

Personal Debt

A look
at the lives of
half a million
people in debt
in the UK

2016 STATISTICS YEAR BOOK

Main findings 2016

There was record demand for advice from StepChange Debt Charity in 2016.

599,026 people contacted us for help during the year, one person every 53 seconds.



Demand for debt advice

The highest demand, both in absolute terms and relative to population, came from London. 102,133 people from the capital sought debt assistance in 2016, the equivalent of 150 people per 10,000.

The next highest level of demand compared to population came from the North East, where we advised 134 clients per 10,000.

In 2016 there were 3.3 million visits to the charity's website, an increase of more than 100% over five years.

The data in this Statistics Yearbook is drawn from a StepChange Debt Charity warehouse containing the details of 22.7 million calls and 3.8 million clients. The figures are based on the 339,687 new clients debt advised from 1 January to 31 December 2016.

What debts do people have?

The average debt of our clients earning less than £30,000 increased by £569, to £12,897, in 2016. Over the same period, the average debt of clients earning more than £30,000 decreased by £2,160 to £29,340. Because those earning less make up a far higher proportion of our client base, this means that for the first time in eight years the overall average unsecured debt of our clients increased, from £13,900 to £14,251.

On average clients have 5.7 unsecured debts, including almost three credit cards. Overall, more than two-thirds of clients owe money on credit cards and over half have overdraft debts.

The amount of debt owed on catalogues, personal loans, store cards, home credit and payday loans increased between 2015 and 2016.

In addition to unsecured credit commitments, four in ten people are behind on their household bills. This is an increase of 5% over the last five years. On top of their unsecured debts, this amounts to an additional average debt burden of £2,061 for these clients.

Debt owed by clients to their family and friends continues to grow rapidly. Last year, 28.3% of clients owed money to a relative or friend. In total they owed almost £434 million. This is £135 million more than they owed in 2015.



Who's seeking advice?

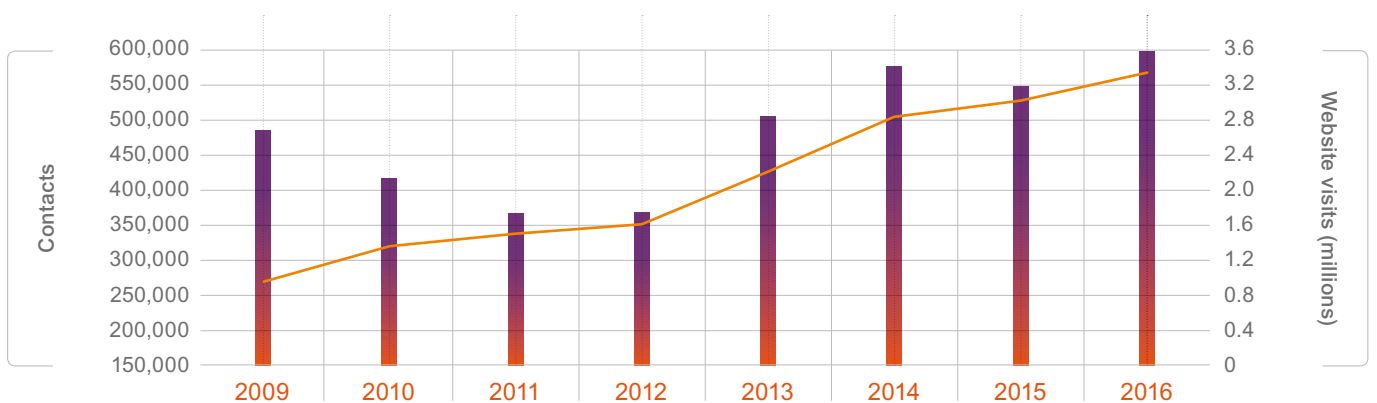
The proportion of clients aged under 40 continued to grow in 2016. They now account for 60% of all clients advised. Five years ago it was 52%. One in five clients is a single parent. This is double the proportion of single parents in the UK population.

The proportion of clients who rent their home has grown from 61% to 78% in just five years. The fastest growth in demand has come from those living in private rented accommodation who now account for almost four in ten clients.

Family wage income continues to stagnate. Average client household take home pay not including benefits income in 2016 was £46 less per month than it was five years ago.

Wage stagnation means the number of clients unable to cover essential outgoings has continued to rise. Even after a budgeting session, 29% of clients in 2016 did not have enough to cover all essential bills at the end of the month.

Overall demand

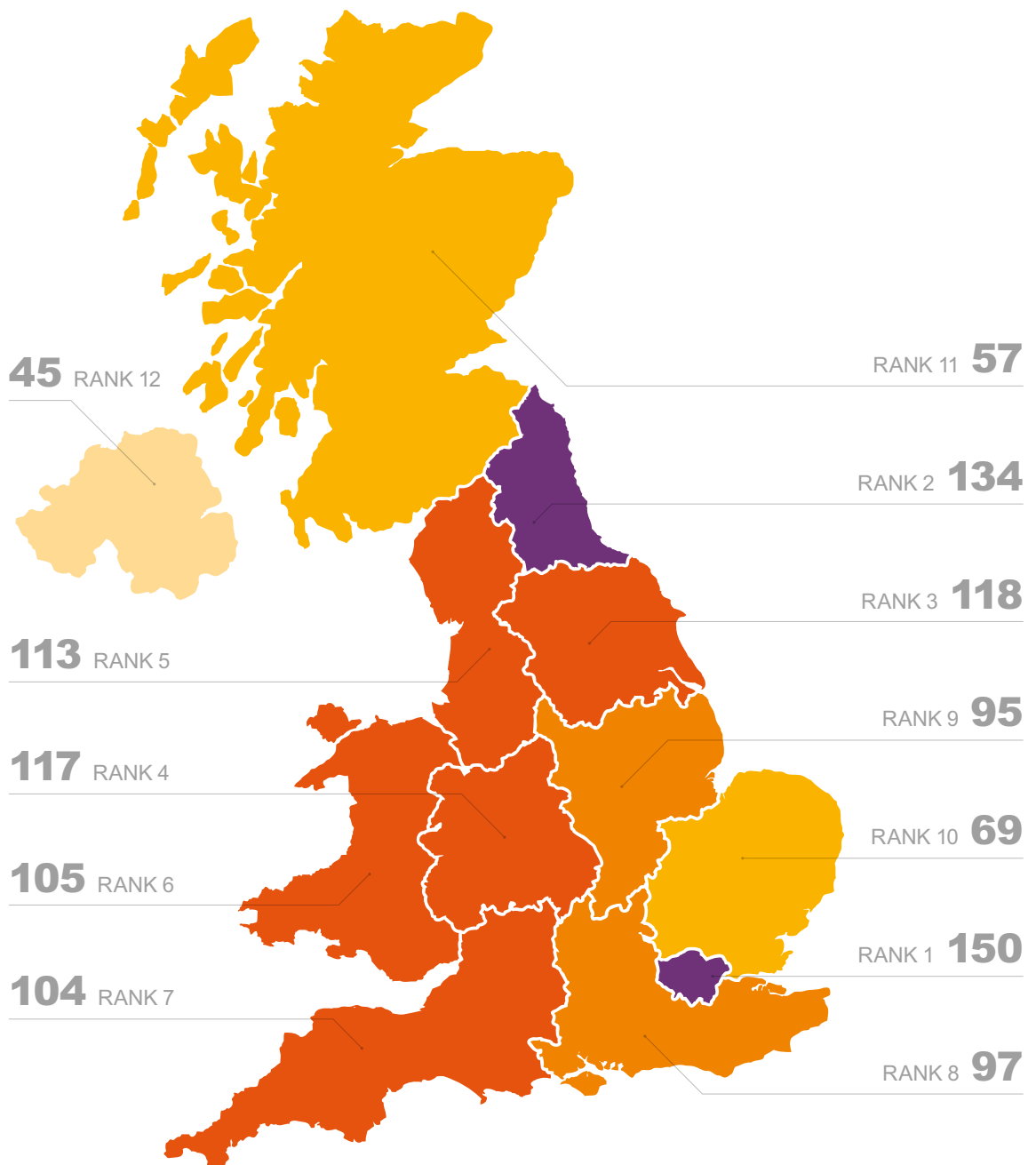


Client contacts Website visits

Regional demand

Clients per 10,000 population in 2016

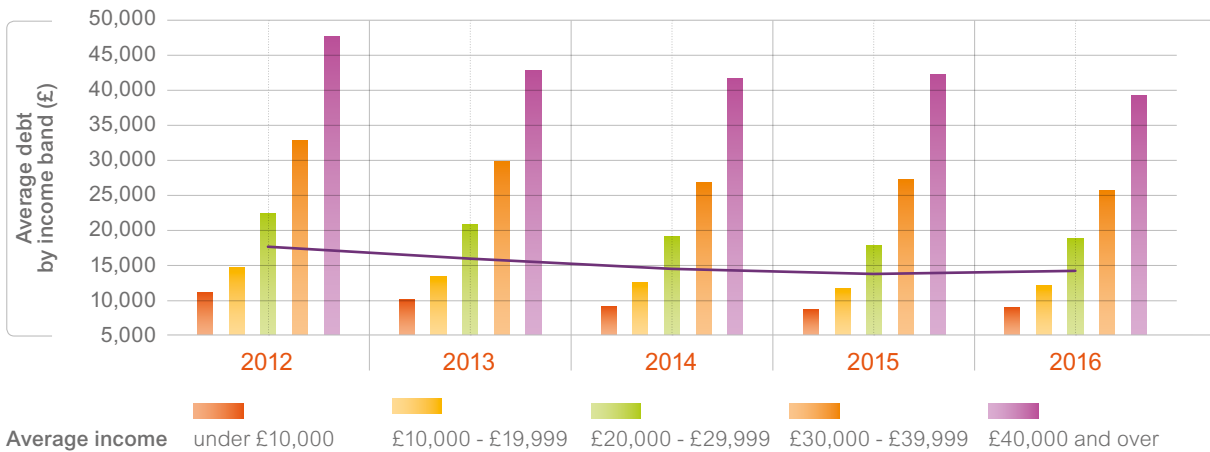
- 25-50 ● 51-75 ● 76-100
- 101-125 ● 126-150



Source: ONS mid-2015 Population Estimates

Unsecured debts

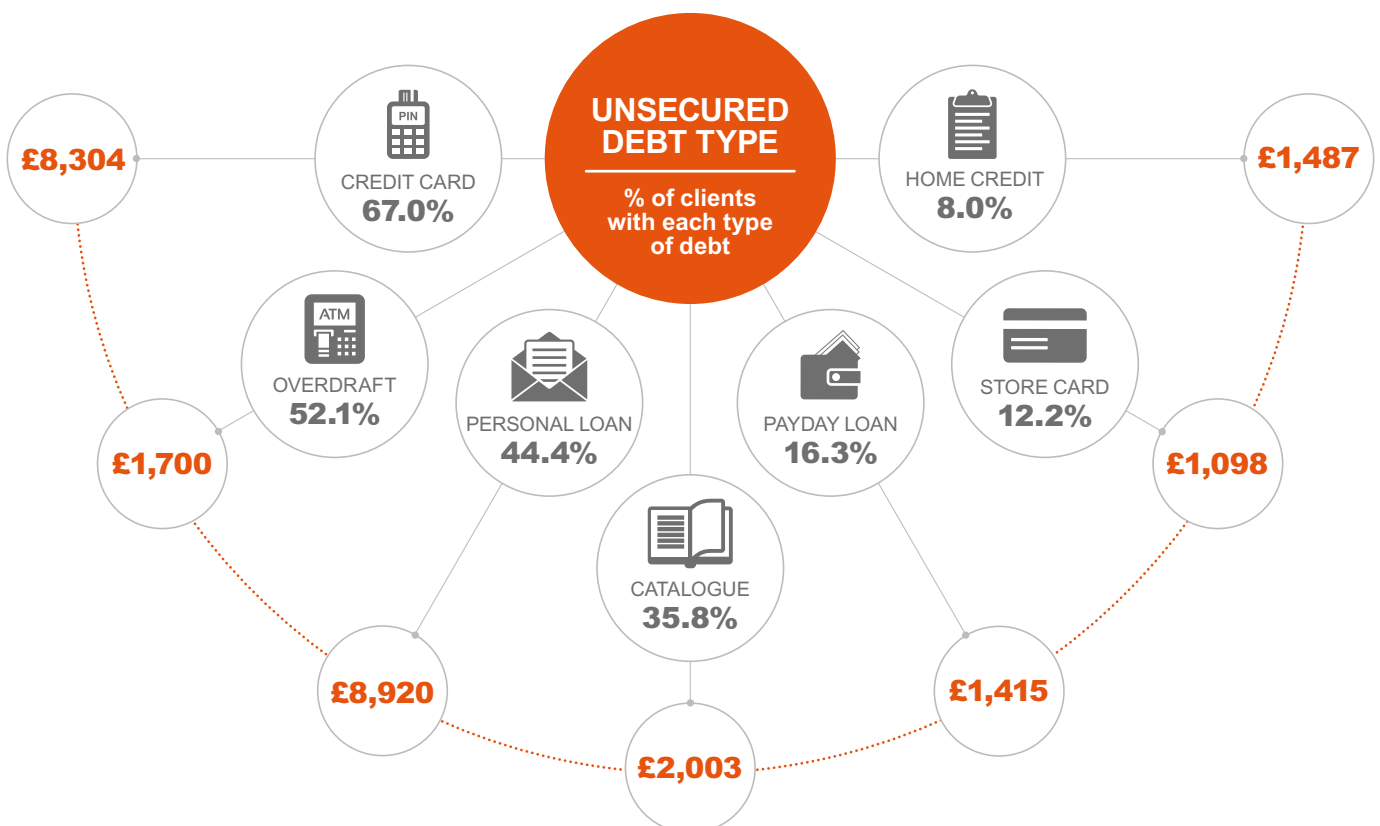
Unsecured debt over time



Overall average unsecured debt —

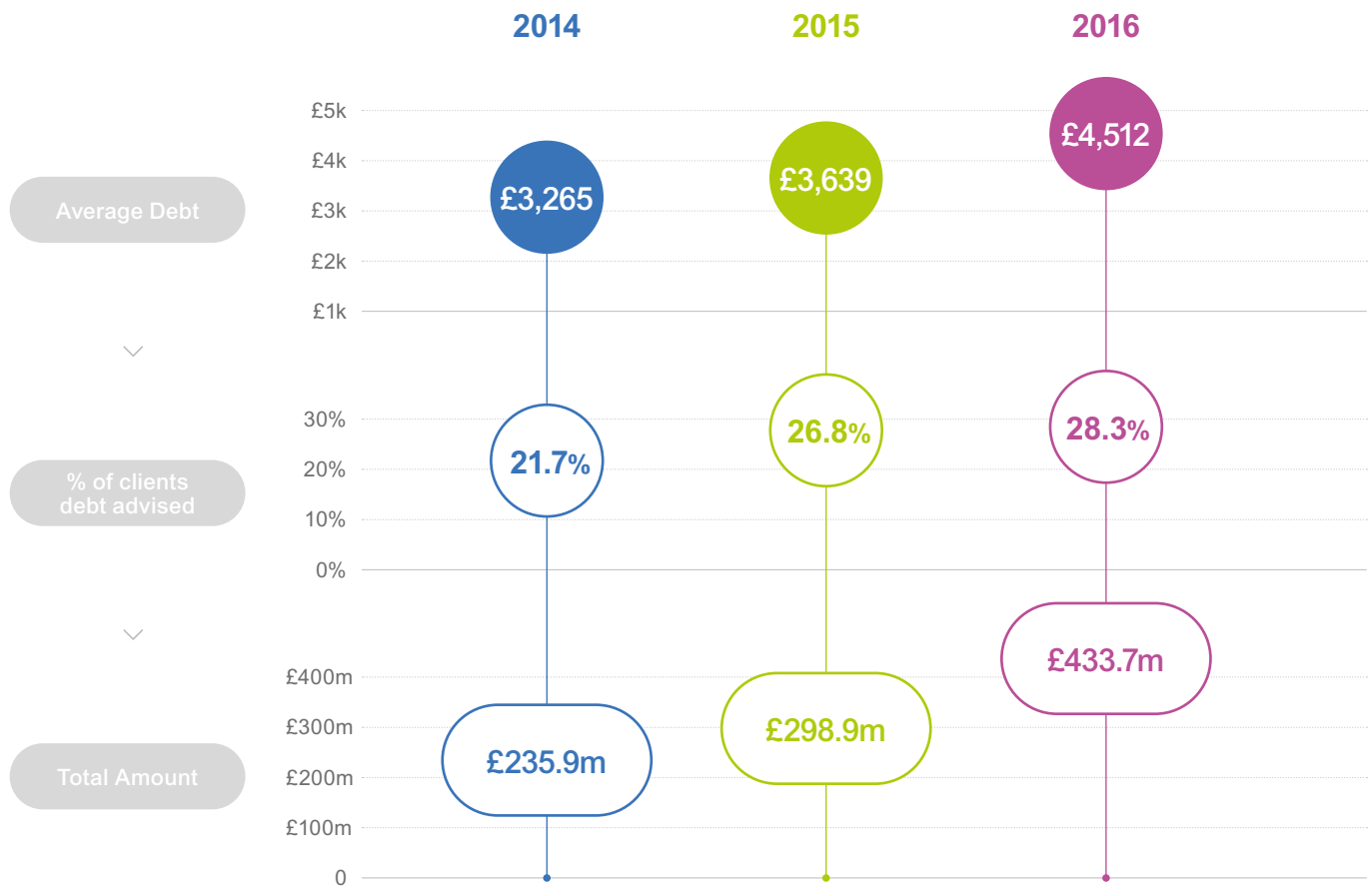
Although higher earners have higher debts, the vast majority of StepChange Debt Charity clients are in lower-income groups. Last year, 70.2% of clients had an income of less than £20,000 (net) per year. As the chart above shows, these lower income groups are the ones who saw their average debts increase in 2016.

Average debt amount



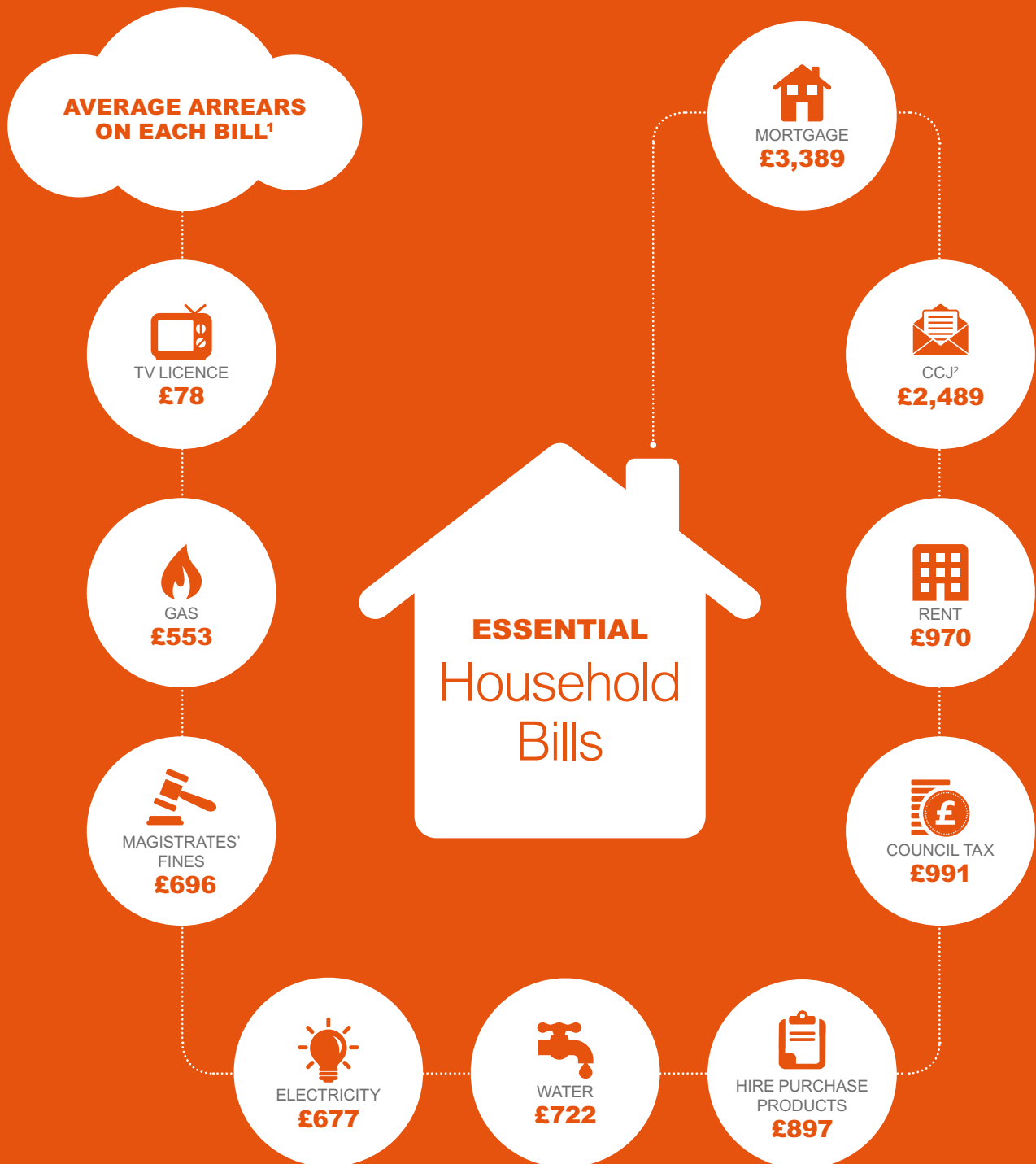


Debt to family and friends



The proportion of clients owing debts to family and friends has increased significantly over the past three years, as has the average debt owed. This means that the total amount owed by clients to family and friends in 2016 was almost £434 million, almost £200 million more than was owed in 2014.

Arrears on essential household bills



¹ Average amount for clients who have this expenditure

² County Court Judgment

Arrears on essential household bills over time

	Council Tax	County Court Judgment	Electricity	Gas	Magistrates' Fines	Mortgage	Rent	TV Licence	Water	Hire Purchase Products
2012	25,500	1,812	17,443	12,356	1,292	18,612	16,942	7,593	20,288	-
	21.8%	14.4%	11.5%	11.2%	19.0%	28.3%	20.6%	5.3%	15.8%	-
2013	45,561	4,007	28,925	20,270	2,774	24,095	31,449	13,891	36,410	-
	25.1%	19.5%	13.3%	12.9%	25.2%	29.9%	23.6%	6.9%	19.9%	-
2014	63,016	3,861	36,853	25,355	3,401	21,880	42,949	16,727	48,872	-
	28.3%	16.7%	14.2%	13.6%	21.4%	27.1%	25.0%	7.0%	22.4%	-
2015	60,553	4,155	32,183	21,236	1,792	14,556	41,059	16,086	47,048	6,914
	30.1%	19.7%	13.8%	12.7%	12.0%	24.1%	24.9%	7.6%	24.2%	16.2%
2016	67,040	5,321	33,974	20,874	1,600	13,559	44,630	17,409	51,102	9,216
	30.1%	20.2%	13.3%	11.6%	9.7%	22.9%	23.5%	7.7%	24.2%	17.9%

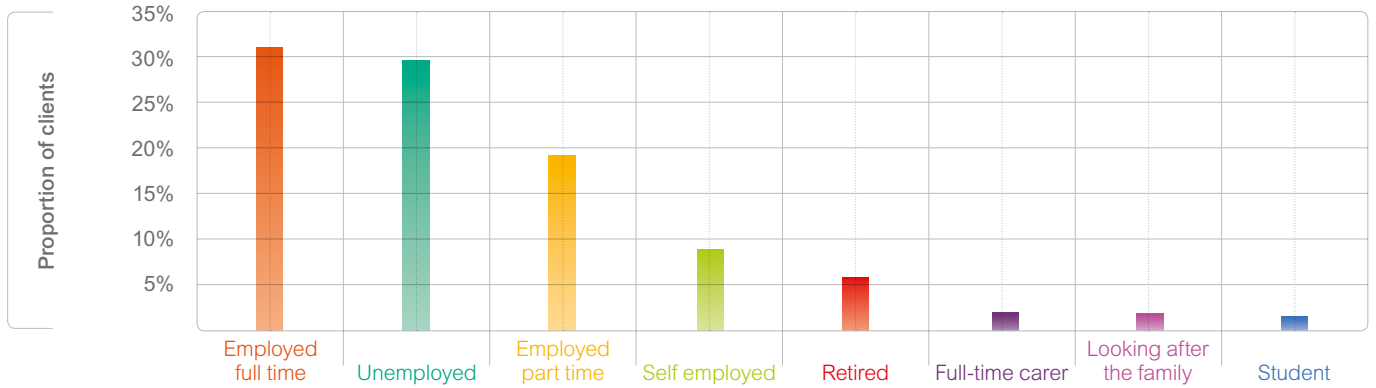


Number in arrears

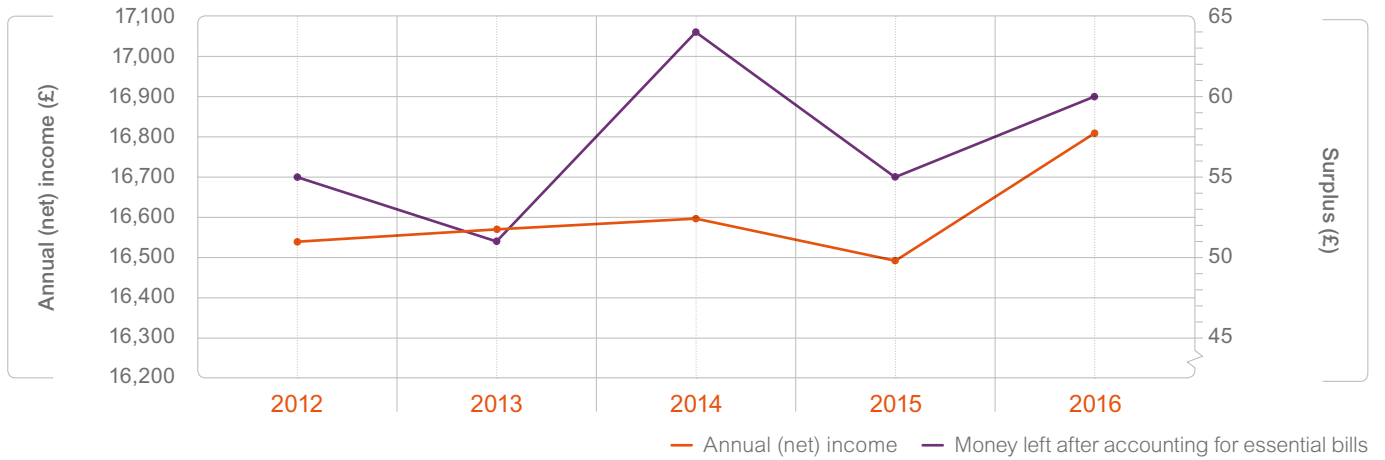
Percentage of clients with each type of arrears

A picture of those in debt

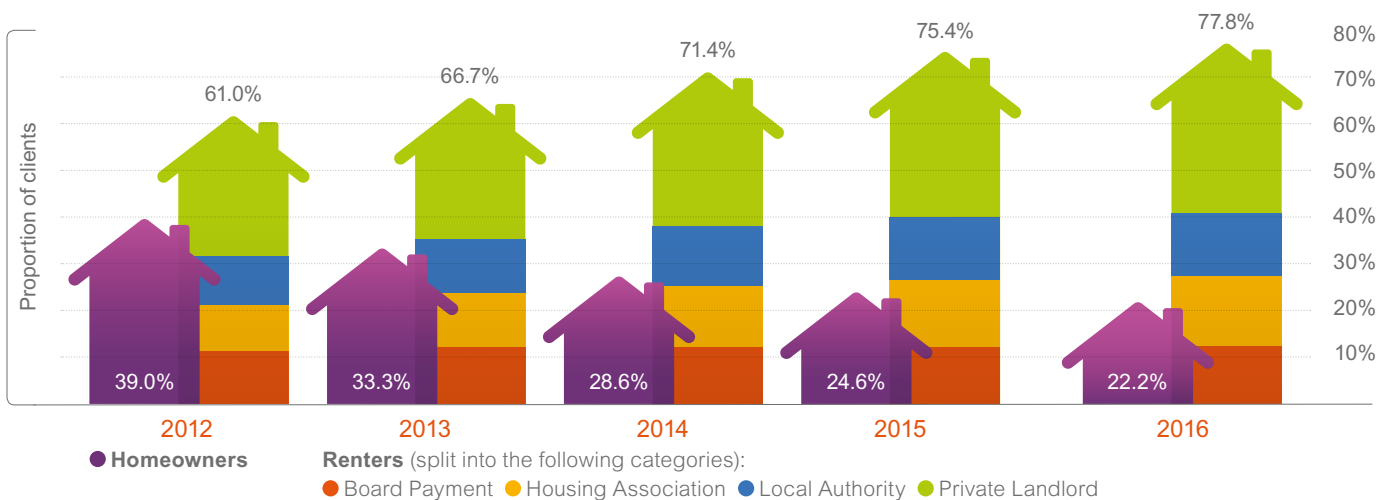
Employment status



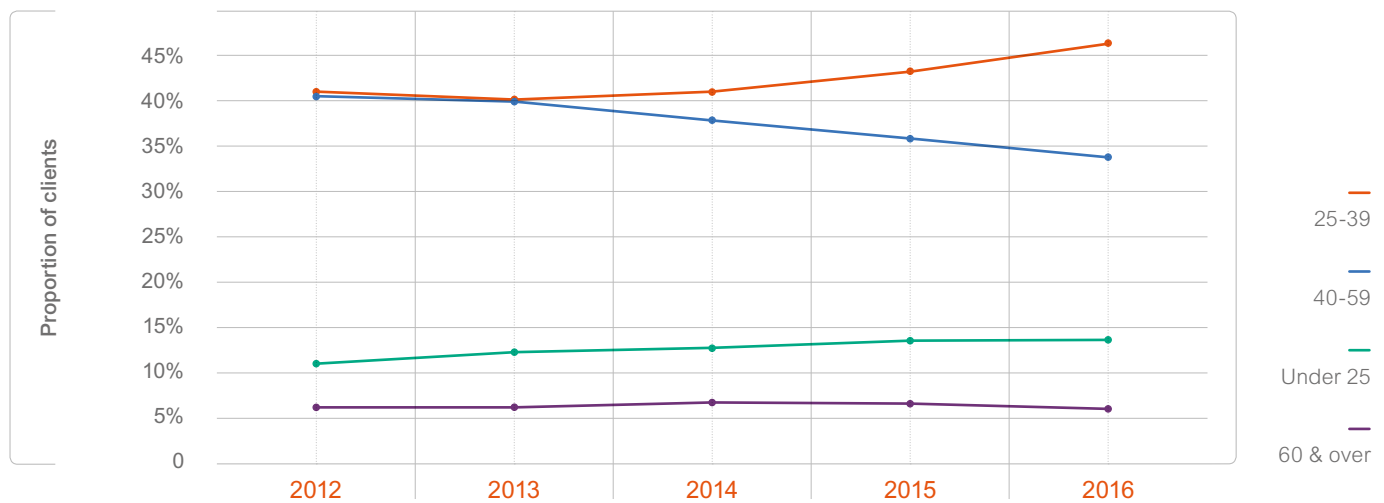
Income and surplus



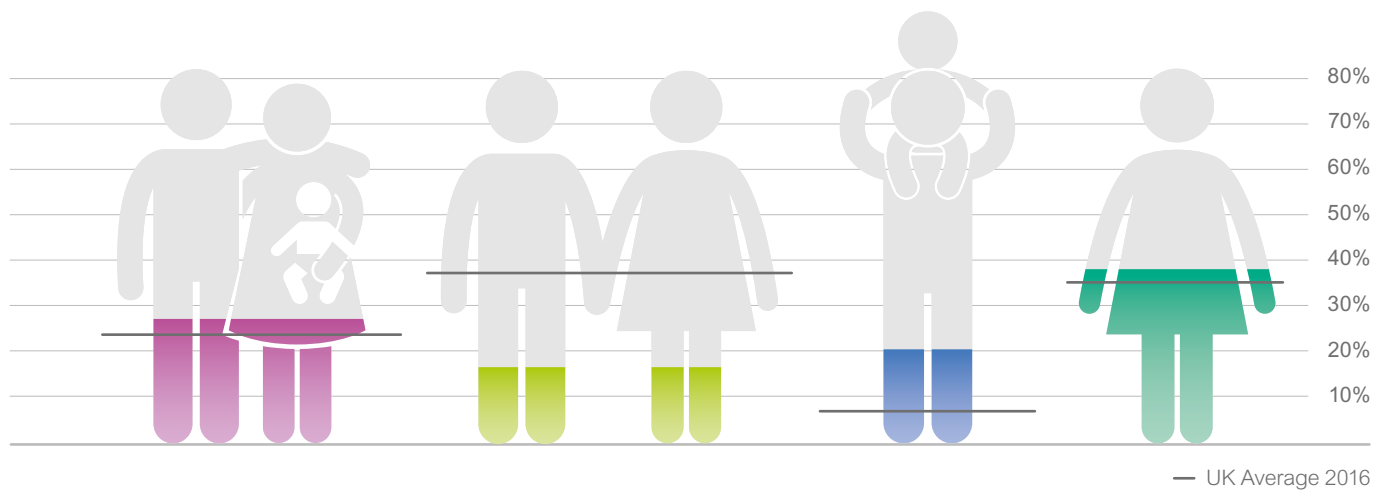
Housing



Age



Family composition 2016



26.5%
Couples with children
(22% UK)

15.3%
Couples without children
(37% UK)

20.3%
Single with children
(7% UK)

37.9%
Single without children
(34% UK)

Year	Couples with children	Couples without children	Single with children	Single without children
2015	25.9%	15.6%	19.6%	38.8%
2014	26.1%	16.6%	18.3%	39.0%
2013	26.4%	17.4%	17.0%	39.2%
2012	28.0%	17.9%	16.1%	38.0%

Source: UK population figures from ONS Families and Households, 2016

Editor: Joseph Surtees

For data tables, including additional raw data, 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](#).

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