

# Lone Parents

Drowning in Debt

Briefing sheet

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Lone parents  
go it alone  
when it comes  
to debt

Citizens Advice Scotland's latest report, **Drowning in Debt**, is based on a detailed survey of debt clients from a representative sample of citizens advice bureaux across Scotland, in both rural and urban areas. Based on information extracted from the research, this briefing focuses on lone parent clients and compares the findings where possible with previous relevant CAB debt surveys. It highlights that:

- **The proportion of lone parents in this survey is higher than the proportional rate of lone parents the Scottish population. Lone parents make up 14% of all Scottish households<sup>1</sup>, but comprise 45% of households taking part in our research**
- **The average total debt for lone parents since 2003<sup>2</sup> has increased by a quarter from £11,469 to £14,963**
- **Lone parent debt clients face significant "debt stress" with devastating consequences. For every £1 of monthly income, CAB lone parent debt clients owed on average around £19 of debt compared to £14 in 2003. This huge rise reflects how life has become much tougher for this client group in a five year period**
- **Lone parents have low incomes due to limited work options and high childcare costs. This can cause financial hardship and lead to an inability to repay debt**
- **Lone parents have used credit cards far more frequently than was the case five years ago. This is their most frequent debt. The type of debt least likely to be owed by lone parents is personal and unsecured loans, suggesting restrictions on their ability to access mainstream credit.**

<sup>1</sup> Scottish Household Survey, Annual Report. Results from the 2007 Household Survey: <http://www.scotland.gov.uk/Publications/2008/08/07100738/4>

<sup>2</sup> On the Cards: The debt crisis facing Scottish CAB clients Citizens Advice Scotland 2004; Growing Old Together: Older CAB Clients and Debt Citizens Advice Scotland 2008

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The Scottish Association of Citizens Advice Bureaux - Citizens Advice Scotland  
(Scottish charity number SC016637)

**citizens  
advice  
bureau**

1939-2009: 70 years  
of Scottish CAB advice

## Key findings:

### Lone parent debt clients – the main findings

- Relationship breakdown was cited by just under a third of all clients as a reason for their debt, significantly higher than 2003. Lone parents find it increasingly difficult to manage housing costs, living costs for themselves and their children, utility costs and school costs when income has been reduced so substantially
- Lone parent clients struggle with repaying debt due to delays in payment of working tax credit and child tax credit, which can see their debt become unmanageable
- 40% of households in the study have a child who is aged five years old or less. This suggests that lone parents and other debt clients are struggling to adjust financially following childbirth and some of its consequences, such as: more limited work options for mothers of young children; the income shock from working reduced hours or having to stop work; the cost of childcare and problems with accessing childcare
- Just under half of all debt clients say they have gone without essentials to manage their debt compared to just under a third in 2003. For lone parents on low incomes, providing for their children and going without themselves is a common coping strategy.

### Citizens Advice Scotland's proposals for change

- Lenders and policymakers need to ensure that affordable mainstream credit is accessible for low income groups through a wider application of and access to cheap sources of borrowing such as credit unions and through extensive reform of the Social Fund
- The UK and Scottish Governments should introduce tighter regulation on creditor behaviour to ensure that lone parents aren't given unsuitable credit that will trap them and their children in debt in the future
- Lenders and policymakers should increase support for existing money advice services to address growing demand and target disadvantaged groups.

|| A North of Scotland CAB reports of a young single mother aged 19 who has two young children. The client's source of income is benefits. The client has rent arrears and catalogue and credit card debts, and is being threatened with recovery and legal action. The client is scared and has been threatened with eviction by her local authority. She doesn't want to be made homeless and be re-housed somewhere else as this is where her family and friends support network is.

|| A West of Scotland CAB reports of a client who has been made redundant and is a single mother to two children. She is claiming the benefits that she is entitled to; however, this does not cover her payments for her credit card, mortgage and secured loan. She is concerned she will lose the house and she and the children will become homeless.



An East of Scotland CAB reports of a client whose partner has left him with three young children all under twelve. He cannot keep to his debt commitments on one wage. He has signed a contract to a debt advice agency and cannot afford to keep up his monthly payments with them, as well as his rent, utilities and credit card payments. The client doesn't know what to do and is concerned about his children's future.

A North of Scotland CAB client reports of a single mother who has multiple debts with the same credit card company. The credit card company is still offering her more credit and new credit cards even though they know she is struggling to make payments.