

# Deeper Still

## The shape of debt in 2025

A Citizens Advice data update



March 2026

# Debt in 2025



On average, we help more than **46,000** people with debt issues every month



**50%** of debt clients are in a **negative budget**, up from **41%** in 2021



Average **total debt** is nearly **£9,000**, up **36%** since 2021

**More than 400,000 people** sought help from us with debt problems in 2025, up nearly 45% from 282,560 in 2021 when the cost of living crisis began.

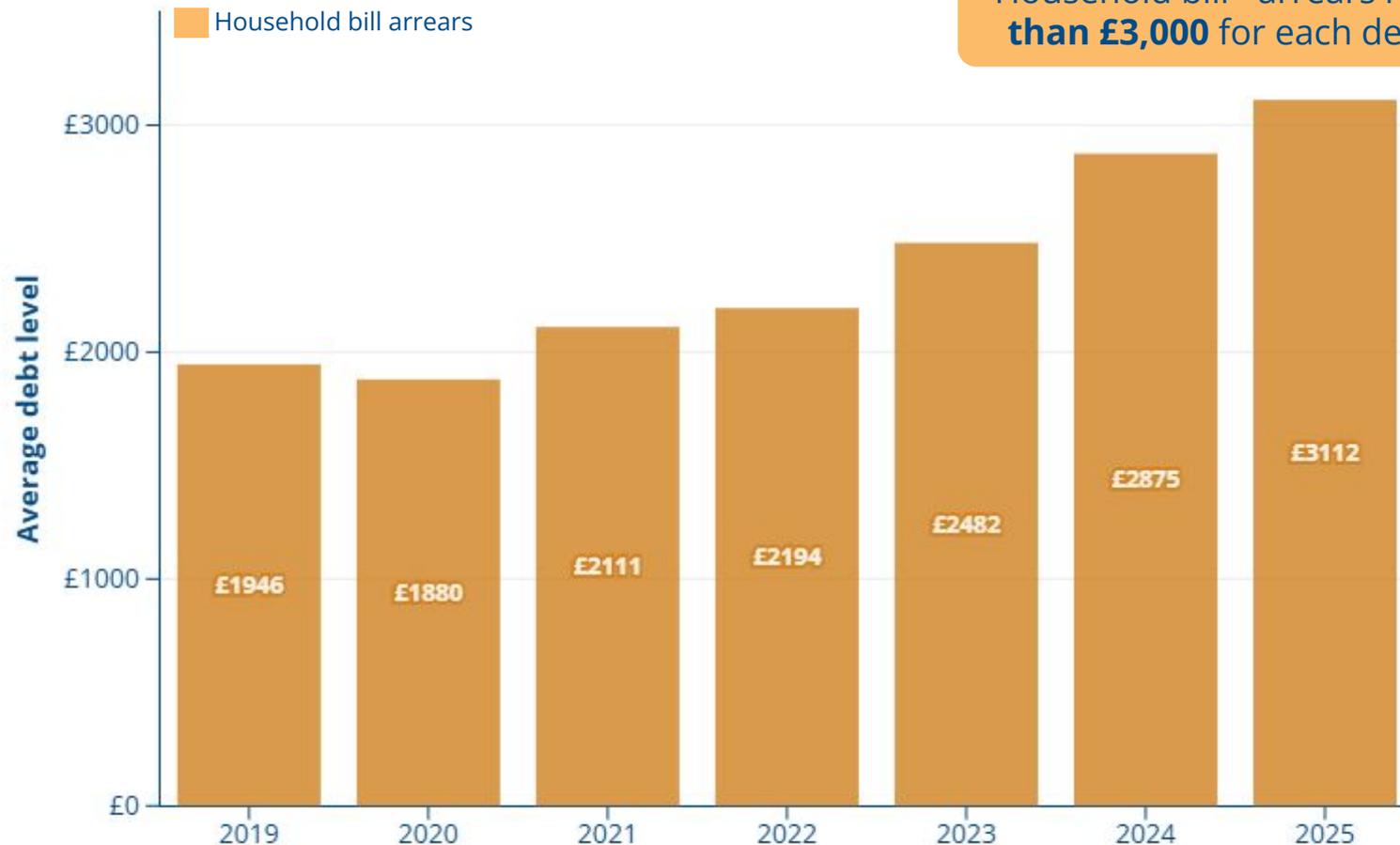
The number and levels of debts people have has also increased. The amount of money owed has soared by 36% from £6,558 in 2021 to £8,933 in 2025, with both household bill arrears and consumer credit rising.

At the same time, more clients are in a **negative budget** - where their income isn't enough to cover their essential costs. This results in people being pushed further into debt just by living, and makes it nearly impossible to start repaying creditors.

These trends have increased the complexity of debt, making it even harder for people to find a path out. At the same time, more people in debt are needing advice on other issues as well, like housing and work.

The insights included in this report highlight the challenges facing people with problem debt. Our data also underlines the need for **government action** to **improve debt collection practices**, ensure people can access **safe and effective routes out of debt**, and support people with the rising cost of essentials to **raise living standards**.

# Levels of household bill debts are rising



Household bill\* arrears now amount to **more than £3,000** for each debt client on average

People coming to us for help with debt are falling further behind on households bills. The amount owed in arrears is up 8% on 2024, and 47% more than in 2021.

# Falling behind...

The **levels of debt** people have for some household bills is rising further, as they're pushed deeper into arrears

➔ Energy debt is **12% higher than in 2024**, and 59% more than in 2021

➔ Water debt is **up by 8%** compared to 2021

➔ Private rent arrears are **25% higher than in 2021**

➔ Council Tax debt levels are up 4% on 2024 and **35% higher than 2021**

Some bill arrears are also more common amongst clients



**More than half** (53%) of our debt clients have **energy debt**, up from 42% in 2021



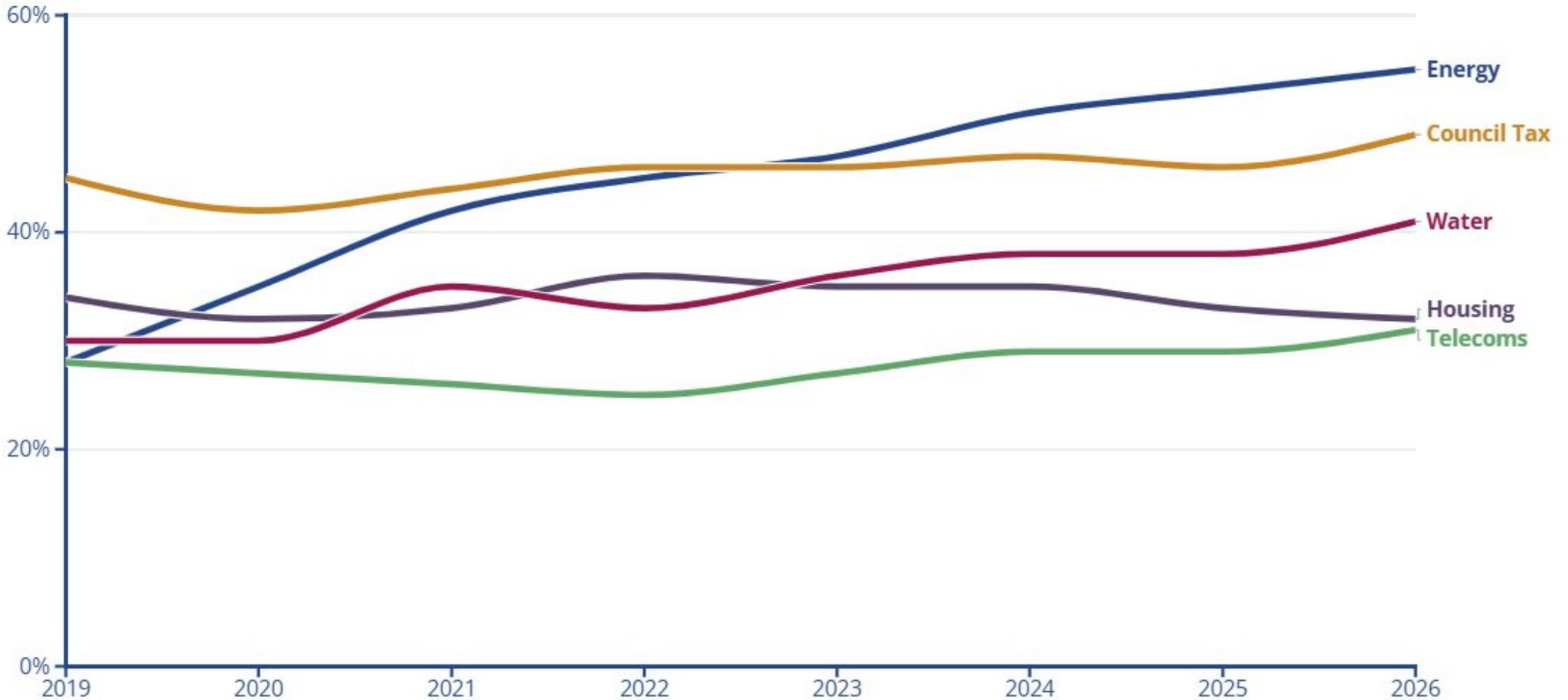
**Nearly half** (46%) have **council tax arrears**



Nearly **4 in 10** (38%) have **water debt**

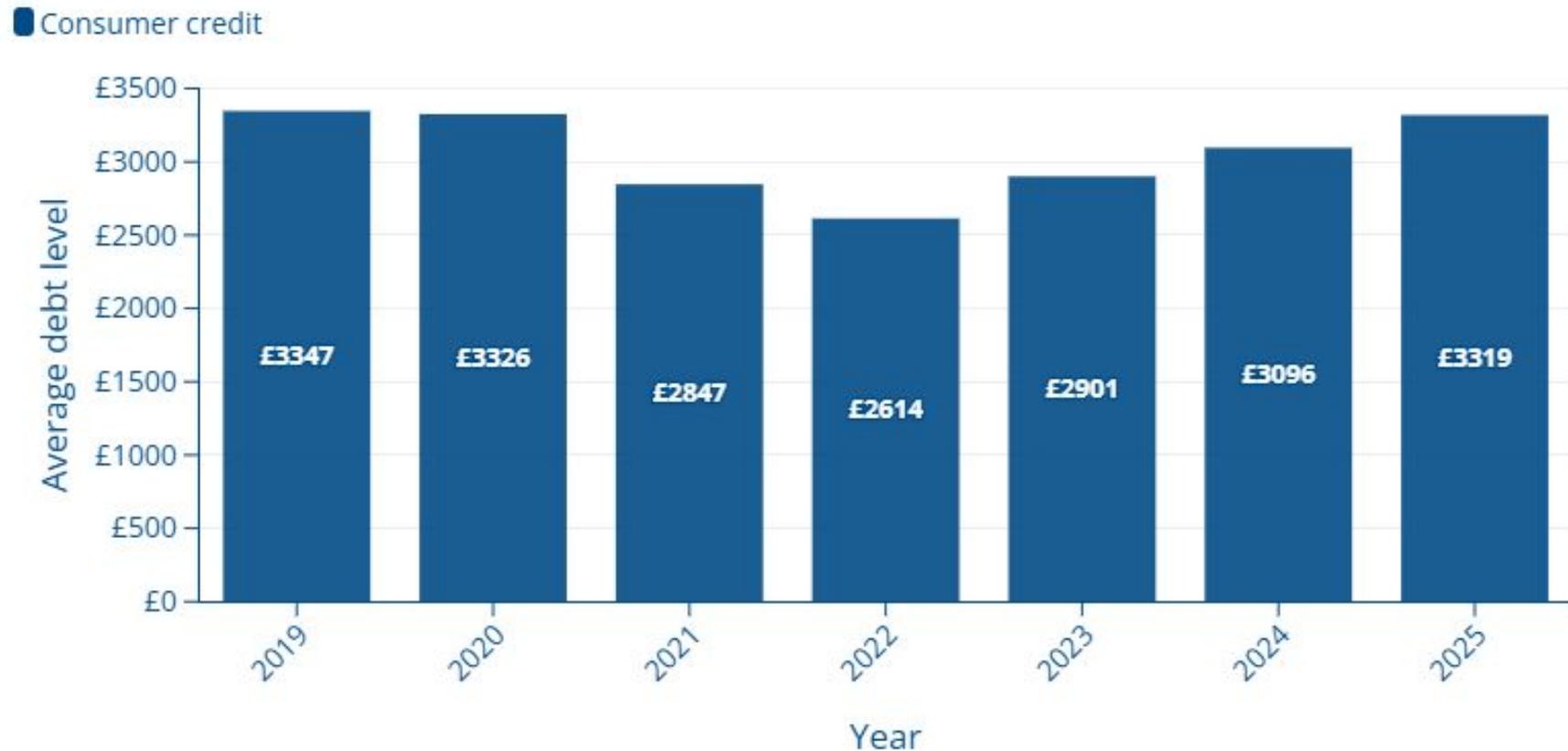
# More people are behind on more bills

Percentage of debt clients behind on different essential bills over time



The proportion of debt clients behind on each household bill has been growing in recent years - with energy debt seeing the sharpest rise.

# Credit debt is also increasing



Average levels of consumer credit debt dipped during the COVID-19 pandemic but have been growing year on year since. Credit debt is now nearing 2019 levels, suggesting that as essential costs keep rising, households are turning to survival borrowing to make ends meet.

# People's problem are becoming more complex

People who came to us about debt also received advice on:

18%  
Charitable  
Support &  
food banks

17%  
Financial  
services &  
capabilities

33%  
Benefits & tax  
credits

20%  
Benefits  
universal credit

15%  
Consumer  
goods &  
services

19%  
Utilities &  
communication

12%  
Housing

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 also need support in other advice areas, like benefits, charitable support, and housing.



45% of debt clients have **4 or more different debt types**



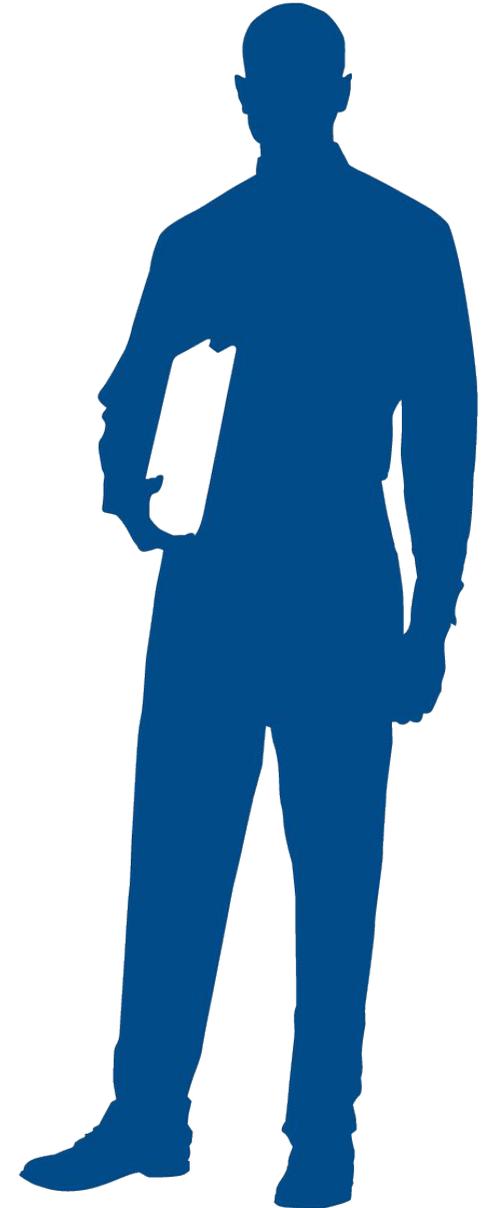
Of the people we help with debt, **33%** needed help with **benefits and tax credits** and **18%** with **food banks**

## The Government must give people a safe ladder out of debt

***'Being in a negative budget is like being in a pit. I can see the light above me, and I can't reach it. There's no ladder.'*** - Mark, who came to Citizens Advice for help with debt.

Currently, many aspects of the debt landscape actively work against people trying to escape from the debt pit and move on with their lives. In order to shift the dial on living standards, the Government must give people a safe ladder out.

There are a number of active Government agendas which, if delivered well, have the potential to make a tangible difference for people who are trapped in debt. However, many of them are moving too slowly, while people's debt problems continue to deepen, and others lack sufficient ambition to reach their full potential.



**Council tax collection** - We have been drawing attention to problems with council tax debt enforcement for a number of years. People who are already struggling often face harsh practices that make their debt problems worse rather than helping them get back on their feet. This includes rapidly escalating and spiralling debt, with people becoming liable for their full annual council tax bill just 7 days after a reminder notice.

We also see people facing high fees for liability orders which results in debt heaped on top of debt, making it harder for people to pay their arrears. We therefore welcomed the Government's consultation on modernising and improving council tax last summer. We are waiting for the Government to announce any proposals and next steps. It is important that the Government drives this work forward with pace and that it delivers meaningful reforms.

**Bailiff regulation** - As part of the Taking Control Coalition we've long been calling for the introduction of a statutory regulator for the enforcement sector. Too many people in problem debt are facing intimidating and illegal practices from bailiffs, including addition of high fees to debts and failure to take vulnerability into account. We urge Government to secure parliamentary time to deliver on its commitment to establish a stronger regulatory framework in the enforcement sector without further delay.

### **The personal insolvency framework** -

The current insolvency framework is outdated, fragmented and difficult for consumers to navigate. The Insolvency Service has been carrying out a review of the framework over the past few years. Last year we published [a blueprint](#) which set out the steps the Government should take. The Government should urgently push this review forward and ensure that it delivers an insolvency landscape which is fit for purpose and gives people the clean break they need.

**Breathing space** - Introduced in 2021, Breathing Space gives people in problem debt a short period of protection from the pressures of creditor action while they engage with debt advice to find a way forward. It's really valuable, but underused and research with our debt advisers shows key shortcomings. Overall, the scheme's rules are too rigid and do not sufficiently take into account the growing level and complexity of debt problems. The Government are required to carry out a review of breathing space by May 2026. It's important that the Government carries out a thorough review and capitalises on this important opportunity to improve the impact of this critical scheme

# Sources and Endnotes

Citizens Advice is one of the largest providers of frontline advice and uniquely positioned to offer holistic insights into the interaction of debt with other issues.

The figures in this report are from the people helped with a debt issue by our local offices in England and Wales from January 2025 to December 2025.

Insights on levels of debt, types of debt, and negative budgets is based on the data of our debt clients. Debt clients are people who come to Citizens Advice for help managing their debts. Our advisers carry out a budget assessment with the client to help them make a sustainable repayment plan for their debts or find the best path forward to resolve debts. Debt assessments include recording income, expenditure, and debt information.

In 2025 we provided this in-depth debt advice to 87,653 people.

**For more data** on debt, negative budgets, and cost of living issues can be found on our website:

<https://www.citizensadvice.org.uk/policy/>

**To read our latest debt policy outputs** please visit: <https://www.citizensadvice.org.uk/policy/debt/research/>

# Citizens Advice helps people find a way forward.

We provide free, confidential and independent advice to help people overcome their problems. We're a voice for our clients and consumers on the issues that matter to them.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.

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