2022.

Proportion of new debt advice clients with a negative budget



Proportion of new debt advice clients in receipt of Universal Credit



Demographics

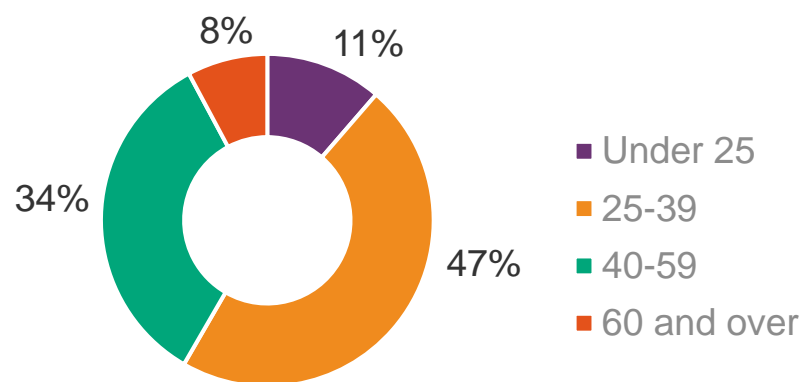
The proportion of women among StepChange's new client population in March 2023 is unchanged compared to February 2023 and March 2022 at 64%.

The age profile of new clients in March 2023 remained at a similar level to the previous calendar month and March 2022. StepChange advised around 92% of clients who were aged under 60 in March 2023.

Gender split: New debt advice clients

	March 2022	January 2023	February 2023	March 2023
Women	64%	65%	64%	64%
Men	36%	35%	36%	36%
Other gender identity	<1%	<1%	<1%	<1%

Age: New debt advice clients, March 2023



Demographics continued - housing tenure

The housing tenure among new clients in March 2023 is fairly similar to the previous calendar month. Renting from a private landlord (34%) continues to be the most common housing tenure, followed by renting from a council or housing association (30%).

Around 17% of clients own their home either through a mortgage, outright or through shared ownership, which is two percentage points higher than last year (March 2022=15%), however unchanged compared to February 2023 (17%).

Housing tenure among new clients

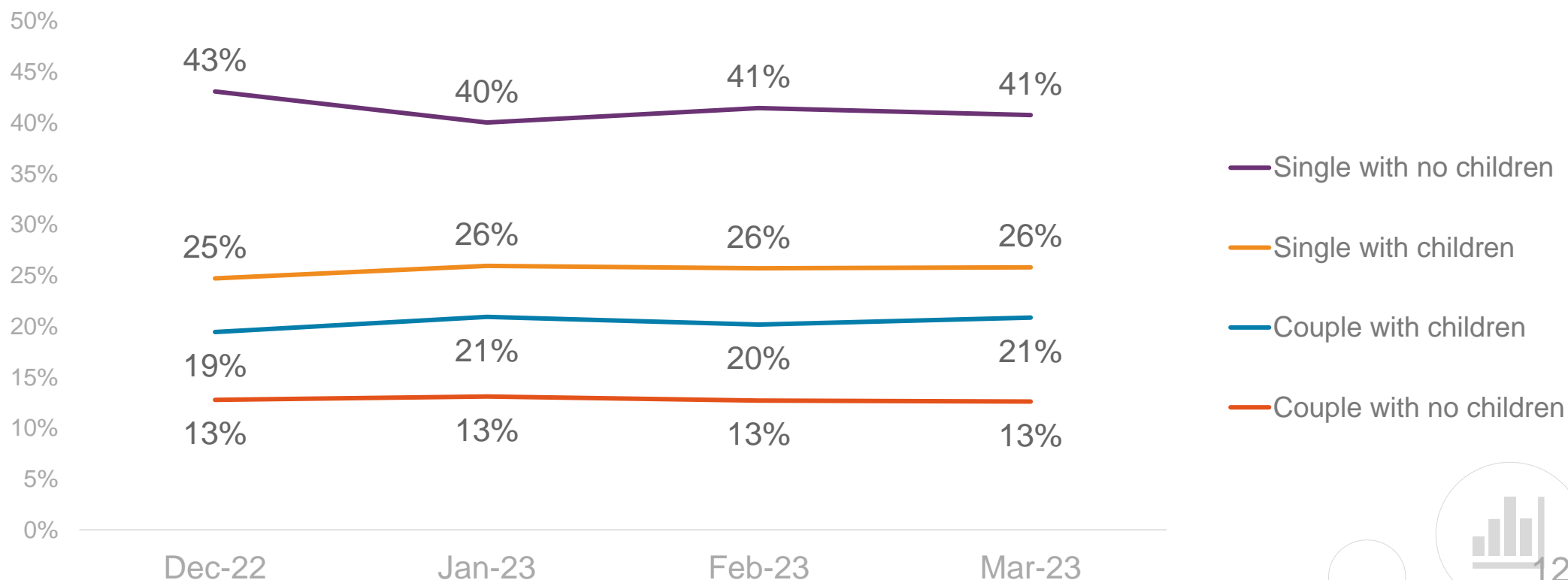
	March 2022	January 2023	February 2023	March 2023
Board payment (not with family)	3%	2%	2%	2%
Living with family	13%	14%	13%	13%
Mortgage	12%	13%	13%	13%
Other	3%	3%	3%	3%
Owns property outright	2%	2%	3%	3%
Renting - Council or Housing Association	33%	30%	31%	30%
Renting - private landlord	34%	33%	33%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

Demographics continued - family composition

In March 2023, StepChange continues to advise a high proportion of parents, accounting for 47% of all new debt advice clients.

Single adults without children remain as the most common household composition type, which is unchanged month-on-month, at two in five (41%) clients.

Family composition: December 2022 – March 2023



Demographics continued - employment

Over a half (56%) of StepChange clients are in some form of employment. Two in five (40%) clients are in full-time employment in March 2023, which is one percentage point lower than February 2023 (41%).

Employment status

Employment type	February 2023	March 2023
Carer	3%	3%
Full-time employed	41%	40%
Not working due to illness or disability	15%	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	9%	9%
Zero hour contract	2%	2%

- In March 2023, 16% of clients were not working due to an illness of disability, which is up by one percentage point compared to the previous calendar month (15%).
- One in seven (14%) new clients were in part-time employment in March 2023, which is unchanged for the third consecutive month.

**In March 2023,
56% of new
clients were in
employment**



Methodology

This data is based on the 17,267 clients who first sought debt advice from the charity between 1 – 31 March 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)