

# MONEY ADVICE TRUST

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BUSINESS  
DEBTLINE

NATIONAL  
DEBTLINE

WISER  
ADVISER



## Making a difference to people in debt

Outcomes Report  
2022

# Money Advice Trust

**Helping people across the UK to tackle their debts and manage their money with confidence.**

The Money Advice Trust is the charity that runs National Debtline and Business Debtline. National Debtline provides free, independent advice to individuals in debt, and Business Debtline is the UK's only free, dedicated debt service for people who are self-employed and small business owners.

We also train the free debt advice sector through Wiseradviser and we use our knowledge and expertise, gathered over 30 years of working with people in debt, to improve the money and debt environment. We do this by providing training and consultancy to creditor organisations to improve support for customers in vulnerable circumstances, and by influencing policy and practice on matters that affect the people we help.

# Foreword

**In this, our latest Outcomes Report and my last at the Trust, we provide an overview of our work in the last year and its impact on the people we help.**

Whether it is through our National Debtline and Business Debtline advice services, our training for advisers and creditors, or our influencing work to improve the debt and money environment, improving the lives of people in financial difficulty is at the core of what we do.

National Debtline and Business Debtline continue to be a lifeline for hundreds of thousands of people in financial difficulty. To further enhance our ability to meet the needs of the people we help, we have expanded our services and developed new ways to support our clients. For the first time we are able to offer telephone casework through our National Debtline partnerships with Citizens Advice and Mental Health UK's Mental Health and Money Advice service. Whilst at Business Debtline, we are drawing on more than 250 years of collective experience of our advisers as the Centre of Excellence for business debt advice. Through this work we will support the wider money advice sector on small business debt issues and support signposting to the specialist advice Business Debtline offers.

We have continued to grow our training offer for advisers through Wiseradviser whilst expanding our work with creditors to improve support for customers in vulnerable circumstances.

At a time when there has been a strong focus on the impact of rising prices, we have also played a key role in shaping the government's response to the cost of living crisis. This has included, alongside other charities, securing dedicated support for help with energy bills.

Central to all of this, however, are the relationships with our many partners and funders. This support is crucial in enabling us to carry out all that we do, and will continue to be so as we collectively work to improve the circumstances of people in financial difficulty. And as I reflect on my 17 years at the Trust, it has been a privilege to work with so many dedicated partners, whose support has been so vital in improving the lives of so many people.

Thank you for all your continued support, and I have no doubt my talented colleagues will continue to draw on these partnerships to continue to improve the money and credit environment.



*Joanna Elson*

**Joanna Elson CBE**  
Chief Executive

# Our year in numbers

In 2022 we helped 140,980 people to deal with their debt, through National Debtline and Business Debtline.

## Helping people to tackle their debts

**111,720**

by phone and our digital advice tool

**29,260**

by webchat

**1.87 million visits**

to our advice websites

## As a result of our advice

**9 in 10**

clients' debts reduce or stabilise

**4 in 5**

clients are more confident in managing their money

**7 in 10**

report a positive impact on their emotional or mental health

## Improving the money and debt environment

We use our knowledge to help improve the money and debt environment. We do this by training the free money advice sector through Wiseradviser, working with creditors to improve support for vulnerable customers, and by influencing debt policy and practice.



**5,260**

staff trained in 68 creditor organisations



**15,170**

training places provided to debt advisers in 2,780 organisations



**4,100**

items of media coverage and 23 consultation and policy responses

A major focus of this report is on data and statistics. Behind each of these statistics is a personal story. Here's what some of our clients had to say about how we've helped them.

*"I was stuck in a dark place with no clue how to deal with my debt. Then I called National Debtline and I am now completely debt free from doing so and it has drastically changed my outlook on everything"*

*"Before I contacted Business Debtline I was in a state of hopelessness and wanted to end it all, more especially when I saw heaps of unopened mail. I had given up, life was no more worth living."*

*"They gave me information that helped me understand what my creditors could and couldn't do, they helped me with information about debt and mental health issues and helped me understand that being disabled wasn't my fault and that there was more help for people like me who are in debt. I would always recommend National Debtline to other people in a similar situation."*

*"The staff I spoke to were understanding, supportive and engaging. The information, advice and guidance they gave me, including the follow-up email with various materials, was invaluable. It made me feel as though I had somebody by my side when previously I felt all alone in my fight against debt. Their support gave me the confidence to challenge one creditor in particular (my mortgage provider) and from there I began to take gradual steps forward with all aspects of managing my debt, as well as day-to-day living, both financially and from a positive wellbeing perspective."*

*"I have made several phone calls to National Debtline. Each time I have found the person I spoke to extremely competent and helpful and felt that they really cared about my situation. They have always given me very extensive information to enable me to make the best decisions on how to deal with my debts. I am very grateful for the help that they have given me."*

*"National Debtline were fantastic, giving me the information I needed. They told me about Breathing Space to give me time to sort things out. I've got a Debt Management Plan and it has saved me £300 per month – I can actually feed my kids now. I have anxiety and now this has really gone down."*

# Helping people in financial difficulty

Last year, National Debtline helped **90,470** people by phone and our digital advice tool, **20,410** by webchat and had over **1.5m** visits to our advice website.



## Main reason for debt

The main reasons for debt amongst our clients in 2022 remained similar to those in 2021. Income being too low to cover essentials remained the most common reason, highlighting the impact high prices are having on finances.

<b>18%</b>	<b>11%</b>	<b>10%</b>	<b>8%</b>
Income too low to cover essentials	Poor mental health	Received an unexpected bill	Job loss or an income shock

## Main reason for debt

The majority of people we help are on low incomes. Our clients' average household income is £20,566.

The average amount owed is £12,950, up 12% from 2017 when it stood at £11,531.

In 2022, the challenges facing many of the people we help grew as the impact of rising costs continued to bite. Rising energy, food and other bills made covering essential costs even harder.

## Price rises taking their toll

The recent trend of our clients struggling to pay for essential costs, including council tax, energy and rent arrears continued in 2022.

With incomes not keeping pace with rising costs these challenges extend across all debt areas, including credit products.

Energy arrears remains the most common priority debt amongst our clients, with the proportion of our callers in energy debt up five percentage points from 2021. Since 2017, the average amount of priority debt held by our clients has increased by 54% from £2,642 in 2017 to £4,080 in 2022.

## Council tax arrears growing

The average amount of council tax owed by National Debtline clients continues to increase. On average our clients owed £1,790 – an increase of 13% on 2021. This is part of a longer-term trend where the amount our clients owe on council tax has increased by 78% since 2017.

## Most common debts in 2022

Proportion (%) of National Debtline callers in this type of debt.

### Priority debts

Energy	28%
Council tax	25%
Benefit overpayments	21%
Rent arrears	15%

### Non-priority debts

Credit card arrears	27%
Overdraft	19%
Water arrears	17%
Family/personal	15%

## Gap in finances widening

**2 in 5 people** (41%) contacting National Debtline do not have enough coming in to cover essential costs.



The gap in our clients' finances is widening. The average budget shortfall is now £393 a month, up from £308 last year.

2021	2022
-£308	-£393

## Credit debts increasing

The average amount owed on personal loans increased by a fifth (21%) – from £7,915 in 2021 to £9,548 in 2022.

The average amount owed for buy-now-pay-later debts increased significantly, by 46% - from £380 in 2021 to £556 in 2022.

## Using credit to cover costs



Credit card arrears remain one of the most common debts we help with. With prices continuing to remain high, many clients relied on credit to cover costs. A third (32%) of clients surveyed reported using credit to cover essential costs, like energy or council tax, in the last 12 months.

# Helping small businesses

Last year, **Business Debtline** helped **21,250** people by phone, **8,850** by webchat and had **358,420** visits to our advice website.

**BUSINESS DEBTLINE**

The majority of small business owners we advise are sole traders (63%). Most have no or only a handful of employees. Half (52%) of our Business Debtline clients have annual net personal income of less than £20,000, of which 18% have less than £10,000.

## Who we help

A third of our callers work in administrative and support service activities. This covers jobs including cleaners, gardeners, office administrators and security guards.

<b>35%</b>	<b>20%</b>	<b>19%</b>
Administrative and support service activities	Constuction	Accommodation and food service activities

## Reasons for financial difficulty

In 2022 Covid-19 continued to be the main reason cited for financial difficulty with nearly a quarter (23%) saying this was the main reason for their debt.

<b>23%</b>	<b>9%</b>	<b>9%</b>
Coronavirus	Loss of job or other income shock	Business failing/failure

Many of the small businesses we help are continuing to feel the financial aftershocks of the Covid-19 pandemic. This, and other pre-existing pressures, have been further compounded by cost of living price rises affecting both personal and business finances.

## Growth in business debts

While the amount of personal debt owed has stayed relatively stable, we have seen a significant increase in the total amount our Business Debtline clients owe on business debts.

The average amount of tax debt increased by 28% - up from £6,282 in 2021 to £8,015 in 2022. The average amount owed for Bounce Back Loans increased by 7% in the last year - up from £25,830 to £27,536.

## Increasing amounts owed on personal credit

We have seen an increase in the amount owed on personal credit commitments.

The average amount owed on personal overdrafts increased by 23% (£2,174 in 2021 to £2,670 in 2022). The average amount owed on personal loans increased by 10% (£12,315 in 2021 to £13,498 in 2022). We saw a very slight increase in personal credit card debt amounts – up by 1.4% (£10,902 in 2021 to £11,054 in 2022).

## Most common debts in 2022

Proportion (%) of Business Debtline callers in this type of debt.

### Priority debts

<b>Income tax</b>	<b>24%</b>
	up from 15% in 2016
<b>Council tax</b>	<b>23%</b>
	up from 17% in 2016
<b>Energy</b>	<b>19%</b>
	up from 8% in 2016
<b>Vehicle finance</b>	<b>16%</b>
<b>Benefit overpayment</b>	<b>16%</b>



## Growing gap in income and expenditure

**56%** of our Business Debtline clients have a deficit budget, where the amount they have coming in does not cover essential costs.



Among those with a deficit, the amount they are short by has grown by 25% on 2021 – from £460 per month to £574.

2021 <b>-£460</b>	2022 <b>-£574</b>
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## Cost of living adding to pressure

**31%** of clients surveyed reported using credit in the last 12 months to pay for essential costs such as energy or council tax.

**94%** of Business Debtline clients surveyed said they were feeling additional pressure on their finances due to the rising cost of living.

**76%** said that they were worried about being able to pay for essentials like food, or clothing, as a direct result of rising costs.



# Our impact

NATIONAL  
DEBTLINE

At National Debtline we use our expertise, built up over the last 30 years, to help people in financial difficulty take the next steps to deal with their situation.

Our approach, through tailored advice, drawing on a range of tools and the support of our specialist advisers, gives people the confidence to take action and manage their situation. This in turn helps build financial resilience resulting in better long-term outcomes.

## 1. We help people to find their next steps

**94%**

of callers are clear on their next steps

**93%**

of webchat users are clear on their next steps

## 2. People are empowered to take action

**96%**

of callers followed all or some of our advice

**9 in 10**

know which debts to prioritise

## 3. Debts reduce and wellbeing improves

**9 in 10**

callers saw their debts reduce or stabilise

**7 in 10**

saw a positive impact on their emotional and mental wellbeing

*"I would like to thank the people that helped with my situation. I was so stressed and didn't know who to turn to. I was so relieved to know that I could get help from someone as life at the time was unbearable. I feel that if I had not got help I would not be here today. I will always be so so thankful to all the people that helped me."*

*"All I can say is I don't know where I would be without the help of National Debtline. Thanks to them I have a happier and better organised way of life."*

Quotes taken from callers and webchat users

As the only provider of free debt advice for small business owners and people who are self-employed in the UK, Business Debtline plays a crucial role in helping small businesses through the most difficult of times.

BUSINESS  
DEBTLINE

Our specialist advisers continue to support tens of thousands of businesses facing the ongoing challenges presented by Covid and now the cost of living crisis. This support is vital in giving businesses the best opportunity to continue to trade and, in the longer term, prosper.

## 1. We help people to find their next steps

**95%**

of callers are clear on their next steps

**94%**

of webchat users are clear on their next steps

## 2. People are empowered to take action

**98%**

of callers followed all or some of our advice

**90%**

of callers made contact with their creditors

## 3. Debts reduce and wellbeing improves

**9 in 10**

callers saw their business debts reduce or stabilise

**3 in 4**

callers felt better at business budgeting

*"It has taken a large black cloud off my shoulder and helped me look forward with a positive outlook - thank you doesn't come near enough to the help you have given me."*

*"Business Debtline were friendly, non-judgmental, and incredibly helpful and supportive with creating a plan to resolve my financial situation without bankruptcy. I am very glad I was able to contact anyone anytime to discuss my concerns and a way forward."*

Quotes taken from callers and webchat users

# Our training



Wiseradviser provides free training and resources to the free-to-client advice sector in England and Wales and works in partnership with Advice NI in Northern Ireland.

In 2022 we provided 15,170 training places to 7,460 advisers in 2,780 free-to-client agencies in the UK.

1. We train advisers to improve their knowledge	
<b>98%</b> said our training improved their knowledge	<b>9 in 10</b> were enabled to share their knowledge with colleagues
2. Advisers apply their learning	
<b>97%</b> said our training helped them to do their job	<b>97%</b> felt better at helping people with their debt
3. Outcomes for people in debt improve	
<b>9 in 10</b> were helped to improve outcomes for their clients	<b>9 in 10</b> were helped to meet or exceed clients' expectations

Find out more about Wiseradviser at [www.wiseradviser.org](http://www.wiseradviser.org)

*"Love WiserAdviser - a brilliant source of information and learning - I catalogue the handbooks provided on training and use them to refer to when assisting clients."*

*"Many thanks to the trainer for an excellent job done. I learnt a lot from the training which will help me to deliver greater quality advice to our clients."*

Quotes taken from people we trained

We have worked to improve policy and practice for people in vulnerable circumstances since 2011. During this time, we have helped 370 firms, and more than 34,480 staff, to improve support and outcomes for their customers.

Our team of vulnerability experts work across a range of sectors, including financial services, water, energy and retail. In 2022, we delivered training to 5,260 staff in 68 creditor organisations to help them improve how they work with people in vulnerable circumstances.

The income generated from our training and consultancy work is re-invested into our frontline advice services and helps us to continue to deliver free, independent debt advice.

### Drawing on the best expertise and sector knowledge

Our award-winning training and consultancy ensures that creditors are able to engage with crucial subjects through a range of formats, including e-learning, face-to-face sessions and our consultancy offer. This year we expanded the number of public sessions we run. These provide a flavour of our full training offer and helps participants understand which course is right for their needs.

Developing staff understanding	
<b>96%</b> of face-to-face (virtual classroom) learners rated their tutor good or excellent	<b>97%</b> of users rated their knowledge as very good or excellent after our e-learning

Find out more about our free vulnerability resources at [www.moneyadvicetrust.org/vulnerability-resources](http://www.moneyadvicetrust.org/vulnerability-resources)

*"I really enjoyed the course and think it's going to add a lot of value to the business I work in - not just in how we support customers, but also how we protect our people."*

*"The course was a great learning experience to help me better in work and life to be confident in trying to help ease the pain of someone in a crisis."*

Quotes taken from people we trained

# Influencing policy and our wider work

In 2022 we continued to make progress on our key influencing priorities. Our areas of focus are informed by what we learn from our debt advice services. We work with partners to help bring about positive change on the issues affecting people in problem debt.

## Tackling the rising cost of living

We joined forces with other charities to secure support for people struggling with the rising cost of living - including the uprating of benefits in line with inflation and dedicated help with high energy bills.

Through our [Collision Course](#) and [Impossible Choices](#) reports, we tracked the impact the crisis was having on household and small business finances and shared direct insight from our services to inform the response from regulators and creditors.



## Progress on improvements to debt options

We secured strong action from the Advertising Standards Authority and Google to tackle misleading debt advice adverts.

We continued to make the case for much-needed changes to the insolvency framework in England and Wales, including through the Insolvency Service's dedicated review. Alongside other debt advice charities, we gathered evidence from over 565 advisers across the sector on the key improvements that are needed.

## Shaping understanding of problem debt

We responded to 23 policy consultations from the FCA, other regulators and government departments to advocate for the interests of people in debt. Our Chief Executive, Joanna Elson, appeared in front of the [Treasury Select Committee](#) to share our insight on mortgage arrears and housing costs, and we joined with UK Finance and the Building Societies Association to successfully call on the Government to reform Support for Mortgage Interest (SMI).

We also helped shape new Ofwat guidance on supporting people with water debt, and influenced Ofgem's approach to overseeing firms' treatment of customers struggling with their energy bills.

## Promoting the Trust and its services

We raised public awareness of free debt advice and problems affecting the people we help by securing 4,100 items of media coverage in outlets with an average monthly reach of 10.8 million people.

Our research, reports and consultation responses are available online at [www.moneyadvicetrust.org/research-policy](http://www.moneyadvicetrust.org/research-policy)



Britons skipping meals 'just to keep the lights on', research reveals

**Debt charities call on Ofgem to urgently 'ramp up' protection for people with energy debt**

**Brits face rise in borrowing costs as one in 7 adults behind with at least a bill**

**Cost of living crisis: Households are on a 'collision course' with millions behind on bills already**



# Enhancing our services

**As the cost of living has continued to impact the most financially vulnerable households and small businesses, ensuring our services are best placed to support people in financial difficulty has been a key focus.**

Following the award of contracts for personal and business debt advice by the Money and Pensions Service, we have started to roll out a number of service enhancements that complement the work that National Debtline and Business Debtline carry out in partnership with a range of organisations, including the Scottish Government, Welsh Government and bodies across the credit industry and beyond.

## **National Debtline casework partnerships**

We have launched a new National Debtline Partnership, which for the first time offers a telephone casework service as part of the National Debtline client journey. Through casework provided by Citizens Advice and Mental Health UK's Mental Health and Money Advice service our clients can now access:

- Support with welfare benefits and income maximisation – as well as help with applying for benefits and Trust funds.
- Help accessing social care – such as the costs of social or residential care and financial assessments.
- Capacity support – including help navigating, power of attorney and appointeeship.

## **Business Debt National Centre of Excellence**

As the UK's only dedicated business debt advice service, we are using our decades of expertise to help the wider money advice sector in this specialist area. We are launching our new Business Debtline AdviserHub, a free online resource which includes guidance for debt advisers on common challenges when helping self-employed clients, quick wins, and how to help clients complete a budget.

## **Business Debtline casework pilot**

We have also launched a telephone casework pilot at Business Debtline. Running for six months in 2023, the pilot will provide clients that are in need of additional support, more hands-on specialist support. This will include, where appropriate, a caseworker contacting creditors on the client's behalf as well as performing checks on eligibility for benefits and charitable funds.

# Our Trustees and Ambassadors

**We benefit from the knowledge and experience of our Trustees, President and Ambassadors who set our strategic direction and offer their time to help us achieve our vision.**

We will soon be welcoming Christine Farnish CBE as our new Chair, who takes over from Adam Sharples CB when his term ends in July 2023 after seven years in post.

We also said goodbye to Anna Bennett and Adrian Keasey from our Board, as their terms of office came to an end, and welcomed Sarah Desai, who joined as a trustee in December 2022.

## **Our Trustees**

Adam Sharples CB  
(outgoing Chair)

Christine Farnish CBE  
(Chair designate)

Rebecca Wilkie  
(Vice-Chair)

Laurence Burgess

Sarah Desai

Lucy Malenczuk

Vineeta Manchanda

Lawrence Slade

Paul Smee

## **Our President and Ambassadors**

The role of our President is to bring important issues of relevance to government and other key sponsors, as well as to represent and raise the charity's profile. The role of our ambassadors is to champion our work amongst a range of key stakeholders.

Baroness Tyler of Enfield  
(President)

Bim Afolami MP

Sir Ian Cheshire

Sir Sherard Cowper-Coles  
KCMG LVO

Baroness Coussins

Christine Farnish CBE

Otto Thoresen

Simon Walker CBE.

# Working in partnership

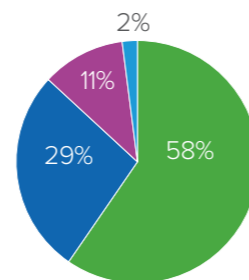
**We believe that by working in partnership we can help more people tackle their debt and manage their money with confidence.**

We work with a range of organisations that have a role to play in the debt and credit environment.

The partners we work with include, government departments, banks and building societies, utility providers, a range of charities and debt advice providers.

## How our funding was used in 2022

- National Debtline
- Business Debtline
- Supporting the sector
- Influencing policy and practice



## Partner with us

If you are interested in partnering with us, please contact:

**Ian Robinson**

Head of Business Development

07785425631

[ian.robinson@moneyadvicetrust.org](mailto:ian.robinson@moneyadvicetrust.org)

## Our partners and funders

We are enormously grateful to our partners and funders for their continued support, without which it would not be possible to carry out our work. Our partners and funders include:

- |                                |                                   |                            |
|--------------------------------|-----------------------------------|----------------------------|
| Accountant in Bankruptcy       | Credit Services Association       | NatWest                    |
| Advice UK                      | Department for Communities        | Northumbrian Water         |
| Advice NI                      | Northern Ireland                  | Ofcom                      |
| Affinity Water                 | Department for Business and Trade | Ofgem                      |
| American Express Foundation    | Department for Work and Pensions  | Ofwat                      |
| Aviva                          | E.ON Next                         | Ovo Energy                 |
| Barclays UK                    | Energy UK                         | PayPlan                    |
| BCR Limited                    | Experian                          | Santander UK plc           |
| British Business Bank          | Finance and Leasing Association   | Sainsbury's Argos          |
| British Gas                    | Financial Conduct Authority       | Scottish Government        |
| Building Societies Association | HMRC                              | Shell Energy UK            |
| Business Energy Solutions Ltd  | HSBC UK                           | StepChange Debt Charity    |
| Capital One Bank (Europe) plc  | Institute of Money Advisers       | TDX                        |
| Cabinet Office                 | JP Morgan Chase                   | Tesco Bank                 |
| Cabot Credit Management Ltd    | Lending Standards Board           | Tesco Mobile               |
| CDER Group                     | Lloyds Banking Group              | UK Finance                 |
| Citizens Advice                | Ministry of Justice               | Vanquis Banking Group      |
| Consumer Finance Association   | Money Advice Scotland             | Welsh Government           |
|                                | Money and Pensions Service        | Wescot Credit Services Ltd |
|                                | Nationwide Building Society       | Wessex Water               |
|                                |                                   | Yorkshire Building Society |

## Money Advice Trust

The Money Advice Trust is a charity formed in 1991 to help people across the UK tackle their debts and manage their money with confidence.

# MONEY ADVICE TRUST

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[www.moneyadvicetrust.org](http://www.moneyadvicetrust.org)

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