

# Debt at the close of 2020

What 9 months of a pandemic has done to UK household finances



**citizens  
advice**

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# Household finances have taken a hit in 2020

Many people are leaving the year 2020 significantly worse off than they entered it.

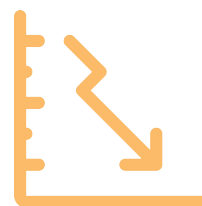
The pandemic and the lockdowns that came with it led to income losses for a significant number of households.

For some, this was because they were furloughed or made redundant, for others it was because they needed to shield or care for loved ones.

For many people income shocks came as a result of following the rules to keep us all safe. **The result is that people are struggling to pay their bills.**



**1 in 3 households have lost income because of coronavirus**

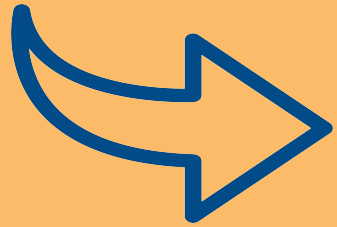


**36% of people who have lost income have run down their savings**



**45% of people with children have lost household income**

# 7.3 million people are behind on bills



That's 14%  
of UK adults



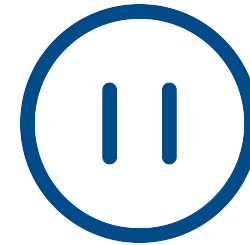
But some groups of people  
are more likely to be behind  
on bills than others.



**30%**  
of people with  
children aged  
5 or under



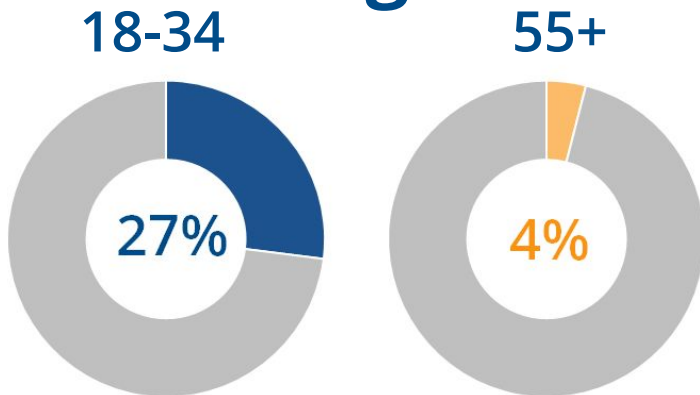
**50%**  
of people on  
zero hour  
contracts



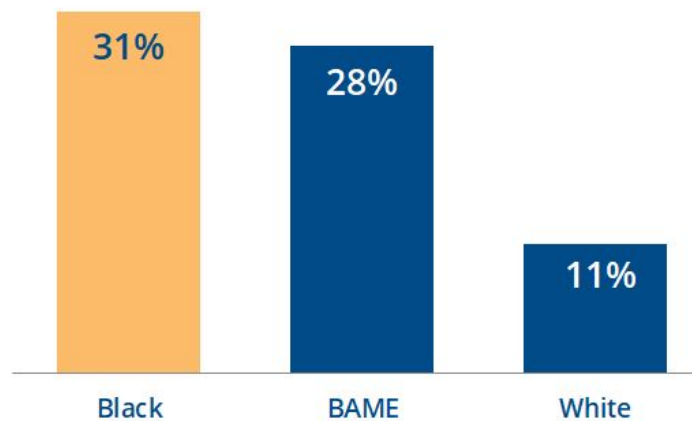
**24%**  
of people who  
were  
furloughed

... are behind on their bills

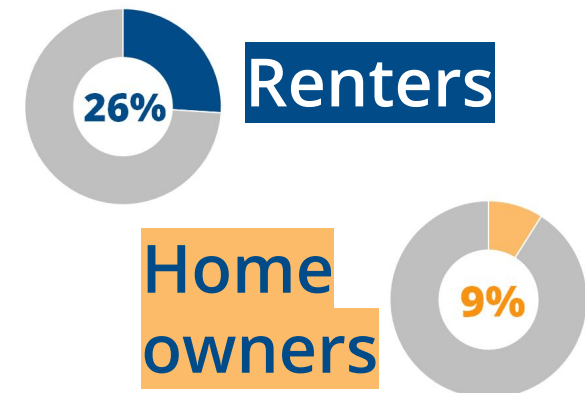
## Age



## Ethnicity

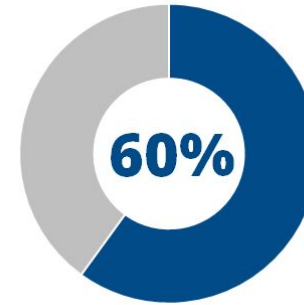


## Tenure





**1 in 6** people behind on household bills have been **unable to afford food** during the pandemic



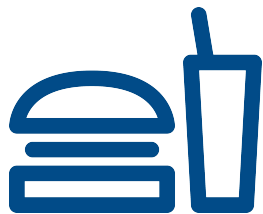
**Of parents** have cut back on spending during the

pandemic to make sure their children don't go without.

## High levels of personal debt will have an impact on the nation's economic recovery.

Percentage of people behind on their bills that said they were **likely to spend less** on the following goods and services:

Eating out



78%

Clothes and shoes



75%

Home improvements



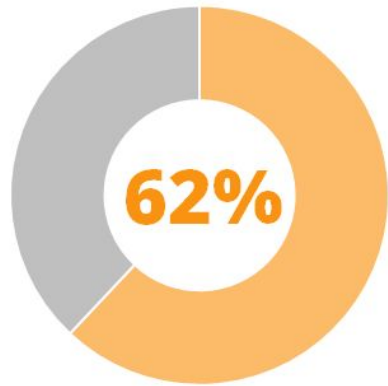
75%

Entertainment and culture

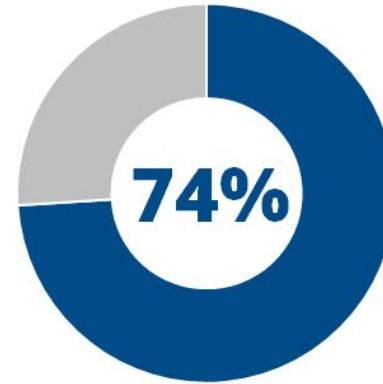


80%

# The public think the government should step in to help people with coronavirus debts



of UK adults agree that people who have fallen into debt because of coronavirus and lockdown restrictions should get help from the government to pay it back.



agree that bailiffs shouldn't be allowed to enter people's houses if they live in an area with a 'very high' coronavirus alert level.

## The government should take a coordinated approach to dealing with coronavirus debts

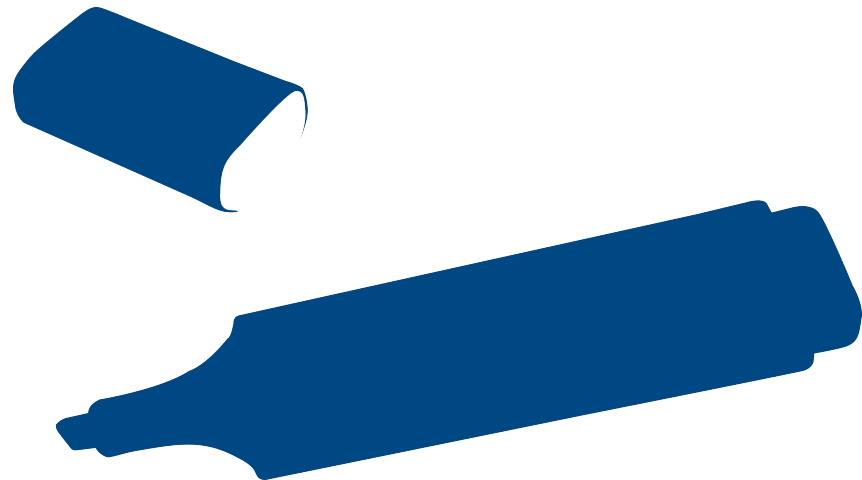
With over 7 million people behind on bills at the end of 2020 and economic hardship set to continue into 2021, the government urgently needs to take a coherent approach to helping people deal with their coronavirus debts. The government should look to coordinate across departments to ensure people have access to the financial support they need coming out of the pandemic. Financial support for renters, who are more likely to be behind on bills and face the most severe consequences for non payment, should be prioritised.

# Methodology

Citizens Advice commissioned ICM unlimited to conduct a survey of a representative sample of 6,004 adults living in the UK. The survey took place between 12th and 25th November.

The sample has been weighted by age, gender, region, social grade, work status and ethnicity to be representative of the UK adult population.

The figure of 7.3 million people behind on bills was calculated by Citizens Advice on the basis that 14% of the weighted sample reported being behind on bills. This was multiplied by 52,673,433, the UK adult population, to arrive at a figure of 7.3 million people.



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