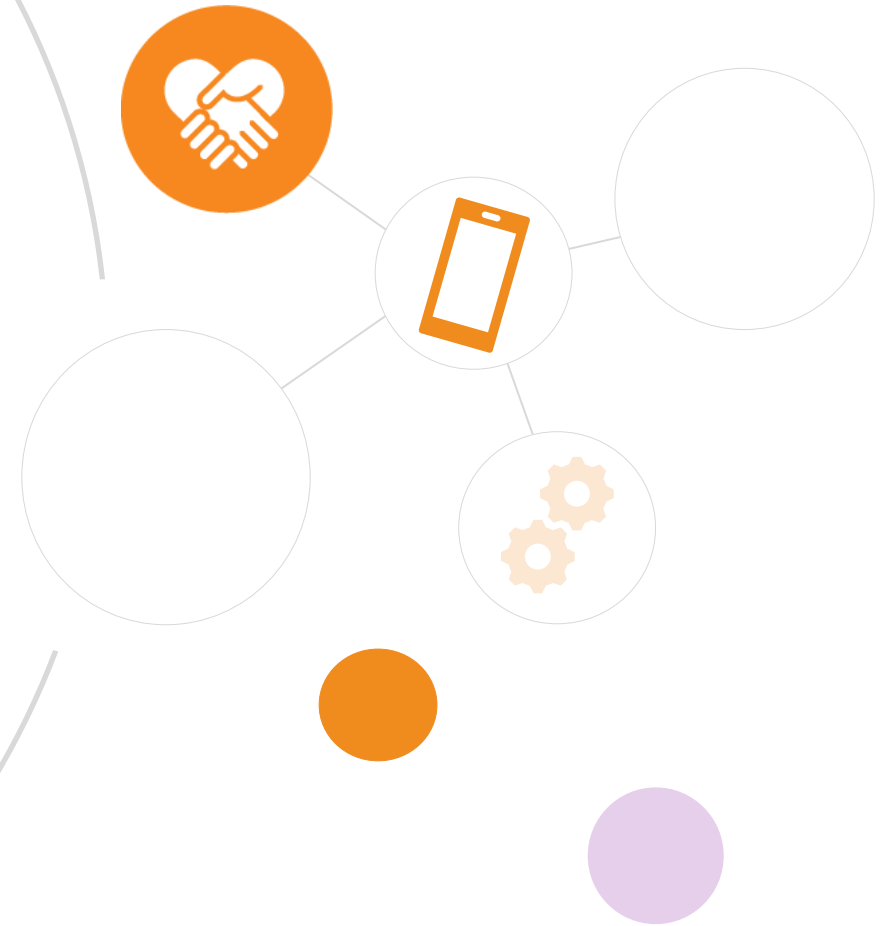


Debt advice client insights

December 2022

Published January 2023



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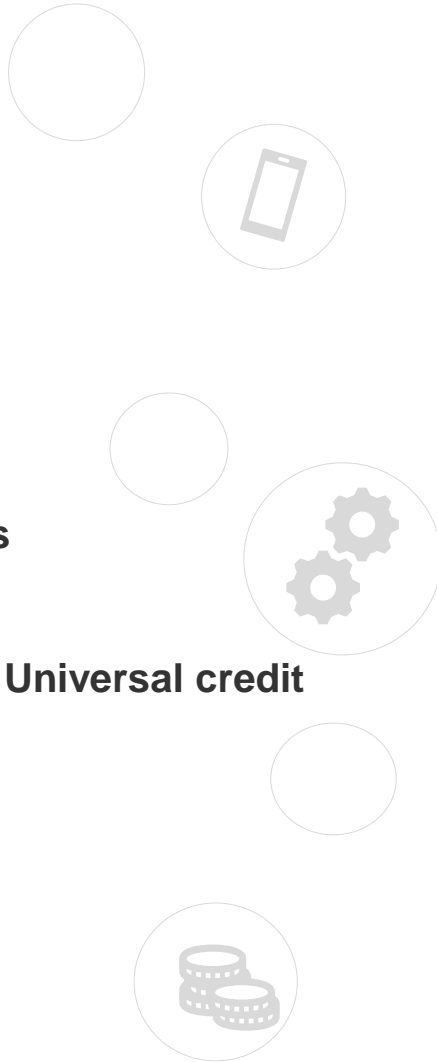
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Background

This report from StepChange Debt Charity provides insight into the demographic and debt characteristics of new clients who first sought debt advice in December 2022.

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

Executive summary

The number of new clients accessing full debt advice fell to 10,520 clients in December 2022, although this is 10% higher than it was a year ago (December 2021= 9,566). The charity's website also saw a 20% decrease in users (263,000), compared to November 2022 (328,000). The fall seen in the number of new clients and website users is in line with a seasonal trend, which is consistent with previous years.

Despite a fall in the number of website users, the [emergency funding](#) webpage saw a 15% increase in views between November (20,000) and December 2022 (23,000). In December 2022, there was a 23% decrease in views to the [self-employed income calculator](#) and a 29% decrease in views to the [income and expenditure form](#), compared to November 2022.

A growing proportion of new clients are in gas arrears in December (27%), which is a three percentage points increase compared to November (24%) 2022. December has also seen a two percentage point increase in clients with mortgage arrears (17%) and a one percentage point increase in both council tax (34%) and rent (21%) arrears, compared to last month.

A 'cost of living increase' remains as the main reason for debt among new clients, with a one percentage point month-on-month increase to 22% in December 2022.

Credit cards are the most common unsecured debt type held by 63% of clients, which represents the smallest proportion of clients holding this debt, at the time of advice, in 2022.

Around 55% of clients were in some form of employment in December 2022. The proportion of clients with a negative budget is up by two percentage points to 35% – the highest point in 2022 – and the proportion of clients in receipt of Universal Credit is 34%. Clients who claim Universal Credit are more likely to be aged under 40 (67%), identify as a woman (73%), have children (60%), and around a half (48%) also have a negative budget.

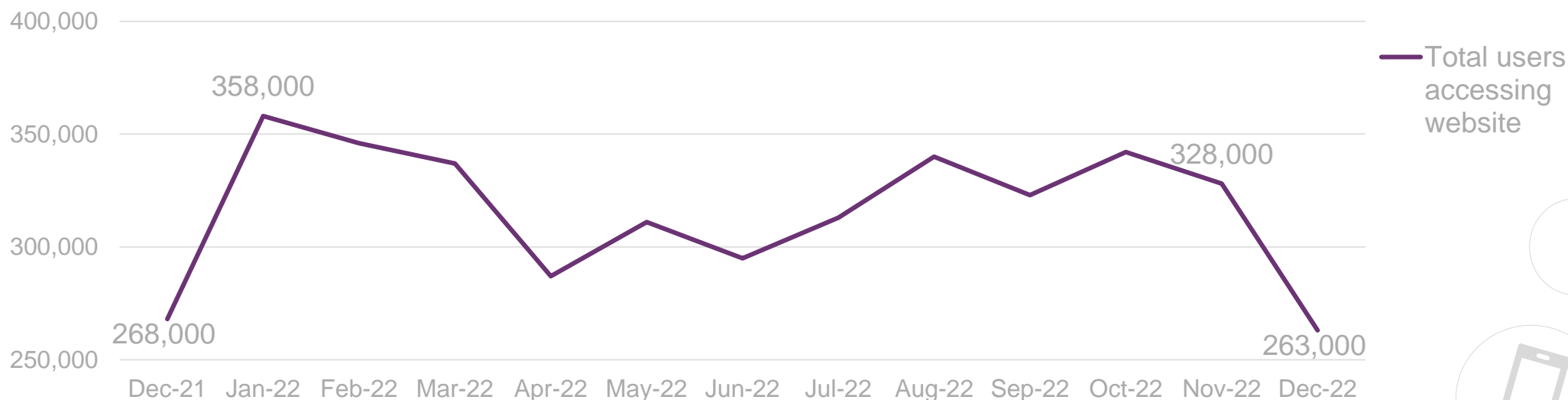
This month, StepChange advised more under 25's (13%) and single adults without children (43%) compared to November 2022.

Website trends

In December 263,000 people used our website, which is a 20% decrease in the number monthly users accessing the StepChange Debt Charity website compared to November 2022 (328,000). Between November (330,000) and December 2021 (268,000) we also saw a 19% decrease in monthly users. The fall seen in the number of website users in December 2022 is in line with a seasonal trend we see each year around December time.

Despite a fall in the number of users overall, the [emergency funding](#) webpage has remained as the most commonly viewed debt information page in December (23,000), with a 15% increase in views compared to November 2022 (20,000). The next most viewed debt information page was the [self-employed income calculator](#) (7,000), which saw a 23% decrease in views compared to the previous calendar month. The [income and expenditure form](#) page also saw a decrease in views, with views down 29% between November and December 2022, at under 7,000.

Total number of website users: December 2021 – December 2022



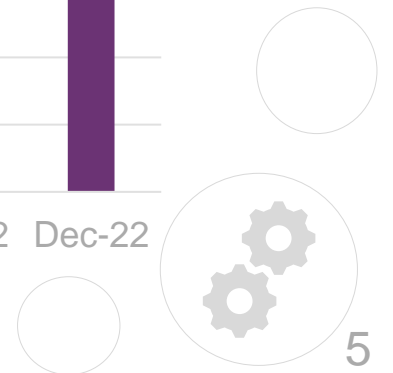
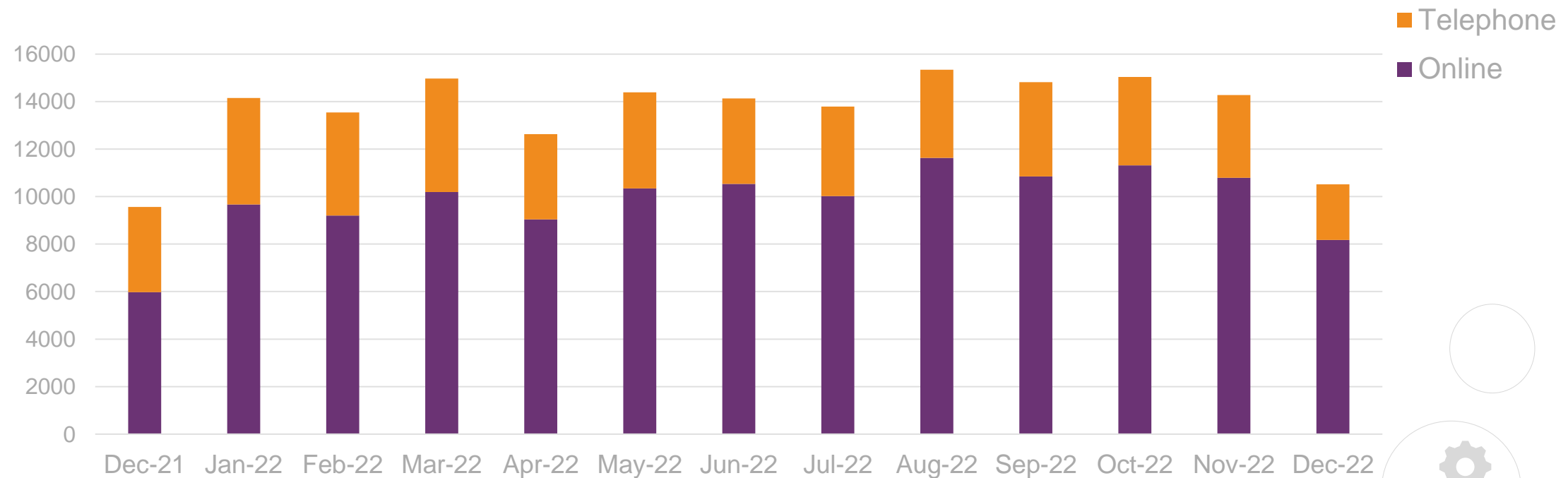
Note: In March 2022, functionality to opt-out of website statistical cookies was added to the website – this means the actual number of users and pageviews will be higher than reported from March 2022 onwards. An estimated 8% to 15% of website users are opting out of statistical cookies.

Client volumes

The number of new clients seeking full debt advice has fallen to its lowest level in 2022, with 10,520 clients receiving full debt advice through StepChange's online (78%) and telephony (22%) channels in December 2022. The fall in the number of clients in December 2022 is in line with of a seasonal trend, which is consistent with previous years.

The number of new clients seeking debt advice in December 2022 (10,520) is 10% higher than it was a year ago (December 2021= 9,566).

Number of new telephony and online clients: December 2021 – December 2022

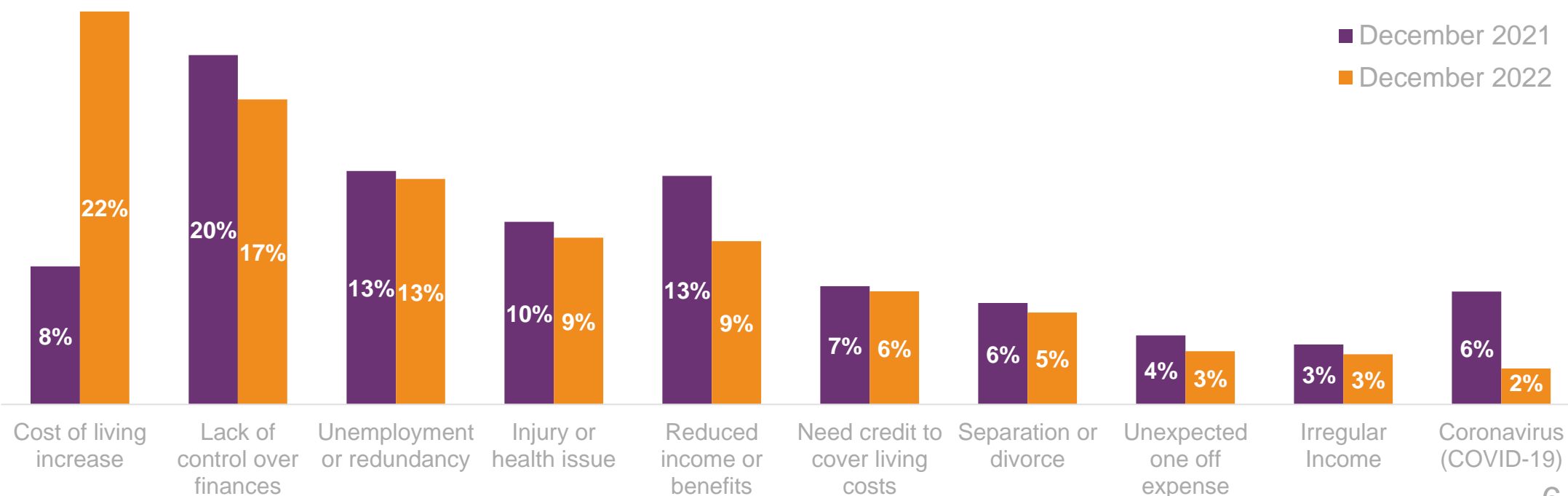


Reasons for debt

The proportion of new clients citing a 'cost of living increase' (22%) as their main reason for debt has increased by one percentage point in December 2022, following two consecutive months of no change. Comparatively, in December 2021, around 8% of new clients cited a 'cost of living increase' as their main reason for debt, which is a 14 percentage point year-on-year increase.

A 'lack of control over finances' (17%) is the second most common reason for debt, which is unchanged month-on-month at 17%, and three percentage points lower than a year ago (December 2021=20%).

Most common reasons for debt*: December 2021 vs. December 2022



Debt types

In December 2022, credit cards remain as the most common unsecured debt type, although they are now held by 63% of new clients, following a one percentage point decline for the second consecutive month. The proportion of new clients with personal loan debts (44%) and catalogue debts (31%) has decreased by one percentage point each, compared to November 2022.

December 2022 represents the smallest proportion of new clients holding credit card debts and catalogue debts, at the time of advice, in 2022. The remaining debts types are unchanged month-on-month.

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

	December 2021	October 2022	November 2022	December 2022
Credit card	66%	65%	64%	63%
Personal loan debt	48%	45%	45%	44%
Overdraft	36%	32%	32%	32%
Catalogue debt	35%	32%	32%	31%
Store card	12%	12%	12%	12%
Short-term high cost credit or payday loan	11%	10%	9%	9%

Arrears types

A growing proportion of new clients are in gas arrears in December (27%), which is a three percentage points increase compared to November (24%) 2022. December represents the highest proportion of clients in gas arrears, at the time of advice, in 2022.

The proportion of new clients in mortgage arrears (17%) has increased by two percentage points month-on-month, and those with council tax (34%) and rent arrears (21%) are also up by one percentage point each month-on-month.

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

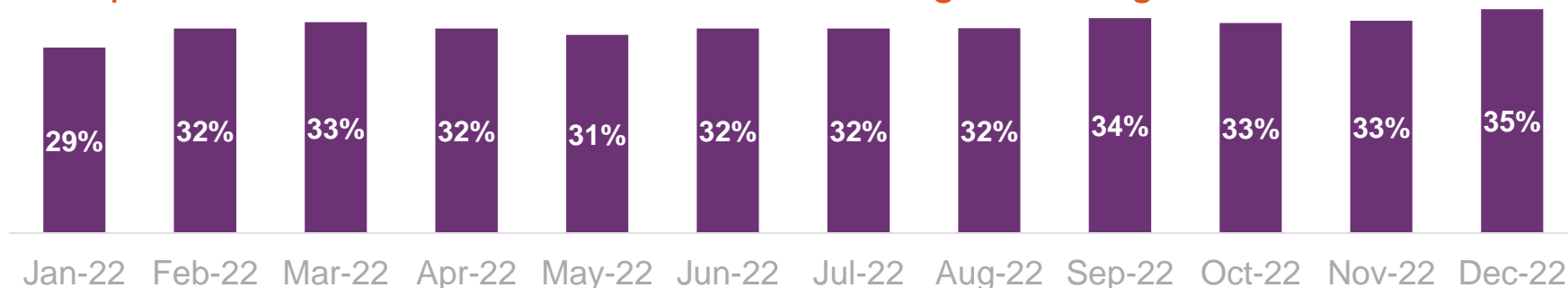
	December 2021	October 2022	November 2022	December 2022
Dual fuel	46%	51%	51%	51%
Council tax	38%	33%	33%	34%
Electricity	28%	28%	27%	27%
Water	30%	23%	24%	23%
Gas	23%	23%	24%	27%
Rent	24%	20%	20%	21%
Mortgage	18%	15%	15%	17%
TV licence	4%	3%	3%	3%

Negative budgets and Universal Credit

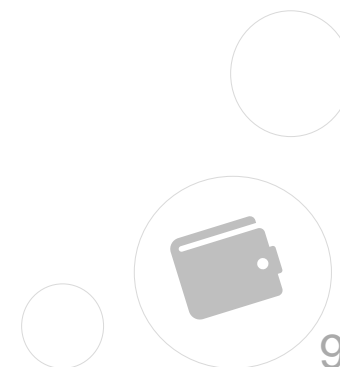
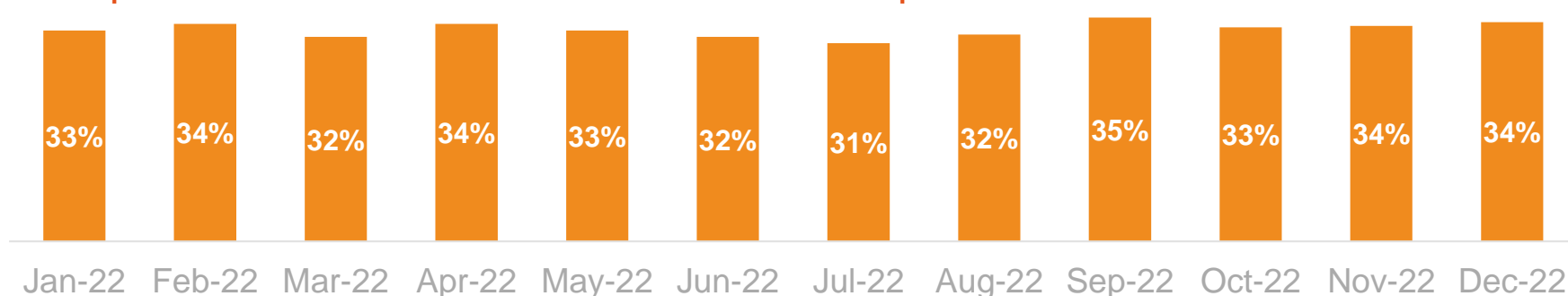
The proportion of new clients with a negative budget has increased by two percentage points to 35% in December 2022, which represents the highest proportion of new clients with a negative budget in the year 2022.

The proportion of new clients who are in receipt of Universal Credit is unchanged between November and December 2022 at 34%. Looking at clients who claim Universal Credit, around two-thirds (67%) are aged under 40, over seven in ten (73%) are women, six in ten (60%) have children, and around a half (48%) also have a negative budget.

Proportion of new debt advice clients with a negative budget



Proportion of new debt advice clients in receipt of Universal Credit



Demographics

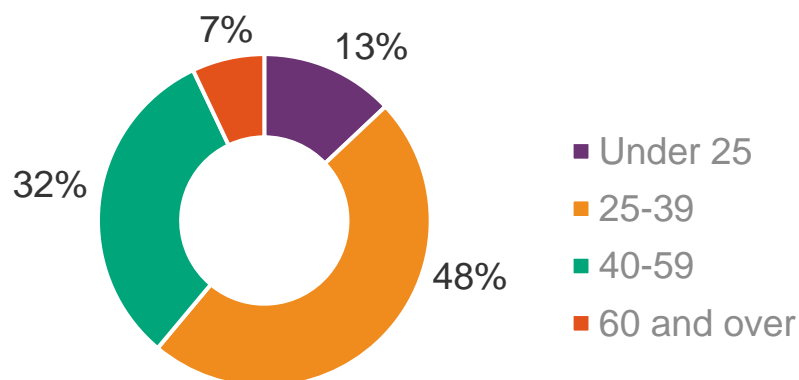
The proportion of women among StepChange's new client population is 62%, which is a one percentage point decrease on November 2022 (63%) and a one percentage point increase compared to December 2021 (61%).

For the second consecutive month, the proportion of under 25s being advised by StepChange has increased by one percentage point to 13% in December 2022. Generally, StepChange continues to advise a disproportionately high number of new clients that fall into the younger age groups, with 61% of new clients aged under 40, whereas in the general UK population* under 40s account for 36% of all UK adults.

Gender split: New debt advice clients

	December 2021	October 2022	November 2022	December 2022
Women	61%	63%	63%	62%
Men	39%	37%	37%	38%
Other gender identity	<1%	<1%	<1%	<1%

Age: New debt advice clients, December 2022



*Source: ONS 2021



Demographics continued - housing tenure

In December 2022, the most common housing tenure among new StepChange clients continues to be renting from the private sector (33%), followed by renting from a council or housing association (31%). The proportion of new clients who are renters is unchanged month-on-month at around two-thirds (64%).

The proportion of new clients who are living with family has increased by one percentage point for the second consecutive month to around one in seven (14%) in December 2022.

Housing tenure among new clients

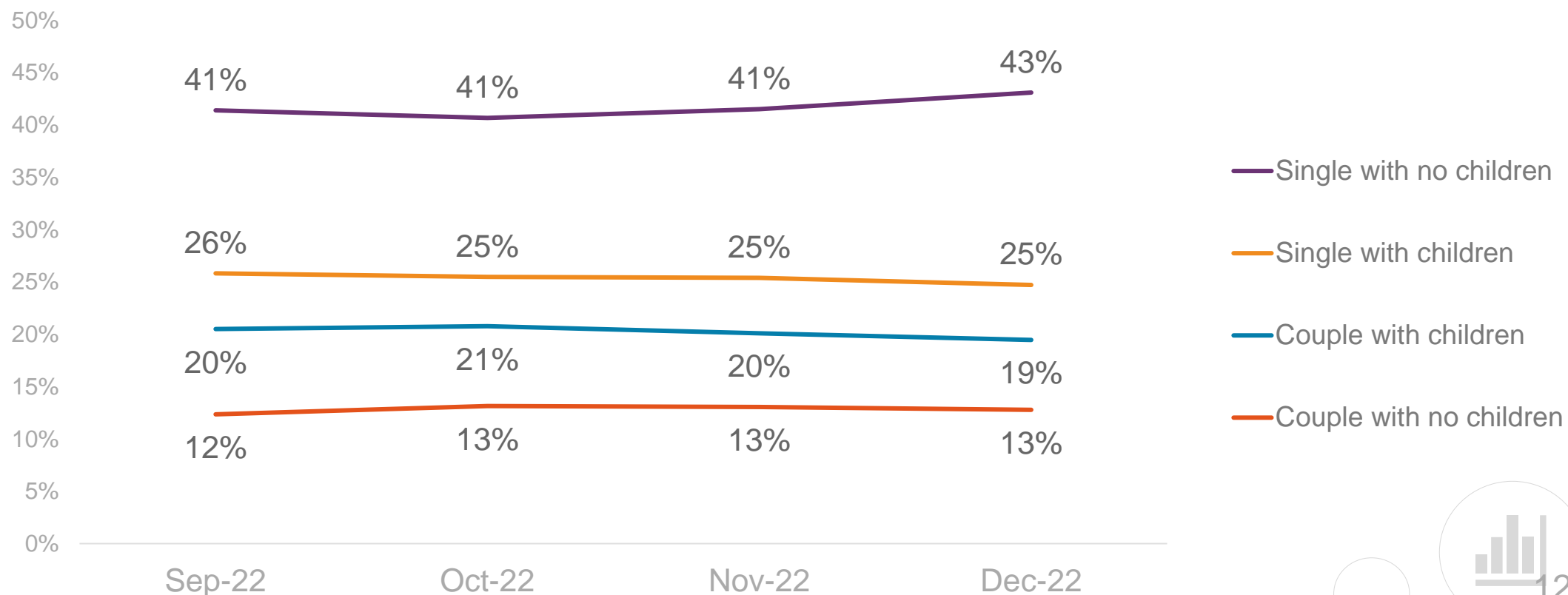
	December 2021	October 2022	November 2022	December 2022
Board payment (not with family)	2%	2%	3%	2%
Living with family	13%	12%	13%	14%
Mortgage	12%	14%	13%	13%
Other	2%	3%	3%	3%
Owns property outright	2%	2%	2%	2%
Renting - Council or Housing Association	32%	31%	31%	31%
Renting - private landlord	34%	34%	33%	33%
Shared ownership (mortgage and rent)	1%	1%	2%	1%

Demographics continued - family composition

New debt clients are more likely to be single without children, and this family composition type has increased by two percentage points to 43% in December 2022, following three consecutive months of no change.

In December 2022, the proportion of new clients who are in a couple with children has decreased by one percentage point for the second consecutive month to 19%.

Family composition: September – December 2022



Demographics continued - employment

The employment status of new clients in December 2022 is fairly similar to the previous calendar month. The proportion of new clients in full-time employment is unchanged month-on-month at four in ten (40%) clients, which is one percentage point lower than December 2021 (41%).

Employment status

Employment type	November 2022	December 2022
Carer	3%	3%
Full-time employed	40%	40%
Not working due to illness or disability	16%	16%
Part-time employed	14%	13%
Retired	3%	3%
Student	2%	2%
Unemployed: looking for work	11%	12%
Not in employment and not looking for work	9%	8%
Zero hour contract	2%	2%

- One in six (16%) new clients were not working due to illness or disability, which is one percentage point up compared to December 2021 (15%).
- In December 2022, 13% of new clients were in part-time employment, which is one percentage point lower than the previous calendar month (14%).
- Around one in eight (12%) clients were unemployed and looking for work, which is a one percentage point increase compared to November 2022 (11%).

In December 2022, 55% of new clients were in employment



Methodology

This data is based on the 10,520 clients who first sought debt advice from the charity between 1 – 31 December 2022. 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-4pm and take the first step towards taking back control of your finances.



www.stepchange.org



0800 138 1111 (Freephone)