

Personal debt in the UK  
January-June 2018

StepChange  
Debt Charity



Statistics

# MID -YEAR UPDATE

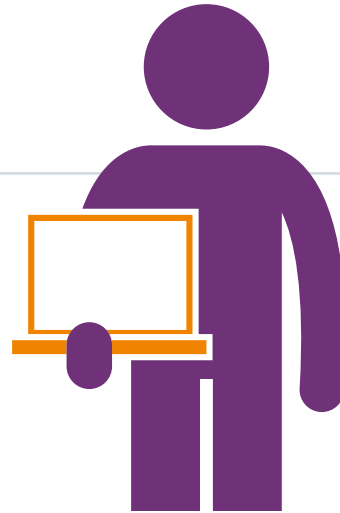
- › Between January and June 2018, **326,897** new clients contacted StepChange Debt Charity for help with problem debt

Unless otherwise stated, the figures in this document are based on the 180,644 new clients who received a debt advice session between 1 January to 30 June 2018.

Between January and June 2018,  
StepChange Debt Charity was contacted by:



**125,831**  
new telephone clients



**201,066**  
new online clients



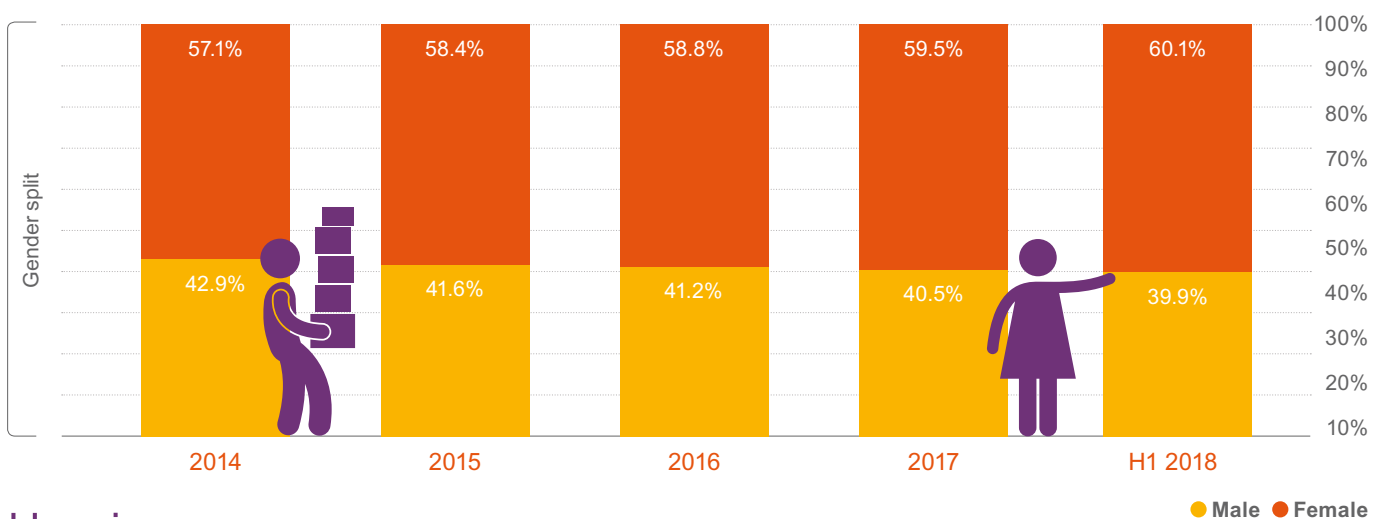
Additionally, our website received  
almost **2.5 million** visits

# Who contacted us

## Gender

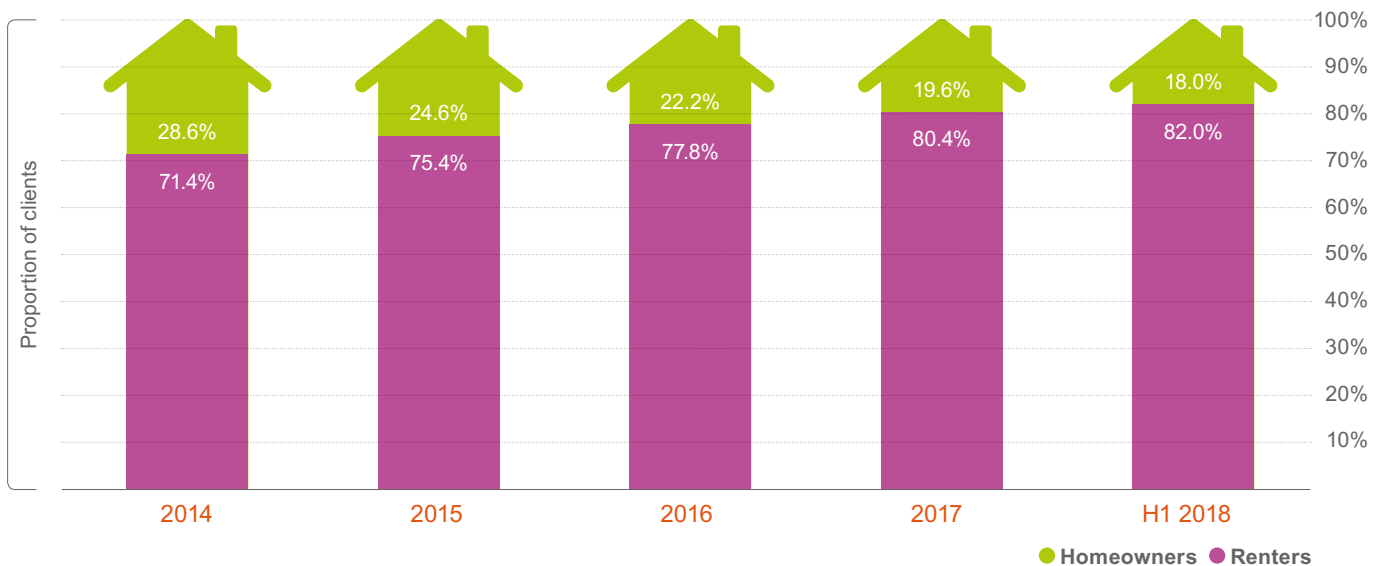
Over the past few years, we have advised an increasing proportion of women and our latest findings show that more than 60% of new clients are female.

Although there are other likely factors which have contributed to this growth, this is a notable link between gender and the growing proportion of single parents contacting us for debt advice in our family composition stats. The majority of single parents who contact us for advice are women.



## Housing

We continue to see more renters than home owners contacting us for advice. The proportion of clients renting has jumped up once again in the first half of 2018 to 82%. Just 18% of new clients who received debt advice are home owners.



## Age

We've been seeing an increasing proportion of younger clients contacting the charity for debt advice. Currently around two thirds of clients are aged under 40. Additionally, in the first half of 2018 we advised more than double the proportion of all UK adults aged between 25-39.

Client Age	2014	2015	2016	2017	H1 2018	Overall UK adult population
18-24	13.0%	13.6%	13.7%	13.9%	14.3%	11%
25-39	41.6%	43.6%	46.4%	49.6%	50.8%	25%
40-59	38.4%	36.0%	33.6%	30.9%	29.6%	34%
60 and over	7.0%	6.8%	6.3%	5.5%	5.3%	30%

## Nations and Regions

### Telephone advised clients per 10,000 population

● 01-25 ● 26-50 ● 51-75 ● 76-100

% = proportion of StepChange clients

**19** Northern Ireland

(0.8%)

**76** North West

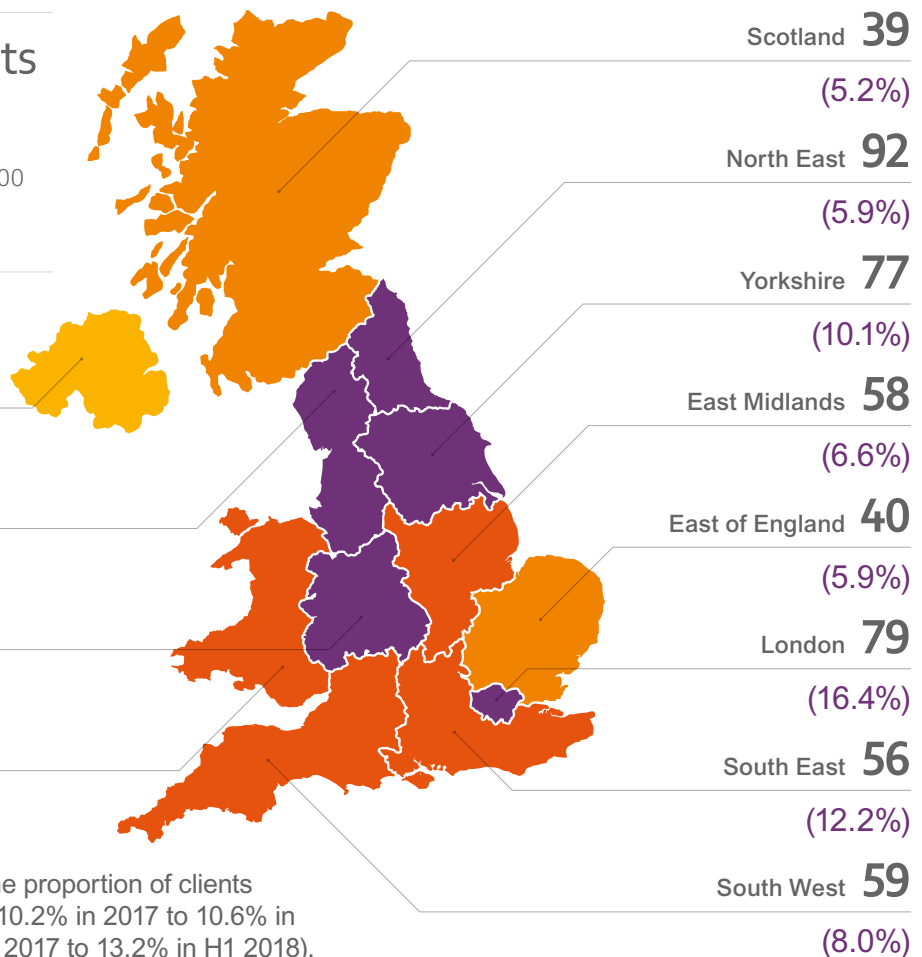
(13.2%)

**77** West Midlands

(10.6%)

**67** Wales

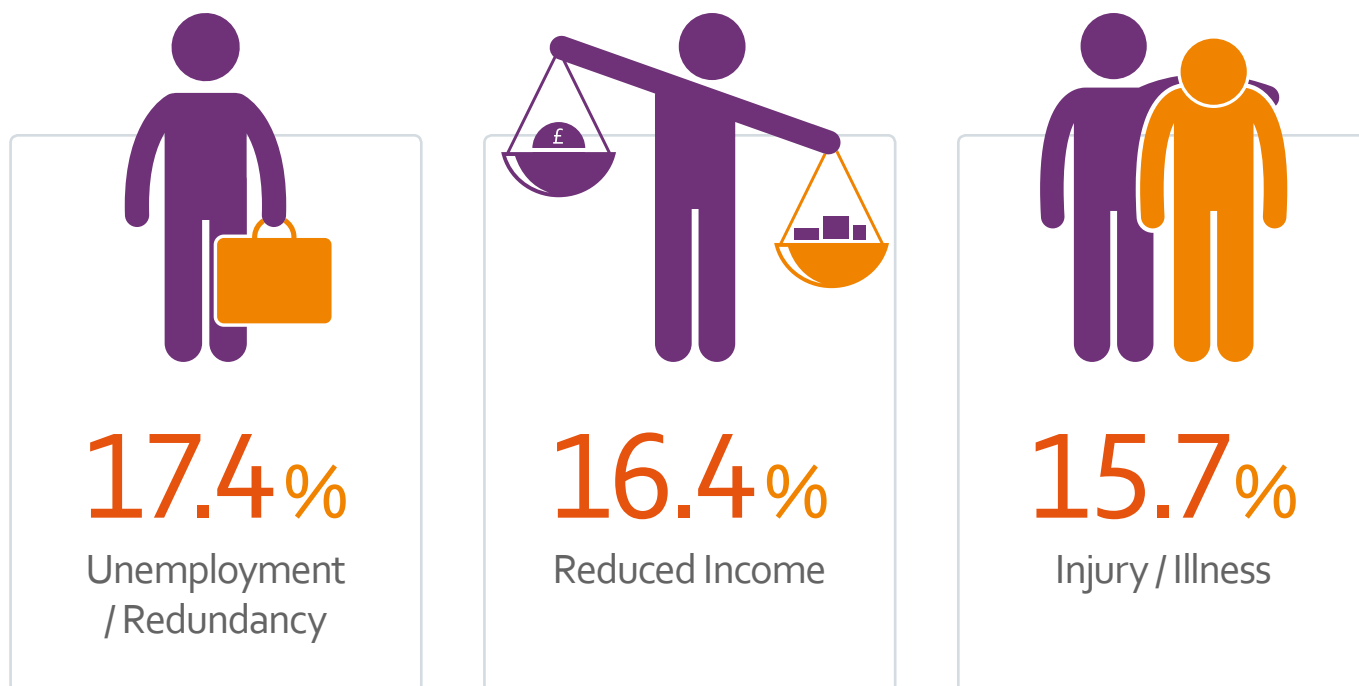
(5.1%)



We have seen particular increases in the proportion of clients contacting us from the West Midlands (10.2% in 2017 to 10.6% in H1 2018) and the North West (12.8% in 2017 to 13.2% in H1 2018).

# Why did people contact us in 2018?

Unemployment or redundancy, reduced income and injury or illness were the top three reasons why people contacted the charity for help with their problem debt in the first half of this year:



## Average monthly income, expenditure and surplus

	2014	2015	2016	2017	H1 2018
Monthly income (net)	£1,375	£1,368	£1,393	£1,468	£1,490
Expenditure	£1,290	£1,285	£1,300	£1,366	£1,383
Surplus*	£67	£60	£63	£70	£78

In the first half of 2018, 30.2% of StepChange clients who completed a full debt advice and budgeting process were in a deficit budget. This means their monthly outgoings exceed their monthly income. This proportion has been slowly rising; in 2016 28.9% of clients were in a deficit budget.

\*Surplus is the amount of balance left at the end of each month after a client has completed StepChange Debt Charity's debt advice and budgeting process.

# Types of debts and arrears

	Council tax	County Court judgment	Electricity	Gas	Magistrates' fine	Mortgage	Rent	TV licence	Water	Hire purchase
<b>H1 2018</b>										
Absolute number of clients in arrears	36,086	2,980	20,986	11,523	326	4,629	24,308	8,199	26,273	6,414
% of clients who had expenditure in arrears	30.1%	18.2%	15.6%	11.8%	3.8%	18.4%	21.0%	6.9%	23.4%	20.9%
Average arrears amount	£999	£1,642	£710	£550	£681	£3,001	£974	£83	£715	£902

The average arrears amount is

**£1,887**

per client



**39.5%**

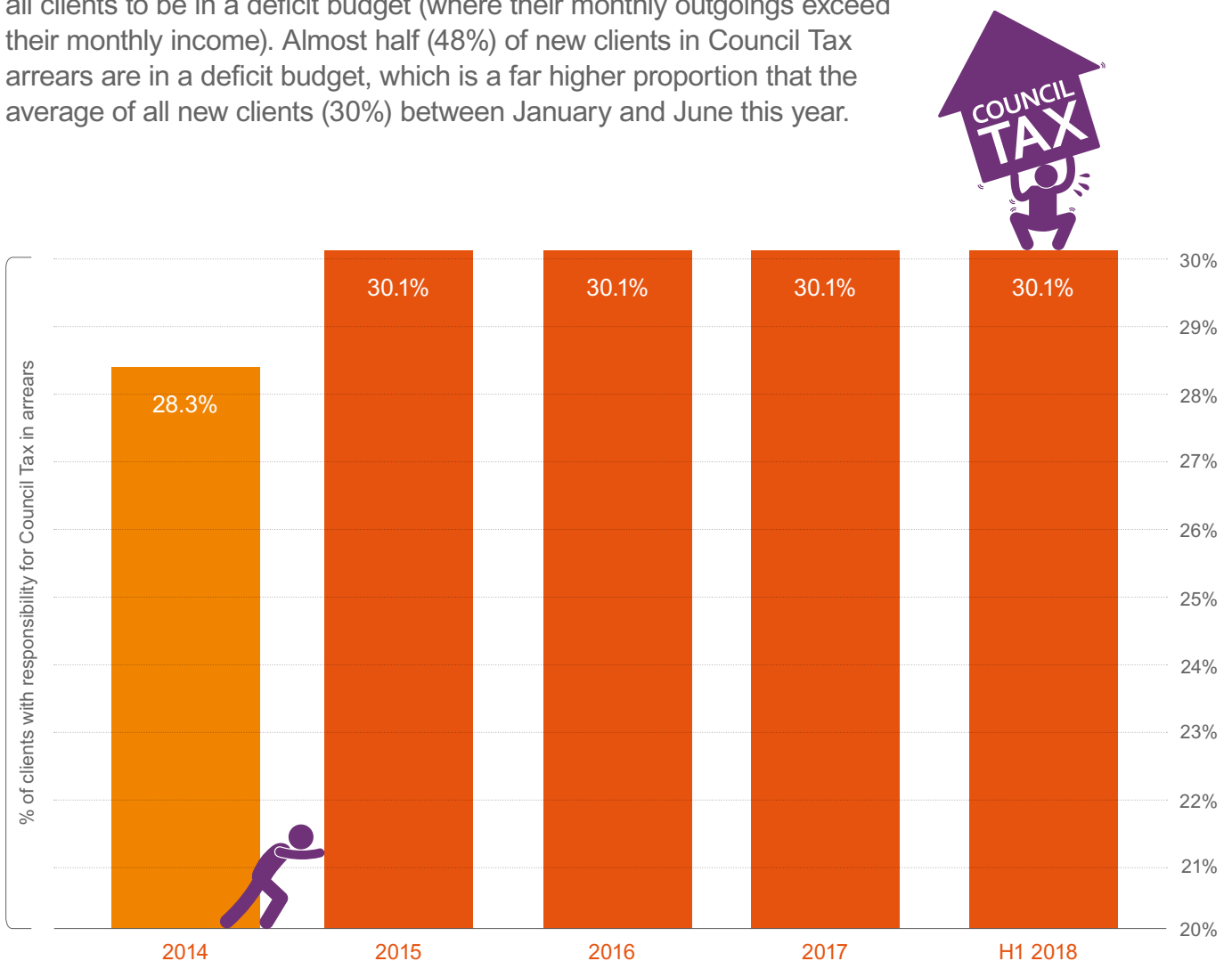
of new clients are behind on at least one household bill when they first contacted us for advice

# Council Tax

Council Tax is the household bill which the highest amount of new clients are behind on, both in terms of absolute numbers and proportionally for clients who had a responsibility for that expenditure.

We saw a rise in the proportion of our clients contacting us for debt advice with Council Tax arrears between 2012 and 2014 and the proportion of clients falling behind has remained high since then. Since 2015, almost one third of all new clients with a responsibility for paying a Council Tax bill have been behind on payments.

Clients in Council Tax arrears are far more likely than the average for all clients to be in a deficit budget (where their monthly outgoings exceed their monthly income). Almost half (48%) of new clients in Council Tax arrears are in a deficit budget, which is a far higher proportion than the average of all new clients (30%) between January and June this year.

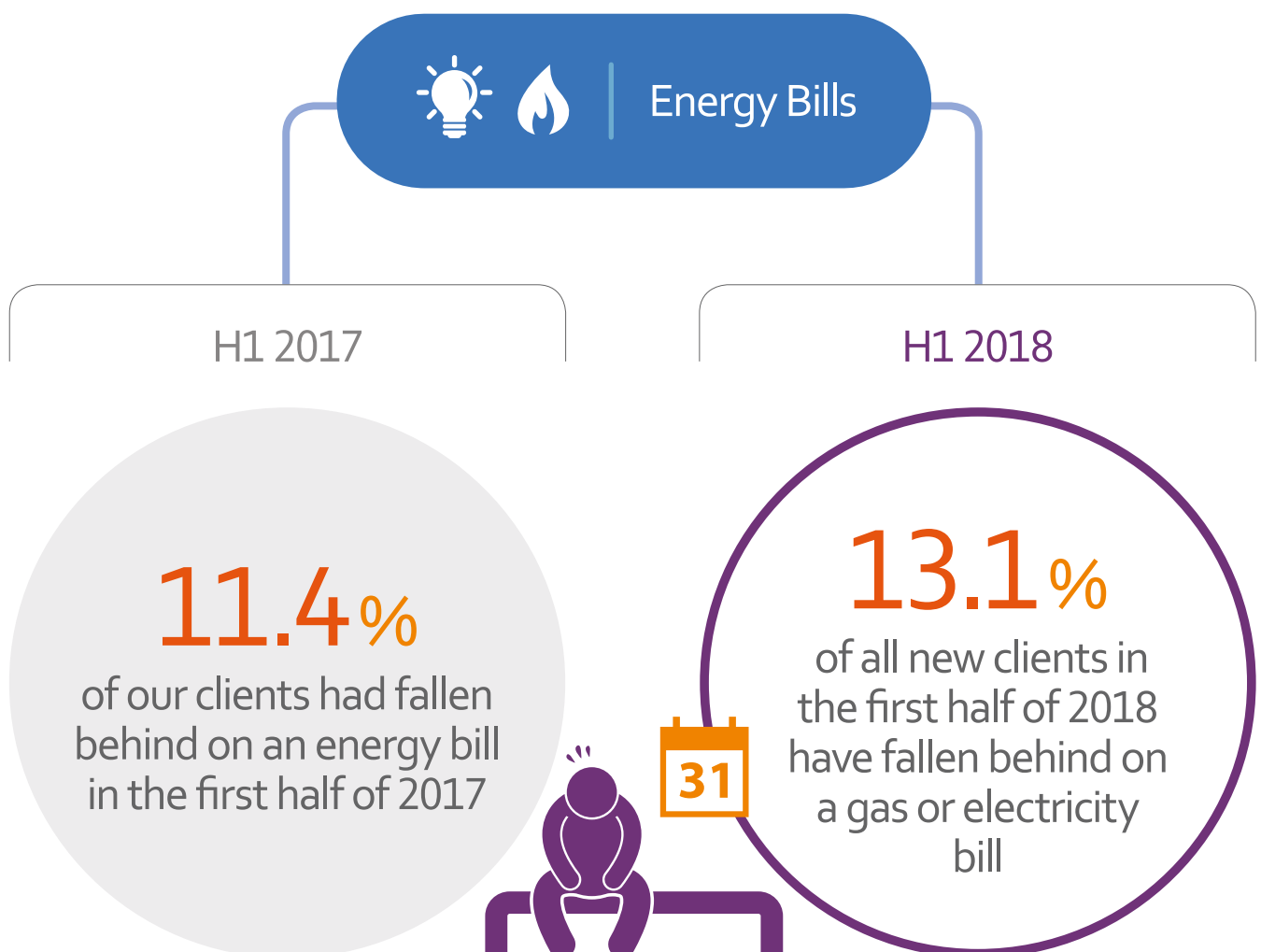




## Younger clients are more likely to be behind on their gas or electricity bills.

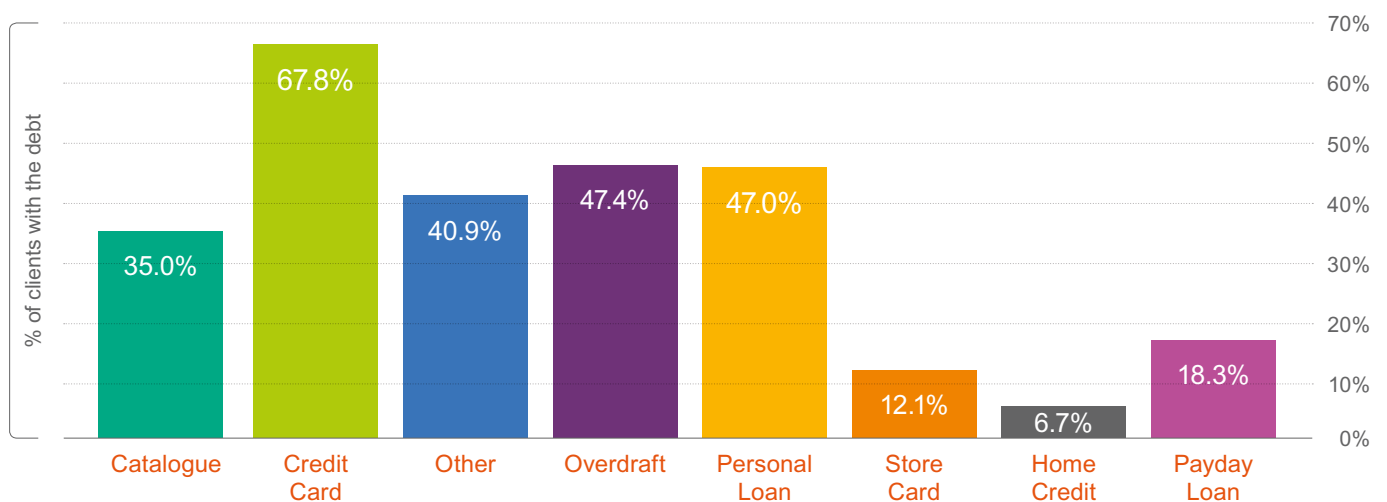
Clients aged under 25 are more likely to be in arrears on their gas or electricity bills compared to older age groups. Our latest stats show that around 13% of under 25s with a responsibility for a gas bill are in arrears, and 17% of under 25s with a responsibility for an electricity bill are in arrears.

Taking into account seasonality, our arrears stats also show that the proportion of all clients falling behind on their energy bills has increased compared to the same time last year.



# Types of debt

The average unsecured debt amount per client now stands at **£13,382**; a rise of **£102** compared against the average for all of 2017.



Credit cards remain the most commonly held type of debt by our new clients. More than two thirds of our clients who first contacted the charity for advice between January and June 2018 have credit card debt.

# Payday loans / Short term high cost credit

The proportion of new clients who have contacted the charity with a payday or short term high cost credit debt has also been increasing over the past few years.

2015



**15.7%** of clients had a payday or short term high cost credit debt

H1 2018



Our latest debt statistics show that this has now risen to **18.3%** for the first half of 2018

29% of under 25s and 22% of those aged 25-39 have a payday loan or form of short term high cost credit debt compared to just 3% of those aged 60 and over. Additionally, renters are far more likely to have this type of debt than homeowners. 1 in 5 renters have a payday loan or short term high cost credit debt compared to just 8% of homeowners.

**Editor: Josie Warner**

For data tables, including 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](#).

Email: [policy@stepchange.org](mailto:policy@stepchange.org)

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