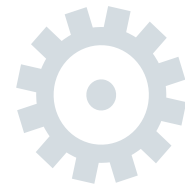


Personal Debt
in the UK

2018 Statistics Yearbook



Last year, we
were contacted
by 657,930
new clients for
help with their
problem debt

This is the equivalent of one new client
contacting us every 48 seconds.

Contacts to the charity

In 2018 more than 60% of new clients completed a debt advice session through the charity's digital channel, Debt Remedy, whilst just under 40% contacted the charity through our telephone service. Additionally, in 2018 the StepChange website received more than 2.5 million visits.

	2014	2015	2016	2017	2018
Telephone	321,134	314,676	320,019	264,856	252,269
Debt Remedy	256,544	234,377	279,007	355,090	405,661
Total contacts	577,678	549,053	599,026	619,946	657,930

Reasons for debt*



1st

Reduced income **(17%)**
(2017: **13%**)



2nd

Unemployment or redundancy **(17%)**
(2017: **19%**)



3rd

Injury / illness **(16%)**
(2017: **16%**)

Experiencing a reduced income, unemployment or redundancy, or ill health are among the top reasons triggering our clients' problem debt.

The other most common reasons for debt are as follows:

Lack of Budgeting	11%	Pregnancy / Childbirth	2%
Separation / Divorce	10%	Irregular Income	2%
Used Credit for Living Expenses	6%	Caring for Relatives / Friends	1%
Increased Priority Expenditure	5%	Change in Employment	1%
Reduced Benefits	4%	Failed Business (excluding clients with business debts)	1%
One-off Expense	3%	Retirement	1%
Bereavement	3%	Incapacity / Disability	0.3%

*proportions based on telephone data only

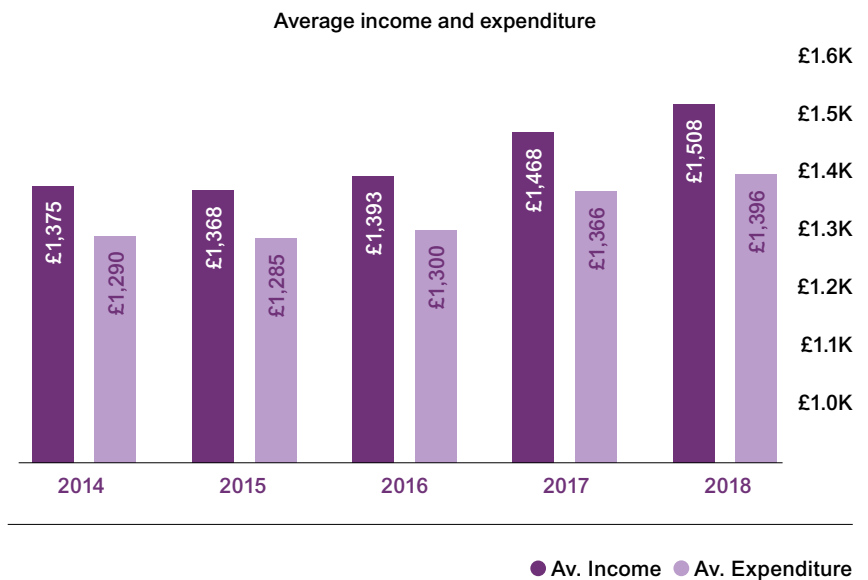
Our clients

Average income and expenditure

The average monthly client surplus* now stands at £83 per month.

Although the average net monthly income of new clients has increased by £133 compared to five years ago, the most common reason for debt among our clients is due to a reduced income. This exemplifies the complex picture of people's experiences with debt.

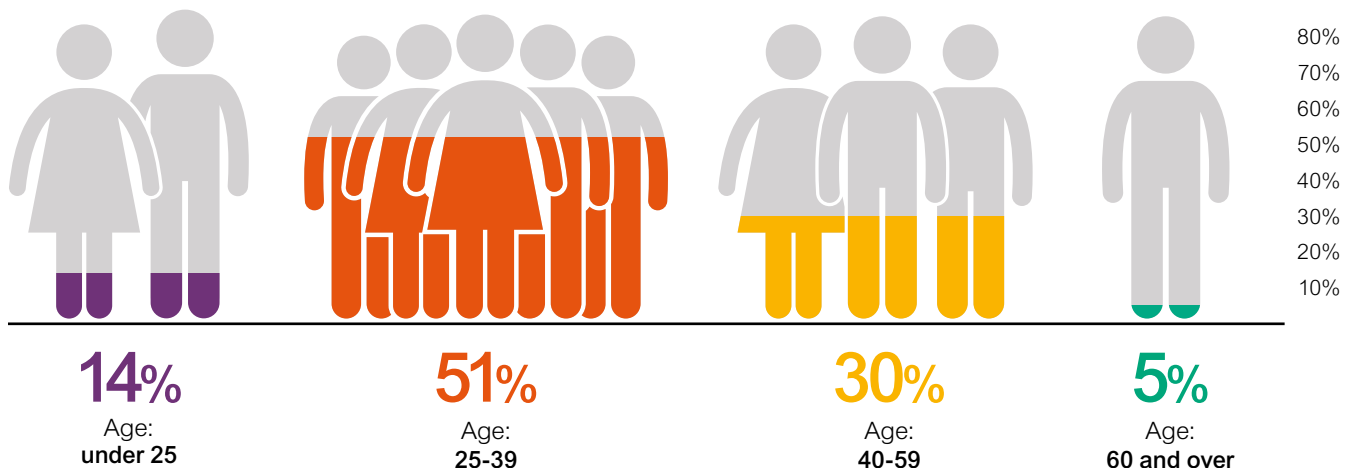
Our latest stats also show that three in ten (30%) StepChange clients have a negative budget (where monthly expenditure exceeds monthly income) after the StepChange advice and budgeting process.



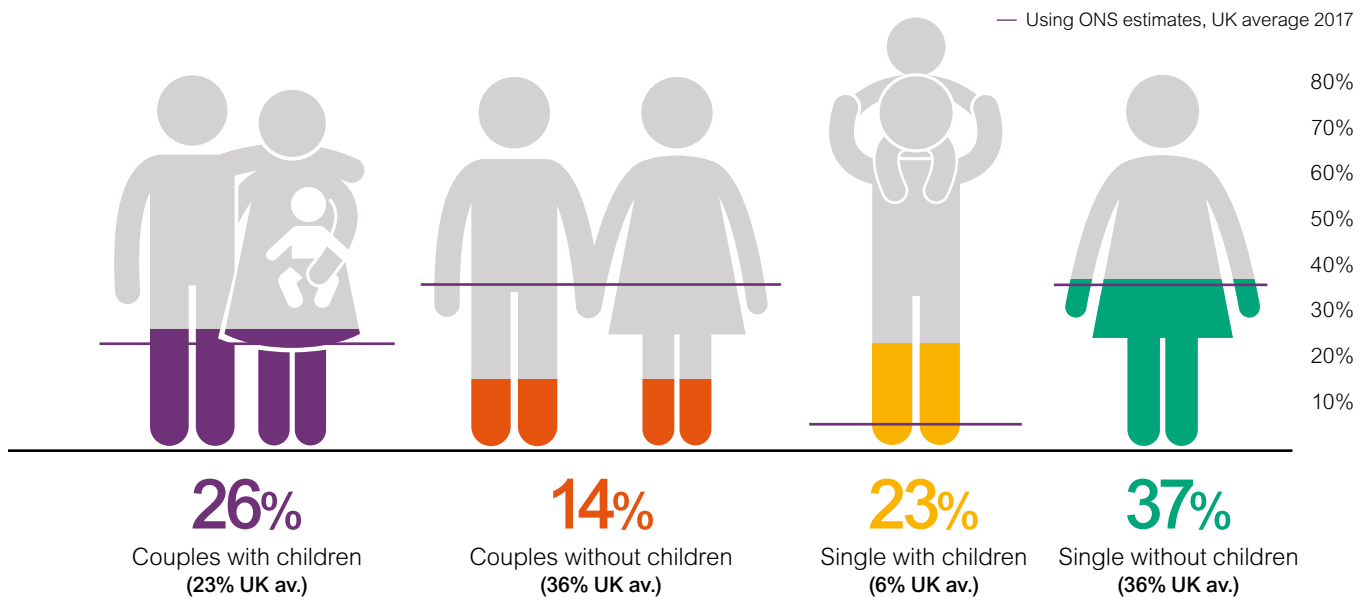
*Surplus is the amount of money left at the end of each month after clients have completed StepChange Debt Charity's debt advice and budgeting process. A negative budget describes where a client's expenditure is greater than their income after the advice and budget process.

Age

The charity has continued to see an increase in the proportion of younger clients contacting us for advice, across both our online and telephone channels. Our latest stats show almost two thirds (65%) of our clients are aged under 40, compared to just half (51%) in 2014.



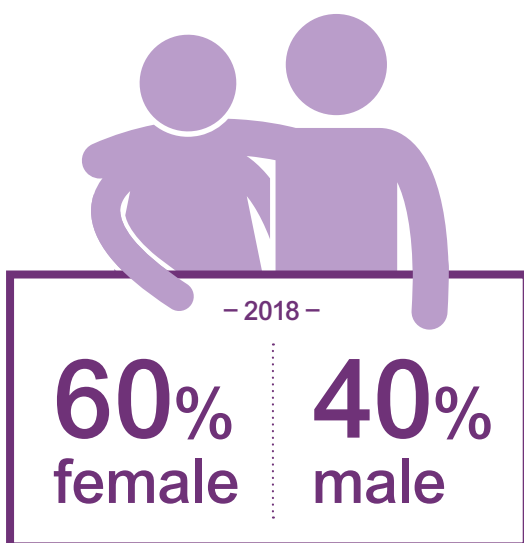
Family composition



We are continuing to see an increasing proportion of single parents contacting us for advice, from 18% in 2014 to 23% in 2018. Yet single parents represent only 6% of the UK population. Additionally, 85% of our single parent clients are female.

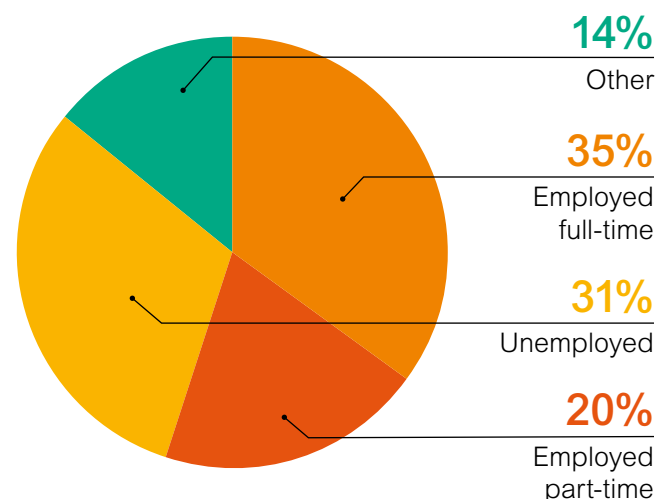
Gender

We have also seen an increasing proportion of women contacting us for advice. In 2018, 60% of our new clients were female and 40% were male.



Employment*

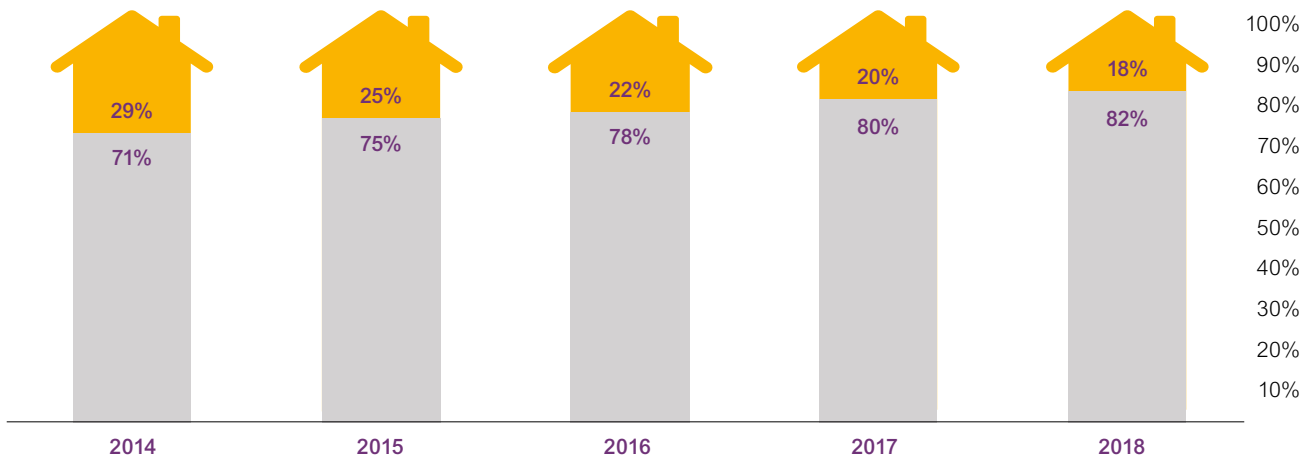
Over half of clients or their partner (55%) are in full-time or part-time work.



*proportions based on telephone data only

Client housing situation

The proportion of clients renting their homes has also been rising across the past five years. Comparably, only 35% of all UK households are renters.



Vulnerability



● Homeowners ● Renters

We have seen an increase in the proportion of our clients identified as having an additional vulnerability on top of their financial difficulties:

36% of our new clients advised in 2018 had an additional vulnerability. This includes mental health or physical health problems, learning difficulties, vision or hearing impairments among others.

This rise isn't necessarily solely a reflection of an increase in the number of vulnerable clients seeking debt advice. Instead, this could be attributed to several reasons, including improvements in our own service of identifying vulnerable clients, and of those organisations referring into us, as well as a wider cultural shift which may be encouraging people to disclose potential vulnerabilities more readily.

Last year we explored the link between debt and vulnerability in our '[Breaking the Link](#)' report, and we are hoping to further our analysis in the near future.

Our vulnerable clients also present different demographic and debt statistics compared to our overall client average. For example, our latest stats show that vulnerable clients are disproportionately likely to be single without children (53% vs 37% for all clients).

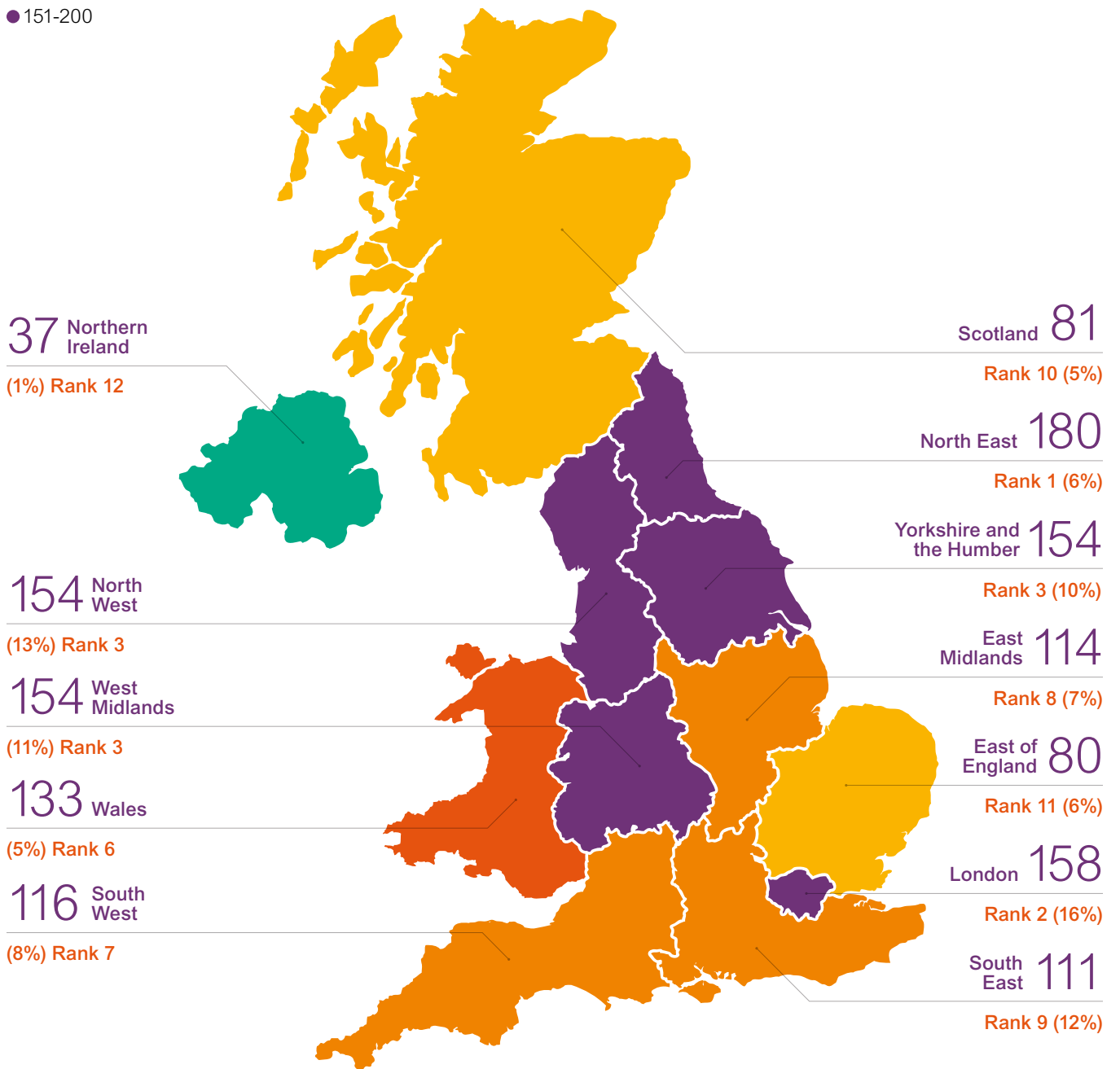
In addition, our 2018 statistics show that 57% of vulnerable clients were in arrears on their household bills when they contacted us for advice. This is compared to 39% of all clients.

Location

Our clients' locations*

Clients per 10,000 population
% = proportion of StepChange clients

- 01-50
- 101-125
- 151-200
- 51-100
- 126-150



*proportions based on telephone data only

Arrears and debts











Arrears on essential household bills

Council tax remains the most common type of household expenditure that clients fall behind on, both proportionally and in absolute numbers.

In 2018, 30% of clients responsible for paying a council tax bill had fallen behind at the time they sought advice.

We have seen a rise in the number of new clients in energy arrears, particularly electricity. In 2018, 16% of clients with a responsibility for an electricity bill had fallen behind, compared to 14% in 2017.



Household bill type	Number in arrears	% of clients with that expenditure	Average arrears amount
 Council Tax	70,582	30%	£1,052
 County Court Judgements	5,715	17%	£1,717
 Electricity	41,953	16%	£736
 Gas	22,826	12%	£559
 Mortgage	8,951	18%	£2,946
 Rent	48,184	21%	£998
 Secured Loan	2,281	17%	£3,219
 TV License	15,243	7%	£84
 Water	51,947	23%	£730
 Hire Purchase	13,060	21%	£926

Two in five of our clients (39%) are in arrears on at least one household bill.

We have seen almost no decrease in the proportion of clients in arrears over the past five years.

The average total arrears per client is now £1,947.

This has increased from £1,882 in 2014.

Average unsecured debt

Average client debt

After a period of decline, the average total unsecured debt per client has been increasing since 2017. This includes forms of borrowing such as credit cards and payday loans (and excludes arrears on household bills).

The average debt of our clients now stands at £13,544; an increase of £264 compared to 2017.

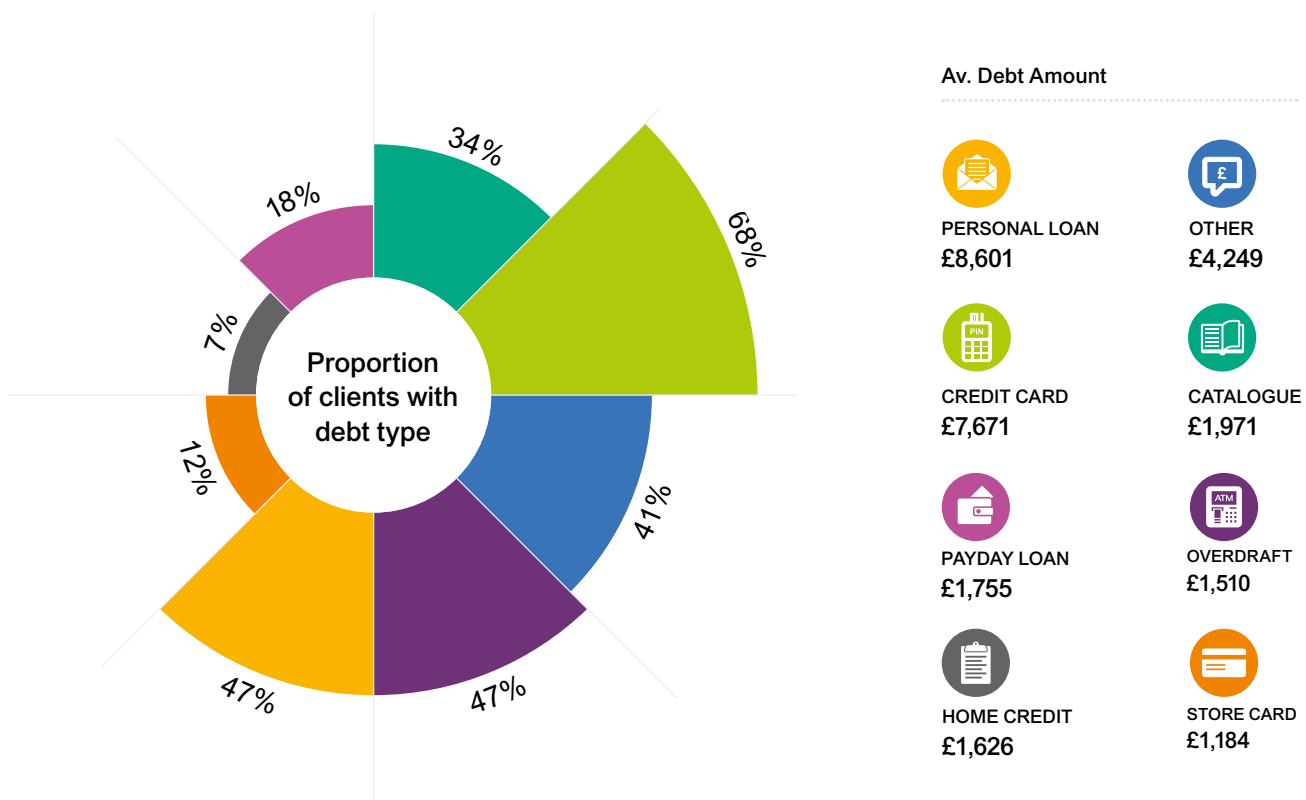


	2014	2015	2016	2017	2018
Average unsecured debt	£13,701	£13,173	£13,071	£13,280	£13,544

Types of debt

We have seen a small rise in the proportion of new clients with short-term high-cost credit debts, from 17% in 2017 to 18% in 2018.

The average short-term high-cost credit debt amount has also increased from £1,519 in 2017 to £1,755 in 2018.



Editor: Josie Warner

For data tables, visit the [StepChange Debt Charity website](#).

For help and advice with problem debts call (Freephone) 0800 138 1111 Monday to Friday 8am to 8pm and Saturday 8am to 4pm, or use our online debt advice tool, [Debt Remedy](#).

Email: policy@stepchange.org

Web: www.stepchange.org

Twitter: [@stepchange](https://twitter.com/stepchange)

