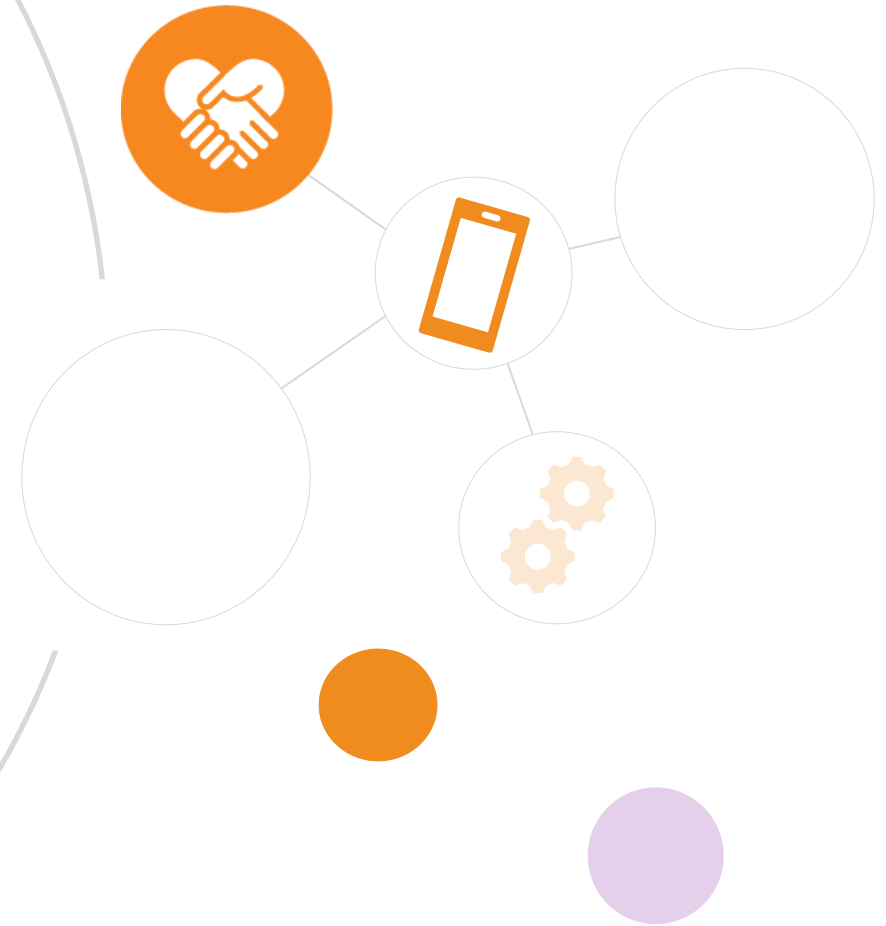


Debt advice client insights

April 2023

Published June 2023



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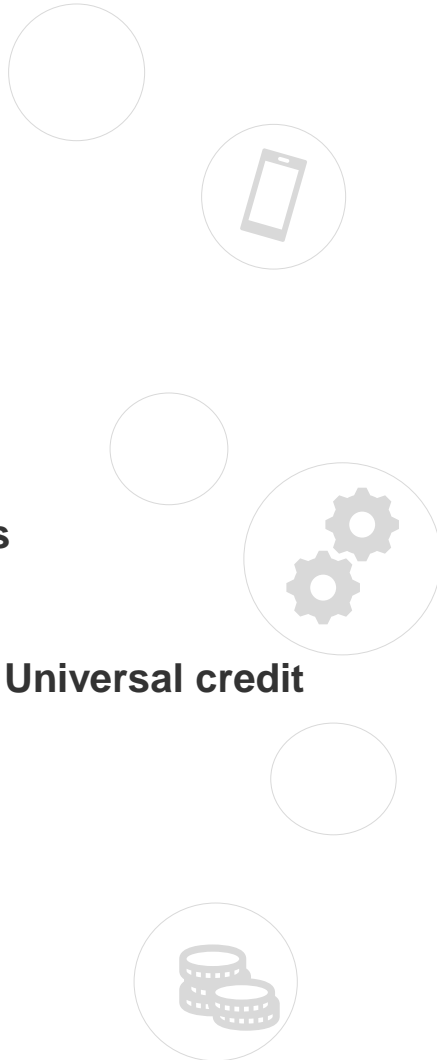
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Background

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

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

Executive summary

In April 2023, 14,512 clients accessed full debt advice, which is 15% higher than a year ago (April 2022=12,629), although 16% lower than March 2023 (17,267). This is in line with a seasonal trend we see each year, where the number of clients needing debt advice tails off after the first quarter of the year, for example between March (14,966) and April (12,629) 2022 there was also a 16% decrease in the number of clients accessing debt advice.

This seasonal decline is also reflected in the number of website users to the charity website; there has been a 21% decrease in the number of website users between March (381,000) and April (287,000) 2023.

Clients continue to feel the squeeze caused by increases in the cost of living, which was cited by 27% of clients as their main reason for debt in April 2023. This reason for debt has increased by one percentage point in each month of 2023 since January.

Since January 2023, there have been monthly increases in the proportion of clients in dual fuel arrears, among those with a responsibility for paying this bill type. The proportion of clients in arrears with their dual fuel bills has increased by three percentage points month-on-month and a staggering seven percentage points since January, to 58% in April 2023.

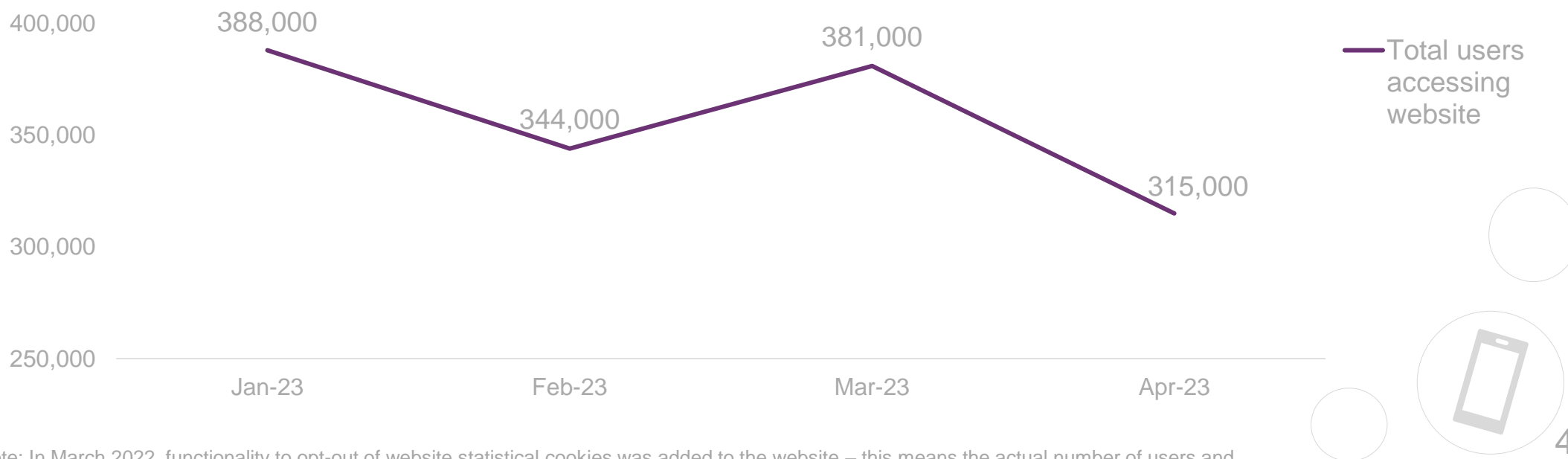
In terms of the demographic profiles of clients, there has been a two percentage points decrease in the proportion of women who received debt advice in April 2023. The proportion of single adults with children has gone down for the first time this year, by one percentage, to 25% in April 2023. The proportion of clients who are retired has increased by one percentage point between March (3%) and April 2023 (4%) – levels which were last seen in August 2022 (also 4%).

Website trends

The StepChange charity website received 315,000 users in April 2023, which is 21% lower than March 2023 (381,000), although 9% higher than a year ago (April 2022 = 287,000).

The [emergency funding](#) webpage remained as the most commonly viewed debt information page in April with 20,000 views. The second most commonly viewed debt information page was the [self-employed income calculator](#) which had 9,000 views. The [statute barred](#) webpage was the third most commonly viewed debt information page in April 2023, with 7,000 views.

Total number of website users: January – April 2023



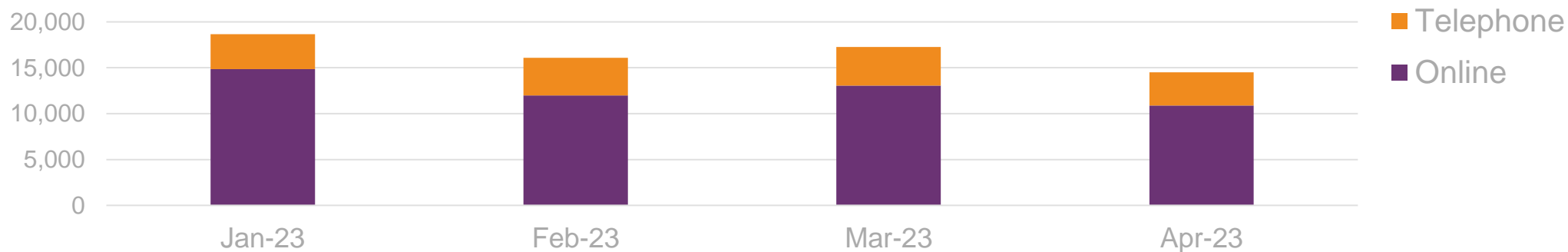
Note: In March 2022, functionality to opt-out of website statistical cookies was added to the website – this means the actual number of users and pageviews will be higher than reported from March 2022 onwards. An estimated 8% to 15% of website users are opting out of statistical cookies.

Client volumes

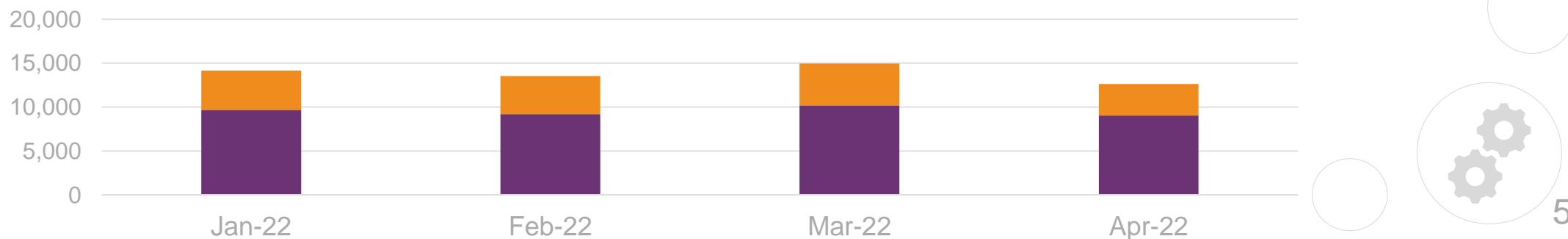
In April 2023, 14,512 new clients sought debt advice which is 15% higher than a year ago (April 2022 =12,629), although 16% lower than March 2023 (17,267). This decrease is in line with a seasonal trend we see each year, where the number of clients accessing debt advice tails off after the first quarter of the year.

In 2022, we see a similar trend where the number of clients accessing debt advice falls by 16% between March (14,966) and April (12,629).

Number of new telephony and online clients: January – April 2023



Number of new telephony and online clients: January – April 2022

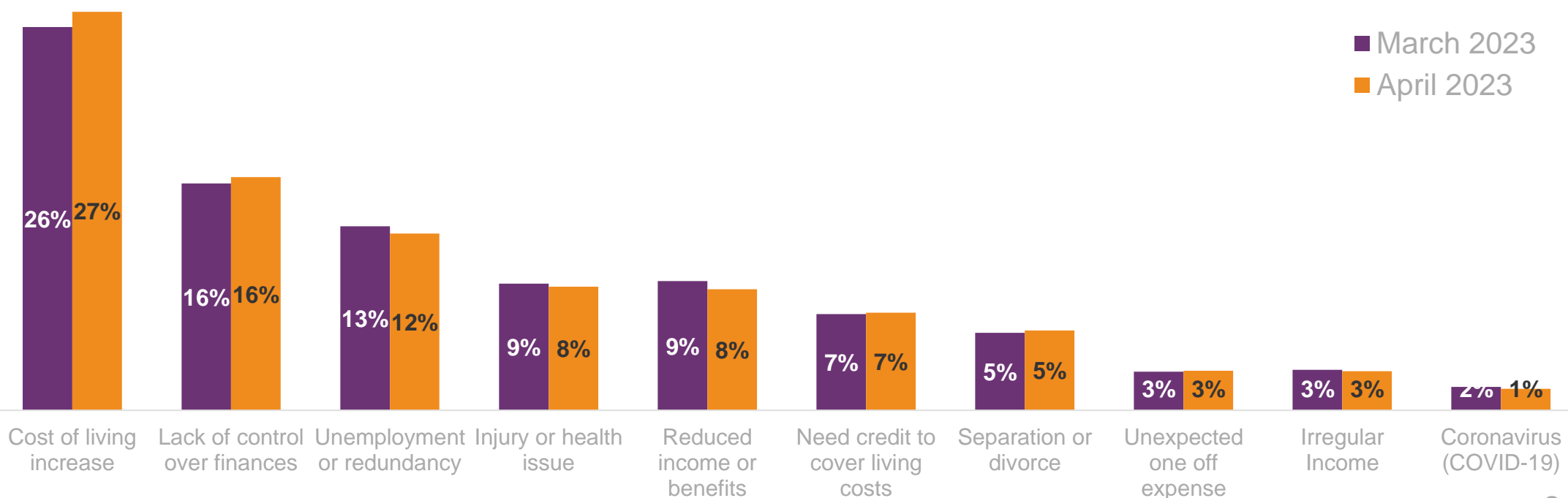


Reasons for debt

Clients are feeling the squeeze caused by increases in the cost of living, which continues to be the leading reason for debt among new clients. The proportion of clients citing a 'cost of living increase' as their main reason for debt has increased by one percentage point in each month of 2023 since January.

In April 2023, 27% of clients cited increases in livings costs as their main reason for debt, compared to 15% in April 2022.

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



Debt types

In April 2023, new clients held the same debt types in similar proportions to the previous months. Credit cards continue to be held by two thirds (65%) of clients, although this is one percentage point higher than April 2022 (64%).

The proportion of clients who held overdrafts (31%) and store card (12%) debts, at the time of advice, decreased by one percentage point each when compared to the previous calendar month.

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

	April 2022	February 2023	March 2023	April 2023
Credit card	64%	66%	65%	65%
Personal loan debt	46%	45%	44%	45%
Catalogue debt	35%	34%	33%	33%
Overdraft	33%	33%	32%	31%
Store card	12%	13%	13%	12%
Short-term high cost credit or payday loan	10%	9%	8%	8%

Arrears types

The proportion of clients with dual fuel arrears has increased by three percentage points between March (55%) and April (58%) 2023, which is eight percentage points higher than a year ago (April 2022 = 50%). Following a spike last month in the proportion of clients in gas arrears, in April 2023 the proportion of clients in gas and electricity arrears is at parity again at 27% each.

Council tax arrears remain as the next most commonly held debt type among new clients, although the proportion of clients with council tax arrears has decreased by two percentage points month-on-month, to three in ten (31%) clients.

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

	April 2022	February 2023	March 2023	April 2023
Dual fuel	50%	54%	55%	58%
Council tax	34%	35%	33%	31%
Gas	24%	27%	29%	27%
Electricity	29%	26%	27%	27%
Water	29%	23%	23%	22%
Rent	21%	21%	20%	20%
Mortgage	16%	17%	15%	16%
TV licence	3%	3%	3%	3%

Negative budgets and Universal Credit

The proportion of clients with a negative budget has remained consistent across March and April 2023, at one in three new clients (34%).

Following a one percentage point increase between February and March 2023, the proportion of new clients in receipt of Universal Credit is unchanged month-on-month at 35%.

Proportion of new debt advice clients with a negative budget



Proportion of new debt advice clients in receipt of Universal Credit



Demographics

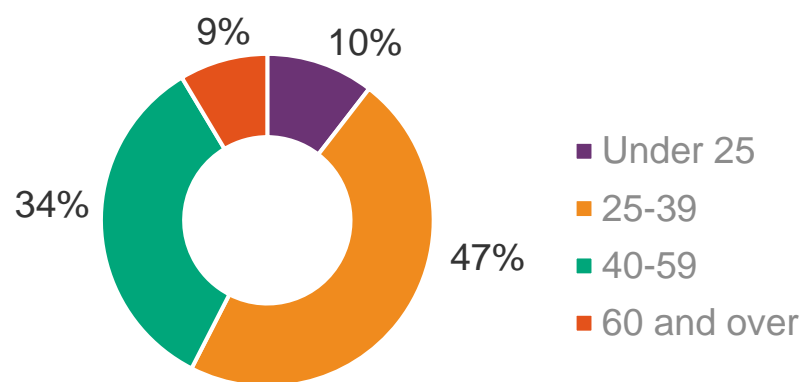
The proportion of women who received debt advice from StepChange fell by two percentage points between March (64%) and April (62%) 2023, although this proportion is still disproportionately high.

In April 2023, the age profile of new clients remains fairly similar to previous months and years. Around four in five (81%) StepChange clients were aged between 25-59 this month.

Gender split: New debt advice clients

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

Age: New debt advice clients, April 2023



Demographics continued - housing tenure

There was minimal change in the housing situation of clients completing debt advice between March and April 2023. One third (34%) of clients were renting their home from the private sector in April 2023, which is unchanged month-on-month.

The next most common housing tenure was renting from a council or housing association, which is marginally up by one percentage point between March (30%) and April (31%) 2023, to three in ten clients.

Housing tenure among new clients

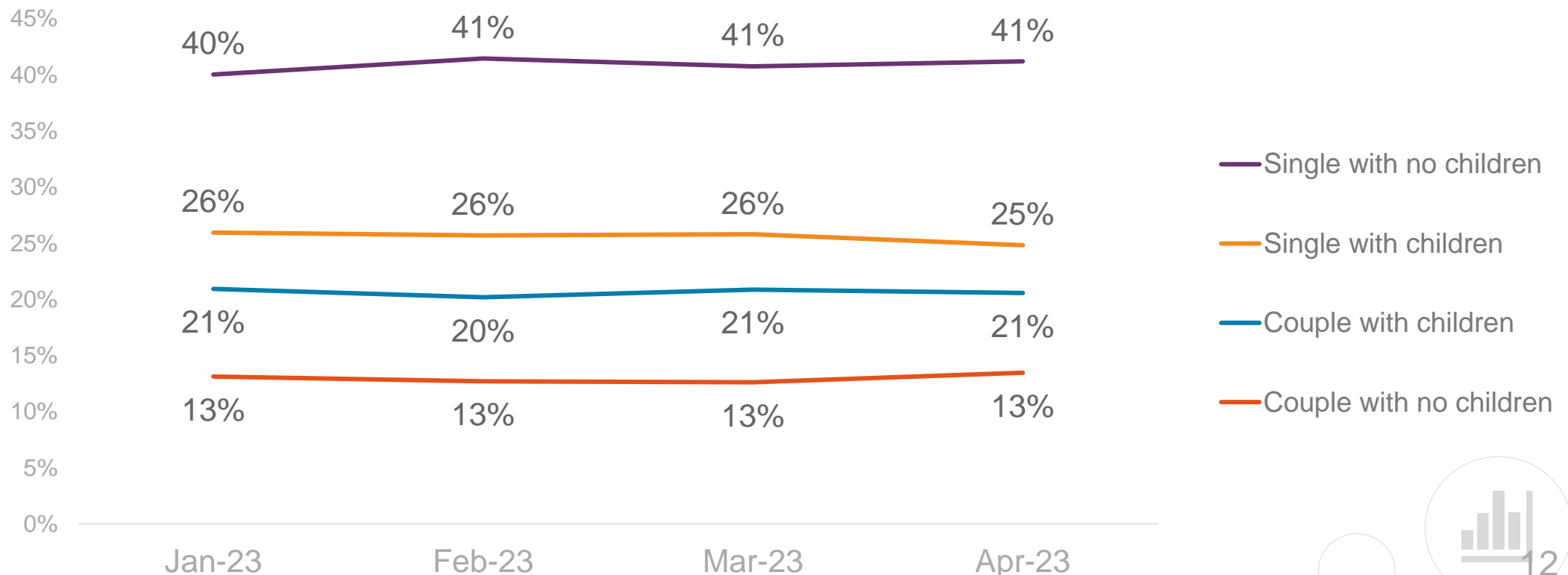
	April 2022	February 2023	March 2023	April 2023
Board payment (not with family)	2%	2%	2%	2%
Living with family	13%	13%	13%	12%
Mortgage	12%	13%	13%	13%
Other	3%	3%	3%	3%
Owns property outright	2%	3%	3%	3%
Renting - Council or Housing Association	32%	31%	30%	31%
Renting - private landlord	35%	33%	34%	34%
Shared ownership (mortgage and rent)	1%	1%	1%	1%

Demographics continued - family composition

The family composition types of new clients in April 2023 has remained fairly similar to the previous months in the year. The most common family composition type is single adults without children, which is unchanged for the second consecutive month at two in five (41%) clients.

The proportion of clients who are single with children has gone down for the first time this year, by one percentage, to 25% in April 2023.

Family composition: January – April 2023



Demographics continued - employment

The proportion of clients in full time employment is 41% in April 2023, which is one percentage point higher than March 2023 (40%) and two percentage points higher than a year ago (April 2022 = 39%).

Employment status

Employment type	March 2023	April 2023
Carer	3%	3%
Full-time employed	40%	41%
Not working due to illness or disability	16%	15%
Part-time employed	14%	14%
Retired	3%	4%
Student	2%	2%
Unemployed: looking for work	11%	11%
Not in employment and not looking for work	9%	8%
Zero hour contract	2%	2%

- Following an increase in March 2023, the proportion of clients not working due to an illness or disability is back down by one percentage point to 15%.
- The proportion of clients who are retired has increased by one percentage point between March (3%) and April 2023 (4%) – levels which were last seen in August 2022 (also 4%).

**In April 2023,
57% of new
clients were in
employment**



Methodology

This data is based on the 14,512 clients who first sought debt advice from the charity between 1 – 30 April 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)