IMPACT REPORT

BEHIND EVERY NUMBER IS A PERSON

September 2024 to August 2025

Debt Advice Foundation

MAKING THAT FIRST PHONE CALL WAS THE HARDEST THING I HAVE EVER DONE. I WAS AT ROCK BOTTOM IN MY LIFE.

A WONDERFUL PERSON, STEPHEN, ANSWERED MY CALL. HE NEVER JUDGED ME, HE LISTENED THOUGH MY TEARS AND HE SAW IT THROUGH.

Debt Advice Foundation is registered debt charity (1148498) and is authorised and regulated by the Financial Conduct Authority (no. 692492).

The charity seeks to tackle the causes and impact of problem debt in the UK.

Whilst our primary focus is on helping those that are in need of advice and support today, we strongly believe that improving financial literacy amongst the next generation of credit users is key to tackling increasing levels of unmanageable consumer debt.

The charity seeks to carry out these objectives through its free telephone debt counselling service, which helps thousands of vulnerable people every year, and through DebtAware, the charity's award-winning debt education programme for schoolchildren.

The charity holds the Advice Service Alliance's Advice Quality Standard (AQS) and is a member of AdviceUK, the UK's largest support network for free, independent advice centres.

All of the charity's debt advisers are members of the Institute of Money Advisers, a charitable body that aims to promote free money advice and develop professional standards.

The charity's education programme is headed up by Brian Souter MBE, a former deputy head teacher who was awarded an MBE for Services to Education and in 2002, the same year he won the prestigious North-West Lifetime Teaching Award.

Our vision is to improve financial outcomes by developing community based advice, support and education services to reach people and communities in greatest need.

SCAN ME

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Message From The CEO

This year's Impact Report demonstrates both the scale of the financial challenges facing households across the UK and the difference that timely, high-quality debt advice and education can make to people's lives.

Between September 2024 and August 2025, Debt Advice Foundation provided debt and welfare benefits services to 17,562 people, including 5,793 helpline cases, up 7% on the previous year, and 11,769 users of our digital tools. Our advisers helped people manage more than £16.7 million of debt, while service-users wrote off £1.7 million of unaffordable debt.

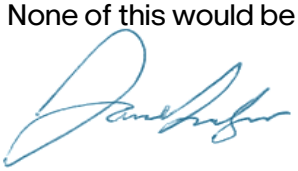
Behind these numbers are people often facing extraordinarily difficult circumstances. Sixty-five per cent of our service-users reported having a disability, while 42% of households simply did not have enough income to meet their basic health and welfare needs. Almost 20% of our service-users lived in the most deprived 10% of local authority districts in England. This makes the compassion, professionalism and expertise of our advisers more important than ever.

I am particularly proud of the quality of service we have maintained. 97% of service-users said they were very satisfied with the service they received and 100% said they would recommend us to others, while our independently audited cases achieved an average quality score of 90%.

Our work is also about prevention. Through DebtAware, we delivered more than 450 lessons to 5,070 children across 77 schools, helping young people develop the knowledge and confidence to make informed financial decisions and break the cycle of problem debt that impacts so many disadvantaged communities.

Looking ahead, demand for debt advice will remain significant. Our priority is therefore not simply to help more people, but to reach them earlier, to make our support more accessible to people who need us most by working directly in deprived communities, embracing new technology and broadening our financial education programme beyond schools.

None of this would be possible without our dedicated staff, trustees, funders and



David Rodger

Chief Executive Office

Our Impact In The Year

7.3m
The number of people in need of debt advice in the UK.

The total amount of debt our advisers dealt with during the period.
£16.7m

£1.7m
The amount of debt our service-users wrote off in the period.

The percentage of our service-users that had a disability.
65%

17,562
The number of people we provided debt and welfare benefits services to.

The percentage of service-users that had insufficient income to meet basic monthly welfare needs.
42%

100%
The percentage of service-users who agreed the adviser was able to resolve their problem.

5,070
Number of children that received our money lessons.

100%
The percentage of service-users that stated they would recommend our service to others.

The average cost per service-user this year.
£22

19%
of our service-users live in the most deprived 10% of local authority districts in England.

90%
Our average independent MaPS Standards quality assessment score in the period.

The Need For Debt Advice

Having a debt problem isn't just about the amount of money someone owes, it impacts almost every aspect of their life, from health and welfare to work and relationships.

Getting good quality debt advice can be the difference between having food on the table and a roof over their head. Debt advice is an essential, sometimes life-saving, service.

How Big Is The Problem

The latest published data from Money and Pensions Service Debt Need Survey reveals 7.3m people in the UK, equating to 14% of the UK adult population, require debt advice.

A further 22%, or 11.7m UK adults, are 'at risk' of needing debt advice, which means they are struggling to keep up with bills and credit commitments.

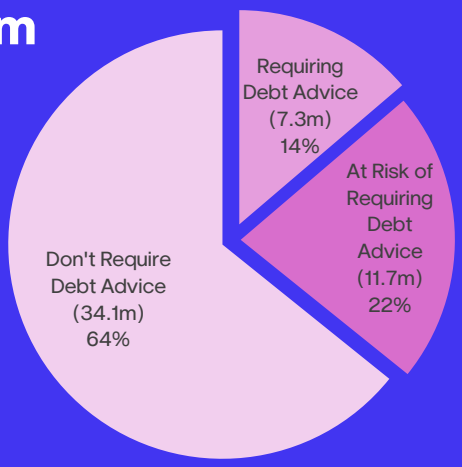


Figure 6.1

Future Demand

With total UK consumer debt (Figure 6.2) and the number of personal insolvencies (Figure 6.3) both increasing to record levels in 2025, long-term unemployment at a ten-year high and with CPIH inflation remaining significantly above the Bank of England's target rate due to persistent rising energy costs, it is inevitable that demand for debt advice will increase in the coming years.

Unfortunately, demand already far exceeds sector capacity, which means we must innovate and work in new ways to ensure our services are as accessible as possible to the people who need us the most.

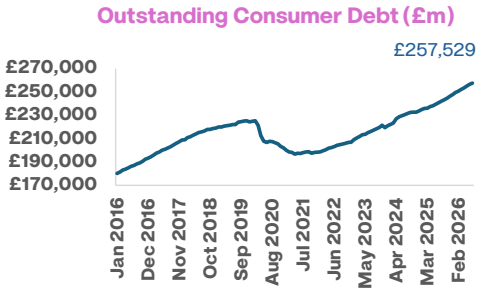


Figure 6.2

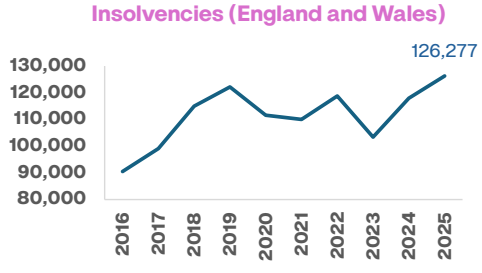


Figure 6.3

What We Do

We believe that providing debt advice is just one part of tackling problem debt. That's why in addition to delivering high-quality debt advice, we also help children to develop money management skills as well as help adults to build financial resilience to mitigate future debt problems.

Prevention

The charity aims to prevent future debt problems through its pioneering financial capability education programme, which it delivers to over 5,000 school children every year.

The DebtAware programme, which is co-designed by students, seeks to embed the knowledge, understanding and behaviours that will enable children to manage their finances with confidence in the years to come.

Solutions

Our helpline service-users receive:

- Crisis management - ensuring all emergencies, such as a threat of eviction, are identified and prioritised.
- Income maximisation - making sure households are aware of their welfare benefit entitlement through our internal welfare benefit checking programme.
- Debt solution advice - resolving problem debt and preventing creditor enforcement action by identifying the most appropriate course of action for the client.

Resilience

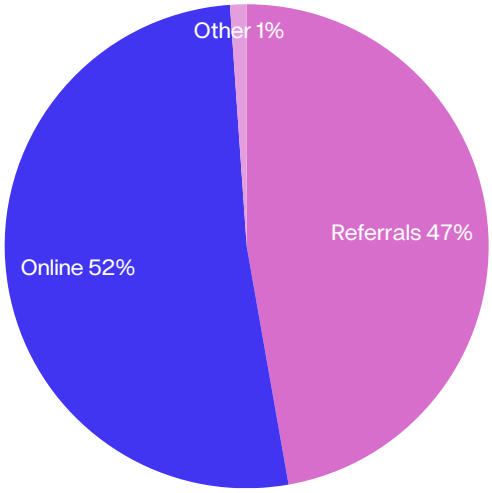
We seek to build financial resilience and prevent future financial detriment by providing our clients with a personalised budgeting guide that includes practical advice on how to manage everyday, monthly and ad hoc costs as well as guidance on reducing expenditure and maximising household income.

Contacting The Charity

How People Found Us

It is vital that information about the charity's helpline is available to those that are experiencing financial difficulty when they need it.

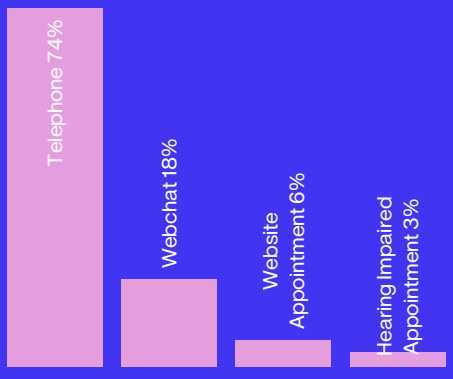
This could be through promotion of the charity's services direct to the public, signpostings by trusted third sector organisations or referrals from agencies that have identified people in need of our service.



In the period, 52% of helpline service-users found out about the charity from online sources such as search engine listings, Google Grants programme for charities and signpostings from trusted third party websites such as Gov.uk, King's Trust and local authorites accross the UK. A further 47% of clients were referred or to the charity from partner organisations such as Money and Pensions Service.

How People Contacted Us

Our service-users have a range of capacities and needs. Some may be digitally confident and wish to begin their debt advice journey online, whilst others, such as those that are hearing impaired, may require an appropriate service adjustment. It is important that we are able to provide a range of channels for our service-users that meet their individual needs.



Reaching People In Need

Areas Of Deprivation

The charity uses the Index of Multiple Deprivation (IMD), an official government measure of relative geographical deprivation (Local Authority - Lower Tier: Unitary and District level; Average Rank of 296 local authority districts in England) to monitor how effective it is at delivering its service to the areas of the country that are most in need.

Figure 9.1 shows that there is a strong correlation between the level of deprivation in an area and the number of service-users that contacted the charity. Almost 20% of all service-users were located in the most deprived 10% of local authority areas (0%-10%), whilst less than 3% of service-users were located in the least deprived decile (90%-100%). This indicates that the charity's communications strategy is effective at targeting those most in need of our service.

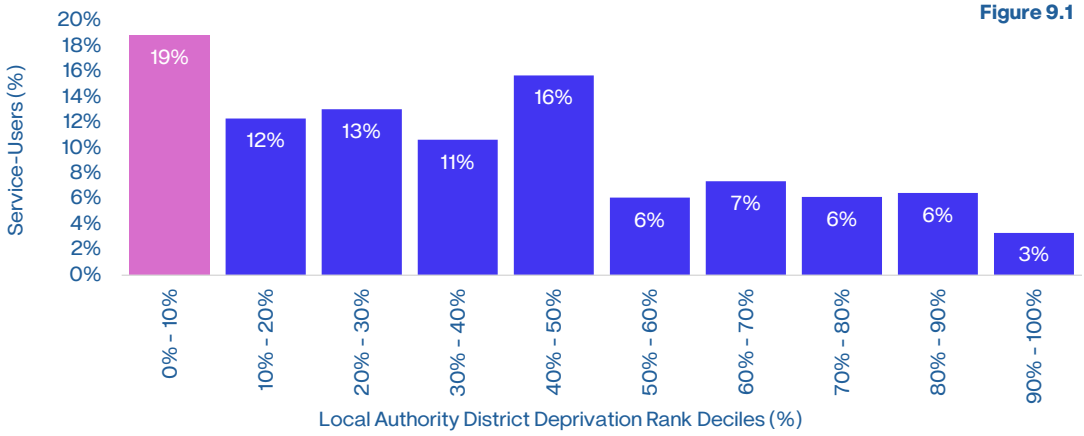


Figure 9.1

Figure 9.2 shows just how strong the relationship is between deprivation and demand for debt advice with a significant skew towards the areas of highest deprivation. In fact, almost 1 in 10 of our service-users came from the 10 most deprived local authority districts in England, revealing just how crucial outreach in disadvantaged communities is.

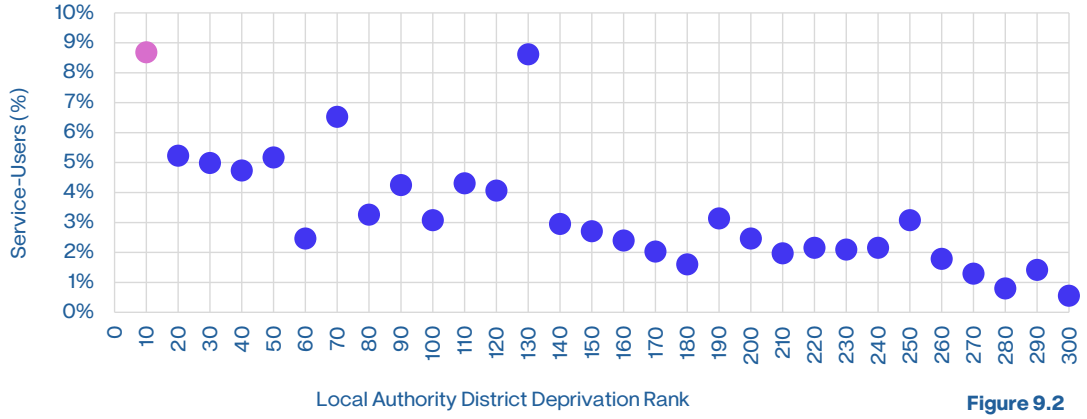


Figure 9.2

Why People Called Us

Reasons for debt

People seek debt advice for a wide variety of reasons. Although the events that lead to financial difficulty can vary significantly, they all can be allocated to one of two broad economic categories; a reduction in income or an increase in expenditure.

The most often cited reason for service-users seeking debt advice in the period was Loss of job (26%), followed by Illness (24%), both of which represent life events that result in a reduction in household income.

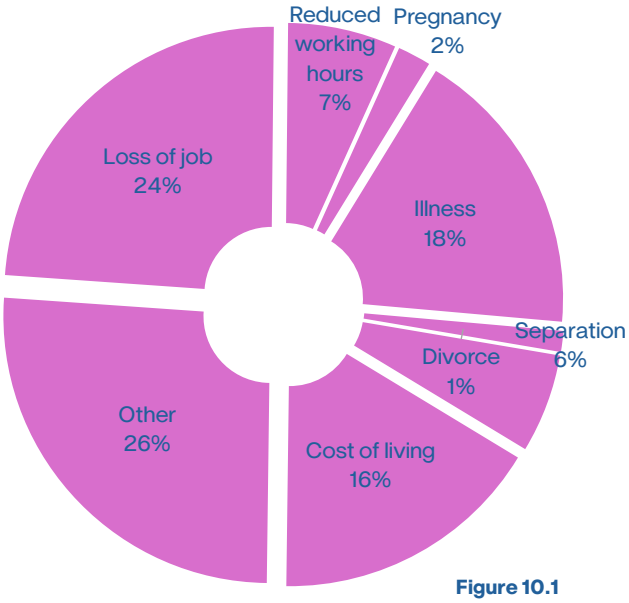


Figure 10.1

Cost-of-living pressures were also a major factor, accounting for 17%, while reduced working hours accounts for 16%, suggesting that both economic factors and personal circumstances play a significant role in financial difficulty. Separation and divorce are less significant but still notable contributors, while pregnancy, divorce and coronavirus are recorded at lower levels.

Why we need to know

It is crucial that our advisers understand the reasons for a service-user's financial difficulties as it can impact the advice we give them. A short-term reduction in working hours may, for example, be resolved by entering Breathing Space*, whilst a long-term illness may require a formal solution to manage or reduce the debt.

* Breathing Space is a government scheme in England and Wales that provides legal protection from creditors for up to 60 days.

Who We Helped

We provided debt and welfare benefits services to 17,562 people in the year, which was made up of 5,793 helpline cases and 11,769 digital tool downloads. Helpline cases were up 7% on the previous year.

Age

The age category with the highest number of service-users was the 25-34 age group (27%), with the fewest service-users in the 16-24 age group (5%).

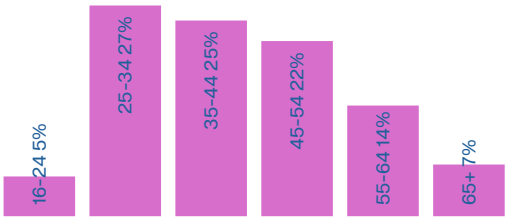


Figure 11.1

Gender

Women accounted for 54% of service-users in the period, which was 9% higher than Men.

Figure 11.2

Ethnicity

The ethnicity category with the highest number of service-users was White or White British (67%), followed by Mixed or Multiple Ethnic Groups (14%).

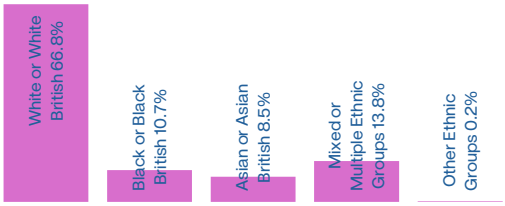


Figure 11.3

Housing

The housing status category with the highest number of service-users was Rent (Private) (34%), followed by Rent (Social) (30%). Only 10% of service-users were homeowners.

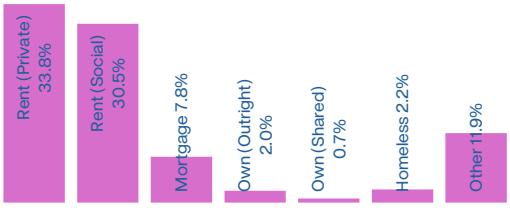


Figure 11.4

Employment

The category with the highest number of service-users was Working Full-Time (33%), followed by Not-Employed Other (25%). 21% of service-users were Long-Term Sick.

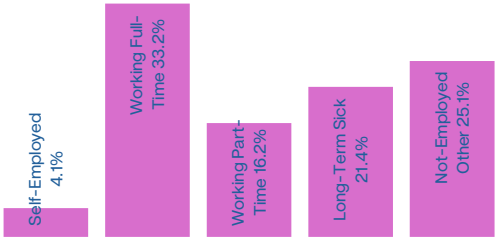


Figure 11.5

Disability & Vulnerability

Disability

In the period, 65% of our service-users identified as d/Deaf, disabled or having a long-term health condition. According to latest estimates from the Family Sources Survey (Department for Work and Pensions), 25% of the UK adult population has a disbability, which means people with disabilities are significantly more likely to need debt advice compared to the general population.

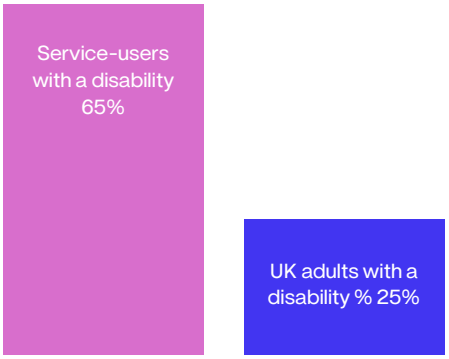
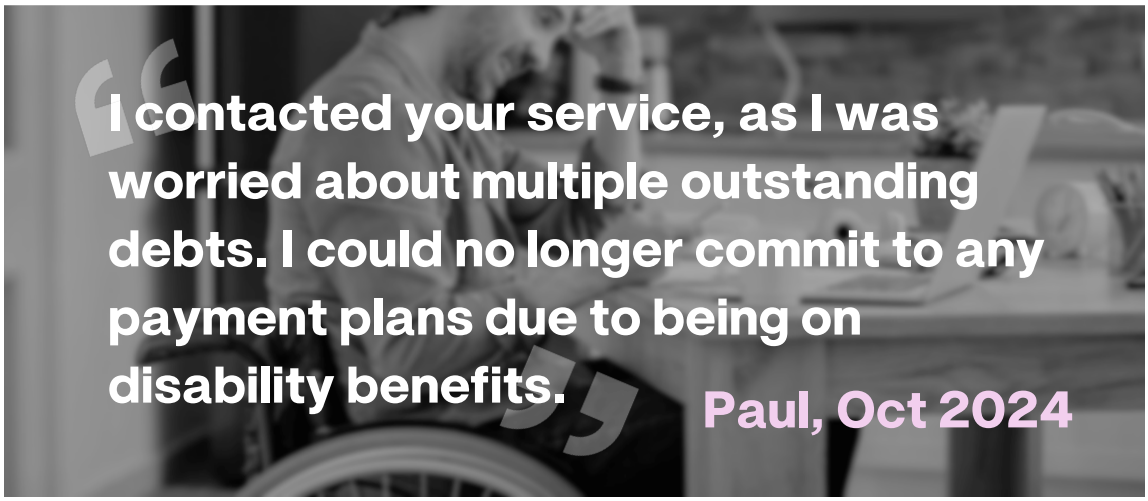


Figure 12.1

According to Scope's Disability Price Tag 2025 report, even after accounting for Personal Independence Payments, medical equipment, higher energy bills, and specialist support leaves the average disabled household with a £7,200 annual shortfall.



Vulnerability

61% of our service-users reported a vulnerability to us. The Financial Conduct Authority defines a vulnerable person as "someone who, due to their personal circumstances, is especially susceptible to harm", which can be triggered by things like life events, health conditions, financial vulnerability and low financial literacy.

It is essential that our advisers are aware of a service-user's vulnerability so that appropriate adjustments can be made to our service to meet their needs.

Service-User Finances

Total Debt

The total debt the charity's advisers managed in the period was £16,727,281.

This was made was made up of £3,645,605 (22%) priority debt, which consists of arrears for things like rent and council tax and £13,081,676 (78%) non-priority debt, which comprises outstanding balances from unsecured credit products such as loans and credit cards (Figure 13.1).

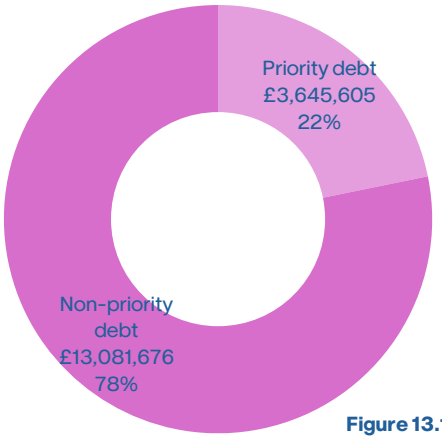
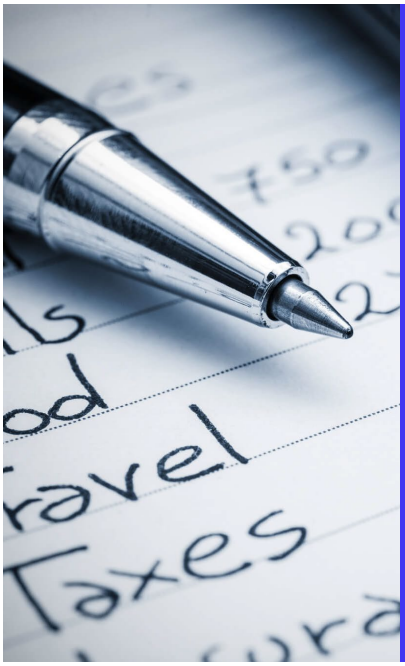


Figure 13.1



Household Finances

The average household debt in the period was £15,987. Average household net monthly income was £2,043 whilst the average expenditure was £2,018. This resulted in an average disposable income (the amount left over to pay towards non-priority debts) of £25.

However, 38% of service-users actually had a deficit budget before non-priority debt repayments were even taken into account, which means they didn't have sufficient income to cover essential household expenditure.

Debt Type

Personal loan debt accounted for the highest proportion of service-user debt (34%), followed by Credit card debt, which accounted for 34% of total service-user debt.

Council tax debt, Utility debt and Crown tax debt accounted for 27% of total service-user debt.

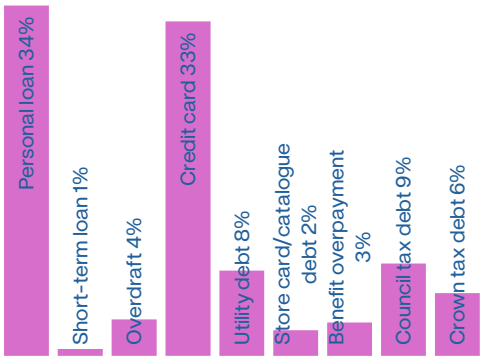


Figure 13.2

Service-User Outcomes

Advice Outcomes

The charity's advisers delivered 5,746 helpline advice outcomes in the period. Figure 14.1 shows the highest volume outcome category was Technical enquiry advice (41%), which are individual technical enquiries relating to matters such as bailiff assistance, disputed liabilities and completion of court documents.

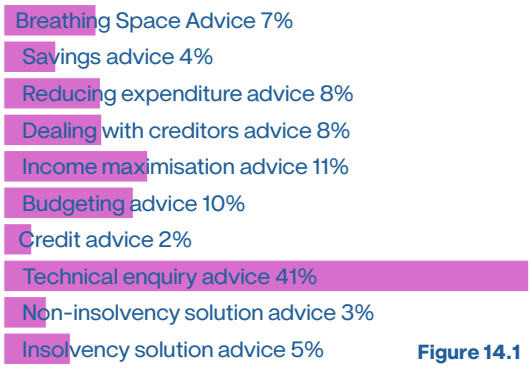


Figure 14.1

Income maximisation advice (11%) was the next highest category followed by Budgeting advice (10%). Full debt solution advice accounted for 8% of advice outcomes. There were 11,769 downloads of our digital tools such as our Budget Planner and Online benefits session.

Advice Take-up

People that contacted our helpline trusted the advice we give them with 95% of our referral solution outcome clients agreeing to be referred to our solution partners.

Debt Reduction

Service-users that had full solution advice wrote off £1.7m in total, which equates to £3,481 on an average debt of £15,987 (Figure 14.2).

95% of debt solution clients were found to be insolvent and were offered solutions that reduced their monthly payments to an affordable level.

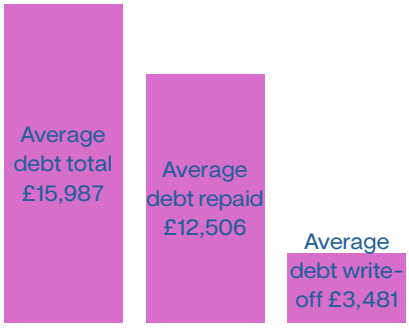


Figure 14.2

Service-User Feedback

All of our service-users are given the opportunity to provide the charity with feedback on their helpline experience. This feedback allows us to see what we're getting right as well as where we can improve our service. We are very proud of the overwhelmingly positive feedback our brilliant advisers receive.

How Satisfied Were You?

97% of clients stated they were Very Satisfied with the service they'd received.

Did We Solve Your Problem?

100% of clients stated the adviser was able to answer their query.

Was Our Advice Accurate?

100% of clients stated the information provided by the charity was accurate.

How Would You Rate Us?

97% of clients stated they believed the advice session was Very Helpful.

Would You Recommend Us?

100% of clients stated they would recommend the charity to others.

Testimonials

I contacted your service, as I was worried about multiple outstanding debts. I could no longer commit to any payment plans due to being on disability benefits! Stephen was very professional, and thorough throughout the service, he provided reassuring advice. After the call Stephen sent all the relevant paperwork...and after 6 long years, Netwest agreed that the payment plan was unreasonable and...the debt was written off.

Paul, Oct 2024

I've been struggling with debt and general living for so long now. It's caused me great stress and anxiety. I felt like there was no way out and couldn't see light at the end of the tunnel. I wanted so much to get back on my feet and to build a good life for myself but that seemed like a pipe dream. I found out about Debt Advice Foundation. From there I received the help I was so desperately in need of. Everything happened so fast. Im now out of debt and I am sleeping better. I am truly thankful for all of the help that I've received, thank you so much.

Natasha, Aug 2025

Looked for help through citizens advice and found DAF from there, they helped me get to the right solution and helped me move forward with my debt advice, they really helped me!

Daniel, Jul 2025

I was unsure how to go forward with my worrying debt issues. The advice and time I received was extremely helpful. I was guided through options and given reassurance and support. I would definitely recommend Debt Advice Foundation to other people.

Sam, Aug 2025

I had lost my job and was going through some financial difficulties and the advice I received really helped me to cut down my expenses and save money.

S, Apr 2025

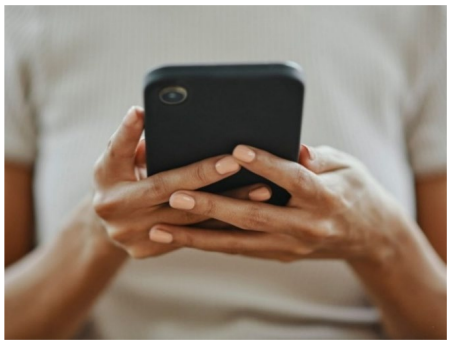
Lisa was absolutely amazing with me, even needed the call with 'happy tears' I can not thank her enough for the support she has given me after dealing with this issue for about a year. She's the only advisor that had actually helped me and made me a see a light at the end of the tunnel! Thank you so much Lisa.

Sarah, Aug 2025

I was having considerable cognitive function problems, but the advisors were compassionate and patient. I was totally overwhelmed with debt and very fearful as to my future. I hadn't realised just how much pressure I was under until the DRO was accepted. My mental health has improved, including sleep, I am no longer paranoid and sleep deprived. I can't thank Stephen Handley enough...I thoroughly recommend DAF.

Jeremy, Jul 2025

SCAN ME



Beyond Debt Advice

Early Intervention

Early intervention debt advice is essential to maximising positive service-user outcomes. Not only does it prevent the accumulation of additional interest and charges, but it also prevents the escalation of creditor enforcement action and reduces the risk of related adverse outcomes such as homelessness.

The charity encourages early intervention referrals from partner organisation that have identified a customer that may be experiencing financial difficulty. 5% of the full debt solution advice we deliver relates to solvent cases, which means we are able to help the service-user organise their finances before the debt escalates and requires formal mitigation.

Financial Resilience

Debt advice is only part of the financial health equation. Financial resilience is fundamental to ensuring that service-users are able to not only successfully navigate their way through their chosen debt solution but just as importantly, develop the skills and knowledge required to manage their money effectively so as to reduce the likelihood of future debt problems.

Effective budgeting isn't simply a list of monthly incomings and outgoings. We provide all of our debt solution clients with a personalised budget that offers practical guidance on how to manage their daily, monthly and ad hoc expenditure. We also aim to prevent future debt problems by building financial resilience through our DebtAware education programme.

Campaigning

The charity is a member of the All-Party Parliamentary Group on Financial Education for Young People and the All-Party Parliamentary Group on Debt and Financial Inclusion.

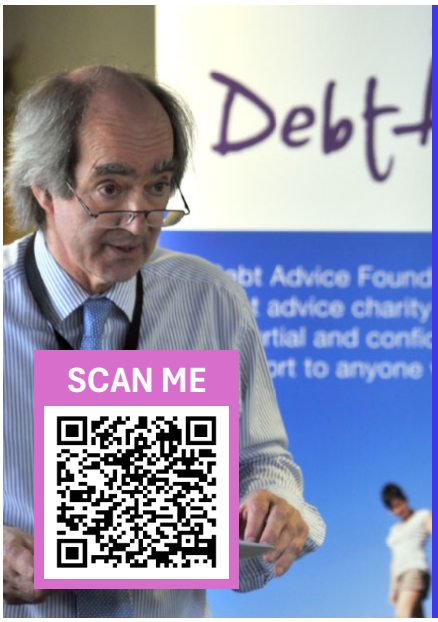
During the year, the charity also contributed to the campaign to abolish the Persons at Risk of Violence (PARV) order fee, which was ultimately successfully in November 2025.

Money Education

The Need for Education

The ability to manage money is one of the most important life skills a child can develop. Research (Habit Formation and Learning in Young Children by Dr David Whitebread & Dr Sue Bingham) shows that many of the habits that relate to financial capability are formed when children are primary school age. Yet, financial capability remains a non-statutory part of the primary national curriculum.

With over 19 million people in the UK currently in need of debt advice or at risk of falling into problem debt, it's never been more important for children to understand the impact of debt and the cost-of-living crisis on their families. That's why we're expanding our education provision in response including delivering money guidance to parents and developing education partnerships with local organisations and authorities.



Our Programme

Our DebtAware programme, which is co-designed and co-delivered by students, known as Money Mentors, seeks to embed the knowledge, understanding and behaviours that will enable children to manage their finances with confidence in the years to come. The pioneering classroom based 6 module course, which has a direct link to the PSHE curriculum, covers a range of crucial topics including Needs & Wants, Budgeting & Saving and Financial Risk.

Our Supporters

The charity's DebtAware programme has been supported by some notable figures over the years including Prime Minister, Rt Hon Andy Burnham, former Governor of the Bank of England Sir Mervyn King and the Speaker of the House of Commons, Sir Lindsay Hoyle.

Education Outcomes

Who We Reached

During the year, the charity delivered over 450 DebtAware programme lessons to 5,070 Year 5 and Year 6 children from 77 schools across the North West of England.

We deliver the DebtAware programme in areas of high deprivation. In fact, **57% of the schools in our programme are located in the most deprived 20% of local authorities in England** according to the Indicese of Multiple Deprivation.

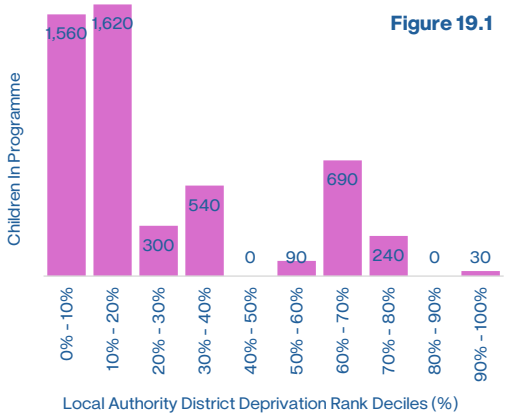
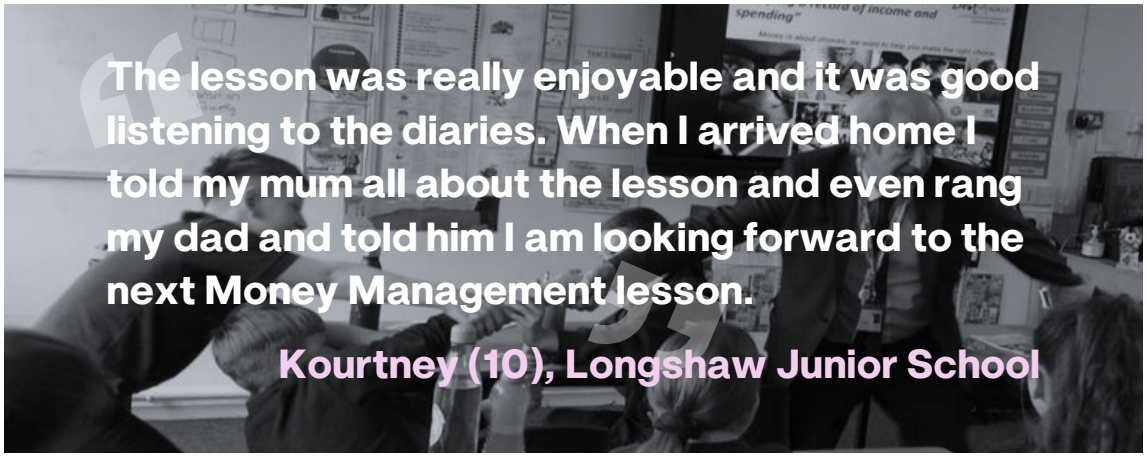


Figure 19.1



Programme Outcomes

94% of children said they found the programme enjoyable, whilst 90% of pupils agreed the programme was very important. Following the completion of the course, a significant majority of children demonstrated proficiency in key curriculum aims, including; understanding the need for budgeting (89%), the need to put money aside for emergencies (92%) and the importance of prioritising needs over wants (92%).

These outcomes help us to achieve our long-term objective of delivering behavioural change that prevents future debt problems.

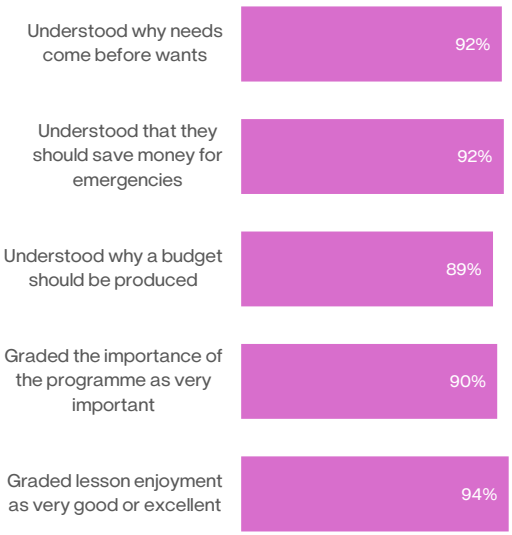


Figure 19.2

Quality

Adviser Availability

There are many reasons why someone may need to urgently speak to an adviser. It could be a bailiff knocking at their door or it could be a vulnerable person that requires an urgent welfare check from the emergency services. That's why it's crucial that callers are able to get through to us when they need to.

During the year, we managed to answer 91% of calls within 60 seconds.

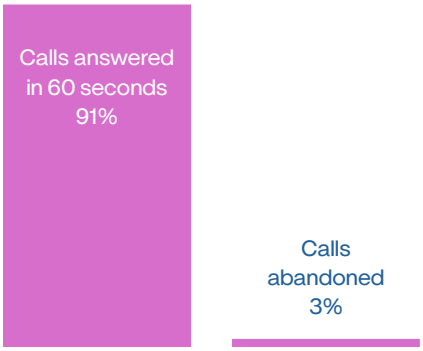
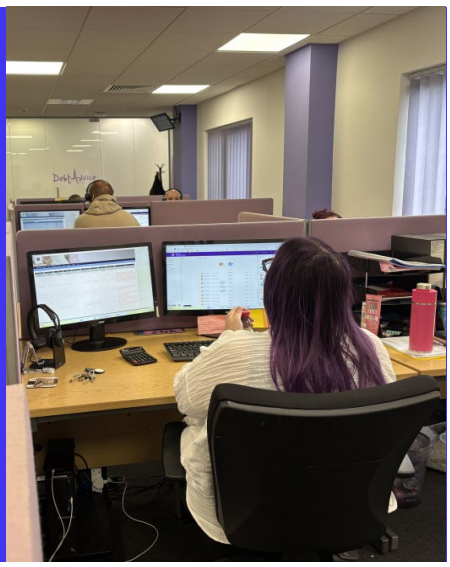


Figure 20.1

Adviser Utilisation

As well as making sure we have advisers available to answer calls, we need to balance this with the need to spend time advising existing service-users. During the period, our advisers had a utilisation of 70%, which means they were engaged in direct service-user activity for 42 minutes of every hour they worked.



Quality Assurance

A key requirement of our Money and Pensions Service funding is that the advice we deliver must adhere to the latest MaPS Advice Quality Standards, which are independent criteria by which advice performance is measured.

During the period, our audited cases were awarded an average of 90%, well in excess of the 80% requirement.

Value For Money

Financial Performance

The charity's total expenditure for the year was £499,619, of which 83% was allocated to our advice service and 17% allocated to our education programme. The total number of helpline service-users in the year was 5,793, which resulted in a cost per helpline service-user of £71.85. Despite significant overhead inflation in the year, this was a reduction on the previous year of 11%.

When we account for the 11,769 service-users that used our digital tools, our cost per service-user becomes £23.70.

The cost of every £1 of debt written off by the charity was only £0.25.

The charity delivered money management lessons to 5,070 children during the year. The cost per child for our DebtAware education programme in the year was £16.45.

This means the average cost per service-user across our advice and education service is just £22.08.

Social Value

Whilst debt advice has a direct and positive impact on an individual's financial situation, it also generates significant social benefits relating to many other aspects of life.

The most recent sector wide audit into Social Return on Investment (SROI) was The Economic Impact of Debt Advice (Europe Economics; Money Advice Service 2018), which concluded the additional benefits relating to health care costs, workplace absenteeism, future debt problems and creditor recoveries equated to between £301m - £568m.

A more recent service level audit into SROI was Social Value Analysis (Rose Regeneration; Advice NI 2025), which concluded the debt advice service delivered an SROI of £5.83 for every £1 spent.

Looking Ahead

Our Strategic Aim

Our long-term strategic goal is to maximise the number of positive service-user outcomes by delivering innovative, sector leading advice that best meets evolving service-user needs.

Our Priorities in 2025/2026

We will continue to deliver high-quality debt advice and education through our telephone helpline and education programme whilst meeting our ongoing MaPS commitments. Our strategic focus for the year will be:

Reach more people

Increase the number of service-users across the advice function.

Reach people earlier

Increase the number of solvent early intervention cases by developing early intervention strategies and strengthening partner referral hubs.

Increase our impact in deprived communities

Increase the proportion of service-users in the top 20% most deprived local authority areas through our expanded community outreach programme.

Improve client outcomes

Increase service-user financial confidence.

Improve our delivery effectiveness

Develop a digital debt advice platform and adviser Artificial Intelligence toolkit as part of our technology transformation programme.

Expand financial education

Increase the number of children participating in the DebtAware programme through new local authority and community partnerships.

Methodology

An overview of the sources and methodologies used to compile the data contained within this report:

Debt Advice Foundation

The data provided in this report is based on feedback we gathered directly from 10,863 service users - 5,793 advice line users and 5,070 participants in our education programme. Information relating to case volumes and debt totals has been produced using 'All Case' data extracted from the charity's client database. Information relating to debt types, debt averages and client demographics has been produced using 'Completed Case' data extracted from the charity's client database. Information relating to client feedback has been produced using data extracted from the charity's feedback database. Information relating to DebtAware performance has been produced using data extracted from the DebtAware annual feedback survey.

Money and Pensions Service (MaPS)

Information relating to sector demand has been produced using MaPS Debt Need Survey data. Information relating to social value of debt advice has been produced using data from the Economic Impact of Debt Advice 2018 report.

Google LLC

Information relating to digital engagement has been produced using Google Analytics data.

Insolvency Service

Information relating to insolvency outcomes has been produced using Insolvency Register data.

Office for National Statistics (ONS)

Information relating to long-term unemployment, CPIH inflation and Index of Multiple Deprivation has been produced using ONS data.

Bank of England

Information relating to BoE target inflation rates has been produced using Bank of England data. Information relating to consumer debt has been produced using Bank of England Bankstats data (A5.6).

Department for Work and Pensions (DWP)

Information relating to the UK adult disability population has been produced using data obtained from DWP's Family Sources Survey.

Scope

Information relating to disability cost premiums has been produced using Scope's Disability Price Tag 2025 report.

Our Supporters

The charity would like to thank the following organisations, whose support makes it possible for us to continue delivering our essential advice and education service to thousands of people in need:

- Entain Plc
- Gregory Pennington (Money and Pension Service contract)
- Ludlow Trust
- Gweneth Moxon Charitable Trust
- Miss Violet Helen Dixon Charitable Trust
- Community Foundations for Lancashire and Merseyside
- H C Coleman Charitable Trust
- R M Phillips Charitable Trust

To discuss supporting Debt Advice Foundation or to hear more about the services we provide, please get in touch via:

Funding enquiries

donate@debtadvicefoundation.org

Partnership enquiries

partnerships@debtadvicefoundation.org

Debt Advice Foundation

We exist to tackle the causes and impact of problem debt.

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Contact

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Email: info@debtadvicefoundation.org

Website: www.debtadvicefoundation.org

Legal

Registered charity number (in England and Wales): 1148498

Company limited by guarantee number: 08039416

VAT registration number: 917 5668 87

Authorised and regulated by the Financial Conduct Authority: 692492