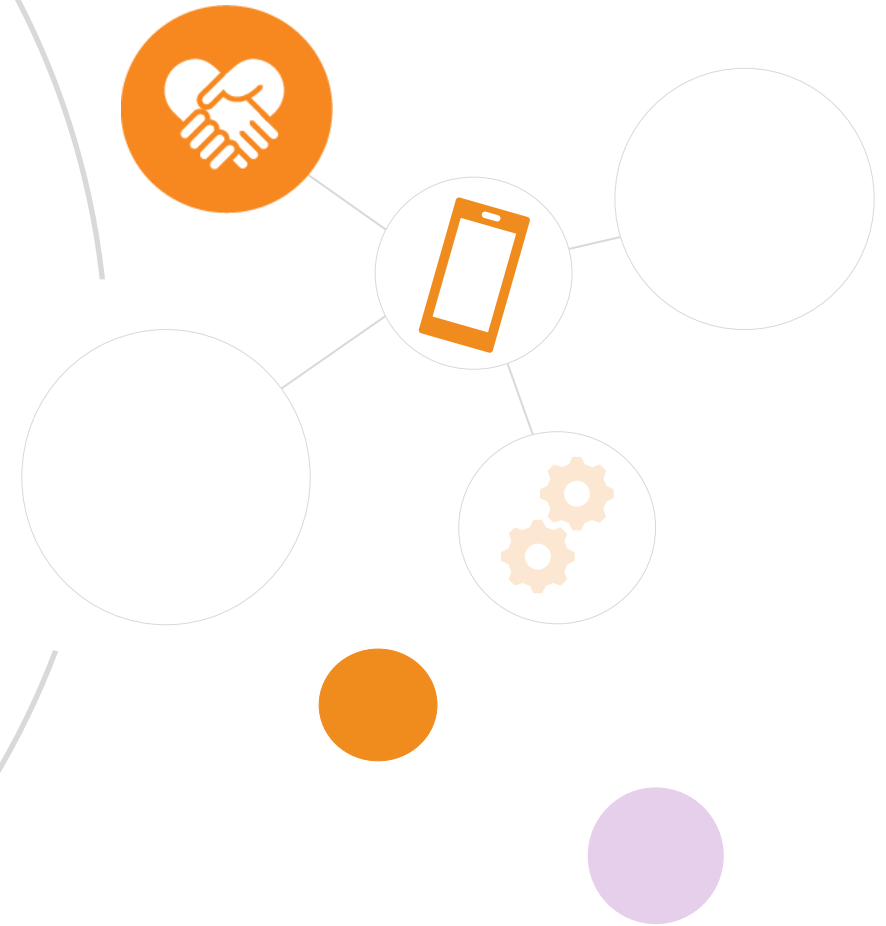


Debt advice client insights

October 2022



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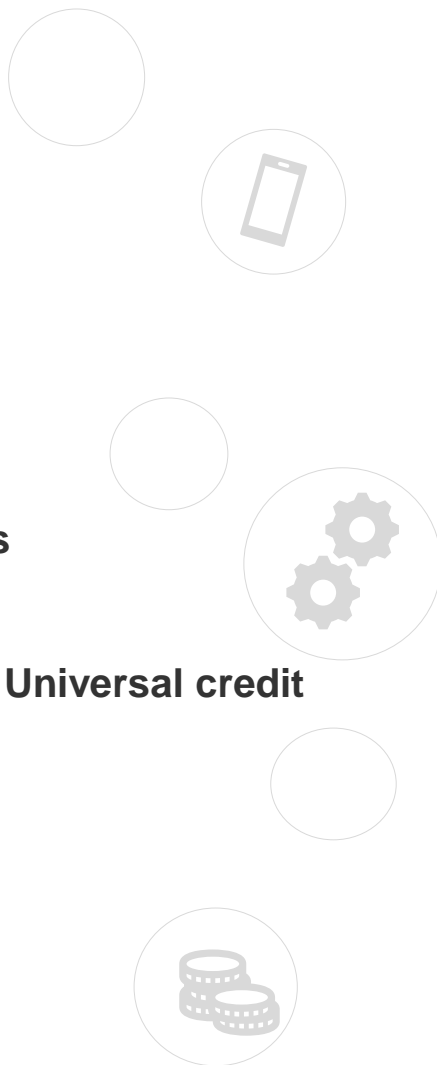
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Background

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

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

Executive summary

The number of new clients receiving full debt advice slightly increased between September (14,815) and October (15,032) 2022. The charity website also saw a 6% increase in the number of website users in October (342,000), compared to the previous calendar month (323,000).

In line with the trends seen for previous months, the [emergency funding](#) (22,000 pageviews) webpage continues to be the most viewed debt information page. At the beginning of October 2022, the government energy bills support scheme was launched, and we saw a 34% increase in traffic to the webpage on [government help with gas and electricity bills](#) (7,000), between September and October.

Following the launch of the government energy bills support scheme, the proportion of new clients in arrears with their dual fuel (51%), electricity (28%) and gas (23%) bills has decreased between three to five percentage points, between September and October. Although, there has been a two percentage points increase in the proportion of clients in arrears with their council tax bills (33%) – the first monthly increase seen since May 2022.

A 'cost of living increase' is cited by 21% of clients as their main reason for debt in October 2022, and among those seven in ten (71%) are women. A 'lack of control over finances' (18%) is the second most common reason for debt, which is cited more by those aged under 40 (67%).

In October 2022, new clients held similar proportions of unsecured debt types to previous months. The proportion of clients with credit card (65%), personal loan (45%) and short-term high cost credit or payday loan (10%) debts, saw a marginal one percentage point month-on-month increase, at the time of advice.

Around 57% of clients were in some form of employment, which is a three percentage points increase, compared to last month. Clients in receipt of Universal Credit and the proportion of clients with a negative budget is 33% each.

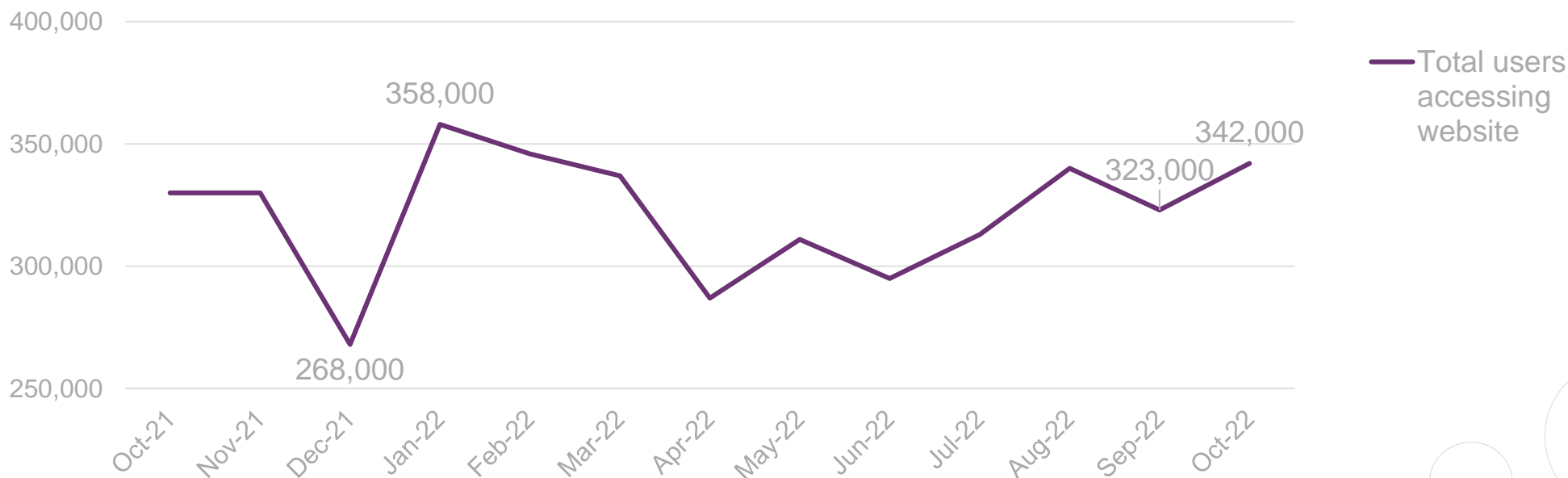
The demographic profiles of new clients in October 2022 were fairly similar to previous months. Although there has been a one percentage point increase in the proportion of clients with a mortgage (14%).

Website trends

The StepChange Debt Charity website had 342,000 users in October 2022, which is 6% higher than the previous calendar month (September 2022 = 323,000). In September, there was a slight drop in the number of users, which was partly due to The State Funeral of HM Queen Elizabeth II.

Similarly to September 2022, the [emergency funding](#) page received over 22,000 views in October 2022. The [self-employed income calculator](#) was the second most viewed debt information page, with over 10,000 views, which is a 6% increase compared to the previous calendar month. The debt information page on [government help with gas and electricity bills](#) is the third most viewed debt information page and saw a 34% increase in traffic between September and October 2022, with just over 7,000 views.

Total number of website users: October 2021 – October 2022



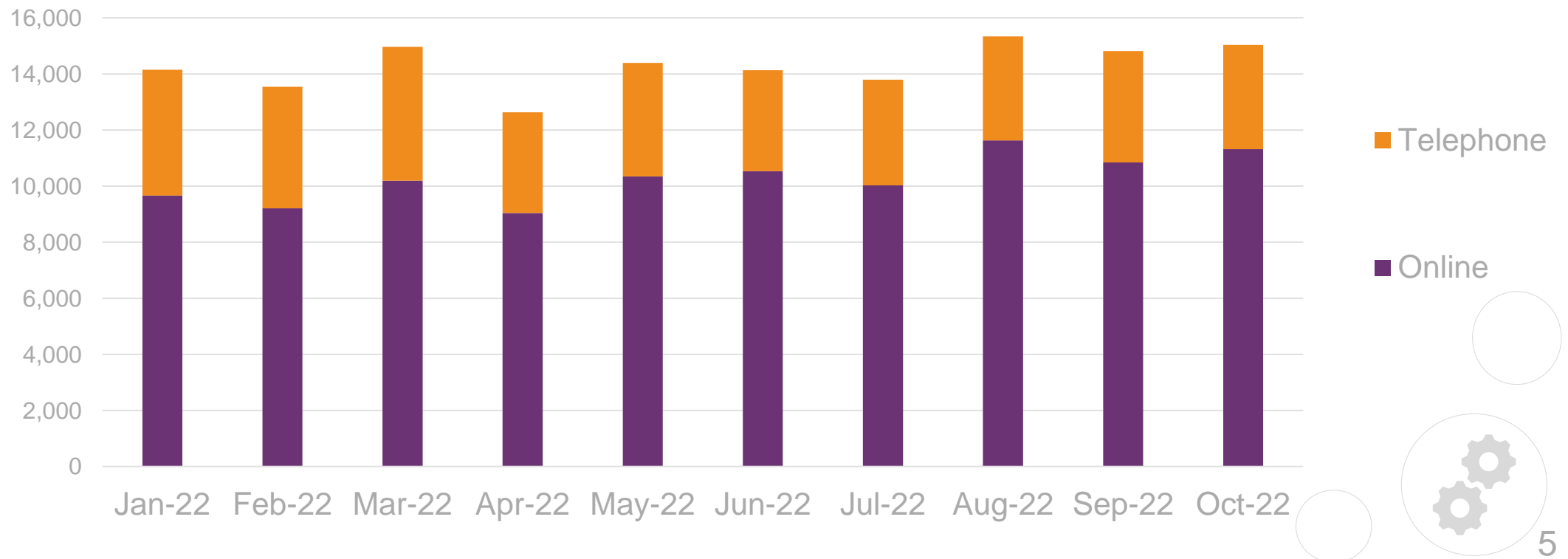
Note: In March 2021, functionality to opt-out of website statistical cookies was added to the website – this means the actual number of users and pageviews will be higher than reported from March 2021 onwards. An estimated 8% to 15% of website users are opting out of statistical cookies.

Client volumes

In line with the increase in the number of website users, October (15,032) saw the second highest volume of new clients who received full debt advice in 2022.

The proportion of clients completing debt advice online is up by two percentage points to three-quarters (75%) of all new clients, compared to September 2022 (73%).

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

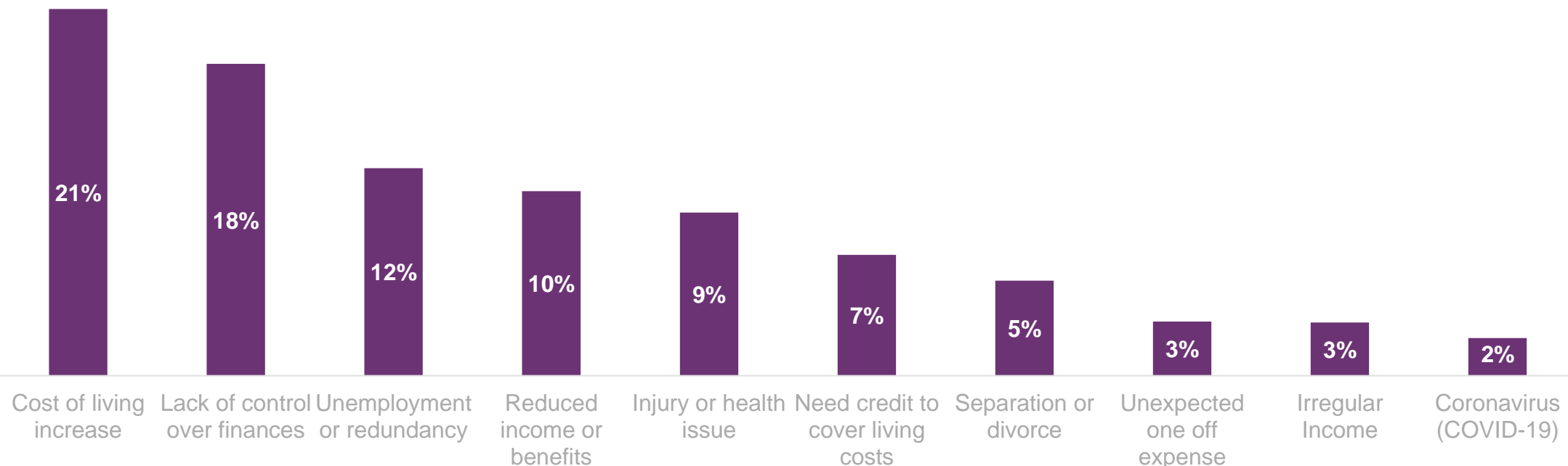


Reasons for debt

A 'cost of living increase' continues to be the most common reason for debt among new clients, cited by just over one in five (21%) new clients in October 2022. Among those who cited a 'cost of living increase' as their main reason for debt, seven in ten (71%) are women.

'Lack of control over finances' is the second most common reason for debt and two-thirds (67%) of clients who cite this as their main reason for debt are aged under 40. Also, two-thirds (67%) of clients who cited an 'irregular income' as their main cause of debt are aged under 40.

Top five most common reasons for debt*: October 2022



*Clients can select multiple reasons for debt

Debt types

The debt profiles of new clients in October 2022 are similar to previous months. Credit cards continue to be held by the majority of new clients (65%), although this is two percentage points lower than it was a year ago (October 2021= 67%).

October 2022 saw a one percentage point increase in the proportion of new clients with personal loan debts (45%) and short-term high cost credit or payday loans (10%), at the time of advice, compared to the previous calendar month.

	October 2021	August 2022	September 2022	October 2022
Credit card	67%	64%	64%	65%
Personal loan debt	48%	46%	44%	45%
Overdraft	37%	33%	32%	32%
Catalogue debt	37%	32%	32%	32%
Store card	12%	12%	12%	12%
Short-term high cost credit or payday loan	11%	10%	9%	10%

Arrears types

Payments from the government energy bills support scheme started in October 2022. The proportion of new clients in arrears with their dual fuel (51%), electricity (28%) and gas bills (23%) has decreased between three to five percentage points, compared to September 2022. Also, the proportion of new clients in arrears with their water (23%) and rent (20%) bills has decreased in October 2022, compared to the previous calendar month.

The proportion of new clients in arrears with their council tax bills (33%) has increased by two percentage points, which is the first monthly increase in the proportion of clients will council tax arrears since May 2022.

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

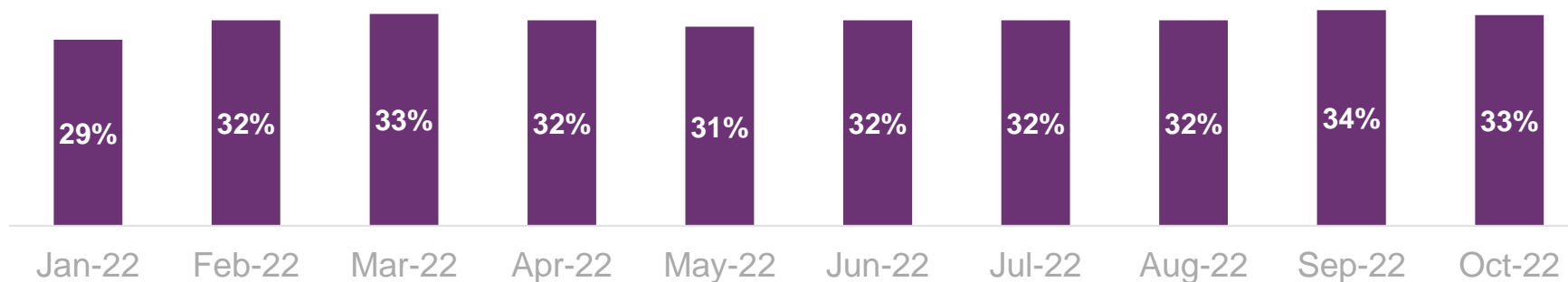
	October 2021	August 2022	September 2022	October 2022
Dual fuel	48%	54%	56%	51%
Council tax	38%	31%	31%	33%
Electricity	27%	30%	31%	28%
Water	33%	27%	26%	23%
Gas	22%	25%	26%	23%
Rent	24%	20%	21%	20%
Mortgage	18%	14%	15%	15%
TV licence	4%	3%	3%	3%

Negative budgets and Universal Credit

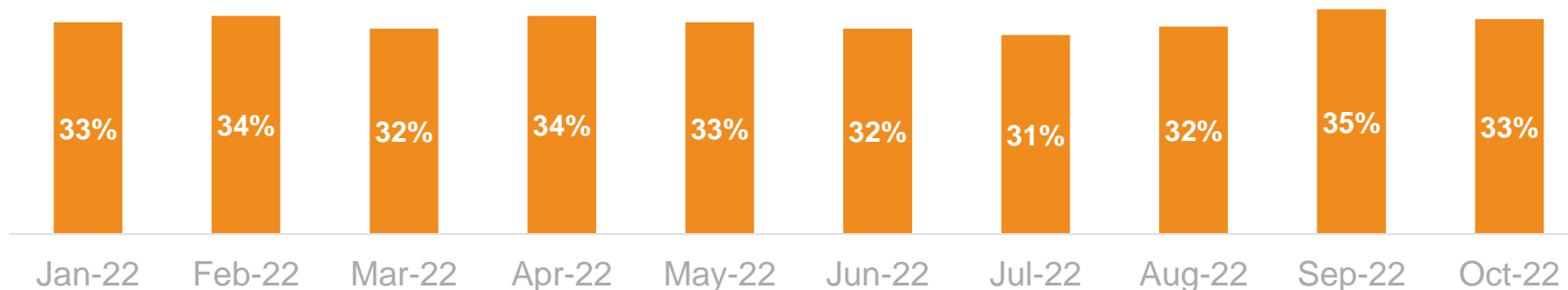
The proportion of new clients with a negative budget fell by one percentage point between September (34%) and October (33%) 2022, although the proportion of new clients with a negative budget is three percentage points higher than October 2021 (30%).

Following a three percentage points increase between August (32%) and September (35%) 2022, the proportion of new clients in receipt of Universal Credit, has decreased by two percentage points, to one in three (33%) new clients in October 2022.

Proportion of new debt advice clients with a negative budget



Proportion of new debt advice clients in receipt of Universal Credit



Demographics

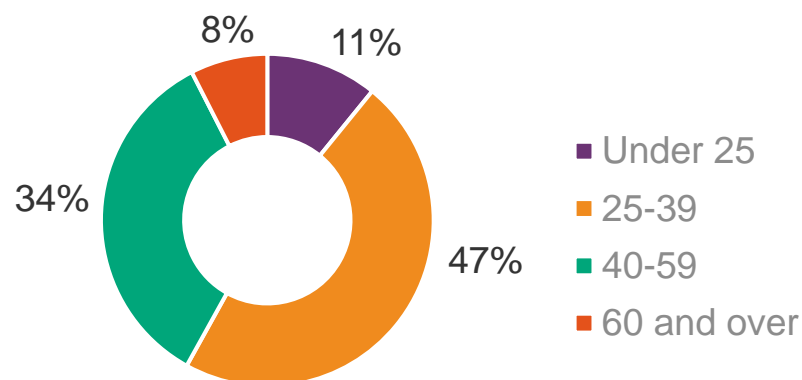
In October 2022, StepChange continued to see a similar proportion of women receiving debt advice (63%), compared to previous months.

The age profile of new clients in October remained at a similar level to September 2022. StepChange continues to advise three in five (58%) new clients who are aged under 40, which is disproportionately higher than the general UK population* where under 40s account for just 36% of UK adults.

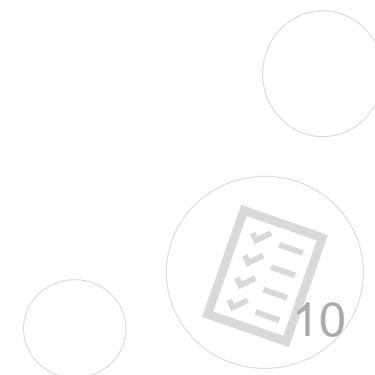
Gender split: New debt advice clients

	October 2021	August 2022	September 2022	October 2022
Women	62%	62%	63%	63%
Men	37%	38%	36%	37%
Other gender identity	<1%	<1%	<1%	<1%

Age: New debt advice clients, October 2022



*Source: ONS 2021



Demographics continued - housing tenure

The proportion of new clients renting in the private sector (34%) continues to be the most common housing type, and this is marginally up by one percentage point compared to September 2022 (33%). Renting from a council or housing association (31%) is the next most common housing tenure among new clients in October 2022.

In October 2022, the proportion of new clients who are homeowners (17%), remains unchanged month-on-month, although this month we see the highest proportion of new clients with a mortgage (14%) since May 2021.

Housing tenure among new clients

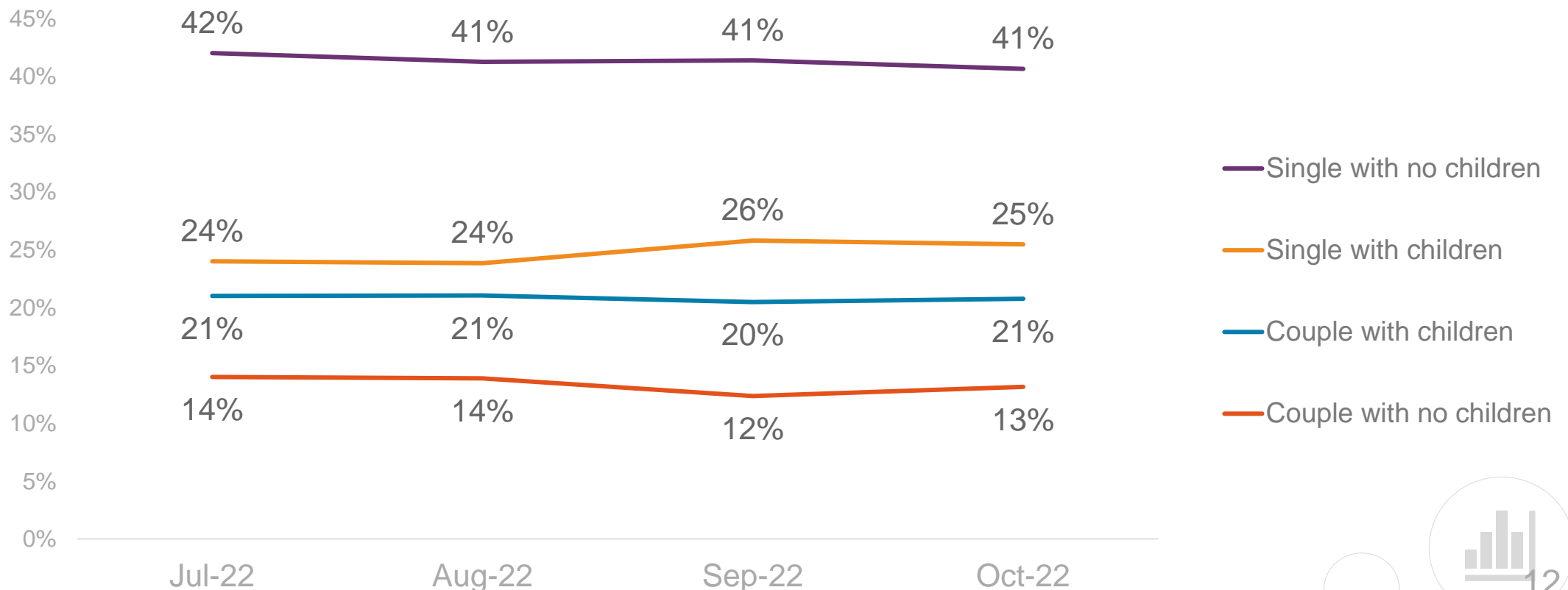
	October 2021	August 2022	September 2022	October 2022
Board payment (not with family)	2%	2%	2%	2%
Living with family	13%	12%	12%	12%
Mortgage	12%	13%	13%	14%
Other	3%	3%	3%	3%
Owns property outright	2%	3%	3%	2%
Renting - Council or Housing Association	33%	32%	32%	31%
Renting - private landlord	35%	33%	33%	34%
Shared ownership (mortgage and rent)	1%	2%	1%	1%

Demographics continued - family composition

The family composition of new clients has remained similar to previous months. The proportion of new clients who are single with no children continues to be the most common household composition type, which remains unchanged for the second consecutive month at just over two in five (41%) clients.

In October 2022, 46% of new clients had children, which is one percentage point higher than a year ago (October 2021= 45%).

Family composition: July – October 2022



Demographics continued - employment

Following on from a fall between August (42%) and September (39%) 2022, the proportion of new clients in full-time employment increased by two percentage points to 41% in October 2022.

Employment status

Employment type	September 2022	October 2022
Carer	3%	3%
Full-time employed	39%	41%
Not working due to illness or disability	17%	16%
Part-time employed	13%	14%
Retired	3%	3%
Student	2%	2%
Unemployed: looking for work	11%	11%
Not in employment and not looking for work	9%	8%
Zero hour contract	2%	2%

- In October 2022, around one in six (16%) of our new clients are not working due to an illness or disability; a proportion which is unchanged compared to October 2021.
- The proportion of new clients in part-time employment has increased by one percentage point in October 2022 to 14%.

In October 2022, 57% of new clients were in employment



Methodology

This data is based on the 15,032 clients who first sought debt advice from the charity between 1 – 31 October 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)