The UK's now like the club at the bottom of the Premier...

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According to the Guardian:

The number of people defaulting on their credit card bills and personal loans jumped in the three months to the end of June, according the Bank of England, underlining the pressure on household budgets as prices rise faster than wages.

Default rates "increased significantly" between April and June, and lenders expect rates to increase further on credit card lending in the third quarter, the Bank said in its latest credit conditions survey.

That does not, of course, mean the whole edifice of personal debt is tottering right now. I seriously doubt that it is. Just as most mortgage account holders carried on paying right through the crisis from 2007 onwards most households in the UK will still service their debts. Thankfully. But let's not rejoice about that because behind that fact is the real story, which is that many of them will suffer severe stress when doing so and nothing is going to make this easier.

We know real wages are falling. We know that there is no prospect of that changing. Brexit guarantees we will be worse off; for all the bravado of those who proposed it we know that there is no other possible outcome.

And we know that if the government sticks to its plans to deliver a balanced budget the chance of a recession that the government has not got the intellectual will or ability to tackle is high, because that was the real message subliminally and almost certainly unconsciously implicit in yesterday's report on future financial risk from the Office for Budget Responsibility.

Then there is another factor, and that is that Brexit may just fail. Martin Wolf hits the nail on the head with this one today, saying:

Britain is incapable of managing Brexit and calamity will follow

I am increasingly inclined to think he is right: whatever the political rights and wrongs of Brexit we just can't do it. From simply getting the right HMRC IT in place, to having the skills to negotiate the deals, let alone having the parliamentary resource to deliver the legislation, we just can't deliver Brexit. We have set out on a course much harder than getting to the moon was when JFK promised that. We're not even going to get to the launchpad at the current rate of progress, so poorly is everything being managed. But the countdown will continue nonetheless. That is May's legacy.

In the millions of households struggling with debt the crisis is every bill. In Westminster I do not think the equivalent reality to that those householders face has yet been appreciated. They are still obsessed with pettiness, such as party leadership. But the day of settlement is coming. And in the case of the UK at some time later this year the realisation will dawn that however hard we juggle Brexit cannot be made to work, not even if we agree to every EU demand as it is tabled, as now seems likely given precedents to date. Even then we could simply not make it work on the ground. And yes, if I was the EU I would be leaving the UK with two weeks in April 2019 to suffer mayhem as a result before its grovelling appeals for assistance were considered.

And that the EU might help us is our only hope in all this. The only way we can solve our crisis is with the goodwill of the very people we spurned. Which puts us very much in the position of the bankrupt householder whose only way out of their situation can ultimately be a compromise with their creditors. But the householder has an advantage: there is a provision for bankruptcy in the law. Any deal with the EU will depend solely on goodwill. The longer this goes on the less of that there will be.

Most householders will get through their debt issues. That's a fact. Will the UK get through its bigger crisis? We can't know yet. But I can't see anyway it can. We're now like the team at the bottom of the Premiership at Christmas. There is still plenty to play for, a lot of agony to come, and almost certain failure to face. That team's supporters will deny the odds but in their hearts they know the likelihood that they'll be playing Ipswich Town* in the Championship is extraordinarily high next season.

The chance that we'll fail at Brexit is equivalent to that: not certain, but near as dammit a fact now. And the difficulty is that there is no Championship as consolation. It would be very wise to admit that long before settlement day and default arrives.

* *I have always supported Ipswich Town. No club has played in the Championship longer than they have.*