

The debt we're in

Published: January 14, 2026, 10:28 am

I received this by email from investment advisors Hargreaves Lansdown yesterday:

Looming debt crisis will lay waste to our finances

- * One in four of us are spending more than we're earning (26%), so we risk running up debts.
- * Higher income households are borrowing more as a percentage of their income - and have a bigger share of their borrowing on variable rates - so they're more vulnerable to changing rates. Almost a third (31%) score 'poor' or 'very poor' for their control of debt.
- * They're also more likely to have a mortgage - and be hit by runaway remortgage rates. Overall, over the next 12 months, 26% of mortgage holders will be at risk of arrears.
- * 230,000 of those people who are at risk of arrears have cash savings that cover less than three months of essential spending - so are classed as being at high risk.
- * 470,000 mortgage borrowers in this position also have unsustainable spending, so are at critical risk. This is up 220,000 from the end of 2021.
- * This time next year our disposable income will be 2.5% lower than at the end of the pandemic.
- * 630,000 people will be spending more than they're earning, have no assets and already have some borrowing - putting them at real risk of arrears.

Figures are from the latest cycle of the HL Savings & Resilience Barometer, released 3 July 2023.

They may not, of course, be right. This is survey based data. There will be margins for error. But, however viewed, this is deeply worrying.

Significant numbers of households have their wellbeing at serious risk. Many more are, inevitably, deeply worried by that risk.

And why is that? It is all because the Bank of England is pursuing hopelessly inappropriate interest rate policies.

It is staggering how the stupidity of a few dogmatists can challenge the welfare of so many. It is even more staggering that it is tolerated.