

BERR | Department for Business
Enterprise & Regulatory Reform

**HOUSEHOLD DEBT MONITORING
PAPER H1 2008**

Consumer and Competition
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Summary

Data for the first half of 2008 suggests that overall consumer lending levels have declined considerably, predominantly due to sharp falls in secured lending. This decline has not been fully reflected in aggregate household debt-to-income ratio data, which fell only slightly in the second quarter of 2008 from a record high. It remains to be seen how much further the decline in macroeconomic conditions will impact on levels of consumer lending, though there is evidence that credit availability is expected to tighten even more in the coming months.

There are also early signs of increasing financial distress – both repossessions and personal insolvencies (statutory and non-statutory) have started to rise, particularly so in the second quarter of 2008, along with debt write-off rates. Although the balance of available evidence might suggest debt is currently a problem for only a small proportion of households, this is likely to become a bigger problem in the future.

On the macroeconomic front, the Bank of England has dropped the base rate by three and half a percentage points to 2 per cent between January and December 2008, though this has only marginally affected average interest rate for secured lending and credit cards as yet¹. This cut in the base rate has been facilitated by a fall in inflation, largely due to decreases in food and fuel prices, putting pressure on real incomes although it is still well above the Government's 2 per cent target.

The labour market is showing signs of weakness, with employment falling slightly from its all-time high level earlier in the year, and inactivity marginally increasing from recent record-low levels, along with unemployment.

The household debt-to-income ratio declined in the second quarter of 2008 from its all-time high in the first quarter. However, it is still too early to discern the future trend, as further tightening of lending criteria by banks and financial institutions could be counteracted by recent falls in interest rates. Meanwhile, the household debt-to-financial assets ratio has continued to increase during 2008, reaching a new high; on the other hand, the overall debt-to-assets ratio² (for 2007, the latest data available) has remained unchanged on recent years, at around 17 per cent.

In terms of problem debt, the proportion of all mortgages in arrears rose slightly in the first half of 2008. However, they remain at very low levels historically, and account for only a small proportion of total mortgage loans (1.3 per cent). CML predicts that around 500,000 mortgages could

¹ It should be noted that the most recent data point available is October 2008

² Including housing assets

be in at least 3 months arrears in 2009. The levels and rates for UK statutory personal insolvencies have risen slightly compared to the second half of 2007, though increases have been most significant for Scotland³ and Northern Ireland. Non-statutory debt management programmes⁴ have continued to rise throughout the first half of 2008, but the average debt per client has fallen slightly over this period.

Repossessions increased to almost 20,000 in the first six months of 2008, which is much higher than in the recent past but still less than half the peak reached in the early 1990s and remain a very small proportion of total loans (0.16 per cent). However, increases in mortgage possession claims and orders over the period suggest potential future problems as these cases work their way through the system, which could take up to a year if they progress as far as repossession. CML predicts that repossessions could reach 75,000 in 2009⁵, a level last seen in 1991.

The following are notable changes since the end of 2007:

- Although the base rate has fallen by three and half a percentage points between January and December 2008, this does not yet seem to have fed through to interest rates on secured lending and credit cards. Inflation currently stands at 4.1 per cent (CPI) or 3 per cent (RPI), depending on the measure chosen.
- Secured lending growth has significantly weakened during the first half of 2008, compared to the second half of 2007, whilst unsecured lending is slightly higher.
- The total amount of debt written off increased slightly during the first half of 2008 compared to the last six months of 2007, particularly so for write-offs relating to mortgage debt.
- Repossessions have increased, though account for only a small proportion of loans and remain low by historical standards. However, increases in both mortgage possession claims and orders over the same period suggest further trouble in the future.
- UK insolvency levels and rates increased slightly during the first half of 2008, reversing the 2007 trend. In particular, statutory insolvencies in Scotland and Northern Ireland have shown significant growth recently. The latest CCCS data available shows that growth in the number of Debt Management Plans (DMPs, non-statutory insolvency) declined during the first half of 2008.

³ Changes in Scottish insolvencies is mostly due to the introduction of a new route into insolvency – Low Income, Low Asset (LILA)

⁴ Based on CCCS data

⁵ <http://www.cml.org.uk/cml/publications/marketcommentary/109>

Chapter One

Introduction

The Consumer Credit White Paper published in December 2003⁶ made a commitment to work on minimising over-indebtedness and helping those who become over-indebted.

As a result, a cross-Government Over-indebtedness Strategy was set up in July 2004. The Strategy is overseen by the Department for Business, Enterprise and Regulatory Reform (BERR), the Ministry of Justice (MoJ) and the Department for Work and Pensions (DWP). This work is supported by an Advisory Group whose representatives are drawn from the credit industry, voluntary sector and academia and which helps to develop policies in this area.

The widespread complementary activity is detailed comprehensively in the Tackling Over-indebtedness Annual Reports⁷ which update the cross-Departmental Over-indebtedness Action Plan, issued in 2004⁸. Activities are also detailed individually on Government Departments' websites.

BERR is committed to monitoring debt levels and problems associated with debt in the UK. In line with this commitment, this Monitoring Paper aims to provide a high-level summary of the extent of household indebtedness and to look at the degree to which individuals are struggling with excessive debt.

Information is drawn primarily from publicly available sources, although where appropriate, specific research is referred to. The analysis includes data up to the end of June 2008. However, where it has been possible to incorporate more recent developments that have been particularly relevant to this paper, these have been included.

⁶ Fair, Clear and Competitive: The Consumer Credit Market in the 21st Century, White Paper, December 2003, available at <http://www.berr.gov.uk/files/file23663.pdf>

⁷ The latest report, Tackling Over-Indebtedness: Annual Report 2007, December 2007, is available at: <http://www.berr.gov.uk/consumers/consumer-finance/over-indebtedness/index.html>

⁸ Tackling Over-Indebtedness: Action Plan 2004, July 2004, available at <http://www.berr.gov.uk/files/file18559.pdf>

Chapter Two

Aggregate Information on Household Indebtedness

This section reviews the macroeconomic picture, the cost of and growth in consumer borrowing, and explores the degree to which individuals may be overstretching themselves, by looking at debt-to-income and debt-to-asset ratios to give a fuller view of the household sector's debt burden. It begins by looking at recent movements in interest rates and inflation before turning to the labour market. The chapter goes on to look at consumer spending, lending and debt.

Key points

- Although the base rate has fallen by three and a half percentage points between January 2008 and December 2008, there seems to be little change in interest rates on financial products, though this could merely reflect time lags. Inflation currently stands at 4.1 per cent (CPI) or 3 per cent (RPI)⁹, dependent on the measure chosen, maintaining a squeeze on real incomes.
- There are signs of weakening in the labour market, as the employment rate has decreased slightly, reaching 74.2 per cent in October 2008, while the unemployment rate exceeded 6 per cent for the first time since 1999, up 0.7 percentage points on a year earlier.
- Growth in household spending was strong in the first quarter of 2008 (at 1.9 per cent), but weakened to less than half that level (0.7 per cent) in the second quarter. Although typically volatile, this compares to average growth of 1.4 per cent in 2007. Forecasts released with the Pre-Budget Report in November 2008 suggest that growth in household consumption will weaken further in 2009, dropping to between -1.5 and -1 per cent.
- Consumer lending has fallen sharply during 2008, particularly secured lending, which recorded a net negative monthly level for the first time ever (in August 2008), and remains at historically low levels. Unsecured lending has been slightly more robust in 2008, but that too recorded a historic low, in September 2008. Annual growth rates for

⁹ November 2008

both secured and unsecured lending were both low in historic terms, at 5.3 per cent and 6 per cent respectively.

- The household debt-to-income ratio (for both secured and unsecured debt) continued its rise from 2007, peaking in the first quarter of 2008 and falling back slightly in the second quarter. The debt-to-financial assets ratio increased throughout the first two quarters of 2008, driven mostly by increases in secured debt. The complete debt-to-assets ratio, only available on an annual basis and latest data being for 2007, remains relatively unchanged compared to the last few years, at around 17 per cent.

2.1 Macroeconomic conditions

In August 2008, it was reported that UK economic growth was flat in the second quarter of 2008, ending 63 successive quarters of continuous economic growth. It has since been reported that the UK economy contracted by 0.5 per cent in the third quarter, meaning it likely that the UK will soon be classified as having entered a recession¹⁰. This would seem to be reflected in the Treasury's most recent consensus forecasts, which suggests a gloomy future for UK economic growth:

Table 1: Average consensus forecasts for GDP & inflation, Dec 07-Nov 08

Time	GDP growth 2008 (%)	Inflation (CPI) 2008 (%)	Inflation (RPI) 2008 (%)
December 2007	1.9	2.1	2.5
July 2008	1.6	3.6	4.1
November 2008	0.9	4.5	4.2

Source: Forecasts for the UK Economy, available at: www.hm-treasury.gov.uk/forecasts

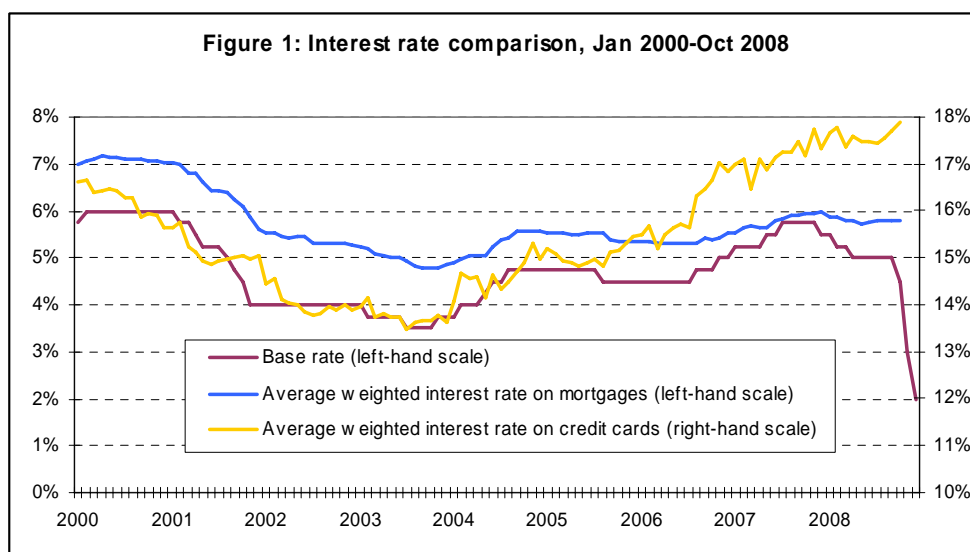
It is difficult to predict precisely how such a situation would impact on over-indebtedness, but a significant increase in unemployment, for example, would limit the ability of households to service their debt repayments, potentially pushing them into serious financial difficulties.

Interest rates

As can be seen in Figure 1, the Bank of England cut the base rate by 0.25 percentage points on two occasions in the first half of 2008 (February and April). There have since been three more significant cuts, in October (0.5 percentage points), November (1.5 percentage points) and December (1 percentage point). The Bank of England base rate stood at 2 per cent in December 2008, its lowest level since 1951. Some commentators believe that interest rates might fall even further in the

¹⁰ The technical definition of a recession is 2 consecutive quarters of negative economic growth.

near future. This has coincided with interest rate cuts around the world, including the US (where federal interest rates currently stand at 0.5 per cent) and the eurozone (which stands at 2.5 per cent).



Source: Bank of England, Monetary & Financial Statistics Interactive Database

In order to assess the overall economic impact upon the household sector of changes in the Bank of England's base rate, it is important to look at how interest rates for different types of consumer lending have changed. There has been considerable coverage in the media about the degree to which recent changes in the base rate have fed through to interest rates on particular financial products, especially credit cards.

The effective interest rate¹¹ for mortgage lending is important, as around 84 per cent of total household borrowing is made up of mortgage debt. This shows that the average cost of secured borrowing (including both fixed and variable mortgages) fell slightly between January and May of 2008 (from 5.88 to 5.73 per cent), before increasing back to 5.81 per cent in October, which has not tracked base rate movements that closely. This recent divergence between the two series could therefore be a lag in adjustment, reflect a high proportion of outstanding fixed-rate mortgages, or possibly a consequence of recent financial market instability.

On this second point, CML statistics¹² would seem to suggest that there has been a shift away from fixed-rate mortgages towards tracker

¹¹ This rate is computed using a survey in which the institutions taking part (most large retail banks) are selected from a population of over 400 UK-resident banks according to a stratified sample, where each stratum represents an economic sector or product type. The monthly effective interest rate for the household sector is computed as accruals of interest payable and receivable, divided by the average daily balance sheet total in the month for lending.

¹² <http://www.cml.org.uk/cml/statistics>

mortgages during 2008 (tracker mortgages increasing from 24 per cent of all loans in December 2007 to 35 per cent in October 2008). This implies that mortgage customers should be more likely to benefit from recent cuts in the base rate. However, CML statistics seem to show that the average interest rate for tracker mortgages has not fallen much during this period, from 5.92 to 5.85 per cent.

CML argues that cost of funds issues may make it difficult to pass on interest rate cuts to consumers, as funding for specialist non-deposit-taking lenders remains both expensive and scarce. Other deposit-taking lenders – banks and building societies – also need to weigh up the position of their savings customers, and the necessary rates to continue attracting retail deposits, so that they have the funds necessary to lend.

Looking at Figure 1, there seems to have been a more substantial divergence between average interest rates on credit card lending and the base rate, going back to 2005. Historic trends seem to show that the difference between the base rate and average credit card interest rates is around 10 per cent. More recently, this has risen to around 12 per cent. The reasons for this are as yet unclear – it may be that there is a lag in adjustment, but the increase coincided with a general tightening of lending criteria by credit card companies and a peak in credit card ownership. This may mean that credit card companies have sought to change their profit strategy from attracting new customers to maximising revenue from existing customers.

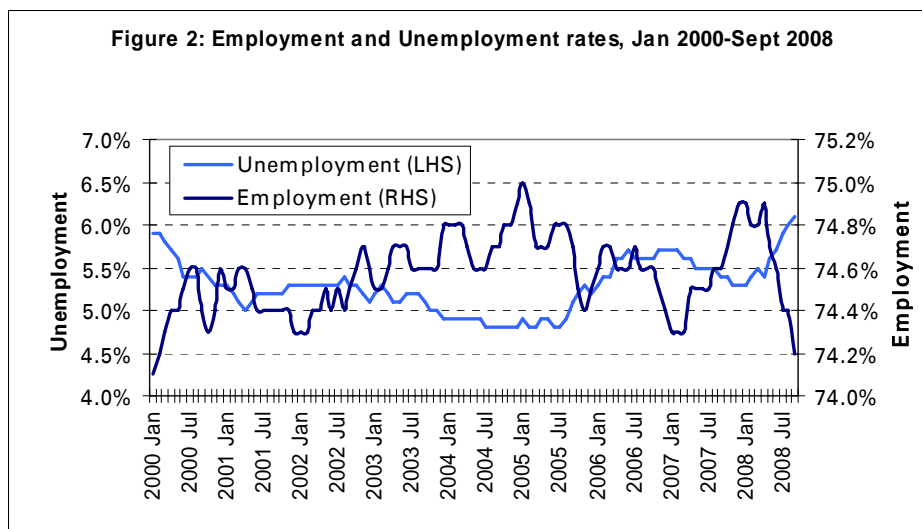
Inflation

The outlook for interest rates remains uncertain – the Consumer Prices Inflation (CPI) initially breached the Government's 2 per cent target in March 2008 and continues to exceed that level to stand at 4.1 per cent, down from a high of 5.2 per cent in September. According to the Bank of England's Monetary Policy Committee, the near-term negative impact on inflation from marked falls in commodity prices will more than offset the positive impact of a lower exchange rate that will most likely result from reducing the base rate. Moreover, most measures of households' inflation expectations have fallen back recently, substantially reducing the risk of inflation from lower interest rates, both now and in the near future.

The Retail Price Index (RPI), unlike CPI, includes additional items that relate mainly to housing costs and fell to 3 per cent in November 2008, a sharp fall from the recent high of 5 per cent in September. The difference between RPI and CPI can be explained by [significant downward contributions from mortgage interest payments and house depreciation, which are both excluded from the CPI](#). RPIX (which excludes mortgage interest payments) was 3.9 per cent, down from 5.5 per cent in September.

2.2 Labour Market Trends

According to December 2008 *Labour Market Statistics*¹³, unemployment levels increased on the previous quarter, along with the unemployment rate (by 137,000 and 0.4 per cent respectively). This is the highest the unemployment rate has been since January 2000. The employment rate stands at 74.2 per cent, slightly down on the historically high levels at the beginning of 2008.



Source: ONS, Labour Market Trends (seasonally adjusted)

The recent slowdown in economic growth has led to an increase in redundancies and job losses, causing employment to fall from its historically high level. From its record peak of nearly 29.6 million in April 2008, it has fallen to 29.4 million as of October. However, this is still 57,000 up on a year ago and higher than in 1997, when in April of that year employment was 26.4 million. The employment rate is also up relative to 1997 and at historically high levels.

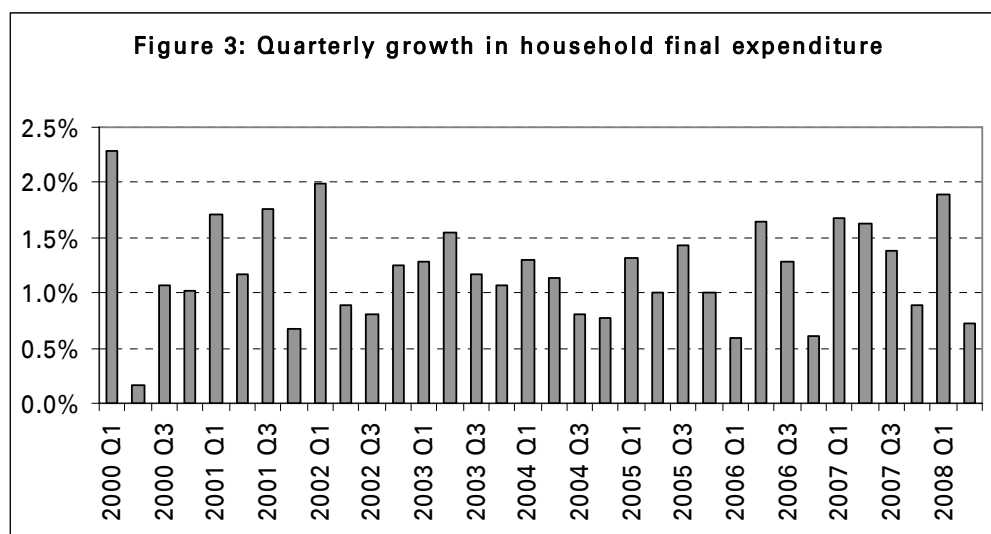
2.3 Consumer Spending

Data on household final expenditure – measured as the percentage change relative to the previous quarter – is used as an indicator of consumer spending¹⁴. Data for the first half of 2008 shows that, after a good start in the first quarter of 2008 – with 1.9 per cent increase in household spending – the second quarter of 2008 has witnessed

¹³ Data up to September 2008: <http://www.statistics.gov.uk/pdfdir/lmsuk1208.pdf>

¹⁴ Household final consumption expenditure covers, in the main, traditional consumer spending on all goods and services and includes imputed rent for the provision of owner-occupied housing services and consumption of own production. It does not include the purchase of dwellings or expenditure on valuables (antiques and some jewellery), nor does it include business expenditure.

sluggish growth of only 0.7 per cent compared to the same quarter last year (1.6 per cent). Data from the second quarter of 2008 seems to be a continuation of the declining trend experienced in 2007, making the first quarter data a temporary boost.



Source: ONS, Consumer Trends (seasonally adjusted)

The Pre-Budget Report published in November 2008¹⁵, seems to support the trends uncovered by the household expenditure data above. The share of nominal consumer spending in total demand increased slightly over the year to mid-2008, as energy and food prices rose sharply. Overall, household consumption grew by an average 3 per cent year-on-year between 2000 and 2007. Looking forward, it forecasts that growth will weaken in 2009 – falling to between -1.5 and -1 per cent.

2.4 Consumer Lending

High debt levels by themselves are not necessarily a problem, as long as households have the means to continue servicing and repaying these debts, but it does put them in a potentially vulnerable position. Adverse economic shocks, such as unemployment or a sudden increase in fuel, food or mortgage interest payments can push such vulnerable households into serious financial difficulties.

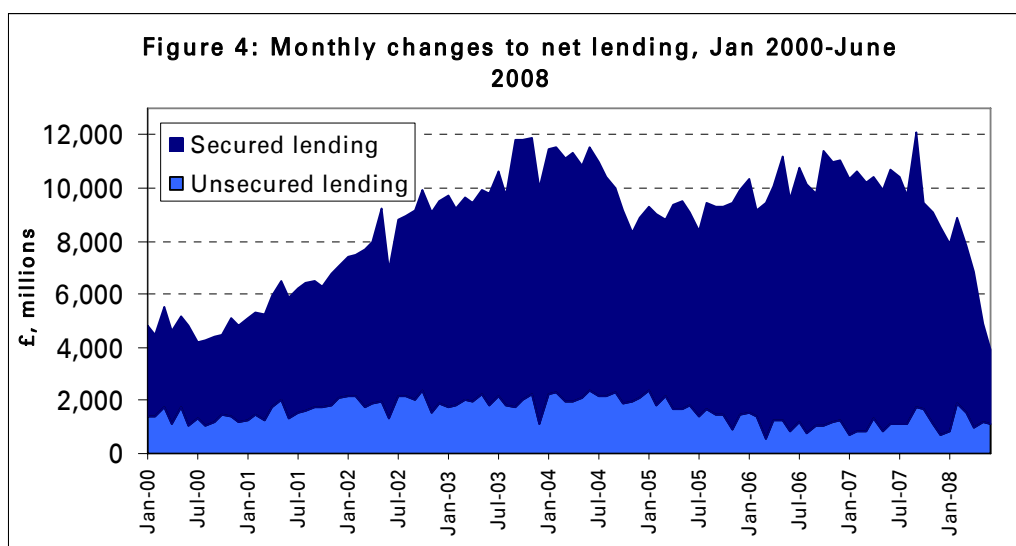
It is therefore important to consider household borrowing levels compared to their income (reflecting their ability to service such borrowing from immediately-available income), but also their assets (reflecting their ability to service such borrowing through selling their assets) as this gives a more complete picture. We will therefore look at aggregate debt levels and growth rates before moving on to debt-to-income and debt-to-asset ratios.

¹⁵ http://www.hm-treasury.gov.uk/prebud_pbr08_repindex.htm

Levels of lending

Consumer lending has grown less strongly over the first half of 2008 relative to the second half of 2007. In particular, secured lending growth has fallen significantly, whilst growth in unsecured lending has remained relatively robust, albeit volatile.

Overall, net lending¹⁶ (shown in Figure 4 below) increased by £40.3 billion in the first half of 2008, less than in the second half of 2007 (£59.2 billion)¹⁷. Net secured lending over the first six months of 2008 was £32.8 billion, around 36.7 per cent below that for the previous six months. In contrast, net unsecured lending over this period was £7.5 billion, which represented a slight increase (less than 1 per cent).



Source: Bank of England, Monetary & Financial Statistics Interactive Database (seasonally adjusted)

Growth rates of lending

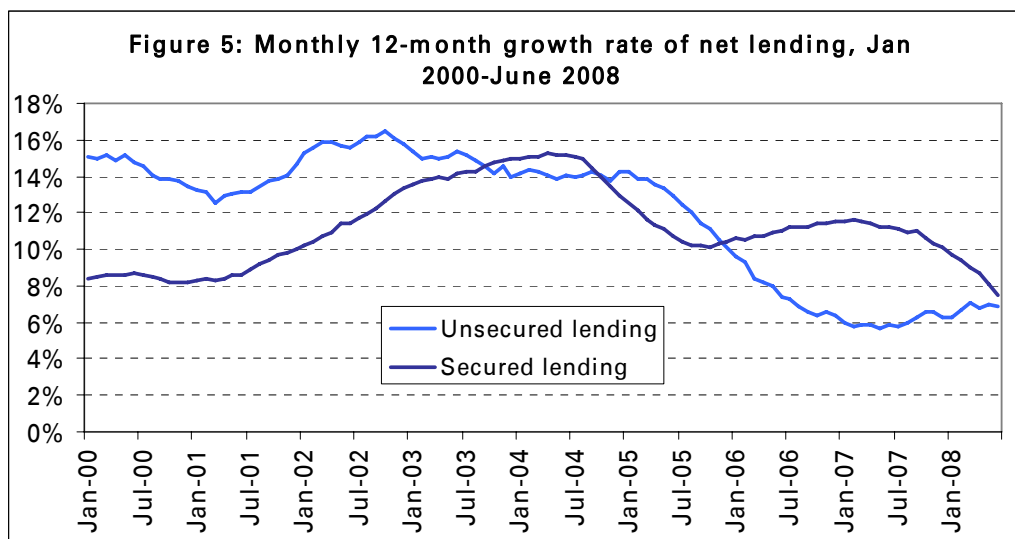
The data in Figure 5 captures the monthly annual growth rate of secured and unsecured lending to individuals¹⁸. The increase in the growth of unsecured lending witnessed in the second half of 2007 levelled off in the first half of 2008, stabilising at around 6.9 per cent – a level similar to that experienced at the beginning of 2007. This reversal appeared to start

¹⁶ Net lending is calculated as gross lending (total value of loans advanced by institutions in the period) less repayments and other adjustments (e.g. for bad debt write-offs).

¹⁷ Seasonally adjusted figures remove seasonal effects (e.g. credit card lending tends to increase in December as consumers spend more in the run-up to Christmas) and may give a more informative indication of the underlying trend.

¹⁸ Longer period growth rates (including the 3-month and 6-month (annualised) growth rates) are calculated by concatenating the one-month rates, (rather than dividing the flow for these longer periods by the opening level) to avoid distortions where there are breaks in the series.

in August 2007, as the growth rate reversed the downward trend that began in 2005. The growth rate for secured lending continued its 2007 decline through the first half of 2008, decreasing from its recent peak of 11.6 per cent in February 2007 to 7.5 per cent in June 2008.



Source: Bank of England, Monetary & Financial Statistics Interactive Database (seasonally adjusted)

2.5 Debt-to-income and debt-to-assets ratios

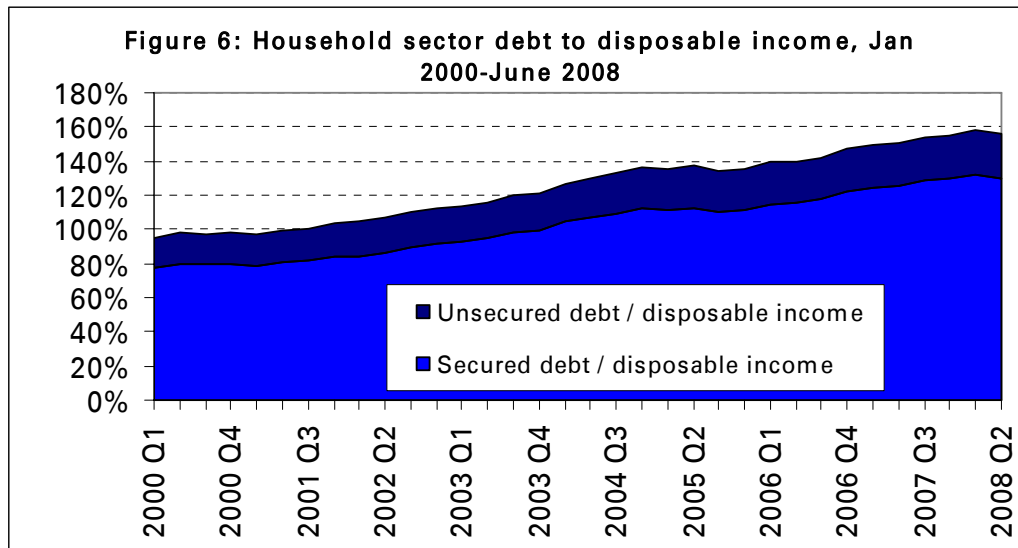
Comparing household debt with income and asset levels is important because it enables an assessment of the household sector's real exposure to debt, which is not provided by levels of debt. The relevant income ratio shows how readily debt can be covered out of current income, while the financial asset ratios show how well consumers are potentially able to cover debt out of their stock of financial assets – the potential ability of financial assets to cover debts in the short run is likely to be dependent on the relative liquidity of the asset class in question. These ratios thus help inform views about the level of exposure consumers face from debt at different points in time, to a potential shock to the economy.

Debt-to-income ratio

Total outstanding household debt has more than doubled since 2000 to reach £1.4 trillion. The overall household debt-to-income¹⁹ peaked in the first quarter of 2008 at 158.3 per cent, but has since fallen slightly to 155.8 per cent, as shown in Figure 6. This increase has been driven predominantly by the expansion of secured debt – the secured debt-to-

¹⁹ The measure of disposable income used is that of seasonally adjusted households' gross disposable income (ONS code: RPHQ). This is calculated as the seasonally adjusted total available household resources (ONS code: RPQK), adjusted for the change in net equity of households in pension funds.

income ratio has increased by around 5 percentage points in the 12 months to June 2008 (from 125.6 per cent to 130.3 per cent). In contrast, the unsecured²⁰ debt-to-income ratio has remained relatively steady at 25 per cent throughout 2007, also peaking in the first quarter of 2008 but only falling slightly in the second quarter of 2008.



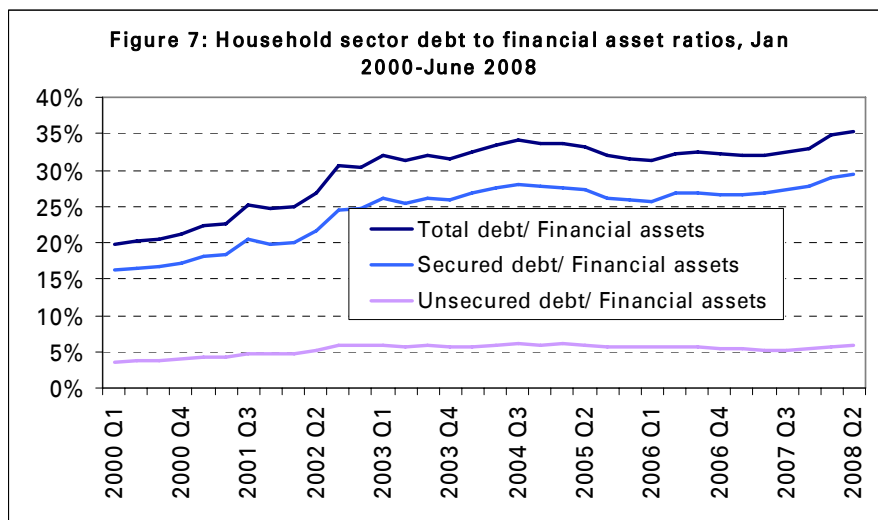
Source: ONS, *Financial Statistics consistent (seasonally adjusted income data)*

Debt-to-financial assets ratio

The ratio of debt to financial assets is important as a measure of indebtedness, as it demonstrates the extent to which households can meet debt repayments out of their stock of financial assets and represents, when taken in conjunction with the debt to disposable income ratios, a more balanced view about households' ability to meet debt levels. Financial assets include a mix of both liquid (money or relatively easily converted into money) and more illiquid assets such as long-term loans²¹.

²⁰ Note that methodology behind unsecured debt levels has changed with respect to previous 'Household monitoring paper' reports. This is due to harmonisation of methodology used across HMG Departments.

²¹ Financial assets, includes currency and deposits, security holdings (including bonds and equity holdings), long term loans and pension and life assurance funds and insurance premium prepayments.



Source: ONS, Financial Statistics consistent (not seasonally adjusted)

The debt-to-financial assets ratio continued to increase throughout the first half of 2008, reaching a record high of 35.3 per cent by June. This was again mostly due to increases in secured debt, which rose from an average of 27.4 per cent for the second half of 2007 to 29.3 per cent for the first half of 2008. The unsecured debt ratio also increased marginally over this period, from 5.3 to 5.8 per cent. These latest figures represent a record high for the secured debt-to-financial assets ratio; however, the unsecured debt series peaked in 2004.

Debt-to-assets ratio

To present a fuller picture of the debt-to-assets ratio, housing assets must also be taken into account. Unfortunately, data on housing assets is only updated annually, so the latest available data is that for 2007. These latest figures show that total housing assets were around £4.1 billion in 2007. This would indicate that the overall debt-to-assets ratio is just over 17 per cent, which has remained almost unchanged since 2004. It is likely that a persistent decline in house prices may result in a slight deterioration in this figure.

2.6 Summary of Macroeconomic Picture

The macroeconomic picture has changed somewhat since December 2007. Output growth has moderated, CPI inflation slowed to 4.1 per cent down from 5.2 per cent in September 2008 and employment has also declined from record levels at the beginning of the year. Moreover, recent ONS data suggests that the slowdown of economic growth has led to an increase in redundancies and job losses as the unemployment rate has increased slightly.²² The Bank of England's November 2008

²² <http://www.statistics.gov.uk/cci/nugget.asp?id=12>

*Inflation Report*²³ projects growth in UK trade-weighted world GDP to fall to its lowest rate for over fifteen years in 2009, which primarily reflects deterioration in prospects for the developed economies, as tighter credit conditions, lower asset prices and weak income growth cause activity to contract in the euro area and the US. In its November 2008 meeting, the Monetary Policy Committee noted that the outlook for inflation had shifted downwards, with the tightening in the supply of money and credit likely to contract further. In the light of that, the Committee judged that a reduction of the base rate was in order to meet the 2 per cent target of CPI inflation in the medium term.

In terms of consumer lending, the supply of credit has tightened considerably over the last 6 months, as lenders have become more reluctant to offer term financing, accentuating pressures on financial institutions with a high dependence on wholesale funding. The global financial system has undergone a period of exceptional instability, rooted in weaknesses within the financial system that developed during an extended global credit boom (rapid balance sheet expansion, the creation of assets whose liquidity and credit quality were uncertain in less benign conditions and fragilities in funding structures). Annual growth in secured borrowing fell to 5.3 per cent in September 2008 (the weakest growth rate since early 1997), while growth in unsecured lending decreased to 6 per cent, close to its lowest point of 5.8 per cent in February 2007. The October 2008 Bank of England *Financial Stability Report*²⁴ attributes the fall in the annual growth rate of secured lending to the deterioration in global macroeconomic conditions and the likely increase in bad loans to households and corporates that are used to back securitised assets.

The 2008 Q3 Bank of England *Credit Conditions Survey*²⁵ reported that lenders had reduced the availability of secured credit by more than was anticipated in the 3 months since the last survey. Expectations for house prices and concerns about the economic outlook were reported to be factors contributing to this tightening. A further decline in secured, as well as unsecured, credit availability was expected over the next 3 months.

Weakening in housing market activity began in the third quarter of 2007. Property prices have been falling steadily since then and indicators point to further falls in the months to come. The average of the Nationwide and Halifax house price indices showed that house prices were around 15 per cent lower than a year earlier. A fall in house prices, combined with an unchanged level of secured debt, might lead to an increase in defaults, as people will be less able to service their debt obligations by

²³ <http://www.bankofengland.co.uk/publications/inflationreport/ir08nov.pdf>

²⁴ <http://www.bankofengland.co.uk/publications/fsr/2008/fsrfull0810.pdf>

²⁵ <http://www.bankofengland.co.uk/publications/other/monetary/creditconditionssurvey081002.pdf>

borrowing against the value of their housing assets. However, a 2007 NMG survey found that around 60 per cent of mortgagors had more than £100,000 of equity in their homes as of September 2007, which would leave them less exposed to recent credit tightening.²⁶ Recent falls in house prices will have reduced the equity that some mortgagors have in their homes. The Council of Mortgage Lenders forecasted an increase in both arrears and possessions for 2008²⁷ and the data available so far for 2008 seems to confirm this increasing trend.

²⁶ <http://www.bankofengland.co.uk/publications/quarterlybulletin/qb070401.pdf>

²⁷ <http://www.cml.org.uk/cml/publications/forecast>

Chapter Three

Analysis of Problem Debt

In contrast to the previous section, which dealt with debt at the aggregate level, the following section explores the degree to which households experience problems with debt. The section begins by looking at the levels and rates of debt write-offs on secured and unsecured borrowing, before turning to mortgage arrears and possessions. It then looks at personal insolvencies.

Key points

- The total amount of debt written off increased during the first half of 2008 by 8.4 per cent compared to the second half of 2007. The amount of secured debt written off saw the most marked increase of 30 per cent.
- By July 2008, around 1.3 per cent of mortgages were at least 3 months in arrears, 0.3 percentage points higher than the same period a year ago and 0.2 per cent higher than in the second half of 2007. Of these, 0.7 per cent were in short-term arrears (3 to 6 months), while around 0.6 per cent were in long-term arrears (6 or more months).
- Repossessions increased in the first six months of 2008 – in both absolute and percentage terms – to stand at 18,900 and 0.16 per cent of mortgages respectively, but remain low by historical standards. Mortgage possession claims and orders both rose during the first half of 2008 compared to the average for 2007 (by 14 and 17 per cent respectively), suggesting potential future problems in this area.
- Statutory insolvencies increased during the first half of 2008 – only slightly in England and Wales, but significantly so in Scotland and Northern Ireland. This trend was also reflected in insolvency rates, with Scotland and Northern Ireland experiencing large increases, but not affecting the relative ordering - Scotland still well above both England and Wales and Northern Ireland.
- CCCS²⁸ data on the number of Debt Management Plans (DMPs, non-statutory insolvency) has seen its number of clients and total debt under CCCS management increase steadily over the first half of 2008.

²⁸ Consumer Credit Counselling Service

3.1 Levels and Rates of Debt Write-offs

Overall, the total level of debt write-offs increased during the first half of 2008, after a slight fall in the second half of 2007. Write-offs on both credit card debt and other unsecured debt increased by around 8 per cent, while write-offs on mortgage debt increased more sharply (by 30 per cent). Write-off rates for total household debt increased slightly during the first half of 2008 on secured as well as unsecured debt.

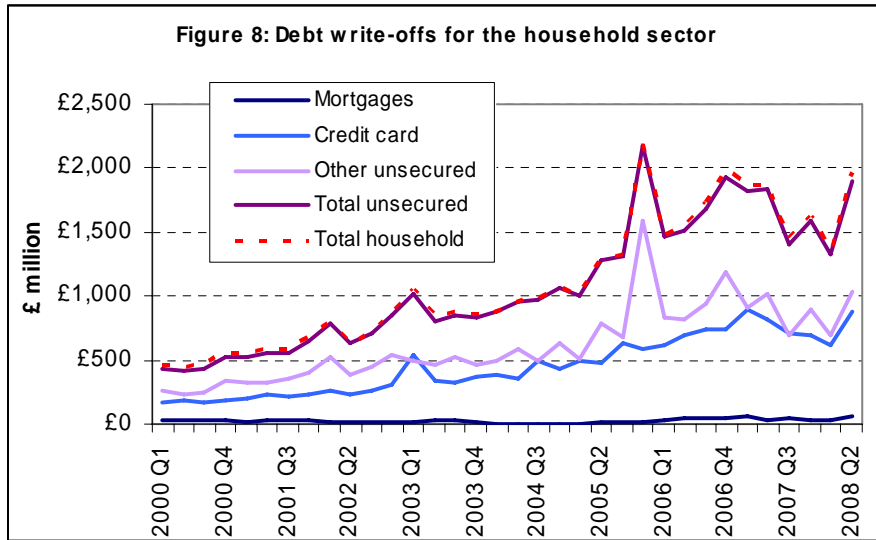
Debt write-off levels

The total amount of debt written off during the first half of 2008 (£3.3 billion) was higher than during the second half of 2007 (£3.1 billion). The level of debt write-offs in Q2 2008 was the third highest quarterly figure ever²⁹. This increase was seen across all categories of debt (mortgage, credit card and other unsecured debt). A total of £6.8 billion of debt was written off in 2007, only marginally more than in 2006 (£6.7 billion).

Types of debt written off

While the amount of debt written off on mortgages fell throughout 2007, it increased again in the first two quarters of 2008. Debt written off on mortgages was £91 million in the first half of 2008, 30 per cent higher than the second half of 2007. However, this has not had a significant impact on overall debt write-offs, as mortgages only account for 3 per cent of all debt write-offs. All sub-categories of debt showed an increasing annual average from 2005 to 2007, apart from unsecured debt (excluding credit cards), which has followed a volatile but decreasing path. Write-offs of credit card debt in the first half of 2008 (£1,500m) were 7.5 percent higher than 6 months earlier (£1,400m).

²⁹ £1,961; behind the fourth quarters of 2005 (£2,192) and 2006 (£1,986)



Source: Bank of England, Monetary & Financial Statistics Interactive Database (not seasonally adjusted)

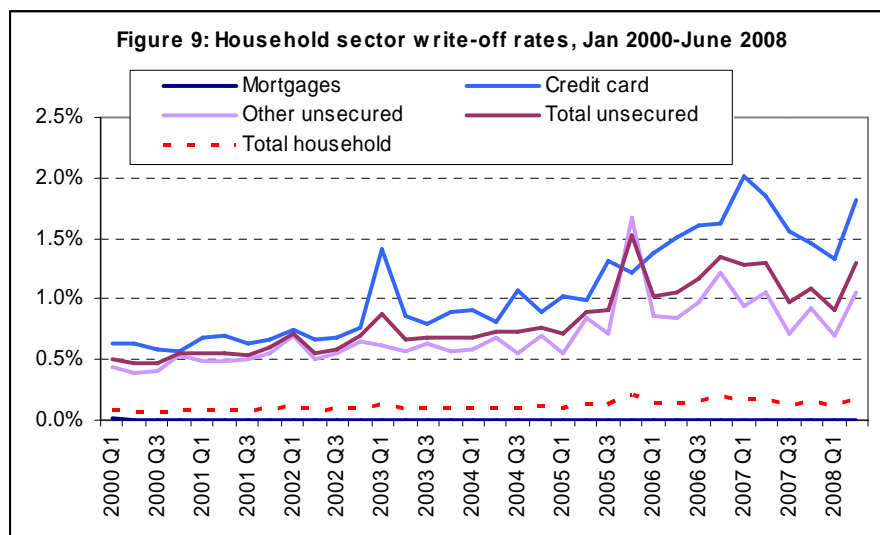
Note: The peak seen in the 2005 Q4 was caused by a single bank writing off an amount of bad debt equal to £0.7bn.

Debt write-off rates³⁰

Write-off rates for total household debt (debt written-off relative to outstanding debt levels)³¹ have increased during the first half of 2008 (see Figure 9 below). Write-off rates decreased in the first quarter of 2008 but then increased quite markedly in the second quarter to reach levels similar to those for the second quarter of 2007.

³⁰ The methodology for calculating debt write-off rates has changed from previous monitoring papers. Write-off rates in previous reports only covered a sub-set of banks, whereas the data in Figure 9 covers debt written-off by all banks and building societies.

³¹ Quarterly write-off rates are calculated as the sum of write-offs over the previous three months divided by average quarterly stock of lending over the aforementioned period. Write-off rates are calculated on write-offs of UK household debt held by the 10 largest financial intermediaries, with the assessment of the 10 largest based on the value of banking-type services in the UK.



Source: BERR calculations based on Bank of England statistics

Analysis

Looking at trends in growth over time, write-off rates for both credit card debt and other unsecured debt have been rising steadily since 2000. Credit card write-off rates reached their peak at the start of 2007, before decreasing; however, given recent data it seems that they may have started rising again. Write-off rates for other unsecured debt seem to have followed a similar path (discounting the one-off bad debt write-off in Q4 2005) to peak at the end of 2006 and have also begun to rise again.

It is difficult to assess what the underlying cause might be for this change, and whether or not it is likely to persist. There are likely to be significant time lags before changes in overall credit market conditions feed through to write-offs (both rates and levels), making it too early to draw conclusions based on this causality. According to the Credit Research Foundation survey³², in most cases recoveries significantly lag the original event that triggered the write-off (e.g. bankruptcy). This timing lag often results in recoveries being received long after the original write-off. This can lead to an imbalance between when companies report receiving recovered debts and when the write-offs are reported. The credit crunch might have had an effect on write-off rates recently but it remains to be seen what the long-term effects will be.

It should be noted that write-off rates are dependent on the policies of individual banks, which may vary over time, so a rising level of write-off rates is not necessarily a symptom of households increasingly overstretching themselves. Indeed, the Q3 2008 Bank of England *Credit Conditions Survey*³³ points out that lenders are continuing to reduce

³² <http://www.crfonline.org/>

³³ <http://www.bankofengland.co.uk/publications/other/monetary/creditconditionsurvey081002.pdf>

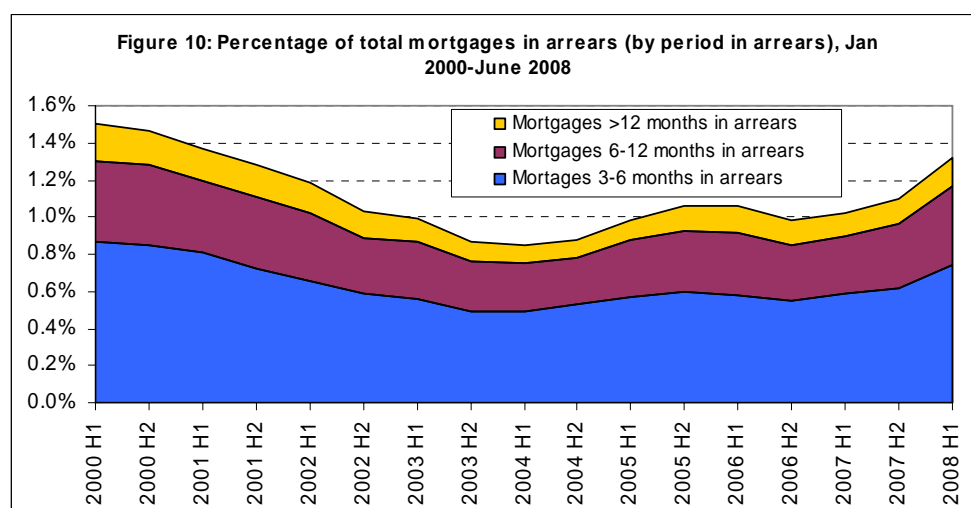
secured and unsecured credit availability, expectations for house prices and concerns about the economic outlook being reported as the main factors contributing to this tightening. However, such action is unlikely to be affecting current write-off rates; the impact of this is likely to be felt in the future. Thus, these rates capture both the degree to which individuals' debt situation becomes unmanageable and banks' willingness to write off that debt.

In its most recent *Financial Stability Report*³⁴, the Bank of England notes that lending growth is likely to remain slower than in recent years. In addition, it reports that most lenders are planning to tighten credit conditions further in order to improve the quality of their mortgage books. Overall, estimates by the Council of Mortgage Lenders suggest that net mortgage lending to UK households in 2008 may be only half the level of 2007³⁵.

3.2 Mortgage Arrears and Repossessions

Mortgage arrears

Data on mortgage arrears is reported in Figure 10 below. This is expressed as a percentage of the total stock of mortgages, by number of months in arrears. As of July 2008, the total stock of mortgages was over 11.7 million.



Source: Council of Mortgage Lenders³⁶

³⁴ <http://www.bankofengland.co.uk/publications/fsr/2008/fsrfull0810.pdf>

³⁵ www.cml.org.uk/cml/filegrab/CMLAnnualLunchspeech2008.pdf?ref=5829

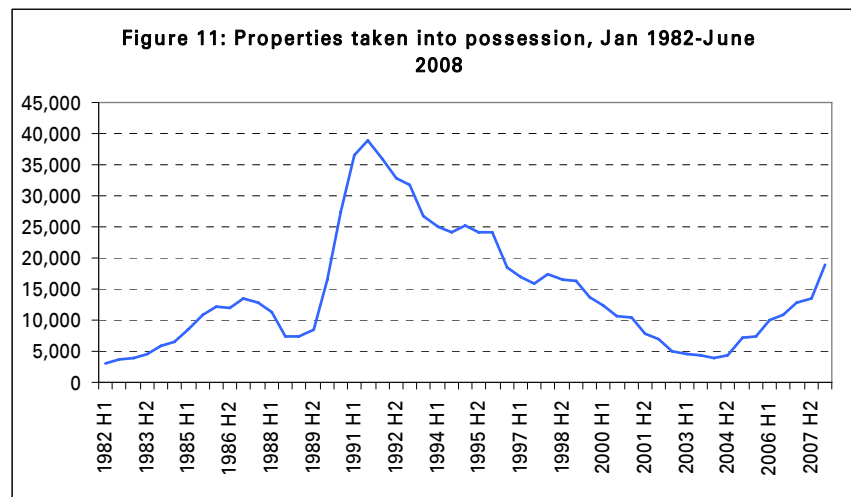
³⁶ The Council of Mortgage Lenders has 162 members comprising banks, building societies and other lenders, who collectively account for around 98 per cent of all residential mortgage lending in the UK.

By July 2008, 1.3 per cent of mortgages were at least 3 months in arrears, which is slightly higher than during the second half of 2007, but it is less than a third of the 1994 rate (when comparable figures first became available).

In terms of the distribution of arrears, just over half are short-term arrears³⁷ (0.75 per cent of all mortgages; up from 0.6 per cent in the second half of 2007) and the remainder are long-term arrears³⁸ (0.6 per cent; up from 0.5 per cent in the second half of 2007).

Repossessions

The number of properties taken into possession during the first half of 2008 was markedly higher than in the second half of 2007 – 18,900 compared to 13,400. This figure is significantly higher than in the recent past (around twice the 2007 level in terms of the proportion of loans accounted for – 0.16 per cent), but remains low by historical standards³⁹, as can be seen in Figure 11 below.



Source: Council of Mortgage Lenders

While the level of repossessions is historically relatively low, the FSA reports in its *Financial Risk Outlook 2008*⁴⁰ that, based on CML data, mortgage repossessions as a percentage of long-term arrears (arrears over six months) are now at their highest-ever level (approximately 60 per cent of long-term arrears cases). This occurred prior to the credit crunch working its way through the economy, at a time when the

³⁷ Between 3 and 6 months

³⁸ More than 6 months

³⁹ Between 1990 and 2000, the number of properties taken into possession exceeded 13,000 in every half-yearly period, and between mid-1990 and mid-1996 the number of properties that were taken into possession in every half-yearly period exceeded 24,000.

⁴⁰ http://www.fsa.gov.uk/pubs/plan/financial_risk_outlook_2008.pdf

economic environment was relatively benign. As economic conditions deteriorate, an increase in repossessions is expected.

Different media sources have recently reported they expect the number of repossessions to reach 75,000 in 2009 as a result of recent changes to housing market conditions. However, it should be noted that the total number of repossessions in 2007 (26,200) were more than 10 per cent below CML's predictions of 30,000⁴¹.

There are two main reasons why information relating to properties taken into possession may not be an accurate reflection of households' mortgage positions:

- First, there are potentially significant time lags involved in the possessions process (FSA analysis suggests that this may be up to a year), such that properties taken into possession now may result from actions related to repayment problems some time ago, and
- Second, actual repossession may not happen even if court action is taken, as the relevant parties may negotiate an arrangement. Therefore, not all consumers that are having problems paying their mortgages will progress as far as having their property repossessed.

For these reasons, more timely information with regard to the repossession situation can be seen from mortgage claim and orders data collected by the Ministry of Justice (MoJ) that relate to actions happening in court.

Mortgage possessions orders and claims

Mortgage possession claims⁴² made in the first half of 2008 increased by 11 per cent relative to the second half of 2007. Mortgage possession orders⁴³ also rose by 14 per cent. This represents a continuation of the 2007 trend following broadly flat growth during 2006, for both claims and orders.

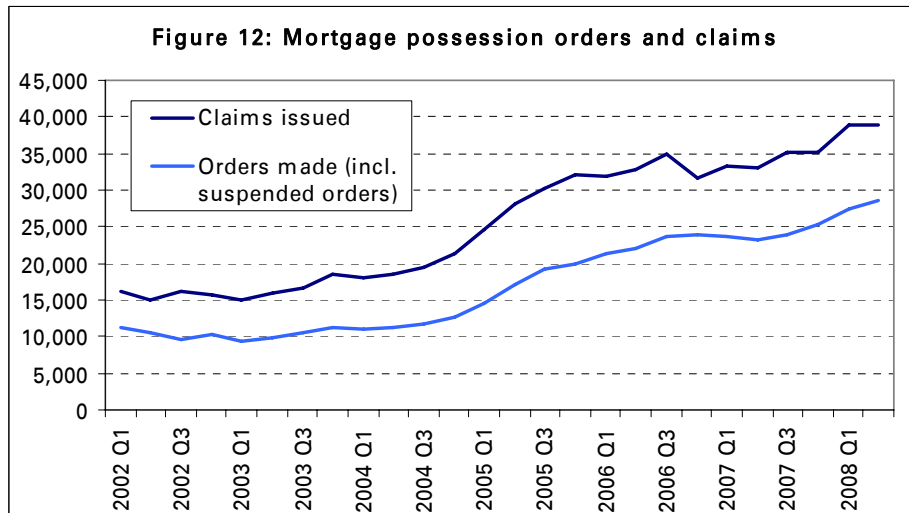
It should be noted that claims issued are always higher than orders made, because even where a warrant for possession is issued, the relevant parties can still negotiate a compromise to prevent eviction. In the same vein, orders made are higher than actual repossessions (as

⁴¹ <http://www.cml.org.uk/cml/media/press/1492>

⁴² Possession claims involve a claimant beginning an action for an order of possession of property by issuing a claim in a county court.

⁴³ Orders made include suspended orders, which are frequently granted, and which grant the claimant possession but suspend the operation of the order. Provided the defendant complies with the terms of the suspension, which usually require the defendant to pay the currently mortgage/rent instalments plus some of the accrued arrears, the possession order cannot be enforced. An order entitles the claimant to apply for a warrant to have the defendant evicted.

seen in Figure 11) as the relevant parties may negotiate an arrangement. Further, it is important to note that the MoJ records data for actions taken in court in England and Wales only, whereas the CML data pertain to the whole of the UK.



Source: Ministry of Justice (seasonally adjusted)

3.3 Personal Insolvency

A number of statutory insolvency instruments are available to individuals facing serious financial difficulty, including bankruptcy and Individual Voluntary Arrangements (in England, Wales and Northern Ireland), or sequestrations and protected trust deeds (in Scotland). In addition to statutory instruments, individuals also have non-statutory options, such as Debt Management Plans, re-mortgaging and debt consolidation. The following two sub-sections look at first statutory insolvency instruments and then non-statutory instruments. According to the latest NMG survey (September 2008) commissioned by Bank of England,⁴⁴ only around 1 per cent of households would consider declaring themselves insolvent (through bankruptcy or an IVA) in order to resolve their financial difficulties. Most households (54 per cent) said they would try to resolve their debt problems by cutting back on household spending.

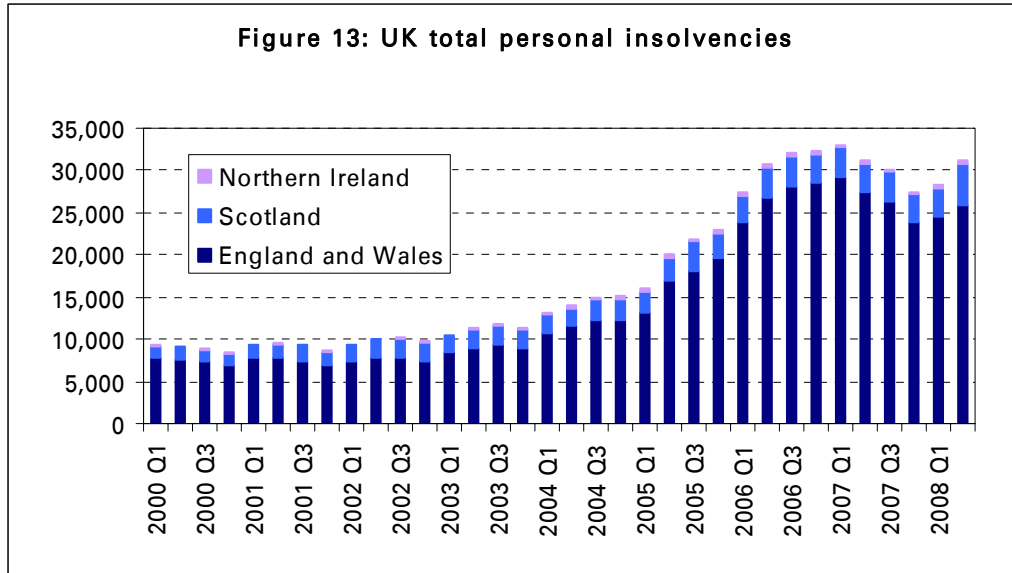
i) Statutory Insolvency Instruments

Total individual insolvencies in the UK have experienced a slight upturn in the second half of 2008 (see Figure 13 below), driven mainly by the increase of bankruptcies and IVAs in Northern Ireland and bankruptcies

⁴⁴ <http://www.bankofengland.co.uk/publications/quarterlybulletin/qb080401.pdf>

in Scotland⁴⁵. This upward trend seems to have reversed the stable declining trend since the beginning of 2007.

Looking over the longer term, personal statutory insolvencies in the UK have more than tripled since the beginning of 2000, with growth in insolvencies appearing to have peaked in the first quarter of 2007.



Note: Scottish insolvencies for Q2 2008 (4,735) include LILA cases (1,709), whereas previous data for Scotland does not.

Source: Insolvency Service (not seasonally adjusted)

In the first half of 2008, the total number of individual insolvencies in **England and Wales** was slightly over 50,000 – 1 per cent higher than the previous six months. Bankruptcies accounted for around 63 per cent of all individual insolvencies, with Individual Voluntary Arrangements (IVAs) making up the remaining 37 per cent. However, this composition has changed recently – towards the end of 2006, IVAs accounted for just over 45 per cent but have fallen in both absolute and relative terms since then.

The growth in individual insolvencies for **Northern Ireland** has followed roughly the same pattern as England and Wales in the past, albeit amplified and with increased volatility⁴⁶. This is particularly the case for the first half of 2008, as personal insolvencies increased by 23 per cent (compared to only 1 per cent for England and Wales), which was evenly split by increases in both IVAs and bankruptcies⁴⁷.

⁴⁵ More detailed explanation on the change experienced by bankruptcies in Scotland is explained below

⁴⁶ This would appear to be mostly due to the smaller absolute numbers involved (<500 per quarter)

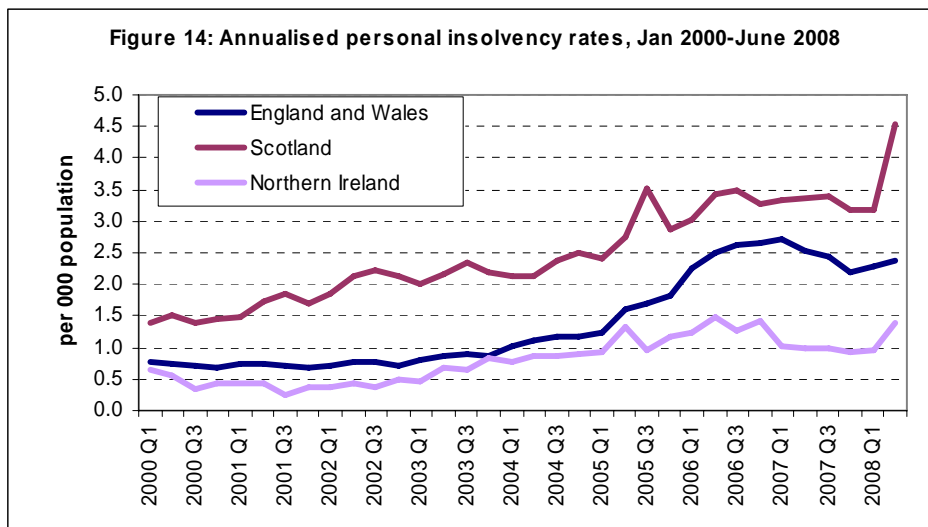
⁴⁷ It should be noted that these figures start from a very low level – the actual number of personal insolvencies has increased from 657 to 809 in that period.

Scotland has a different judicial system to England, Wales and Northern Ireland with different insolvency schemes in place. However, sequestrations are comparable to bankruptcies in England and Wales and trust deeds work in a similar way to IVAs.⁴⁸ This has recently been altered further, with the introduction of a new route into bankruptcy for people who previously could not declare themselves bankrupt – LILAs (Low Income, Low Assets) – under the Bankruptcy and Diligence (Scotland) Act 2007, which came into effect on 1 April 2008. There was a 18 per cent increase in individual insolvencies – almost entirely driven by increases in sequestrations and the introduction of LILA.

Insolvency rates

Although looking at levels of insolvency is instructive in identifying trends across different parts of the UK, it is also useful to consider insolvency rates⁴⁹.

Insolvency rates in England and Wales, despite the strong sustained growth since 2000, remain below Scotland (which has risen dramatically in the first half of 2008). Insolvency rates in Northern Ireland, meanwhile, have remained well below rates for the rest of the UK, but have experienced a marked increase in the second quarter of 2008.



Source: BERR calculations based on Insolvency Service data (not seasonally adjusted)

⁴⁸ Under certain conditions, trust deeds can be registered as “protected”, meaning that creditors cannot then seek sequestration to recover the debts. To prevent a trust deed from being protected either a majority of creditors, or creditors representing at least a third of the debt must register their objections within five weeks of being informed of the move to protect the trust deed. Unlike IVAs, there is no minimum threshold to meet before a person qualifies for a trust deed.

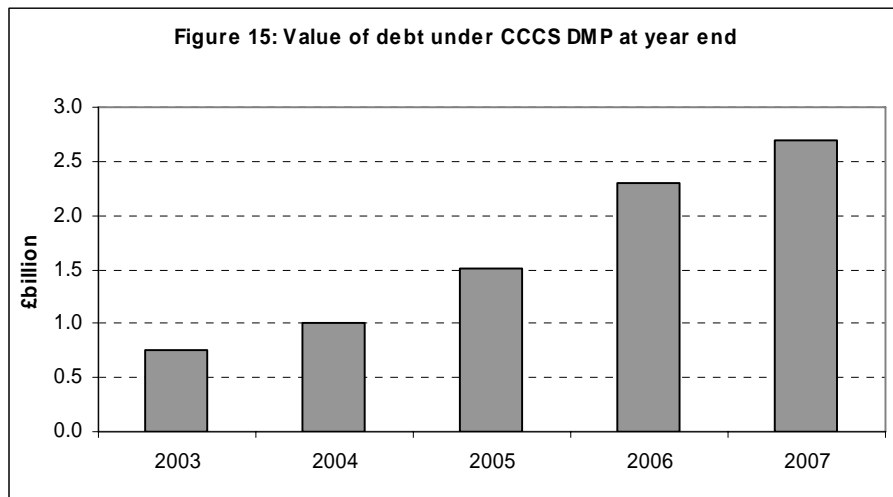
⁴⁹ It should be noted that making such comparisons is imperfect, as quarterly population estimates used for computing insolvency rates are based on population aged 16 and over, when it is only possible to apply for insolvency after you are 18.

ii) Non-Statutory Insolvency Instruments

The following section sets out the information on Debt Management Plans (DMPs) from the Consumer Credit Counselling Service (CCCS). A DMP is an informal non-statutory insolvency instrument between a client and a creditor that can be utilised to address financial difficulties related to unsecured debt. Aggregate data on the total number of DMPs is not available; therefore the analysis in this section draws on information from CCCS, which it is estimated manages around ten per cent of all debt repayment programmes within the UK.

The CCCS Debt Dashboard Q3 2008⁵⁰ reports the number of clients on a DMP has increased by 4 per cent throughout the first half of 2008, from 86,145 in December 2007 to 89,920 in June 2008.

However, the average debt for a CCCS client has decreased by 2 per cent over this period, while the total debt under CCCS management has also increased, continuing the upward trend seen since 2003 (See Figure 15 below).



Source: CCCS

3.4 Summary of Personal Insolvency Section

Since December 2007, the level of personal insolvencies has started to rise for the UK as a whole. However, this masks a more complicated picture – while England and Wales have increased marginally, Scotland has fallen slightly (though this excludes LILA cases, as stated above) and Northern Ireland has increased significantly, albeit from a low base.

Despite this sustained growth (which began in around 2003), insolvency rates for England and Wales are still below those for Scotland.

⁵⁰ <http://www.cccs.co.uk/research/2008/pdf/DshQ308.pdf>

Insolvency rates in Northern Ireland, meanwhile, have remained well below rates for the rest of the UK and relatively stable, despite a significant upturn in the most recent quarter.

Recent events – like changes in the credit conditions – might see statutory insolvencies, as well as DMPs, increasing substantially going forward. The decline in the number of new DMPs was particularly large, even though the value of the debt under DMPs has also continued to rise, albeit at a lower annual growth rate compared to 2006.

According to the Bank of England⁵¹, the rise in personal insolvencies up to 2007 could be partly attributed to the behaviour of lenders. Looking ahead in relation to the path of individual insolvencies, FSA mentions in its *Financial Risk Outlook 2008*⁵² that slower economic growth, combined with a weaker labour market and reduced availability of credit through borrowing against property could result in a rise in personal bankruptcies and/or IVAs.

⁵¹ <http://www.bankofengland.co.uk/publications/fsr/2007/fsrfull0704.pdf>

⁵² http://www.fsa.gov.uk/pubs/plan/financial_risk_outlook_2008.pdf

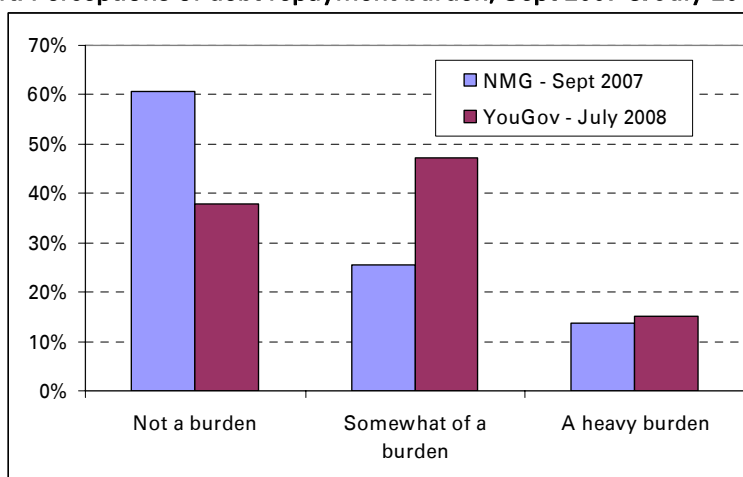
BOX: Perceptions of Debt

Previously this report has cited data from the Financial Services Authority's *Financial Risk Outlook*⁵³ reports on individuals' perceptions of their own debt burden, but this data was last collected at the end of 2006. More recently, data from the survey conducted by NMG for the Bank of England has been used.

Even though research indicates that individuals' perception of debt is usually worse than their actual financial position⁵⁴, it can still be instructive to see how these perceptions of debt change over time. However, drawing data from a range of different sources can complicate the ability to compare answers.

In the chart below, we report data on debt perceptions from two different sources – the NMG survey referred to above (conducted in September 2007⁵⁵) and the YouGov Debt Tracker survey (conducted in July 2008). Going forward, it is intended to report data from a single source – the YouGov Debt Tracker survey – in order to maintain consistency of reporting to show how perceptions have changed over time.

Chart: Perceptions of debt repayment burden, Sept 2007 & July 2008



Sources: NMG survey for Bank of England 2007 (Q: to what extent is the repayment of these loans and the interest a financial burden on your household?); YouGov Debt Tracker survey (Q: To what extent is keeping up with the repayment of your bills and credit commitments (including any interest payments) a financial burden on you (and your partner) at this time?)

Although the sources above do not ask precisely the same question (and are therefore not directly comparable), the above chart seems to show that **perceptions of the burden of debt have worsened** between September 2007 and July 2008. The distribution has shifted towards those reporting debts as 'somewhat of a burden', though there has been little change in those reporting debts as 'a heavy burden'.

⁵³ <http://www.fsa.gov.uk/Pages/Library/Corporate/Outlook/index.shtml>

⁵⁴ Disney R, *et al*, Drivers of Over-indebtedness, October 2008

⁵⁵ <http://www.bankofengland.co.uk/publications/quarterlybulletin/nmgsurvey2007.xls>

Annex A: List of Data Sources relevant to Consumer Over-Indebtedness

The release date of each data series varies according to publication, to find out the release date of a specific series it is best to check the relevant link. In general, monthly data are available at the end of the following month and quarterly data as follows; the first quarter = Early April, the second quarter = Early July, the third quarter = Early October, the fourth quarter = Early Jan.

Frequency key: D= Daily, M= Monthly, Q= Quarterly, H=Half Yearly, A= Annual.

Measure	Source	Frequency	When available	Web link
Base Rate (IUMBEDR)	Bank of England: Monetary & Financial Statistics Interactive Database	M	1 st week of every month	http://www.bankofengland.co.uk/mfsd/iadb/NewInterMed.asp
Average weighted interest rate on mortgages (CFMHSDE)	Bank of England: Monetary & Financial Statistics Interactive Database	M		http://www.bankofengland.co.uk/mfsd/iadb/NewInterMed.asp
Average weighted interest rate on credit cards (CFMHSDG)	Bank of England: Monetary & Financial Statistics Interactive Database	M		http://www.bankofengland.co.uk/mfsd/iadb/NewInterMed.asp
Employment rate (MGSU) and Unemployment Rate (YBTI)	Office for National Statistics: Labour Market Trends	M	Check: http://www.stat istics.gov.uk/st	http://www.statistics.gov.uk/statbase/tsdtimezone.asp Select 'Labour Market Stats' then

			atbase/tsdreleasedates.asp	'LFS Summary: Employment rate: UK All: Aged 16-59/64:% SA' and 'LFS Summary: Unemployment rate: UK All: Aged 16-59/64:% SA'
Growth in Household Final Consumer Expenditure (ABJQ)	Office for National Statistics: Consumer Trends:	Q	Check: http://www.statistics.gov.uk/statbase/tsdtimezone.asp	http://www.statistics.gov.uk/statbase/tsdtimezone.asp Select 'Consumer Trends then '0.CS: Household Final Consumer Expenditure'
Monthly changes to net lending, £ millions (secured - LPMVTVJ and unsecured - LPMRLMH)	Bank of England: Monetary & Financial Statistics Interactive Database	M	End of following month	http://www.bankofengland.co.uk/mfsd/iadb/NewInterMed.asp
12-month growth rate of net Lending (secured - LPMVTYI and unsecured - LPMVTYO)	Bank of England: Monetary & Financial Statistics Interactive Database	M	End of following month	http://www.bankofengland.co.uk/mfsd/iadb/NewInterMed.asp
Household Sector Debt to Disposable Income Ratios Total Debt / Disposable Income (=NNRP+NNRG+NNRK/4*RPHQ) Secured Debt / Disposable Income (=NNRP/4*RPHQ)	Office for National Statistics: Financial Statistics Consistent	Q	Check: http://www.statistics.gov.uk/statbase/tsdtimezone.asp	http://www.statistics.gov.uk/statbase/tsdtimezone.asp Select 'Financial Statistics Consistent' and go to table: - 9.1M for NNRP, NNRK and NNRG - 14.8B for RPHQ

Household Sector Debt to Financial Assets Ratios Secured Debt / Financial Assets (NNRP/NNML) Unsecured Debt / Financial Assets ((NNRG+NNRK)/NNML)	Office for National Statistics: Financial Statistics Consistent	Q	Check: http://www.statistics.gov.uk/statbase/tsdtimezone.asp http://www.statistics.gov.uk/statbase/tsdrelease/atsdrelease/atsdrelease.asp	http://www.statistics.gov.uk/statbase/tsdtimezone.asp Select 'Financial Statistics Consistent' and go to table: - 9.1M for NNRP and NNRK - 12.1N for NNML
Individual debt write-offs (taken from the whole banking sector) (RPQTFHD, RPQTFHE, RPQTFHF, RPQTFHG)	Bank of England: Monetary & Financial Statistics	Q		http://www.bankofengland.co.uk/mfsd/iadb/NewInterMed.asp

Household write-off rates (taken from 10 largest suppliers of banking services in the UK) Mortgages- RPQTFHD/LPQAVHG; Credit Card-RPQTFHE/LPQVUHC; Other unsecured- RPQTFHF/LPQVVGR; Total unsecured- (RPQTFHE+RPQTFHF)/LPQAVH H; Total household- RPQTFHG/(LPQAVHG+LPQVU HC+LPQVVGR+LPQAVHH)	Bank of England: Financial Stability Report	Q		http://www.bankofengland.co.uk/mfsd/iadb/NewInterMed.asp
Mortgage arrears as a per cent of total stock of mortgages	Council of Mortgage Lenders	H		http://www.cml.org.uk/cml/statistics Select 'Arrears on mortgages, by number of months in arrears – AP1' Data available to members and associates
Properties taken into possession	Council of Mortgage Lenders	H		http://www.cml.org.uk/cml/statistics Select 'Possessions on mortgaged properties – AP4' [Data available to members and associates, as of Jan 2009]
Mortgage possession orders and claims	Ministry of Justice	Q		http://www.justice.gov.uk/publications/statistics.htm Select 'Mortgage and Landlord Possession Statistics'

Individual Insolvencies in England & Wales, Scotland, and Northern Ireland ('000s)	Insolvency service	Q		http://www.insolvency.gov.uk/otherinformation/statistics/insolv.htm NSA
Annualised Personal insolvency rates: Population aged 18+: England: SA (YCHL), Population aged 18+: Wales: SA (YCHM), Population aged 18+: Scotland: NSA (YCHN), Population aged 18+: Northern Ireland: NSA (YCZE). Annualised Personal Insolvency Rate (=4*total number of bankruptcies and IVAs in quarter/population)	Data from The Insolvency Service and the ONS	Q		http://www.insolvency.gov.uk/otherinformation/statistics/insolv.htm http://www.statistics.gov.uk/statbase/tsdtimezone.asp Select 'Labour market Statistics – Integrated FR' and go to table '18B. Regional Labour Market Summary – LFS data'.
CCCS DMPs (Number of DMPs and amount outstanding)	CCCS: Trouble Totals	Q		http://www.cccs.co.uk/research/CCCSReports.aspx

Department for Business, Enterprise & Regulatory Reform. www.berr.gov.uk
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