**Press Release – The Money Charity – For Immediate Release**

(BEGINS)

**Rising Household Bills Drive Financial Resilience**

**Epidemic for UK Consumers**

**The Money Statistics October 2022**

**Consumers seeking to reduce essential bills by cutting back on energy usage are nonetheless facing serious impairment to their financial resilience levels, according to the October 2022 Money Statistics, produced by The Money Charity.**

Recent research shows that **45%** of UK adults, around **23 million** people, have found it difficult to keep up with household bills and credit commitments over the past few months. This is up from **30%** in October 2021 and **15%** in March 2020[[1]](#footnote-1). These rising figures come as the UK weathers the cost of living crisis, with the vast majority of people experiencing soaring costs affecting most areas of their lives. For example, the increasing price of food continues to be a major driving force behind the rising inflation rate, with the price of the cheapest available pasta in UK supermarkets rising by **60%** in the year to September 2022. Other grocery staples have also seen similar increases, such as vegetable oil **(65%)**, tea **(46%)**, chips **(39%)**, bread **(38%)** and biscuits **(34%)**[[2]](#footnote-2).

As a result of this increasing burden, **12%** of UK adults, or around six million people, are currently behind on at least one household bill. **2.4 million** people report that they are behind on their energy bill[[3]](#footnote-3). In April 2022, the government raised the price cap on household energy bills, causing bills (for typical use across the year) to rise by nearly **£700**. Despite this sharp price increase, figures show that in Q2 2022 (April to June) UK households spent **£4.12** per day on water, electricity and gas, which is **14% *less*** than they spent in Q2 2021 (seasonally adjusted)[[4]](#footnote-4). This means that, faced with the prospect of being unable to pay their energy bills, consumers may be cutting back on their energy usage, further contributing to the ongoing decline in living standards.

It should therefore come as no surprise, though no less worrying, that between February and June **one in four** UK adults described themselves as being financially vulnerable, meaning that they would be unable to cope if they suffered a sudden financial shock[[5]](#footnote-5). For the general UK population, **35%** of adults have either no savings or less than £1,500 in savings. For households with an income of less than £200 per week, this figure is **48%**[[6]](#footnote-6). Rising living costs will continue to impact financial resilience levels across the UK as people are forced to spend more on essential bills and therefore less able to save in anticipation for financial shocks.

**Michelle Highman, Chief Executive of The Money Charity says:**

“The cost of living crisis is impacting people’s ability to save money, impairing their financial resilience levels. It is pertinent then that ongoing political instability has also produced a series of financial shocks which people are finding themselves unable to recover from as easily as they may have done only a year ago. We have faith that UK households are adapting their financial decision-making in light of the crises, for example, making small reductions in energy use may be a temporary remedy to rising bills. However, as prices are projected to continue to rise, this solution will quickly become unsustainable. It is unthinkable that people should have to go without heating or electricity this winter in order to prioritise other essential bills. The government measures so far have simply not been enough to mitigate the worst effects of rapidly rising living costs. Further intervention will be needed to prevent a financial resilience crisis, as well as to ensure living standards are maintained over the coming colder months.”

**Other Striking Numbers from the September Money Statistics:**

* **27%** of Black people in the UK currently find their household bills to be a ‘heavy burden’, compared with just **15%** of UK adults generally. *(P4.1.)*
* Public sector net debt in September 2022 (excludingNatWest and Bank of England) was **£2,128.7 billion** (**85.1% of GDP**). This was **£135.1 billion** more than in September 2021, an increase of **£370 million** per day. *(P19.)*
* Visits to the Citizen’s Advice Scotland webpage ‘Grants and Benefits to Help You Pay Your Energy’ increased by **748%** since August 2021. Webpage use for ‘Get Help With Bills’ by **366%** and ‘What Benefits Can I Get’ by **92%**. *(P4.1.)*

**Get the full picture and many more fascinating facts about money in the UK in our monthly** [**Money Statistics**](https://themoneycharity.org.uk/money-statistics/)**.**

Notes to Editors

* For over 25 years, The Money Charity has been the UK’s Financial Capability charity. We proactively provide education, information, advice and guidance to people of all ages, to reach our vision of seeing everyone achieving Financial Wellbeing by managing their money well. We empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives. Find out more at <https://themoneycharity.org.uk/>
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  + You clearly acknowledge The Money Charity as the providers of the information and point your audience towards signing up themselves for the monthly report; and
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* Any media or press enquiries should be directed to our Communications & Marketing Manager, Olivia Sizeland, on [olivia@themoneycharity.org.uk](mailto:olivia@themoneycharity.org.uk)

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1. (The Money Statistics October 2022 Full Report, P4.1) [↑](#footnote-ref-1)
2. (The Money Statistics October 2022 Full Report, P4.1)

   [↑](#footnote-ref-2)
3. (The Money Statistics October 2022 Full Report, P4.1) [↑](#footnote-ref-3)
4. (The Money Statistics October 2022 Full Report, P14) [↑](#footnote-ref-4)
5. (The Money Statistics October 2022 Full Report, P4.1) [↑](#footnote-ref-5)
6. (The Money Statistics October 2022 Full Report, P16) [↑](#footnote-ref-6)