

Deeper in debt

A Citizens Advice data update



Debt at the start of 2025



On average, we help **45,000 people** with debt issues **every month**¹



50% of clients are in a **negative budget**, up from **37% in 2019**²



Average **total debt** is **£8,627**, up **21% since 2019**³

We're helping more people than ever before with debt - **394,634** in 2024. At the same time, people are increasingly likely to be behind on household bills. Debt levels are growing too - for both household bill arrears and consumer credit. Alongside this, cases are becoming more **complex and harder to resolve**.

This is against the backdrop of growing numbers of people in a **negative budget** - where their income isn't enough to cover their essential outgoings, let alone make debt repayments. People in this position risk sinking further and further into debt. Even those who can afford to pay towards their debts typically face a **long road to debt recovery**.

The following insights highlight the challenges facing people with problem debt and underline the need for **government action** to improve public sector **debt collection**, provide **safe and effective routes out of debt**, and build **financial resilience**.

Levels of household bill debts are rising

Arrears for household bills* now amount to nearly **£3,000** for **each client**.



The most common debts our clients have are for household bills. The amount people owe in household bills arrears is also increasing. It's now 48% more than it was in 2019 - and this rapid rise shows no signs of slowing.⁴

*For this report, household bill debts include energy, water, council tax, rent, telecoms, and debt to central Government for Universal Credit advances or benefit overpayments

Utilities and debts to government

Levels of debt have risen **particularly sharply** for some bills - including energy and council tax - since **2019**:

69% energy debt increase

37% council tax debt increase

Debt to **central government** has also **risen significantly**:

29% increase for UC advances from 2022 to 2024

Some bill arrears are also more common amongst clients



More than half of our clients have **energy debt**



Nearly half have **council tax arrears**

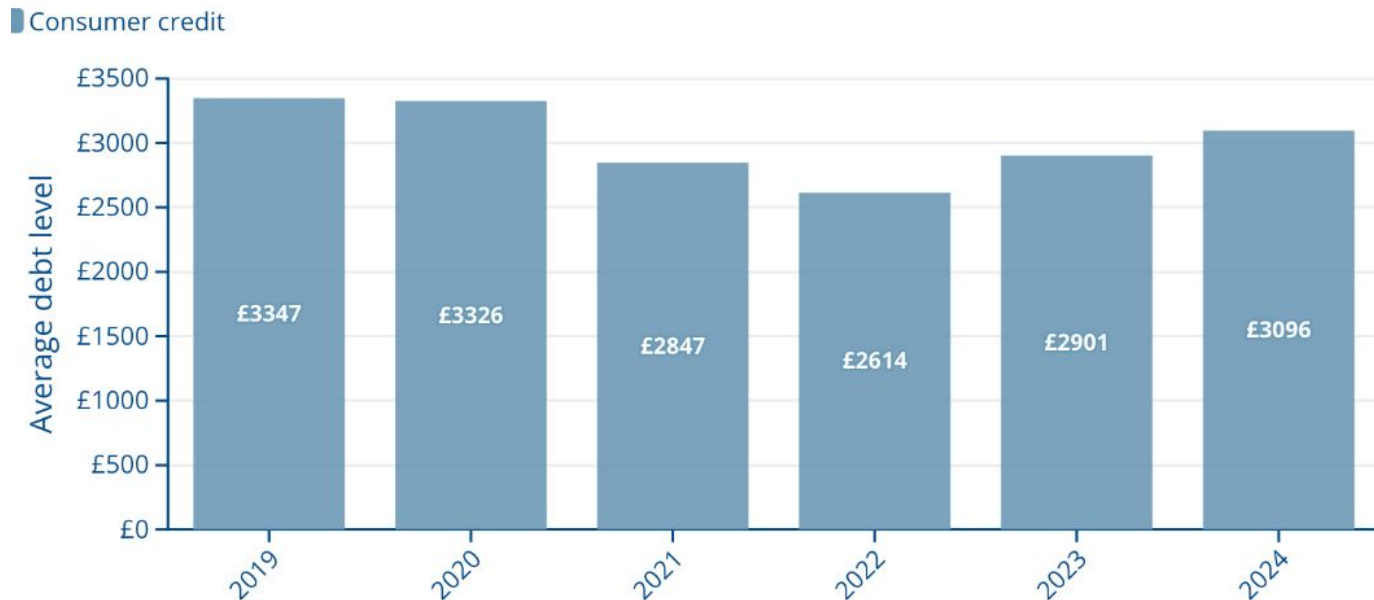


Nearly **4 in 10** have **water debt**⁶

5

*For this report, household bill debts include energy, water, council tax, rent, telecoms bills (not mortgage arrears) and debt to central Government for Universal Credit advances or benefit overpayments

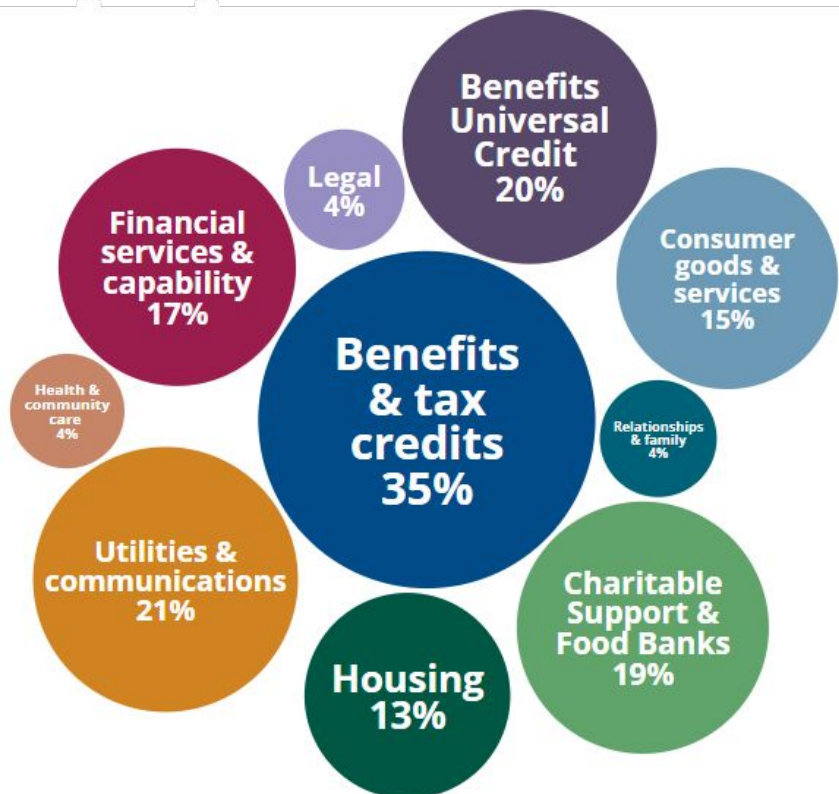
Credit debt levels are also increasing



Average levels of **consumer credit debt** dipped during the COVID-19 pandemic but are now once again approaching 2019 levels. This suggests that as costs rise, some are **turning to survival borrowing to make ends meet.**⁷

People's problems are becoming more complex

Percentage of debt clients we help with other issues



Alongside the rise in debt levels, people's situations are becoming **more complex** as they face more debt issues. This makes them harder to resolve and access to good advice even more important.

Debt doesn't happen in isolation. Many of the people we help with debt are experiencing issues in other areas too, like benefits, charitable support, and housing.



53% of debt clients have **4 or more debt issues**⁸



Of the people we help with debt, **35%** needed help with benefits and **tax credits** and **19% with food banks**⁹

Some groups are disproportionately affected

We help everyone experiencing money problems, but we know some groups are disproportionately affected.

Family structure



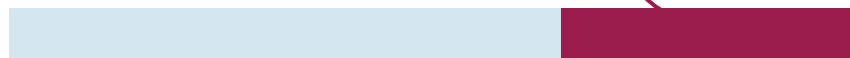
Age and gender



Disproportionate impacts

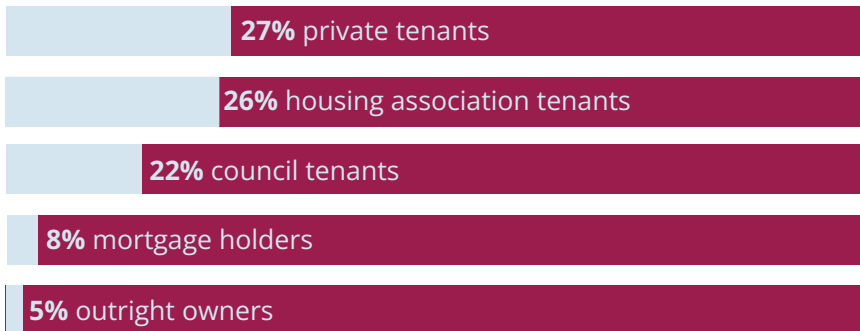
Ethnicity

11% of our clients are **Black**, 7% **Asian** and 3% identify as **Mixed**



76% of clients are **white**

Housing tenure



27% private tenants

26% housing association tenants

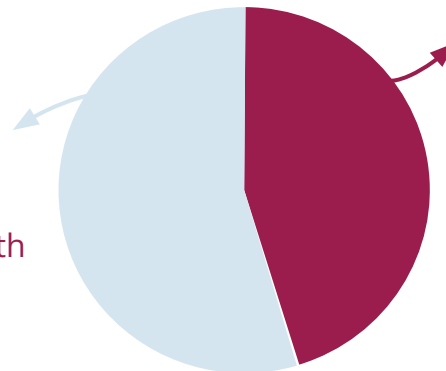
22% council tenants

8% mortgage holders

5% outright owners

Disability

Disabled/
have
long-term
health
condition



Not disabled/
don't have a
long-term health
condition

46% of people we help with debt are **disabled** or have a **long-term health condition**.¹⁰

A long road to recovery

You can **read more** about the challenges debt clients face to getting back on their feet in [Matthew's story](#)

- Even with extra time to pay, **paying off debts** in full is a huge challenge
- **50%** of debt clients have a **negative budget**, so can't pay down their debts at all
- Amongst clients with a **surplus income**, many need unrealistically long timescales to pay off their debts in full

🚩 **45%** of clients with £50-£100 a month surplus income would need **more than 10 years to pay off their debts**

📈 This rises to **78%** for clients with **less than £50 a month surplus**¹¹



Urgent interventions are needed

To address problem debt we need **interventions** that support **recovery** and help households **withstand financial shocks**.

Improve public sector debt collection

Aggressive debt collection practices **undermine** financial resilience and push households into avoidable debt. **Driving up standards** in the public sector should be a key government priority, with particular focus on **council tax debt** and **benefits overpayments**.

Provide safe and effective routes out of debt

The current debt solutions landscape is **fragmented** and often **inaccessible**. The government should set out a **timetable** for achieving **long-term reform** through the Personal Insolvency Review, and should carry out a **full review of Breathing Space**.

Building financial resilience

Households with **little or no savings** are particularly vulnerable to debt. As part of its forthcoming Financial Inclusion Strategy, the government should develop a range of **interventions** to **support** low-income households, including those with existing debts, to **build up a savings buffer**.

Sources

1. Calculated from data for the number of people helped by our local offices in England and Wales with debt issues between January 2024 to December 2024 . At Citizens Advice, we're one of the largest providers of frontline debt advice and are uniquely positioned to offer holistic insights into the interaction of debt with other issues.
2. Someone is in a negative budget when their essential expenditure is higher than their income, leaving them out of pocket each month just from key living costs. Data from Citizens Advice debt clients, January 2025 and January 2019.
3. Data from Citizens Advice debt clients, January 2025 and January 2019
4. Data from Citizens Advice debt clients, 2019 to 2024
5. Data on individual debt increases from Citizens Advice debt clients 2019 to 2024
6. Data from Citizens Advice debt clients, January to December 2024
7. Data from Citizens Advice debt clients, 2019 to 2024
8. Data from Citizens Advice debt clients, January 2025
9. Data from Citizens Advice debt clients, January 2024 to January 2025
10. Data from Citizens Advice debt clients, January 2025 to March 2025
11. Figures are based on Citizens Advice debt client data. Estimated debt repayment length is calculated by dividing clients' total debts by their monthly surplus. This assumes no changes in their costs or living situation over that period and creditors agree to freeze interest and charges, and refrain from taking enforcement action. Therefore, it is almost certainly an underestimate.

More data on debt, negative budgets and cost of living issues can be found on our website:
<https://www.citizensadvice.org.uk/policy/>