

Lowell

Experiences of council tax



Key findings

6 February 2025

Project details

PROJECT NUMBER	UK26777
PROJECT NAME	Experiences of council tax arrears
CLIENT NAME	Lowell
SAMPLE	Representative sample of 8,000 UK adults aged 18+
FIELDWORK DATES	6 – 22 November 2024

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Introduction

The Financial Vulnerability Survey of 8,000 UK adults reveals widespread financial pressures. This survey reveals that over 15 million UK adults have been in arrears, including almost 5 million who have been in council tax arrears at some point.

Notes to Editors:

Lowell commissioned Opinium to conduct a nationally representative survey of 8,000 UK adults aged 18 and over between 6th and 22nd November 2024.

Arrears

Three in ten have been in arrears

Around one in three (29%) UK adults have been in arrears before, equivalent to over 15 million people falling behind on payments.

Financial drivers

While income plays a role – those with a household income under £15,000 a year are much more likely than those earning over £50,000 to have been in arrears (38% vs 26%) – savings levels appear to be a far stronger factor.

- Two in five (41%) of those with low or no savings have been in arrears, compared to only 18% of those with over £5,000 in savings.
- Those who hold alternative financial products are far more likely than those who don't to have been in arrears (63% vs 24%).

Other drivers

Other factors also correlate with having been in arrears, including housing tenure and household composition:

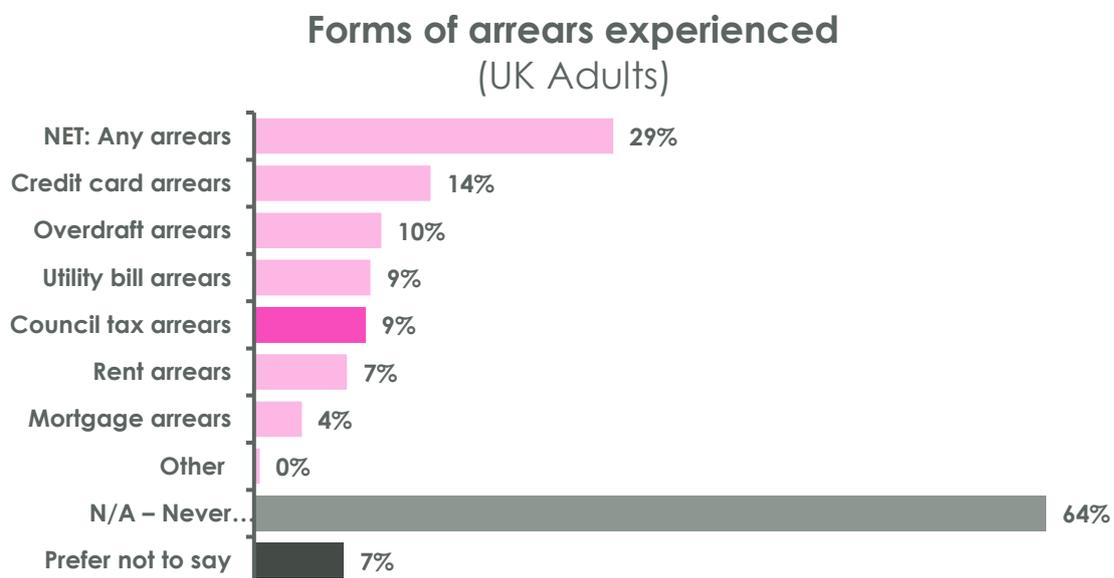
- Half (50%) of those who socially rent have been in arrears, while 44% of private renters have also experienced arrears. This compares to only 19% of homeowners.
- Over half (54%) of single adults with dependents (essentially single parents) have been in arrears.

Council Tax Arrears

One in ten have been in council tax arrears before

One in ten (9%) UK adults have been in council tax arrears, meaning that almost 5 million people have at some point fallen behind on their council tax payments.

While this is slightly less than the proportion who have experienced credit card arrears (14%), it is similar to those who have faced overdraft arrears (10%) or utility bill arrears (9%). It is also higher than the proportion of UK adults who have experienced rent arrears (7%) or mortgage arrears (4%).



Renters are more likely to have been in council tax arrears than homeowners:

- Over one in six (16%) renters have been in arrears, compared to 7% of homeowners. A fifth (21%) of social renters have experienced council tax arrears.

Those with low savings or who do not use alternative finance products are more likely to have been in arrears:

- 14% of those with low or no savings have been in council tax arrears, compared to 4% of those with over £5,000 in savings.
- 19% of those use additional financial products have been in arrears, compared to 7% of those who do not.

Most of those who have been in council tax arrears experienced an impact on mental health

A majority (54%) of those who have been in council tax arrears say it has impacted their mental health. Women in council tax arrears are more likely to report this than men (59% vs 48%).

Those in council tax arrears are also significantly more likely to experience threats of legal action compared to other types of arrears. Two in five (39%) have faced this, compared to 33% of those in utility bill arrears, suggesting councils are more likely to send threatening communications than utility providers, mortgage lenders, landlords, or credit card companies.

Additionally, those in council tax arrears are the most likely to report aggressive collection practices (24%), slightly higher than those in mortgage arrears (23%).

TYPE OF ARREARS	COUNCIL TAX	CREDIT CARD	UTILITY BILL	MORTGAGE	RENT	OVER-DRAFT
Impact on mental health	54%	56%	53%	46%	55%	53%
Threats of legal action or being cut off	39%	23%	33%	29%	28%	17%
Aggressive collection practices	24%	18%	19%	23%	17%	13%
Poor communication or customer service	24%	16%	26%	22%	22%	18%
Strain on relationships with family and friends	21%	22%	20%	31%	25%	18%
Other	5%	5%	5%	6%	4%	5%
Not sure / can't remember	11%	18%	13%	15%	13%	21%

Appendix: Calculations

Around one in three (29%) UK adults have been in arrears before, equivalent to over 15 million people falling behind on payments.

- $28.95\% * 54,196,443 = 15,6945,262$ or 15.7 million UK adults

One in ten (9%) UK adults have been in council tax arrears, meaning that almost 5 million people have at some point fallen behind on their council tax payments.

- $8.95\% * 54,196,443 = 4,852,331$ or 4.9 million UK adults