

Anniversary Report

StepChange
Debt Charity

30

Delivering 30 years of free debt advice

1993
2023

Foreword



When StepChange was founded by Vic Ware OBE and Malcolm Hurlston CBE back in 1993, they had a clear vision to provide free debt advice to people throughout the United Kingdom. For the last 30 years, StepChange has upheld this vision and has delivered support to millions of people struggling with problem debt during that time.

This report provides a timeline of some of the key moments in StepChange's history and demonstrates how the charity has been committed to supporting people by putting the needs of our clients at the heart of everything that we do.

Through advice, guidance and support we have helped those who have had nowhere to turn to get back on their feet and manage their money problems. From the credit card boom and bust of the 90s, through the financial crisis in the 2000s, to today's cost of living crisis, we've helped those who need us to weather financial storms across some four decades.

I became Chair of StepChange Debt Charity in 2019 and I am incredibly honoured to continue the work of previous Chairs and support the pivotal work StepChange has pioneered in the everchanging debt landscape.

I hope that everyone will take the time to read about StepChange's achievements and also join me in wishing the charity continued success in the future, as the service they provide is more pertinent today than ever.

John Griffith-Jones
Chair of StepChange Debt Charity

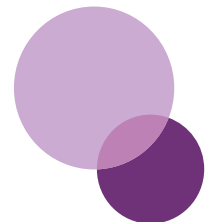


It is a huge privilege to work for an organisation where colleagues, trustees and our valuable partners are working every single day to create a society free from problem debt. It is an inspiring and ambitious mission that has guided StepChange's work for the last 30 years. StepChange has built its foundation on this mission, however a lot has changed in the last 30 years.

From 12 colleagues back in 1993 in one office in Leeds, we have scaled up our operations and have found new and innovative ways to better reach and provide support to our clients. For the last decade, we have been continually working to influence public policy and private sector practice to prevent people falling into problem debt in the first place. In the last 30 years, we have helped over 7.5 million people with their debt and we will continue helping people in financial difficulty become debt free.

In this report we reflect on what we have achieved as an organisation over the last 30 years, and this report pays tribute to the outstanding commitment and dedication we have received from our colleagues to taking us a step closer to creating a society free from problem debt.

Phil Andrew
Chief Executive of StepChange Debt Charity





1993
2023

- 1992:** **Vic Ware** and **Malcolm Hurlston** start to develop their vision to provide free debt advice to people throughout the United Kingdom
- 1993:** **The Consumer Credit Counselling Service (CCCS)** opens its doors at their first debt advice centre in Leeds and establishes the Debt Management Plan (DMP), to help thousands of people repay their unsecured debts
- 2006:** **CCCS launches Debt Remedy**, the first online tool providing free, confidential debt advice 24/7
- 2007:** **CCCS Voluntary Arrangement launches** as the only not-for-profit organisation offering Individual Voluntary Arrangements (IVAs) on a charitable basis
- 2012:** **CCCS changes its name and becomes StepChange Debt Charity** in a major rebrand – including launching a TV marketing campaign
- 2014:** **StepChange launches the first ever Debt Awareness Week** – it becomes one of the busiest weeks in our history as we deal with a huge £266m worth of debt in a seven-day period
- 2016:** **StepChange receives authorisation** from the Financial Conduct Authority (FCA)
- 2021:** We have been at the forefront of campaigning for **Breathing Space** (also known as the Debt Respite Scheme) since 2014. In May 2021, Breathing Space is launched by the government and becomes available to our eligible new clients
- 2023:** **StepChange delivers 30 years of free debt advice**, helping over 7.5 million clients since 1993

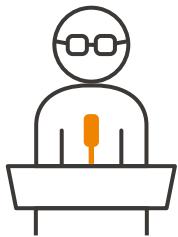
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1990s: The start of the decade was marked by a severe recession, with interest rates hitting around 15% and inflation peaking at 9.5% in 1990. This saw a sharp rise in mortgage arrears and possessions, and falls in nominal house prices.

In 1992, “Black Wednesday” saw the government suspend the United Kingdom’s membership of the European Exchange Rate Mechanism leading to an economic shock and a deepening recession which saw around 3 million people unemployed in February 1993.

By April 1993, the government declared the official end of the recession but millions of households were still struggling to get back on their feet. The advent of a credit boom was also starting to see a rise in those struggling with repayments of their unsecured debts.



Margaret Thatcher’s 11 years as Prime Minister comes to an end and **John Major is appointed Prime Minister**

1990

The Confederation of British Industry suggests that the British economy is now officially in a recession

Inflation reached **9.5%** for the first time since 1981



Bryan Adams’ 1991 song “(Everything I Do) I Do It for You” held the **number one** position in the UK charts for the longest time (16 weeks) in the 1990s

1991



Tim Berners-Lee introduces WorldWideWeb, the first web browser



Vic Ware and Malcolm Hurlston start to develop their vision to provide free debt advice to people throughout the United Kingdom

1992



“Black Wednesday”
On 16 September 1992, the government suspends the United Kingdom’s membership of the European Exchange Rate Mechanism following a wave of speculation against the Pound



In February, unemployment reaches around 3 million (and a rate of 10.6%) for the first time in six years

April 1993 marks an official end of the recession which began nearly three years ago

1993

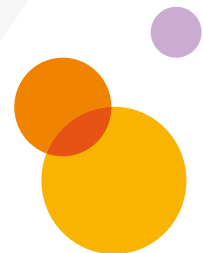


The Consumer Credit Counselling Service (CCCS) opens its doors at their first debt advice centre in Leeds and establishes the Debt Management Plan (DMP), to help thousands of people repay their unsecured debts




1994


Freddo re-launched in the UK in 1994 and cost 10p




In 1993, the Consumer Credit Counselling Service as we were known then (now StepChange) opened our first debt advice centre in Leeds.

Near the end of the decade, in January 1999, unemployment had fallen to just over 1.3 million – the lowest level for 20 years and the United Kingdom's economy was enjoying a sustained period of growth.


 Average household disposable income in 1990
£20,214


 Average unsecured debt per CCCS client in 1996
£14,800


 Average house price in Jan 1990
£58,250



1995

1%

of the United Kingdom's population (600,000 people) now have internet access



The Spice Girls' release their debut single Wannabe

1996



In December, unemployment falls below 2 million for the first time in almost six years



Tony Blair becomes Prime Minister. Labour win a landslide 179 seat majority

1997

A record 120 women enter parliament, including 101 female Labour MPs



Referendums are held in Scotland and Wales in which people vote for devolution



Diana, Princess of Wales, dies in a car crash in Paris, France



1998



Tuition fees to fund students at universities are introduced. Students are required to pay up to £1,000 a year for tuition



1999

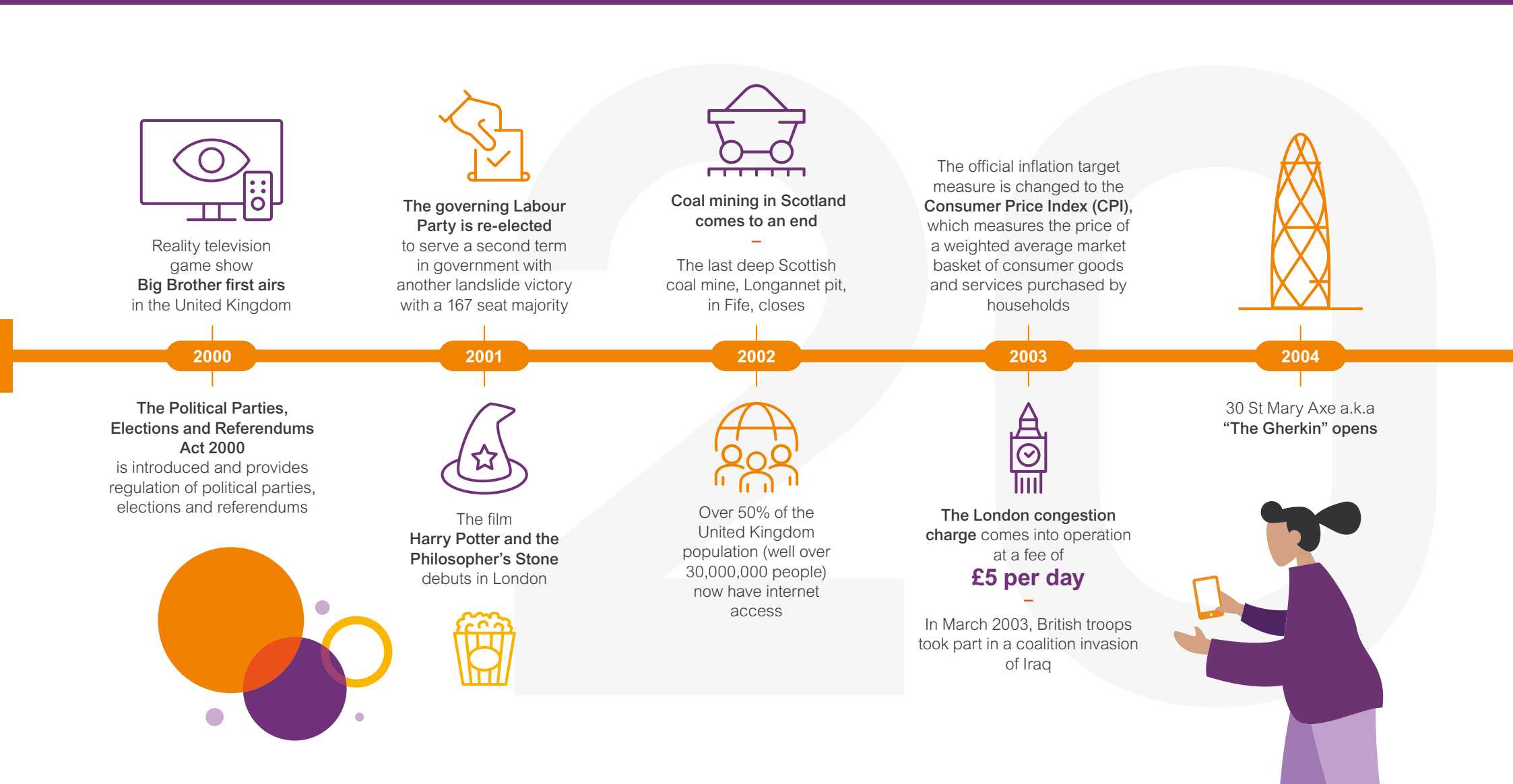
In April, a minimum wage is introduced throughout the United Kingdom set at **£3.60 an hour** for workers over 22 and £3 for workers aged 18-21



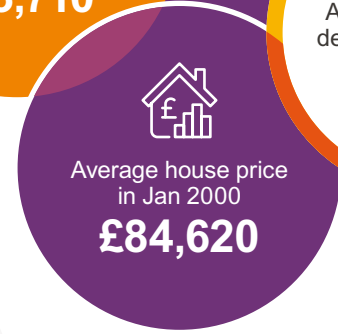
2000s: The beginning of the noughties saw The Financial Services and Markets Act 2000 create the Financial Services Authority (FSA) as a regulator for insurance, investment business and banking, and the Financial Ombudsman Service to resolve disputes as a free alternative to the courts.

The FSA later took over mortgage regulation (2004) and insurance regulation (2005). In 2006, Consumer Credit legislation is updated to address consumer harm in the credit market. Towards the end of the decade, the US subprime mortgage crisis escalated to create a global financial crisis between 2007-2008.

The collapse of Northern Rock marked the beginning of a prolonged crisis in the United Kingdom, with the economy shrinking and officially tipping into recession.



Following on from the 2008 financial crisis, CCCS saw a steep rise in the number of new clients coming for debt advice, with a notable increase in homeowners, 40-59 year olds and single parents.



Rihanna's 2007 song "Umbrella" held the **number one** position in the UK charts for the longest time (10 weeks) in the 2000s

The price of a **Freddo** is hiked up for the first time in 2007 to 15p

CCCS Voluntary Arrangement launches as the only not-for-profit organisation offering Individual Voluntary Arrangements (IVAs) on a charitable basis



The Labour Party, led by Tony Blair, wins its **third consecutive victory**, however, its majority fell to 66 seats compared to the 167 seat majority it had won four years before



CCCS Voluntary Arrangement launches as the only not-for-profit organisation offering Individual Voluntary Arrangements (IVAs) on a charitable basis



2005

2006

2007

2008

2009



"**Doctor Who**" is revived as a TV series by the BBC

More people were looking for help with their debts online. To reach them, **CCCS launches Debt Remedy, the first online tool** providing free, confidential debt advice



Gordon Brown is appointed Prime Minister

The Tribunals, Courts and Enforcement Act 2007 is introduced and makes provision about matters related to tribunals, the Courts and the enforcement and management of debts

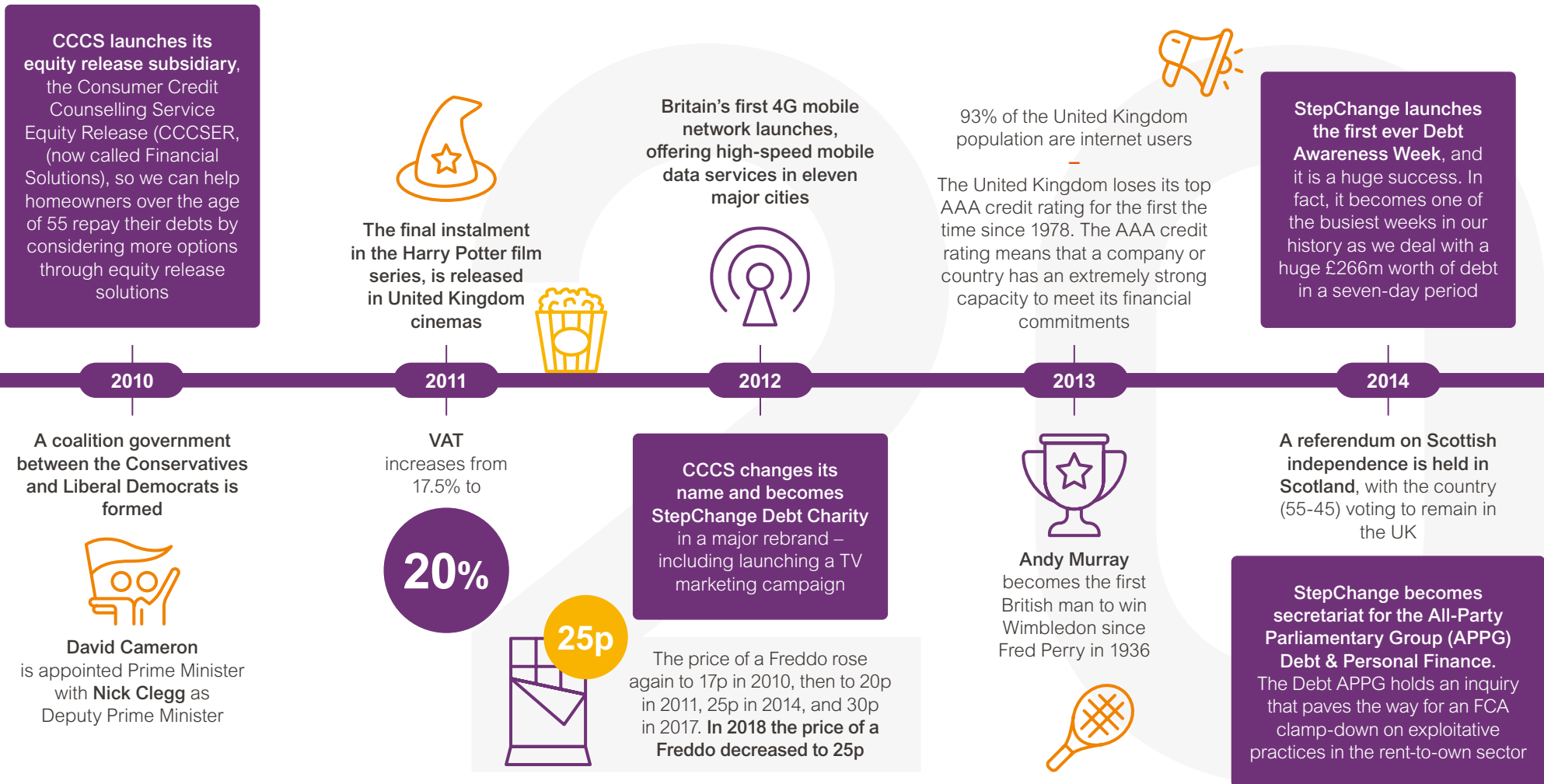
Between April and June 2008, Gross Domestic Product (GDP) begins to fall, and the UK economy enters into a recession



CCCS becomes approved to offer Debt Relief Orders (DROs). Debt Relief Orders were introduced under The Tribunals, Courts and Enforcement Act 2007 following the financial crisis, as a quicker and cheaper alternative to bankruptcy

2010s: In January 2010, the Office for National Statistics (ONS) announced that the United Kingdom was no longer in a recession. In 2013, there were changes to financial services regulation in response to the financial crisis, and the Financial Conduct Authority (FCA) was established.

The FCA regulates financial firms providing services to consumers and maintains the integrity of the financial markets in the United Kingdom. The regulation of the consumer credit market was transferred to the FCA (2014). In February 2015, inflation fell to its lowest level - zero percent.





Drake's 2016 song "One Dance" held the number one position in the UK charts for the longest time (15 weeks) in the 2010s



Average household disposable income in 2010
£28,075



Average unsecured debt per StepChange client in 2015
£13,900



Average house price in Jan 2010
£167,469



StepChange is the winner of the Debt Advice Provider of the Year – Credit Strategy Awards

The UK Parliament's Justice Select Committee recommends the establishment of an independent regulator for the bailiff enforcement sector



A general election is held, with the Conservative party winning an outright majority. **David Cameron** continues as Prime Minister



Theresa May is appointed Prime Minister

At a referendum, the United Kingdom narrowly votes to leave the European Union (52-48). Brexit, as it rapidly becomes known, subsequently dominates the parameters of political debate



2015



The FCA introduces price capping rules on payday loans, after a concerted campaign from consumer groups and debt advice agencies, including StepChange

2016

StepChange's Advocacy Team win the 'Vulnerable Customer Service Initiative' award at the Collections and Customer Service Awards

StepChange receives authorisation from the Financial Conduct Authority (FCA)

2017



A general election is held and the governing Conservative Party remained the largest single party in the House of Commons but lost its overall majority

The new Parliament votes in favour of the introduction of a new statutory Breathing Space scheme, after campaigning by StepChange and sector partners

2018

In 2018 we celebrated our 25th anniversary. In 25 years StepChange has helped over 5 million people deal with their debt

2019



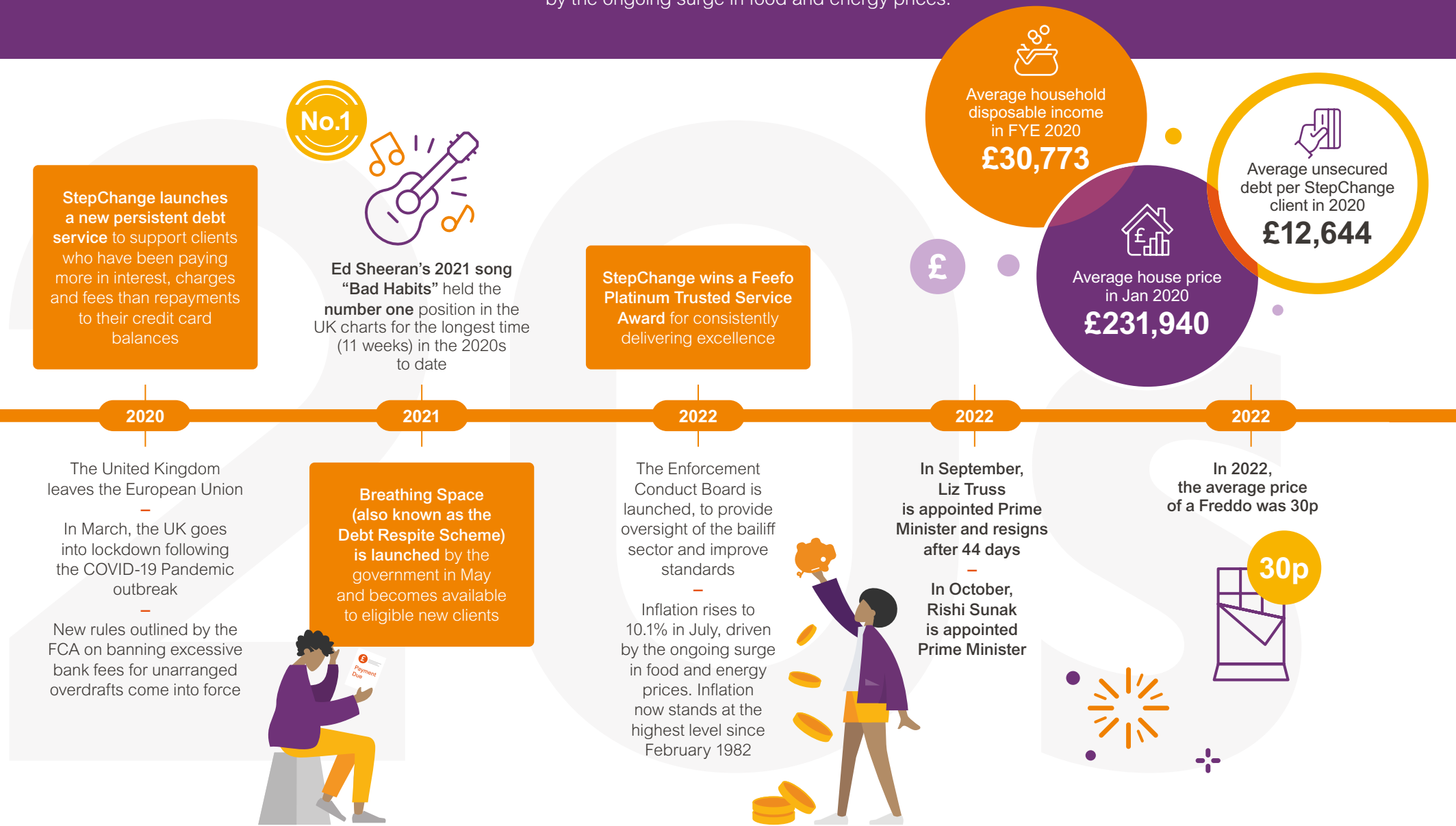
Boris Johnson is appointed Prime Minister. In December, the Conservatives win the 2019 General Election with an 80 seat majority

Between January 2011 to December 2019, a total of £38.3 billion is paid to customers who complained about the way they were sold Payment Protection Insurance (PPI)

2020s: In January 2020, the United Kingdom had left the EU with a transition period. The United Kingdom went into lockdown in March 2020 due to the COVID-19 pandemic. New rules outlined by the FCA on banning excessive bank fees for unarranged overdrafts came into force in April 2020.

Breathing Space (known as the Debt Respite Scheme) was launched by the government in May 2021 and became available to StepChange's eligible new clients. The year 2022 was marked by the United Kingdom cost of living crisis which saw inflation rise to 10.1% in July, which was driven by the ongoing surge in food and energy prices.

Since 1990 to date, the United Kingdom has had 8 Prime Ministers and 11 Chancellors of the Exchequer.



Future Outlook: Debt Until the End of this Decade



Looking backwards we can see how the shape and nature of UK households' financial vulnerability has evolved through a number of phases: the early 90s mortgage shock, the long credit boom, the crash and 'great recession', austerity, and then covid to now. Each phase driven and shaped by both 'macro' shocks and the incremental micro movement of demographics, markets and policy that condition how people are exposed to and cope with the financial risks of everyday life.

When StepChange was 20 we worked with The Smith Institute on a piece called Tomorrow's borrowers: Personal debt by 2025 and the policy response¹. Strip away the topical concerns of 2013 and the analysis still looks fresh enough to roll forward to 2030. Boiled down, it highlights three broad policy themes shaping debt vulnerability: low financial resilience, problems in credit markets, and essential markets like housing, energy and employment not working well for lower income households.

Add to this (noting the current Insolvency Service landscape review and the postponement of statutory debt repayment plans) the need for better support for people in financial difficulty and we have an issues list that can both describe household debt in 2030 and do something to prevent it. Which is after all the point.

We have seen tangible progress with credit markets but there is still work to do. The Consumer Duty must be the moment that carries us finally away from practices that exploit consumers' vulnerabilities, biases and constrained choices. On financial resilience (the ability of households to cope with shocks without falling into debt or harmful credit use) the current cost of living shock leaves many households treading water at best. The government support package is vital; but as the Joseph Rowntree Foundation points out, many families will still experience a 'frightening obstacle course just to afford the essentials'².

Just getting through 'now' will exhaust the limited financial resilience people have. This brings us back to policy. Reducing households' vulnerability to debt in this decade will ultimately rest on the need for secure sustainable incomes and affordable essential living costs. We have argued before that successive governments of different shades have sought these goals through means like growth, competition and flexibility in those essential markets we identified as debt drivers in 2013. In 2023 it seems increasingly clear that for lower income households these policy means are leading to increasingly uncertain ends. We now know enough about debt and the harm it causes to call for a different approach that starts with a plan to increase financial resilience and a strategy to ensure households can make ends meet going forward.

Peter Tutton

Head of Policy, Research and Public Affairs
at StepChange Debt Charity

¹ <https://www.smith-institute.org.uk/book/tomorrows-borrowers-personal-debt-by-2025-and-the-policy-response/>

² Joseph Rowntree Foundation, press release 17 November 2022 'Some relief for families but "obstacle course just to afford the essentials" remains.'

Editor: Asiya Uddin
Research and Insight Officer

For more information, 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.](#)

Get in touch:

 www.stepchange.org

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