Lowell

FVI #6

Results of the latest wave of the Financial Vulnerability Index up until 2023 Q2

September 2023

Lowell

07 Op Opinium

What people think, feel and do

The Financial Vulnerability Index is an innovative tool to measure and track financial resilience, nationally and locally, across the UK. Created by Lowell and Urban, and provided by Opinium, the index brings together publicly available measures and Lowell's proprietary data to give a clear picture of financial vulnerability in the UK.

By using this tool, policymakers, local authorities, and other stakeholders can gain valuable insight into the financial health of their constituents and better target resources to improve financial resilience. Users can see Financial Vulnerability Index scores and their components for each quarter since 2017 for any nation, region, or parliamentary constituency.

Contents

The latest FVI Scores

The results of the Financial Vulnerability Index up until 2023 Q2

After a small uptick in Q1, financial vulnerability dropped in Q2 with the FVI score dropping to 40.2

FVI 2023 Q2
Headline FVI score

40.2

down 0.6 pts from 40.8 in **2022** Q4

down 6.8 pts from 47 in **2020** Q2

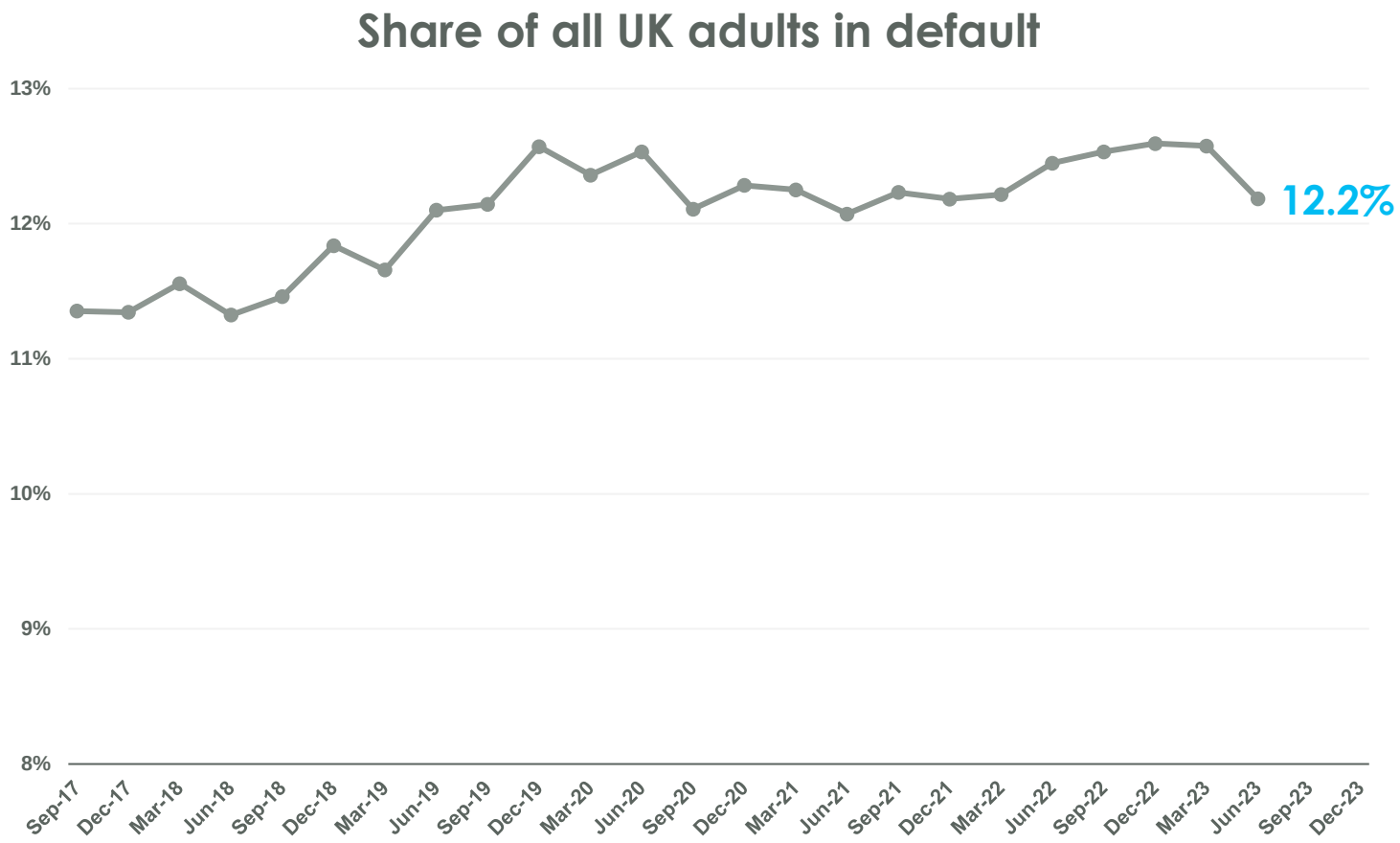
Data shows the overall Financial Vulnerability Score (FVI) for the UK. Data is given for all points between 2017 Q2 and 2023 Q2.

The trends driving change in financial vulnerability in the UK

	Overall FVI Score	High-cost loans	Average credit use	Adults in default	Social benefits
		Lowell's proprietary data			
	40.2	8.1%	50.9%	12.2%	8.6%
Change from last publication (Q4 2022)	-0.6	-0.5%	-1.4%	-0.4%	+0.3%
Change from beginning of pandemic (Q2 2020)	-6.8	-9.3%	-1.4%	-0.3%	-4.9%

Data shows the overall Financial Vulnerability Score (FVI) for the UK. Data is given for all points between 2017 Q2 and 2023 Q2.

The number of Lowell customers in default reduces to the lowest level since Q1 2022, at 12.2% of UK adults



FVI 2023 Q2
Share of UK adults in default

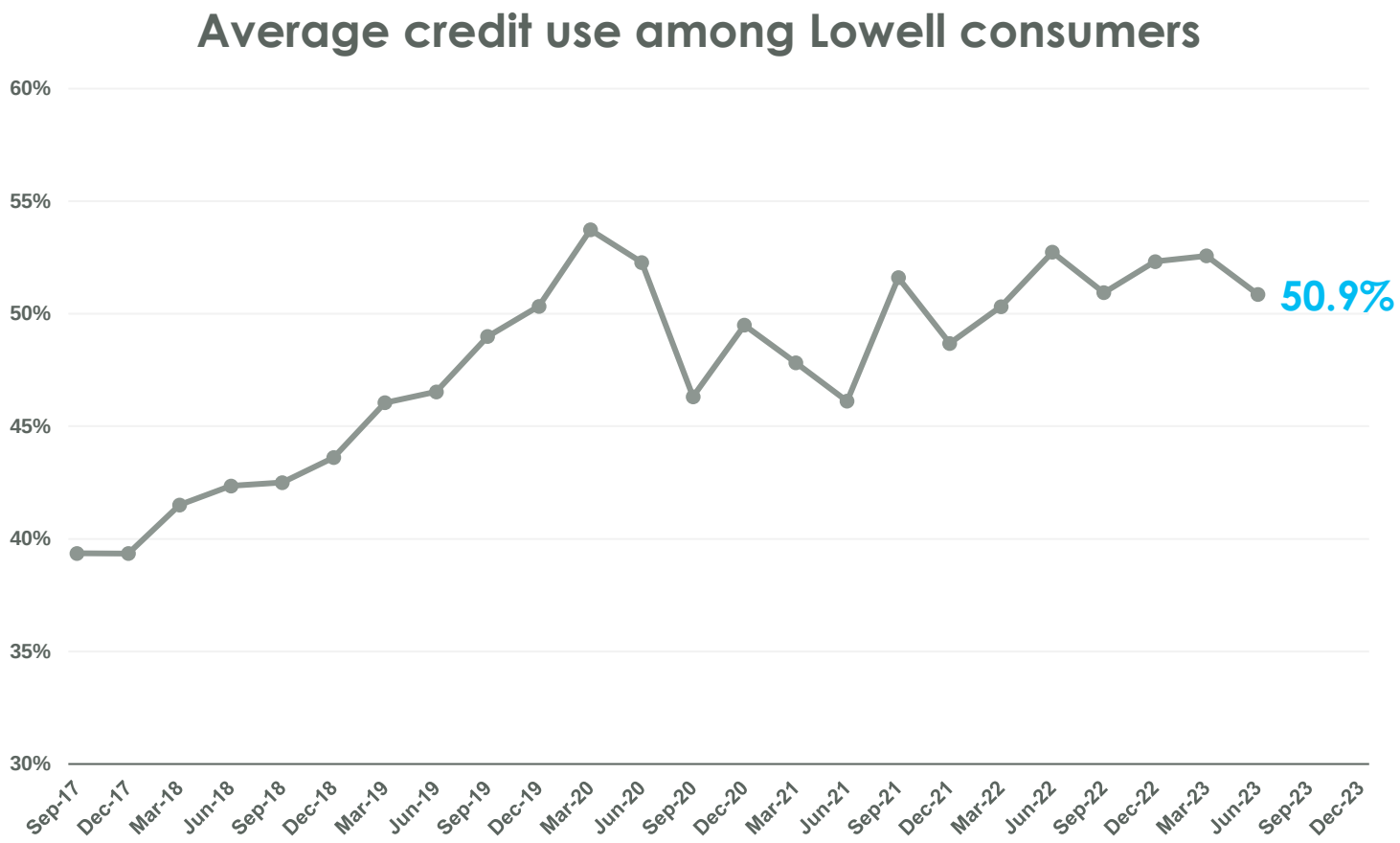
12.2%

down 0.4 ppts from 12.6% in **2022** Q4

down 0.3 ppts from 12.5% in **2020** Q2

Data shows the overall Financial Vulnerability Score (FVI) for the UK. Data is given for all points between 2017 Q2 and 2023 Q2.

After a peak over the winter, credit used drop back to 50.9% in Q2 2023



FVI 2023 Q2
Average credit usage

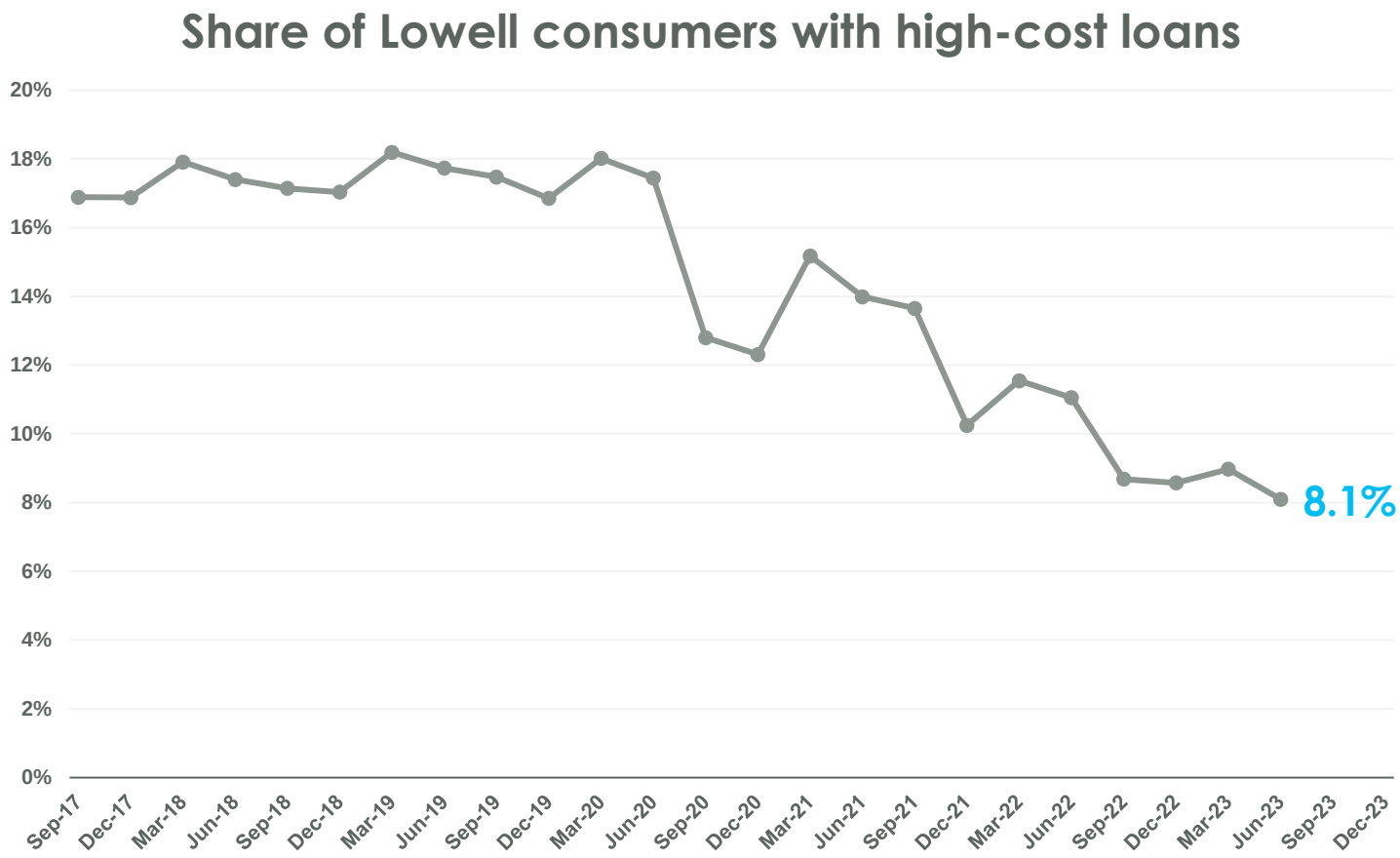
50.9%

down 1.4 ppts from 52.3% in **2022** Q4

down 1.4 ppts from 52.3% in **2020** Q2

Data shows the overall Financial Vulnerability Score (FVI) for the UK. Data is given for all points between 2017 Q2 and 2023 Q2.

The proportion of Lowell customers with a high-cost loan continues its long-term reduction to 8.1%



FVI 2023 Q2
High cost loans

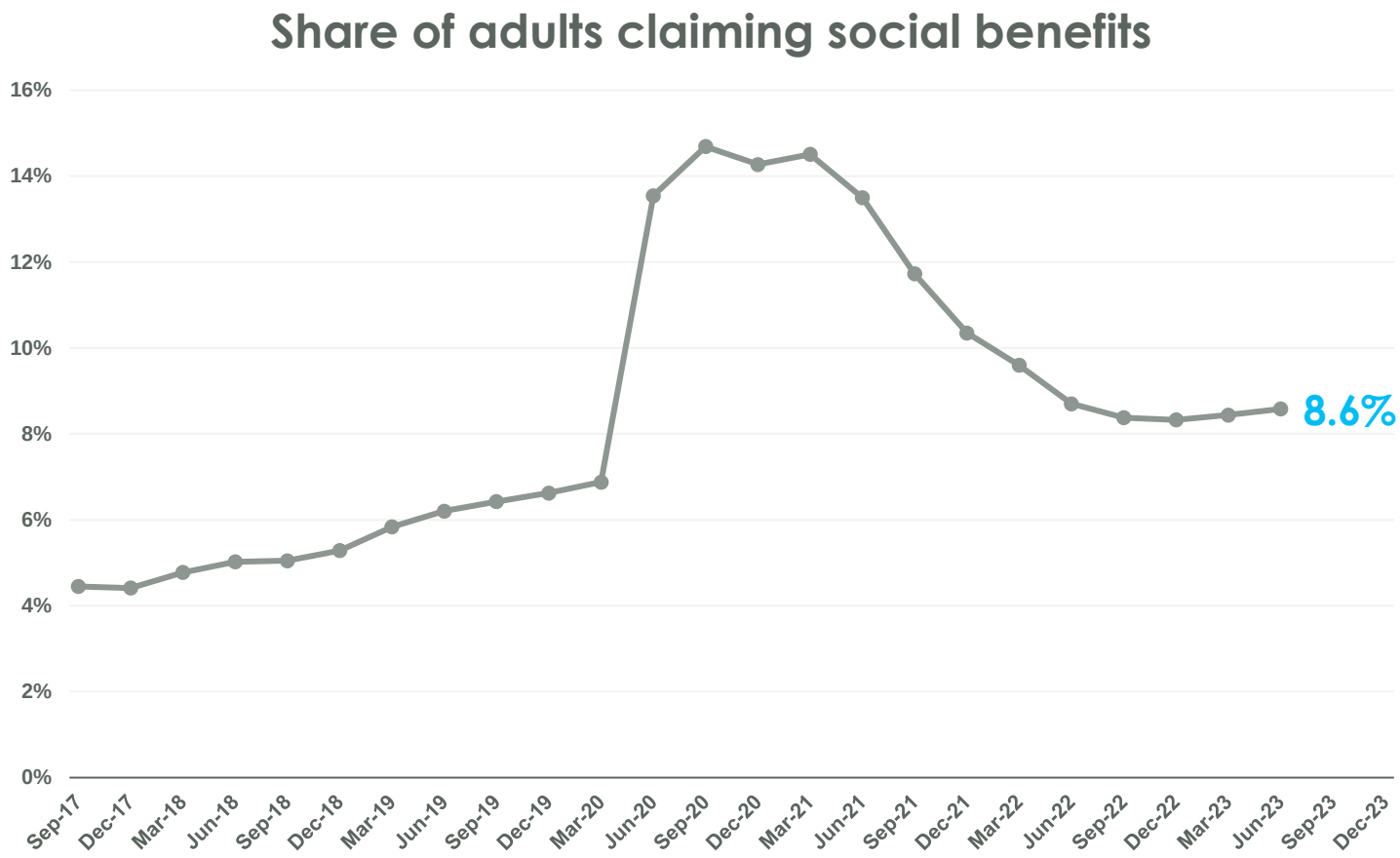
8.1%

down 0.5 ppts from 8.6% in **2022** Q4

down 9.3 ppts from 17.4% in **2020** Q2

Data shows the overall Financial Vulnerability Score (FVI) for the UK. Data is given for all points between 2017 Q2 and 2023 Q2.

The number of benefits claimants has seen a small rise to 8.6% from the post-pandemic low of 8.3% in 2022 Q4



FVI 2023 Q2
Claiming social benefits

8.6%

up 0.3 ppts from 8.3% in **2022** Q4

down 4.9 ppts from 13.5% in **2020** Q2

Data shows the overall Financial Vulnerability Score (FVI) for the UK. Data is given for all points between 2017 Q2 and 2023 Q2.

What can we talk about?

Topline thoughts on the story from FVI #6

Resilience and recovery in the UK economy?

Most of the FVI indicators have shown an improvement from a small uptick in the winter suggestion a certain level of resilience in the UK economy.

The proportion of adults that are Lowell customers in default has fallen, along with average credit use dropping reflecting a greater focus on reducing debt.

Successful consumer debt management?

The decrease in credit usage in recent months is surprising but leads to a suspicion that higher interest rates have pushed some consumers to prioritize reducing their credit usage.

However, with that and the long-term decline in high-cost loan options, it remains unclear how consumers are paying off their debt.

Reliance on social benefits for some consumers

The increase in the number of benefits claimants to 8.6% suggests ongoing economic challenges for some that the government is having to step into help with.

The diverging trends of declining numbers in default and levels of credit usage, and the rise in social benefits, suggest different competing pressures and trends on UK households.

Data shows the overall Financial Vulnerability Score (FVI) for the UK. Data is given for all points between 2017 Q2 and 2023 Q2.

Key national insight: 'The squeezed middle'

While they might not always be the most economically disadvantaged areas in the UK, there are 133 constituencies across the country that are financially vulnerable and the gap between them and the rest of the UK is widening.

Falling behind

We found that there are 133 constituencies in the UK that are falling even further behind the national average than they currently are. This includes large clusters:

- in the Midlands (46 seats), predominantly areas commonly described as the Red Wall.
- in the North (37 seats), predominately north of Manchester and in Lancashire.
- in Scotland (19 seats), predominantly in the central belt of Scotland.

These areas predominantly have above-average numbers of full-time workers, often in industries such as retail or manufacturing. The constituencies are also likely to have above-average numbers of cohabiting families with dependent children and low levels of qualifications. Essentially ordinary working families.

What do these constituencies look like?

106 out of these 133 seats have a high number of **full-time workers**

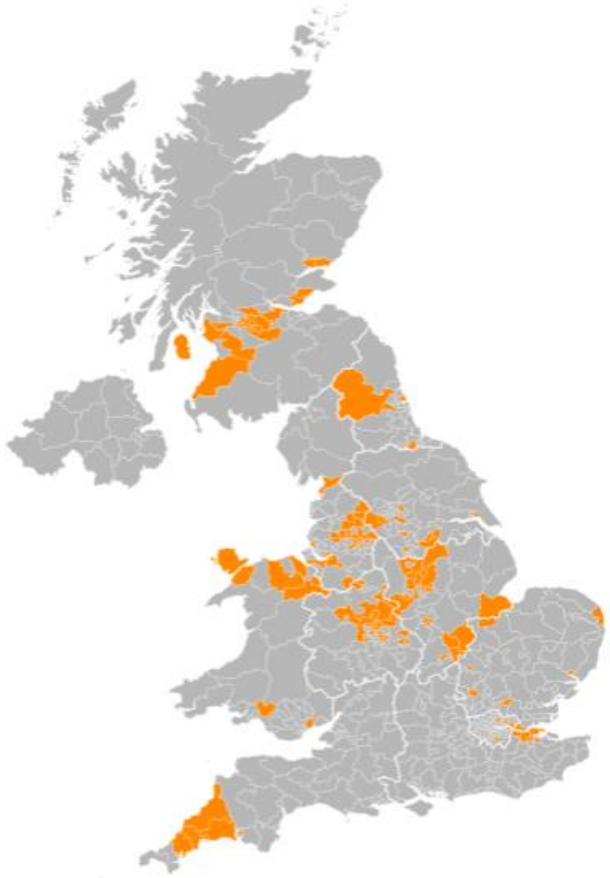
103 out of these 133 seats have a high number **working in retail**

101 out of these 133 seats have a high number of **cohabiting couples with dependent children**

101 out of these 133 seats have a high number of **people with no qualifications**

90 out of these 133 seats have a number **working in manufacturing**

The widening vulnerability gap:
Financially vulnerable seats where the gap between them and the UK is widening



Data shows the overall Financial Vulnerability Score (FVI) for the UK. Change is between 2022 Q4 and 2023 Q2.
Data focuses on seats with a higher FVI than the UK average, where the gap between them and the UK score is widening. 'high number' refers to them having above average proportion of these demographics.

Key regional insight: 'The squeezed Midlands'

While the South continues to be better off than the UK average, and the North sees improvements in its FVI Score, the Midlands finds itself squeezed with many of the worst-performing areas in the latest FVI Index.

Growing financial vulnerability

Of the 24 constituencies across the UK where financial vulnerability has increased, 41% (10 constituencies) of them are in the Midlands.

Constituency	FVI Score change
Coventry North East	+0.5
Leicester East	+0.4
Wellingborough	+0.3
Corby	+0.3
Burton	+0.3
Leicester South	+0.2
Derby South	+0.2
Leicester West	+0.1
Sutton Coldfield	+0.1
Newcastle-under-Lyme	+0.1

Growing gap between the Midlands and the rest of the UK

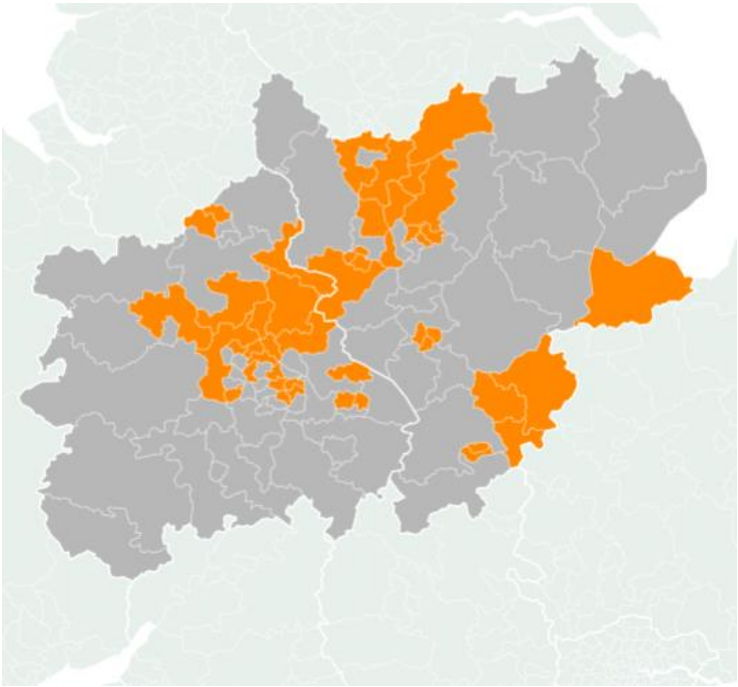
There were 133 financially vulnerable constituencies across the country where the gap between them and the UK is widening. Of those, over a third (46 constituencies) are in the Midlands, which makes up almost half of the 105 seats in the region.

These impact most of the large and smaller cities of the Midlands while also affecting Red Wall areas in Staffordshire, Derbyshire, and Nottinghamshire. East Northamptonshire is also impacted.

This contrasts with both the South and the North:

- In the South there are 165 seats that continue to be less financially vulnerable than the national average.
- 85 of the UK's financial vulnerable seats that are being successfully supported and are 'catching up' with the rest of the country are in the North.

The widening vulnerability gap:
Financially vulnerable seats where the gap between them and the UK is widening



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Key regional insight : ‘London contrasts’

London simultaneously has one of the largest concentrations of secure areas slipping backwards and financially vulnerable areas narrowing the gap with the rest of the country, making it a region with one of the biggest contrasts.

Suburbs slipping backwards

28 of London's 73 constituencies are financially secure areas that are starting to slip backwards as the UK score catches up. This suggests that the Cost of Living crisis is having a particularly significant impact here.

Inner London catching up

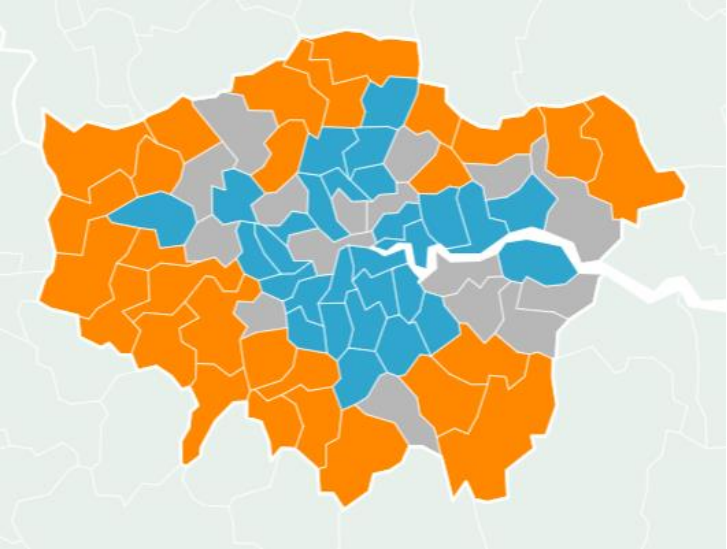
By contrast, there are 29 London constituencies that are financially vulnerable but are narrowing the gap between them and the UK average. These seats that are ‘catching up’ are predominantly in Inner London and areas with some of the highest proportions of social housing.

Slipping backwards:
Financially secure parts of London where the gap is narrowing with the rest of the UK

Catching up:
Financially vulnerable seats where the gap between them and the UK is narrowing

Constituency	FVI Score change
Chingford and Woodford Green	+0.10
Uxbridge and South Ruislip	-0.10
Ilford North	-0.10
Carshalton and Wallington	-0.10
Ruislip, Northwood and Pinner	-0.10
Harrow West	-0.10
Sutton and Cheam	-0.20
Twickenham	-0.20
Kingston and Surbiton	-0.30
Richmond Park	-0.30

Constituency	FVI Score change
Camberwell and Peckham	-1.40
East Ham	-1.40
Bermondsey and Old Southwark	-1.30
Chelsea and Fulham	-1.30
Dulwich and West Norwood	-1.20
Erith and Thamesmead	-1.20
Vauxhall	-1.10
Kensington	-1.10
Westminster North	-1.00
West Ham	-1.00



Data shows the overall Financial Vulnerability Score (FVI) for the UK. Change is between 2022 Q4 and 2023 Q2.
Data focuses on seats with (1) a low FVI score than average where the gap between them and UK is narrowing and (2) a higher FVI than average, where the gap between them and the UK score is widening.

Exploring the demographics trends behind the national and regional changes in the FVI

Economic activity: The employed are the least likely to have seen an improvement in financial vulnerability

Constituencies with a greater proportion of adults in employment have seen the smallest drop in financial vulnerability.

These primarily hits commuting areas parts of London and the home counties, which tended to have lower drops in the FVI score. A strong example is Wokingham, with 71.2% economically active and in employment, but a drop of only 0.2 points in the FVI.

Constituencies with a greater proportion of adults with that are long-term sick / disabled are more likely to have seen a bigger drop in the FVI score.

This primarily shows improvements in less affluent urban areas outside of England, with Belfast and Welsh Valleys both having higher proportions of long-term sick and larger drops in the FVI score.

#	Highest employment levels	FVI Score change	% active and employed
1	Battersea	-0.7	74.6%
2	South Northamptonshire	-0.1	72.5%
3	Witney	-0.7	72.1%
4	Gordon	-0.4	72.1%
5	Wimbledon	-0.5	71.8%
6	Orkney and Shetland	0	71.7%
7	Basingstoke	-0.4	71.7%
8	Wantage	-0.3	71.3%
9	Wokingham	-0.2	71.2%
10	South East Cambridgeshire	-0.6	71.2%

#	Highest long-term sick and disabled	FVI Score change	% long-term sick
1	Belfast West	-1.8	13.4%
2	Glasgow East	-0.3	10.9%
3	Foyle	-1.7	10.9%
4	Glasgow North East	-0.1	10.9%
5	Rhondda	-0.8	10.7%
6	Belfast North	-1.5	10.6%
7	Liverpool, Walton	-0.8	10.3%
8	Aberavon	-1.1	10.2%
9	Merthyr Tydfil and Rhymney	-1.9	10.0%
10	Cynon Valley	-1.5	9.8%

UK Census Data 2011: Proportion of adults meeting the following definition: 'Economically active and in employment' or 'Economically inactive and long-term sick or disabled'.

Potential reasons behind the impact of economic activity on FVI

Government support could be trumping pay

High rate of employment might provide stability but in the current economic environment might not translate into financial security. This could lead to less improvement in financial vulnerability despite employment rates being high.

Conversely, areas with higher rates of long-term sickness or disability might have experienced improvements in financial vulnerability because individuals in such areas could be receiving disability benefits or support, which the results corroborate.

Differential impact of the cost of living

High-employment areas may also have been disproportionally impacted by a higher cost of living. Individuals in these areas may face increased expenses, such as housing and transportation.

In contrast, areas with a higher proportion of long-term sick or disabled might not be impacted in the same way due to higher levels of economic inactivity.

Housing tenure: areas with more social housing are likely to have seen a drop in the FVI, with the opposite being try with homeowners

Constituencies with a greater proportion of homeowners were likely to have seen a below average drop in the FVI score.

These are more likely to be rural or suburban areas across the country that have seen little or no improvement in FVI, such as Wyre & Preston North in the North West or Charnwood in the East Midlands.

Constituencies with a greater proportion of social housing are more likely to have seen a stringer drop in financial vulnerability over since 2022 Q4.

This particularly benefits parts of inner London, such as Camberwell & Peckham, Bermondsey & Old Southwark, and Vauxhall, all showing large drops in their FVI score.

#	Highest homeownership rates	FVI Score change	% homeowners
1	East Dunbartonshire	-0.3	85.7%
2	Sefton Central	-0.4	85.5%
3	Rayleigh and Wickford	-0.4	84.5%
4	Cheadle	-0.4	83.7%
5	Wyre and Preston North	0	83.5%
6	Castle Point	-0.2	82.6%
7	Haltemprice and Howden	-0.5	82.4%
8	East Renfrewshire	-0.1	81.7%
9	Charnwood	0	81.6%
10	York Outer	-0.7	81.5%

#	Highest levels of social renting	FVI Score change	% social tening
1	Camberwell and Peckham	-1.4	50.6%
2	Hackney South and Shoreditch	-0.6	50.1%
3	Glasgow North East	-0.1	49.0%
4	Islington South and Finsbury	-0.7	43.7%
5	Bermondsey and Old Southwark	-1.3	43.5%
6	Glasgow East	-0.3	43.3%
7	Bethnal Green and Bow	-0.8	42.7%
8	Holborn and St Pancras	-0.8	41.8%
9	Vauxhall	-1.1	41.2%
10	Islington North	-0.7	40.3%

UK Census Data 2011: Proportion of adults meeting the following definition: 'Economically active and in employment' or 'Economically inactive and long-term sick or disabled'.

Potential reasons behind the impact of housing tenure on FVI

Homeowners impacted by interest rate rises

Areas with a higher proportion of homeowners may experience relatively higher housing costs, especially mortgage payments, as interest rates rise and the housing market feels the resulting impact.

This could lead to homeowners dedicating a significant portion of their income to housing-related expenses well beyond what we've previously seen.

… while social renters housing costs are held

Conversely, those living in social housing often benefit from more stable and lower housing costs which has cushioned them to some degree.

Similarly social renters may be shielded from some of the additional costs around homeownership costs, such as property maintenance, which will all have become more expensive over the first half of 2023.

FVI by geography

Unpicking the geographic trends in financial vulnerability

Regional and constituency analysis

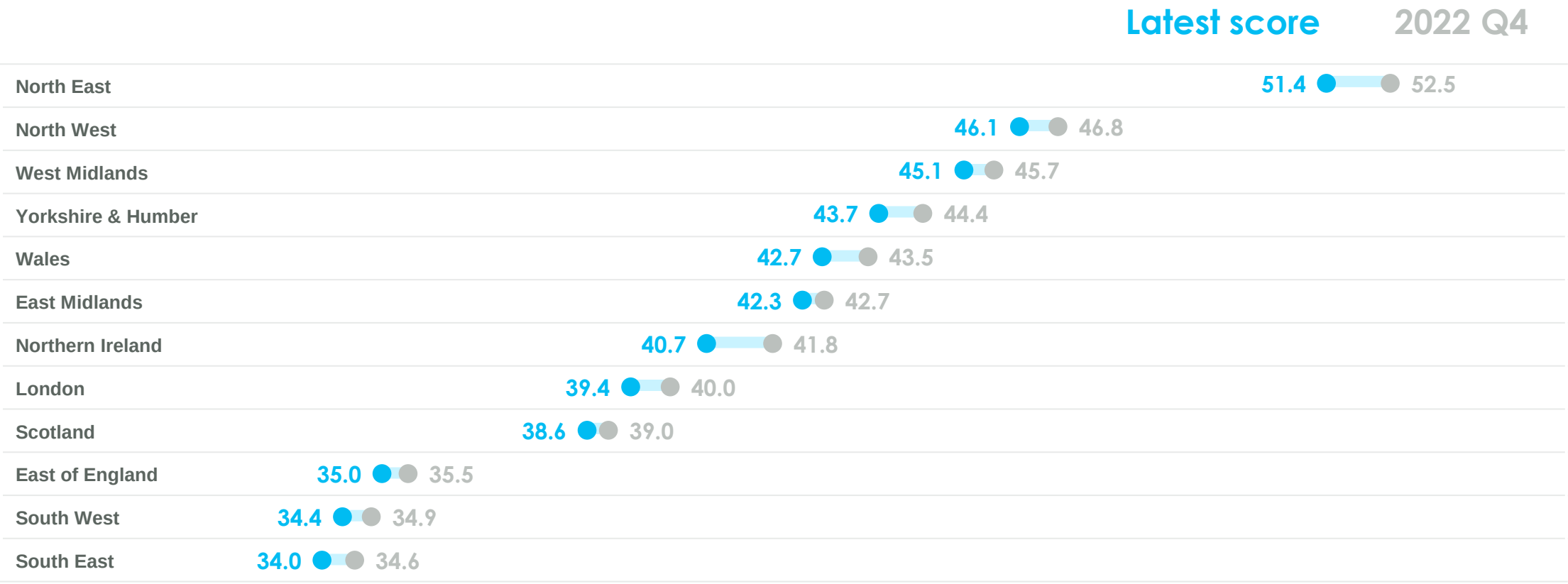
Identifying the ongoing hotspots of financial vulnerability

North East and North West remain the most financially vulnerable

All regions saw an overall decline in their FVI score although the North East and the Northern Ireland saw the greatest decline.

Rank	Region	FVI Score (Q2 2023)	Change	FVI Score (Q4 2022)
1	**North East**	**51.4**	**-1.1**	52.5
2	**North West**	**46.1**	**-0.7**	46.8
3	**West Midlands**	**45.1**	**-0.5**	45.7
4	**Yorkshire and The Humber**	**43.7**	**-0.8**	44.4
5	**Wales**	**42.7**	**-0.8**	43.5
6	**East Midlands**	**42.3**	**-0.4**	42.7
7	**Northern Ireland**	**40.7**	**-1.1**	41.8
8	**London**	**39.4**	**-0.7**	40.0
9	**Scotland**	**38.6**	**-0.4**	39.0
10	**East of England**	**35.0**	**-0.5**	35.5
11	**South West**	**34.4**	**-0.5**	34.9
12	**South East**	**34.0**	**-0.6**	34.6

Most regions saw a noticeable decline in their FVI score, especially the North East and Northern Ireland



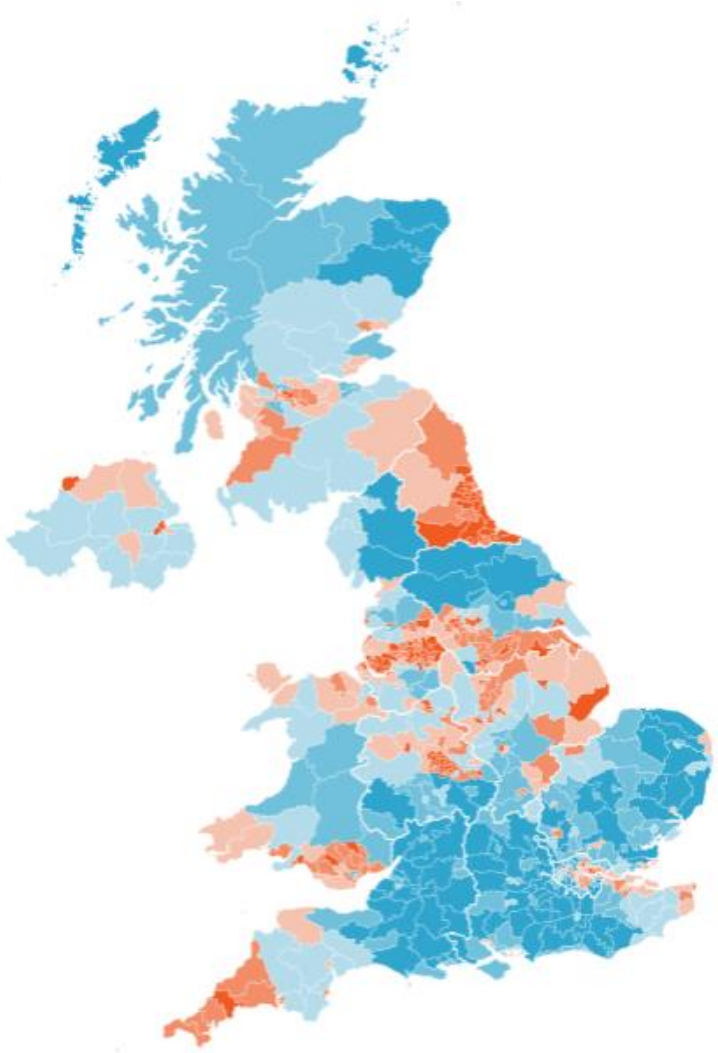
Exploring the latest FVI by constituency

Hot spots of financial vulnerability remain in the following urban areas:

- **Merseyside and Greater Manchester**
- **Teesside and Tyneside**
- **West Midlands and the Black Country**
- **Yorkshire cities**

Less metropolitan areas of financial vulnerability include:

- **Broader Red Wall region and East Midlands**
- **Welsh Valleys**
- **Cornwall**



#	Most vulnerable	Score
1 (+3)	Birmingham, Ladywood	**61.6**
2 (+1)	Liverpool, Walton	**60.9**
3 (-1)	Birmingham, Erdington	**60.7**
4 (-3)	Middlesbrough	**60.5**
5 (-)	Birmingham, Hodge Hill	**59.8**
6 (-)	Birmingham, Perry Barr	**58.9**
7 (-)	Blackley and Broughton	**58.8**
8 (-)	Knowsley	**57.5**
9 (+5)	Wolverhampton South East	**57.2**
10 (+3)	Liverpool, West Derby	**57.0**

#	Least vulnerable	Score
1 (-)	West Aberdeenshire and Kincardine	**19.2**
2 (-)	Gordon	**21.0**
3 (-)	Aberdeen South	**23.6**
4 (+1)	North Somerset	**25.1**
5 (-1)	Banff and Buchan	**25.1**
6 (-)	Richmond Park	**25.5**
7 (+1)	The Cotswolds	**26.7**
8 (-1)	Bath	**26.8**
9 (-)	Wimbledon	**26.9**
10 (+4)	Mole Valley	**27.1**

(-) = no change.

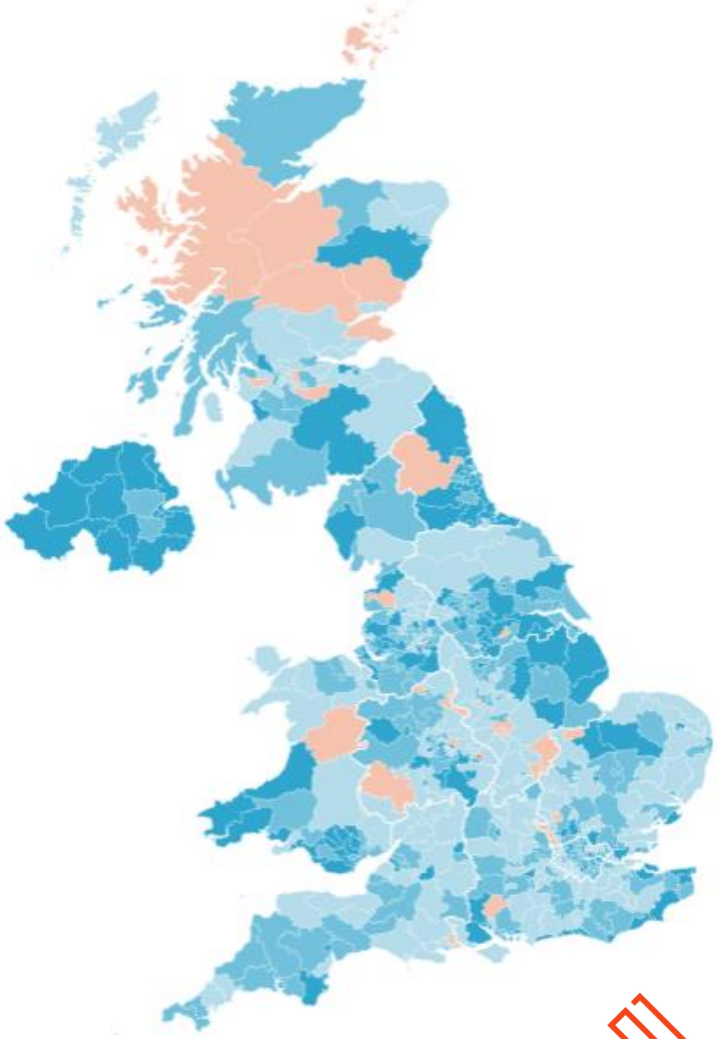
Change since Q4 2022: Less affluent areas sees greatest relative improvement with some key exceptions in the Midlands

How the changing FVI score played out across the UK:

- **Ethnically diverse urban areas have seen a rise in financial vulnerability, such as Leicester and Luton.**
- **Smaller urban settlements in the Midlands have also seen a rise in financial vulnerability, such as Corbyn, Wellingborough and Burton.**
- **Many urban areas furthest from London have performed best, including Newcastle-upon-Tyne, Belfast and Cardiff.**
- **Ex-industrial areas have also seen the improvements in financial vulnerability, such as Sunderland, Middlesborough, Hull and the Welsh Valleys.**

#	Becoming relatively more vulnerable	Score
1	Coventry North East	+0.5
2	Leicester East	+0.4
3	Manchester, Gorton	+0.4
4	Wellingborough	+0.3
5	Corby	+0.3
6	Burton	+0.3
7	Perth and North Perthshire	+0.2
8	Luton North	+0.2
9	Leicester South	+0.2
10	Paisley and Renfrewshire South	+0.2

#	Becoming relatively less vulnerable	Score
1	Newcastle upon Tyne East	-1.9
2	Sunderland Central	-1.9
3	Merthyr Tydfil and Rhymney	-1.9
4	Belfast West	-1.8
5	Middlesbrough	-1.8
6	Foyle	-1.7
7	Kingston upon Hull West and Hessle	-1.7
8	Fermanagh and South Tyrone	-1.6
9	Cardiff Central	-1.6
10	Cynon Valley	-1.5



Regional Focus

Deep diving into the data from each region

The FVI across the 12 regions of the UK

Click any of the 12 government regions below to navigate through the regional reporting of the Financial Vulnerability Index.

South East	South West	Eastern England	London
East Midlands	West Midlands	Yorkshire and the Humber	North East
North West	Wales	Scotland	Northern Ireland

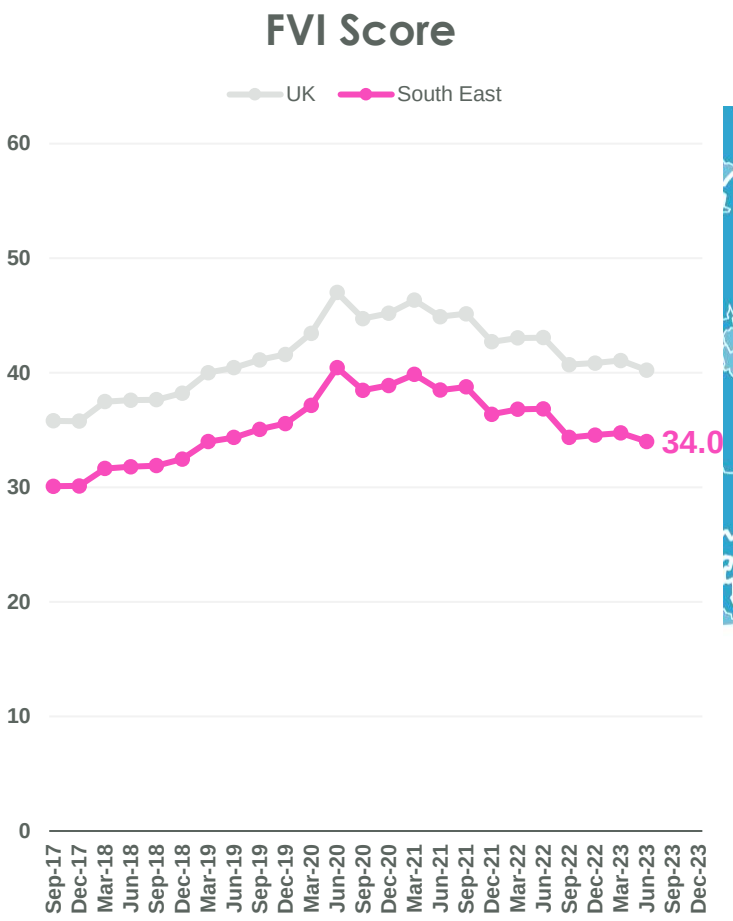
Back to region list

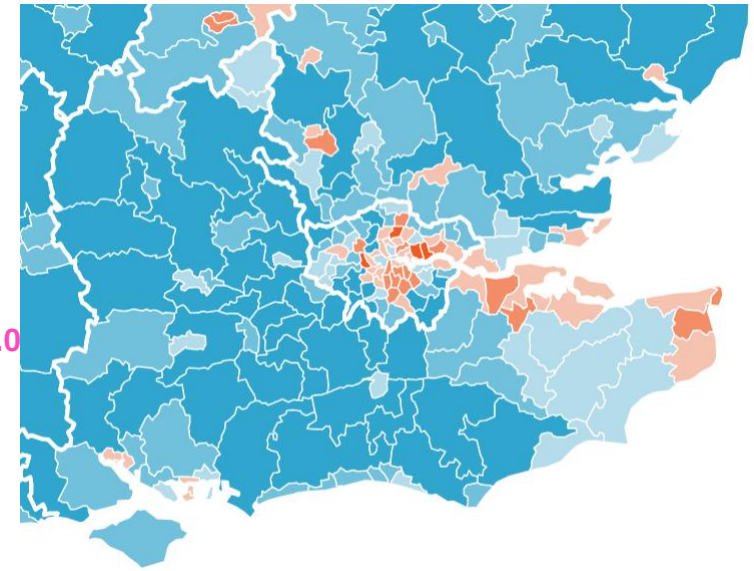
South East: maintains its position as the least financially vulnerable region in the UK

The South East remains the least financially vulnerable regions of the UK with an FVI score of 34.4.

With a score 6.2 points lower than the UK average the region has otherwise broadly followed national trends.

Metric	2023 Q2	Change since 2022 Q4
Default	9.6%	-0.3%
Benefits	6.6%	+0.1%
High cost	7.4%	-0.4%
Credit score	51.6%	-1.1%
FVI Score	34.0	-0.6





Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

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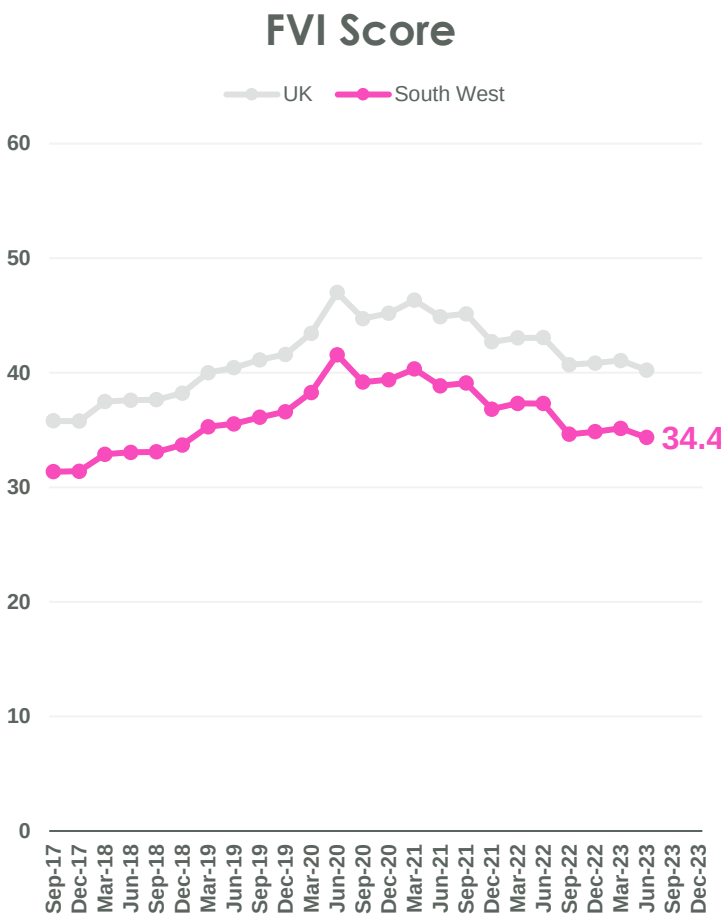
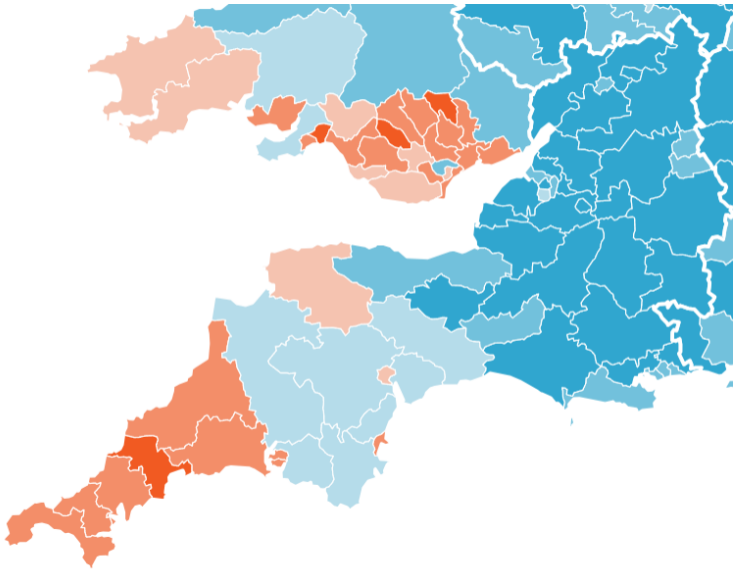
South West: continues to challenging South East for best performance in the FVI

The South West remains one of the least financially vulnerable regions of the UK with an FVI score of 34.0.

With a score of 5.8 points below the UK, it has broadly kept up with national trends and the trends from the South East since 2021.

Metric	2023 Q2	Change since 2022 Q4
Default	9.0%	-0.2%
Benefits	5.5%	+0.1%
High cost	7.8%	-0.3%
Credit score	51.1%	-1.2%
FVI Score	34.4	-0.5





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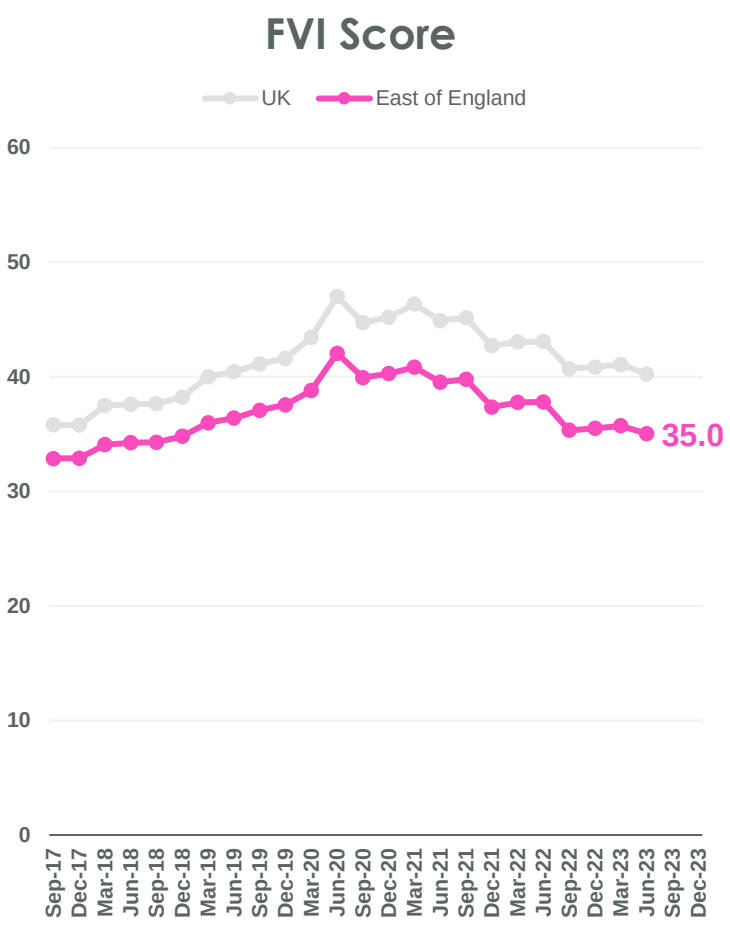
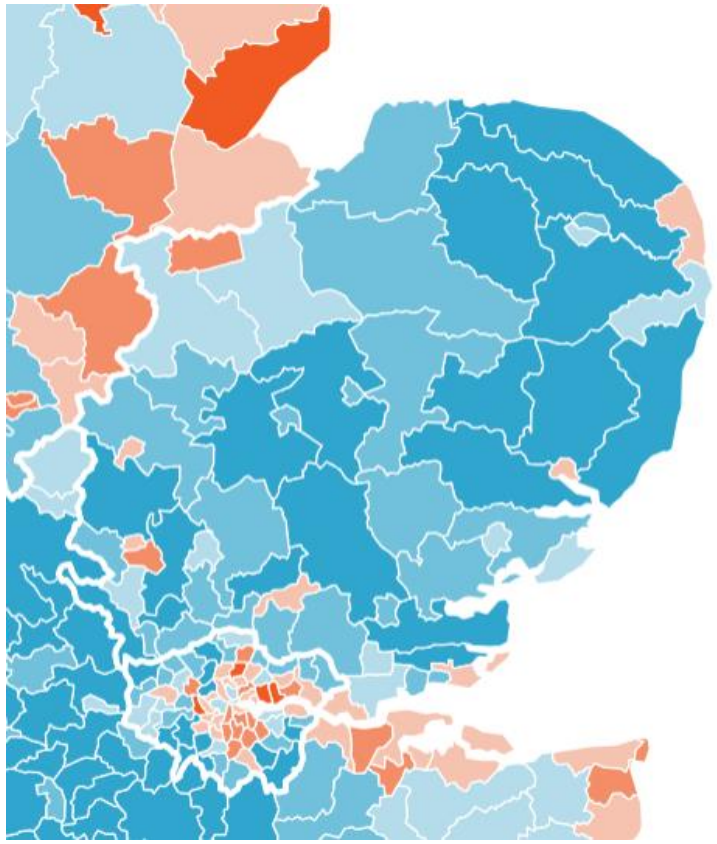
Eastern England: as with the rest of southern England, it remains less financially vulnerable than the rest of the UK

Eastern England continues to be one of the three least financially vulnerable parts of the UK, with an FVI score of 35.0.

This region has an FVI score 5.2 points below the UK average, and the region has broadly followed national trends since the beginning of the pandemic.

Metric	2023 Q2	Change since 2022 Q4
Default	10.2%	-0.3%
Benefits	6.9%	+0.3%
High cost	8.0%	-0.4%
Credit score	51.9%	-1.3%
FVI Score	35.0	-0.5





Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

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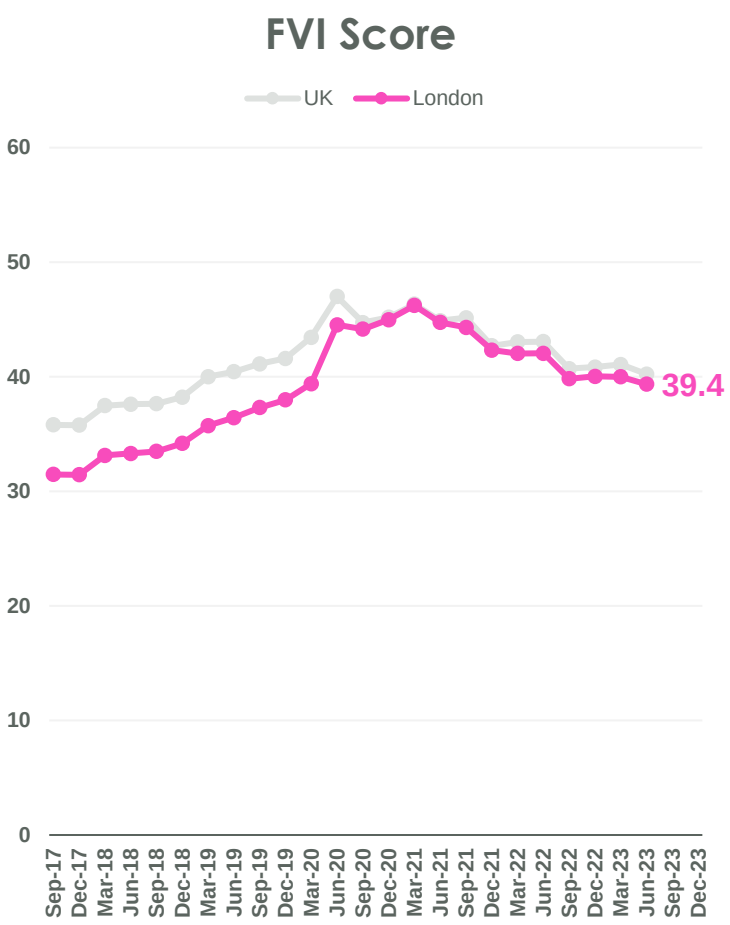
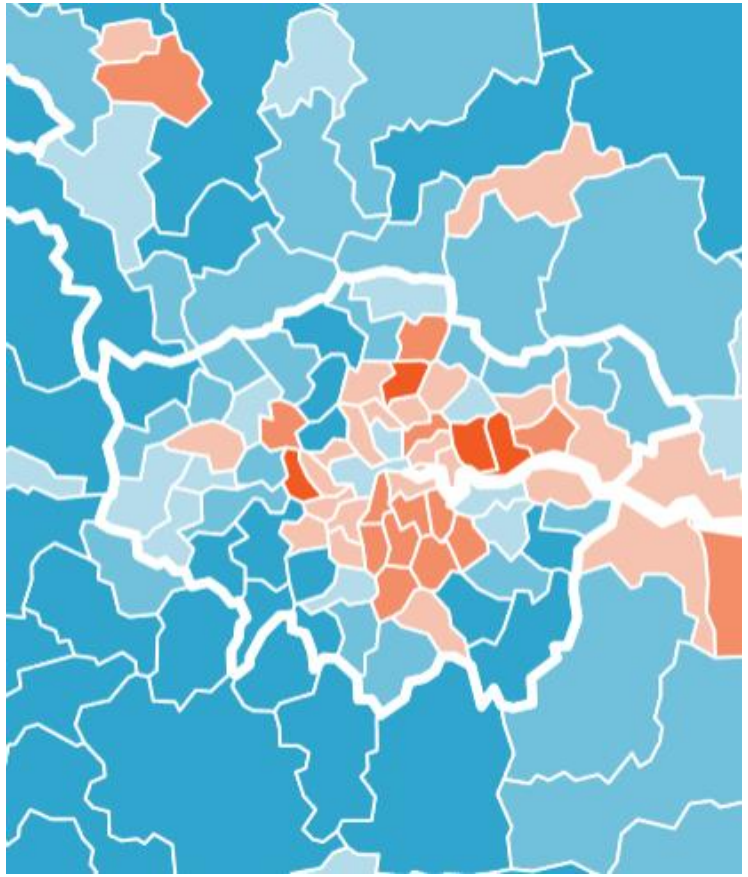
London: the capital has failed to return to its relatively financially secure position before the pandemic

London continues to do very slightly better than the national average, with a FVI score of 39.4.

However, before the pandemic London was noticeably more financially secure than the UK as a whole and London has failed to widen the gap. Currently London is only 0.8 points lower than the UK average.

Metric	2023 Q2	Change since 2022 Q4
Default	16.1%	-1.2%
Benefits	12.2%	+0.4%
High cost	3.9%	-0.6%
Credit score	47.6%	-0.2%
FVI Score	39.4	-0.7





Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

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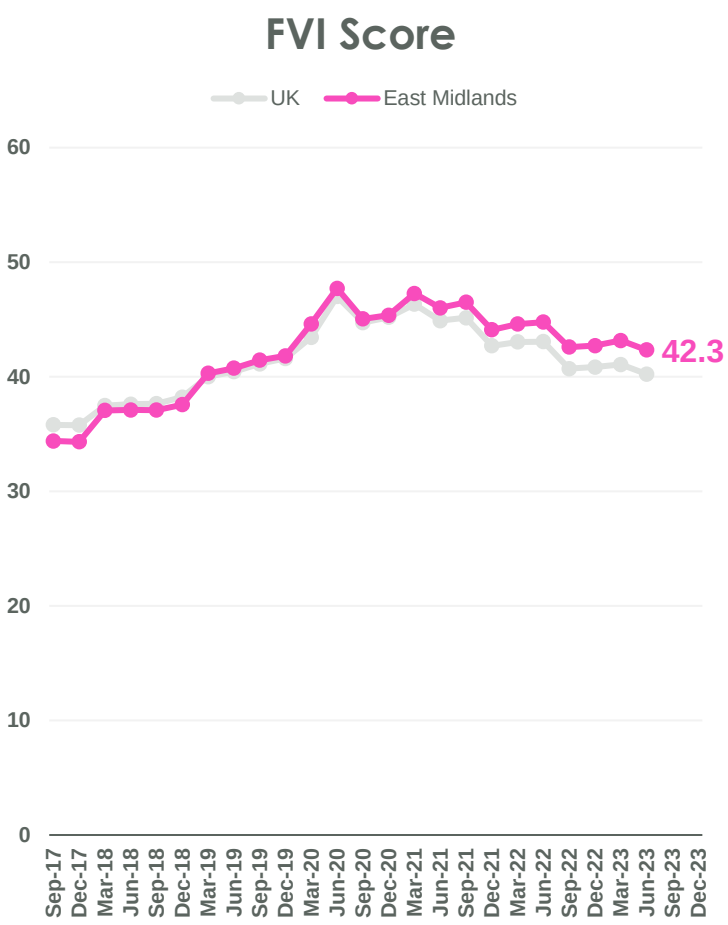
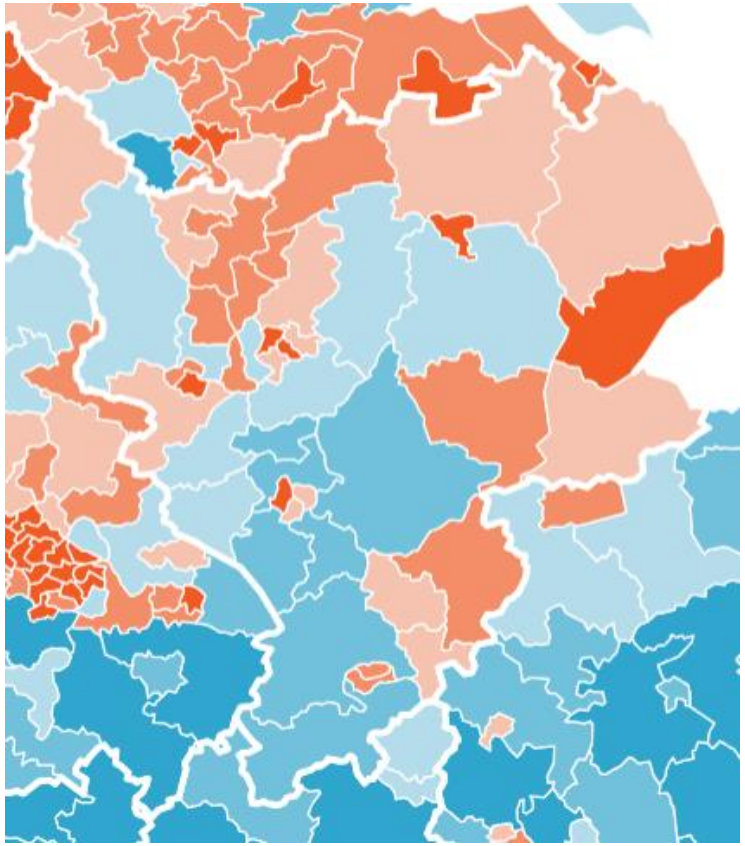
East Midlands: region continues to be more financially vulnerable than the UK as a whole

The East Midlands has a FVI score of 42.3, slightly above the national average.

The East Midlands continues its trend of becoming more financially vulnerable than the UK as a whole, which has been apparent since the beginning of the pandemic.

Metric	2023 Q2	Change since 2022 Q4
Default	10.8%	-0.2%
Benefits	7.7%	+0.4%
High cost	10.5%	-0.5%
Credit score	51.9%	-1.4%
FVI Score	42.3	-0.4





Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

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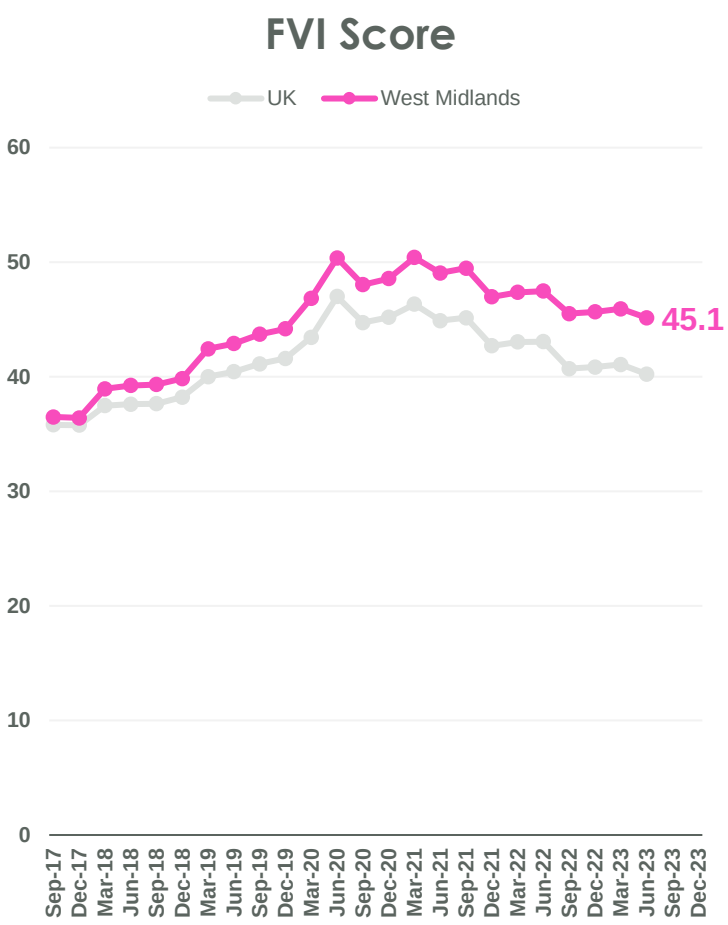
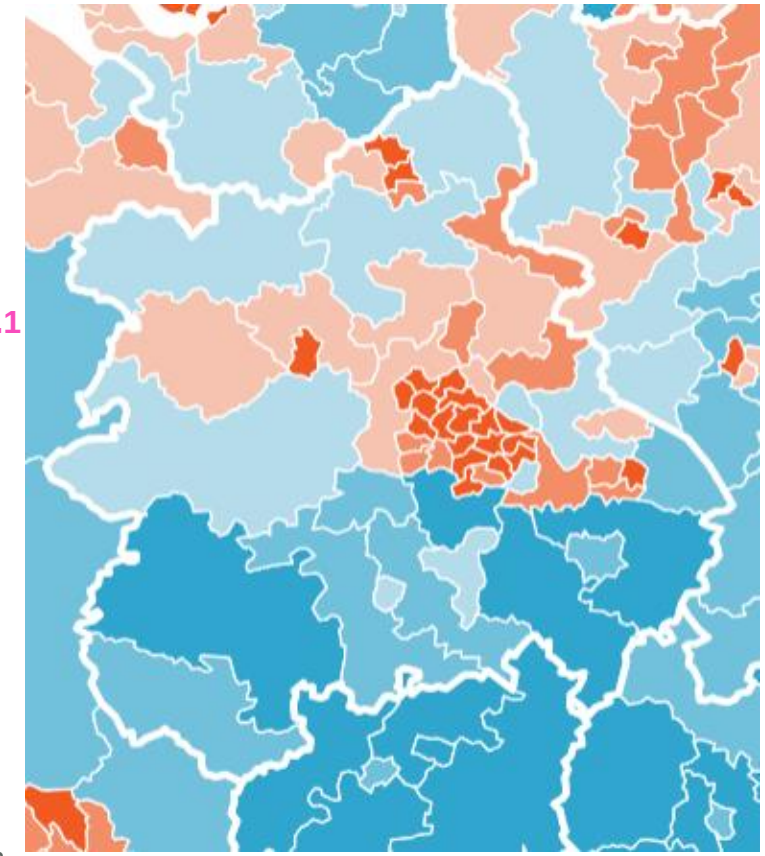
West Midlands: continues the trend of becoming much more financially vulnerable than rest of the UK

The West Midlands has a FVI score of 45.1, significantly above the national average.

The region continues its trend of becoming more financially vulnerable than the UK as a whole, which has been apparent as long as the FVI has run but has become more pronounced since the beginning of the pandemic.

Metric	2023 Q2	Change since 2022 Q4
Default	12.1%	-0.2%
Benefits	11.4%	+0.4%
High cost	9.5%	-0.6%
Credit score	51.1%	-1.7%
FVI Score	45.1	-0.5





Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

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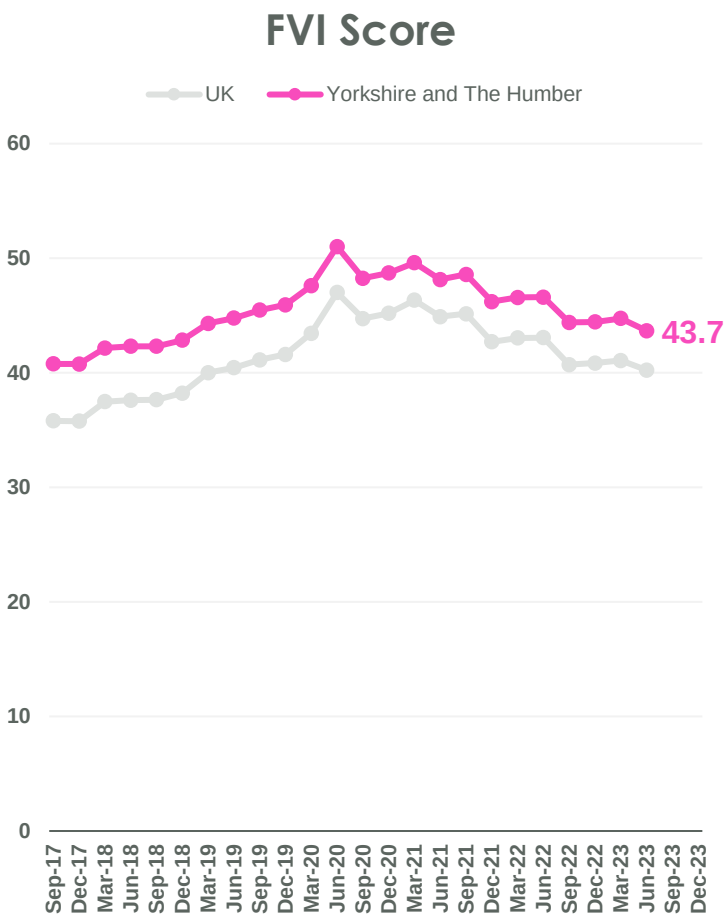
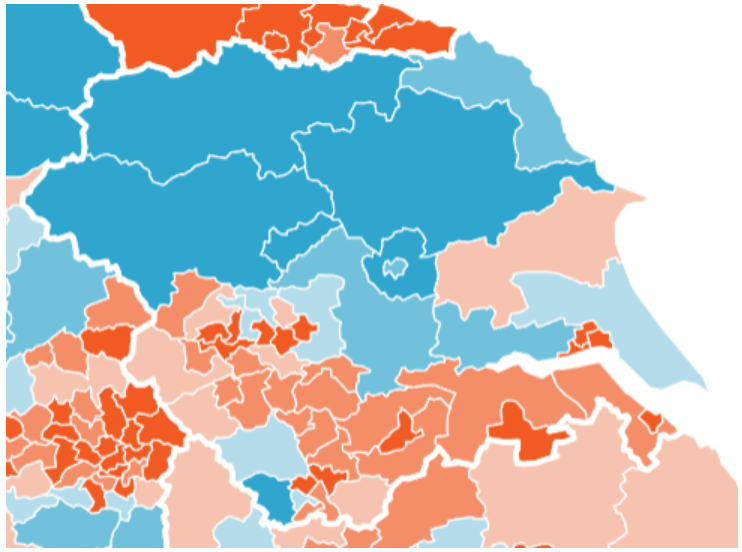
Yorkshire and the Humber: remains more financially vulnerable than the UK average

With a FVI score of 43.7, Yorkshire and the Humber continues to be more financially venerable than the UK average.

Since the beginning of the pandemic the region has followed national trends, 3.5 points higher than the UK average.

Metric	2023 Q2	Change since 2022 Q4
Default	12.5%	-0.3%
Benefits	9.4%	+0.3%
High cost	9.5%	-0.8%
Credit score	50.6%	-2.0%
FVI Score	43.7	-0.8





Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

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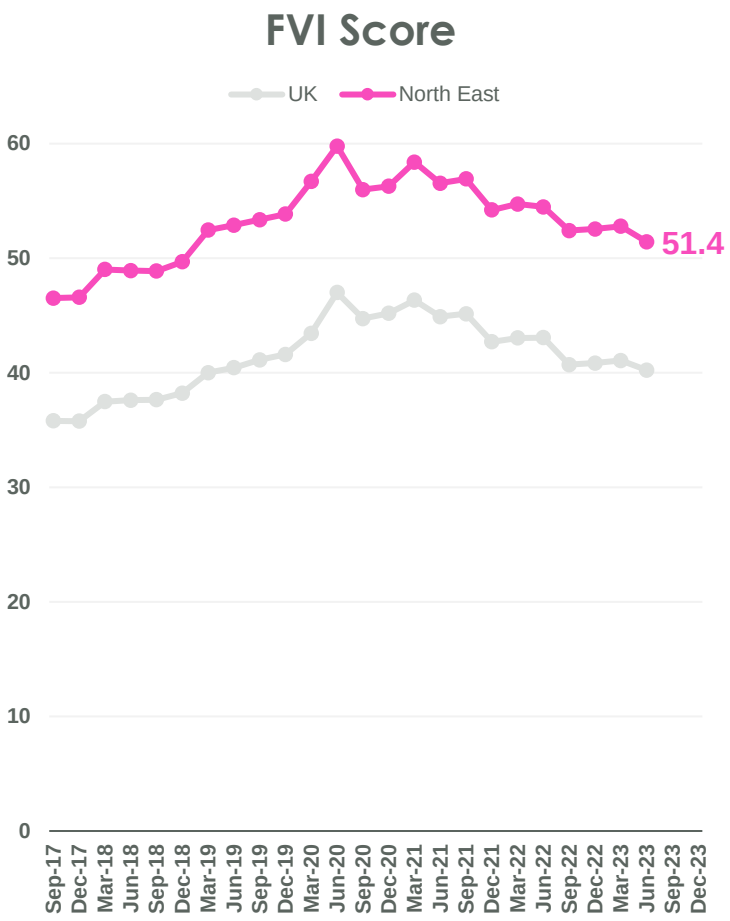
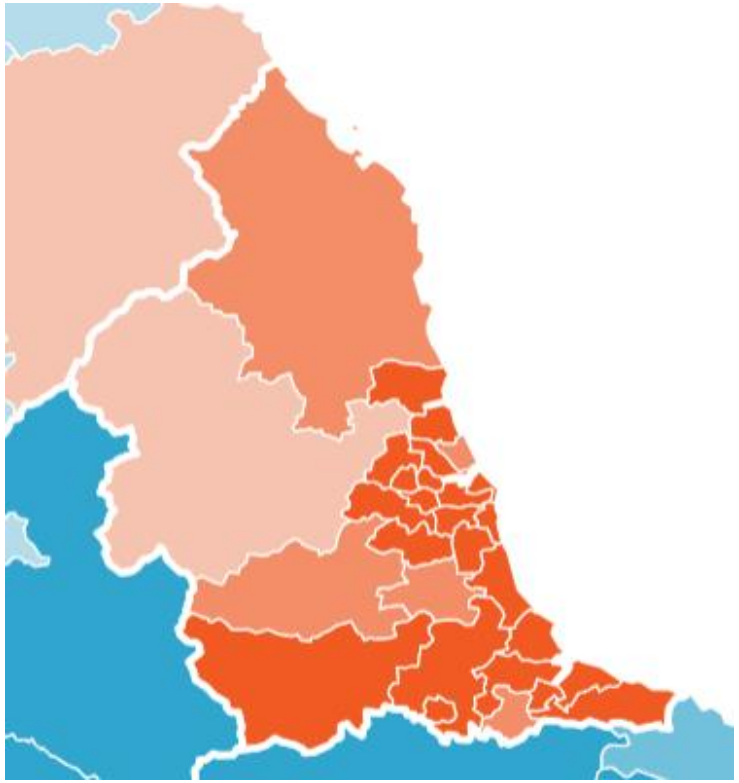
North East: region remains one of the most vulnerable but the gap between North East and rest of UK is closing

The North East remains the most vulnerable region in the UK, with a FVI score of 51.4.

However, it saw one of the greatest relative improvements compared to the rest of the UK, with the gap closing from 11.7 points higher (2022 Q4) to 11.2 points higher in the latest data (2023 Q2).

Metric	2023 Q2	Change since 2022 Q4
Default	15.0%	-0.4%
Benefits	9.3%	-0.0%
High cost	12.6%	-0.8%
Credit score	52.1%	-2.0%
FVI Score	51.4	-1.1





Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

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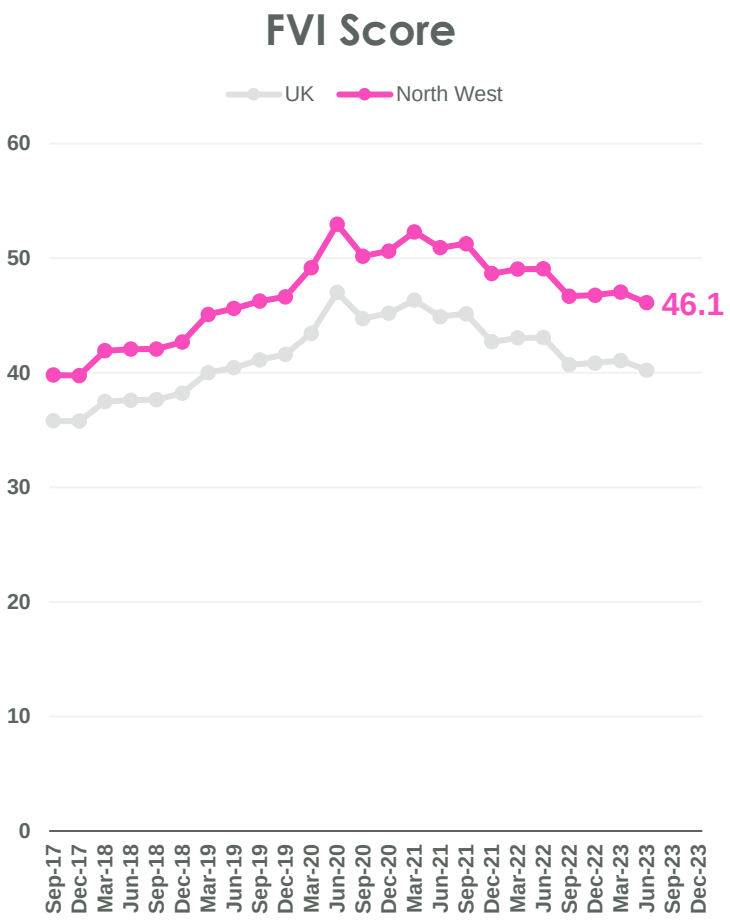
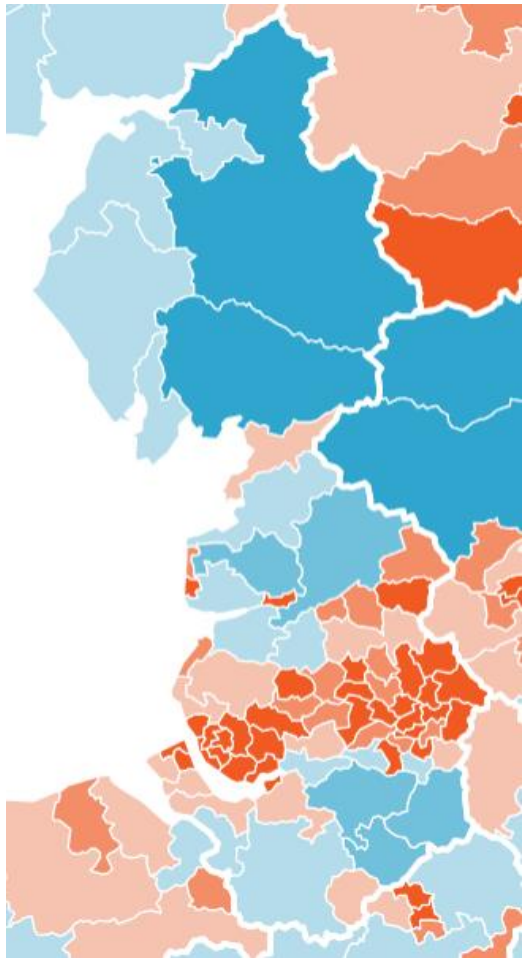
North West: gap between North West and the rest of the UK remains much wider than it used to be

The North West remains the second most vulnerable region in the UK, with a FVI score of 46.1.

The region has broadly followed national trends, with an FVI score 5.9 points above the UK average.





Metric	2023 Q2	Change since 2022 Q4
Default	14.0%	-0.3%
Benefits	9.9%	+0.3%
High cost	9.5%	-0.6%
Credit score	51.7%	-1.8%
FVI Score	46.1	-0.7

Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

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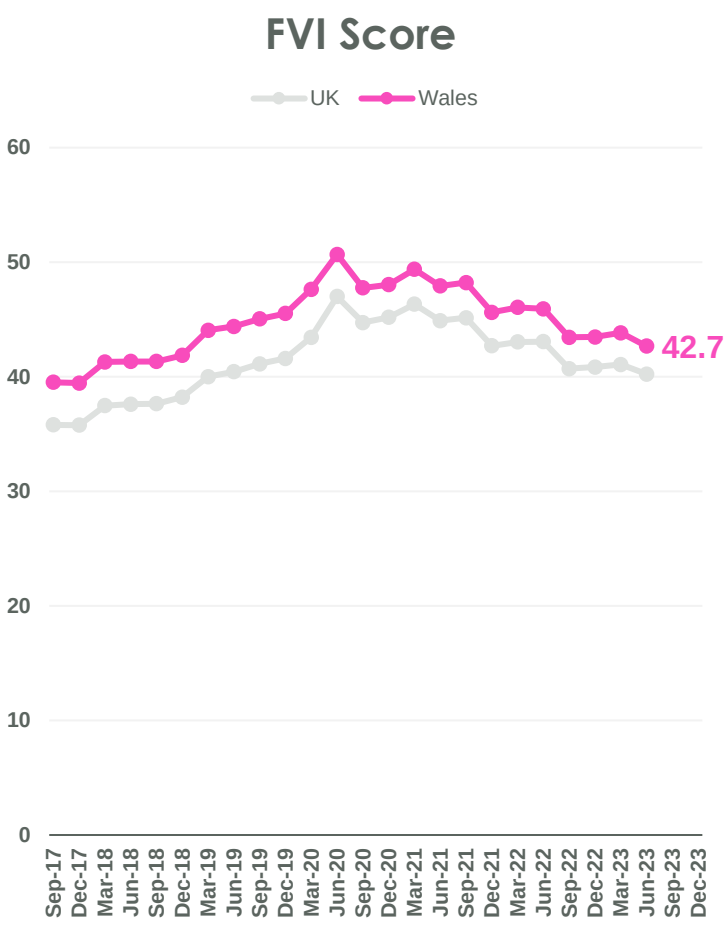
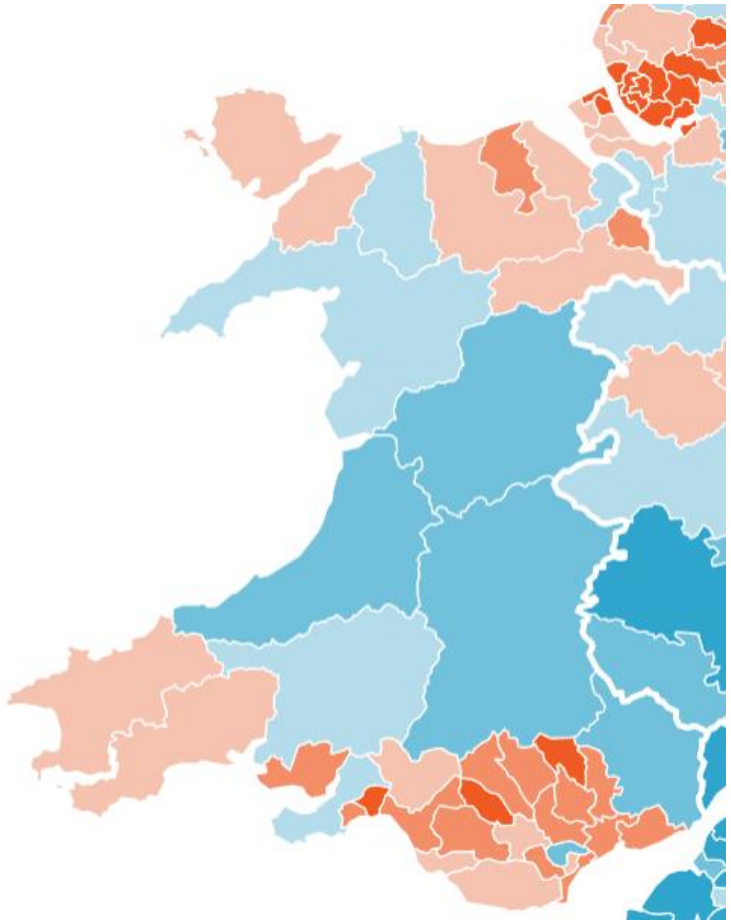
Wales: region remains more financially vulnerable than the national average

Wales continues to be more financially vulnerable than the UK average, with a FVI score of 42.7.

Since the beginning of the pandemic Wales has been slowly closing the gap between the region and rest of the UK, with a score of 2.5 points higher than the national average.

Metric	2023 Q2	Change since 2022 Q4
Default	12.8%	-0.5%
Benefits	7.2%	+0.1%
High cost	9.5%	-0.6%
Credit score	51.0%	-1.4%
FVI Score	42.7	-0.8





Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

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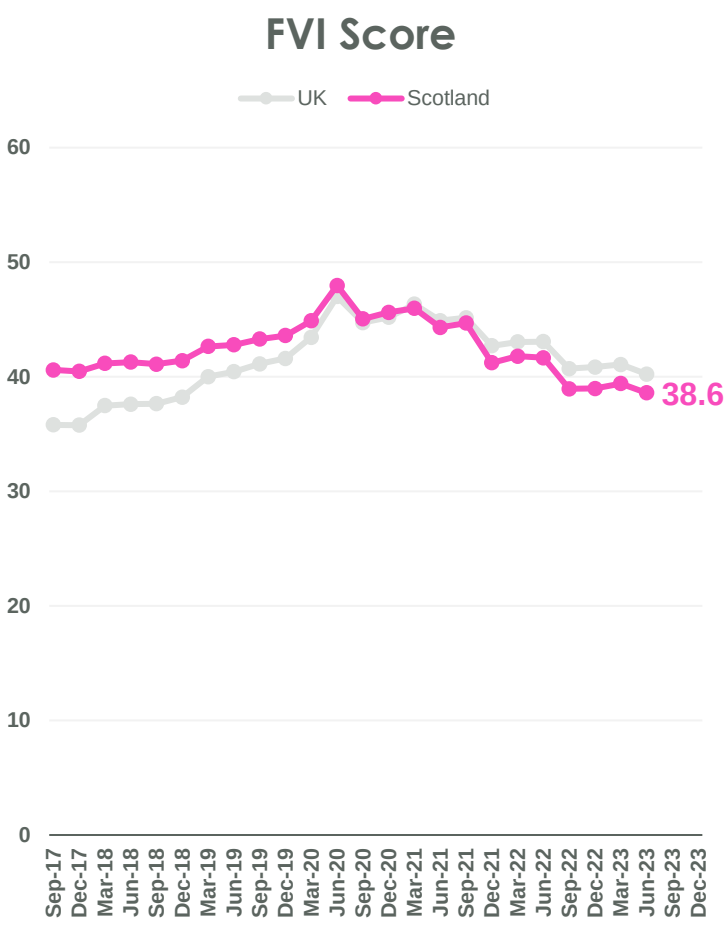
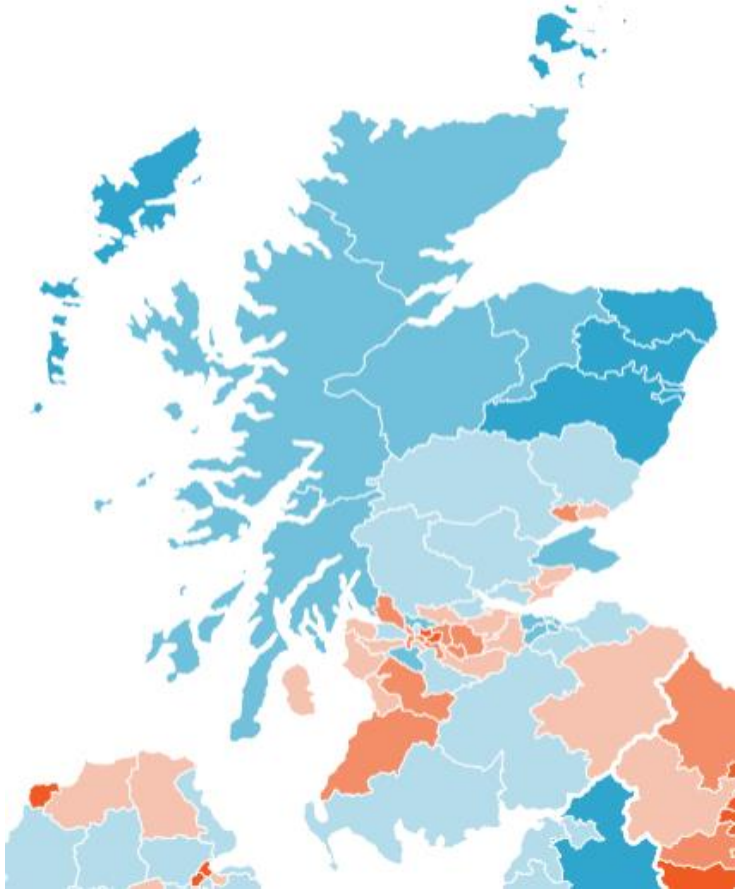
Scotland: continues its relative improvement in financial vulnerability since the beginning of the pandemic

Scotland continues to be slightly less financially vulnerable than the UK as a whole, with a FVI score of 38.6.

Scotland continues to improve on the national trend, with a score 1.6 points lower than the national average.

Metric	2023 Q2	Change since 2022 Q4
Default	11.5%	-0.1%
Benefits	7.4%	+0.3%
High cost	6.3%	+0.3%
Credit score	51.2%	-3.1%
FVI Score	38.6	-0.4





Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

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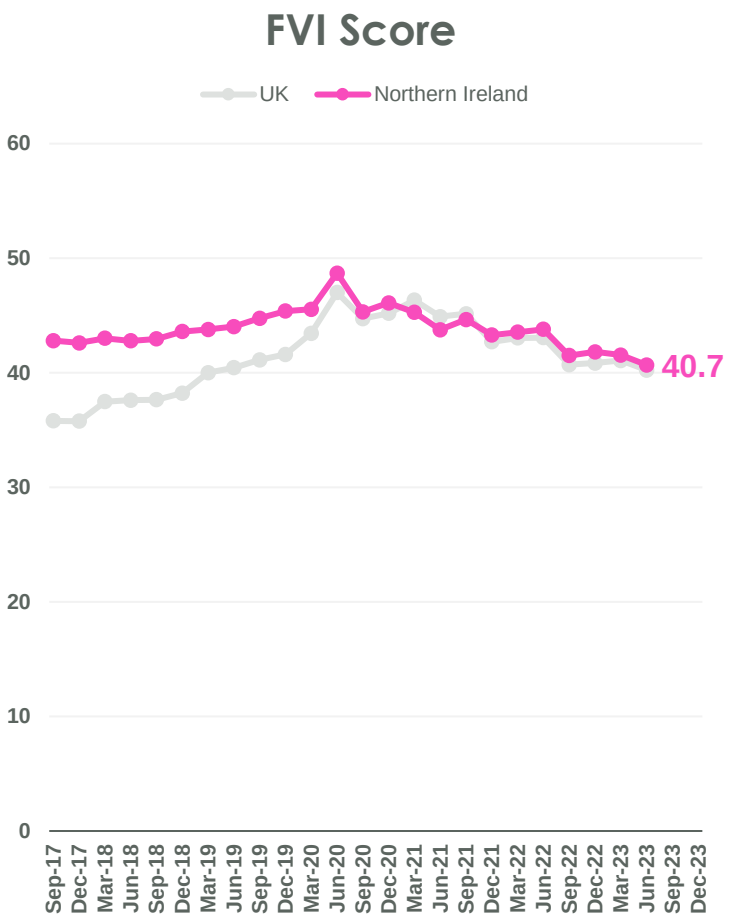
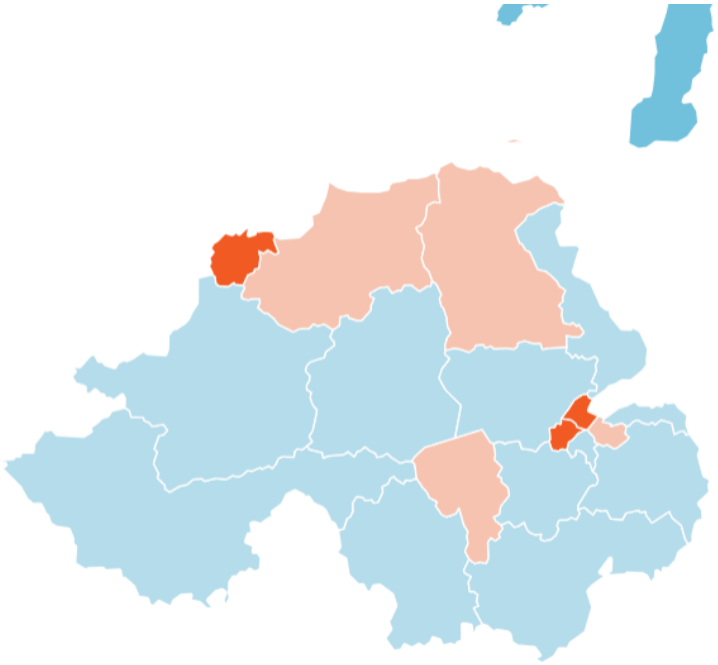
Northern Ireland: the most average region which also saw one of the largest relative improvements in financial vulnerability

Northern Ireland continues to be the region closest to the national average, with a FVI score of 40.7.

The region has broadly followed national trends since the beginning of the pandemic, but also saw one of the largest relative improvements in its FVI compared to the national average.

Metric	2023 Q2	Change since 2022 Q4
Default	15.5%	-0.6%
Benefits	7.3%	+0.1%
High cost	8.7%	-1.0%
Credit score	50.1%	-1.9%
FVI Score	40.7	-1.1

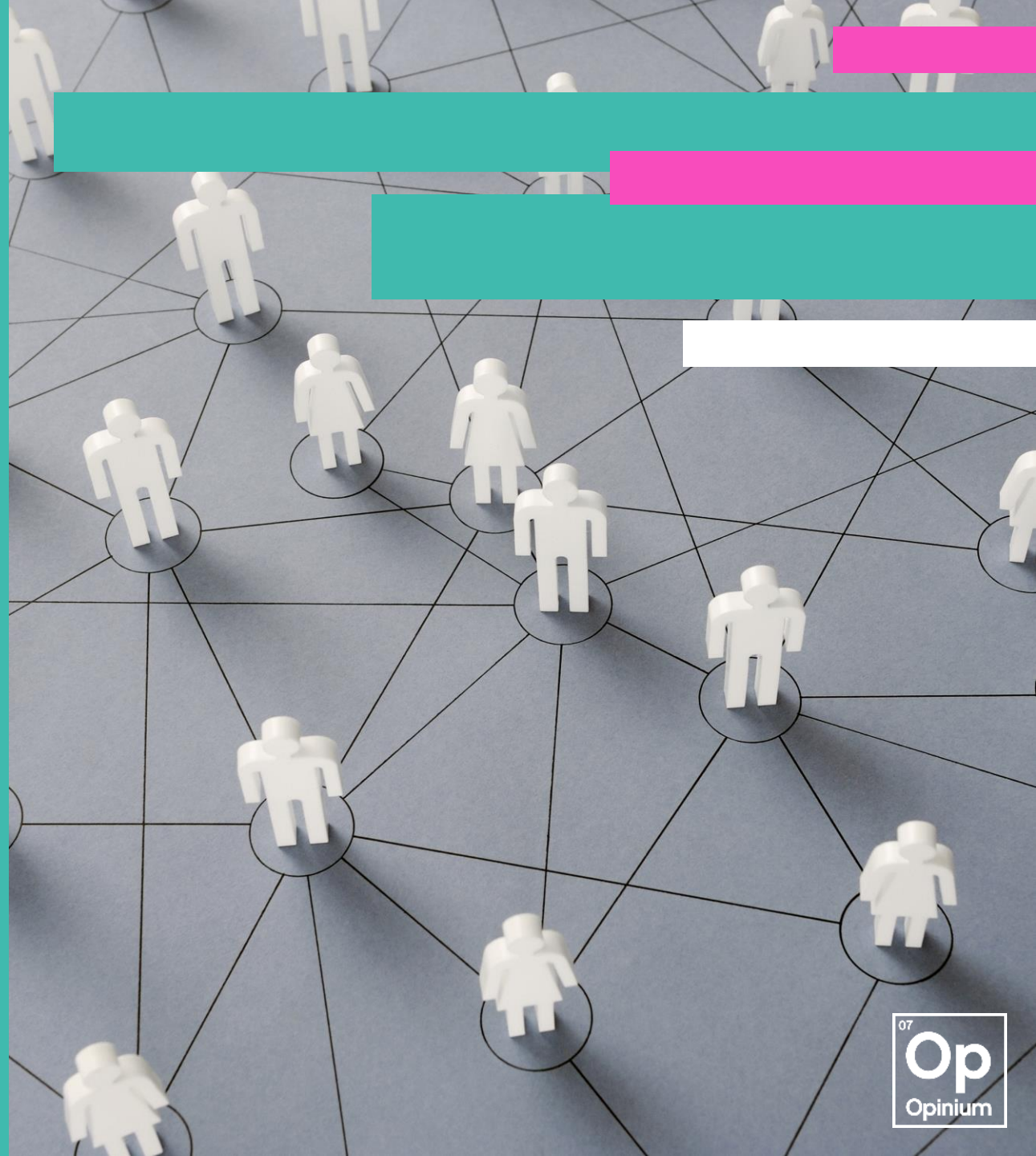




Data shows the overall Financial Vulnerability Score (FVI) for this region compared to the UK average. Data is given for all points between 2017 Q2 and 2022 Q4.
The map shows the latest FVI score (2022 Q4) with orange showing greater financial vulnerability / higher FVI score. Blue suggests less financially vulnerability / a lower FVI score.

Focus on the political context

Exploring the Financial Vulnerability Index in the Red Wall



Red wall: Continuing to perform worse than the UK average with an FVI score of 46.8

The current FVI score in the Red Wall is 46.8, more than 6 points higher than the UK-wide score of 40.2. However, the FVI has generally seen an improvement in FVI in line with the rest of the UK.

	Overall FVI Score	High-cost loans	Average credit use	In default	Social benefits	Without emergency savings	Alternative financial products
Red Wall	46.8	11.1%	52.0%	13.4%	9.7%	63.6%	10.9%
UK-wide	40.2	8.6%	52.3%	12.2%	8.6%	55.2%	9.4%

The Red Wall is defined as all constituencies the Conservatives have won in either by-elections or general elections since 2019 that they did not hold in the 2015 general election in northern England, the Midlands and Wales. Any gains in southern England, London and Scotland are excluded.

Red wall: tracking the UK average on financial vulnerability

The gap between the Red Wall and the rest of the UK is staying relatively stable. While the FVI score across the UK fell by 0.6 points between 2022 Q4 and 2023 Q2, the FVI score within the Red Wall feel by 0.7 points in that same period.

	Overall FVI Score (2022 Q4)	Overall FVI Score (2023 Q2)	Change
Red Wall	47.5	46.8	-0.7 pts
UK-wide	40.8	40.2	-0.6 pts

The Red Wall is defined as all constituencies the Conservatives have won in either by-elections or general elections since 2019 that they did not hold in the 2015 general election in northern England, the Midlands and Wales. Any gains in southern England, London and Scotland are excluded.

Red wall: Diverging trends between towns and ex-industrial heartlands

The trend in the Red Wall's poor performance is not uniform, and some parts of the Conservatives' gains in Northern England and the Midlands performed relatively well while others performed more poorly.

These Red Wall seats became relatively move vulnerable than the UK as a whole:

- **Midlands towns and suburbs**: Newcastle-under-Lyme, Gedling, Ashfield, Derby North and Mansfield all performed worse than the UK average.
- **Lancashire**: Burnley and Hyndburn also performed relatively poorly.
- **North Wales**: Ynys Mon and Delyn performed relatively poorly.

However, others performed better than the UK as a whole and became relatively less vulnerable according to their large decreases in their FVI score:

- **County Durham and North East**: Many Durham seats, such as Hartlepool, Bishop Aukland, and North West Durham performed best, with Blyth and Middlesborough also doing well.
- **East Coast**: This can be broadened out to include the east coast more widely, with Lincoln and Scunthorpe doing relatively well.

#	Becoming relatively more vulnerable	Score	Change
1	Newcastle-under-Lyme	42.6	+0.1
2	Gedling	42.0	0
3	Ynys Mon	41.7	0
4	Burnley	48.8	-0.1
5	Hyndburn	46.9	-0.1
6	Ashfield	46.5	-0.2
7	Derby North	46.3	-0.2
8	Delyn	40.8	-0.2
9	Mansfield	48.2	-0.4
10	Stockton South	46.4	-0.4

#	Becoming relatively less vulnerable	Score	Change
1	Hartlepool	54.4	-1.4
2	Blackpool South	55.1	-1.3
3	Birmingham, Northfield	54.3	-1.2
4	Middlesbrough South and East Cleveland	48.8	-1.2
5	Scunthorpe	49.9	-1.2
6	Bishop Auckland	49.1	-1.2
7	Blyth Valley	53.1	-1.2
8	North West Durham	47.0	-1.1
9	Copeland	37.2	-1.0
10	Lincoln	49.0	-1.0

The Red Wall is defined as all constituencies the Conservatives have won in either by-elections or general elections since 2019 that they did not hold in the 2015 general election in northern England, the Midlands and Wales. Any gains in southern England, London and Scotland are excluded.

Thank you

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07 Op Opinium

What people think, feel and do