

# Debt advice client insights

November 2021

Published January 2021



## Contents

### 1. Website trends

Page 4

### 2. Volumes

Page 5

### 3. Reasons for debt

Page 6

### 4. Debt and arrears types

Pages 7 - 8

### 5. Negative budgets and Universal credit

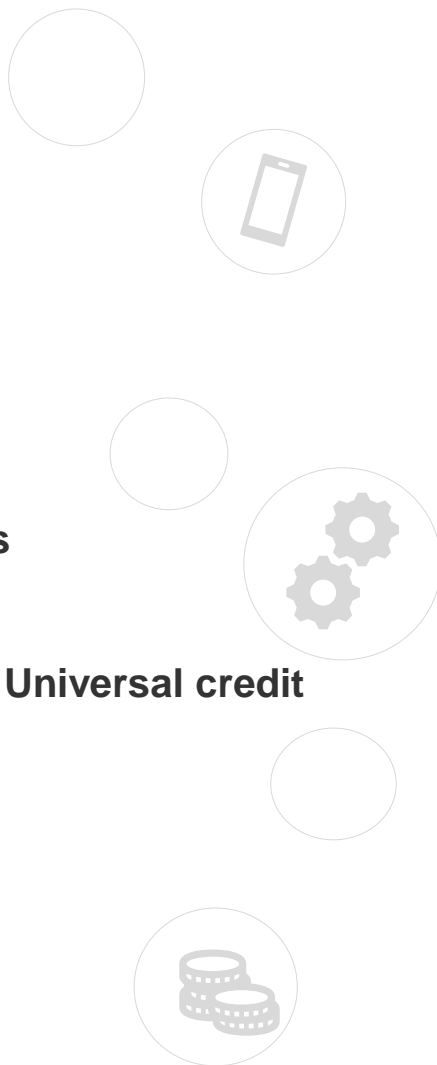
Page 9

### 6. Demographics

Pages 10 – 13

### 7. Methodology

Page 15



## Background

This report from StepChange Debt Charity provides insight into the demographic and debt characteristics of new clients who first sought debt advice in November 2021. This report also provides website traffic information as well as comparisons to previous months and years.

Previous monthly data reports can be found [here](#). Additionally, earlier this year the charity released the 2020 Statistics Yearbook, highlighting the debt and demographic situations of new clients who received full debt advice between January and December 2020. This document can be found [here](#).

## Executive summary

November's data shows a small increase in the number of clients receiving full debt advice. Among the 13,000 new clients in November, levels of arrears on household bills remain high, with an increased proportion of clients having council tax arrears (40%), rent arrears (25%) and mortgage arrears (19%) at the time of advice.

The proportion of new clients in receipt of Universal Credit is also higher than October, with more than one third of new clients in receipt of this benefit (35%). Clients were also more likely to have negative budgets at the time of advice in November.

In terms of demographics, the charity's new client population is disproportionately populated by women, who accounted for 63% of new clients in November, renters, and clients from younger age groups.

Additionally, despite single adults with no children remaining as the most common family demographic type, there was a small increase in the proportion of new single parent clients between October and November.

The charity's website data also showed a rise in the number of users requiring emergency support and help with their financial difficulty. The 'emergency funding' debt information web page received 25,000 page visits in November; a 21% increase compared to October.

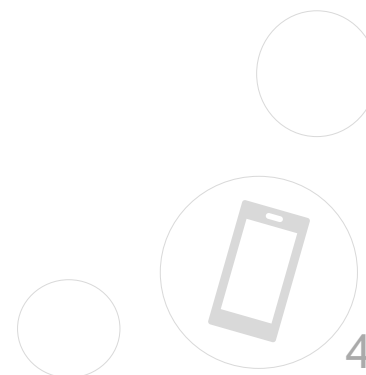
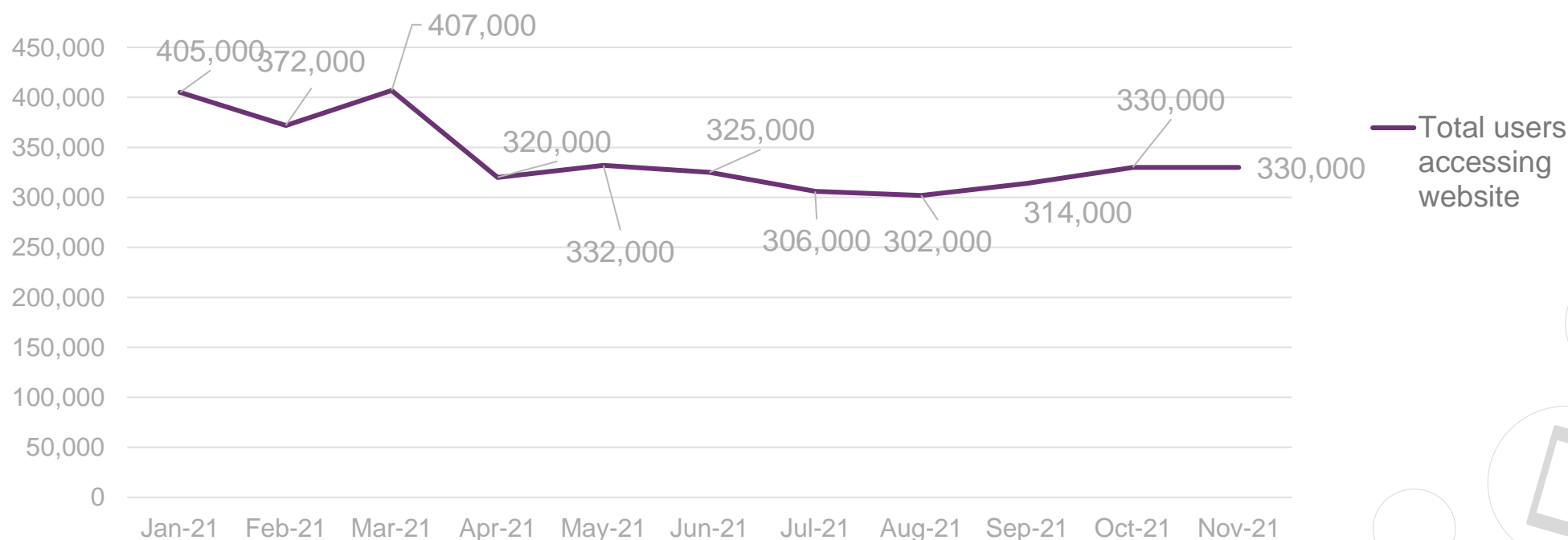
The overall rise in the number of users searching for emergency funding information, rise in debt advice volumes, including clients in receipt of Universal Credit, and rising arrears levels highlights the current burden of financial difficulty on many UK households.

## Website trends

The number of monthly users accessing support and debt advice through the StepChange website stayed consistent in November (330,000).

Between October and November, the charity website saw a 21% increase in visits to the 'emergency funding' webpage (25,000 page visits in November), which remained as the most commonly visited debt information page. The self employed income calculator remained as the second most visited debt information page (11,000 visits). Information on statute-barred debt received 8,000 page visits in November, a 15% increase compared to October.

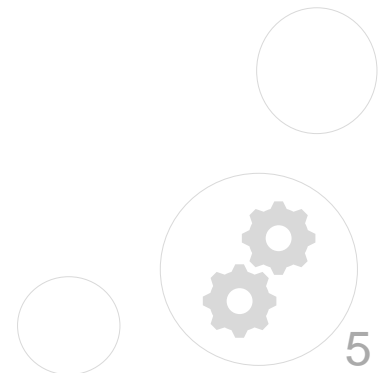
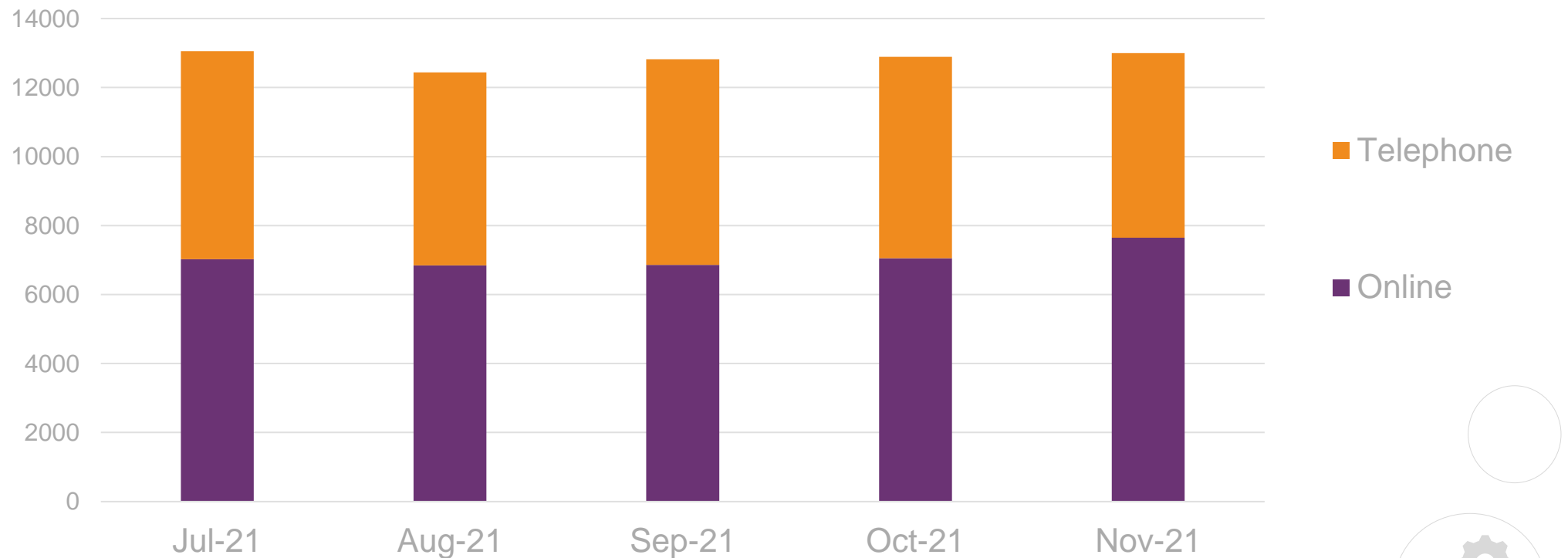
### Total number of website users: January – November 2021



## Client volumes

The number of new clients has been slowly increasing over recent months. In November, 13,000 new clients received full debt advice through the charity's telephony and online channels. Volumes still remain lower than levels found before the pandemic. In November 2019, 24,000 new clients completed a full debt advice session.

### Number of new telephony and online clients: July – November 2021

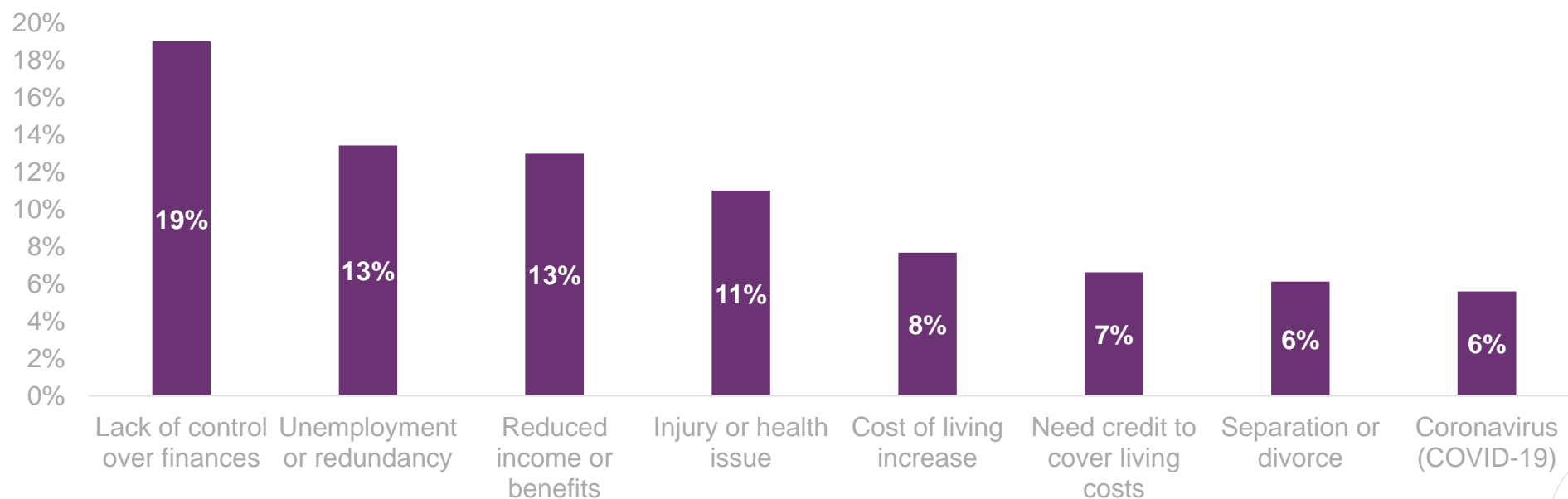


## Reasons for debt

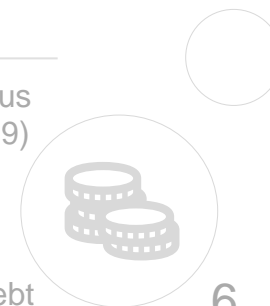
A 'lack of control over finances' continues to be the most common reason for debt among new clients receiving full debt advice, with one in five (19%) citing this as a main reason for debt in November. As with previous reports, men and younger clients are more likely to cite this as a main reason for debt. Unemployment (13%) and experiencing a reduced income or reduced benefits remain among the three most common reasons for debt (13%).

A rise in the cost of living (8%) has also moved into the five most common reasons in November.

### Most common reasons for debt\*: November 2021



\*Clients can select multiple reasons for debt



## Debt types

Credit cards remained as the most common debt type held among new clients at the time of advice (66%). The proportion of new clients with other unsecured debt types also remain relatively consistent in November as in October. The proportion of clients with personal loan debts, overdrafts, store cards and payday loans all remain lower than levels found in 2020.

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

	Full year 2020	September 2021	October 2021	November 2021
Credit card	67%	67%	67%	66%
Personal loan debt	52%	49%	48%	49%
Overdraft	39%	37%	37%	36%
Catalogue debt	35%	36%	37%	36%
Short-term high cost credit or payday loan	13%	11%	11%	11%
Store card	14%	13%	12%	12%

## Arrears types

The proportion of new clients in council tax arrears continues to increase, with two in five (40%) clients with responsibility for a council tax bill being in arrears. The proportion of new clients with rent arrears and mortgage arrears have also increased between October and November.

The proportions of clients in energy arrears remained consistent across October and November, although the proportion of clients behind on these household bills is substantially higher than before the pandemic. In 2019, 13% of new clients were behind on gas bills (22% in November 2021), and 17% of clients were behind on electricity bills (27% in November 2021).

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

	Full year 2020	September 2021	October 2021	November 2021
Council tax	36%	37%	38%	40%
Electricity	26%	27%	27%	27%
Gas	23%	24%	22%	22%
Water	32%	32%	33%	32%
Rent	27%	24%	24%	25%
Mortgage	17%	17%	18%	19%
TV license	7%	4%	4%	4%

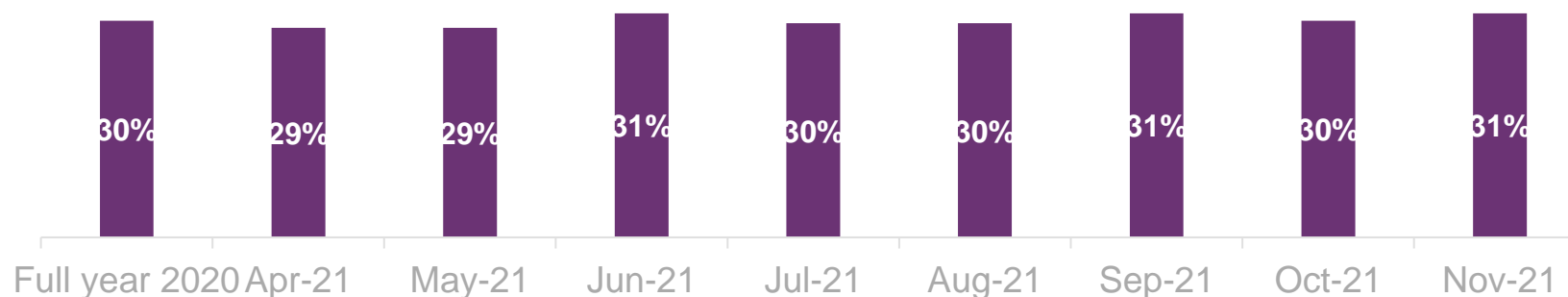


## Negative budgets and Universal Credit

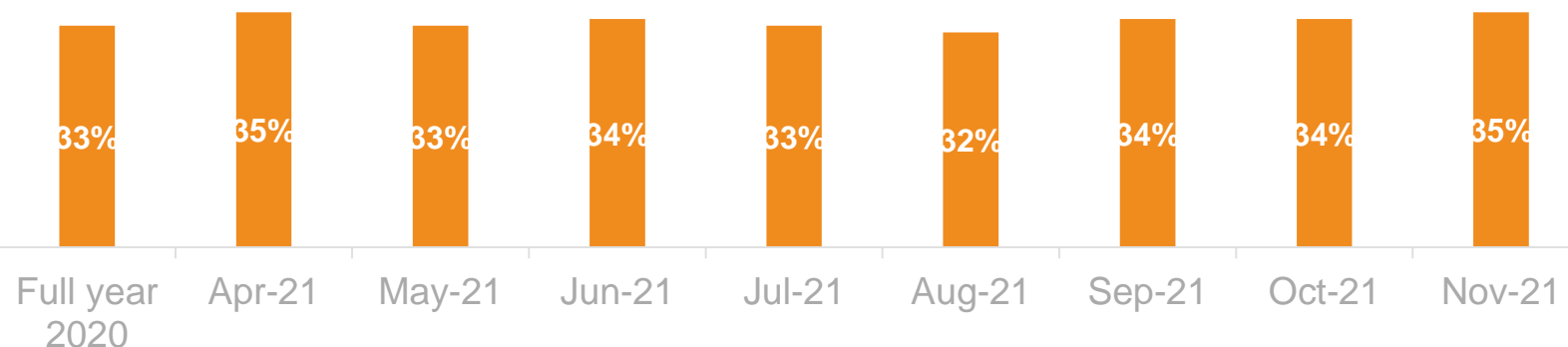
The proportion of new clients with negative budgets increased by one percentage point between October (30%) and November (31%), although remains at a similar level to previous months and 2020 (30%).

The proportion of clients in receipt of Universal Credit at the time of advice matches the highest point in the past six months, with 35% of new clients receiving payments in November.

### Proportion of new debt advice clients with negative budgets



### Proportion of new debt advice clients in receipt of Universal Credit



## Demographics

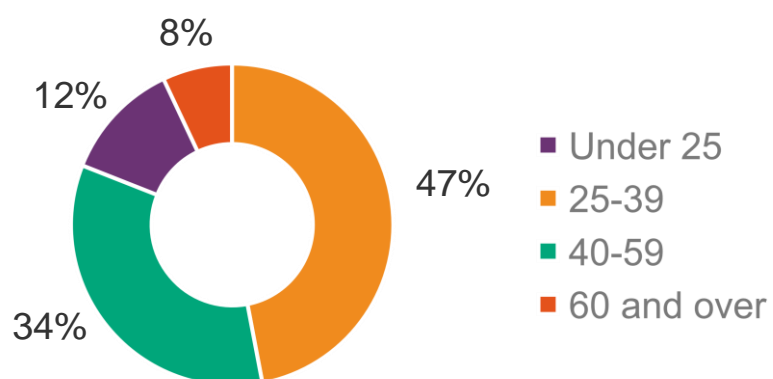
The proportion of women accessing debt advice remained disproportionately high in November (63%), and remains greater than the level found across 2020 (60%).

The charity also continued to be over-represented by clients aged under 40 compared to the wider UK population. In November, 12% of new clients were aged under 25 and almost half (47%) were aged between 25 and 39.

### Gender split: New debt advice clients, September – November 2021

	Full year 2020	September 2021	October 2021	November 2021
Female	60%	62%	62%	63%
Male	40%	38%	37%	37%
Other gender identity	<1%	<1%	<1%	<1%

### Age: New debt advice clients, November 2021



## Demographics continued - housing tenure

The housing situations of new clients in November 2021 remained largely similar to new clients in October 2021. StepChange clients are overwhelmingly more likely than the UK population to be renting their homes. More than one third of new clients are renting from a private landlord (35%), which remains as the most common housing type. This is followed by clients renting from their council or a housing association (32%).

Around one in eight clients in November (12%) are mortgage holders, and 2% own their property outright.

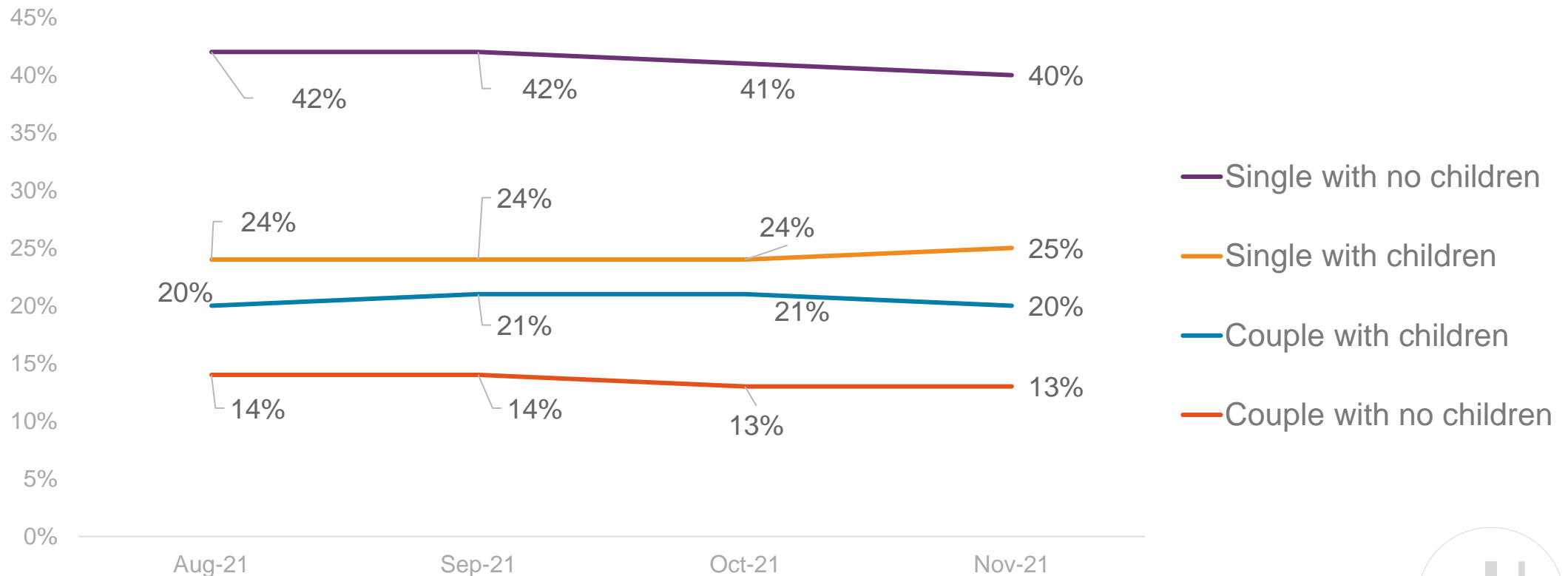
### Housing tenure among new clients: September – November 2021

	Full year 2020	September 2021	October 2021	November 2021
Board payment (not with family)	3%	3%	2%	3%
Living with family	15%	13%	13%	12%
Mortgage	12%	12%	12%	12%
Other	2%	2%	3%	3%
Owns property outright	3%	2%	2%	2%
Renting - Council or Housing Association	31%	31%	33%	32%
Renting - private landlord	34%	35%	35%	35%
Shared ownership (mortgage and rent)	1%	1%	1%	1%

## Demographics continued - family composition

Although single adults with no children continued as the most common family demographic type among new clients (40%), there has been a small increase in the proportion of single parents between October and November. Around one quarter (25%) of new clients in November were single parents. Comparably, just 6% of UK households are single parent families (ONS, 2021).

### Family composition: August – November 2021



## Demographics continued - employment

The employment types of new clients also remained relatively consistent in November. There have been some small increases, for example a 1% point increase in the proportion of clients in part-time employment. However, overall a similar proportion of clients (56%) were in employment.

### Employment status: November 2021

Employment type	%
Carer	3%
Full-time employed	39%
Not working due to illness or disability	16%
Part-time employed	15%
Retired	3%
Student	2%
Unemployed: looking for work	11%
Unemployed: not looking for work	9%
Zero hour contract	2%

Around one in five (20%) new clients were unemployed in November

Around one in six (16%) new clients in November were not working due to illness or disability

Two in five (39%) of new clients were in full-time employment

In November 2021, 56% of new clients were in employment



## What's next?

[Recent polling commissioned by StepChange](#) revealed that around one quarter (27%) of adults felt their finances are worse than before the pandemic; the equivalent of more than 13 million people. The latest debt advice statistics highlight the difficulty that just a small proportion of these adults have faced.

New StepChange clients in November have undoubtedly challenging circumstances, with growing levels of arrears on household bills, continually high levels of unsecured debt, and many new clients in receipt of Universal Credit as a main source of income.

Furthermore, the increase in the proportion of single parents, women and renters is worrying; other reports have highlighted the difficulties that these groups have faced during the pandemic.

However the financial difficulties that these clients face are not new; clients with these characteristics have long been over-represented among StepChange clients in previous years.

The charity will be releasing the Statistics Yearbook in March 2021, which will explore the debt types, demographics and situations regarding new clients who first received full debt advice between January and December 2021.

## Notes on the methodology

This data is based on the 13,001 clients who first sought debt advice from the charity between 1 – 30 November 2021. All new clients accessed debt advice either through the charity's telephony service, or online channel.

All comparisons to 2020 are based on clients who accessed debt advice through the charity's new debt advice system, Pulse. More details about this system and the data in 2020 can be found in the 2020 Statistics Yearbook, which can be found [here](#).

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.

### References

[Office for National statistics \(2021\). Families and Households in the UK: 2020](#)

If you require further information about this report, please contact [policy@stepchange.org](mailto: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](http://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](http://www.stepchange.org)



0800 138 1111 (Freephone)