

Statistics Yearbook

Personal debt in the UK
January - December 2022

Introduction

This latest report from StepChange Debt Charity highlights the demographic and debt situations of clients who first contacted the charity between January and December 2022 for their most recent advice session.

Like many households across the UK, our clients felt the impact of increased living costs on essential items such as food and energy. For many of our clients, this rise in costs left them unable to afford these everyday essential costs.

In 2022, various government interventions were rolled out to help support households that were at risk of financial difficulty, such as the Energy Price Guarantee, Cost of Living Payments and the Household Support Fund. However, we still saw a rise in the number of clients seeking debt advice from StepChange.

A substantial number of households still experienced financial difficulties throughout 2022:

- Over half a million (580,913) clients contacted StepChange seeking debt advice or guidance with their problem debt in 2022, which is a 20% increase on 2021 (483,247)
- StepChange's website received over 6 million visits in 2022
- In 2022, 187,278 clients completed full debt advice, which is a 9% increase on 2021 (171,232)
 - 151,182 clients completed debt advice through the charity's online channel
 - 36,096 clients completed debt advice session through the charity's telephony channel

Methodology

The statistics in this document, unless otherwise stated, are based on 187,278 clients who completed a full debt advice session, conducted between January and December 2022 through a telephony or online session, or through a combination of both channels. This figure differs from figures quoted elsewhere by StepChange – for example StepChange's [monthly client data reports](#), which reports clients who completed a first debt advice session in each calendar month. The number of new clients who completed a first debt advice session between January and December 2022 is 171,874.

This difference is because figures quoted in our Statistics Yearbook include clients who had first contacted the charity for advice prior to January 2022, but who may have been readvised over the course of 2022, meaning their budget, debt or demographic information may have changed from their initial advice session.

Ethnicity data was captured between August and December 2022, which is based on a sample of 62,642 clients who completed full debt advice and provided information regarding their ethnicity.

Note that figures are presented as rounded whole numbers throughout this report. As a result of rounding, some figures may not correspond with the sum of their individual figures or add up to 100%.

Key findings

- A '**cost of living increase**' is the second most common reason for debt, up by nine percentage points year-on-year to 15% in 2022
- The mean **monthly surplus** per client has decreased from £100 in 2021 to £73 in 2022
- The proportion of clients with a **negative budget** is 29% in 2022 and notably higher among clients in receipt of Universal Credit (46%)
- One third (33%) of clients were in **arrears with their energy bills** in 2022
- The **mean unsecured debt** amount per client increased by **25% year-on-year to £13,941**
- **Credit cards** (66%) remain as the most common unsecured debt type held by clients
- In 2022, **two in five** (40%) StepChange clients were **in full-time employment** (2021=37%)
- StepChange continues to advise a growing proportion of women (**63% in 2022 vs. 61% in 2021**)
- We advised a **growing proportion** of those aged between 25-39, up by two percentage points in 2022 to 48%
- We also advised a **higher proportion of single parents**, accounting for one in four clients (26%)



Reasons for debt

A 'cost of living increase' was the eighth most common reason for debt in 2021 at 6%. In 2022 it was the second most common reason for debt among clients, up by nine percentage points to 15%.

The proportion of clients citing a 'cost of living increase' as their main reason for debt is higher among those aged 60 and over (20%) and among those with children (19%).

However our [monthly client data reports](#) have shown the proportion of clients citing a 'cost of living increase' as their main reason for debt grew through 2022, from around one in ten in January (9%) to over two in ten in December (22%). In our monthly client reports, a 'cost of living increase' has been the singular most common reason for debt since June 2022.

A 'lack of control over finances' remains as the main reason for debt among clients, down by two percentage points between 2021 (19%) and 2022 to 17%.

Most common reasons for debt among clients	2021	2022
Lack of control over finances	19%	17%
Cost of living increase	6%	15%
Unemployment or redundancy	15%	12%
Reduced income or benefits	13%	10%
Injury or health issue	10%	9%
Need credit to cover living costs	6%	7%
Separation or divorce	6%	5%
Covid 19	9%	4%
Irregular Income	3%	3%
Unexpected one-off expense	3%	3%

Client budgets

The average monthly income and expenditure levels have increased in 2022 and are higher than recent years. In 2022, 56% of StepChange clients were in some form of employment, which may partly reflect why we have seen a rise in the average monthly income. The increase seen in the average monthly expenditure reflects the rising cost of living.

Despite the increase in StepChange client's average monthly income year-on-year, the mean monthly surplus per client has decreased from £100 in 2021 to £73 in 2022. The median monthly surplus is marginally down by £4, from £72 in 2021 to £68 in 2022.

Average monthly client income, expenditure, and surplus

		2018	2019	2020	2021	2022
Mean	Monthly income	£1,508	£1,544	£1,337	£1,434	£1,558
	Monthly expenditure	£1,396	£1,430	£1,243	£1,364	£1,494
	Monthly surplus	£83	£89	£95	£100	£73
Median	Monthly income	£1,400	£1,437	£1,291	£1,366	£1,490
	Monthly expenditure	£1,302	£1,335	£1,185	£1,278	£1,395
	Monthly surplus	£52	£56	£65	£72	£68

Negative budgets¹

The proportion of clients with a negative budget has increased by two percentage points from 27% in 2021 to 29% in 2022.

The proportion of clients with a negative budget is also higher among those aged 40-59 (34%) and those aged over 60 (33%), single adults with children (34%), and clients in receipt of Universal Credit (46%).

Three in five (60%) clients with children have a negative budget in 2022, which is an increase of six percentage points compared to 2021 (54%).

Client Type	2021	2022
All clients	27%	29%
Women	28%	30%
Men	28%	28%
Other gender identity	29%	30%
Under 25	26%	27%
25-39	25%	26%
40-59	32%	34%
60 and over	30%	33%
Single with children	30%	34%
Couple with children	24%	26%
Single without children	29%	29%
Couple without children	24%	24%
Universal Credit	44%	46%

sum 54% → sum 60%

Social security

In 2022, the proportion of clients in receipt of at least one benefit, including child benefit, is 58% which is one percentage point lower than 2021 (59%).

Over a third of clients claim Universal Credit, which is unchanged year-on-year at 35%, in 2022. The proportion of clients who claim child benefit has increased by one percentage point year-on-year to 34%.

The proportion of clients who claim any benefit, excluding those who solely claim child benefit, is 48% in 2022, down by two percentage points compared to 2021 (50%).

Clients in receipt of benefits

% of clients with benefit type in...	2021	2022
Universal Credit	35%	35%
Child benefit	33%	34%
DLA/PIP (adult)	10%	12%
Child tax credit	7%	7%
Housing benefit	6%	6%
ESA	7%	6%
DLA/PIP (child)	3%	3%
Working tax credit	2%	2%
Other benefit	2%	2%
Income support	2%	1%
JSA (contribution)	1%	<1%
JSA (income)	<1%	<1%

¹ A negative budget describes where a client's monthly expenditure is greater than their monthly income after proceeding through StepChange's advice and budgeting process

Client age

In 2022, StepChange continued to advise a greater proportion of clients aged under 40, with 59% of clients aged under 40, up by one percentage point compared to 2021 (58%). The proportion of clients aged 18-59 is unchanged year-on-year at 92%.

Clients aged between 25-39 are over-represented in our client population, accounting for around a half (48%) of all clients, whereas in the general UK population they account for a quarter (24%).

Age Group	2021	2022	UK Average ²
Under 25	12%	11%	12%
25-39	46%	48%	24%
40-59	34%	34%	33%
60 and over	7%	8%	31%

Employment

In 2022, 56% of StepChange clients were in some form of employment, which is up by three percentage points compared to 2021 (53%), due to a rise in those in full-time employment (2021=37% vs. 2022=40%).

Around one in ten (11%) clients were unemployed and looking for work in 2022 – a four percentage point decrease compared to 2021 (15%).

The proportion of StepChange clients not working due to an illness or disability has increased by one percentage point year-on-year to 16% in 2022.

Employment status



Full-time
37% 40%



Not working
Illness / disability
15% 16%



Part-time
employed
14% 14%



Unemployed
Looking for work
15% 11%



Unemployed
Not looking for work
9% 9%



Retired
3% 3%



Carer
3% 3%



Zero hours contract
2% 2%



Student
2% 2%

● 2021 ● 2022

Ethnicity

The most common high-level ethnic group that StepChange advised between August-December 2022 in the UK was “White”, with 86% of clients identifying this way. Among the “White” ethnic group in the UK, 82% of clients identified as “English, Welsh, Scottish, Northern Irish or British”.

The next most common high-level ethnic group, by a very small margin, was “Mixed or Multiple ethnic groups”, accounting for 4% of StepChange clients between August-December 2022. This is followed by those that identify as “Black, African, Caribbean or Black British” (4%), “Asian or Asian British” (4%), and “Other ethnic groups” (1%).



August - December 2022

	UK	England and Wales	England and Wales Average ³
White	86%	85%	84%
English, Welsh, Scottish, Northern Irish or British	82%	81%	76%
Irish	1%	<1%	1%
Gypsy or Irish Traveller	<1%	<1%	<1%
Any other White background	4%	4%	7%
Mixed or Multiple ethnic groups	4%	5%	2%
White and Black Caribbean	2%	2%	1%
White and Black African	1%	1%	<1%
White and Asian	1%	1%	<1%
Any other Mixed or Multiple ethnic background	1%	1%	1%
Black, African, Caribbean or Black British*	4%	5%	4%
African	2%	2%	2%
Caribbean	1%	1%	1%
Any other Black, African or Caribbean background	1%	1%	<1%
Asian or Asian British**	4%	4%	9%
Pakistani	1%	2%	2%
Indian	1%	1%	3%
Bangladeshi	1%	1%	1%
Chinese	<1%	<1%	1%
Any other Asian background	1%	1%	2%
Other ethnic groups	1%	1%	2%
Arab	<1%	<1%	<1%
Any other ethnic group	1%	1%	2%

* England and Wales Average includes “Black Welsh”

** England and Wales Average includes “Asian Welsh”

Housing situation

The proportion of clients renting their homes is unchanged year-on-year at two-thirds (66%) of all clients in 2021 and 2022.

Renting from the private sector (34%) continues to be the most common housing tenure among StepChange clients, followed by renting from a council or housing association, which has increased by one percentage point to 32% in 2022.

Around 16% of clients were homeowners in 2022, which is unchanged year-on-year. We are yet to see a significant impact of the increase in interest rates on those with mortgages on demand for our debt advice. Although, in our [monthly client data reports](#) we saw a one percentage point rise in homeowners seeking debt advice in December 2022 (16%), compared to January 2022 (15%). We will continue to monitor this data.

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

Gender



Among women who first received debt advice from StepChange in 2022:

- Women are more likely to be renting their homes (71%) than men (60%)
- Around 37% of women are single with children, compared to 9% of men
- One in five (19%) women are in part time employment compared to 6% of men
- Women's average unsecured debt levels (£12,093) are lower than men's (£16,831)
- Seven in ten (69%) of those that cited a 'cost of living increase' as their main reason for debt were women
- Among StepChange clients who are in energy arrears, around seven in ten (71%) are women

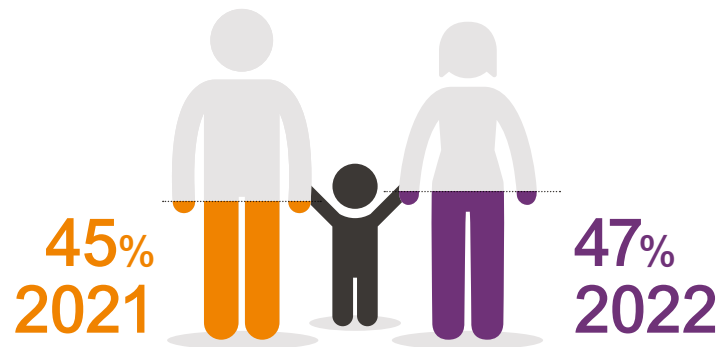
Gender	2021	2022
Women	61%	63%
Men	39%	37%
Other gender identity	<1%	<1%

Family composition

Single adults without children are the most common family composition type at two in five (41%) clients, despite a one percentage point year-on-year decrease.

The proportion of clients who are single with children is on the rise and higher than pre-pandemic levels at one in four (26%) clients, following a two percentage points year-on-year increase.

Proportion of clients with children



Family Composition	2021	2022	UK Average ⁴
Single with Children	24%	26%	6%
Couple with Children	21%	21%	22%
Single without Children	42%	41%	36%
Couple without Children	13%	12%	35%

Clients in vulnerable situations⁵

Over one-half (56%) of StepChange clients have at least one additional vulnerability to their financial situation in 2022, which is unchanged year-on-year.

	2021	2022
Vulnerability	56%	56%

Around two in five (40%) clients have a mental health condition and the most common types are stress or anxiety and depression, which affect one in ten (11%) clients each.

In 2022, the most common types of vulnerability included:

Stress or anxiety	11%
Depression	11%
Physical disability	9%
Suicidal tendencies	7%
Domestic violence	5%
Recent bereavement	5%



In 2022, 40% of all clients had a mental health condition

⁴ ONS (2022). Families and Households 2021. Office for National Statistics - Labour Force Survey (LFS)

⁵ A 'vulnerable situation' includes physical health conditions, mental health conditions, learning disabilities, sight or hearing difficulties and other situations which can make dealing with problem debt particularly difficult. Clients can have multiple types of vulnerability

Location⁶

In the UK, around 30 per 10,000 adults are StepChange clients. The density in demand for our debt advice increases in Wales and England where 33 per 10,000 adults and 32 per 10,000 adults are StepChange clients, respectively.

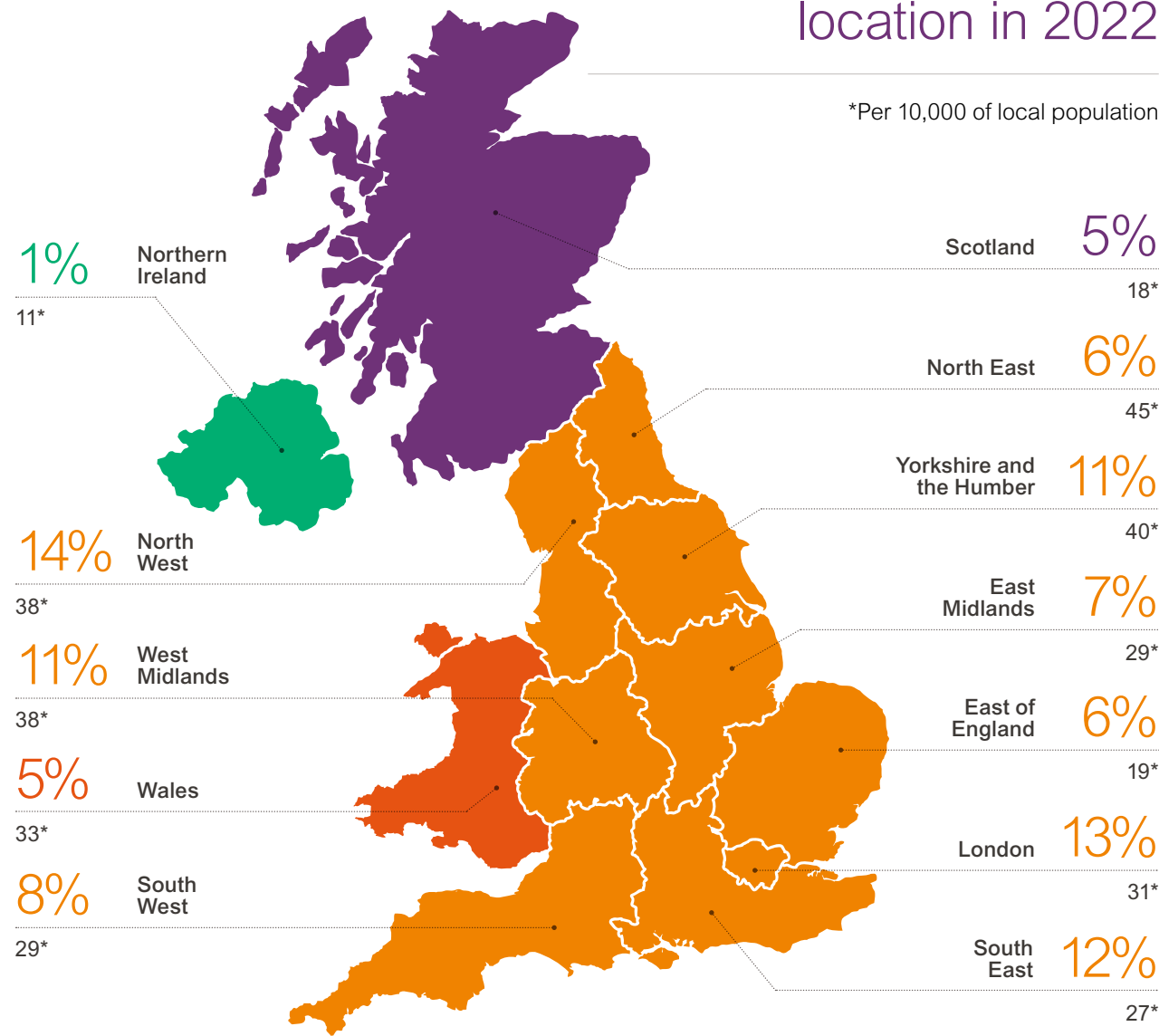
The North West (14%) has the highest proportion of StepChange clients, followed London (13%) and the South East (12%). Although, the highest concentration of StepChange clients, per 10,000 adults of the given local population, can be found in the following English regions: North East (45), Yorkshire and Humber (40), West Midlands (38), and North West (38).

Clients' locations - Nations

UK Nation	StepChange clients (%)	Clients per 10,000 of population
Wales	5%	33
England	89%	32
Scotland	5%	18
Northern Ireland	1%	11
United Kingdom	100%	30

Clients by location in 2022

*Per 10,000 of local population



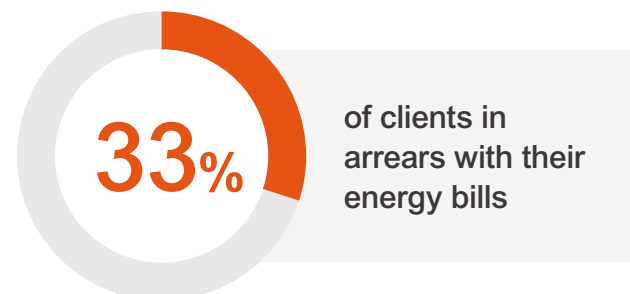
⁶ ONS Mid-2021 dataset on estimates of the population for the UK, England, Wales, Scotland and Northern Ireland, filtered on those aged 18 and over

Arrears

In 2022 a growing proportion of clients were behind on their energy bills. One third (33%) of clients were in arrears with their energy bills in 2022, compared to 29% in 2021.

Among clients with a responsibility for paying dual fuel bills, the proportion of clients in arrears with this bill type has increased by 7 percentage points year-on-year to 52% (2021=45%). Electricity (30% vs. 28% in 2021) and gas (25% vs. 23% in 2021) arrears are also up by two percentage points each, compared to 2021, among those who are responsible for paying these bills, respectively.

The proportion of clients in arrears with their council tax bills, has decreased by one percentage point year-on-year to 36%.



Average arrears and amounts⁷

	Household bill type	% of clients in arrears 2021	% of clients in arrears 2022	Average arrears amount 2021	Average arrears amount 2022
	Dual Fuel	45%	52%	£1,329	£1,436
	Council Tax	37%	36%	£1,578	£1,689
	Electricity	28%	30%	£1,152	£1,272
	Water	33%	29%	£988	£1,065
	Gas	23%	25%	£781	£874
	Rent	25%	22%	£1,676	£1,786
	Mortgage	19%	16%	£4,497	£5,751
	TV Licence	4%	3%	£102	£108

- The average dual fuel arrears amount per client increased by £107 between 2021 and 2022. The average electricity arrears amount increased by £120 and gas arrears increased by £93
- There has also been an £111 increase in the average council tax arrears held by clients to £1,689
- Although the proportion of clients with mortgage arrears has fallen between 2021 (19%) and 2022 (16%), the average mortgage arrears level has increased from £4,497 in 2021 to £5,751 in 2022

⁷ The proportion of clients on each household bill type is a percentage of the total count of clients who are responsible for paying that bill type

Unsecured debts

Average unsecured debt

	2018	2019	2020	2021	2022
Mean	£13,544	£14,129	£12,644	£11,176	£13,941
Median	£8,380	£8,605	£7,724	£6,372	£8,700

The average number of unsecured debts held per client increased from five in 2021, to six in 2022.

The increase in the number of unsecured debts held per client has likely contributed towards the average unsecured debt amount held per client to also increase.

The mean unsecured debt amount increased by 25% year-on-year

▲
£13,941

The median unsecured debt amount increased by 37% year-on-year

▲
£8,700

Credit cards remain as the most common debt type, held by two-thirds (66%) of StepChange clients, which is unchanged year-on-year. The average amount of credit card debt held per client has decreased by 5% between 2021 (£6,853) and 2022 (£6,514).

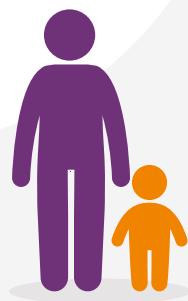
The proportion of clients with personal loans has decreased by two percentage points between 2021 (49%) and 2022 to 47%. Although, the average amount of personal loan debt per client has increased by £529 to £8,032 in 2022.

The proportion of clients with overdrafts has also decreased by two percentage points to 34% in 2022. The continual fall in the proportion of clients with overdrafts is possibly due to regulatory interventions aimed at reducing the harm of repeat overdrafts.

Types of debt	% of clients with debt type		Average amounts per client	
	2021	2022	2021	2022
Credit Card	66%	66%	£6,853	£6,514
Personal Loan	49%	47%	£7,503	£8,032
Catalogue	36%	35%	£1,813	£1,813
Overdraft	36%	34%	£1,481	£1,441
Store card	12%	12%	£1,146	£1,112
Payday Loan	11%	11%	£1,376	£1,318

Conclusion

The impact of rising costs of living on households is evident in our client data, with a drop in monthly surplus levels, an increase in monthly expenditure, and an increase in the amount of unsecured debt per client.



Furthermore, there has been a nine percentage points rise in the proportion of clients citing a 'cost of living increase' as one of their main reasons for debt.

Alongside this, we have also seen increases in the proportion of clients in arrears with their dual fuel, electricity, and gas bills.

In 2022, we have seen increases in the proportion of clients who are women, aged 25-39, in full-time employment, and single with children. There has also been an increase in clients with a negative budget, compared to 2021.

We are yet to see a significant impact of the increase in interest rates on those with mortgages on demand for our debt advice. Although in 2022, we have seen a large year-on-year increase in the average amount of mortgage arrears held by clients (£4,497 in 2021 to £5,751 in 2022).

There have been some similarities to previous years. Credit cards have remained as the most common unsecured debt type, and we continued to advise a high proportion of clients with council tax arrears.

We will continue to monitor the debt and demographic profiles of new StepChange clients on a monthly basis to highlight the fast changing economic and political landscape, and the impact this is having on those in problem debt. The monthly client data reports are [available here](#).

Editor: Asiya Uddin

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 2pm, or use our [online debt advice tool](#).

Get in touch:



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