Financial Vulnerability Index 2025

Lowell

Opinium

What people think, feel and do

Explore the results of the FVI

This report provides a comprehensive analysis of financial vulnerability across the UK, using the latest Financial Vulnerability Index (FVI) data. Explore the key findings, regional and demographic trends, survey insights, and in-depth pillar analysis, and see how you can explore further resources on Lowell's website.

Click to navigate through sections

01 Introducing the FVI

The Financial Vulnerability Index (FVI) tracks financial distress across the UK, highlighting trends in debt, savings, and economic pressure. Understanding these shifts helps policymakers, businesses, and communities respond to growing financial challenges.

The Financial Vulnerability Index (FVI) is a groundbreaking tool designed to measure and monitor financial resilience both nationally and locally across the UK. Developed by Lowell in partnership with Opinium, the index uniquely combines Lowell's customer data with publicly available metrics to provide an unparalleled view of financial resilience.

This tool empowers policymakers, local authorities, and other key stakeholders with deep insights into the financial wellbeing of their communities, enabling them to make informed decisions to enhance financial resilience. Users can access detailed FVI scores and their key components for any county or parliamentary constituency, with quarterly data available since 2017.

The FVI supports our mission by helping us identify trends, adapt, and innovate, ensuring we provide the right assistance at the right time to our customers. By sharing these insights with policymakers and local authorities, we help shape decisions that drive real change and promote a fairer financial future for communities across the UK.

John Pears, Lowell UK CEO

02 Key takeaways

This year's FVI score reveals worsening financial vulnerability, with year-on-year changes showing increased benefits reliance, rising distress among middle-income groups, and widening regional disparities.

HEADLINE SCORE

Topline Stories:

- **Financial vulnerability escalates, reaching middle-class and affluent households**
- **Rising dependence on social benefits signals deepening financial struggles**
- **Economic inequality is deepening due to regional and demographic disparities**

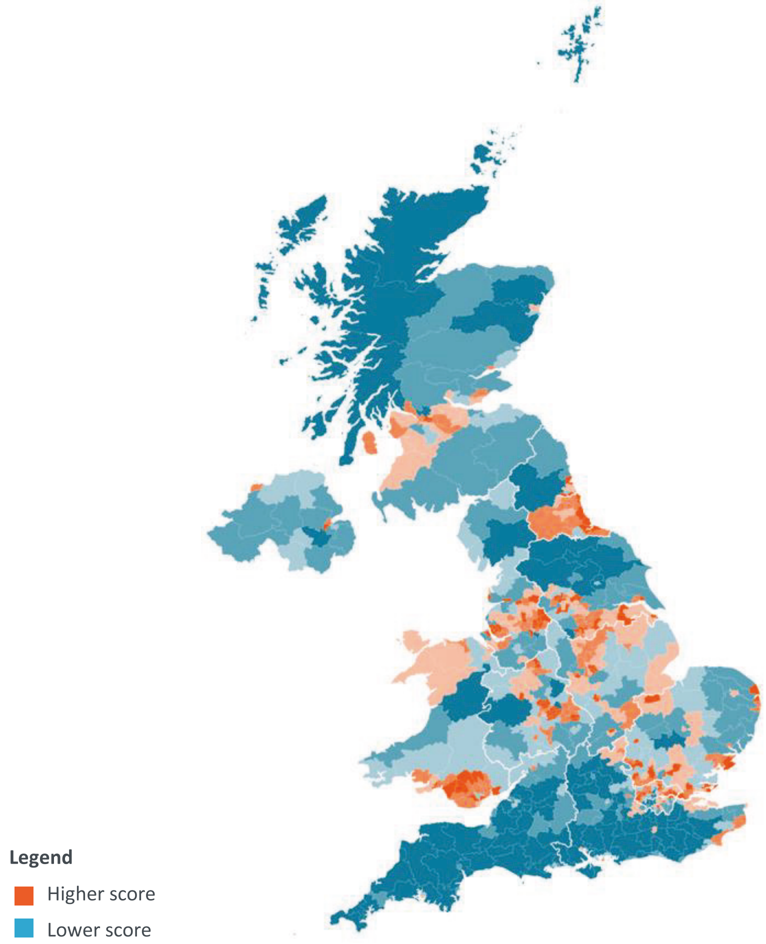
FVI 2024 Q4

Headline FVI score

45.5

up 1.6 pts from 43.9 in **2023** Q4

up 1.8 pts from 43.7 in **2020** Q1 (pre-Covid)



Financial vulnerability tracked

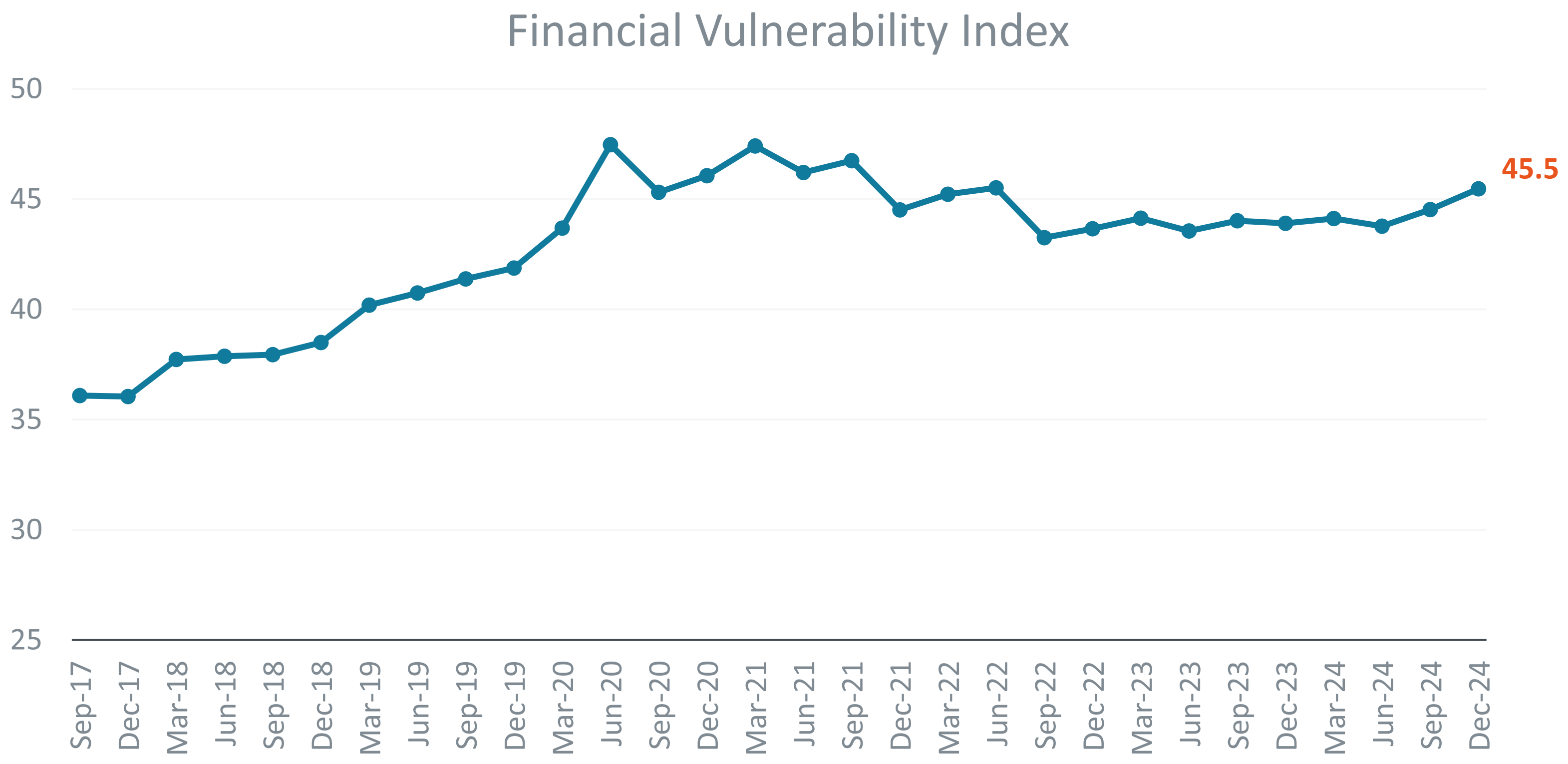
In the FVI, we are reporting that the UK Financial Vulnerability Index (FVI) score has risen to 45.5. This is a rise of 1.6 points since the same quarter of last year, which is the largest 12-month increase since Q1 2021 (there was a 3.7-point rise between Q1 2020 and Q1 2021). This means the UK FVI score has risen to its highest level in 2.5 years (since it was also 45.5 in Q2 2022).

This shows that financial vulnerability in the UK has worsened significantly, reflecting the many serious economic struggles facing the government. The UK economy has been experiencing stagnant growth, with recent data showing contraction for two consecutive months in late 2024. The impact of the Budget and other initial communications from the Chancellor has significantly affected consumer and business confidence.

The increase in financial vulnerability indicates that a larger proportion of UK households are struggling to manage financial headwinds and are less resilient to future economic shocks.

The big rise in the score and the relatively high benchmark it has reached suggests that the UK economy is facing its greatest level of financial vulnerability since the pandemic — either in the speed with which the economic picture is deteriorating or in the scale of the impact that economic headwinds are having on the finances of individuals and households.

Financial vulnerability tracked



FVI 2024 Q4

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Topline stories from this edition of the FVI

Financial vulnerability escalates, reaching middle-class and affluent households

Financial distress is no longer confined to traditionally vulnerable constituencies, now affecting seats with middle-class earners and families. Rising debt, increasing arrears, and dwindling savings are making it harder for more people to cover essential expenses. This growing financial vulnerability highlights a systemic issue that demands urgent action to prevent long-term instability across all income levels and regions.

Rising dependence on social benefits signals deepening financial struggles

Rising economic pressures are driving greater reliance on social benefits, reflecting a shift in how financial hardship is managed. Instead of accumulating debt, more individuals are seeking state support, highlighting persistent financial struggles. This trend carries long-term implications for both individuals and government policy, as it points to a growing population unable to sustain themselves solely on their income.

Economic inequality is deepening due to regional and demographic disparities

Economic inequality is being reinforced by persistent regional and demographic divides. The most vulnerable regions continue to struggle, reinforcing long-term economic stagnation. However, the biggest shift is in middle-tier regions like London, East of England, Yorkshire & Humber, and East Midlands, which are now seeing sharp increases in financial distress. London is now above average for financial vulnerability, marking a concerning trend.

03 Key trends in the FVI

Financial vulnerability is shaped by economic pressures, shifting borrowing habits, and regional inequalities. This section explores what's driving these changes and how distress is distributed across the UK.

Please see the FVI Survey (section 4) for more exploration of how different demographic groups feel about their changing financial situation and the impact of financial vulnerability.

Financial vulnerability has widened and deepened since the summer

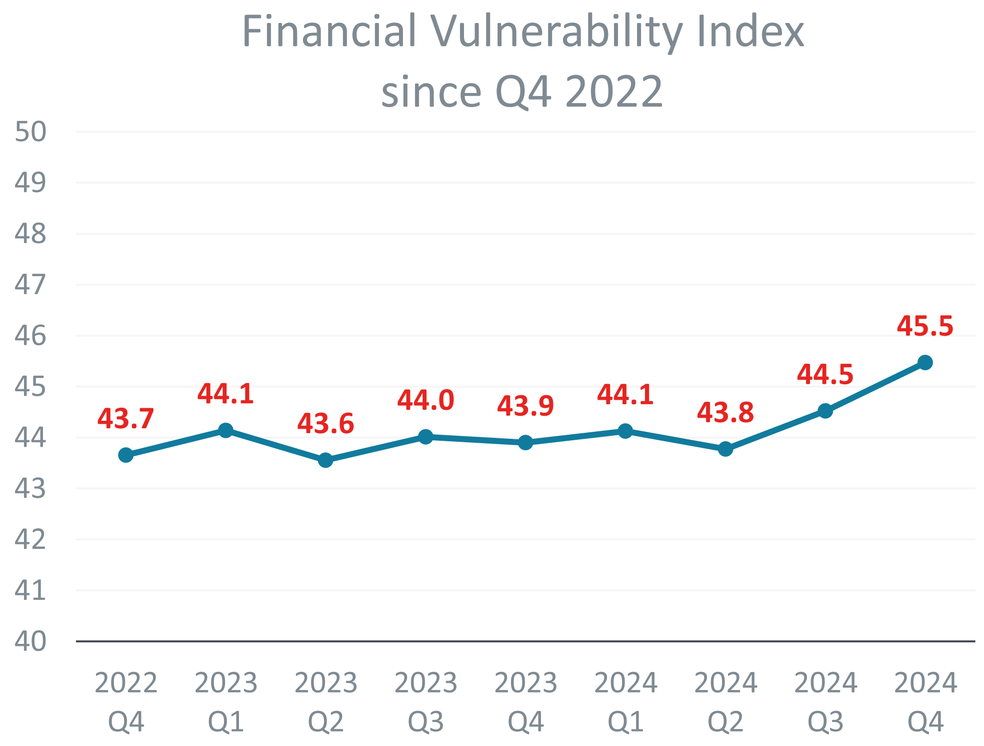
Financial vulnerability in the UK is rising. Over recent years, the FVI has remained relatively stable, but since summer 2024 we have seen a discernible rise. The latest quarter, Q4 2024, showed the FVI score at 45.5 up from 44.5 in Q3 and up from 43.8 in Q2.

This has been part of a trend not only of deepening vulnerability, but also widening, with scores affecting less traditionally vulnerable parts of the UK. Debt, arrears, and a lack of savings no longer appear confined to traditionally vulnerable groups — families and more white-collar areas are increasingly facing financial distress.

A growing reliance on credit and alternative financial products shows many are using high-cost borrowing, like payday loans and buy-now-pay-later schemes, to cover essentials. This suggests financial pressures are leaving people with fewer options and more debt.

At the same time, financial safety nets are failing. Previously stable households now struggle with rising costs, stagnant wages, and higher interest rates. Declining emergency savings highlight growing financial fragility, making more people vulnerable to unexpected expenses.

Financial vulnerability is no longer confined to specific groups—it is spreading across regions, incomes, and families, requiring urgent policy action to prevent long-term instability.



The deepening of financial vulnerability

There are 240 constituencies with above-average FVI scores, indicating higher levels of financial vulnerability, that have experienced a further increase in their scores.

The FVI shows that many constituencies that were already vulnerable have shown increased challenges in this edition of the index.

Many of these constituencies, such as Luton North and Clacton, have long faced economic hardship, with high levels of deprivation and lower-than-average household incomes. The fact that their FVI scores are worsening suggests that existing vulnerabilities are intensifying rather than improving.

In these constituencies the relative child poverty rate is 21%, compared to 18% across the UK. Furthermore, over 20% of households are in social housing in these constituencies, compared to 17% across the UK. These constituencies often have lower educational attainment as 20% have the lowest level of qualifications and 17% are either long-term unemployed or not in work because they are in full-time education.

Metric	FVI in these seats	Change in these seats	UK benchmark	UK change
In default	19.6%	**-1.0%**	14%	**-0.7%**
Credit usage	54.0%	**+0.4%**	53%	**+0.3%**
In arrears	21.7%	**+2.0%**	20%	**+2.7%**
Benefits usage	13.5%	**+1.6%**	9%	**+1.1%**
Without sufficient emergency savings	57.7%	**+1.3%**	61%	**+1.7%**
Alt. fin. products	12.3%	**+0.5%**	11%	**+0.9%**
FVI Score	52.2	**+0.64**	45.5	**+1.5**

The widening of financial vulnerability

There are 283 constituencies that previously had lower than average FVI scores, indicating otherwise lower levels of financial vulnerability, which saw an increase in their score despite previous financial security.

The FVI shows that many constituencies that have typically been more financially secure – for example, in these seats unemployment is only 2.6% – have experienced a widening trend of financial vulnerability in this edition of the index.

Unlike constituencies that have long faced economic hardship, these areas are seeing financial vulnerability rise due to factors like declining disposable income, increased reliance on credit, and falling savings rather than entrenched structural poverty or unemployment.

The widening of financial vulnerability into previously secure constituencies suggests that economic pressures are spreading beyond traditionally at-risk communities. This shift raises concerns about the resilience of middle or higher income constituencies and their ability to withstand future economic shocks.

Metric	FVI in these seats	Change in these seats	UK benchmark	UK change
In default	9.9%	**-0.4%**	14%	**-0.7%**
Credit usage	52.7%	**+0.3%**	53%	**+0.3%**
In arrears	17.8%	**+3.1%**	20%	**+2.7%**
Benefits usage	5.9%	**+0.7%**	9%	**+1.1%**
Without sufficient emergency savings	57.7%	**+2.8%**	61%	**+1.7%**
Alt. fin. products	9.8%	**+0.5%**	11%	**+0.9%**
FVI Score	39.6	**+2.2**	45.5	**+1.5**

Regional disparities at the heart of changing financial vulnerability

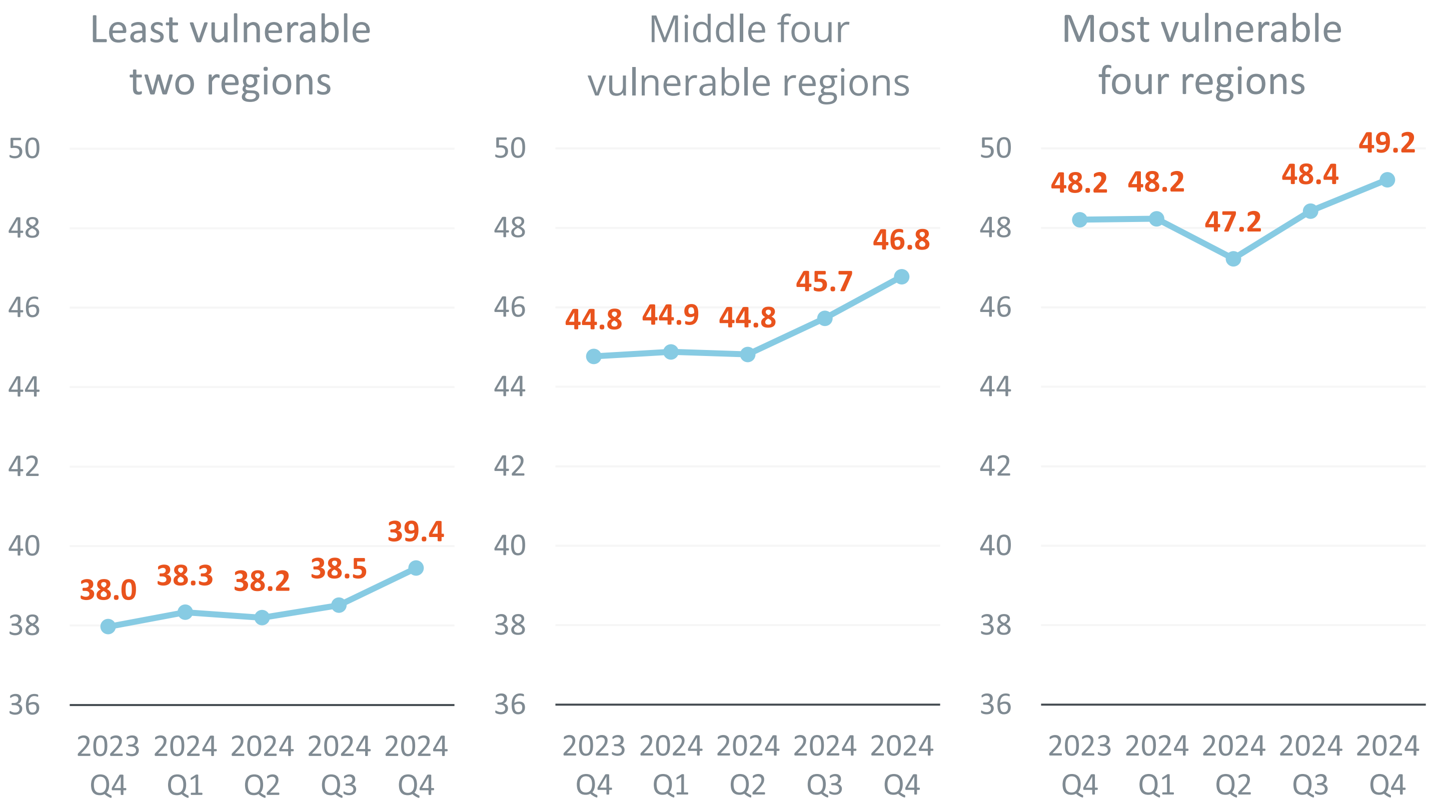
To further underline this trend, the rise in the FVI score over 2024 has also been apparent in different parts of England and Wales, where the regional pattern shows rises in even the least vulnerable regions but with different patterns in each.

The most vulnerable four regions have historically tended to be in the north and west of the country: West Midlands, Wales, North East and North West. The current score of 49.2 across these regions suggests that, despite a brief decrease in spring 2024 (Q2), they continue to struggle.

Some of the sharpest rises, however, are in the middle four financially vulnerable regions: London, East of England, Yorkshire & Humber, and East Midlands generally appear middle on the regional ranking but have seen the sharpest rises in financial venerability since the summer.

Finally, the South East and South West have historically been the two lowest vulnerable regions in the FVI. However, even they have seen a clear rise in financial vulnerability in the last quarter.

Please read more on this trend in the **FVI by geography** section.



Regional disparities at the heart of changing financial vulnerability

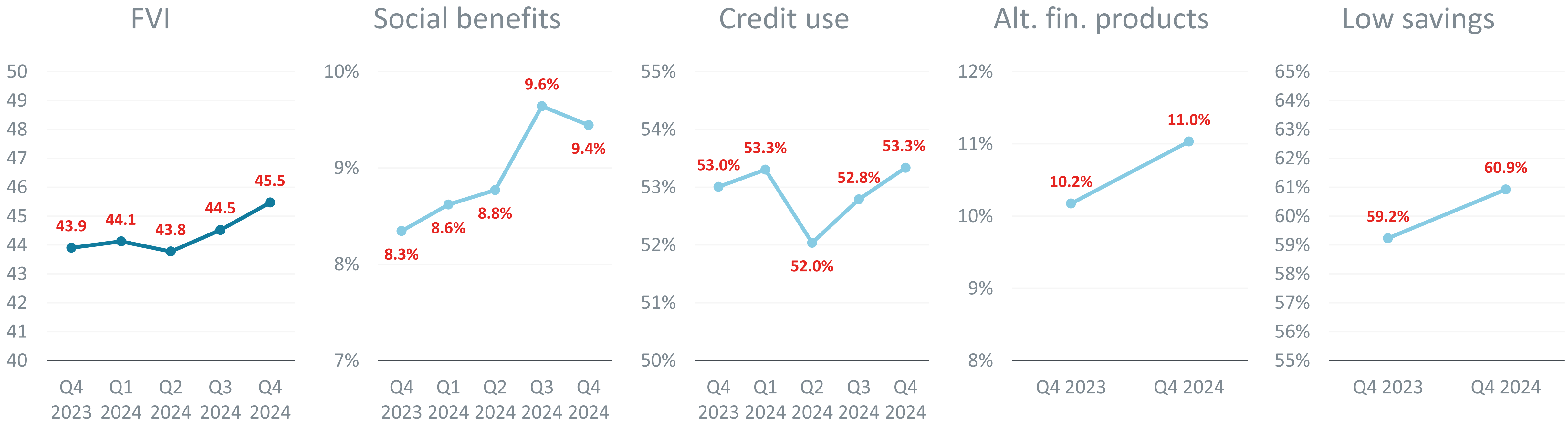
The rise in financial vulnerability across the middle four regions (FVI score +2.0 points) is driven by above-average increases across multiple pillars of the index, highlighting the broad challenges contributing to worsening financial conditions.

Notably, these regions have seen the highest increase in benefits usage (+1.5%), signalling growing financial strain (see the next slide for more details on this trend).

Meanwhile, even the least vulnerable two regions have experienced a significant rise in their FVI score (+1.5 points), with the largest increase among those without emergency savings (+2.3%), underscoring the growing financial fragility in historically stable areas.

Metric	Least vulnerable two regions	Middle four regions	Most vulnerable four regions
In default	-0.4%	-0.7%	-0.7%
Credit usage	-0.1%	+1.0%	+1.4%
In arrears	+2.7%	+3.1%	+2.0%
Benefits usage	+0.7%	+1.5%	+1.2%
Without sufficient emergency savings	+2.3%	+1.7%	+0.8%
Alt. fin. products	-0.1%	+1.0%	+1.4%
FVI Score	+1.5	+2.0	+1.0

Systemic economic pressures reflected in the FVI



The rise in the FVI score over 2024 has been driven by systemic economic pressures, reflected in increases across almost all pillars of the index.

However, the most significant increase has been in social benefits use, which rose slowly in the first half of 2024 before accelerating in the second half. In Q3 2024, social benefits use jumped by nearly one percentage point, from 8.8% to 9.6%, and has since remained high at 9.4%.

Systemic rise in financial vulnerability reflected across the FVI

There also 187 constituencies where five of the six key pillars of the FVI have seen a rise.

These seats all show a rise in Lowell customers in arrears, dependence on social benefits, use of financial products, increased credit usage and a drop in levels of emergency savings.

Even traditionally more affluent regions, which have historically shown lower financial vulnerability, were not exempt from this trend. For example, 42 of these seats are located in the two best-performing regions: the South East (25 out of 91 seats) and the South West (17 out of 58 seats).

These constituencies generally have higher homeownership rates, but the increase in credit usage and arrears suggests that households may be relying more on borrowing to manage rising living costs, leading to greater financial strain.

However, many urban areas also seem to be feeling the strain in this way. For example, 31 out of 75 constituencies in London are counted as facing a systematic increase in financial vulnerability, with rises in five of the six key pillars of the index. These types of seats show opposite demographic trends, with almost half (47%) of residents in these seats living in either private or social rented housing.

See more in the **pillar deep dive**.

Region	Seats with systemic rises	Total seats in region
MOST VULENRABLE 4 REGIONS		
Wales	18	32
North West	16	73
West Midlands	15	57
North East	7	27
MIDDLE 4 REGIONS		
London	31	75
East of England	21	61
East Midlands	15	47
Yorkshire and The Humber	12	54
LEAST VULNERABLE 2 REGIONS		
South East	25	91
South West	17	58
REST OF THE UK		
Scotland	9	57
Northern Ireland	1	18

Systemic economic pressures reflected in rising benefits use

There are 494 constituencies across the UK which have seen a rise in the FVI score and a rise in the use of social benefits.

The FVI shows that a huge part of the story of a rise in social benefits is merely a reflection of the wider economic strains in the country, with the majority of constituencies showing increased financial vulnerability overall also showing a rise in dependence on social benefits.

These areas are predominantly urban, with many ranking among the most deprived in the UK. Longstanding economic challenges, such as lower wages and higher unemployment, have likely exacerbated financial strain, increasing reliance on social benefits.

Many of these constituencies have younger populations and demographics which tend to have lower financial resilience, meaning economic shocks, rising living costs, and unstable employment can push more people towards social benefits.

Housing may also play a big role, potentially due to rising private rental costs in many places from East London through to cities in like Birmingham and Bradford.

Rank	Constituency name	FVI Score change	Social benefits change
1	Birmingham Perry Barr	+2.7	+8.8%
2	Birmingham Ladywood	+1.7	+8.7%
3	Birmingham Hall Green and Moseley	+3.0	+8.2%
4	Birmingham Yardley	+2.0	+8.1%
5	Birmingham Hodge Hill and Solihull North	+2.2	+7.2%
6	Bradford East	+1.8	+7.1%
7	Bradford West	+1.6	+6.9%
8	East Ham	+1.9	+6.1%
9	Dewsbury and Batley	+3.0	+5.3%
10	Bethnal Green and Stepney	+3.2	+5.1%

Rising financial vulnerability amongst families

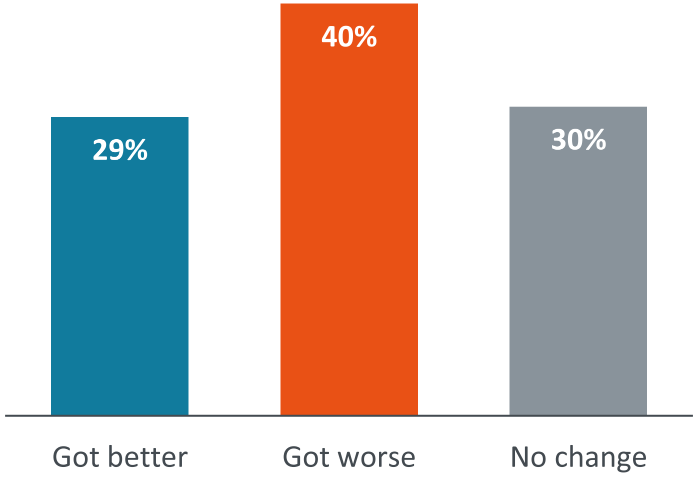
Families are facing increasing financial strain, with married, civil-partnered, or cohabiting couples with dependent children showing some of the strongest correlations with rising financial vulnerability over the past year. While lone-parent families have historically been more vulnerable, this trend signals a broader shift affecting previously stable households.

This was seen in the FVI Survey where 40% of couples with children said that they felt worse off than they did the year before, while 30% felt no change and only 29% said they felt better off.

A key factor driving this change is the growing share of adults in these groups who are Lowell consumers in default. This suggests that rising financial pressure is now leading directly to debt, rather than being absorbed by savings or other financial buffers.

The fact that families are increasingly vulnerable highlights a significant widening of financial distress. Traditional safety nets—such as stable incomes and access to credit—are potentially proving insufficient, leaving more families struggling to manage financial shocks. Unlike the broader trend across the UK, this demographic's increasing financial vulnerability is closely linked to rising default rates, underscoring the scale of financial pressure they face.

Change in personal financial situation in the last 12 months (couples with children)



Rising financial vulnerability amongst families

There are 299 constituencies in the UK where the largest single household type are married, civil partnered or cohabiting couples with dependent children. Of these, 274 have seen a rise in the FVI score over the past 12 months.

This suggests that families – couples raising children – are experiencing greater levels of financial vulnerability across the UK.

This list includes both historically affluent areas (such as Esher and Walton, Harpenden and Berkhamsted) and traditionally lower-income or more diverse urban constituencies (such as Slough, Ilford South, and East Ham).

The fact that financial vulnerability is rising across both ends of the economic spectrum highlights the widespread nature of financial pressures on families and is a key part of the widening nature of financial vulnerability at the present time.

Metric	Family seats	Change in these seats	UK benchmark	UK change
In default	13.2%	**-0.5%**	14%	**-0.7%**
Credit usage	53.3%	**+0.4%**	53%	**+0.3%**
In arrears	19.4%	**+3.4%**	20%	**+2.7%**
Benefits usage	9.2%	**+1.3%**	9%	**+1.1%**
Without sufficient emergency savings	59.8%	**+1.4%**	61%	**+1.7%**
Alt. fin. products	11.8%	**+1.3%**	11%	**+0.9%**
FVI Score	44.9	**+2.4**	45.5	**+1.5**

Financial vulnerability in the Reform battleground

There are 103 constituencies where Reform UK was in first or second place at the 2024 general election. In these constituencies financial vulnerability is significantly higher when compared to the UK average, with an aggregated FVI score of 51.8.

Financial vulnerability is higher than the UK average across all pillars except the proportion who use alternative financial products. Most notable is the proportion of customers in default, in arrears, and adults claiming benefits.

Reform UK came in first or second place in 8 of the top 20 most vulnerable constituencies in the country. These include Birmingham Erdington, Middlesbrough and Thornaby East, Wolverhampton South East, Coventry East, and Barking.

Metric	Family seats	Change in these seats	UK benchmark	UK change
In default	19.3%	**-0.8%**	14%	**-0.7%**
Credit usage	54.8%	**+0.3%**	53%	**+0.3%**
In arrears	23.4%	**+2.1%**	20%	**+2.7%**
Benefits usage	11.3%	**+0.9%**	9%	**+1.1%**
Without sufficient emergency savings	65.3%	**+1.2%**	61%	**+1.7%**
Alt. fin. products	10.8%	**+0.9%**	11%	**+0.9%**
FVI Score	51.8	**+0.6**	45.5	**+1.5**

04 FVI Survey

Survey findings show growing financial anxiety, with more households struggling to cover essentials. Rising debt, job insecurity, and increased reliance on government support highlight declining consumer confidence.

Please see **key trends in the FVI** (section 3) for more detailed information on distribution geographically and detailed information on how the Index scores have changed over 2024.

Survey component

For the second year, we have conducted a large nationally representative survey among 8,000 UK adults. Results from this survey feed into the FVI estimates for emergency savings held and the proportion holding alternative financial products.

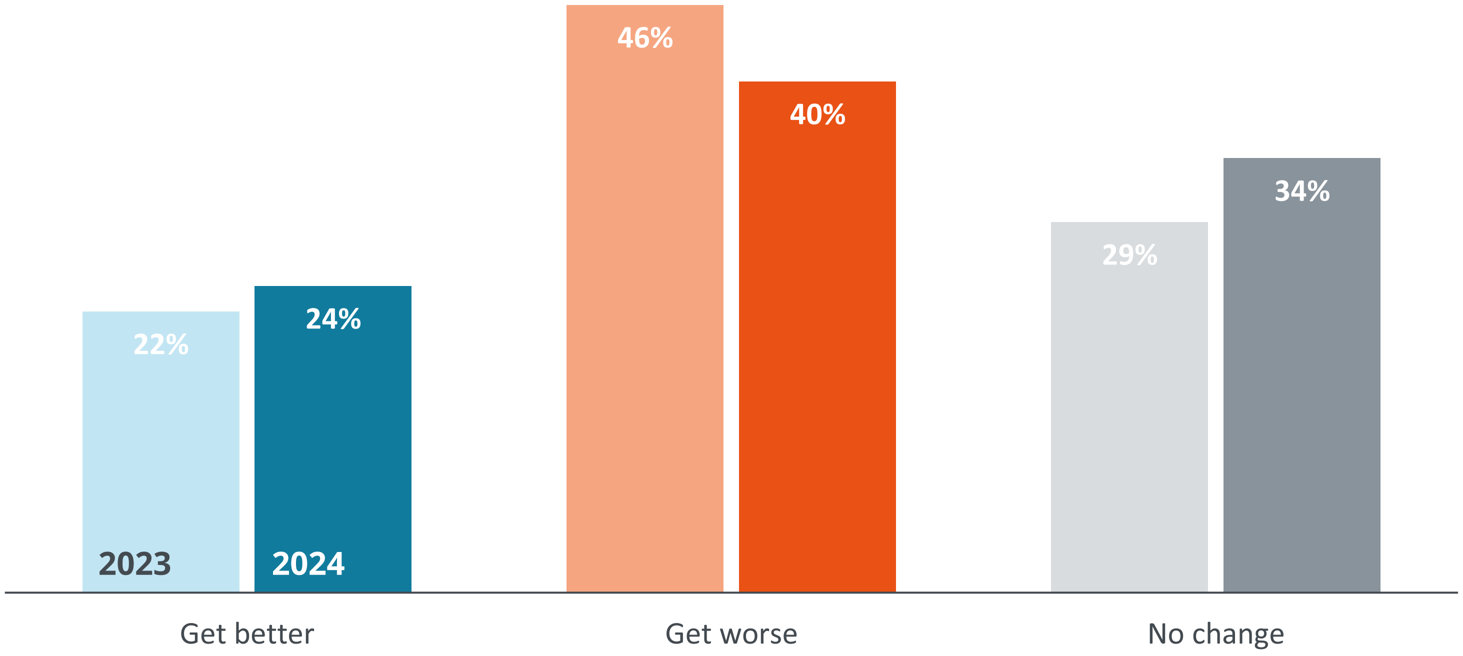
Fieldwork period: 6th-22nd November 2024

Worsening FVI score reflected in consumers feeling worse off

As we have seen, the FVI rose over 2024, suggesting a substantial rise in financial vulnerability. This is also reflected in the FVI Survey, which shows people feeling worse off for the second consecutive year.

By the end of 2024 two in five (40%) UK adults felt worse off financially than they did 12 months before, while 24% felt better and 34% felt no change.

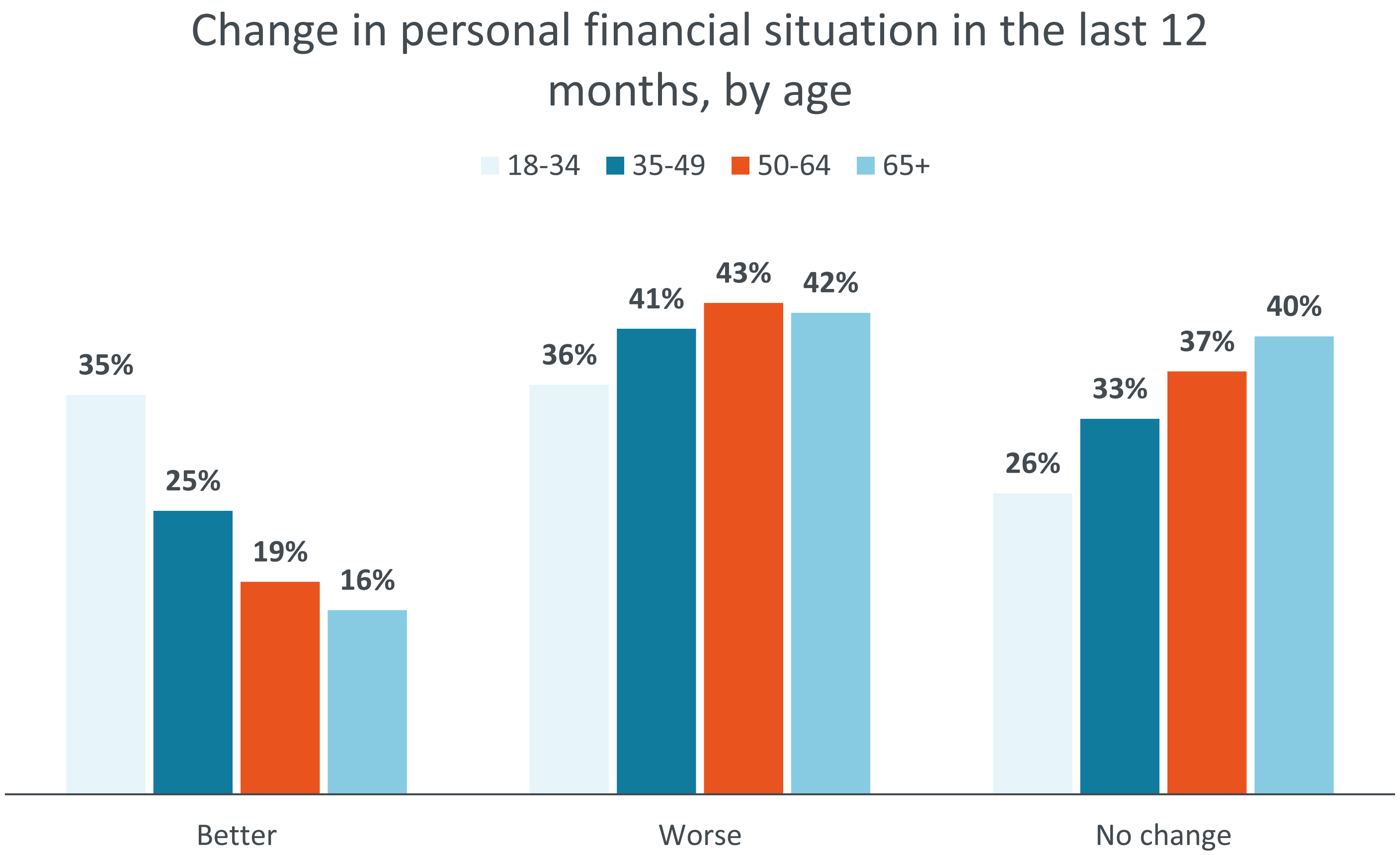
Change in personal financial situation in the last 12 months



Most generations financially impacted over the last 12 months

Most age groups feel worse off than they did at the end of 2023, once again reinforcing the FVI's finding that financial vulnerability is generally on the rise.

With the exception of 18- to 34-year-olds, all generations are far more likely to say they feel worse off than they did last year. This reflects what we have seen in the FVI, which shows both a widening and deepening of financial vulnerability, with a wide variety of groups feeling worse off than before.

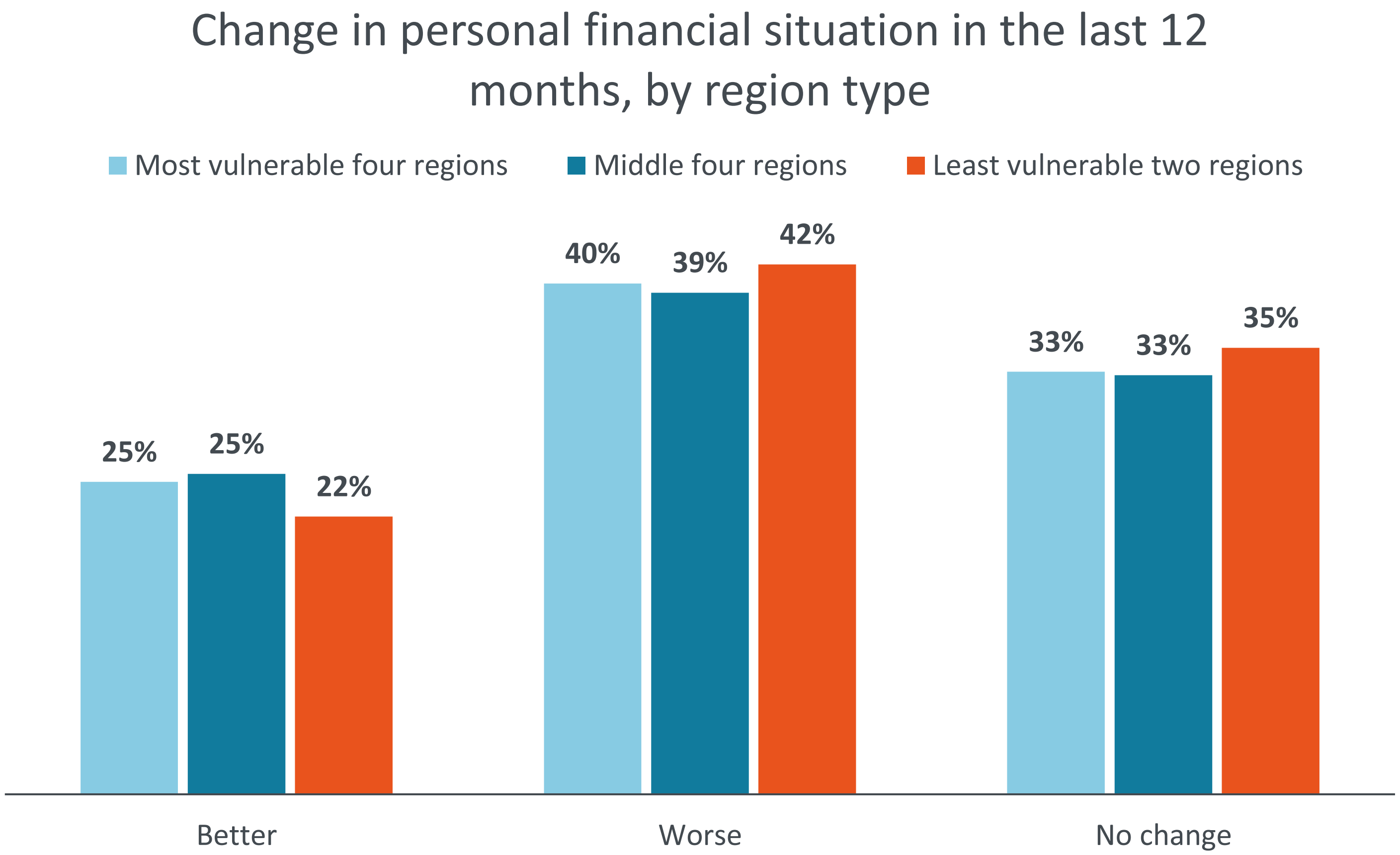


Least vulnerable regions most likely to say they feel worse off than the year before

When looking the FVI Survey results across the three regional groups in England & Wales, we see a relatively even experience of worsening financial conditions throughout 2024.

The four most vulnerable regions—North East, North West, West Midlands, and Wales—report almost identical outcomes to the middle four regions, with roughly two in five people feeling worse off over the year and about one quarter feeling better off.

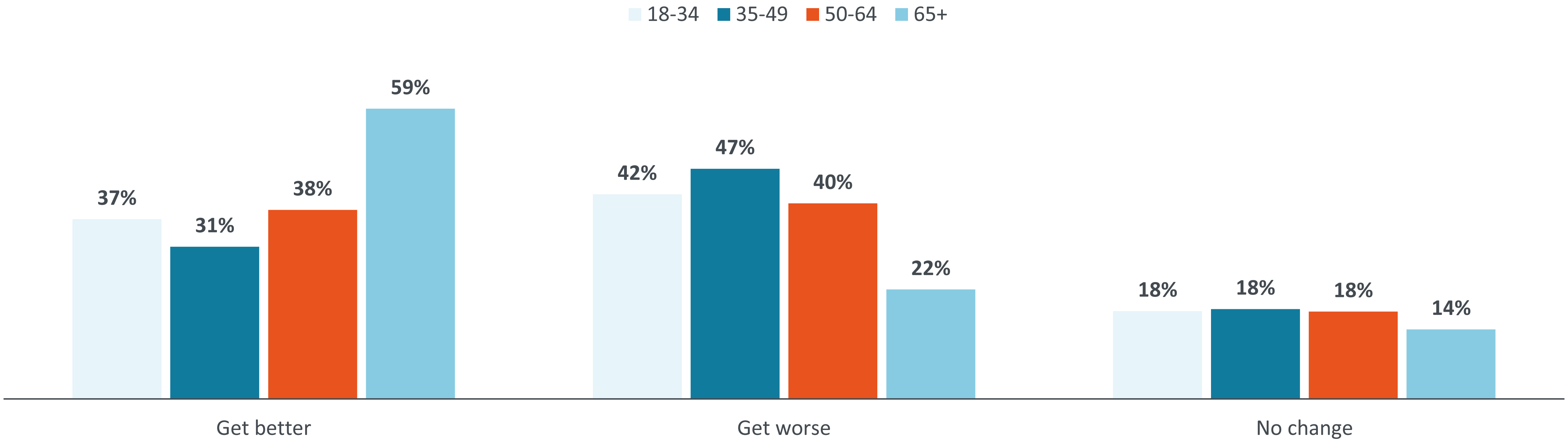
Surprisingly, the worst-performing regions in terms of perceived financial decline are actually the historically least vulnerable regions in the FVI: the South East and South West. Here 42% felt worse off and only 22% felt better off at the end of 2024.



Over 65s last generation to clearly feel better off than their parents

A long-term view of generational financial perceptions shows that all working-age generations, on balance, feel worse off than their parents. This suggests that financial vulnerability is not just a short-term issue or a result of the immediate financial crisis, but rather a systemic challenge that feels built-in to their experiences.

Perceived financial situation compared to parents at the same age, by age

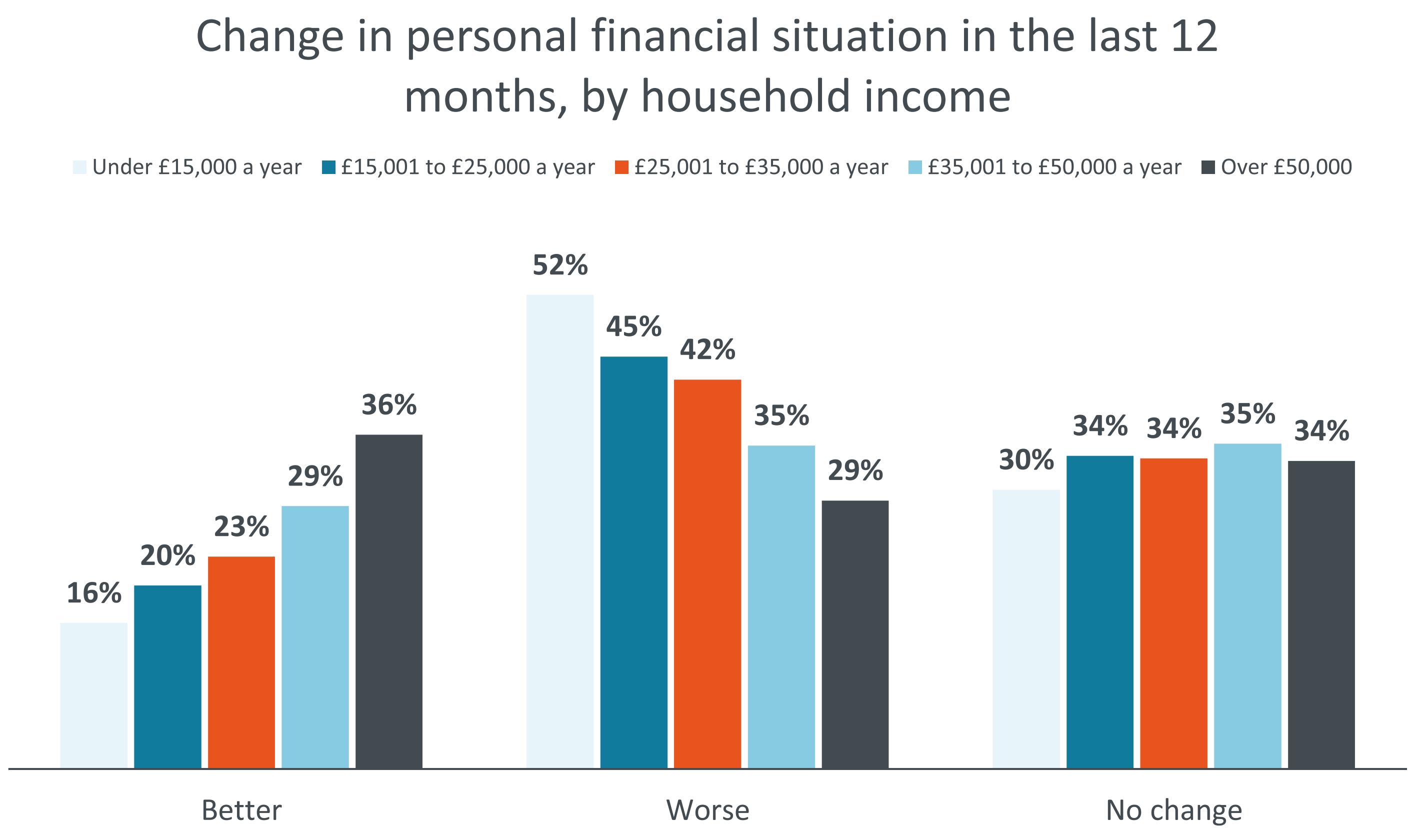


The last 12 months have been worse for more of those on lower incomes

While all generations feel some form of impact on their finances – either in comparison to their parents or over the last 12 months – some traditional income trends persist in the FVI Survey with lower income households bearing the brunt of decreasing financial security.

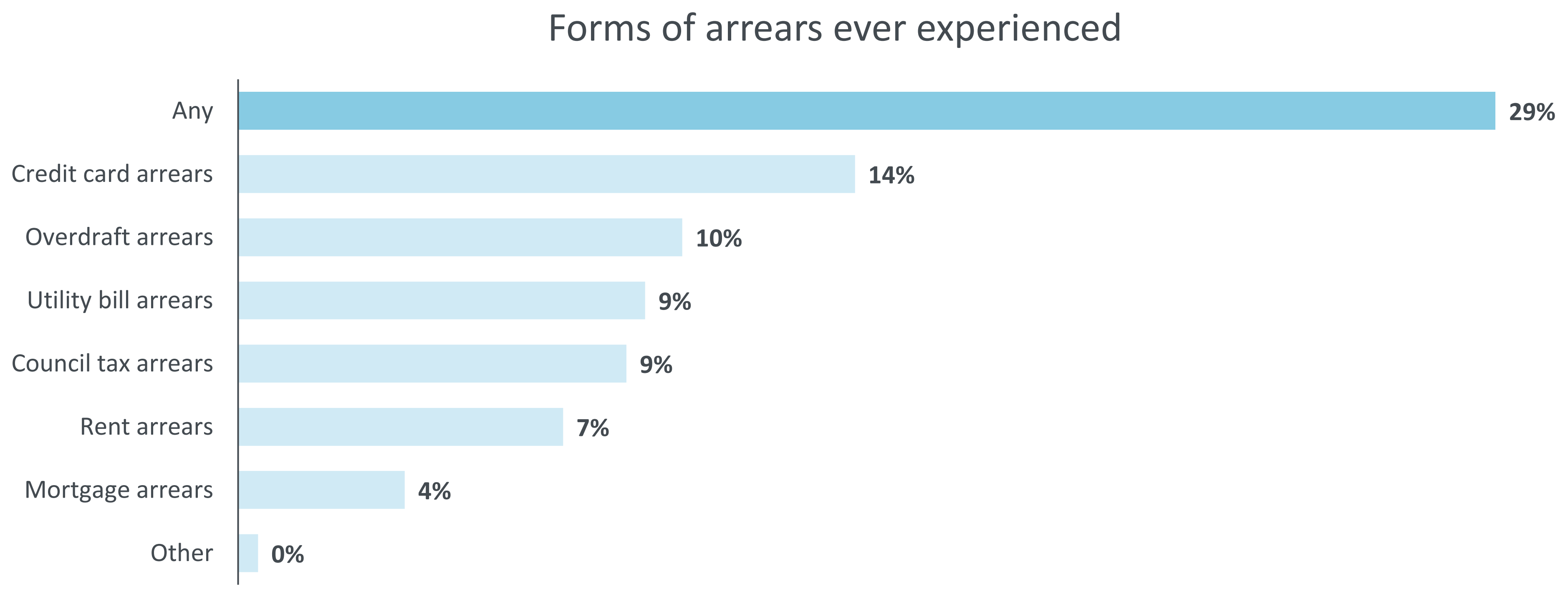
Over half (52%) of those in households with under £15,000 a year in income felt that their financial situation has worsened. On the other hand, whilst three in ten (29%) of those in households earning over £50,000 a year felt worse off, more than a third (36%) felt better off.

However, households of all income brackets under £50,000 are more likely to say their financial situation has worsened rather than improved, suggesting that increasing vulnerability is not exclusively constrained to the previously most vulnerable.



Experiences of arrears are widespread

A key aspect tested in the FVI Survey was experiences of arrears as a key indicator of financial venerability, and the survey shows widespread experiences of having fallen behind on payments. Around one in three (29%) UK adults have been in arrears at least once before, equivalent to over 15 million people, with the most common being credit card arrears (14%), overdraft arrears (10%), utility bills arrears (9%), and council tax arrears (9%).

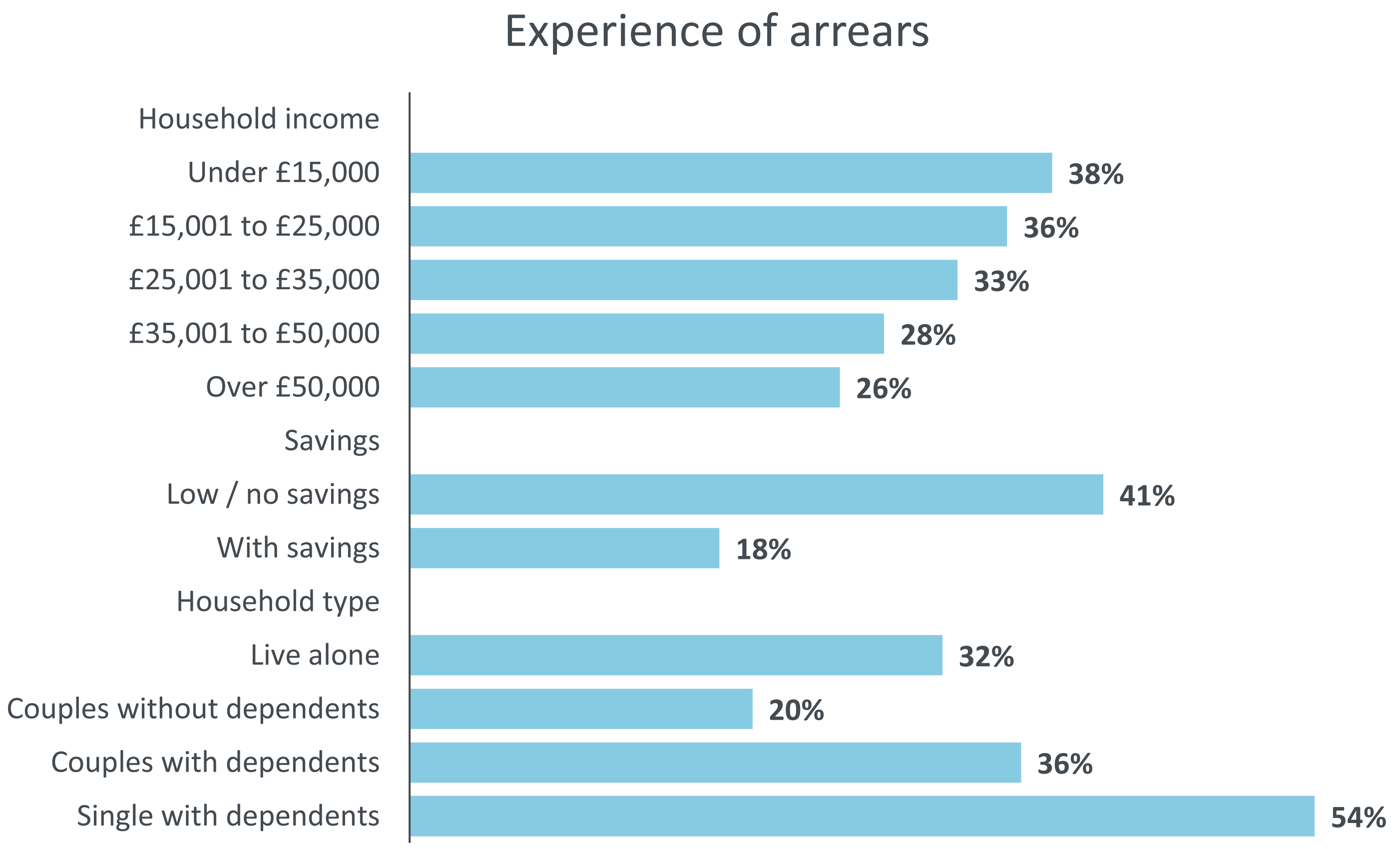


The last 12 months have been worse for more of those on lower incomes

Being in arrears is a key aspect of financial vulnerability, highlighting both its widespread impact across society and its concentration in certain high-risk groups.

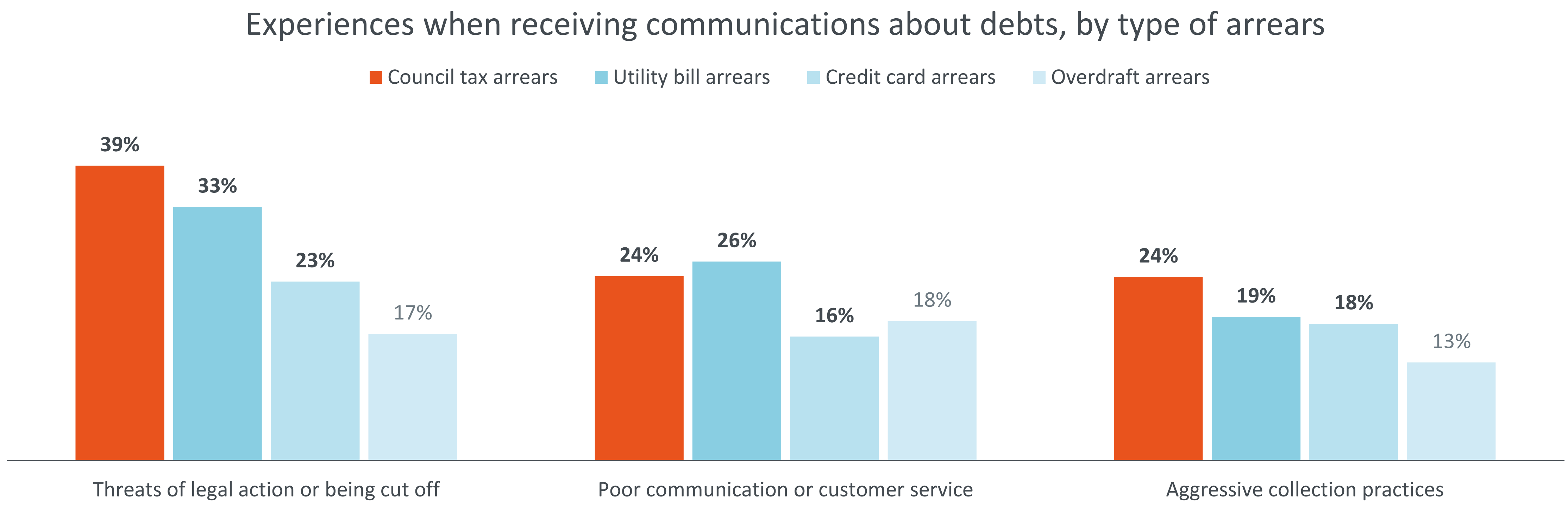
While lower-income households are more likely to have experienced arrears, over a quarter (26%) of those in households earning over £50,000 have also fallen behind on payments, showing that this issue extends across income levels.

However, the FVI Survey also reveals how deeply financial vulnerability affects certain groups. Those with little or no savings (41%) and single parents (54%) are significantly more likely than average to have been in arrears, suggesting that these groups face multiple layers of financial strain.



Council tax arrears are more likely to lead to adverse experiences

Two-fifths (39%) reported facing threats of legal action or service disconnection, while a quarter experienced poor communication (24%) or aggressive collection practices (24%). This underscores the significant mental health impact of debt, particularly on vulnerable individuals.



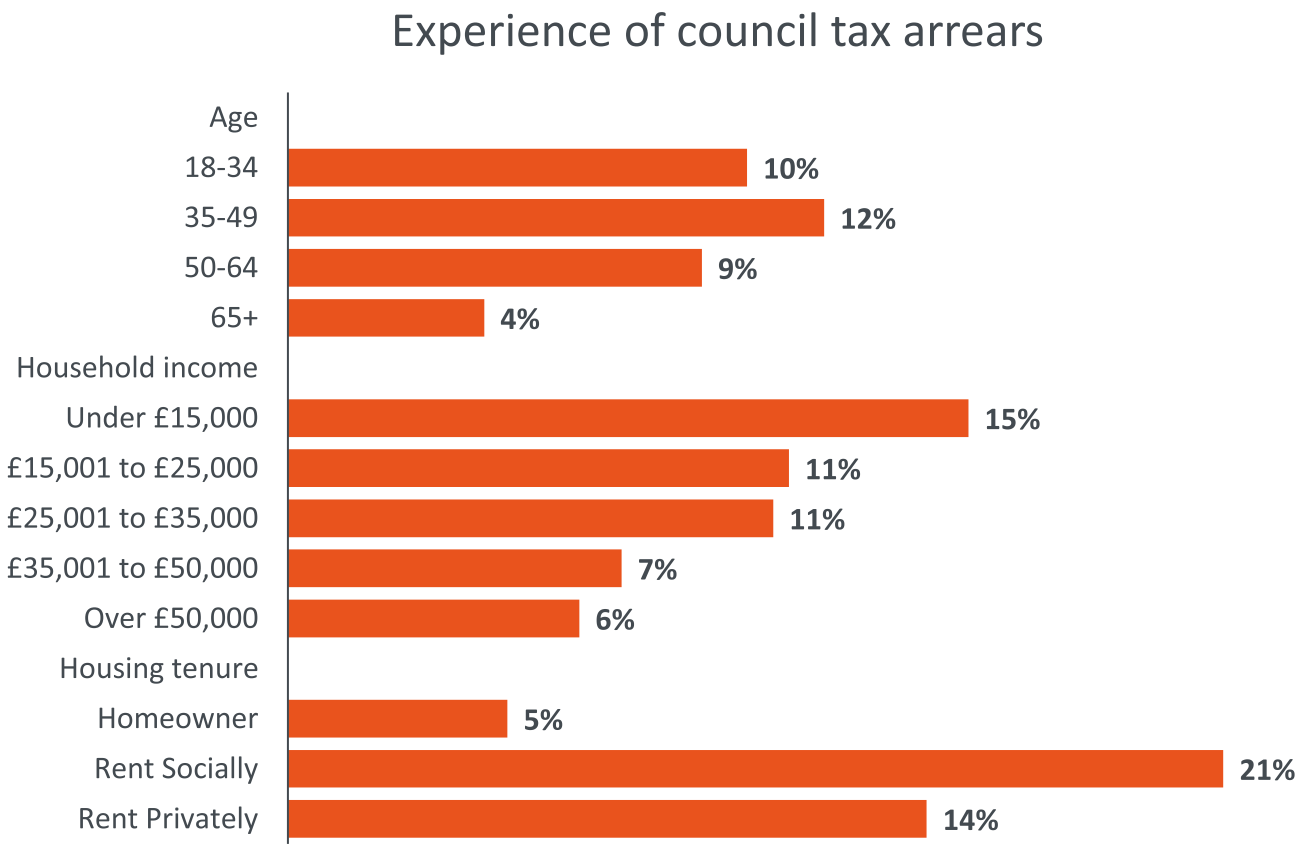
Council tax arrears most prevalent amongst social renters

The FVI Survey highlights the impact of age, income, and homeownership on the likelihood of experiencing council tax arrears.

The data shows that arrears affect a wide range of age and income groups. However, notable exceptions include those over 65 (only 4% have experienced arrears) and those in above-average income households (over £35,000), who are less likely to be affected.

One of the biggest divides is based on housing tenure. While just 5% of homeowners have fallen behind on council tax payments, social renters—including council house tenants—are four times as likely to have experienced arrears (21%).

Please read more on this trend in the **FVI by geography** section.



05 FVI by geography

A regional breakdown of the FVI shows persistent financial distress in vulnerable areas, while middle-performing regions are now declining faster. This section examines where financial strain is growing.

Regional disparities in financial vulnerability

The fundamental nature of financial vulnerability remains consistent, shaped by three key factors: education and skills, financial commitments and dependents, and socio-economic background. These elements continue to define the Financial Vulnerability Index (FVI) and its distribution across the UK.

The most financially vulnerable areas are those with high concentrations of individuals with low or no qualifications, lone parents, and those who have never worked or face long-term unemployment. These constituencies consistently report the highest FVI scores, reflecting deep-rooted economic challenges.

In contrast, the least financially vulnerable constituencies are characterised by a higher proportion of highly qualified professionals, particularly dual-income households without children. These areas benefit from stronger financial stability and lower FVI scores.

The FVI continues to highlight entrenched socio-economic inequalities, emphasising how education, employment, and family structure play crucial roles in financial resilience. Addressing these disparities requires targeted policies focused on education, workforce development, and better support systems for disadvantaged groups.

Financial vulnerability has increased across all regions except Northern Ireland

Rank	Region	FVI Score (Q4 2024)	Change	FVI Score (Q4 2023)
1	North East	**50.6**	+0.2	50.4
2	West Midlands	**50.2**	+1.2	49.0
3	Wales	**48.9**	+1.4	47.5
4	North West	**48.1**	+1.0	47.1
5	East Midlands	**47.6**	+1.1	46.4
6	Yorkshire and The Humber	**47.4**	+0.4	47.0
7	East of England	**46.5**	+4.0	42.5
8	London	**46.1**	+2.1	44.0
9	Scotland	**44.0**	+2.0	42.0
10	Northern Ireland	**42.4**	-0.9	43.3
11	South East	**40.3**	+1.8	38.5
12	South West	**38.1**	+0.9	37.2

The four most financially vulnerable regions remain the same as in FVI 7: the North East, West Midlands, Wales, and the North West.

Financial vulnerability continues to be geographically concentrated in certain regions of the UK, with these regions continuing to face the highest levels of financial strain.

The fact that the most vulnerable regions remain the same shows that financial inequality across the UK is entrenched. These areas are likely dealing with long-standing structural issues that are exacerbated by the current economic headwinds.

High levels of financial vulnerability can contribute to economic stagnation in these regions, as people struggle with debt and low savings, reducing their ability to invest in local economies or participate fully in the consumer market. This suggests a cycle of reduced economic growth and opportunity remains likely.

The two least financially vulnerable regions remain the same as in FVI 7: the South East and South West.

This reflects once again that these regions have the stronger local economies, likely supported by higher wages, more employment opportunities, and better access to education and services. This makes these areas more insulated from financial shocks that affect other regions.

However, this does not insulate them from having an increasing FVI score, as we've seen with higher earners and families being impacted.

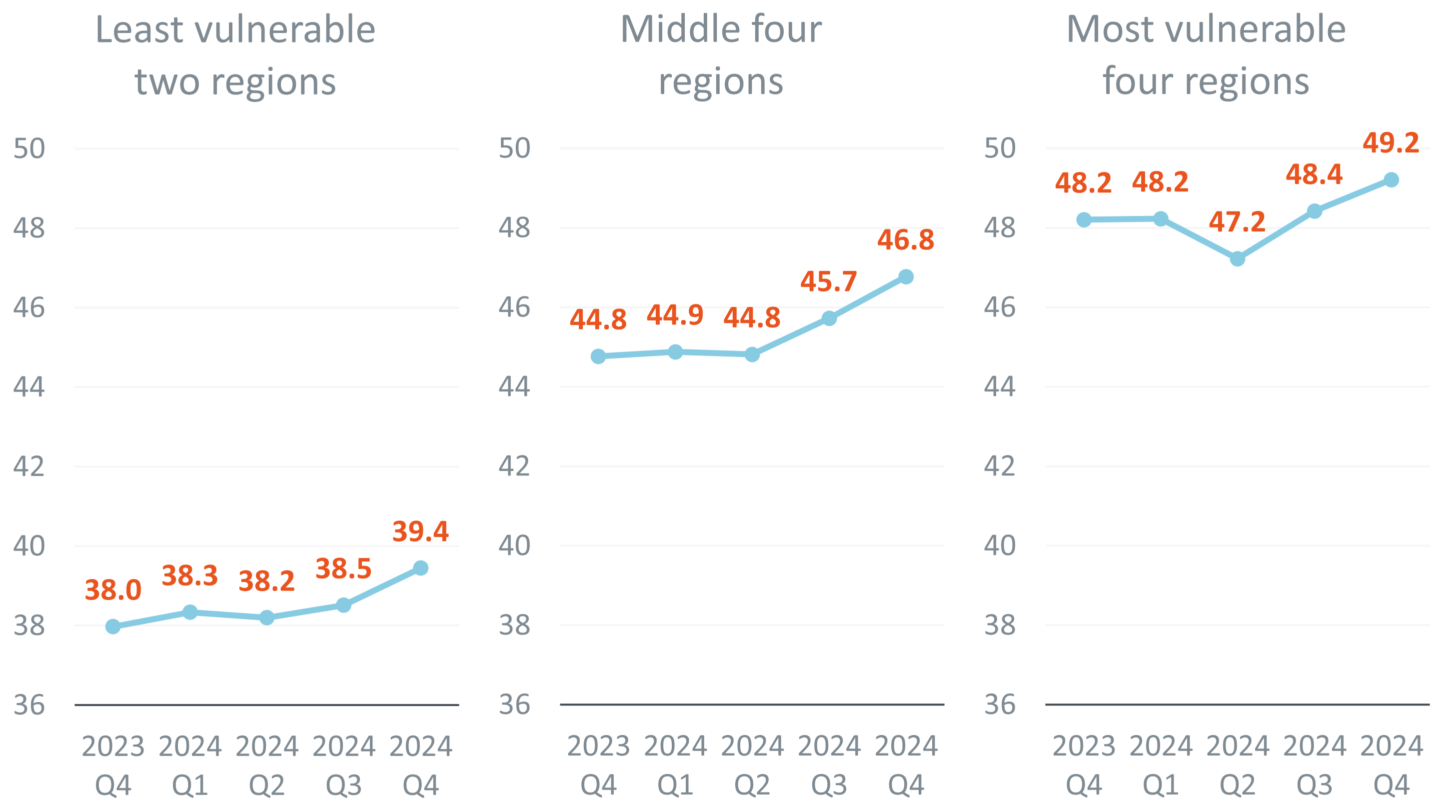
Vulnerability has increased at different speeds in different parts of the UK

As we've seen, financial vulnerability is rising even in historically less vulnerable regions, though with different patterns across the country. Long-standing regional disparities are deepening, but new concerning trends are emerging.

The most vulnerable regions—North East, West Midlands, Wales, and North West—continue to struggle, reinforcing the UK's regional economic divides. However, financial distress is now spreading beyond these historically vulnerable areas.

The East of England has seen the sharpest rise in financial strain, affecting both lower-income and previously affluent communities. London, East of England, Yorkshire & Humber, and East Midlands—traditionally mid-ranking regions—are now among the hardest hit. Notably, London has moved above the UK average for financial vulnerability, signalling broader economic fragility.

These shifts show that financial distress is expanding into middle-income and previously financially resilient areas. Addressing both entrenched inequality and emerging pressures on middle-tier regions is critical. Without action, financial strain will continue to deepen, leaving more households struggling.

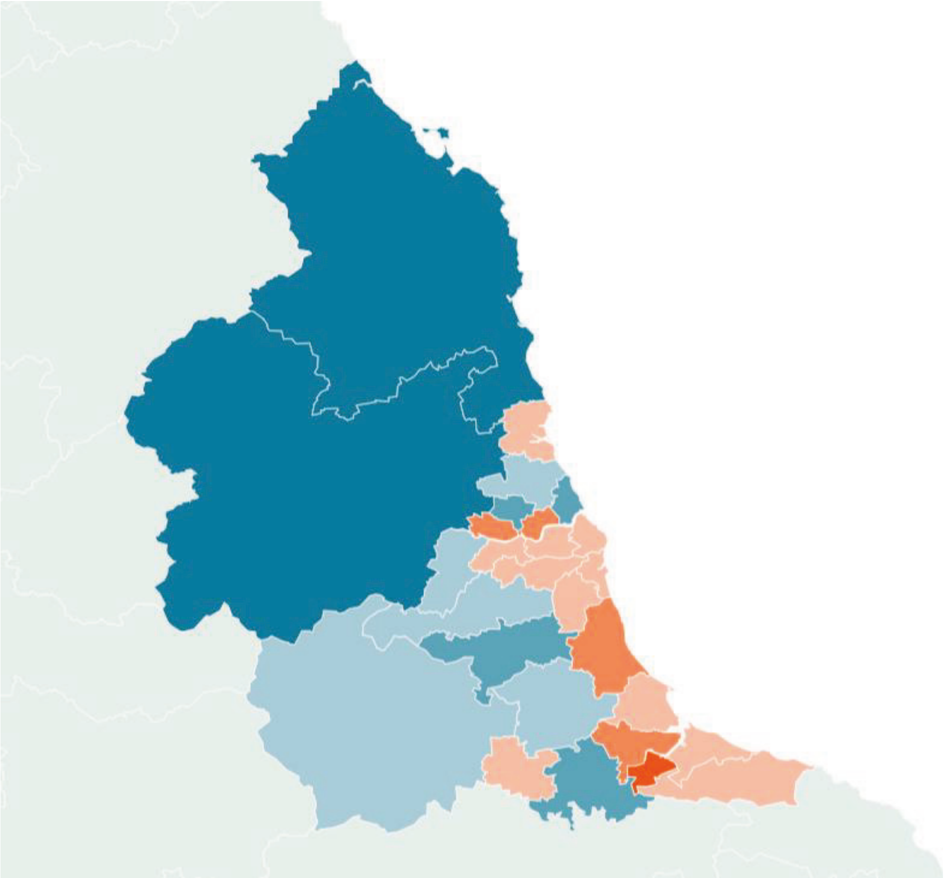


North East: Remains most vulnerable region

The North East continues to be the most financially vulnerable region in the UK with a score of 50.4.

The region has the second highest scores for vulnerability across most indicators, including the proportion in default, in arrears, average credit use, and those without emergency savings.

Metric	2024 Q4	2023 Q4	Change
In default	18.1%	19.0%	**-0.9%**
Credit usage	54.4%	54.4%	**no change**
In arrears	24.8%	23.0%	**+1.8%**
Benefits usage	9.2%	8.7%	**+0.5%**
Without sufficient emergency savings	65.6%	63.7%	**+1.8%**
Alt. fin. products	9.6%	9.2%	**+0.4%**
FVI Score	**50.6**	**50.4**	**+0.2**

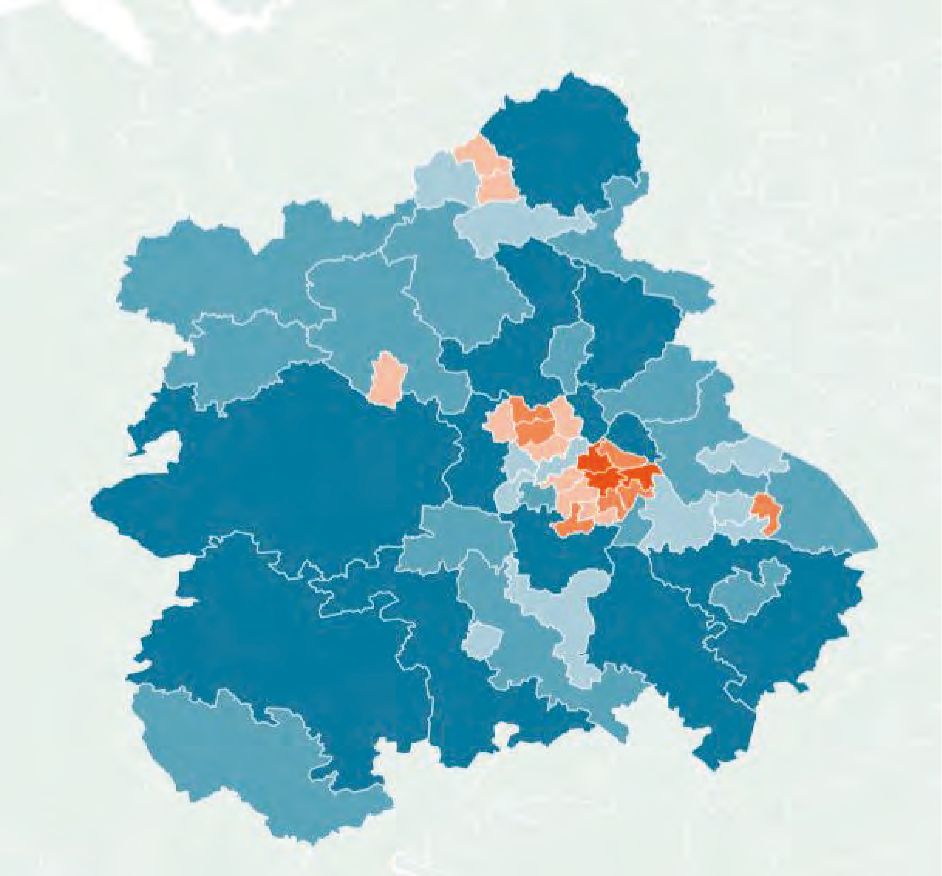


West Midlands: Still significantly more vulnerable than the UK average

The West Midlands continues to be one of the most vulnerable regions, with an FVI score of 50.2, a 1.2-point increase from the year before.

The most vulnerable constituencies in the region have seen a significant increase in the proportion claiming benefits and those using alternative financial products. However, there has been a decrease in those without emergency savings.

Metric	2024 Q4	2023 Q4	Change
In default	15.4%	16.1%	**-0.7%**
Credit usage	53.5%	53.1%	**+0.4%**
In arrears	22.4%	20.6%	**+1.7%**
Benefits usage	12.9%	10.9%	**+2.0%**
Without sufficient emergency savings	63.6%	64.1%	**-0.6%**
Alt. fin. products	11.5%	9.0%	**+2.5%**
FVI Score	50.2	49.0	**+1.2**

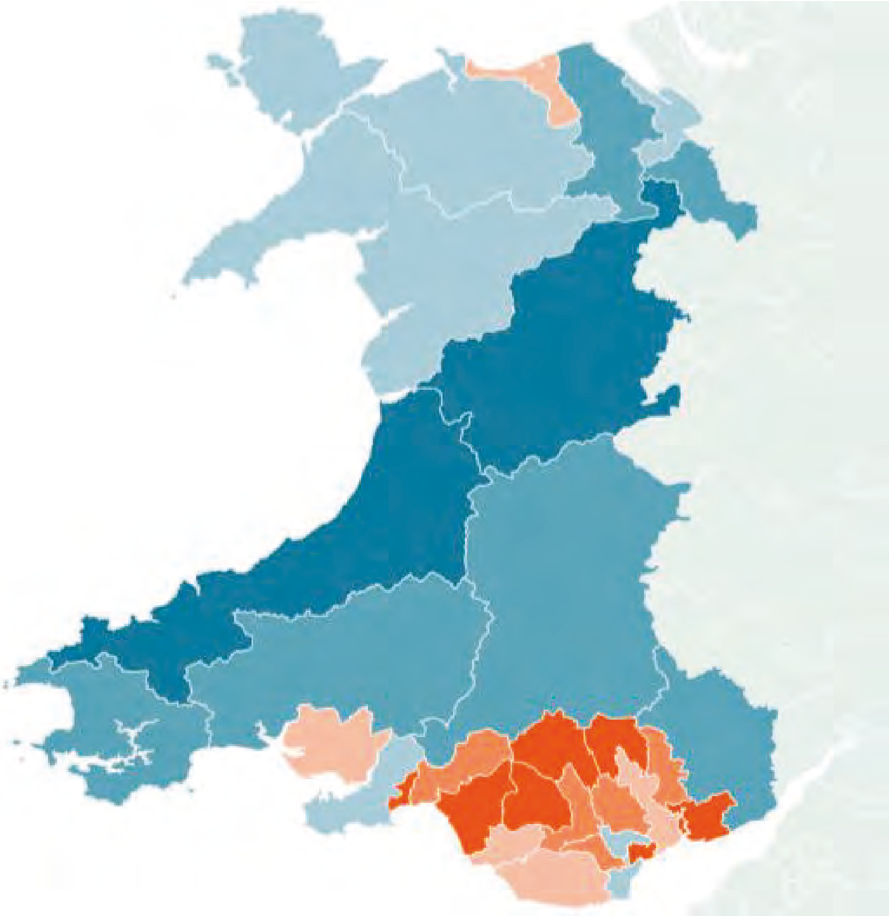


Wales: Financial vulnerability rises

Financial vulnerability in Wales has increased in line with the UK average, reaching an FVI score of 48.9.

This rise has been driven by several indicators, particularly the increased use of alternative financial products, a lack of emergency savings, and the number of customers in arrears. Notably, Wales continues to have the highest proportion of customers in arrears at 26%, compared to the UK average of 20%.

Metric	2024 Q4	2023 Q4	Change
In default	15.2%	15.9%	**-0.7%**
Credit usage	53.5%	53.0%	**+0.4%**
In arrears	26.3%	23.9%	**+2.3%**
Benefits usage	7.7%	7.1%	**+0.6%**
Without sufficient emergency savings	61.4%	59.5%	**+1.9%**
Alt. fin. products	10.0%	8.8%	**+1.2%**
FVI Score	48.9	47.5	**+1.4**

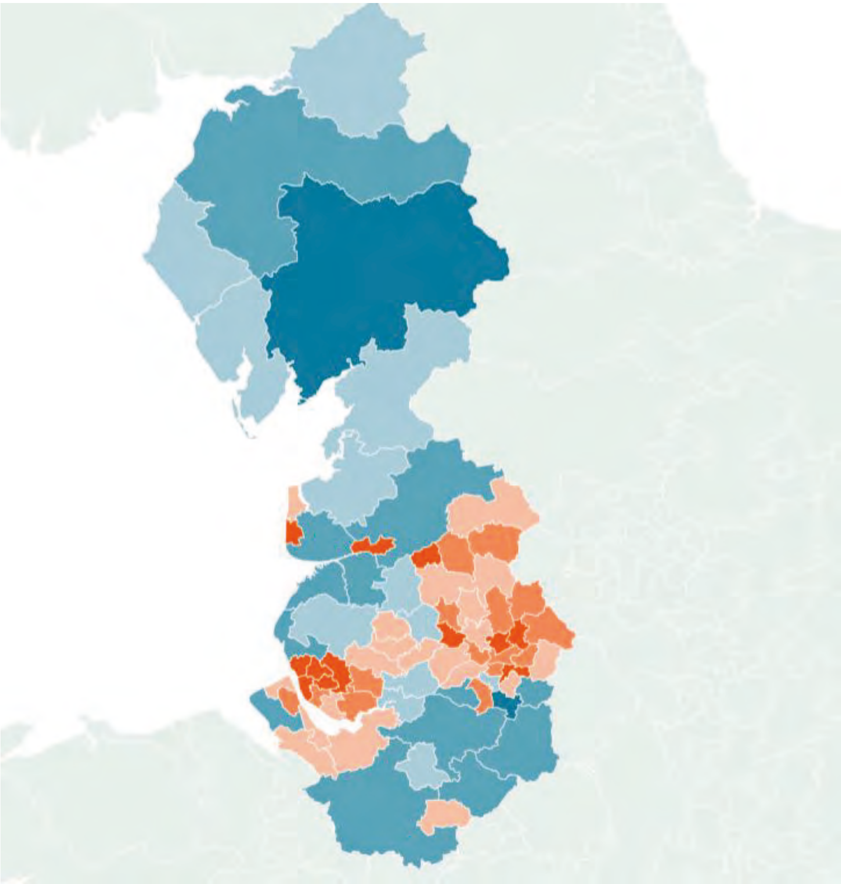


North West: Remains among top four most vulnerable regions

The North West maintains its place in the top four most financially vulnerable regions in the UK, with an FVI score of 48.1.

Financial vulnerability has both deepened and widened in the North West, with 60 out of the 73 constituencies in the region seeing an increased FVI score.

Metric	2024 Q4	2023 Q4	Change
In default	16.6%	17.3%	**-0.7%**
Credit usage	54.2%	53.8%	**+0.3%**
In arrears	21.0%	18.8%	**+2.2%**
Benefits usage	10.3%	9.3%	**+1.0%**
Without sufficient emergency savings	62.2%	61.1%	**+1.1%**
Alt. fin. products	11.1%	10.0%	**+1.1%**
FVI Score	48.1	47.1	**+1.0**

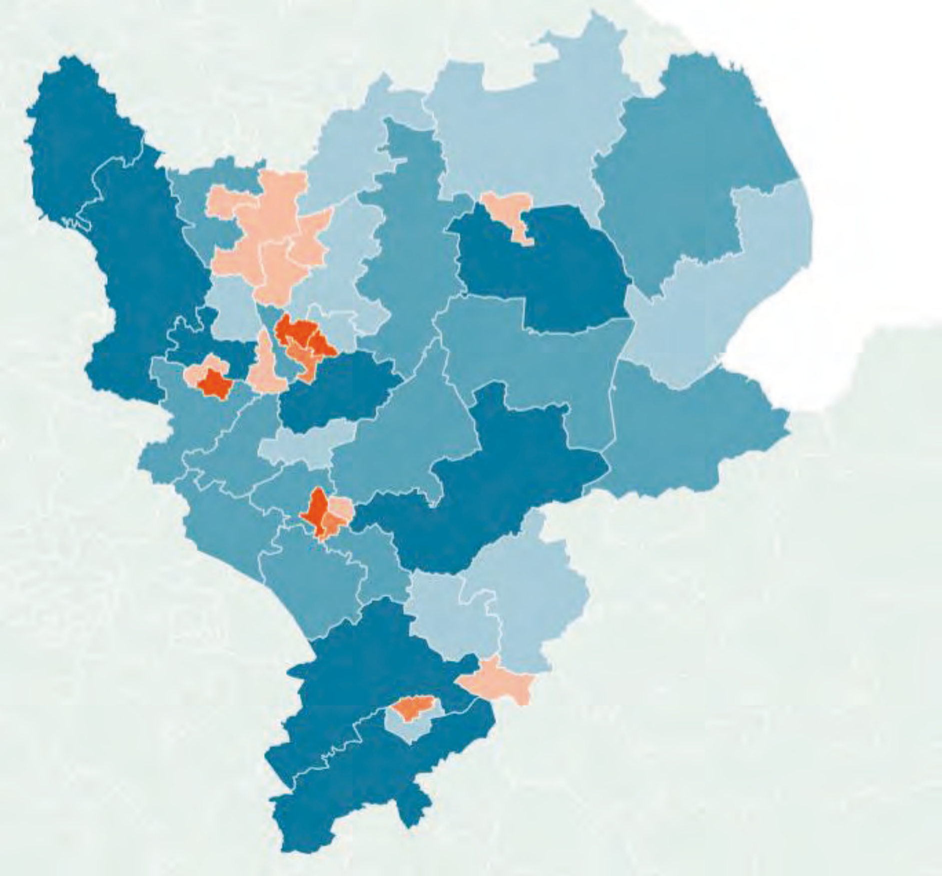


East Midlands: Above UK average in financial vulnerability

The East Midlands has an FVI score of 47.6, above the UK average, and a 1.1-point increase from the year before.

Scores for most pillars are relatively in line with or just below the UK average, but the proportion of customers in arrears is higher (24% versus 20% UK-wide).

Metric	2024 Q4	2023 Q4	Change
In default	13.8%	14.3%	**-0.5%**
Credit usage	54.0%	53.8%	**+0.2%**
In arrears	24.0%	22.4%	**+1.6%**
Benefits usage	8.3%	7.4%	**+0.8%**
Without sufficient emergency savings	62.3%	62.2%	**+0.2%**
Alt. fin. products	10.0%	7.7%	**+2.3%**
FVI Score	47.6	46.4	**+1.1**

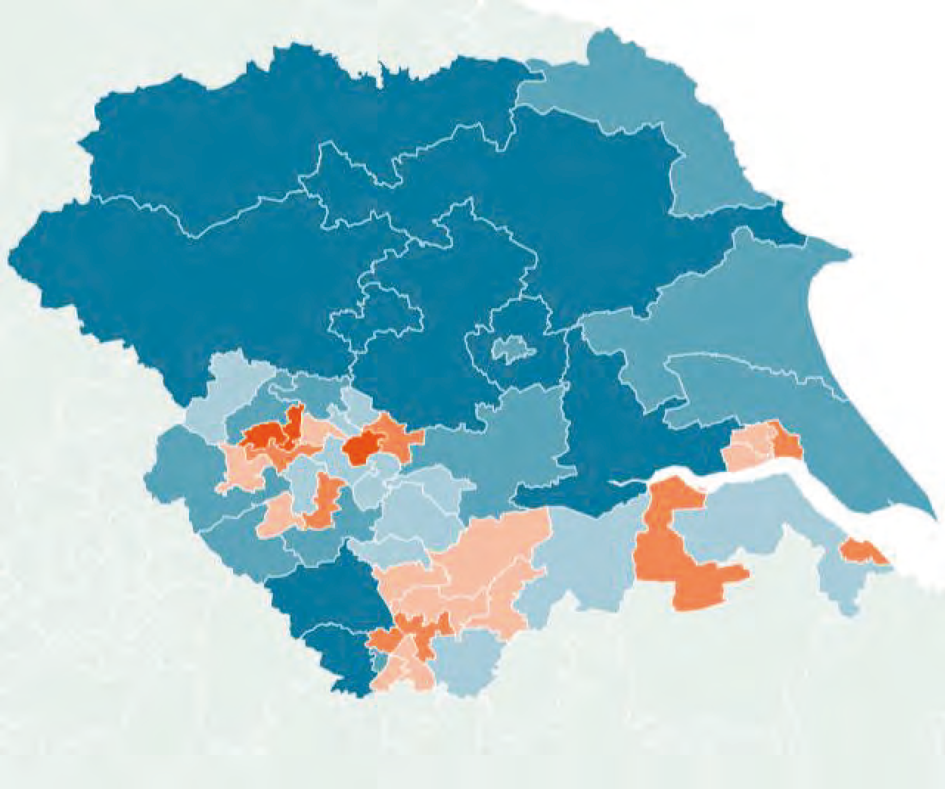


Yorkshire and the Humber: Financial vulnerability remains above UK average

Yorkshire and the Humber continues to be more financially vulnerable than the UK average, with an FVI score of 47.4.

While two of the four most vulnerable constituencies have seen an increased FVI score, most constituencies with an FVI higher than the UK average have seen a slight decrease in financial vulnerability, while those less vulnerable than the UK average have seen an increase.

Metric	2024 Q4	2023 Q4	Change
In default	15.4%	16.1%	**-0.7%**
Credit usage	53.2%	52.9%	**+0.3%**
In arrears	21.2%	20.0%	**+1.2%**
Benefits usage	10.4%	9.1%	**+1.2%**
Without sufficient emergency savings	63.5%	63.0%	**+0.6%**
Alt. fin. products	10.1%	8.9%	**+1.2%**
FVI Score	47.4	47.0	**+0.4**

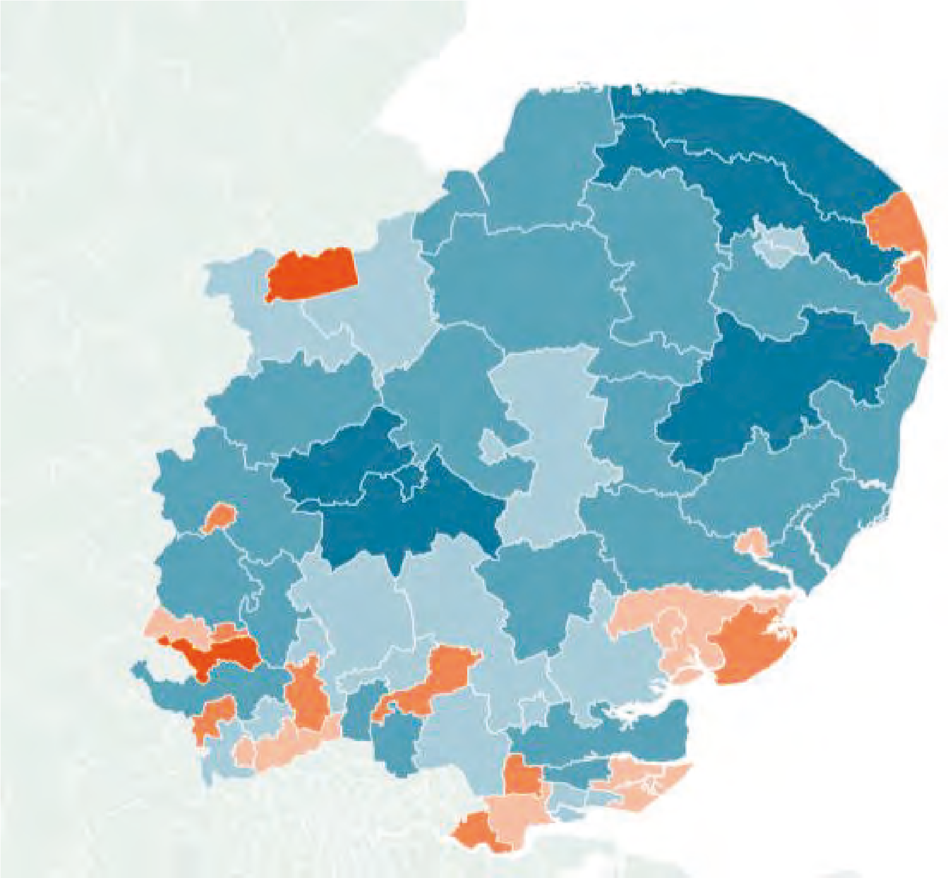


East of England: Highest increase in financial vulnerability

The East of England sees the highest increase in FVI score, now at 46.5, an increase of 4 points. The East of England is now more financially vulnerable than the UK average.

The increase is driven primarily by a higher proportion of customers in arrears. The biggest constituency rises in the FVI this time are from Welwyn Hatfield, Luton North, Clacton, Hemel Hempstead, and South West Hertfordshire.

Metric	2024 Q4	2023 Q4	Change
In default	12.3%	12.7%	**-0.4%**
Credit usage	54.0%	53.4%	**+0.5%**
In arrears	24.2%	18.0%	**+6.2%**
Benefits usage	7.6%	6.7%	**+0.9%**
Without sufficient emergency savings	60.4%	58.5%	**+1.9%**
Alt. fin. products	10.2%	9.7%	**+0.5%**
FVI Score	46.5	42.5	**+4.0**

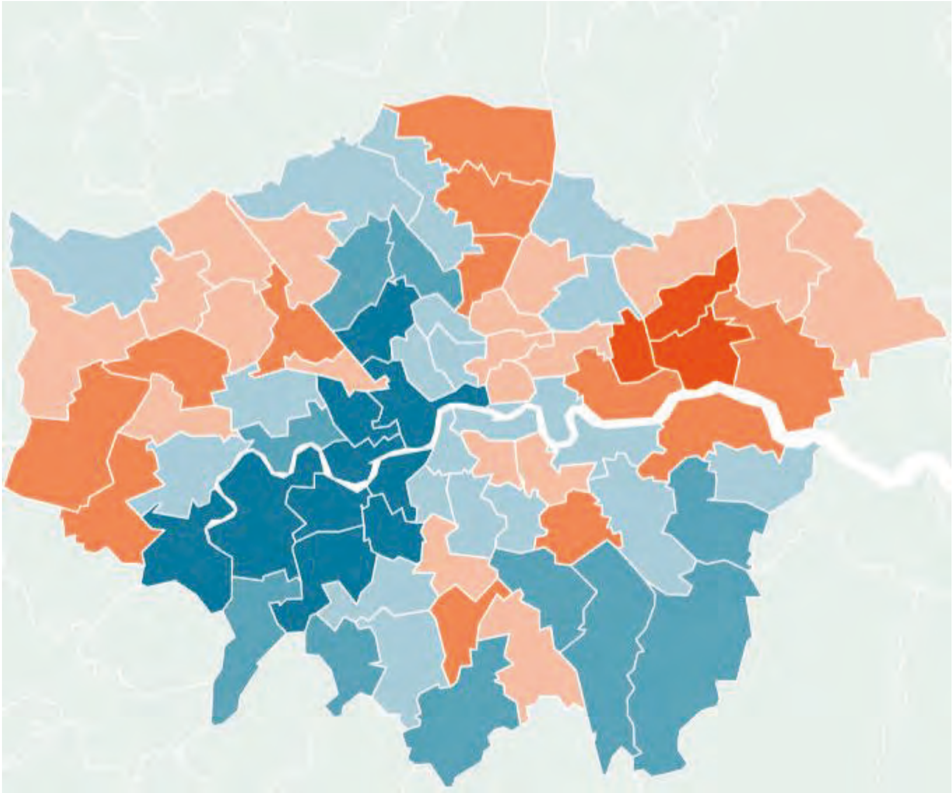


London: Increased financial vulnerability

London remains above the UK average, with an FVI score of 46.1, an increase of 2.1 points from the year before, which is the second highest regional increase.

Changes in financial vulnerability vary widely by constituencies. The least vulnerable constituencies are more likely to have seen an increase in the proportion without emergency savings, while the most vulnerable have seen an increase in benefit claimants and alternative financial products.

Metric	2024 Q4	2023 Q4	Change
In default	18.6%	19.7%	**-1.1%**
Credit usage	50.5%	49.5%	**+1.0%**
In arrears	14.0%	11.0%	**+3.0%**
Benefits usage	14.9%	12.4%	**+2.4%**
Without sufficient emergency savings	54.9%	51.9%	**+3.0%**
Alt. fin. products	15.9%	15.4%	**+0.5%**
FVI Score	46.1	44.0	**+2.1**

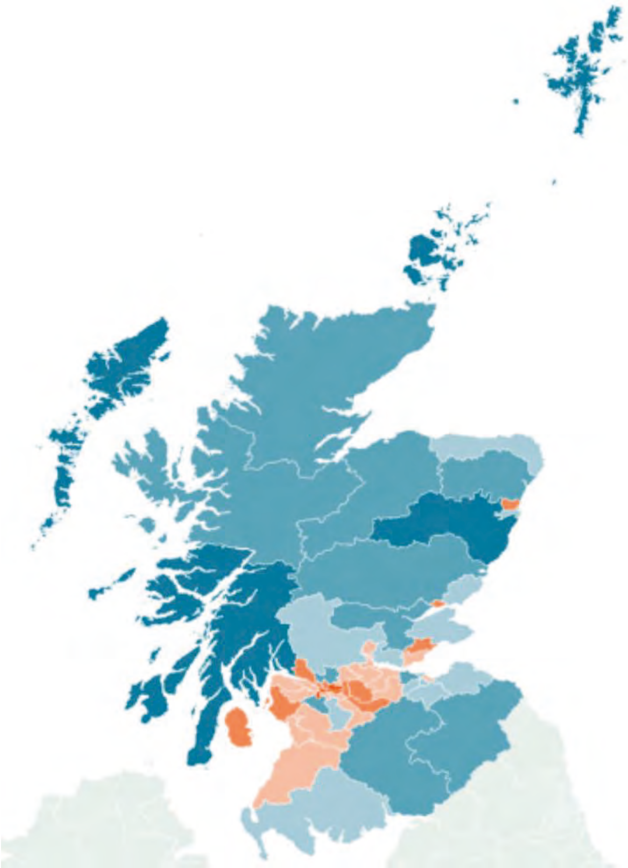


Scotland: Below average financial vulnerability

Scotland continues to be below the UK average on financial vulnerability, with an FVI score of 44.0.

Financial vulnerability has, however, increased in 54 of the 57 constituencies, by an average of 2 points. This is driven mainly by the proportion in late arrears and those without emergency savings, affecting nearly all constituencies from the most to the least vulnerable.

Metric	2024 Q4	2023 Q4	Change
In default	12.5%	13.4%	**-0.9%**
Credit usage	54.9%	55.1%	**-0.2%**
In arrears	18.9%	15.6%	**+3.3%**
Benefits usage	7.1%	6.9%	**+0.2%**
Without sufficient emergency savings	64.9%	61.1%	**+3.8%**
Alt. fin. products	9.8%	8.9%	**+0.9%**
FVI Score	44.0	42.0	**+2.0**

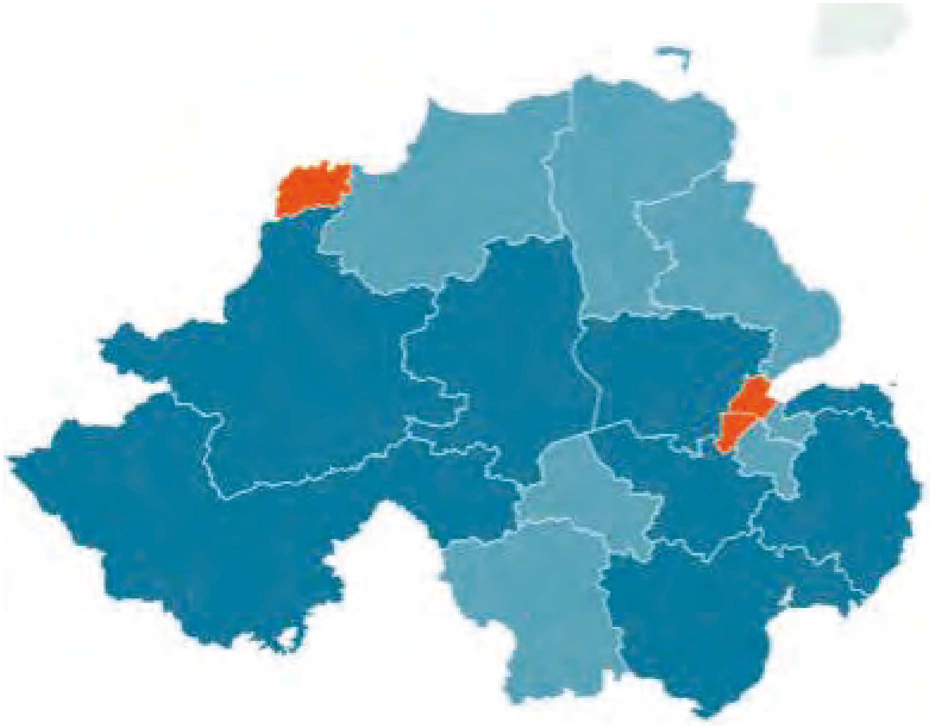


Northern Ireland: Decrease in financial vulnerability

Northern Ireland remains below the UK average on financial vulnerability, with a score of 42.4.

It is the only region to have seen a decrease in financial vulnerability and remains the region with the lowest proportion of customers in arrears. However, it continues to have the largest proportion of adults without emergency savings.

Metric	2024 Q4	2023 Q4	Change
In default	15.5%	16.0%	**-0.5%**
Credit usage	52.9%	53.1%	**-0.3%**
In arrears	12.2%	12.2%	**-0.1%**
Benefits usage	8.1%	7.1%	**+0.9%**
Without sufficient emergency savings	67.8%	67.6%	**+0.2%**
Alt. fin. products	12.1%	11.9%	**+0.2%**
FVI Score	42.4	43.3	**-0.9**

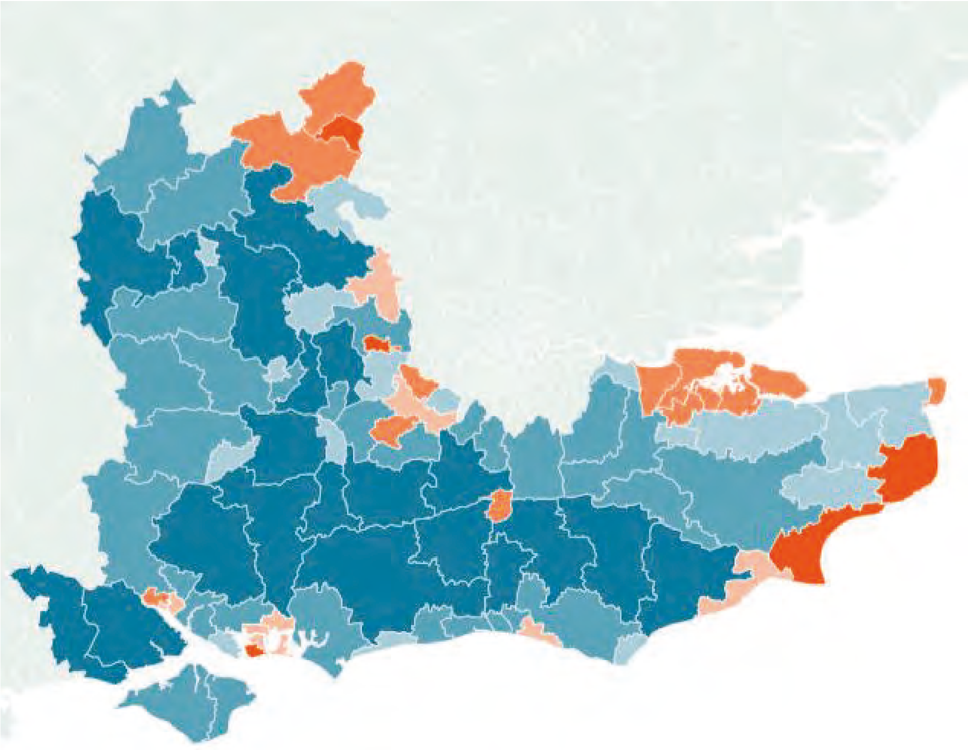


South East: Among least vulnerable regions in the UK

The South East remains among the least vulnerable regions in the UK, with an FVI score of 40.3, 5 points lower than the UK average.

However, financial vulnerability has increased, driven by the proportion in arrears and without emergency savings.

Metric	2024 Q4	2023 Q4	Change
In default	11.3%	11.7%	**-0.4%**
Credit usage	53.5%	53.3%	**+0.2%**
In arrears	16.1%	12.9%	**+3.2%**
Benefits usage	7.2%	6.4%	**+0.8%**
Without sufficient emergency savings	58.4%	55.9%	**+2.5%**
Alt. fin. products	10.6%	10.6%	**n/c**
FVI Score	40.3	38.5	**+1.8**

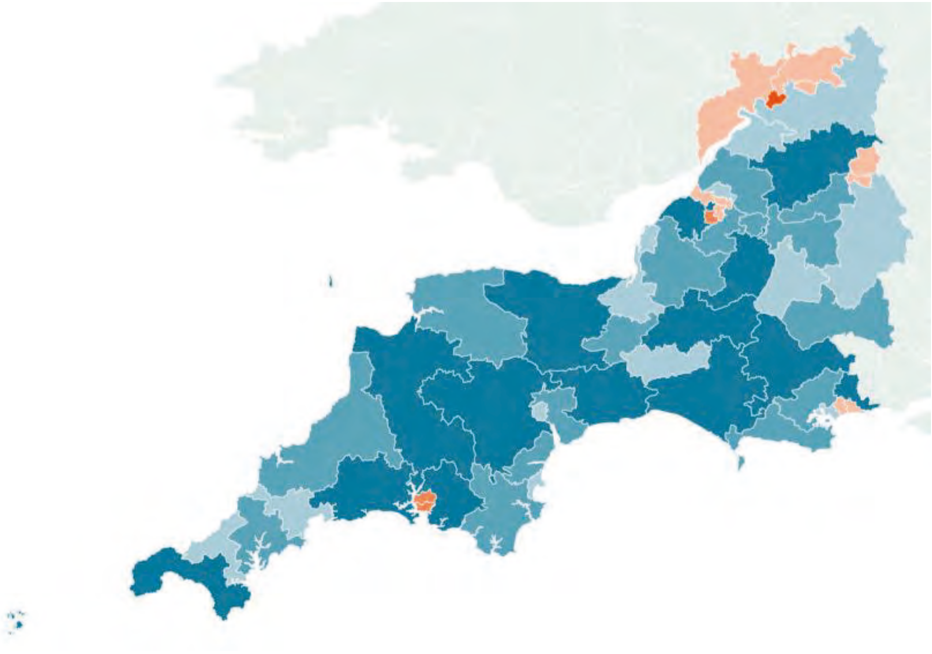


South West: Maintains position as least financially vunerable UK region

The South East remains among the least vulnerable regions in the UK, with an FVI score of 40.3, 5 points lower than the UK average.

However, financial vulnerability has increased, driven by the proportion in arrears and without emergency savings**.**

Metric	2024 Q4	2023 Q4	Change
In default	10.6%	11.0%	**-0.4%**
Credit usage	53.0%	52.9%	**+0.1%**
In arrears	15.6%	13.6%	**+2.0%**
Benefits usage	6.1%	5.5%	**+0.6%**
Without sufficient emergency savings	58.3%	56.4%	**+1.9%**
Alt. fin. products	8.6%	8.6%	**-0.1%**
FVI Score	38.1	37.2	**+0.9**



06 Pillar deep dive

Each FVI pillar provides insight into financial security. This section explores how these indicators have shifted and what they reveal about financial vulnerability.

See **Key trends in the FVI** (section 3) for more analysis on what these trends mean and how they play out in different parts of the UK or with each other.

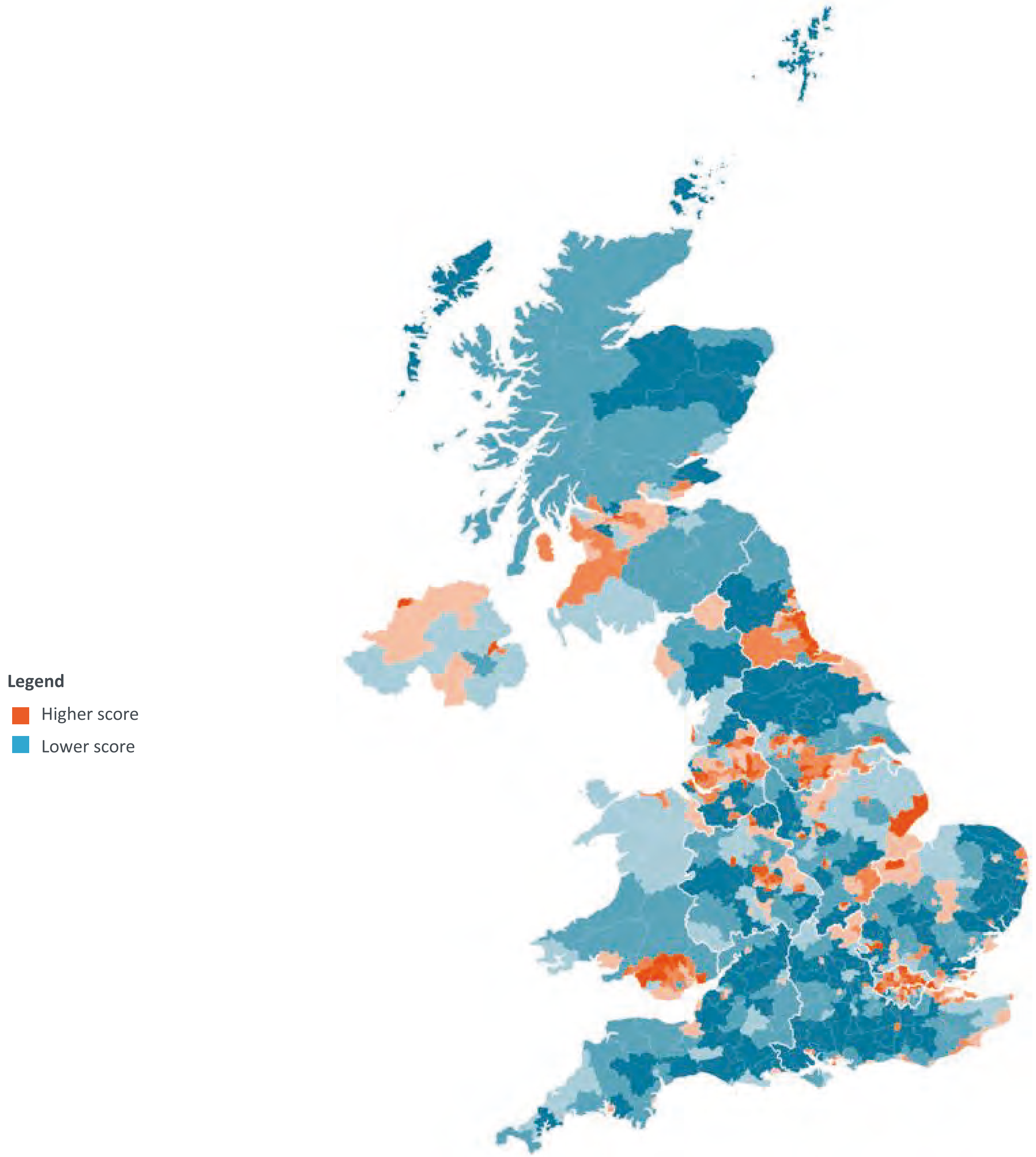
FVI 2024 Q4

Share of UK Adults in Default

14%

down 1 pts from
15% in **2023** Q4

up 2 pts from
2% in **2020** Q1
(pre-Covid)



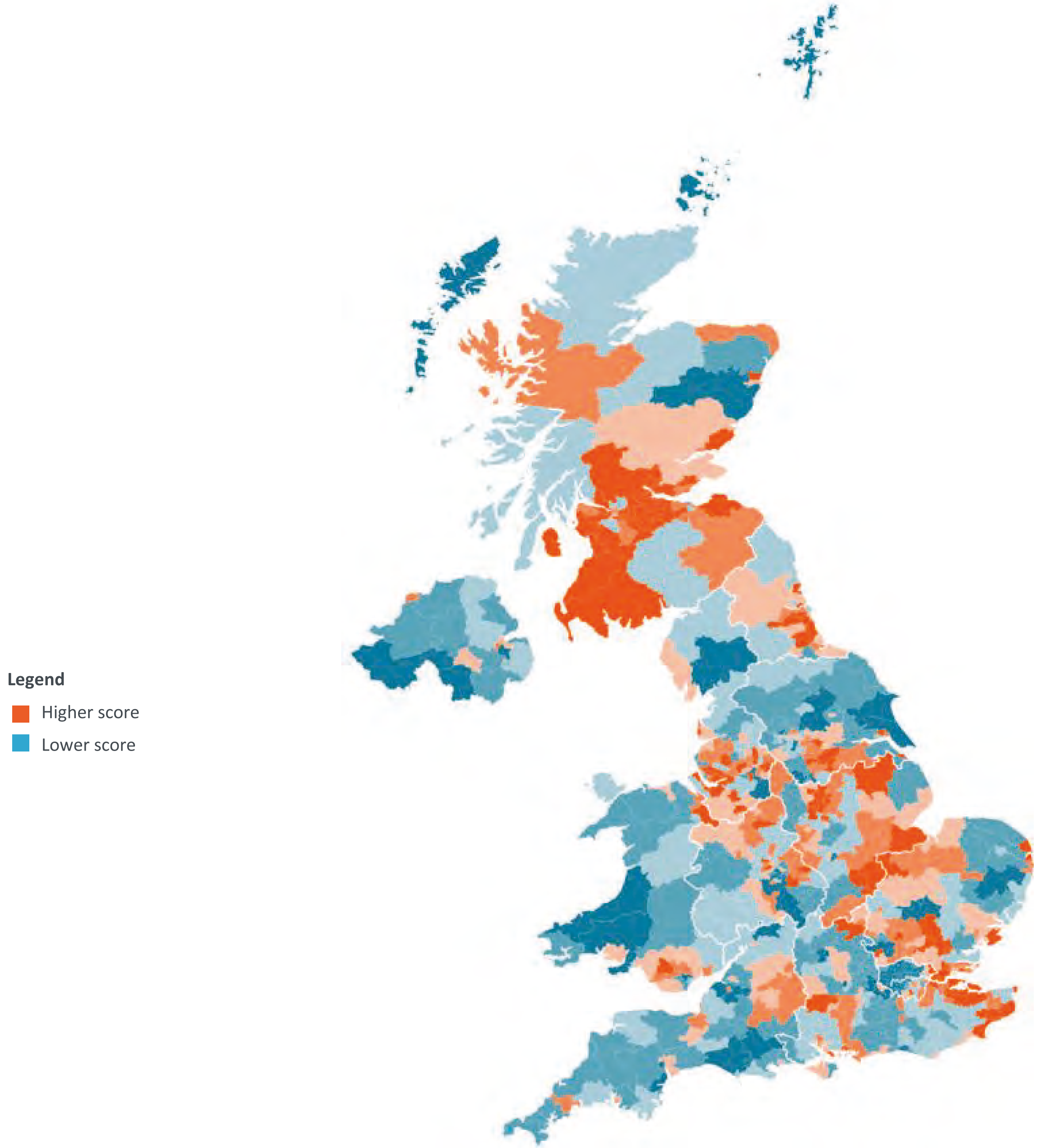
FVI 2024 Q4

Average Credit Usage

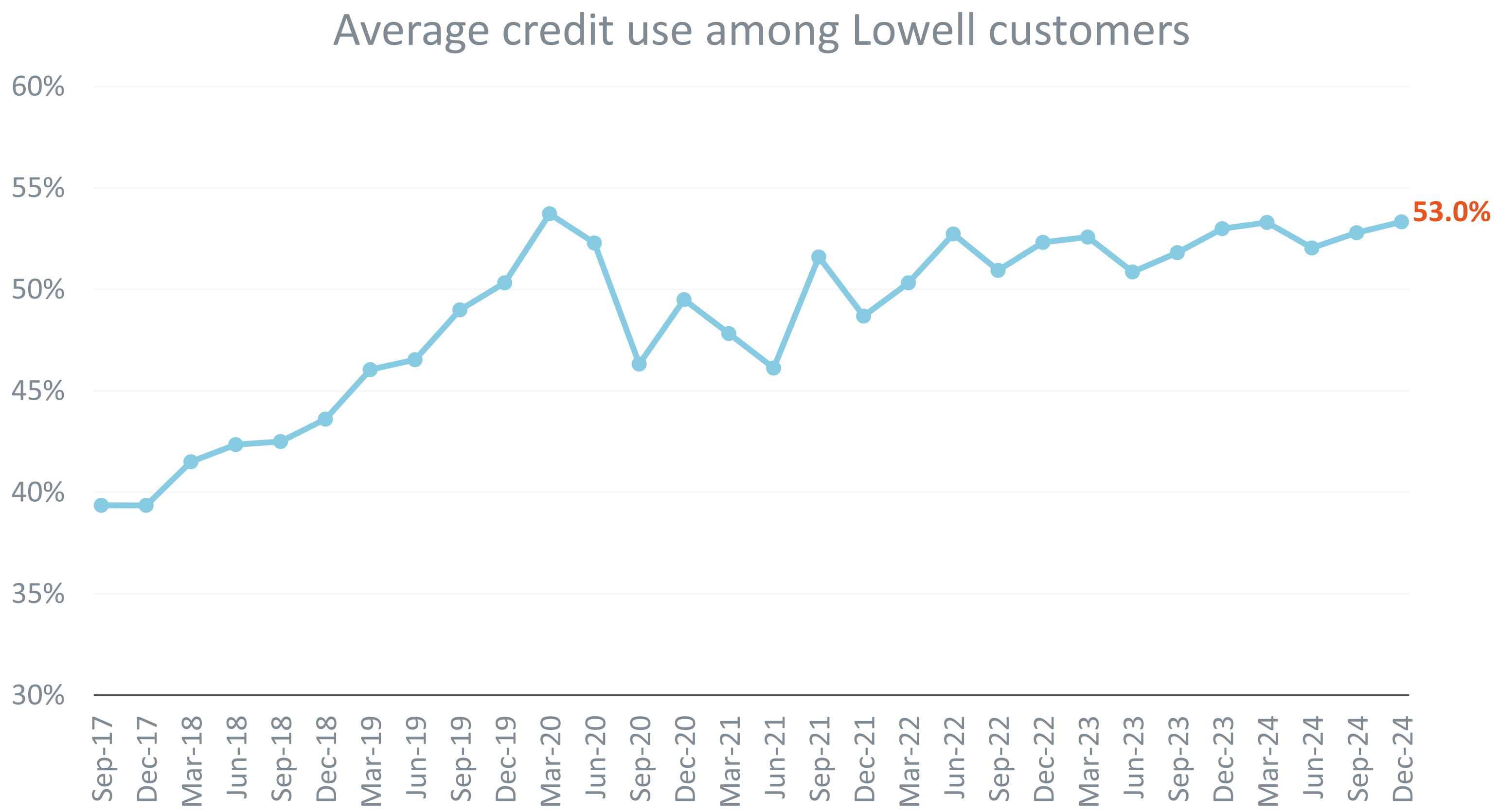
53%

no change from
53% in **2023** Q4

down 1 pts from
54% in **2020** Q1
(pre-Covid)



Credit use remains high among Lowell customers



FVI 2024 Q4

Average credit usage

53%

no change from
53% in **2023** Q4

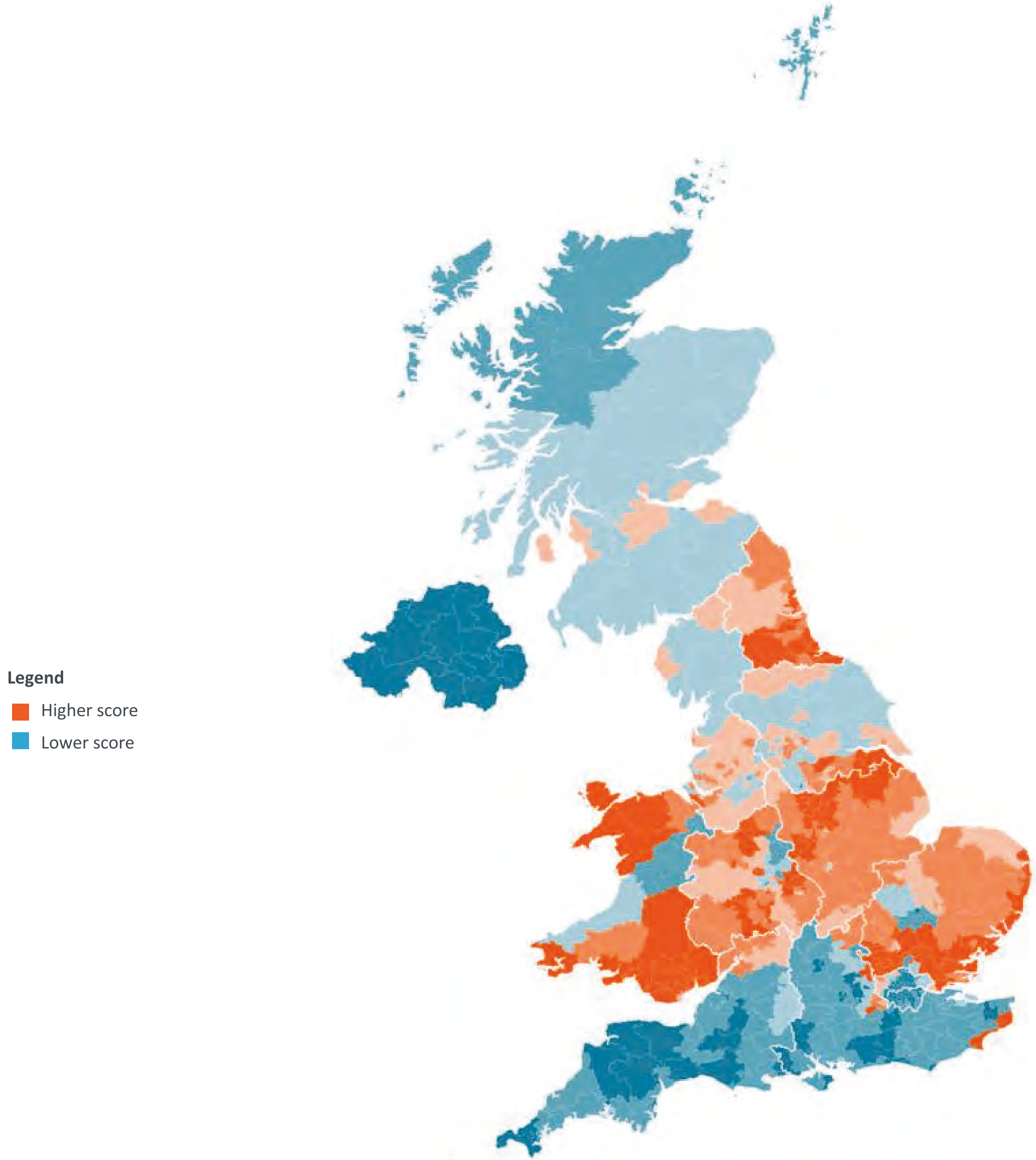
down 1 pts from
54% in **2020** Q1

FVI 2024 Q4

Lowell customers in arrears

20%

up 3 pts from
17% in **2023** Q4



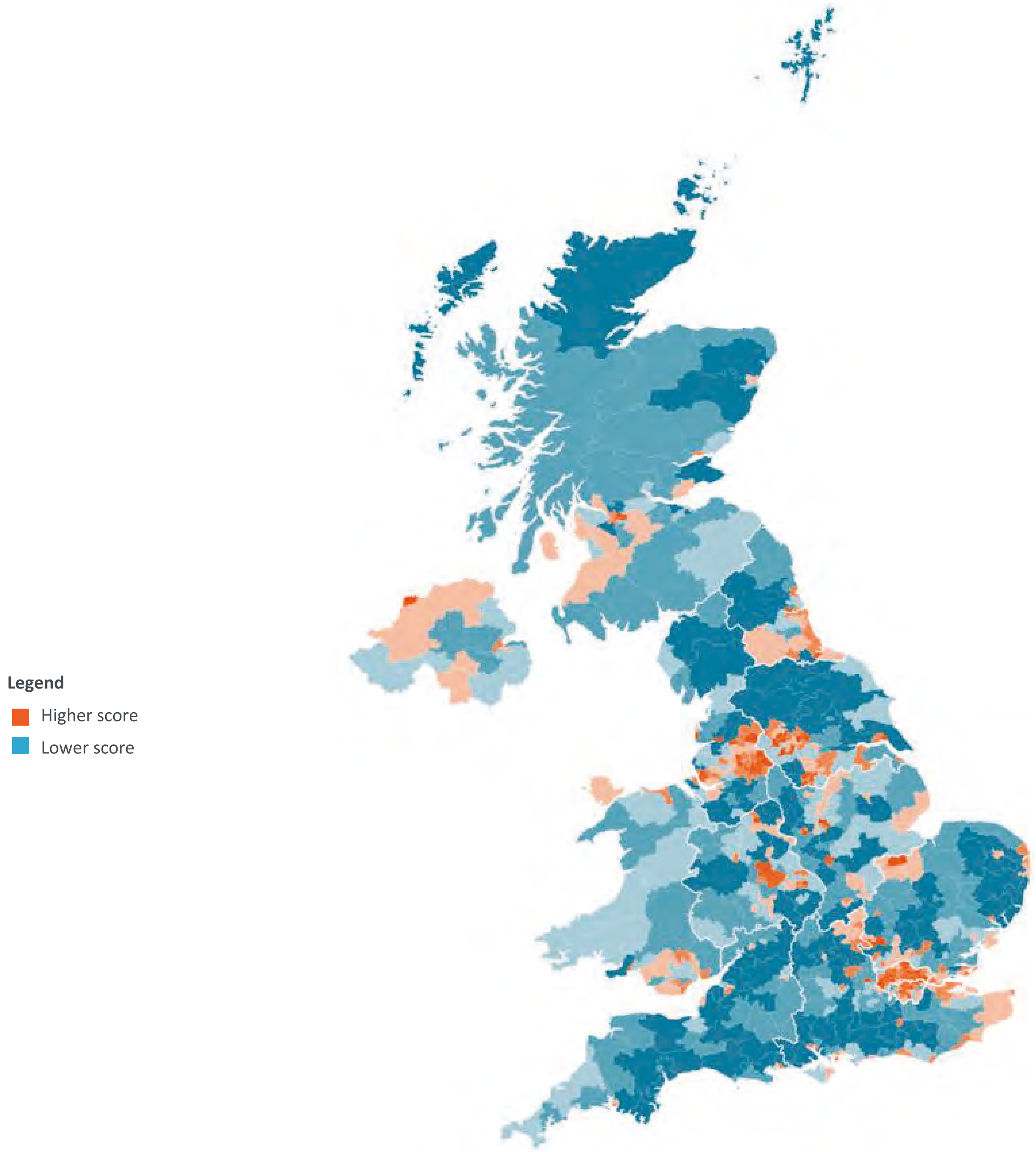
FVI 2024 Q4

Claiming social benefits

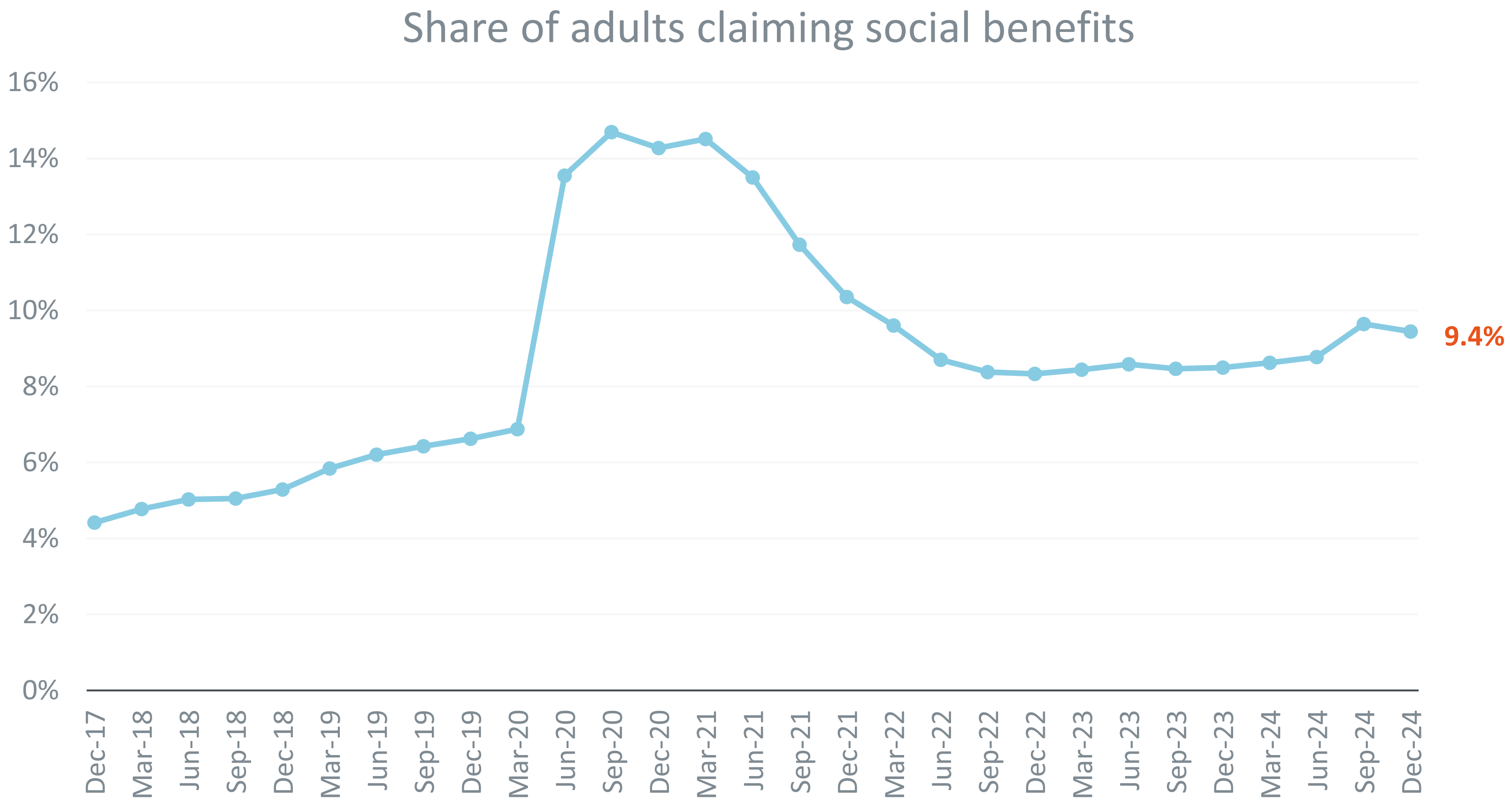
9%

up 1 pts from
8% in **2023** Q4

up 2 pts from
7% in **2020** Q1
(pre-Covid)



The share of benefits claimants continues to slowly rise



FVI 2024 Q4

Claiming social benefits

9%

up 1 pts from
8% in **2023** Q4

up 2 pts from
7% in **2020** Q1

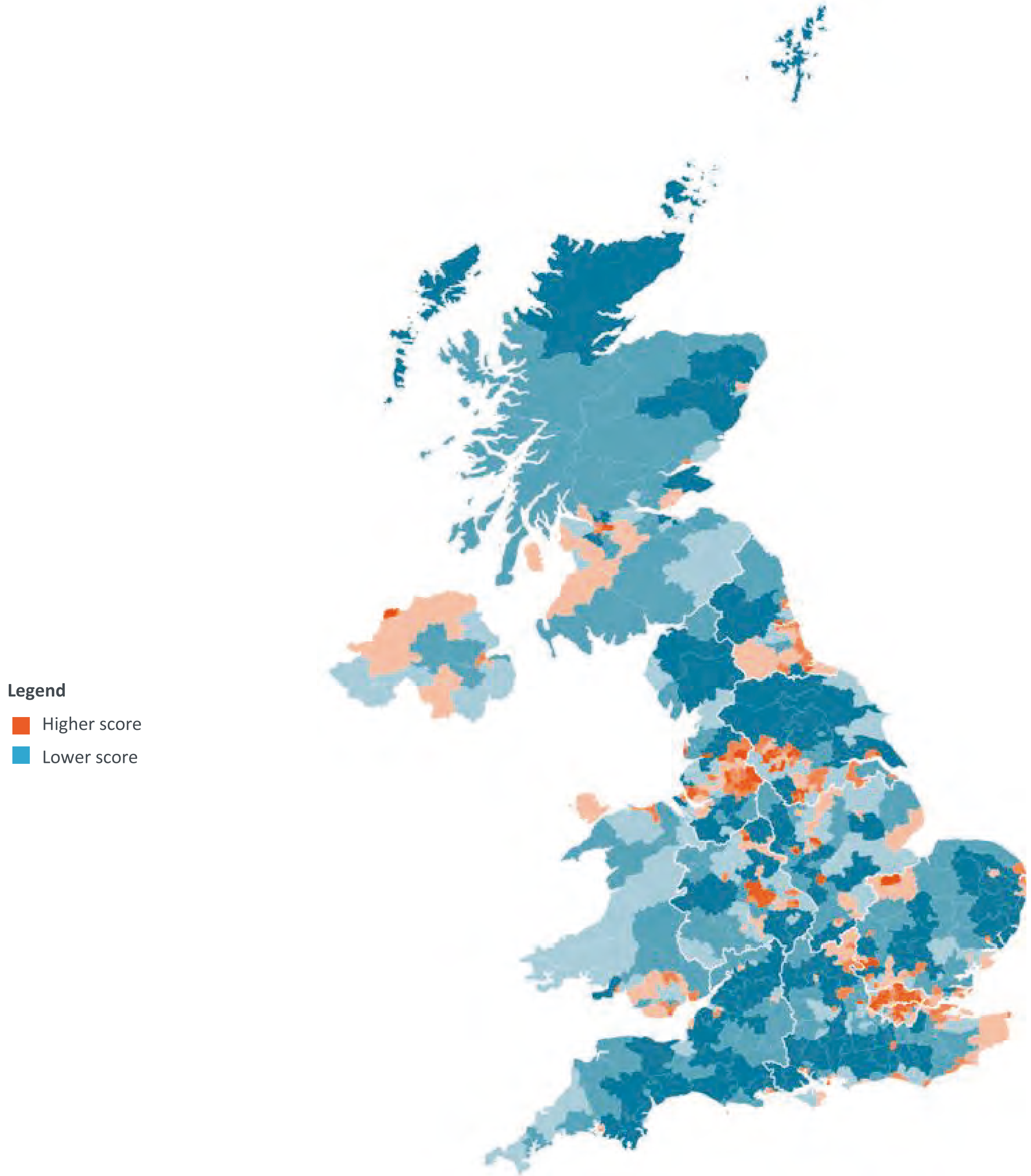
FVI 2024 Q4

Without sufficient emergency savings

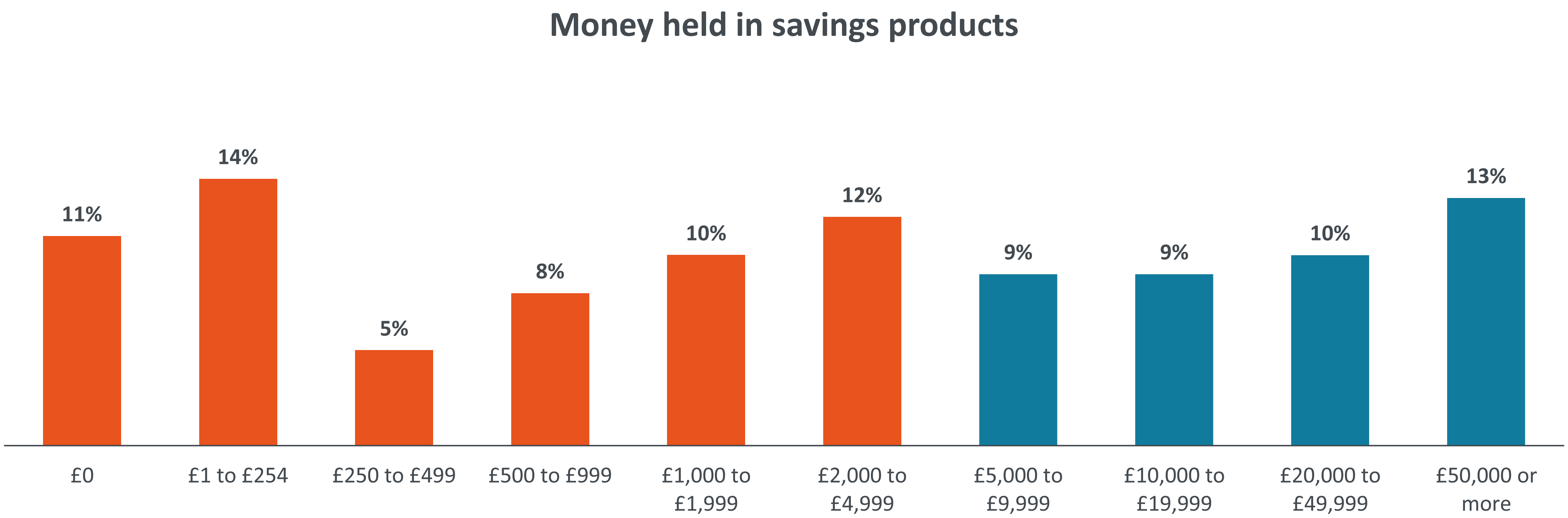
61%

up 2 pts from
59% in **2023** Q4

up 5 pts from
56 in **2020** Q1
(pre-Covid)



Many of those without sufficient emergency savings are far below the threshold



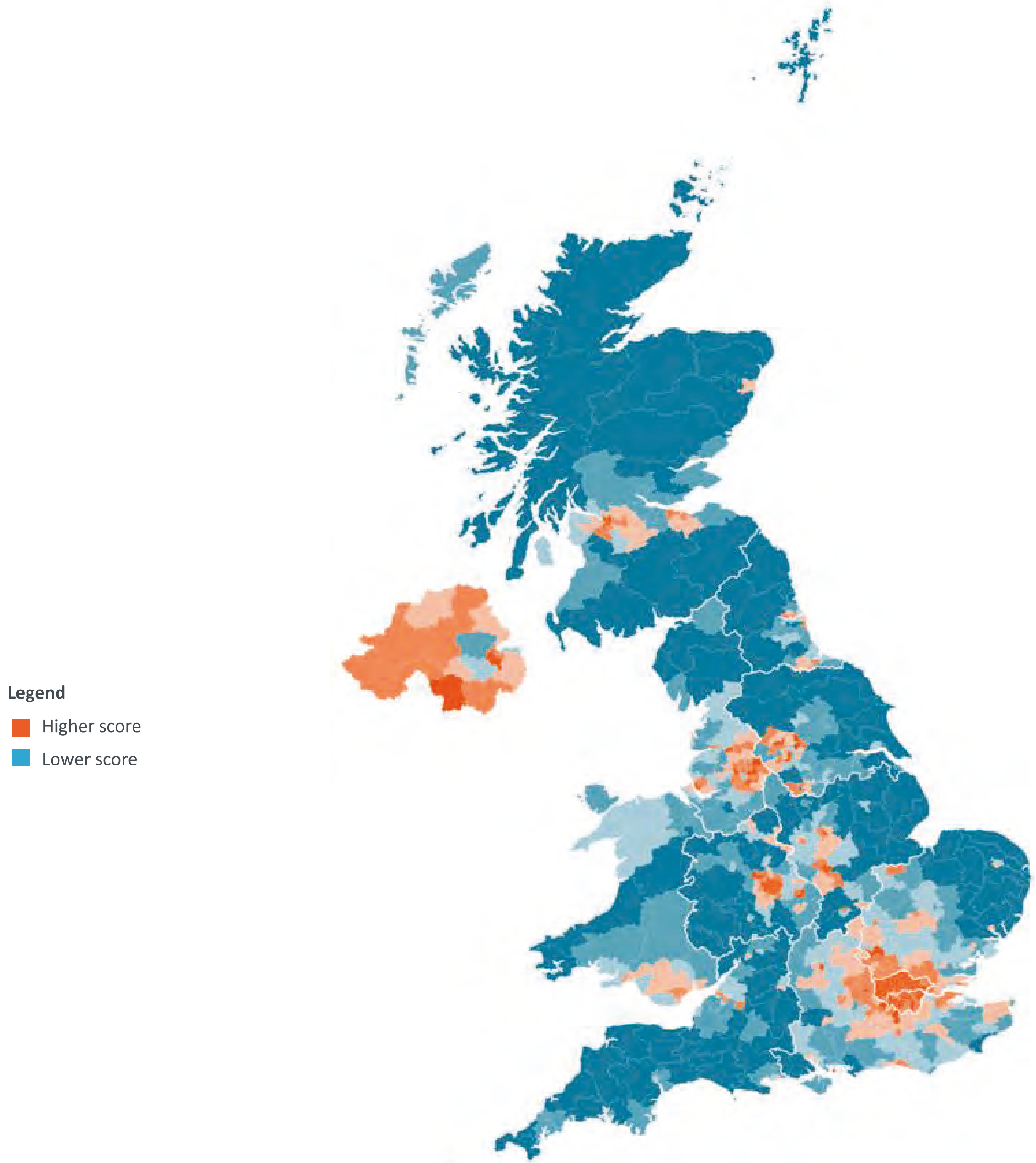
FVI 2024 Q4

Use of alternative finance products

11%

up 1 pts from
10% in **2023** Q4

up 2 pts from
9% in **2020** Q1
(pre-Covid)



07 Find out more

For deeper insights into financial vulnerability please go to the FVI webpage.

Explore the full FVI data, methodology, and key policy recommendations. Get in touch for expert analysis and further discussions on addressing financial vulnerability across the UK.