



# Negative numbers: an analysis of debt-related Google search trends **2015-2019**

# Introduction

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In December 2019 the Office for National Statistics (ONS) released a report entitled 'household debt in Great Britain' with data from April 2016 to March 2018. It revealed that the total household debt was £1.28 trillion during that time period, of which £119 billion (9%) was financial debt and £1.16 trillion (91%) was property debt (mortgages and equity release). This has been increasing since 2014.

The report also found that of all adults with financial debt, 14% considered their financial debt to be a "heavy burden" and a further 30% considered it to be "somewhat of a burden".

When debt becomes substantial an individual may become insolvent, meaning they are unable to pay any debt owed. In 2019, total individual insolvencies increased to their highest annual level since 2010, largely driven by an increase in individual voluntary agreements which reached their highest year on record. Bankruptcies also increased slightly compared to 2018.

A Google search for other debt-related statistics will not leave you short of articles and reports to read, most of which confirm the fact that us Brits are struggling with money. At Esendex we help businesses to make it easier for their customers to pay off debts, which is why we wanted to take a closer look at the debt landscape, but from a search perspective.

This report will look at the terms people are searching for when they're in debt and how they're trying to help themselves get out of financial difficulty. It will also explore how debt can have a knock-on effect on businesses - particularly SMEs - and offer advice on what companies can do to reduce the amount of debt they are forced to write off each year.

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# 1. In search: a look at the debt landscape

## 1.1 The top 20 debt-related keywords

As with most things in life, we typically tend to turn to the internet when we have a problem or we're in need of an answer. When looking at search data related to 'debt' here are the top 20 keywords (taken from Google's Keyword Planner). Within this report, we will analyse some of these terms in more depth.

Keyword	Average monthly search volume
Student loans	74,000
Student loans company	60,500
Student loan repayment	27,100
Consolidation	18,100
Debt consolidation	18,100
Debt consolidation loan	14,800
Debt management	14,800
Debt relief order	14,800
Debt help	9,900
Consolidation loans	9,000
Debt	8,100
Debt collector	6,600
Debt management plan	5,400
Debt advice	4,400
Debt collection agency	3,600
IVA dept	3,600
Paying back student loans	2,900
Student loan plan 1	2,400
Debt consolidation loans bad credit	2,400
Write off debt	2,400

## — 1.2 Google Trends data



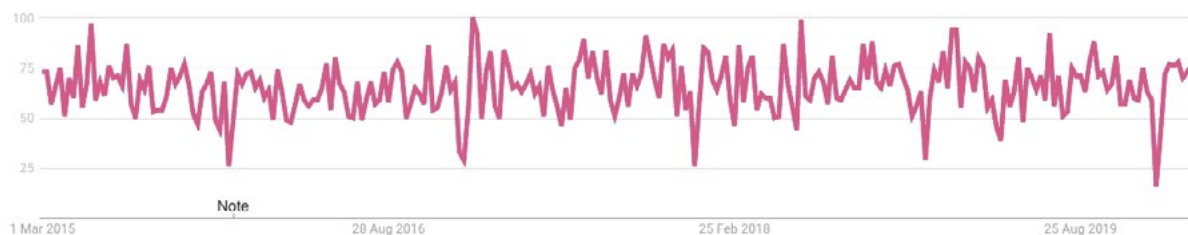
The above visual shows data taken from Google Trends when looking at the term debt help, which is featured in table 1.1 and has a monthly search volume of 9,900 in the UK.

The graph clearly highlights an upward trend in interest over time. For the purpose of this report we are using Google Trends' definition of 'interest over time', which is as follows:

*“Numbers represent search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular. A score of 0 means that there was not enough data for this term.”*

From 26 January-1 February 2020, the number given was 100. It has not reached this level at any other point over the past 5 years.

The term debt advice (search volume 4,400) tends to fluctuate a lot more but generally peaks at the start of each year, and during the summer. It last reached 100 from 8-14 January 2017.



We also wanted to take a deeper dive into some of the key terms outlined in [The Insolvency Service's quarterly report](#) on individual insolvency statistics. These terms are:

1. Individual insolvency
2. Individual voluntary arrangement (IVA)
3. Bankruptcy
4. Debt relief order (DRO)

## Individual insolvency



This search term reached its peak between August and September 2018; at other times it appears to fluctuate. Related queries on Google Trends include *insolvency register* and *individual insolvency register* - the former appears to be on the rise again following a dip from 2016 to September 2017.

A look at *individual insolvency* (and other associated keywords according to Google Ads) received 2,540 searches in January 2020. This level has not been seen since September 2018 (data taken over a two year period from February 2018-January 2020).

Of course, we are only looking at a few very specific keywords here. Within this subset of keywords include *individual insolvency register* (1,600 searches per month) and *personal insolvency register* (140 searches per month).

On a broader level, when taking into account keywords related to insolvency the data shows it reached its highest level in January 2020 with 83,520 searches, however, it's important to note that this keyword also refers to business insolvency.



## Individual voluntary arrangement (IVA)

*Individual voluntary arrangement (taken as a topic rather than a search term)\**



## IVA



Individual voluntary arrangements, also known as IVAs, were established by the Insolvency Act 1986. This debt solution constitutes an agreement with a creditor - or creditors - to pay all or part of the debt owed, and is often preferred if the person involved owns a home or has other assets they don't want to lose.

Both of these graphs show a clear marked increase over the last five years. This is confirmed when looking at the subset of keywords associated with **individual voluntary arrangement** over the last two years - it reached its highest point in January 2020 with 1,870 searches.

The term IVA is more commonly used and therefore has more searches (when looking at both this key term and related key terms); in January the collective received 40,740 searches. This was another peak.

Other related and commonly searched terms include:

- Individual voluntary agreement (140 average monthly searches)
- Individual voluntary credit agreement (30 average monthly searches)
- IVA voluntary agreement (10 average monthly searches)
- Personal voluntary insolvency (10 average monthly searches)

*\*A topic on Google Trends will include all search terms related to it whereas search terms and specific and will only show the relative volume of the term.*

## Bankruptcy



When a person declares themselves bankrupt almost all of their debts are written off. However, it's a big decision that involves fees and can impact various aspects of a person's life, such as their job and home. In line with The Insolvency Service's report, bankruptcy is on the rise. Though not at its highest level when comparing the average number of monthly searches, this keyword, plus other associated keywords, still received 20,000 more searches than IVA in January (60,720).

Other related and commonly searched terms include:

- Bankruptcy register (2,900 average monthly searches)
- Declaring bankruptcy (1,600 average monthly searches)
- Going bankrupt (1,300 monthly searches)
- Filing bankruptcy (720 average monthly searches)

## Debt relief order (DRO)



Debt relief orders came into force in England and Wales in 2009. They provide debtors a way to have his/her debts written off if they have a relatively low level of debt or few assets.

Similar to the other search terms, there has been a steady increase over the past five years. In January, the key term and associated key terms received 27,130 searches - its highest point since February 2019.



## 1.3 Search terms by location

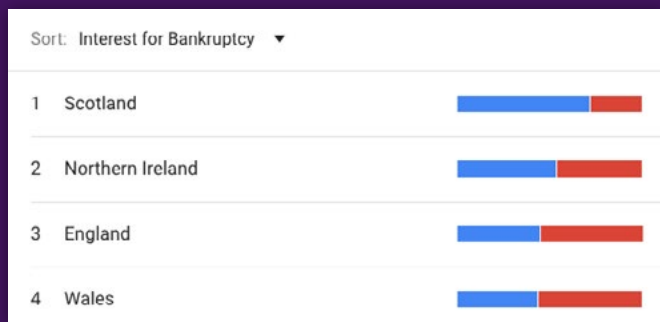
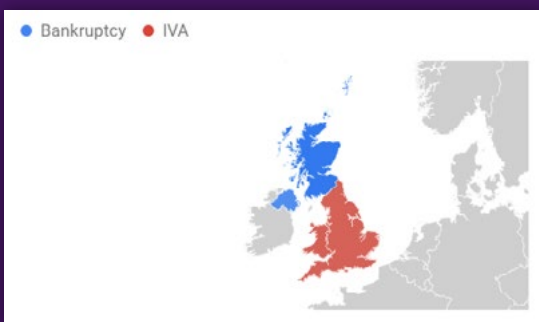
The statistics show that debt is on the rise, and we can see from this report there is a notable increase in the number of people searching for debt-related keywords. We wanted to delve into the data even further by taking a look at where people are searching for these terms.

In the table below you can see the top five cities for each keyword:

Debt help	Debt advice	Insolvency register*	IVA	Bankruptcy	Debt relief order
Manchester	Leeds	Manchester	Stockport	Stoke-on-Trent	Liverpool
Glasgow	Manchester	Leeds	Wythenshawe	Belfast	Manchester
Liverpool	Liverpool	Glasgow	Stoke-on-Trent	Glasgow	Leeds
Birmingham	Glasgow	Liverpool	Birkenhead	Aberdeen	Birmingham
London	Birmingham	London	Manchester	Northampton	London

*\*The term insolvency register was used instead of individual insolvency due to more Google Trends data*

It's also worth noting that when it comes to the decision between filing for bankruptcy or applying for an IVA, people living in Scotland and Northern Ireland are more likely to opt for the former debt solution, as seen in the graphics below.



# 2. What are people searching for to get out of debt?

## — 2.1 The top 20 keywords

When looking at search data related to 'debt help' here are the top 20 keywords (taken from Google's Keyword Planner).

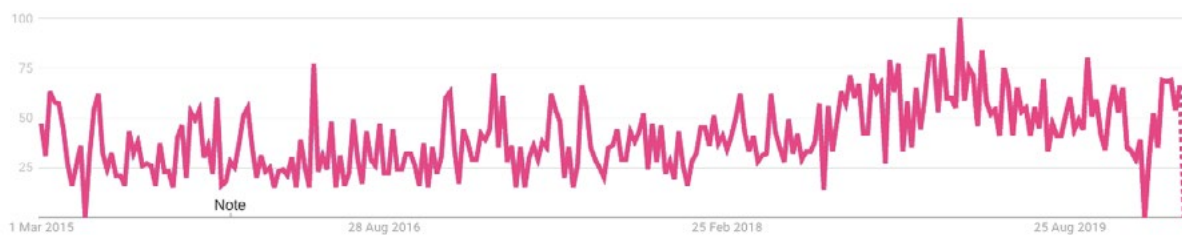
Keyword	Average monthly search volume
Debt advice	4,400
Free debt advice	1,000
Government debt help	1,000
Debt helpline	590
IVA help	480
Council tax debt help	480
Help with credit card debt	390
Need help with debt	390
IVA debt help	390
Free debt help	320
Citizens Advice debt help	320
Free debt management	260
Stepchange debt relief order	260
Debt consolidation help	260
Dealing with debt	260
Debt payment plan	260
Get debt help	260
Help paying off debt	210
Help me with my debt	210
Help with council tax arrears	210

## — 2.2 Google Trends data

### Helplines and charities

One thing that became apparent during our research is the notable increase in people searching for debt helplines and related charities. The following visuals show the trend for the keywords debt helpline, Citizens Advice and StepChange (the latter are charities).

#### Debt helpline



#### Citizens Advice



#### StepChange



The data shows that Citizens Advice (and other associated keywords according to Google) received 389,740 searches in January 2020. When you break this figure down on a granular level other related and commonly searched terms include:

- Citizens Advice Bureau (90,500 average monthly searches)
- Citizens Advice Bureau near me (8,100 average monthly searches)
- Citizens Advice near me (8,100 monthly searches)
- Citizens Advice number (8,100 average monthly searches)

Google Trends also shows a number of related queries for any given search term. Those that are considered to be a 'rising' query have seen the biggest increase in search frequency since the last time period. This compares 2015-2019 to the five years prior.

For **debt helpline** it presents the following rising queries:

- Citizens Advice near me (+2,750%)
- Citizens Advice Bureau near me (+1,450%)
- Nearest Citizens Advice (+190%)

A look at StepChange reveals a similar story, with 120,370 searches this January (this includes associated keywords). This is the highest number of searches these collective keywords have received over the last two years.

Other related and commonly searched terms include:

- StepChange opening hours (720 average monthly searches)
- StepChange debt (590 average monthly searches)
- StepChange IVA (480 monthly searches)
- StepChange debt management (480 average monthly searches)

## Debt consolidation



The above visual shows the increase in the number of searches for debt consolidation - a form of debt refinancing that involves taking out one loan to pay off others. According to Google, debt consolidation and other related keywords reached a peak in January 2020 with 128,990 searches.

For this key term the following rising queries were suggested:

- Debt consolidation loans bad credit no guarantor (+550%)
- Debt consolidation loans for bad credit UK (+350%)
- Debt consolidation meaning (+300%)
- Bad credit debt consolidation loan (+160%)

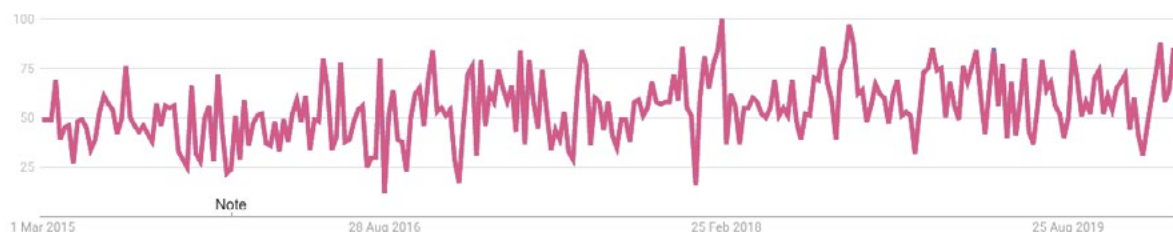
Other related and commonly searched terms include:

- Debt consolidation loan (18,100 average monthly searches)
- Consolidation loans (9,900 average monthly searches)
- Debt consolidation loans bad credit (2,900 monthly searches)
- Consolidation loans for bad credit (1,900 average monthly searches)

## Household bills

As table 2.1 shows, there are hundreds of searches per month for council tax debt help and help with council tax arrears.

Council tax arrears are a priority debt and if a person falls behind with their payments the council has strong powers to get their money back. A council can make legal demands for payment and get a person's employer to pay any unpaid tax directly from their wages. As a last resort, they may instruct bailiffs to seize property.



This graph shows a general upward trend for the broader search term council debt. Related rising queries include council tax debt and council tax debt help - both up 50%.

Although not on the top 20 list, we know that utility bills may also be a struggle for some people. [Around 5% of UK households found themselves unable to pay utility bills on time in 2018](#). That figure is lower than many other European countries, including Greece (35%) and Bulgaria (30%) but still highlights an area for improvement when compared to Czechia (2.1%) and the Netherlands (1.5%).

# 3. The impact of personal debt on business debt

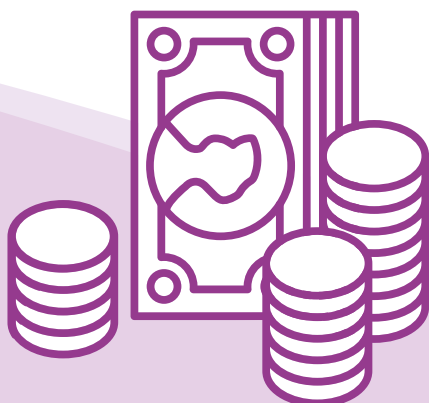
We know that personal debt and business debt can be intertwined - if customers are late to pay, or fail to pay, it can have a severe effect on a company's cash flow. And business owners in debt may end up in personal debt.

A look at the key term **business debt** unsurprisingly reveals a general upward trend, with the keyword reaching a level of 100 during the summer of 2019, and 97 from 12-18 January 2020. The number of people searching for this keyword and associated keywords also reached its highest level in January 2020 with 10,310 searches.



New research reveals that UK SMEs up and down the country are chasing more than £50bn worth of late payments. The study also found that the average UK SME is chasing five outstanding invoices at any one time, amounting to an average of £8,500 being owed and 1.5 hours per day spent dedicated to this task. That's 900,000 hours in total, across all small to medium-sized enterprises, per day!

In addition, in 2016 the Federation of Small Businesses (FSB) released a report looking into how small firms are affected by poor payment practice. It revealed that the impact can be devastating - with 37% running into cash flow issues. Almost one in three have been forced to use an overdraft and 20% said late payment hit profits. Even worse - the UK's poor payments culture results in the death of around 50,000 small firms per year.



# 4. Collecting debt - advice for businesses

As the debt landscape continues to evolve and debt in the UK continues to rise, businesses need to ensure their recovery processes are able to deal with the increasing demand. At Esendex, we have a wealth of experience in the debt collection sector and below are some of the main areas we believe companies should prioritise when looking for a [recovery solution](#).

## Make it fair

A survey conducted by comparethemarket.com, revealed that [9 of 10 customers](#) in debt suffer from anxiety and stress as a direct result of their debt issues. This is a concerning statistic and it highlights the need for ethical debt collection techniques. Businesses have a duty to comply with the Financial Conduct Authority (FCA) regulations around treating customers fairly, and as indebted customers likely already feel stressed, it is essential that the recovery process is made as simple and low-touch as possible.

## Think mobile first

Recent research reveals that not only do just [45%](#) of UK households have a landline, compared to [84%](#) having a mobile phone, but the indebted population actually rely more heavily upon mobile. Simply put, it's no longer an option to optimise debt collection for mobile but an industry requirement.

## Maintain customer engagement

For debt collection to be successful, being able to effectively communicate with your customer is vital. As many collection processes are relatively long, it is imperative that individuals choose a communication channel which keeps customers engaged throughout the entire process. Through utilising Esendex's [mobile journeys](#), Vaillant was actually able to increase its customer engagement by [38%](#).

## Consider automated, self-serve options

Historically, a standardised 'PAY NOW' approach has been used by many businesses, which doesn't offer the flexibility required by customers to make payments on their terms. By introducing a collection process which allows customers to make payments whenever and wherever they like, arrange various repayment plans, make a promise to pay or speak to an agent, your business can empower customers to [self-cure their debt](#).

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### Communicate in real-time

Often collection methods don't account for the fact that messages aren't delivered in real-time. This disconnect can lead to communication breakdowns, which make it difficult for firms to create unique payment plans for customers, and can have a very negative impact on the customer experience. Given that **86%** of payment reminders delivered through agent-based calls are ignored by customers, it's clear that businesses need to think beyond the realms of traditional voice to be successful. This is where a **multichannel communication approach** proves most effective.

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### Keep payments secure

Finally, customers need to be assured that when they make a payment, they are doing so via a channel which is secure. At Esendex, all of our **mobile collection solutions** are PCI level 1 compliant, guaranteeing clients can offer that level of assurance to their customers.

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Whilst **debt collection** is not always the easiest topic to broach with customers, debt recovery can be conducted within a framework which places equal weight to both the effectiveness of the collection and treating customers fairly.

To learn more about how Esendex can help your business introduce a mobile collection solution and increase your debt collection success rate from the average 20% to 38.2%, please contact us on 0345 356 5758 or at **[sales@esendex.com](mailto:sales@esendex.com)**.

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# 5. Conclusion

We know that debt is a real problem in the UK - both personal and business debt, and the two can often have a knock-on effect. This report takes a deeper look into the issue and has revealed not just what people are searching for when it comes to debt but the approaches they're taking to alleviate their money worries. It is certainly concerning to see a rise in virtually every keyword we looked at - albeit some are fluctuating more than others, as well as huge spikes in certain search terms over the last five years.

Mental health issues, stress and debt are often linked - last year a survey revealed that [41% of adults living in the UK](#) thought debt was having a negative impact on their mental health. Almost half (49%) said they didn't feel they had adequate support to help them cope with the emotional strain, often leaving them to suffer in silence.

At the time of writing, the Financial Conduct Authority (FCA) [warned credit card companies to treat their customers fairly](#) when rules about persistent debt come into force in February and March 2020. Rather than suspend customers' credit cards, the watchdog has advised companies to support rather than to penalise by reducing or waiving interest and other charges instead.

Businesses of all sizes need to be taking more of a support role by making the collection process as easy and as fair as possible for those struggling to repay their debts. We've touched upon some of the things companies can implement in section 4 of this report and hope that with better communication there is less need for heavy-handed collection tactics.





## About Esendex

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As a leading telecommunications provider, Esendex creates bespoke communication solutions to solve client problems. We pride ourselves on doing things differently, from the significant investment in people and technology infrastructure, to 24/7 monitoring of all platforms. With our dedication to direct network connections and a large team of in-house developers, we are committed to continually developing our messaging technology, enabling us to provide industry leading customer service. Services offered include SMS, Voice, Email, Intelligent Automation and Rich Communication Services.



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