



EMBARGOED UNTIL 00:01HRS ON THURSDAY 24TH FEBRUARY 2022

Levelling Up priority areas, such as Middlesbrough and Blackpool, top the list of UK places most at risk of personal debt crisis

- Brand new research from Demos finds that people in Government's Levelling Up priority areas are being hit hard by a personal debt crisis.
- As the cost of living crisis deepens, the report calls on the Government to address the debt crisis that is especially pertinent in Northern cities and towns as part of its Levelling Up agenda.

A new report from cross-party think tank Demos, supported by Lowell, finds that Middlesbrough tops the list of UK places where people are most at risk of personal debt crisis.

The research combines Demos' Good Credit Index and Lowell's Financial Vulnerability Index, and identifies the areas hit hardest by the overlapping difficulties of a lack of affordable credit and financial vulnerability.

The new report finds that these problems impact most on areas considered a priority for Levelling Up, particularly in ex-industrial towns in the north-east of England. The ten areas that rank the highest and are most affected by a personal debt crisis are:

1. Middlesbrough
2. Blackpool
3. Kingston upon Hull
4. Knowsley
5. Wolverhampton
6. Liverpool
7. Oldham
8. Hartlepool
9. Birmingham
10. Newham

As part of their Levelling Up agenda, the report is calling on the Government to address the personal debt crisis that is especially pertinent in the places that they already want to

level-up, and that they also must not ignore cities outside of London or 'safer electoral seats' which are also considerably more affected than anywhere else.

The Double Whammy makes a number of recommendations to Government to address the personal debt crisis, which include:

- Offering Universal Credit claimants one-off financial products, such as bonds or a financial resilience grant.
- Expanding the No Interest Loan Scheme pilot to more areas of high deprivation, targeting high-priority regions including the North East, ex-industrial towns and core cities as a part of a "levelling up" agenda to expand access to affordable credit.
- Implementing planned reforms and digitisation of County Court system.
- Redoubling efforts to build more affordable social housing in wealthier areas.

Amelia Stewart, co-author of *The Double Whammy*, said:

"As the cost of living crisis continues to hit people in their pockets, it is a particularly challenging time for those who are financially vulnerable and may struggle to access affordable credit. Our research, for the first time, maps the combined financial insecurity of places all over the UK with the access to affordable credit in each area. It is clear that financial vulnerability and bad access to credit compound each other and we need policy solutions to help people get out of debt spirals.

"We have found that cities outside of London, the North East, and ex-industrial towns are generally the worst affected and most at risk of a personal debt crisis. The Government must act urgently to deal with underlying issues of deprivation, expand the affordable credit market, and provide place-based support that's tailored to the needs of each local area."

John Pears, UK Chief Executive Officer of Lowell, said:

"We are constantly looking at ways to break debt cycles and make the credit system work better. This report highlights just how hard it can be for the most financially vulnerable to break free of debt. Sadly, it is especially true in areas that the Government want to focus on. There is so much that the Government can do to support people facing these crises. This is not just about providing more money but about systemic improvement. The benefit of doing so for our society and economy would be immeasurable."

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About Demos

Demos is Britain's leading cross-party think-tank: an independent, educational charity, which produces original and innovative research.

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>