

# *Our story*



Client report

Published: April 2021



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### About Christians Against Poverty

Christians Against Poverty (CAP) is a nationally recognised charity that works with 715 affiliate churches to help the most vulnerable out of poverty across the UK. The services provided offer both practical and emotional support, are completely free and open to all, regardless of their background, faith, race, ethnicity, gender, sexual orientation, disability or age. Through a network of 579 local services, CAP offers a free face-to-face debt management service, with advice and ongoing support provided from our Bradford-based head office. As well as this, CAP tackles the causes of debt and poverty through a range of expert group services: Job Clubs, Life Skills, Fresh Start and the CAP Money Course, which provides financial education across the UK.

### Acknowledgements

We would like to acknowledge and thank all of the team members at CAP who have contributed to this report. Most of all, we are incredibly grateful to our storytellers: Paula, Ricky, Gillian and Joanna.

### Methodology

The statistics in this report are drawn from CAP's Annual report and analysis of data from CAP's Debt Help case management system for 1,552 client households that had a financial statement activated for the first time in 2020. This data set is referred to as 'new CAP clients' throughout the report. Data has also been gathered from 897 responses to CAP's annual Debt Help client survey conducted online and by post between October and November 2020. This data set is referred to as 'CAP clients' throughout the report.

## Executive summary



**Paula Stringer**

**We all have a story to tell. Our stories are important; they represent who we are, what we've been through and where we're going. Every life has value and every story should be heard.**

Storytelling is a powerful tool, one that Jesus used throughout his life, telling parables to those around him. For 25 years, CAP has celebrated every story of debt freedom because no two stories are the same. In 2020, we celebrated with 2,502 people who became debt free. That's 2,502 stories rewritten, 2,502 lives on a new path, 2,502 individuals no longer weighed down by debt.

My own story has been instrumental in why I am here today, as the UK Chief Executive of Christians Against Poverty. My personal experience of debt and some extremely difficult challenges have solidified my belief in, and passion for, the work that CAP does. Business failure, debt, relationship tension and ill-health have all left their mark on my story, but these experiences have given me an understanding of the true trauma of debt. I want to use my story to change the course of other people's stories.

When debt is involved, the story is never an easy read.

In today's society, we would all agree that people should be able to afford basic necessities, such as food and heat. Yet, for 37% of CAP clients, debt meant that they had to go regularly without meals and heating (p17). Help for problem debt is available, but still 45% of CAP clients did not know where to go to get help (p12) and 58% felt that they had nobody to turn to when they had a problem. Debt also left three in four (76%) of these clients with sleepless nights, one in three (36%) needing to visit the GP for mental ill-health (p19) and 28% having considered or attempted suicide as a way out (p19).

Hearing people's stories reminds us why we exist. I especially want to thank Paula, Ricky, Joanna and Gillian who have kindly shared their own stories with us for this report. 25 years into providing debt help, their stories continue to inspire and challenge, reminding us that each individual has value and significance.

Problem debt is pervasive; it affects all areas of life and it corrodes anything good. We don't want the burden of debt to be part of anyone's story, which is why we are working tirelessly to bring hope to people in debt and poverty across the UK.

We are here to help people rewrite their stories.

**Paula Stringer**  
**UK Chief Executive**  
**Christians Against Poverty**

## CAP at a glance

### 25 years of CAP

2021 marks the 25th year since John Kirkby founded Christians Against Poverty back in 1996. Since then, the charity has grown from small roots to an international operation, equipping local churches to tackle poverty in communities across the UK, as well as Australia, New Zealand, Canada and the USA.

In the UK, there are now 579 church-based centres providing Debt Help, Job Clubs, Life Skills and Fresh Start groups, with thousands of people helped across our services every year. In addition, 425 churches ran CAP's money management course, the CAP Money Course, in 2020.

### Our story

This report is full of statistics, graphs and infographics. It provides a picture of debt for CAP clients in 2020, and showcases trends between 2015 and 2020. However, we cannot forget that behind each statistic is a story. So this report is also full of stories, detailing real lives and real experiences. For CAP, it has never been about the numbers, it has always been about the individual. For 25 years, CAP has existed to help people rewrite their stories. Today, CAP's story is simply the combination of thousands of individuals' stories, like a patchwork quilt, made up of thousands of individual squares representing lives changed.

### CAP at a glance in 2020



**16,315**  
Number helped<sup>1</sup>



**284**  
Debt Centres



**2,502**  
Debt free



**579**  
CAP services<sup>1</sup>



**827**  
CAP Money Courses<sup>2</sup>



**586**  
Partner churches



**29,633**  
Life Changers<sup>3</sup>

1 | Includes CAP Debt Centres (284), CAP Job Clubs (110), CAP Life Skills (136) and Fresh Start (49).

2 | In 2020, 425 churches ran the CAP Money Course 827 times.

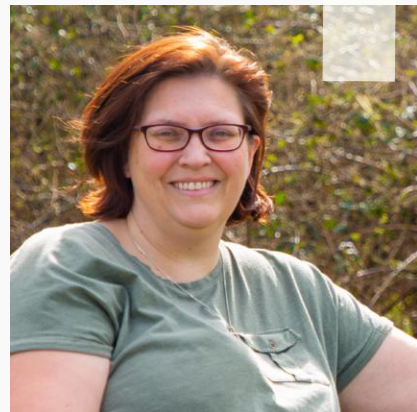
3 | Life Changers are CAP's regular givers.



# Introducing our storytellers



Meet Paula, Ricky, Joanna and Gillian, storytellers from across the UK who have kindly shared their experience of debt and CAP Debt Help in this report.



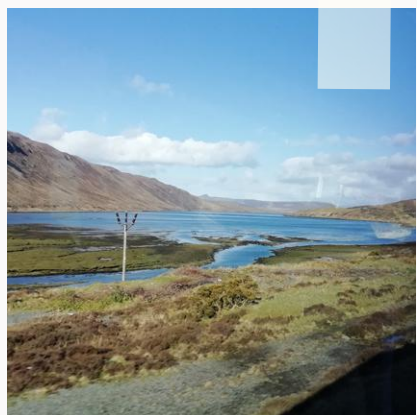
Paula

Colchester Debt Centre,  
Colchester Churches Together



Ricky

Telford Debt Centre,  
The Telford Churches Group



Gillian

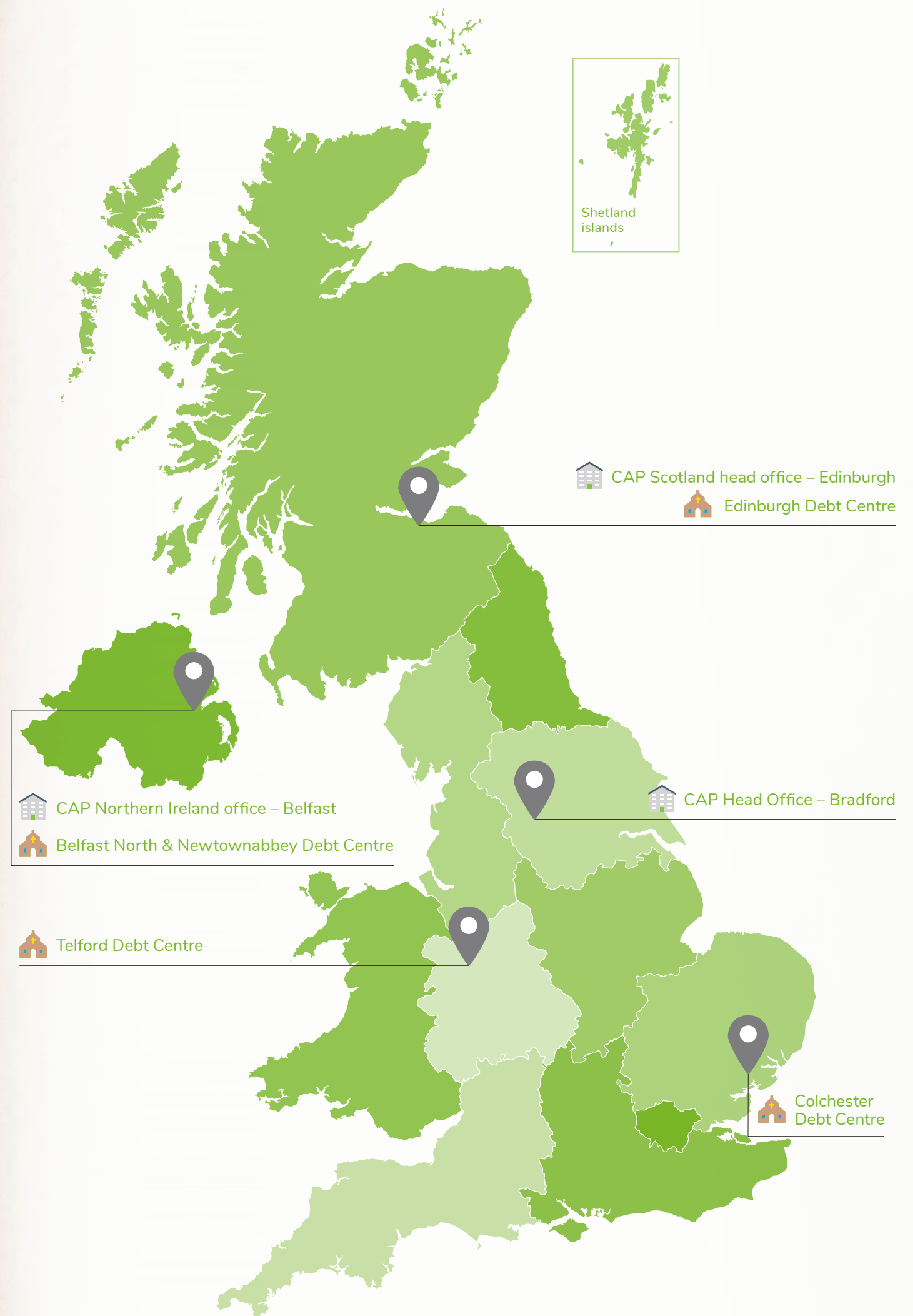
Edinburgh Debt Centre,  
Central Church

Gillian takes inspiration from the beautiful scenes in her local area, which remind her of her freedom from debt. She chose to include these special images to represent her story in this report.



Joanna

Belfast North & Newtownabbey Debt Centre,  
Carnmoney Presbyterian Church





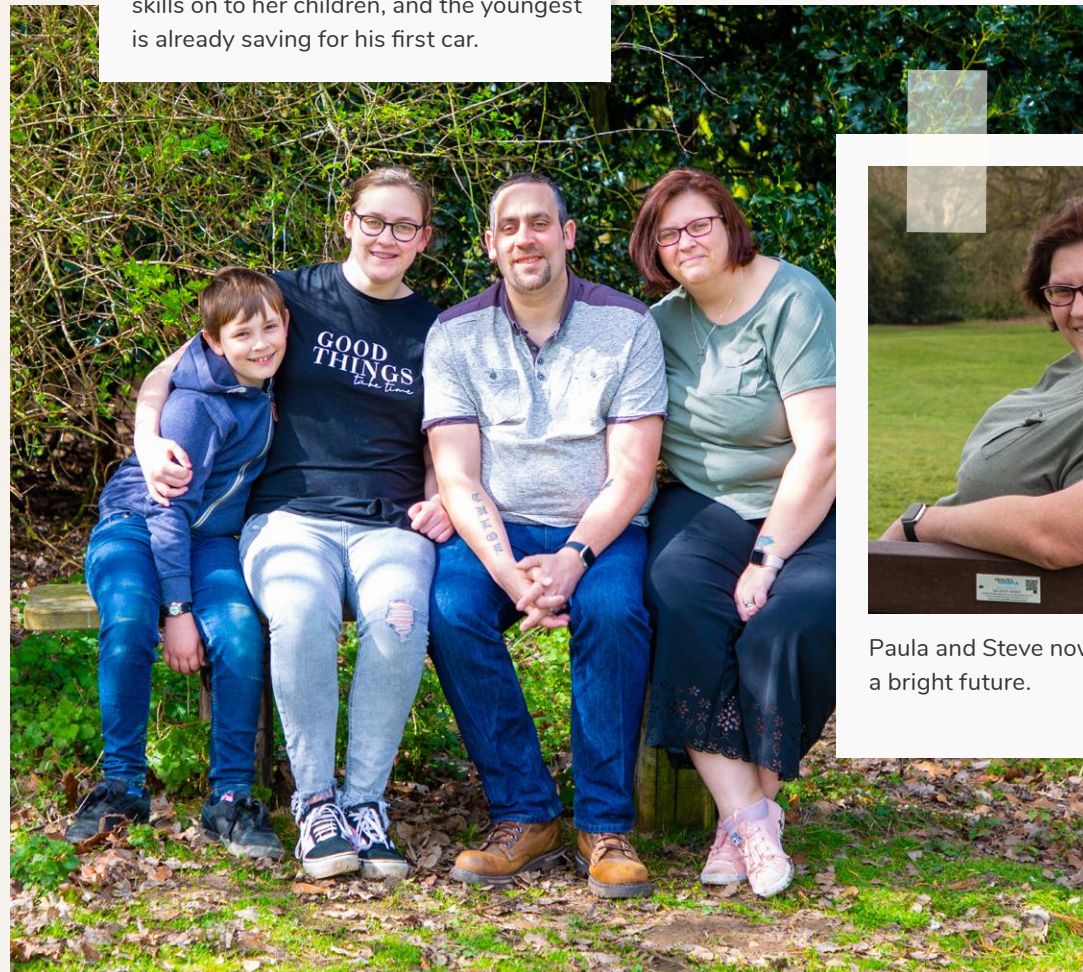
# Paula's story



Paula has passed her new budgeting skills on to her children, and the youngest is already saving for his first car.



Since becoming debt free in 2014, Paula has gone on to train as a CAP Befriender, Debt Coach and Centre Manager.



Paula and Steve now believe they have a bright future.

## Paula's story

Mum, wife, Debt Centre Manager and former CAP client (Colchester Debt Centre)

Paula is CAP's wonderful Colchester Debt Centre Manager. Her story started when both she and her husband were made redundant. It was 2013 when Paula approached CAP for debt help, becoming debt free by the end of that year. Since then, Paula has volunteered as a CAP Befriender (2014), trained as a Debt Coach (2016) and is now a Centre Manager (2017).

'My husband and I worked for the same company. Not long after I got back from maternity leave we were both made redundant. After the redundancy the debts started building: rent arrears, Council Tax arrears, doorstep loans, catalogue loans. We found ourselves in a vicious circle, using credit to pay for bills or other debts.

*We were missing meals four or five nights a week so that the kids could have dinner.*

I didn't want to go out, I couldn't speak to anyone on the phone. It was a horrendous time.

We both really struggled. My husband only admitted this afterwards – but he'd been having suicidal thoughts. At the time he was silent and withdrawn. We were facing eviction, so started renting a property owned by a friend. It got tough, as we fell behind with our rent there too. That was the hardest part, it stretched our friendship and I just felt like we'd let them down.

A friend recommended CAP. They'd seen an article in the newspaper about a new Debt Centre in Colchester. Picking up the phone was such a scary step. I was worried about being judged, but right from the first phone call and visit I felt such a huge wave of relief. My Debt Coach was fantastic, she was understanding and patient. Just what I needed.

We had to cut a lot out of our budget. Although it was difficult, it was a huge relief to have our finances under control.

*There were lots of tears. Being in debt is so emotionally draining.*

I was able to go through a Debt Relief Order (DRO) and my husband was able to start a Debt Management Plan. It was the best thing we could have done. We became debt free on Christmas Eve 2013 – the best Christmas present ever.

After going debt free my Debt Coach asked if I wanted to become a CAP Befriender and I jumped at the chance! Not long after that she asked if I would consider the upcoming position of Debt Coach at the Debt Centre. I knew from being on my own journey out of debt that I wanted to be involved with CAP. I had an understanding of the fear when facing eviction, or what it was like to cry because you don't know how you are going to feed your family.

*Before, we had felt like statistics, but to CAP we were people, a family. I wanted to use my story to speak up for others.*

We still live by a budget and, on payday, all our bills get paid. Our kids have been fantastic and have learnt so much about money management along the way too. Our nine year old is already saving for a car and a house!

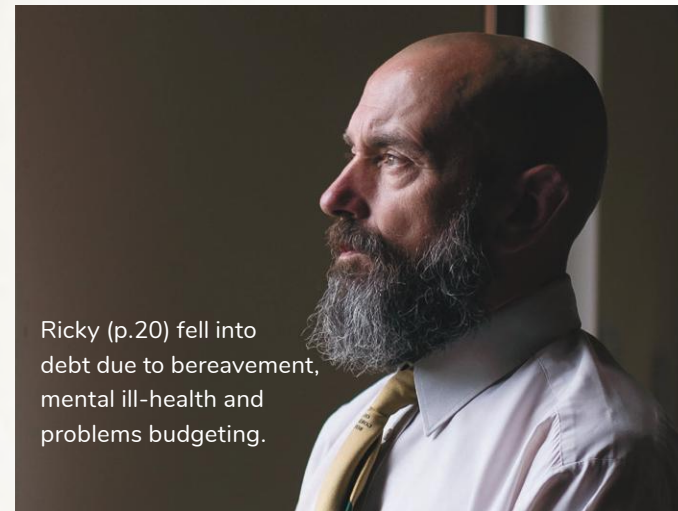
Debt was our all time low but it's also been our biggest achievement. Debt can make or break you. Without CAP, we would have broken. It's really strengthened our family and relationships with each other. CAP changed our story. We had been carrying the victim label, but CAP gave us belief in ourselves, showing us that it was possible to change our situation for the better.'



# Chapter 1: Before CAP Debt Help

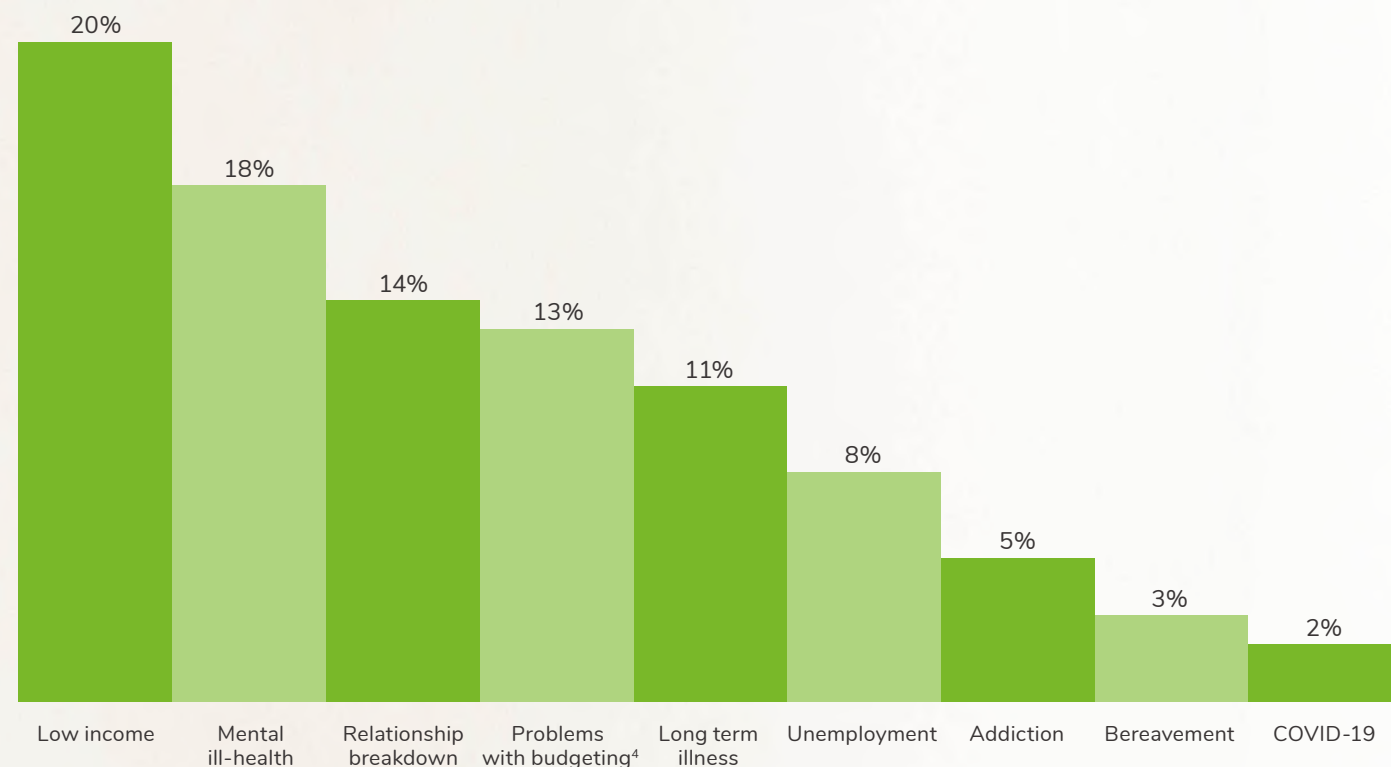
Every story has a beginning, middle and end. Every debt free story begins in the same way. The backstory to problem debt is an event or circumstance that pushes someone into financial hardship. Very rarely is there just one cause of debt it is often a combination of uncontrollable factors.

For new CAP clients in 2020, the most common primary reason for debt was low income (20%). Mental ill-health (18%) and relationship breakdown (14%) were also common causes of debt. In mid-2020, the option of 'COVID-19' was added as a primary reason for debt. Only 2% of CAP clients have selected COVID-19 as the primary reason for debt to date. The low figure may be due to the complex nature of debt in low-income households, particularly for CAP clients, for whom there is rarely one primary reason for debt.



## Reason for debt

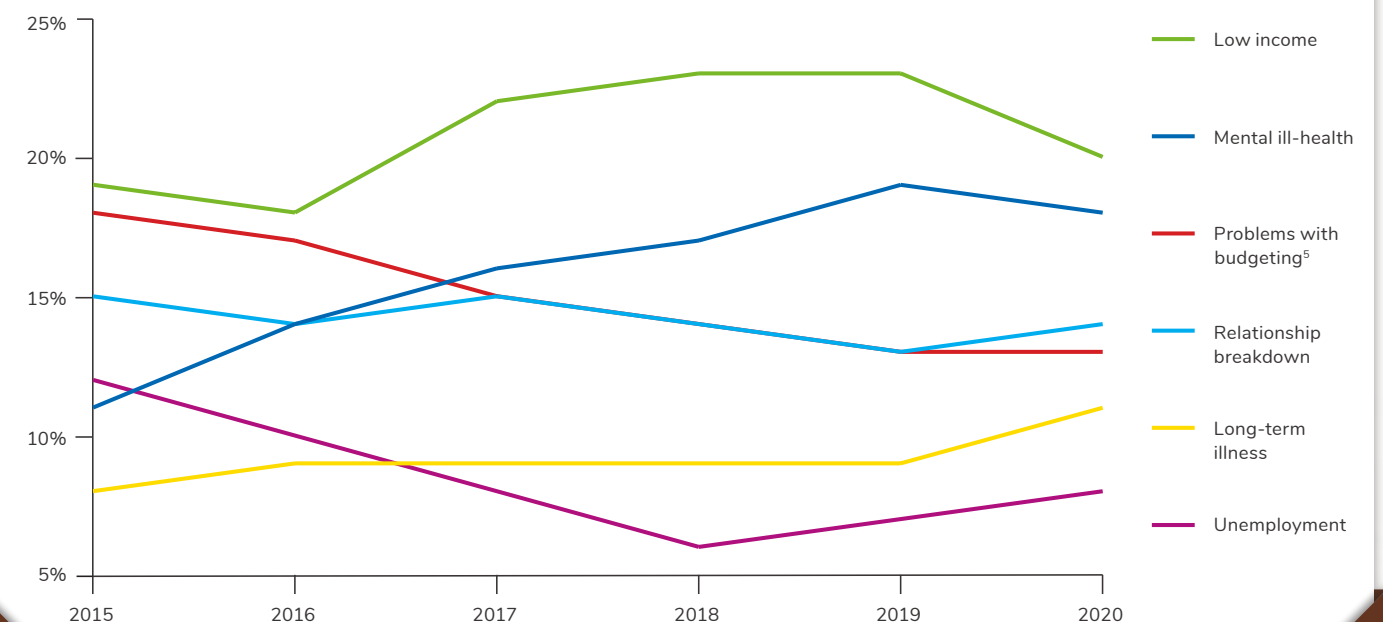
Percentage of new client households in 2020 who gave the following as the primary reason for their debt crisis:



4 | Including those who answered 'problems budgeting' and 'overspending'.

## 2015-2020: Reason for debt

Percentage of new client households in each year who gave the following as the primary reason for their debt crisis:



Over the last five years, the primary reasons for debt have not changed significantly. Low income has consistently been cited as the most common primary reason for debt in all five years. 'Mental ill-health' has grown in prevalence from

11% in 2015, up to 18% in 2020. 'Problems budgeting' has decreased over the five year period, yet still remains amongst the top reasons for debt.

## Delay in seeking help

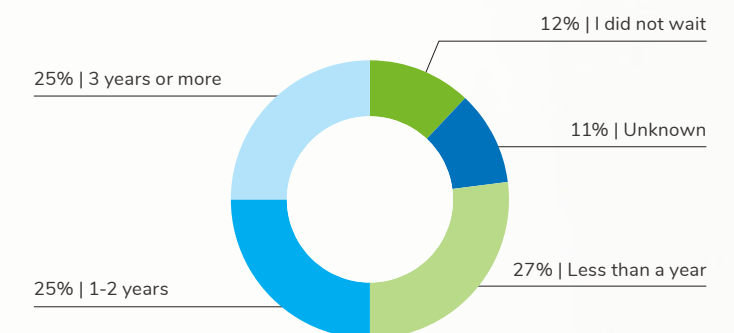
**1 in 2** CAP clients waited over a year to seek debt help

**45%** of CAP clients did not know where to get help

Many households coming to CAP for debt help have been in financial hardship for many years. By the time people seek help, debt has ransacked lives and finances have worsened. Half of CAP clients wait over a year before seeking debt help, and one in four wait for at least three years. Over the years, this figure has sadly not reduced as much as we would have liked. More needs to be done to raise awareness of the free debt help available, as well as work to continue to reduce the stigma of debt.

## Delay in seeking help

Percentage of CAP clients who waited the following duration before seeking help:



5 | Including those who answered 'problems budgeting' and 'overspending'.

# Chapter 1: Before CAP Debt Help (continued)



### Loneliness and isolation

**58%**  
felt that they had nobody to turn to when they had a problem<sup>6</sup>

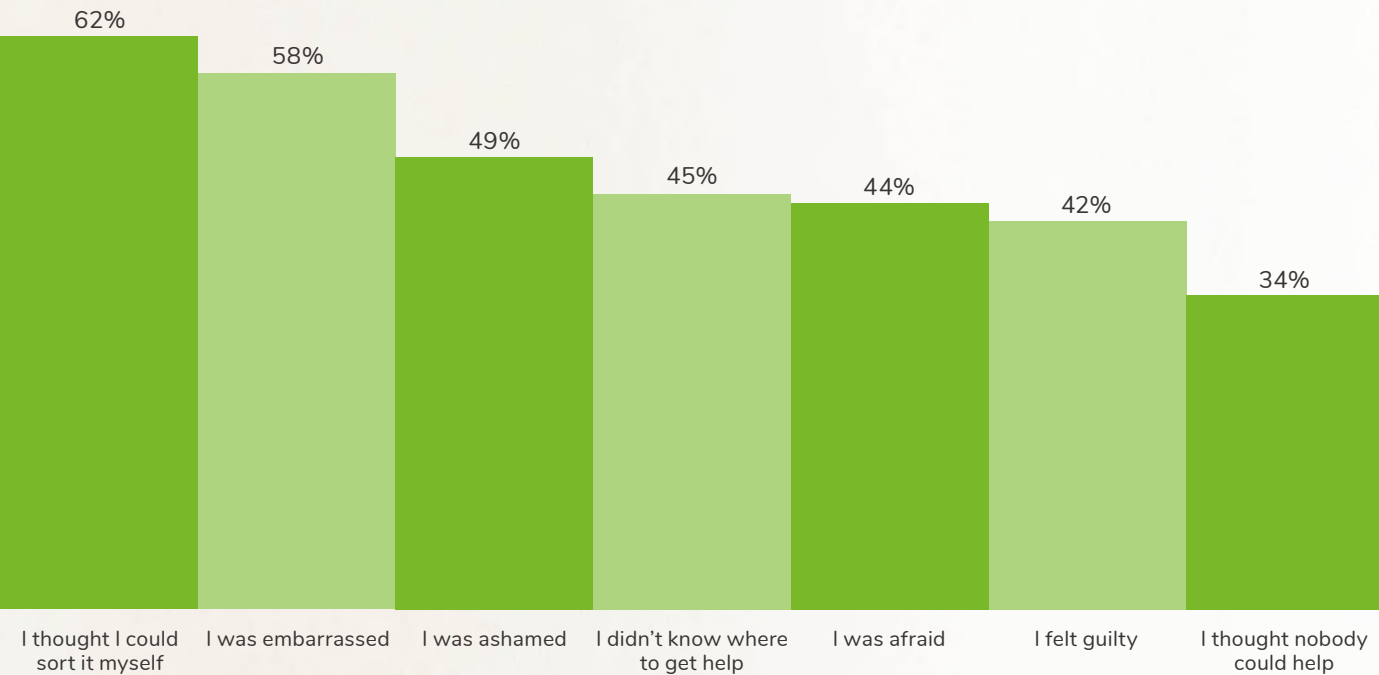
**51%**  
felt lonely<sup>7</sup>

Debt is never just a maths problem, it impacts lives, relationships and emotions. This is seen in some of the most common reasons for waiting to seek help. Embarrassment (58%), shame (49%), fear (44%) and guilt (42%) all play significant roles in why people do not seek help sooner. Almost two in three (62%) clients did not seek help sooner because they thought they could resolve the debt themselves, and one in three (34%) thought nobody could help. Far too high a proportion (45%) of CAP clients did not know where to get help from.

A crippling financial situation and the emotional toll of being in debt sees many people become detached from friends and family, facing extreme levels of isolation. Before seeking debt help, one in two CAP clients felt lonely often or always (51%), with another one in four (24%) feeling lonely occasionally. Many of us rely on our social networks when problems arise, but almost three in five clients felt they had nobody to turn to when they had a problem (58%). One in three (31%) felt as though they had not had a meaningful conversation in over a week.

### Reason for waiting

Percentage of CAP clients who waited to get help because:



6 | 58% felt that they had nobody to turn to when they had a problem 'often' (34%) or 'always' (24%).  
7 | 51% felt lonely 'often' (31%) or 'always' (20%).

# Chapter 2: Income

**£12,845**  
average annual household income (after housing costs)<sup>8</sup>

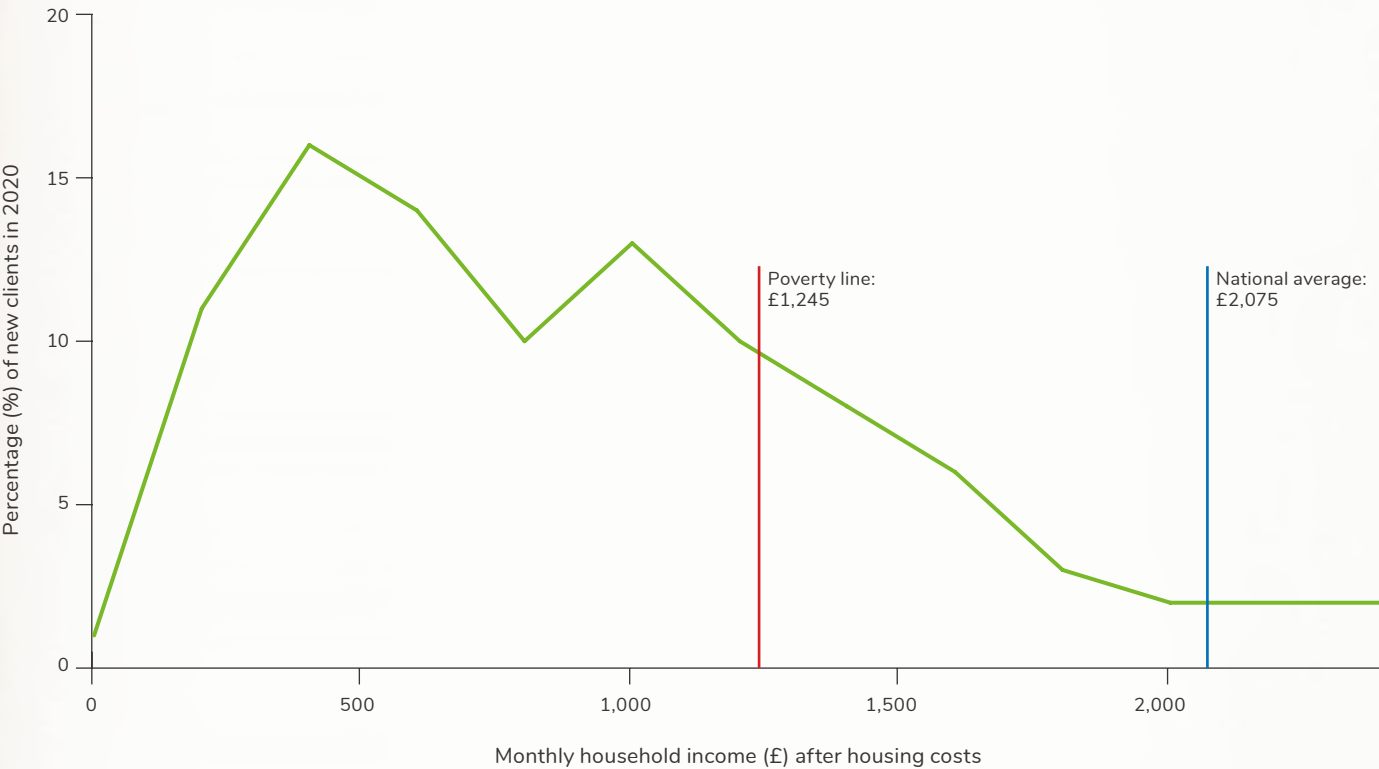
**50%**  
live below the poverty line<sup>9</sup>

**83%**  
of CAP clients were unable to save money before debt help

For years, low income has consistently been the primary cause of debt for CAP clients. 84% of new CAP clients live on an income below the national average, and one in two clients (50%) live below the poverty line.<sup>10</sup> Low income prevents households from being able to create a savings buffer and it sees many households struggle to afford even basic necessities.

### Income distribution

Distribution of monthly household income (after housing costs) of new clients in 2020:



8 | Income after Housing Costs refers to annual income after deductions for housing costs such as rent and/or mortgage interest payments.  
9 | Calculated using DWP Households Below Average median annual household income (after housing costs) for the financial year and poverty line taken as 60% of this (£14,940 of £24,900).  
10 | Ibid.

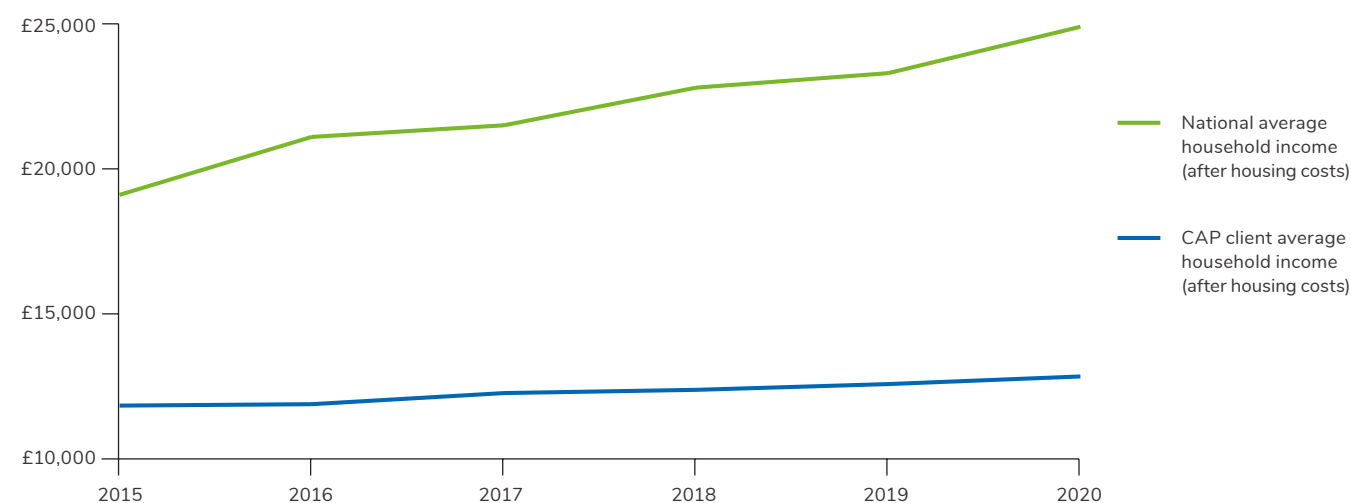


## Chapter 2: Income (continued)

Over the last five years CAP clients' mean income has risen below the UK inflation rate. The Bank of England reports the average rate of annual inflation between 2015 and 2020 as 2.5%. In 2015, CAP client average household income (after housing costs) was £11,852; if incomes had risen at the same rate of inflation since then, by 2020 a CAP client could have expected to earn £13,437 after housing costs. However, in reality CAP client average household income (after housing costs) was £12,845 in 2020, a 'shortfall' of £592.<sup>11</sup>

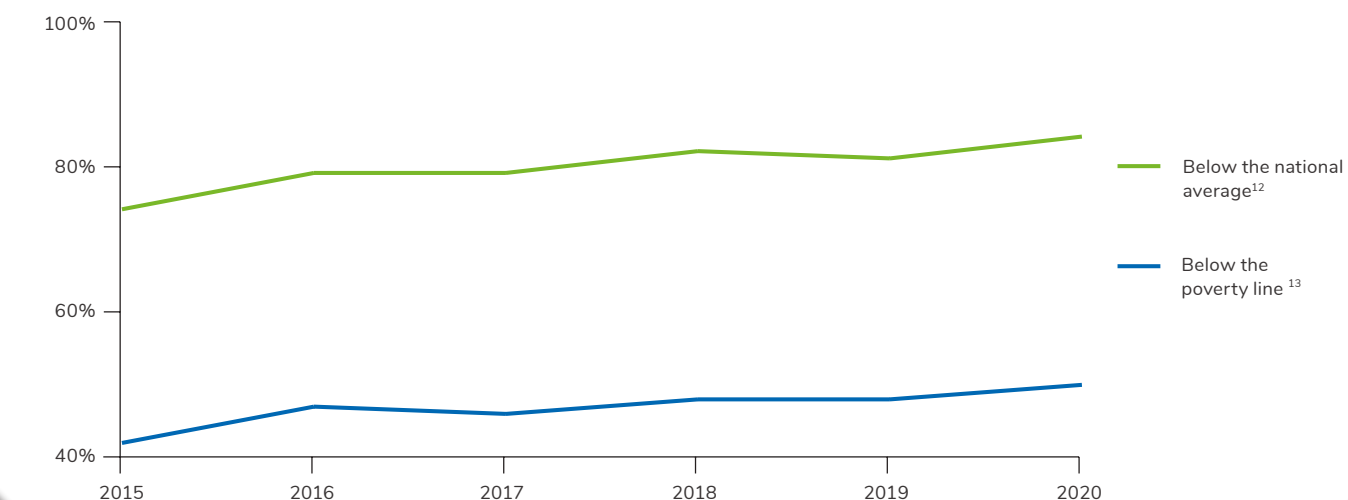
National median annual household income (after housing costs) for the financial year ending 2020 significantly increased compared with the financial year ending 2019, an increase of £1,600. However, this same increase was not felt by CAP clients, who saw their annual incomes (after housing costs) rise by only £264 between the financial year ending 2019 and 2020.

2015–2020: Average annual household income (after housing costs)



2015–2020: Poverty line

Proportion of new CAP clients who are on incomes below the national average or below the poverty line:



11 | [bankofengland.co.uk/monetary-policy/inflation/inflation-calculator](https://bankofengland.co.uk/monetary-policy/inflation/inflation-calculator)

12 | Calculated using DWP Households Below Average median annual household income (after housing costs) for the financial year and poverty line taken as 60% of this. (2015 - £19,100 | 2016 - £21,100 | 2017 - £21,500 | 2018 - £22,800 | 2019 - £23,300 | 2020 - £24,900).

13 | Ibid.

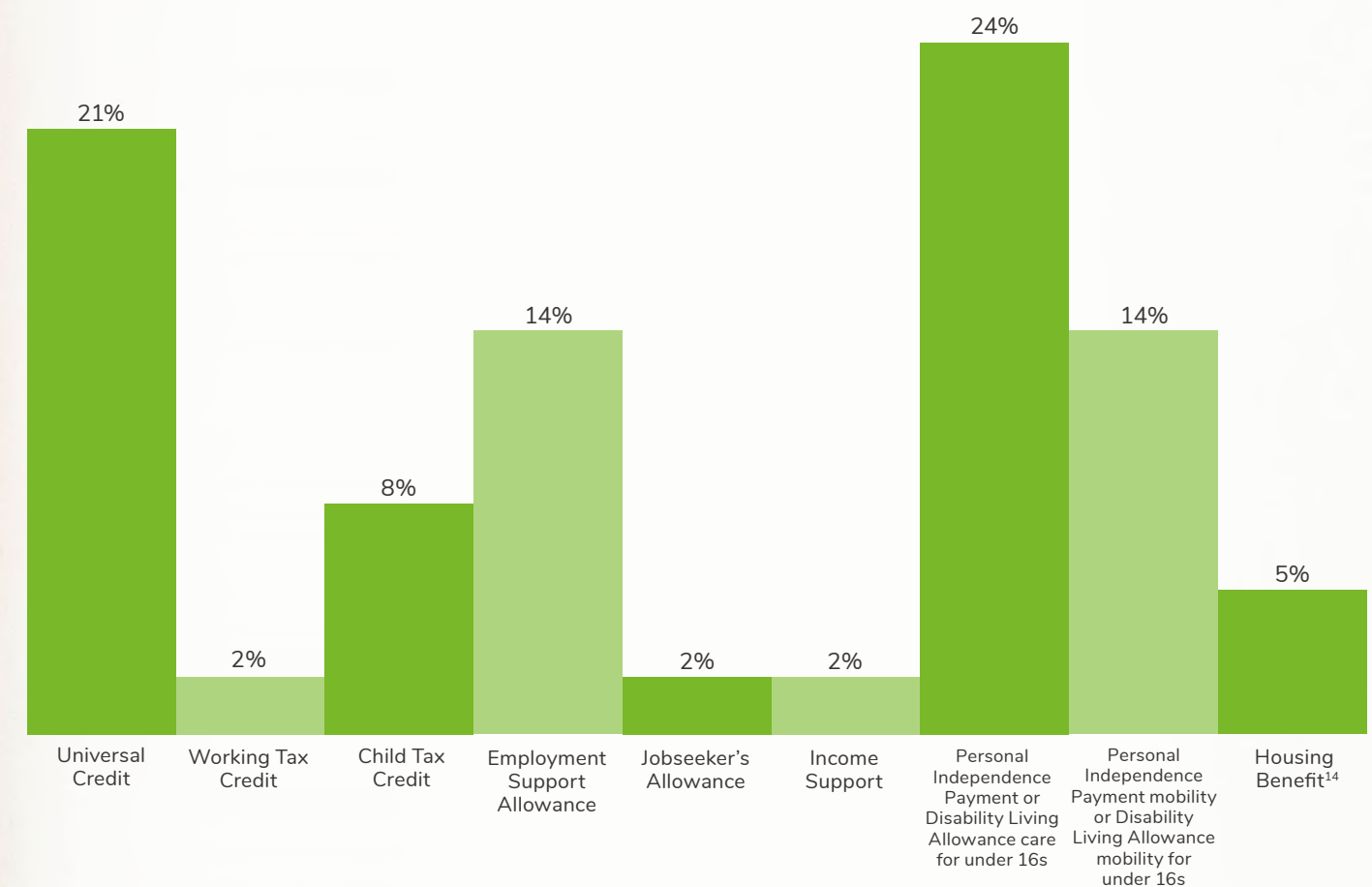
### Social security

One half (49%) of new CAP clients receive income solely from social security payments and 85% receive some income from social security. One in four CAP clients are in receipt of Personal Independence Payments (PIP) or Disability Living Allowance (DLA) for under 16s (24%). A growing number, now one in five (21%) clients are in receipt of Universal Credit. Two fifths (39%) of CAP clients have had a deduction made from their social security payments in order to repay debt.



### Types of social security

Percentage of new client households in 2020 who received:



14 | Note: this includes clients only receiving Housing Benefit; some Universal Credit claimants also receive a housing element to help with rent costs.

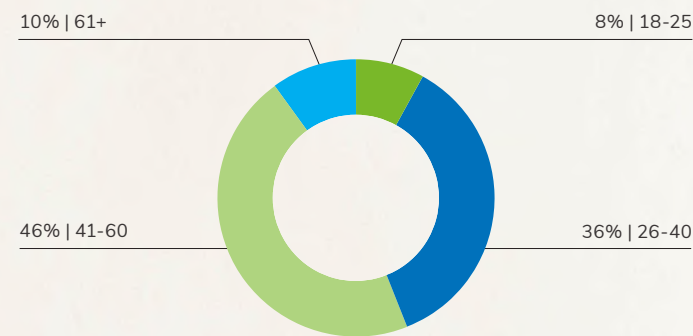


## Chapter 3: Client demographics

Any of us can experience problem debt. That being said, some groups are more susceptible to financial hardship than others. New CAP clients are most likely to be aged 41-60 (46%) and a significant proportion are single adults or single parents (83%). Three quarters (71%) live in rented accommodation and only one in ten (12%) are homeowners.

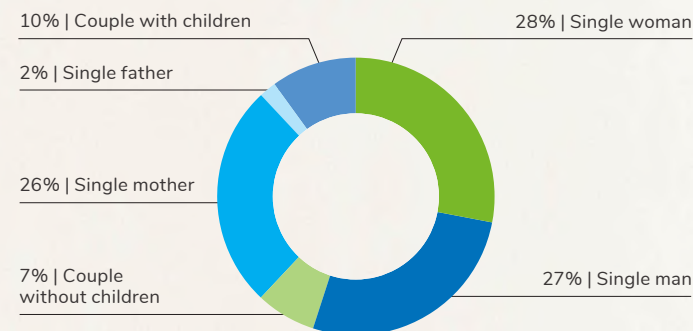
### Age

Percentage of new clients in 2020 who were aged:



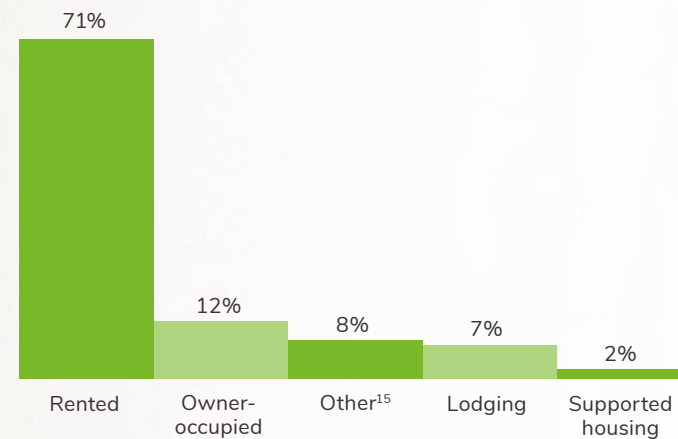
### Household type

Percentage of new client households in 2020 who were:



### Tenure

Percentage of new client households in 2020 who live in the following types of accommodation:

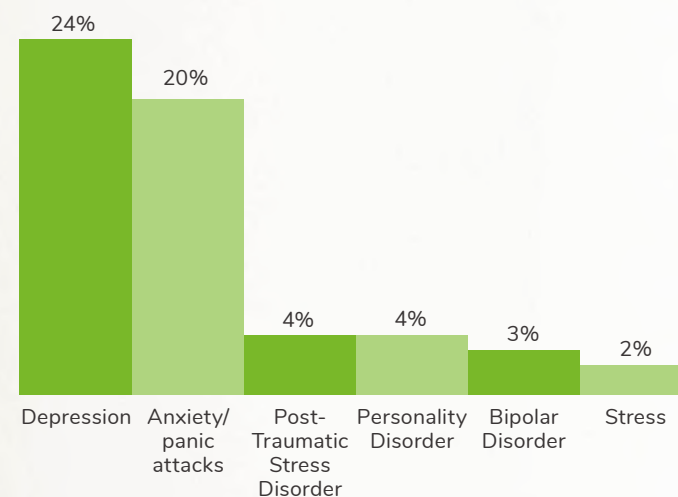


### Key support issues

Just under two fifths (39%) of new CAP clients have at least one key support issue logged on their CAP Plan – a flag on their case file to indicate their need for extra support.<sup>16</sup> This may include specific communication requirements, such as 'large print' or 'limited literacy'. Mental ill-health affects 36% of CAP clients, with depression being the most prevalent issue (24%) and anxiety also affecting a large proportion (20%). From the key support issues relating to communication needs logged on CAP Plans, 3% of CAP clients have dyslexia, 2% have limited literacy and 1% have a learning disability. It's important to note that not every client wishes to disclose their key support issues or allows CAP to log them.

### Mental ill-health

Proportion of new client households in which someone has a key support issue relating to:



15 | Includes the answer 'null' (4%).

16 | A CAP Plan is a client's account or case with CAP.

## Chapter 4: Impact of debt

### Going without

Percentage of CAP clients who said that debt meant they:



Percentage of clients who were:



### Debt driving destitution

Often those experiencing debt reach a climactic point. There may come a time when households are unable to put food on the table, heat their homes or are afraid to go outside. Not able to make ends meet, people are forced to make impossible choices. The stress and worry from the situation can impact people emotionally, mentally and physically.

Sadly, for some clients, going without is a daily reality. 6% of CAP clients said that debt meant they had to sacrifice meals daily, 8% went without heating daily and 5% went without lighting on a daily basis. A higher proportion of clients reported going without food, heat and light on a weekly basis, (11% sacrificed meals, 7% went without heating and 3% went without lighting on a weekly basis). Over one in three reported sacrificing meals and going without heating on at least a monthly basis (37% for both), and one in five said they went without lighting in the same timeframe.

Not only do households have to deal with the stress of debt, but many also face destitution. Debt leaves too many CAP client households hungry, in the cold and dark, without adequate clothing and without basic toiletries. Many people employ coping mechanisms, such as going to bed early or relying on street lighting from outside to see by.

### Debt driving fear



With no money available, facing overdue bills and repayment demands creates additional fear and stress for clients. Three in four (76%) CAP clients had sleepless nights because of their debt situation. A large proportion of clients were scared to open the post (71%) and answer the phone (64%). One in two were afraid to open the door (49%) and more than one in three were afraid to leave their home (37%). As many as one in five (20%) said that debt made them turn to drugs or alcohol.

17 | 37% of CAP clients sacrificed meals monthly, 11% weekly and 6% daily.

18 | 37% of CAP clients were unable to afford to heat their home monthly, 7% weekly and 8% daily.

19 | 20% of CAP clients were unable to afford to light their home monthly, 3% weekly and 5% daily.



# Chapter 4: Impact of debt (continued)

## Reasons for borrowing



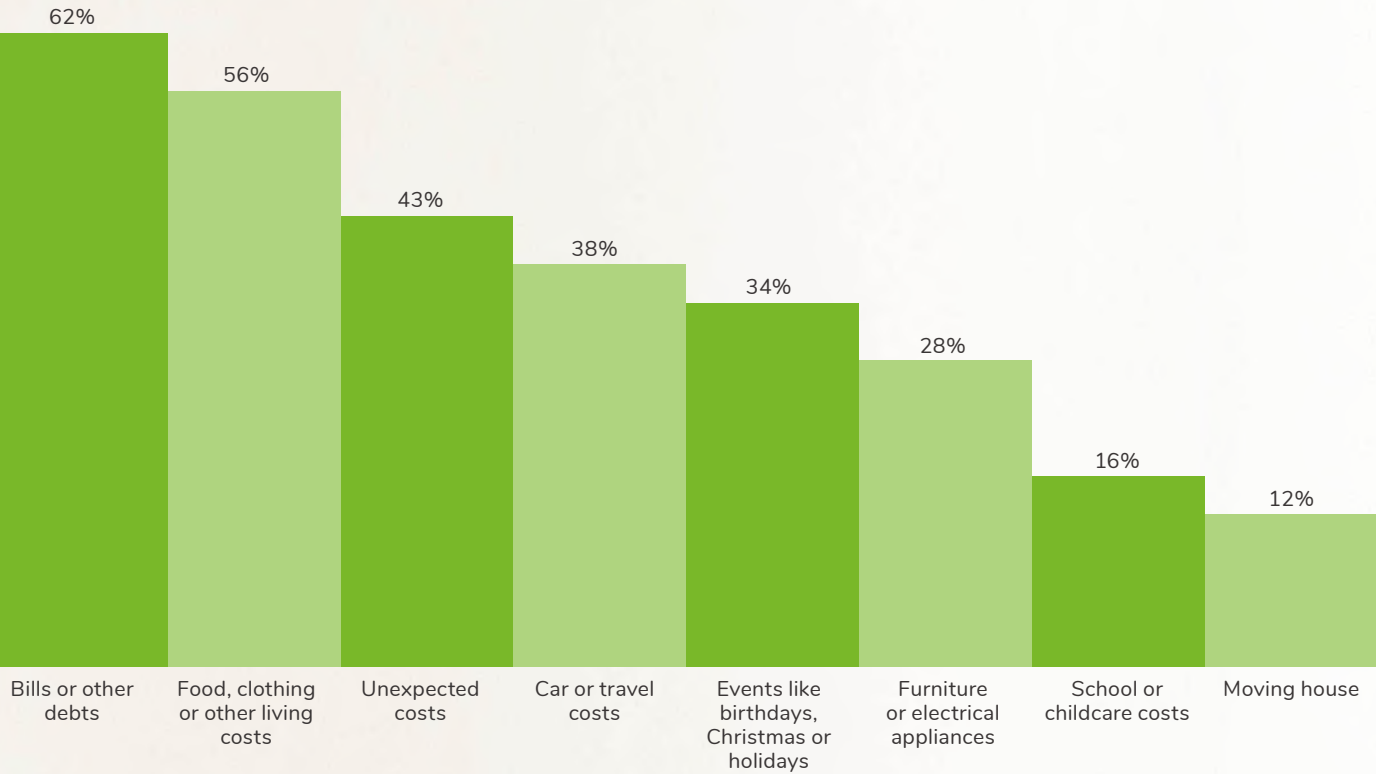
56%

borrowed money in order to pay for food, clothing or other living costs

For people living on low incomes, sometimes even the basics can be unaffordable. One in two (56%) CAP clients borrowed money in order to pay for food, clothing or other living costs, and one in three borrowed for an event like a birthday or Christmas (34%). Almost two in three (62%) borrowed in order to pay a bill or debt.

## Reason for borrowing

Proportion of clients who borrowed money in order to pay for:



## Debt driving tension



71%

of CAP clients said that debt impacted their relationship

Debt can also devastate relationships. The compounding stress, financial strain and relational tension saw one in five (19%) CAP clients experience relationship breakdown. 39% of CAP clients said that debt caused arguments with their partner.

## Debt driving ill-health



43%

said debt made a pre-existing mental health condition worse

The stress of debt can have adverse effects on health, both mental and physical. Debt made a pre-existing mental health condition worse for 43% of clients and made 21% of clients' physical health worse. One in three (36%) said that debt resulted in them visiting their GP for mental ill-health, and 32% were offered counselling as a result. One in five (20%) were signed off work for debt-related mental ill-health, and 11% for physical ill-health.

## Debt driving clients to hopelessness



28%

of CAP clients said that they had considered or attempted suicide as a way out of debt

Tragically, 28% of clients said that they had considered or attempted suicide as a way out of debt. This statistic is far too high, no one should feel trapped in inescapable debt, yet three in ten CAP clients saw no other way out. CAP, alongside the rest of the debt advice sector, will continue to help and support indebted households, bringing hope and a way out.

## The climax

Many calls to CAP's New Enquiries team are made at a final point of desperation, as the debt situation hits a crisis point. CAP's call handlers are able to offer hope and compassion, and help the client to begin their journey out of debt.

This is when the story really begins to change.



One in three (36%) said that debt resulted in them visiting their GP for mental ill-health, and 32% were offered counselling as a result.



# Ricky's story

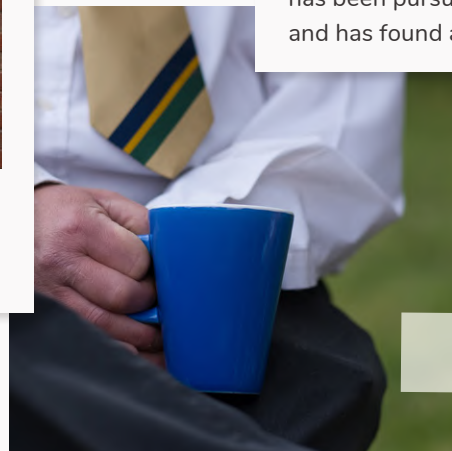


Ricky says his CAP Debt Coach, Jane, is 'a friend now, and a mentor'.

Please note: these photos were taken before the pandemic and social distancing measures.



Since becoming debt free in 2020, Ricky has been pursuing a career in security and has found a new passion for life.



A cup of tea with Jane was the first step on an incredible journey of transformation.

## Ricky's Story

Army veteran turned security guard, living debt free (Telford Debt Centre)

When Ricky left the army, his life looked radically different. With a diagnosis of PTSD, grief from a significant bereavement, no experience of budgeting and rising debts, Ricky reached what he called 'rock bottom'.

'I didn't know how to budget. I'd served in the army my whole adult life, so I had never had to pay bills before or prioritise my household costs. When I was in the army, I would get paid and then spend it all by the Sunday, but that didn't matter as I would still get fed and have somewhere to live.

My last tour was in 2008 and soon after I was diagnosed with Post Traumatic Stress Disorder (PTSD). Then for five years, I cared for my dad before I lost him two years ago. That hit me hard as we had been extremely close. We even shared the same birthday. From that period, I just went downhill.

Debt made everything worse. I was anxious, depressed and sad all at once. After two years of struggling, a mate from the British Legion told me to call CAP.

*To say CAP saved my life is an understatement.*

On the first visit, my Debt Coach Jane found and removed the means with which I was going to end my life. I had definitely hit rock bottom, but she was so non-judgemental and kind. I ended up repaying my debts, and Jane helped me learn to budget and prioritise bills. She's been such a help, I'd consider her a friend now, and a mentor. She helped me get on a course paid for by the European Social Fund, to get me back into work.

*I became debt free in October 2020. It's like someone has lifted a great weight off my shoulders! I'm optimistic now.*

I've started a career in security, and have even offered to volunteer with CAP. Once you've been there yourself, you can help people and tell them how it can end.

Recently I've been working in security for COVID-19 testing and vaccination sites. I am still able to stick to my budget and what I don't need is saved.

My story has massively turned around. No more panicking or worrying. I live in a completely new world, I'm still getting used to it. When you think the world doesn't care and suddenly you have people that are genuinely concerned, it makes a massive, massive difference.'



## Chapter 5: Debt levels

In an ideal world someone in debt would enter into a debt solution, repay within a short timeframe and become debt free. In the real world, this scenario is rare. Many complications occur, including low incomes, deficit budgets, rigidity in debt solutions, chaotic lives, changing circumstances and recurring debt, to name a few.

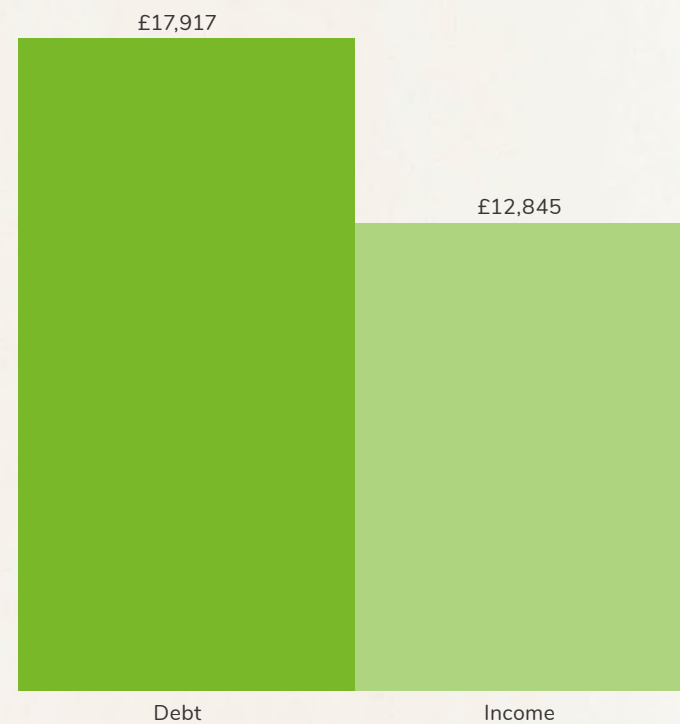


# £17,917

average household peak debt<sup>20</sup>

### Debt to income ratio

On average, new CAP clients owe the equivalent of 139% of their annual household income (after housing costs)

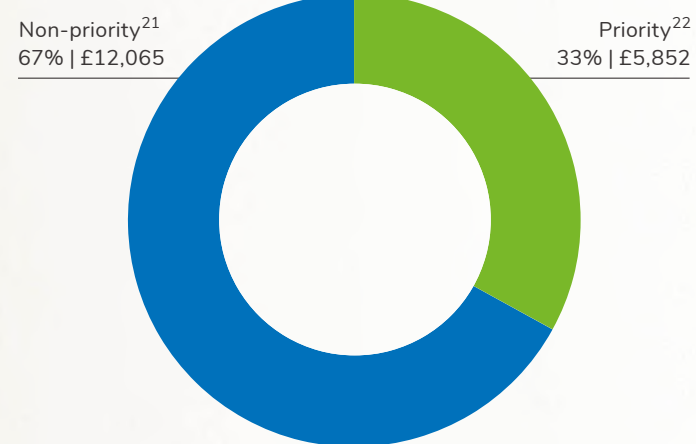


'Whenever bills came in, I would think, 'I can't pay this' and I started getting stressed. I felt so out of control.'

- Joanna, p.36

### Debt make-up

Average debt balances for new client households in 2020:



<sup>20</sup> | Peak debt level is the highest total debt balance across the first three financial statements for priority debts and non-priority debts.

<sup>21</sup> | Non-priority debt: The consequences of not paying these each month, e.g. credit card debts, are much less severe than those for not paying priority debts.

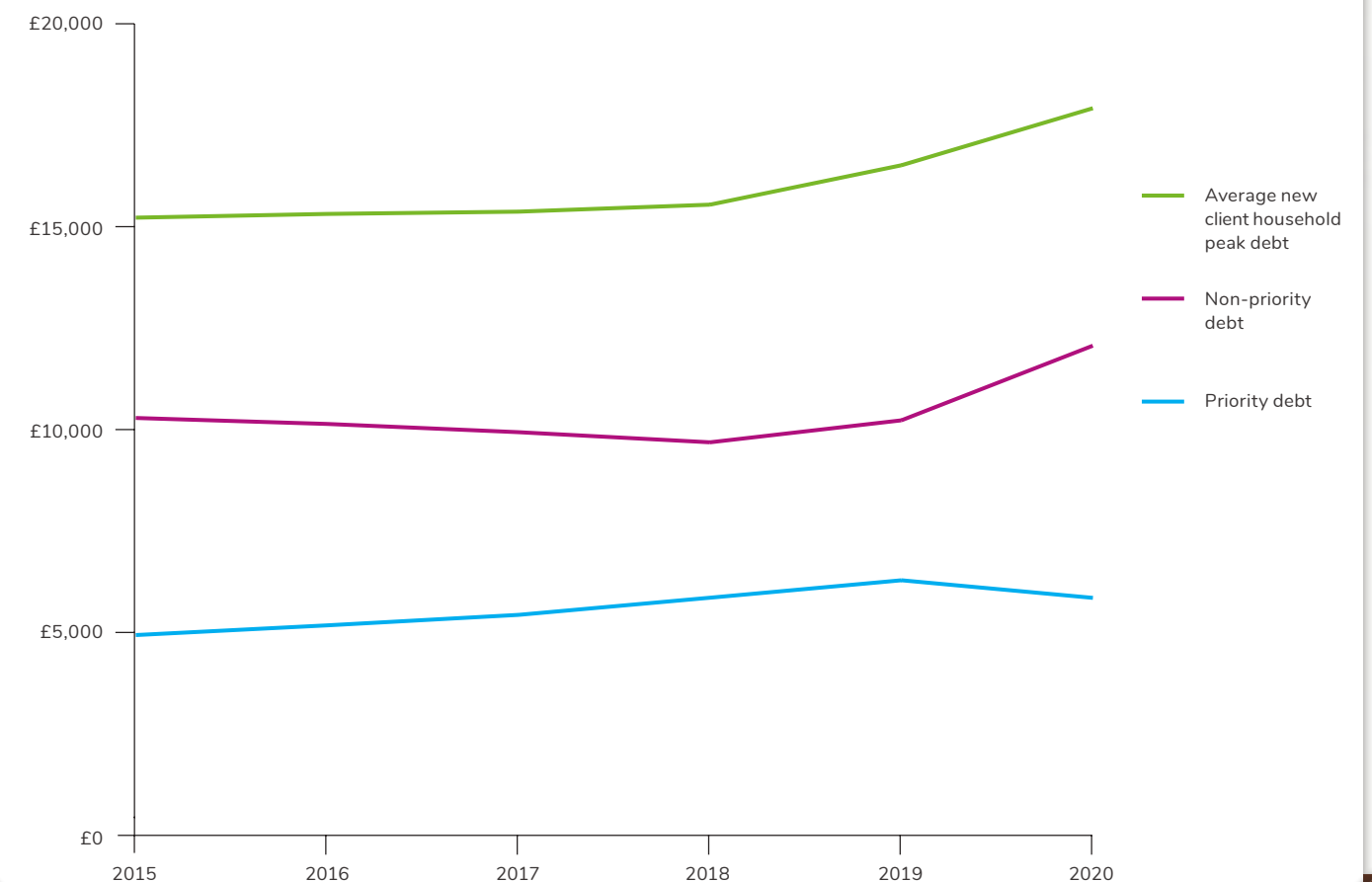
<sup>22</sup> | Priority debt: These debts can lead to more serious consequences if they remain unpaid, e.g. mortgage or Council Tax arrears.

### 2015–2020: Debt levels

2020 has seen a significant change in debt levels compared to the previous five years. After a stable four years, average household peak debt for new clients has increased by £2,694 (+18%) since 2015. This has been driven by a rise in non-priority debt, which has increased from an average of £10,228 in 2019, to £12,065 in 2020, an 18% increase. However, priority debt still remains high, at 33% of total debt.

### 2015–2020: Household peak debt levels

Proportions of average new client household debt over time:





## Chapter 5: Debt levels (continued)

### Number of debts

On average, new CAP clients have 14 debts, nine of which are owed to non-priority creditors and five to priority creditors.

**14**

Number of debts

**5**

Number of priority debts

**9**

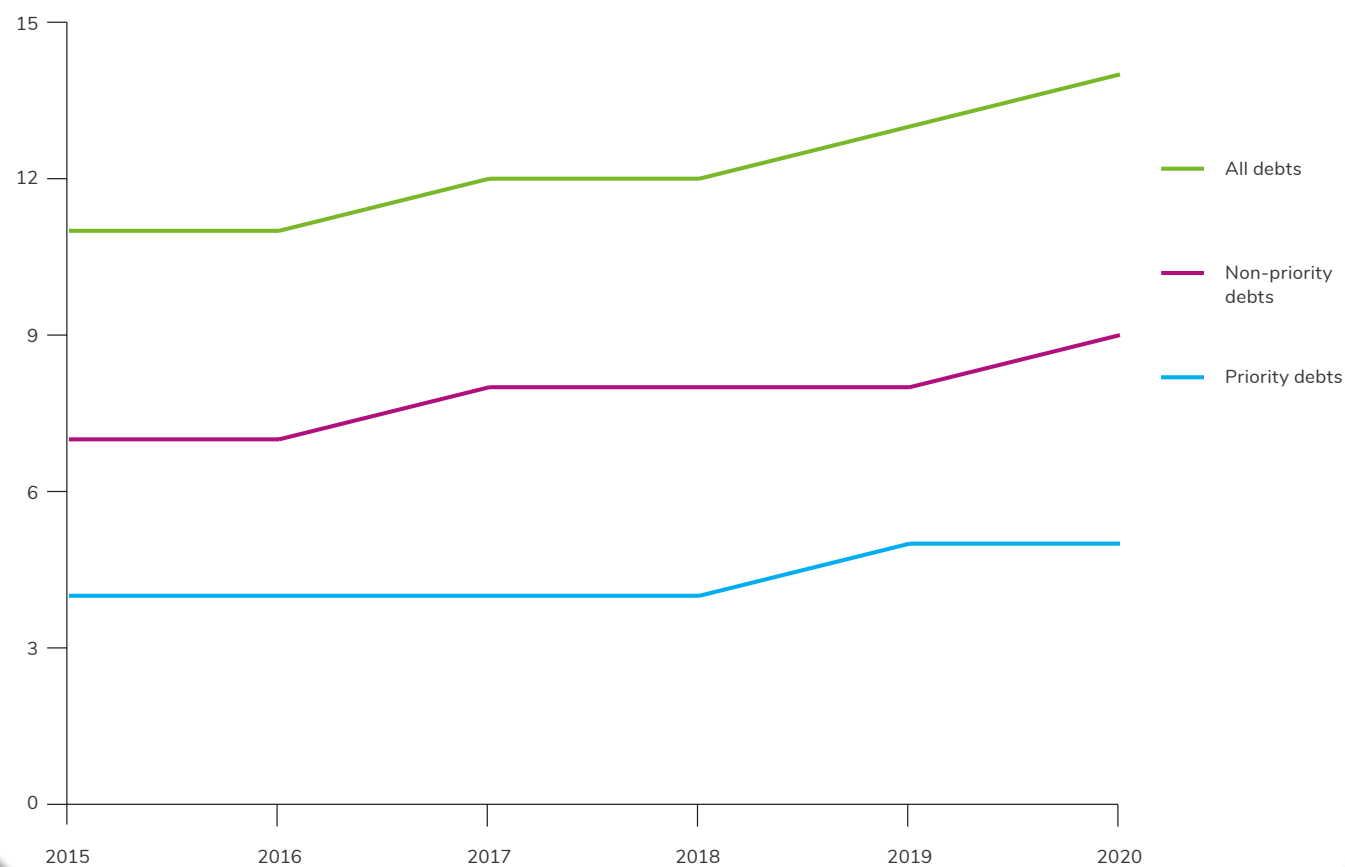
Number of non-priority debts

### 2015–2020: Number of debts

Over the past five years, the average number of debts a CAP client owes has increased. In 2015, the average CAP client had 11 debts. In 2020, the average new client now has 14 debts. This increase has been seen in both priority (+1 since 2015) and non priority debts (+2 since 2015). This coincides with the rising levels of debt, which have increased for both priority and non-priority debts.

#### 2015–2020: Number of debts

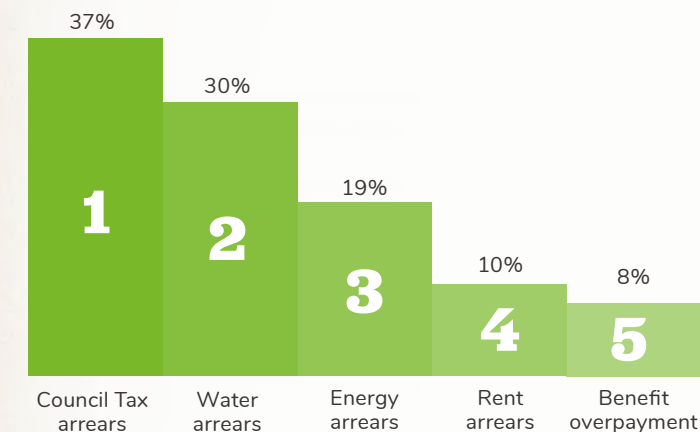
Average number of debts owed by new CAP clients:



### Priority debt

#### Top five priority debts

Proportion of new client households in 2020 seeking help for the following types of debt:

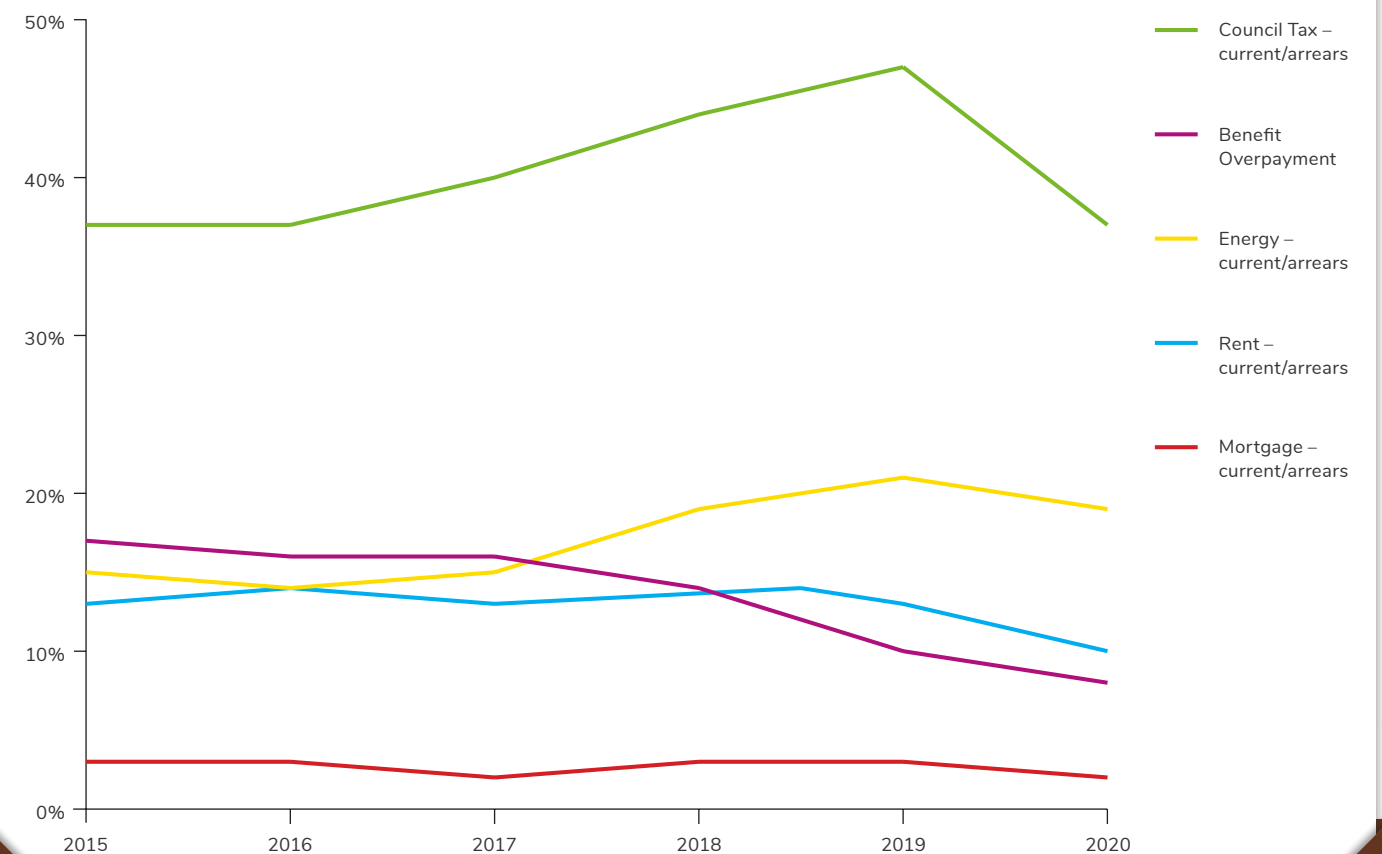


### 2015–2020: Priority debt

After more than a decade of increases, new CAP clients in 2020 experienced a slight reduction in the amount of priority debt they owed. There was a notable drop in the number of new clients with Council Tax and water arrears and this may be explained by the extra COVID-19 pandemic forbearance measures rolled out by the Government, finance industry and essential service providers. The extra support measures meant that fewer debts reached a point of escalation and fewer debts were enforced. However, this drop does not reflect the full picture. According to Citizens Advice, nearly one in three households have lost income because of coronavirus pandemic, and they estimate that over 3.5 million people are currently behind on Council Tax payments.<sup>23</sup> Knowing that one in two CAP clients wait over a year before seeking help, this drop is not set to last.

#### 2015–2020 Priority debt types

Proportion of clients owing these priority debt types over time:



23 | Unavoidable debt: Coronavirus council tax debt, Citizens Advice, 2021 (available at [citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/debt-and-money-policy-research/unavoidable-debt-coronavirus-council-tax-debt/](https://citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/debt-and-money-policy-research/unavoidable-debt-coronavirus-council-tax-debt/))

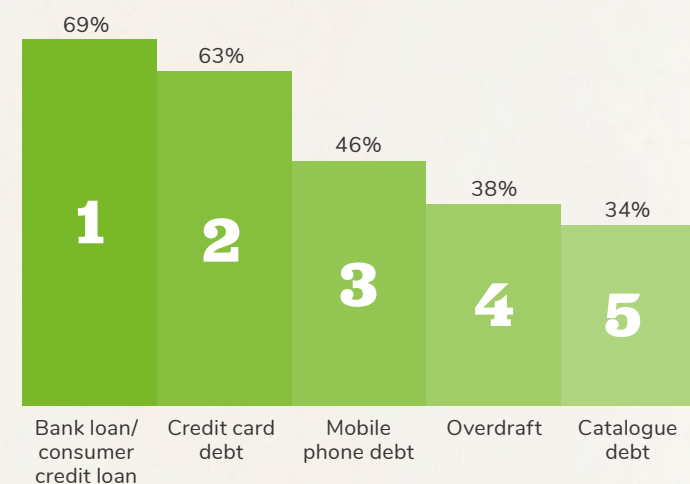


## Chapter 5: Debt levels (continued)

### Non-priority debt

#### Top five non-priority debts

Proportion of new client households in 2020 that sought help for the following types of debt:

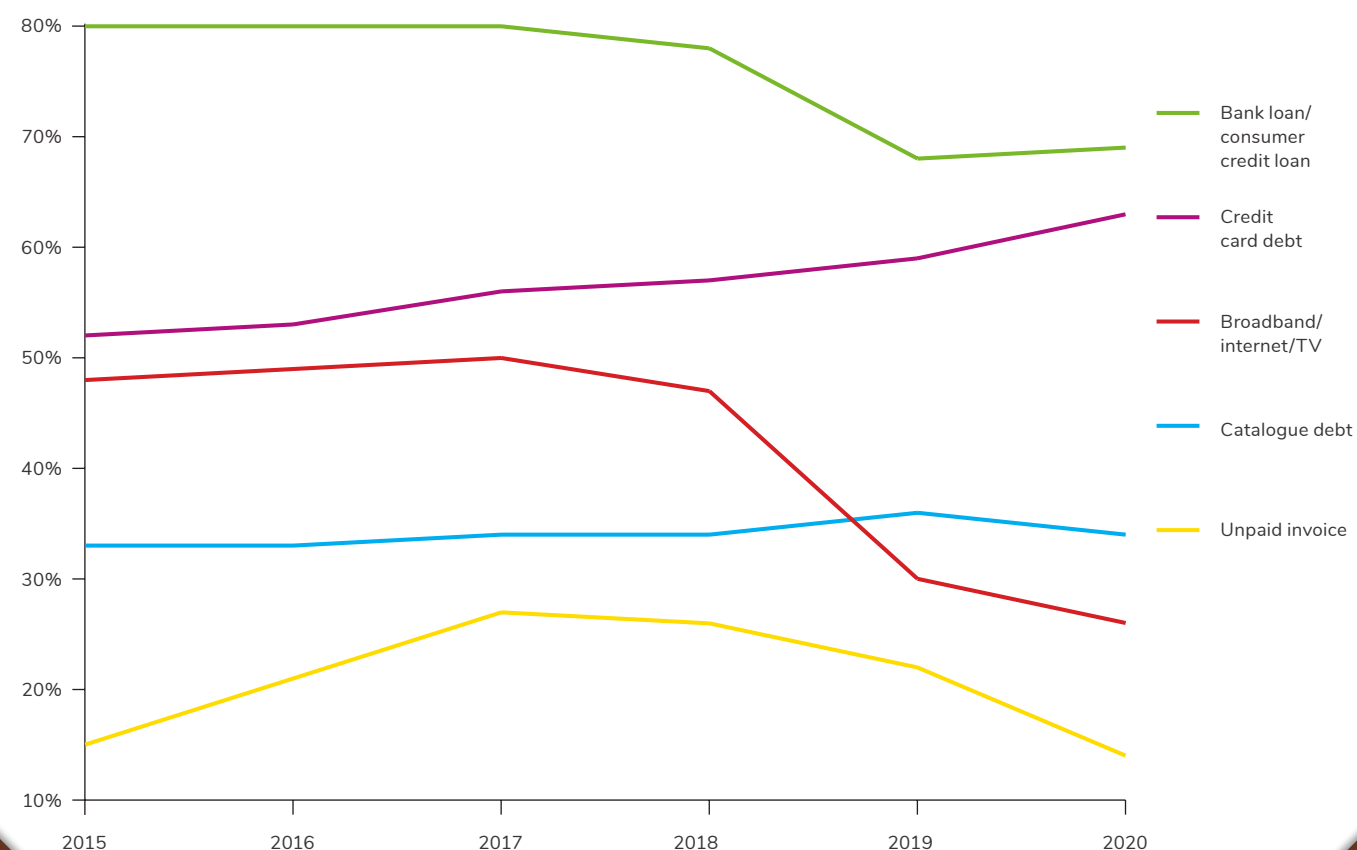


### 2015–2020: Non-priority debt

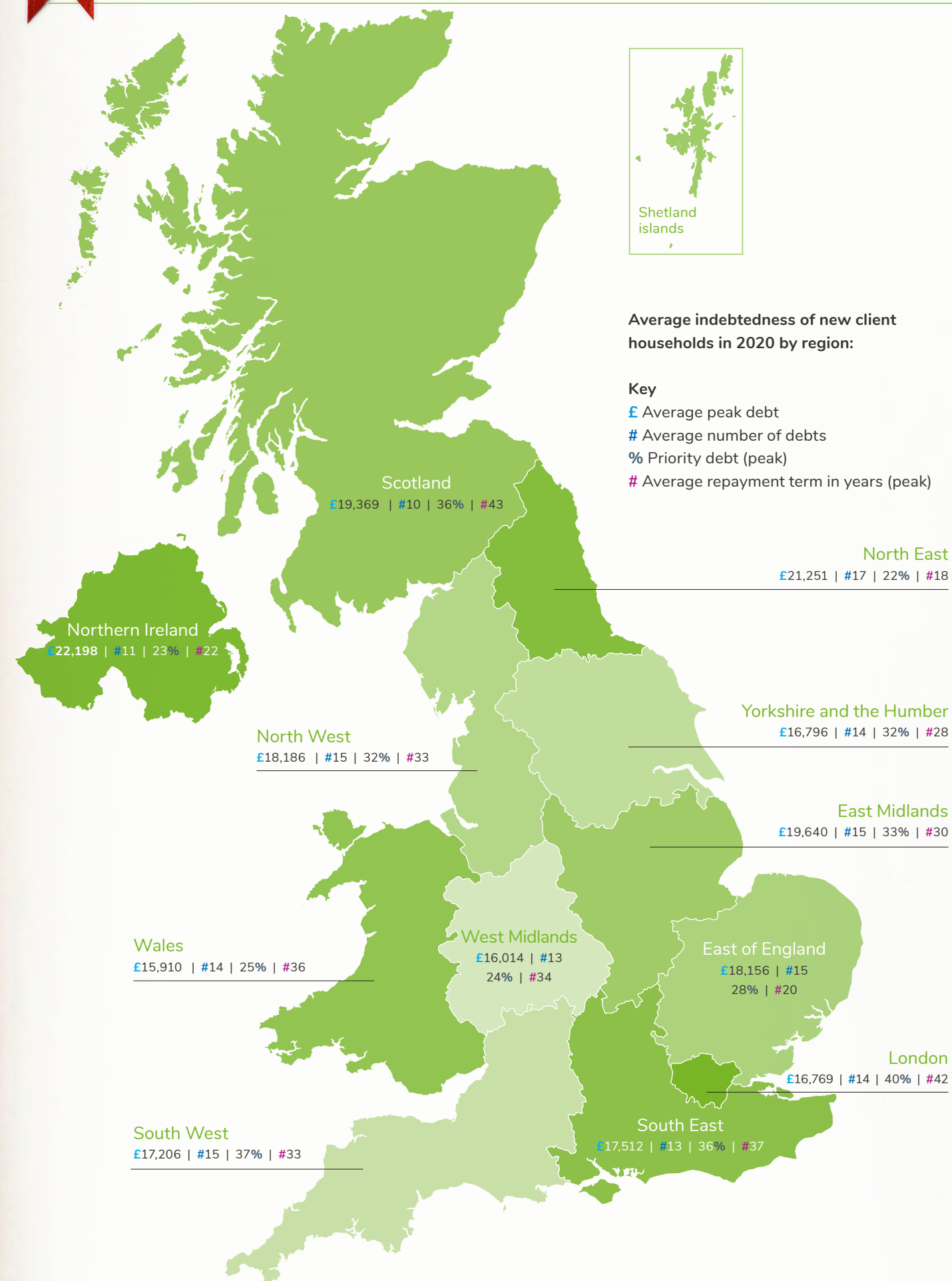
Since 2015, there has been an increase in the proportion of new clients who have credit card debt, from 52% of clients in 2015, to 63% in 2020, an 11% increase. Catalogue debt, however, has consistently stayed around one in three new clients throughout the five years (see line graph below).

### 2015–2020 Non-priority debt types

Proportion of clients owing these non-priority debt types over time:

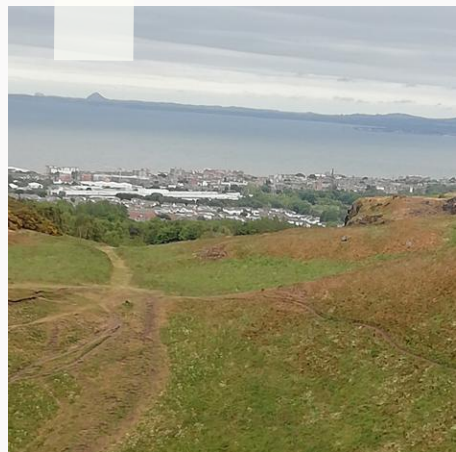


## Chapter 6: The picture across the UK





## Gillian's story



These beautiful scenes from Gillian's local area remind her of freedom from debt. She chose to include them to represent her story in this report.



CAP's support gave Gillian financial confidence and she gained new friends along the way too.

## Gillian's story

Recently married, working in finance and living in freedom from debt (Edinburgh Debt Centre)

After she was made redundant, immigration laws and illness prevented Gillian from being able to get a new job. Gillian had taken out a bank loan whilst working, but she had no hope of being able to pay it back without an income. Debt letters and calls, coupled with the need to save for a permanent residency visa, left Gillian feeling stressed and hopeless.

'I got into debt when I was working, hoping I would be able to pay it off. But then the company I was working for closed down. Immigration rules then meant that I couldn't work as I didn't have permanent residency. I was really stuck. I couldn't pay back the debt.

The debt hung over me for a number of years. Despite getting permanent residency, I then got ill, so I still couldn't work. The creditors were asking for money, but I didn't have any way to pay it. When I could return to work, I moved to Scotland to be closer to my brother. I was starting to put my feet on the ground, but my new home was empty, so I had to buy all the basics.

*Every time a letter came in the post, my heart would race. I was constantly worried, I didn't have any peace of mind. I wanted to pay, but didn't know where to start.*

Being a person of faith, I turned to God about the debt issue. I then felt led to ask for prayer and help from a prayer helpline. They prayed with me but also referred me to CAP to get debt help. I got in touch with CAP and, soon after, my Debt Coach came to visit me. We talked all about my situation and she helped me understand the budget.

Once CAP was involved the letters stopped. The burden was lifted from me; that constant hammering. People were no longer calling me. I could live in peace, knowing that I was paying what I could. They even negotiated for me on some debts.

I always thought I had been good at managing my money but I think I have really gained a lot through CAP. Working in the finance industry, I used to think I shouldn't be in debt. I used to feel bad. You want to practice what you preach. But it happened out of my control.

I've also learnt about saving, and have been telling my brother. Since starting the CAP Plan I've realised how even £10 of savings can take you a long way. I've also recently married, so my husband and I have been planning what we will do now I'm debt free. We would like to buy a house and we can take what I've learnt from CAP as we move forwards.

*With CAP, the icing on the cake is that I have met new people and made new friends.*

Before the pandemic, we used to go to different events organised by the church who run the CAP Debt Centre. I went to a BBQ and a church service and so many things! I've met people who have told me their stories as well.

I went to a BBQ, Christmas dinner, learnt my first cèilidh dance, an arts and crafts workshop and attended a Christmas carol service, Easter and other church services, thanks to CAP!

I would not have made it on my own. CAP gave me the confidence that I did not have to face the endless phone calls and letters from my creditors, since CAP was handling it all for me. I didn't just get advice but I also made a lot of new friends along the way. I knew I was not alone in the journey.'

*I became debt free in 2021. I am so excited and thankful that this day has eventually come.*



# Chapter 7: The story in Scotland<sup>24</sup>

Last year CAP in Scotland celebrated its 20th anniversary, and now in its 21st year it continues to grow its network and reach across Scotland. CAP's Debt Help service is needed in Scotland more than ever. On average, new CAP clients in Scotland have a peak debt of £19,369, 36% of which is owed to priority creditors.



## £11,766

average annual household income (after housing costs)



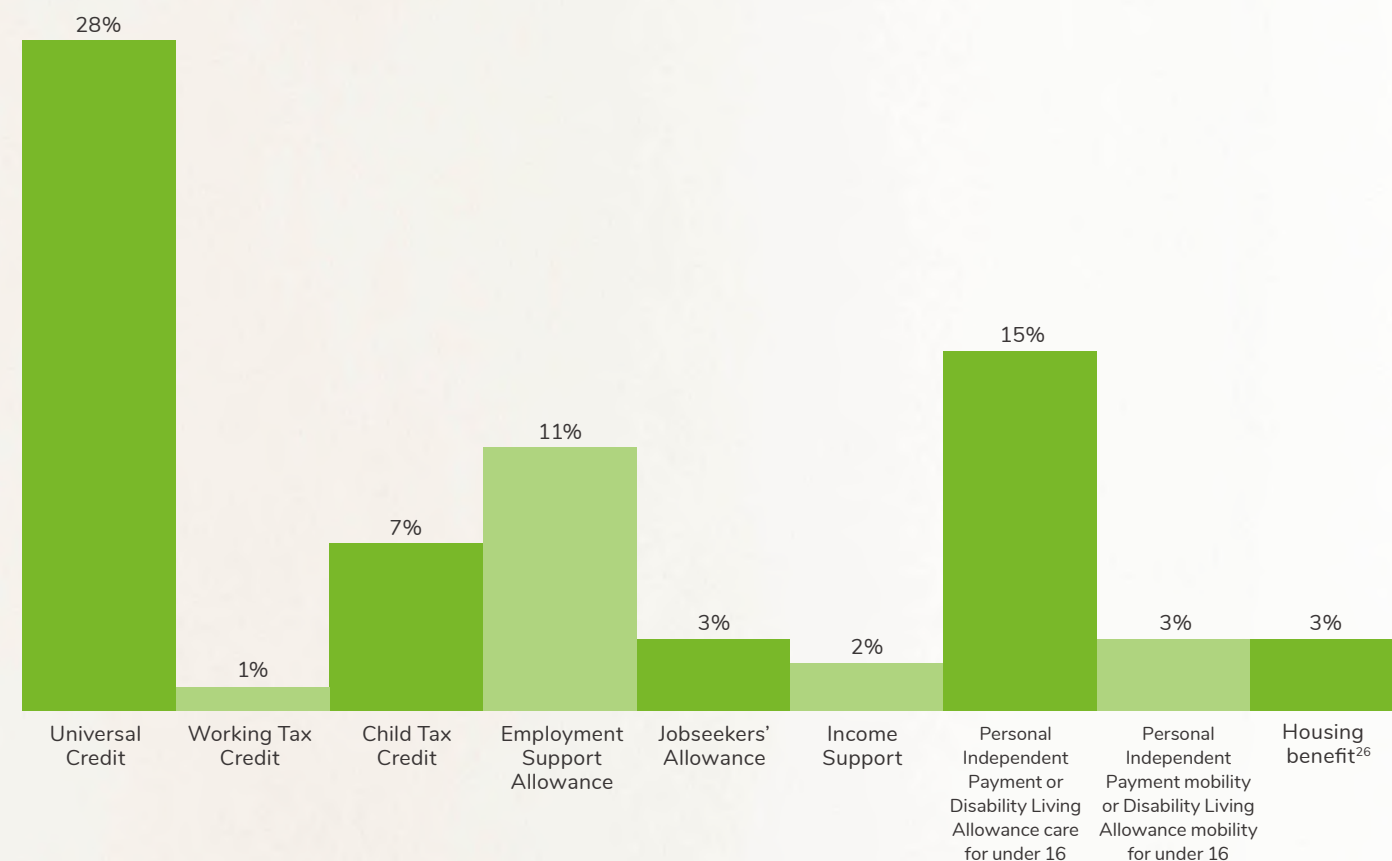
## £19,369

average new Scottish client household peak debt<sup>25</sup>

Over three quarters (78%) of new CAP client households in Scotland receive some form of social security. Two in five (42%) receive income solely from social security. Already struggling on a low income, as many as one in three (34%) also have one deduction from their benefits.

### Types of benefits

Percentage of new client households in Scotland in 2020 who received:



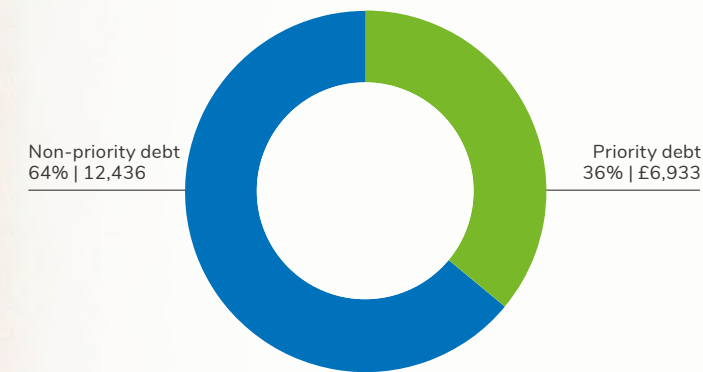
<sup>24</sup> | Note: Small sample size. 101 new client households in Scotland in 2020.

<sup>25</sup> | Peak debt level taken from the first three financial statements for priority debts and current non-priority debts.

<sup>26</sup> | Note: this includes clients only receiving Housing Benefit, some Universal Credit claimants also receive a housing element to help with rent costs.

### Debt make-up

Average debt balances when seeking help for new client households in Scotland in 2020:



### Average number of debts

Average number of debts clients in Scotland have when seeking help:

**10**  
Number of debts

**3**  
Number of priority debts

**7**  
Number of non-priority debts

### Top four priority debts

Proportion of new client households in Scotland in 2020 that sought help for the following types of debt:



**40%**  
Council Tax arrears



**9%**  
Energy arrears



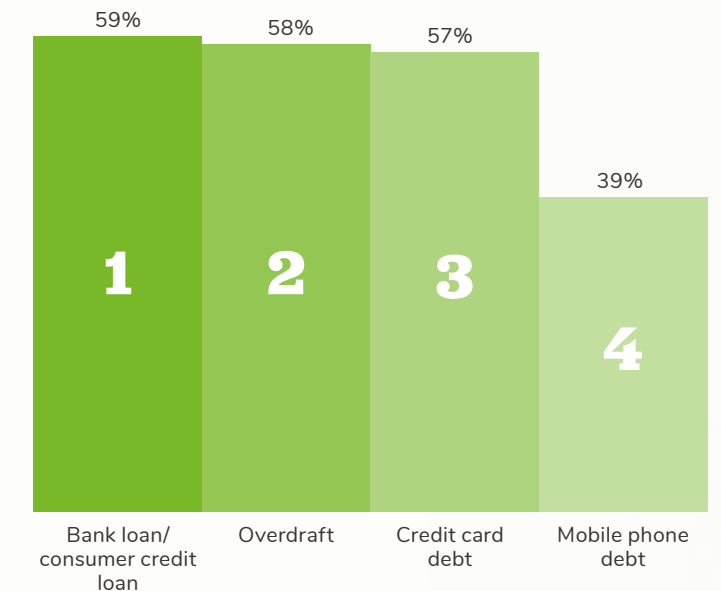
**10%**  
Rent arrears



**6%**  
Mortgage

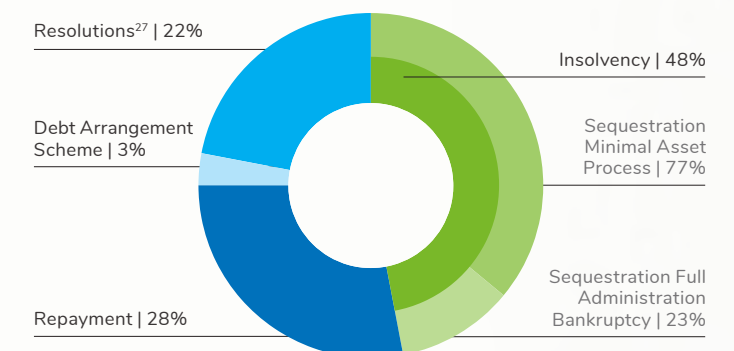
### Top four non-priority debts

Proportion of new client households in Scotland in 2020 that sought help for the following types of debt:



### Route out of debt

Route out of debt pursued by new client households in Scotland in 2020:



<sup>27</sup> | Clients in Scotland remain in CAP's Scotland team, but for those without a clear route out of debt their case is placed on hold. This may be, for example, if a client is going through a divorce or a house sale and their financial situation is uncertain.



## Chapter 8: The story in Wales<sup>28</sup>

CAP clients in Wales receive the lowest level of income across the countries in the UK. As a result, CAP in Wales also sees the smallest proportion of clients become debt free through a Debt Management Plan.



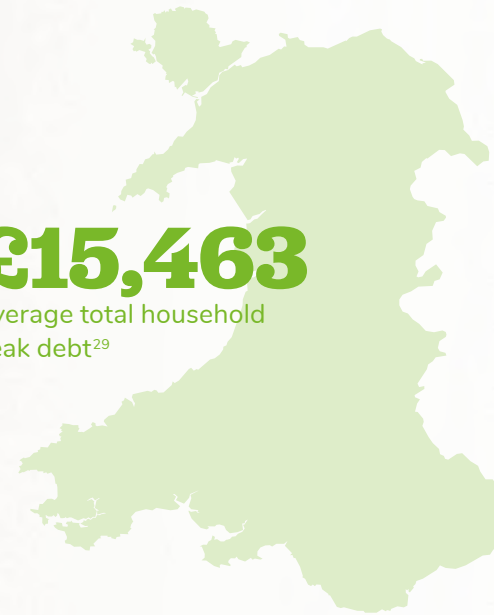
### £9,961

average annual household income (after housing costs)



### £15,463

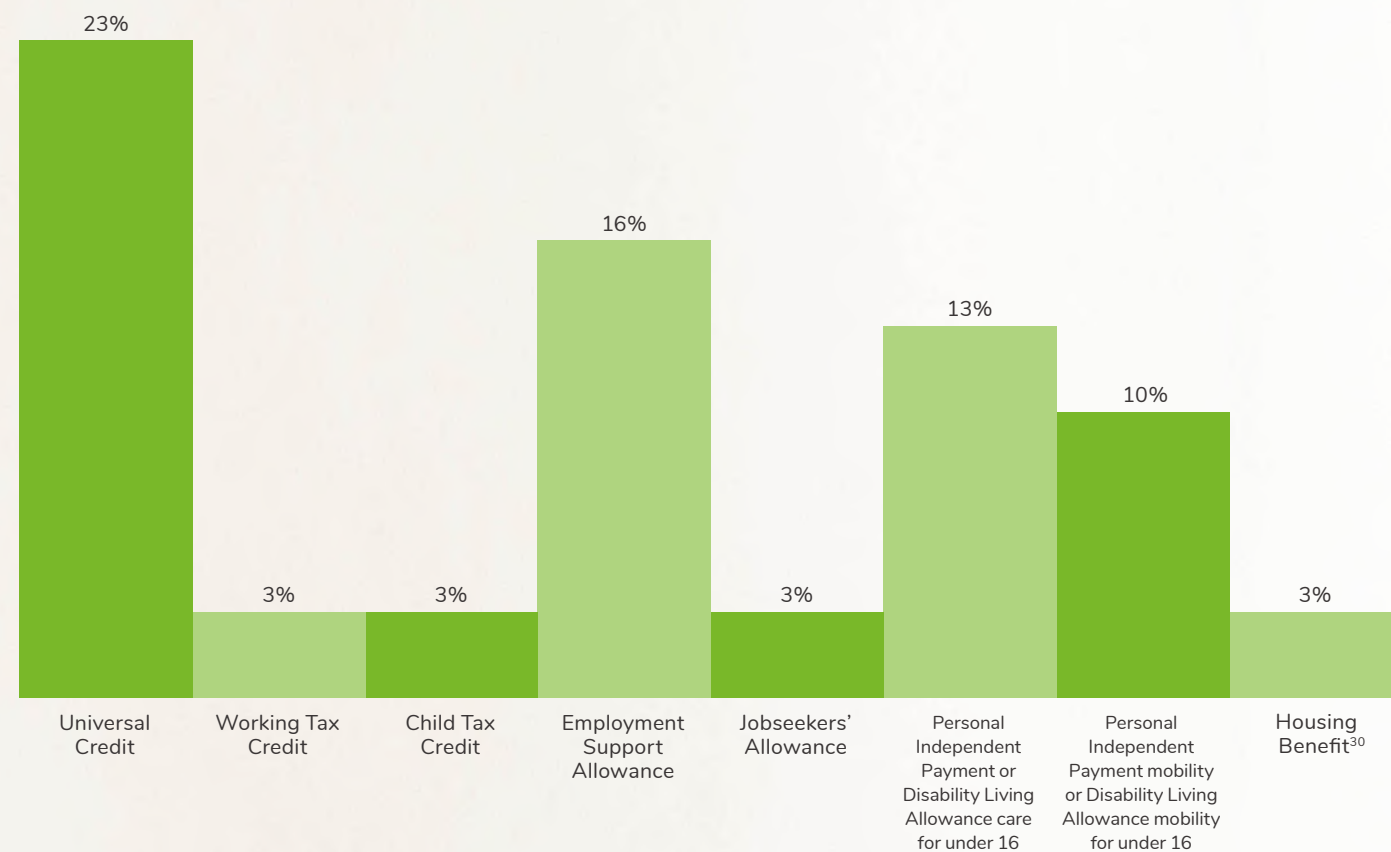
Average total household peak debt<sup>29</sup>



Just under three quarters (73%) of new CAP client households in Wales receive some form of social security. One in four (25%) receive income solely from social security. Already struggling on a low income, almost two in five (39%) also have one deduction from their benefits.

### Types of benefits

Percentage of new client households in Wales in 2020 who received:



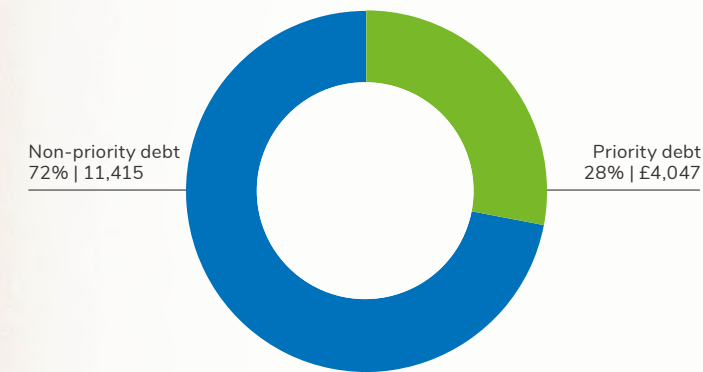
28 | Note: Small sample size. 31 new client households in Wales in 2020.

29 | Peak debt level taken from the first three financial statements for priority debts and current non-priority debts.

30 | Note: this only includes clients receiving Housing Benefit, some Universal Credit claimants also receive a housing element to help with rent costs.

### Debt make-up

Average debt balances when seeking help for new client households in Wales in 2020:<sup>31</sup>



### Average number of debts

Average number of debts clients in Wales have when seeking help:

### 14

Number of debts

### 5

Number of priority debts

### 9

Number of non-priority debts

### Top four priority debts

Proportion of new client households in Wales in 2020 that sought help for the following types of debt:



### 29%

Council Tax arrears



### 26%

Energy arrears



### 29%

Water arrears

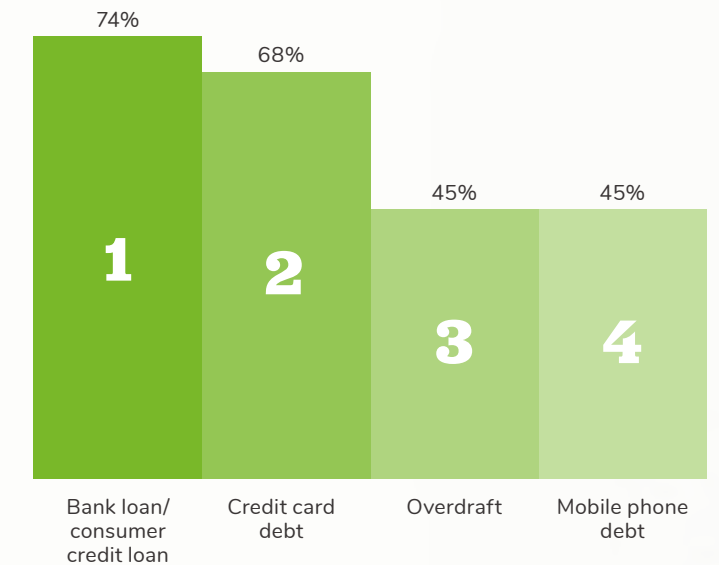


### 10%

Rent arrears

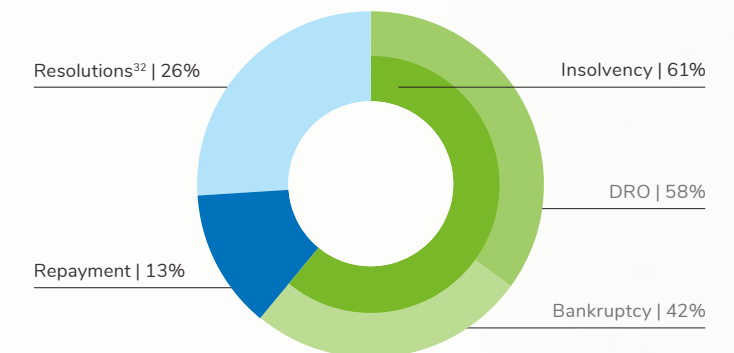
### Top four non-priority debts

Proportion of new client households in Wales in 2020 that sought help for the following types of debt:



### Route out of debt

Route out of debt pursued by new client households in Wales in 2020:



31 | Peak debt level taken from the first three financial statements for priority debts and current non-priority debts.

32 | The Resolutions team is for those without a clear route out of debt their case is placed on hold. This may be, for example, if a client is going through a divorce or a house sale and their financial situation is uncertain.



## Chapter 9: The story in Northern Ireland<sup>33</sup>

In its twelfth year, CAP in Northern Ireland continues to cover the vast majority of postcodes. CAP clients in Northern Ireland receive the highest level of income compared to any other UK country, but also owe the highest amount of debt. 77% of total debt makeup is owed to non-priority creditors, which is notably more than the 67% owed by CAP clients across the UK as a whole.



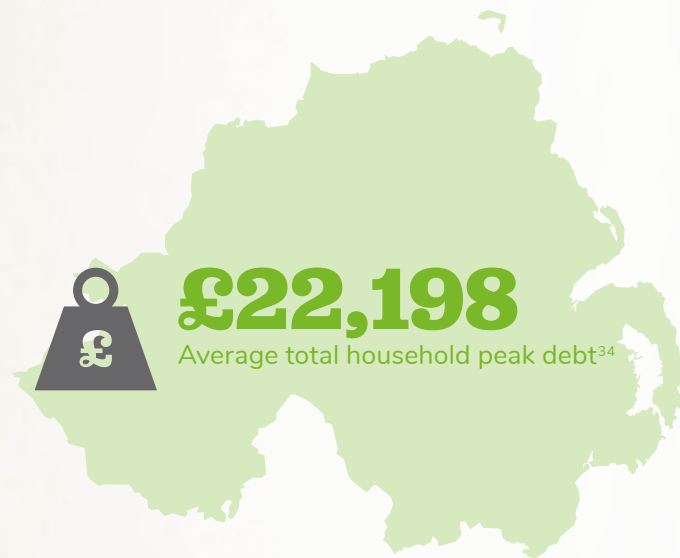
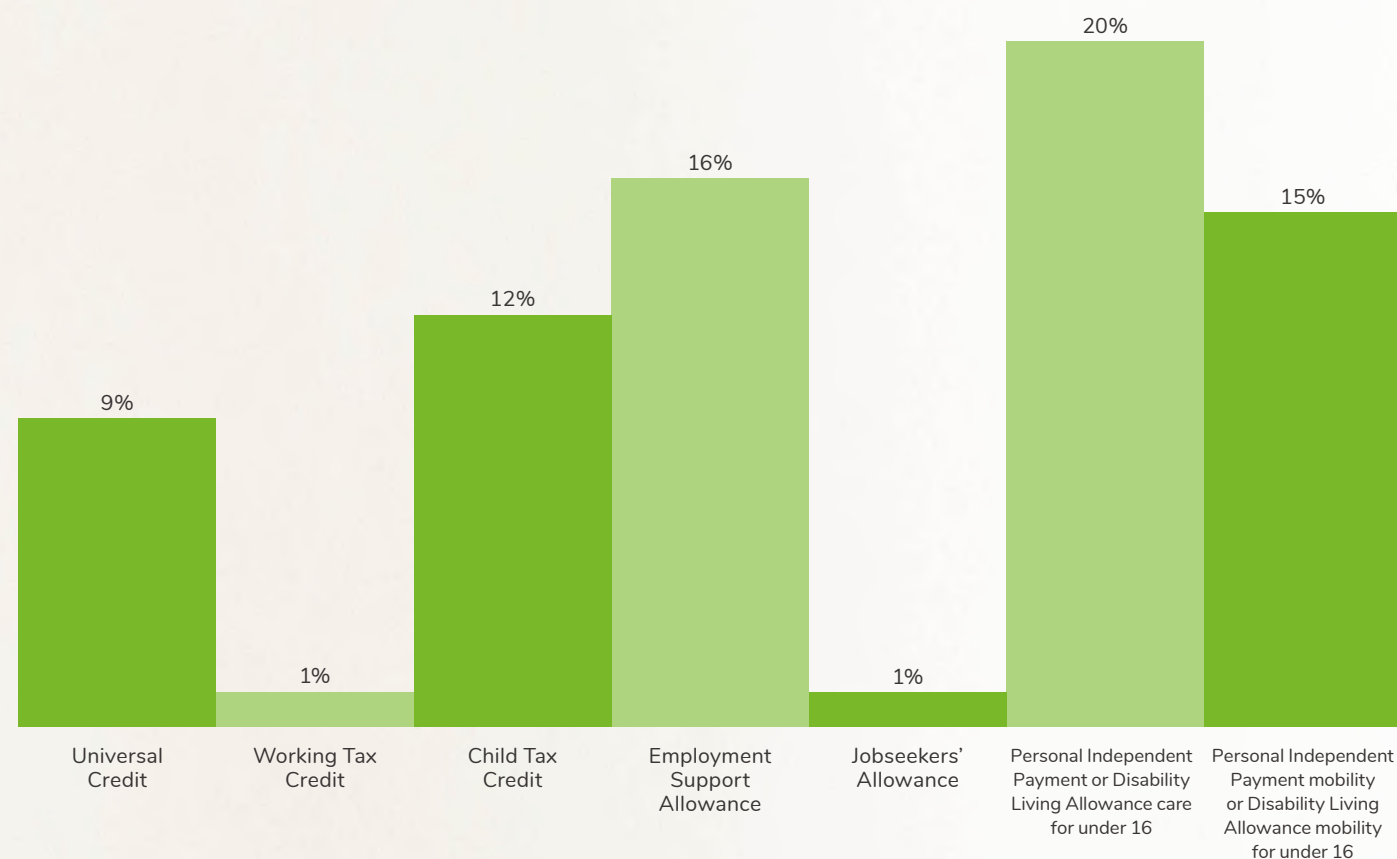
# £18,244

average annual household income  
(after housing costs)

Three in four (75%) new CAP client households in Northern Ireland receive some form of social security. One in three (32%) receive income solely from social security. Already struggling on a low income, as many as one in four (24%) also have one deduction from their benefits.

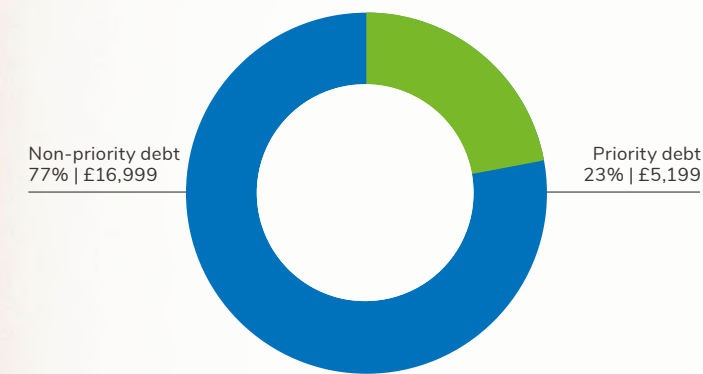
### Types of benefits

Percentage of new client households in Northern Ireland in 2020 who received:



### Debt make-up

Average debt balances when seeking help for new client households in Northern Ireland in 2020:



### Average number of debts

Average number of debts clients in Northern Ireland have when seeking help:

**11**  
Number of debts

**2**  
Number of priority debts

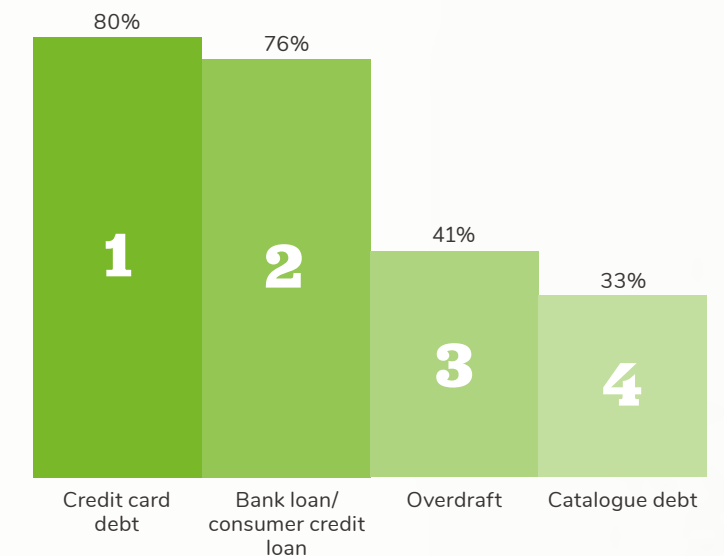
**9**  
Number of non-priority debts

### Top four priority debts

In comparison to Great Britain, there is a low proportion of CAP clients in Northern Ireland with priority debt. On average CAP clients in Northern Ireland only have two priority debts. Of these the top four most common priority debts for new clients in Northern Ireland in 2020 were rates arrears (7%), rent arrears (7%), energy arrears (1%) and benefit overpayment (1%).

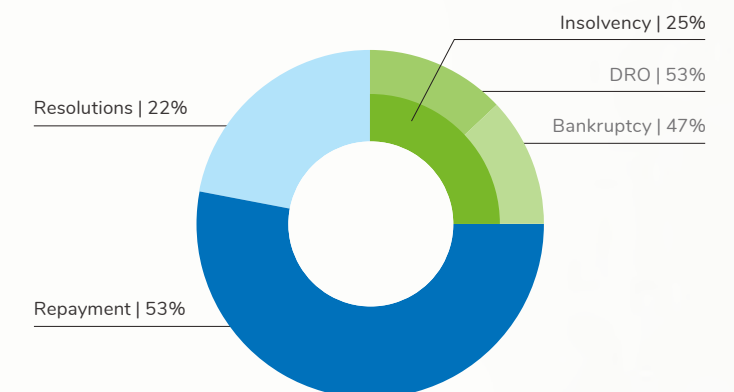
### Top four non-priority debts

Proportion of new client households in Northern Ireland in 2020 that sought help for the following types of debt:



### Route out of debt

Route out of debt pursued by new client households in Northern Ireland in 2020:



33 | Note: Small sample size. 76 new client households in Northern Ireland in 2020.

34 | Peak debt level taken from the first three financial statements for priority debts and current non-priority debts.



# Joanna's story



Joanna's desire is to help others by sharing her story.



Joanna has found support through CAP and no longer feels isolated.



Brian (pictured) became Joanna's new Debt Coach after she moved house.

## Joanna's story

Mother, survivor of abuse and now living debt free (Belfast North and Newtownabbey Debt Centre)

Joanna fell into debt after experiencing abuse. On becoming a mother, she coped with her past trauma by trying to ensure that her children were happy and, like many parents, Joanna didn't want them to go without anything. Mounting debt, as well as her history of abuse, left Joanna unable to eat or sleep.

'I am a survivor of historical sexual abuse. The way I dealt with that was wanting my children to have everything. If they were happy, I was happy. So I started spending, buying things for my children. I bought them things like laptops for Christmas, but eventually I was getting deliveries almost every day. I realised I was clicking on these things and buying them to make me happy. Debts were mounting and then, whenever bills came in, I would think, 'I can't pay this' and I started getting stressed. I felt so out of control.

*I wasn't eating, I wasn't sleeping. My mind was constantly whirring.*

I was also dealing with the stress and trauma of my past experiences. Right in the middle of that I was diagnosed with fibromyalgia, which absolutely paralysed me. I couldn't think straight. Any letter that came, I would just put to the side.

I had no family around me. I had no friends. I had nobody. I had so much going on: debt, the court case with my abuser, dealing with fibromyalgia, looking after my children – I was getting to the point of not wanting to be here. I knew I needed help so I called CAP.

My Debt Coach, Robert, came to my house and everything changed from there. He was so calm, telling me not to worry. I had about seven years of paperwork so I had no idea where to start, but Robert helped me to look for everything I needed.

*Robert not only helped me with my debts, but in every way. Before, I had no one to talk to, but he listened.*

Being able to chat, let everything out and be honest, was a great relief. He understood my life story. He said, 'One day I'm going to hear you tell your story' – I thought he was crazy! Then I had to move house and ended up in a new area that also had a CAP Debt Centre. Brian became my new Debt Coach and Lana my Befriender.

Initially I was going to repay my debts, but my circumstances changed and I ended up needing to go through bankruptcy. Brian helped me with all the bankruptcy paperwork and accompanied me to the court hearing. I burst into tears when I became debt free, as I was so happy. CAP played me a celebratory tune over the phone via YouTube! I am so thankful for the support of the CAP head office team along the journey as they have always been approachable, understanding and full of empathy.

I recently had a successful outcome to the abuse court case, one of only a few such outcomes in Northern Ireland. Now I don't spend money unless I have to. I'm saving up for a rainy day. I've learnt to enjoy the little things, I wake up early, make myself tea and just listen to the birds. I'm peaceful now, my mind is quiet.

Now I'm debt free, it has taken a large burden from me, allowing me to deal with some of the other things in my life.

*I want to help others in the same situation as mine, other survivors from abuse.*

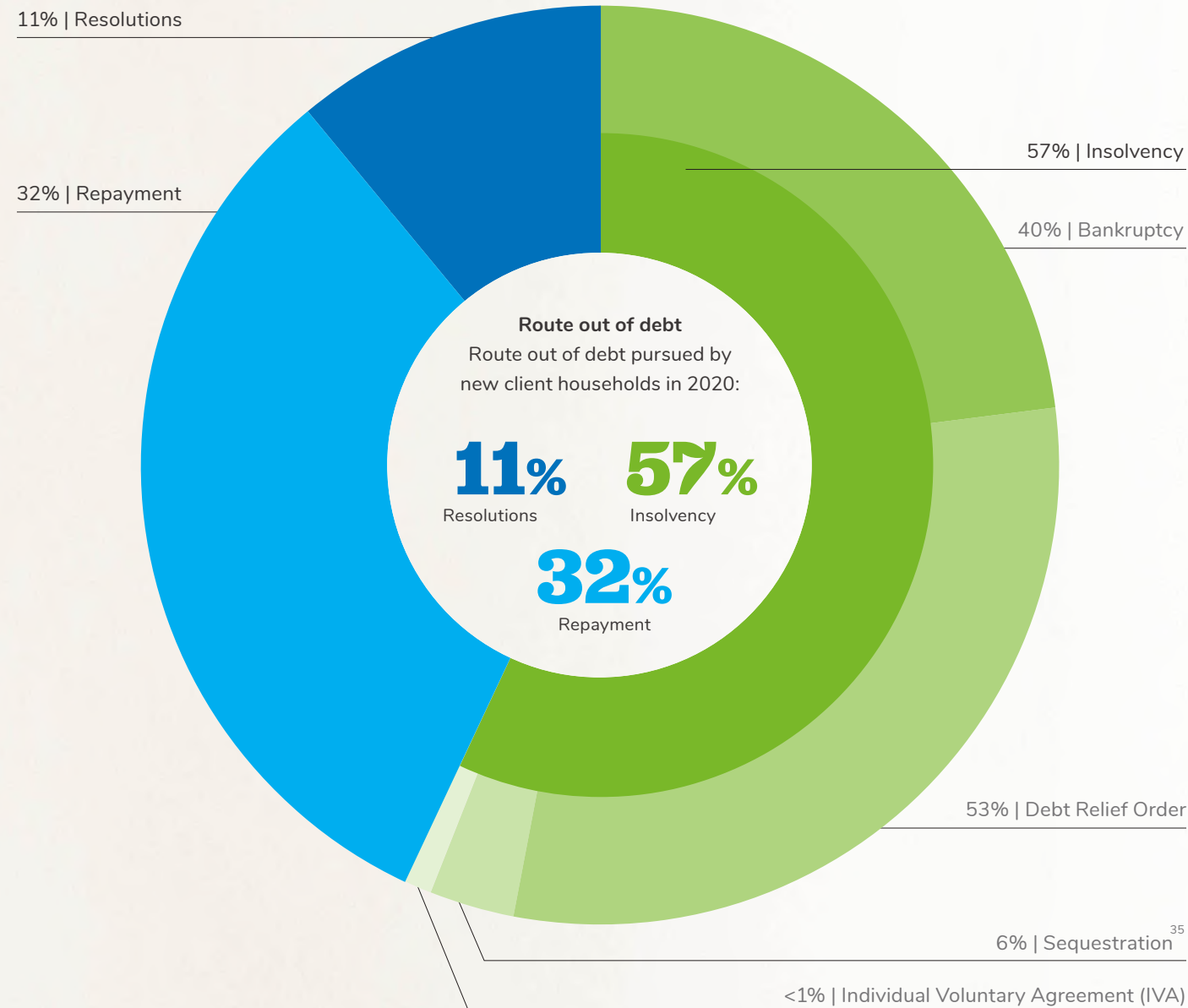
Robert's watched me grow as a person from then until now – he recently said, 'Now you're very positive, strong and brave'. My story had to come out!



## Chapter 10: Route out of debt

In 2020, an amazing 2,502 people became debt free with CAP's help. After a difficult year of lockdowns, home working and phone-based appointments, this figure is truly one to celebrate. 2,502 people are now no longer weighed down by the burden of problem debt, no longer having sleepless nights worrying about finances. They now have a new story to tell.

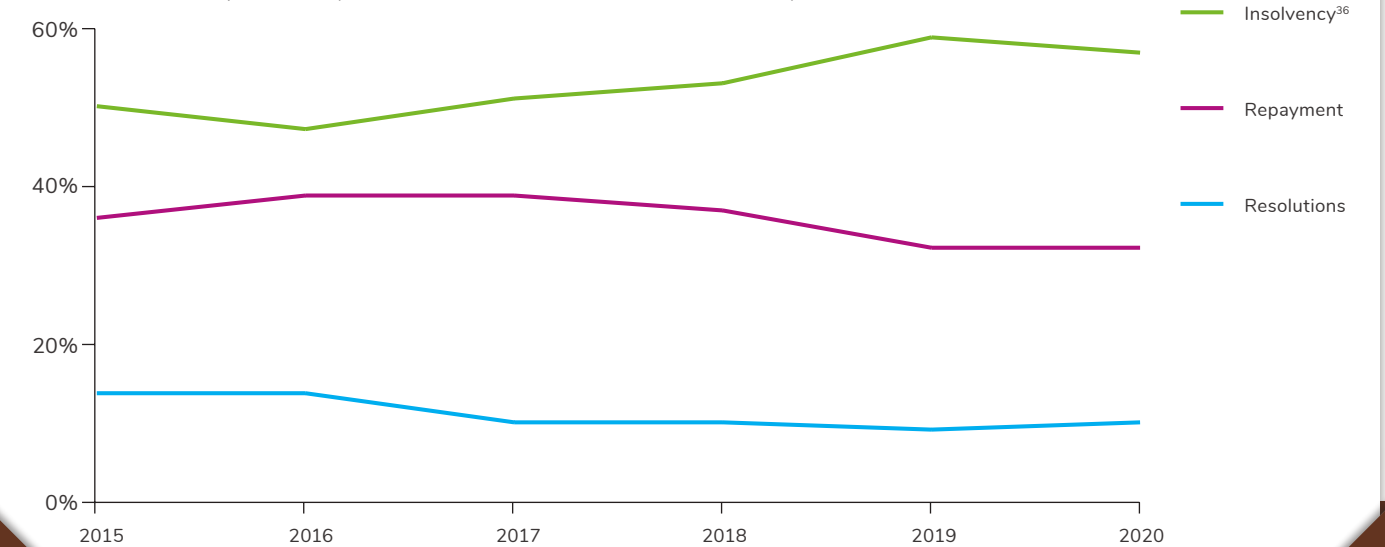
Of those who became debt free in 2020, 57% went through insolvency. It would have taken this group 39 years, on average, to repay their debt. One in three (32%) CAP clients repaid their debt through a Debt Management Plan (DMP), and one in ten (11%) had no clear route out of debt. This may be, for example, if a client is going through a divorce or a house sale and their financial situation is uncertain. For people in this situation, we have a specialist Resolutions team made up of Debt Advisors who are trained in handling complex cases.



35 | Please note: Sequestration is a route out of debt only applicable in Scotland.

### 2015–2020: Route out of debt

Route out of debt pursued by new client households over the last five years:



Over the last five years, there has been an increasing number of clients in need of an insolvency solution. Clients will become insolvent if they are unable to pay their debts within a reasonable timeframe. In 2015, one in two (50%) CAP clients became insolvent; this has risen to 57% in 2020.

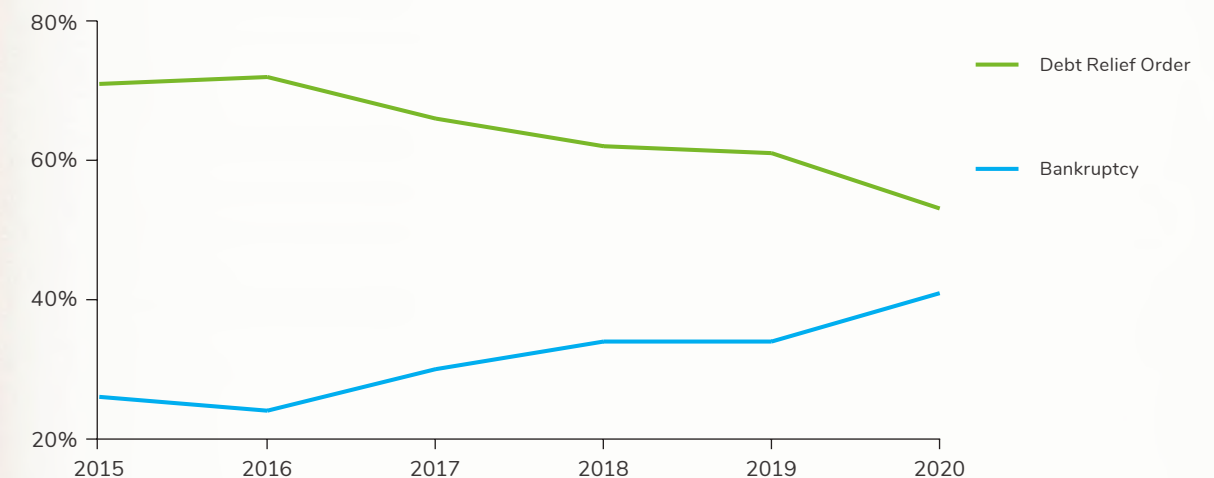
### 2015–2020: Insolvency routes

In 2020, of the 57% of CAP clients pursuing insolvency routes, 41% are pursuing bankruptcy, up 7% from 2019 (34%).

The proportion of insolvency clients becoming debt free through a Debt Relief Order (DRO) has also dropped, from 61% in 2019 to 53% in 2020. Over the five year period, CAP has seen an increase in the proportion of clients needing to pursue insolvency, but also seen a steady decrease in the proportion of clients able to become debt free through a DRO. Rising debt levels and low incomes can account for some of these statistics, leading to more clients pursuing insolvency as a way out of debt.

### 2015–2020: Insolvency breakdown

Insolvency routes of new clients pursuing an insolvency solution over the last five years:



36 | Inclusive of Scotland sequestration routes (Minimal Asset Process and Full Administration Bankruptcy).



## The epilogue



# 95%

of CAP clients would recommend CAP to someone they know



Paula

'My husband and I are no longer on any medication for depression. We still live by a budget, we still make sure everything is paid on payday. Going through debt and getting out the other side has strengthened our family and relationships. It's been life changing.'



Joanna

'Going debt free has taken a huge burden off me. Now I'm not living above my means, I'm enjoying life and enjoying the basic things. It's about teaching yourself you don't need all the luxuries in life to be happy. I'm not in fight or flight anymore so I'm myself again. I don't have things to worry about. It's peaceful and quiet and I can think about what I want to do.'



# 9.4/10

CAP clients would rate their satisfaction with CAP at an average of 9.4 out of ten



Ricky

'I'm slowly getting used to not having to panic about debt. Before CAP stepped in I had been at the end of myself, suicidal. CAP held my hand and got me through. It wasn't easy, but nothing in life is. Stick to it and you'll make it. I didn't think I'd see this day, but I have!'



Gillian

'I'm really, really excited! My debt will go! I will be able to move on to better things. I'll be free! I can't wait for that. I'm very thankful for this whole plan. Sometimes people think they are alone in this and don't know how to get out of the situation, but with CAP by my side it was never like that.'

## The afterword



Gareth McNab

2020 was a year none of us will forget very quickly.

The COVID-19 pandemic has impacted each of our lives in a significant way yet, sadly, many have experienced disproportionate levels of hardship. Looking back to last year's Client report we knew that people in debt were struggling on a low income, going without food, experiencing poor mental health and feeling isolated. For years, people have become indebted due to job loss, bereavement or relationship breakdown. For many in our society, the COVID-19 pandemic did not create completely new financial problems but simply exacerbated existing ones. Before the pandemic people still experienced job loss, isolation and relationship tensions, mental and physical ill-health.

The full effects of the global pandemic will not be felt for some time; we know that one in four (25%) CAP clients wait over three years before seeking debt help. The debt advice industry is anticipating rising numbers in need of debt advice. More must be done to reach and help households struggling.

We all have a story to tell, we all have a part to play. This is where you come in.

Joined-up working is needed more than ever, forming partnerships to combat the financial fallout of the pandemic. Yet we cannot forget that even before COVID-19, households were struggling and, without change, people will still struggle in the future.

Unless we do something about it.

Throughout 2020, CAP has been working hard to change some of the policies and processes that keep people trapped in poverty. We want to work ourselves out of a job by making sure there's nobody left in debt/poverty to help. But until we do, we will continue to work tirelessly to help and support people in need, whilst amplifying the voices and stories of CAP clients to see change.

These are Our Stories. What part will you play?

Gareth McNab

Gareth McNab  
Director of External Affairs

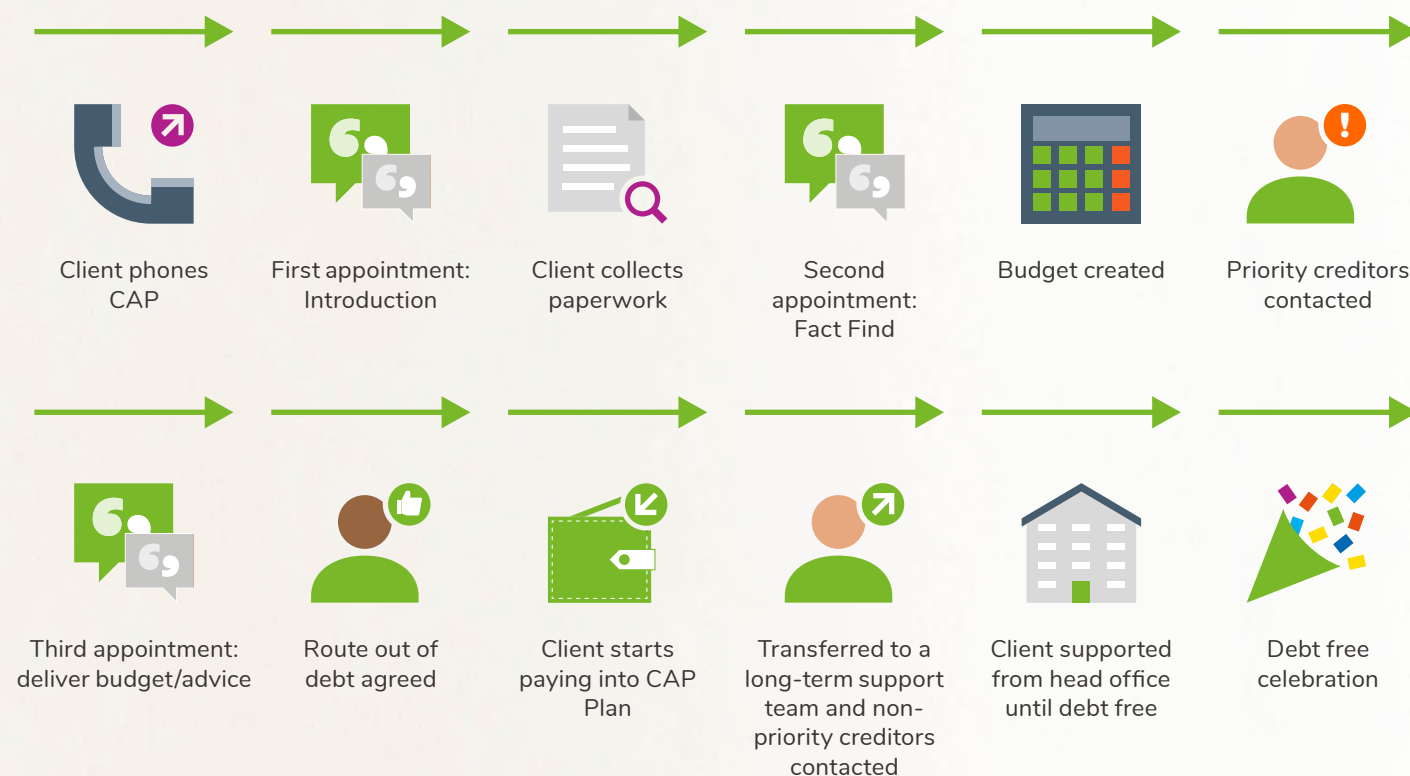


## The CAP client journey

CAP Debt Help is one of the most in-depth and holistic debt help services available in the UK. It is geared to accommodate those with complex needs and vulnerability that extends beyond their financial situation. CAP's Debt Help is free and open to all, regardless of background, faith, race, ethnicity, gender, sexual orientation, disability or age. Local CAP Debt Coaches visit clients at home<sup>37</sup>, offering a friendly face to connect with during the journey out of debt. Time is taken to understand a client's individual circumstance and CAP will help to meet any immediate needs a client may have, for example with emergency food aid.

Professional debt help is then provided by CAP's head office Debt Advisors, who create budgets, as well as negotiating affordable repayment plans with clients' creditors. Each client will pay monthly into their own CAP Plan – this covers any insolvency fees, bills and debt repayments, which are then distributed out to creditors.

CAP stays with the client until they become debt free and their Debt Advisors are available via phone, email and text, Monday to Friday. CAP provides support to both repay debts through Debt Management Plans and find a solution through a range of insolvency options.



<sup>37</sup> | During the COVID-19 pandemic, home-based appointments were paused and appointments were conducted over the phone. As and when Government guidelines allow, CAP will return to home-based appointments

## Signposting to CAP

### How to signpost people to CAP

Before making a referral, check that the customer:

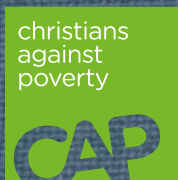
- would like to receive help to become debt free
- is not self-employed (for those who are self-employed, see [capuk.org/other-options](https://capuk.org/other-options))
- is in the catchment area of a CAP Debt Centre (postcode search at [capuk.org/debthelp](https://capuk.org/debthelp))

Clients can call CAP's New Enquiries team on:

**0800 328 0006**

Calls are free from mobiles and landlines in the UK.





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[capuk.org/policy](http://capuk.org/policy)

[capuk.org/clientreport](http://capuk.org/clientreport)

*For press and media  
enquiries please contact:*

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e: [press@capuk.org](mailto:press@capuk.org)



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[capuk.org](http://capuk.org)

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