

# The Coming Storm

Citizens Advice data shows that people could struggle even more to make ends meet in the coming months

September 2021



**citizens  
advice**

# The Coming Storm

**At the end of the month, two of the major protections to protect household finances during the pandemic are scheduled to end:**



The Job Retention Scheme, and



The £20-a-week increase to Universal Credit.

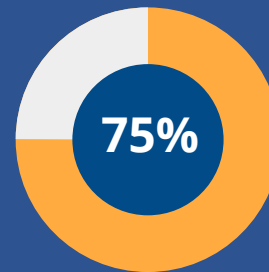
**October will also see:**



A 12% rise in the maximum amount energy providers are allowed to charge, which will see millions paying over £100 a year more.

These schemes have helped support people throughout the pandemic. But, our data suggests that many people are still struggling to make ends meet. We've been referring 30% more people to food banks compared to last summer and nearly 60% more to other charitable support.

There's a real risk these changes will make it impossible for people to afford the basic essentials to live.

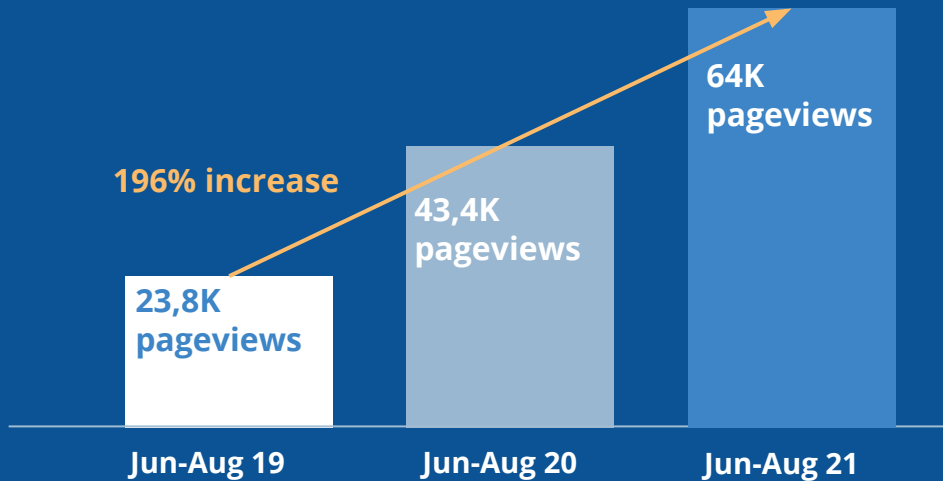


**Around 75% of the people we advise about benefits and debt won't have enough income to cover essential outgoings if the £20-a-week increase is taken away and the energy price cap goes up.<sup>1</sup>**

The most important thing that the government can do to protect people from this coming storm is to retain the increase to Universal Credit.

# Increasing concern about Universal Credit support

## Pageviews of “Check how much Universal Credit you’ll get”



Citizens Advice has helped three people a minute with one-to-one advice on Universal Credit since the pandemic began.

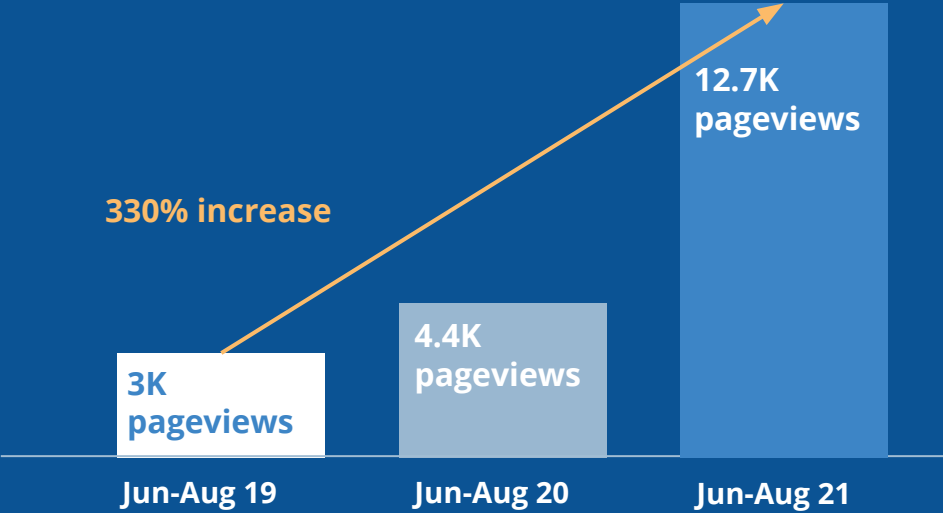
With the furlough scheme and the £20-a-week increase to Universal Credit scheduled to end at the end of this month, views to our page on what you'll receive if you are on Universal Credit are up 50% on last year.

Page views have been rising higher than the number of extra people going onto Universal Credit, which rose by 7% in the last year.<sup>2</sup> This could point to people being worried about losing their jobs or not being able to work enough hours to make ends meet.

These fears are well founded. Our research shows that 2.3 million people currently receiving Universal Credit would be tipped into the red by the planned cut.<sup>3</sup> This is despite the fact that 40% of Universal Credit claimants are also in work.<sup>4</sup>

# Debt and money advice pageviews are higher now than pre-pandemic levels

## Pageviews of “Check if you can increase your income”



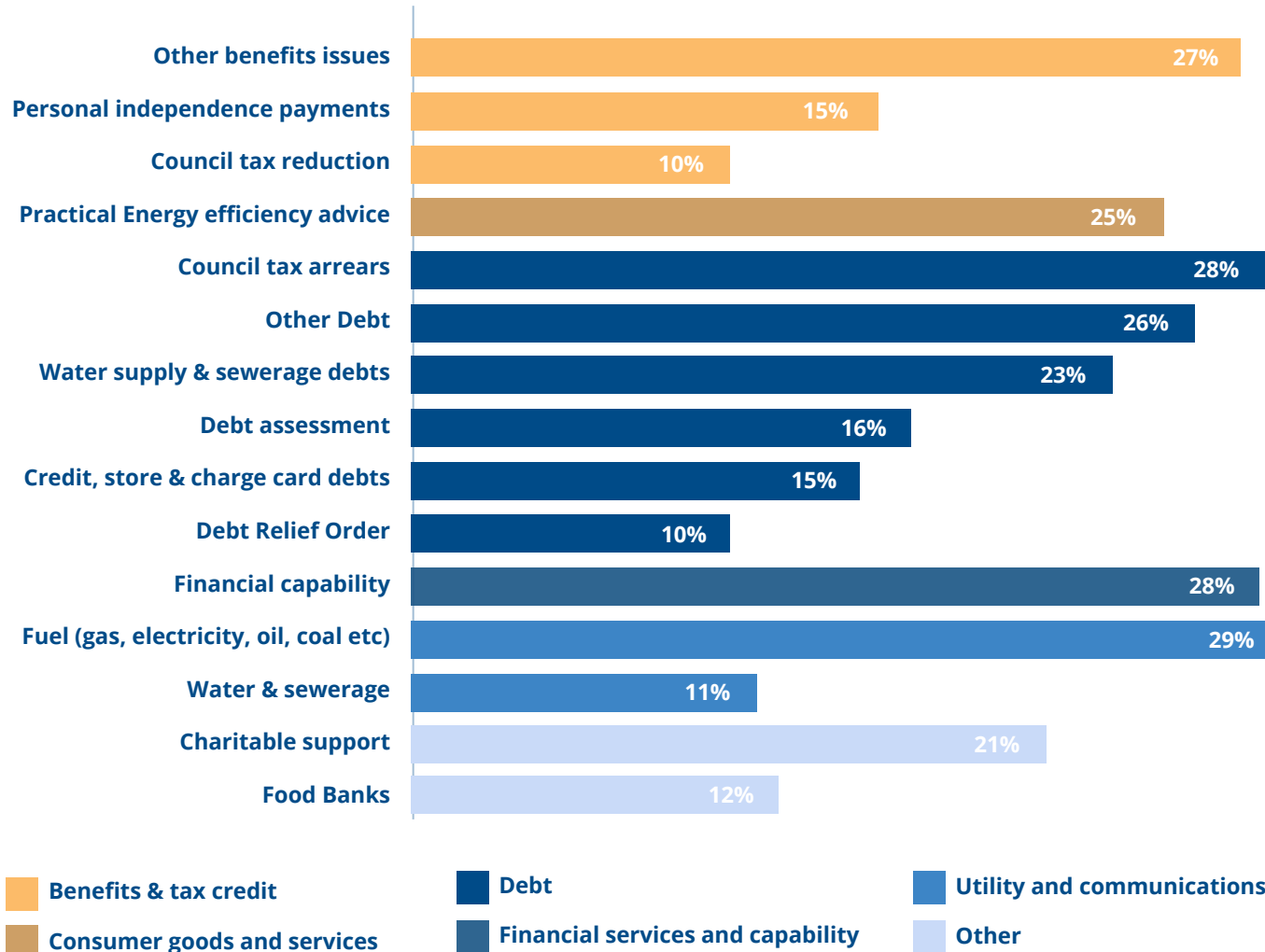
Recently, views to our debt and money advice pages have been increasing, and passed pre-pandemic levels at the end of July.<sup>5</sup>

This has been driven by a rise in views to our pages on budgeting. We’ve also seen nearly a fourfold increase in views to our page advising people on how they can increase their income to deal with debts - the highest number of views this page has ever had.

This shows that people are already worried about making ends meet. Ending the support measures in place and increasing the energy price cap is likely to make their situations even worse.

# Rising fuel debt issues combine with other problems

## Other issues faced by people with fuel debts



The number of people coming to us about fuel debt has risen over the course of the pandemic. Our data shows that it's often not their only problem.

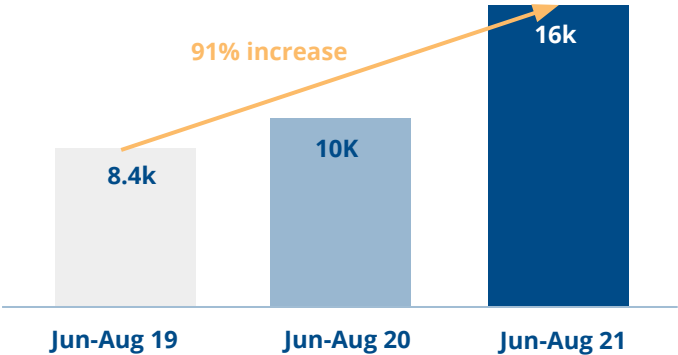
Over a quarter of those we've helped with fuel debt in the last three months are also facing other debts, especially unpaid council tax bills. More than one in five are struggling so much that they have needed further emergency charitable support - like grants and in-kind support for things like furniture and clothes.

Even more people will struggle to pay their energy bills when the price cap goes up in October.

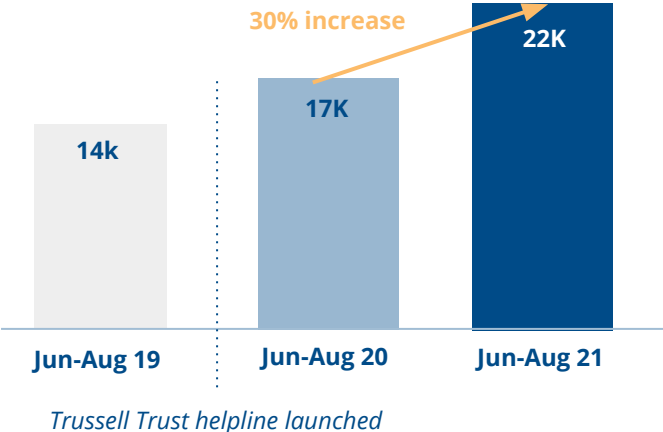
Our research has shown that energy price rises, coupled with the reduction in Universal Credit, will push three quarters of those we help with benefits and debt into a negative budget.<sup>6</sup>

# More help with charitable support than at height of pandemic

## Number of people seeking help with charitable support issues



## Number of people seeking help with food bank issues



Over the course of the pandemic, we've seen a continued rise in the number of people our advisors think need additional charitable support to help with their problems.

In response to the pandemic we set up a free helpline in partnership with the Trussell Trust, for people struggling to afford the basics. This summer we've referred over 5,000 more people to food banks than last summer.

We've also seen a nearly doubling of referrals to other charitable support - which includes grants and in-kind support for things like clothes and furniture - since 2019.

# References

1. Citizens Advice, [Citizens Advice warns of perfect storm of energy bill rises and Universal Credit cut](#), 6 August 2021
2. From the dataset 'People on Universal Credit' accessed through the [Stat-Xplore](#) data portal
3. Citizens Advice, [2.3 million will be pushed into the red by Universal Credit cut](#), 26 August 2021
4. From the dataset 'People on Universal Credit' accessed through the [Stat-Xplore](#) data portal
5. Total pageviews of 'Debt and Money' pages in August 2021: 398,420 ; Total pageviews of 'Debt and Money' pages in August 2019 392,109
6. Citizens Advice, [Citizens Advice warns of perfect storm of energy bill rises and Universal Credit cut](#), 6 August 2021