

Debt after divorce: Over half of Brits say their previous experiences would put them off having a joint account again

- **New research reveals four in ten (39%) Brits found it difficult separating finances after splitting from their partner**
- **46% of Brits said that agreeing what to do with their marital home and any outstanding mortgage payments was one of the most stressful parts of their separation**
- **Over half (58%) of Brits say their previous experiences would put them off ever having a joint account again in future**

With the term “divorce” seeing an 80% increase in Google searches year on year and searches for “joint account after divorce” increasing by 68%, the last 17 months have tested people’s relationships, some to breaking point.

To help understand what many separating couples will be facing over the next few months, debt management company, Lowell, conducted research into the UK’s experiences and attitudes towards joint finances.

Currently, half of all Brits in a relationship have a joint bank account. However, a huge 47% of them feel like they were not given the right guidance or advice on what would happen to their account if they were to separate.

For those with bank accounts who have gone through a separation, four in ten (39%) found it very difficult to separate their finances, and 58% believe that their previous experiences will put them off ever having a joint account again in future.

The scenarios causing the most stress

With so many people having a difficult experience with joint finances, the research also highlighted the most stressful events that have occurred for people who have financially separated from a partner.

According to the research, Brits found the following situations the most stressful when financially separating:

Scenario	Percentage
Agreeing what to do with the marital home and any outstanding mortgage	46%
Paying off debts their partner had accrued	45%
Having their own credit score impacted by their partners behaviour	31%
Agreeing how to split savings, investments, and other funds	30%

John Pears, Managing Director at Lowell, offers expert advice to any couples with joint finances going through a separation:

“Separations are always difficult, and if you have combined finances then things can get even more tricky. Many people are not aware that when you break up, you are both equally liable for any joint debt – even if it was not you who spent the money.

“To make sure things go as well as they can do during a separation, these are some steps you should consider taking:

- If you can, communicate clearly with your partner about what will happen with your finances. Talking things over and coming to a mutual agreement can benefit an already difficult situation, however, understandably, this is not always possible.
- Ensure that you tell your bank and creditors about your separation as soon as possible so that they can freeze the account and you can avoid creditors getting involved.
- If things are acrimonious, move your wage and regular incomes into a different account. This will help to keep things separate from your partner when you receive any future payments.
- Work out your new budget. Following a separation, your income and outgoings are going to substantially differ to before. You should prepare yourself for this by working out a new budget, so you can understand your financial situation and what you are able to spend.

“Know that you are not alone. As highlighted in the research, many Brits go through financial separations and although it is not easy, there are many people and organizations out there to help you - so don't be afraid to reach out.”

[ENDS]

Sources

A poll of 1,000 UK adults in relationships was conducted by Censuswide in July 2021

About Lowell

Lowell is one of Europe's largest credit management companies with a mission to make credit work better for all. It operates in the UK, Germany, Austria, Switzerland, Denmark, Norway, Finland, and Sweden. Lowell's unparalleled combination of data analytics insight and robust risk management provides clients with expert solutions in debt purchasing, third party collections and business process outsourcing. With its ethical approach to debt management, Lowell always looks for the most appropriate, sustainable, and fair outcome for each customer's specific circumstances. Lowell was formed in 2015 following the merger of the UK and German market leaders: the Lowell Group and the GFKL Group. In 2018, Lowell completed the acquisition of the Carve-out Business from Intrum, which has market leading positions in the Nordic region. It is backed by global private equity firm Permira and Ontario Teachers' Pension Plan. For

more information on Lowell, please visit our customer website: <http://www.lowell.co.uk>
or our investor website: <http://www.lowell.com>

Media enquiries

For enquiries about this article please contact Rosa Mitchell at Connective3
rosa.mitchell@connective3.com

For enquiries about Lowell corporate affairs please contact Montfort Communications
lowell@montfort.london