Money Ready | Berkeley Foundation

The missing money lesson behind homelessness:

Financial literacy and its impact on housing insecurity in the UK.

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Foreword

No one chooses not to learn how money works. In two focus groups, in two different cities, with young adults who had never met, we heard the same story told in different words. Nobody sat them down and explained bills, credit, or tenancy agreements. They found out by living it, usually at the exact moment they had the lowest margin for error.

> "When you live with your parents, or you're in care or whatever, you don't really think about these things... whereas here you have to sit down and budget your money every month."

Focus group participant, Birmingham

This report brings together three kinds of evidence examining financial literacy and its impact on housing insecurity in the UK. Put together, they make a case that is hard to argue with: financial education is not a nice-to-have. For many young adults, it can be the difference between stability and crisis, and the link to housing insecurity and homelessness is direct.

We are grateful to everyone who shared their story with us, to St Basils and The House Project for hosting our focus groups, and to the Berkeley Foundation for funding research that we believe will change how this problem is understood and acted on.

Rebekah Young, Money Ready

Over the course of the last nine years, our partnership with Money Ready has been helping prevent homelessness by teaching young people vital money management skills at the point they need them most: when they are about to move into independent accommodation.

The partnership supports young people at greatest risk of homelessness. This includes many young people leaving the care system, for whom financial precarity and a lack of ongoing support are an all-too-common part of the transition to independence. In case after case, access to trusted, expert-led money management support has made a real difference as young people take their next steps in life.

This report looks at the link between financial literacy and housing insecurity in the UK. We know that financial education alone cannot address the wider pressures driving the housing crisis, from affordability and housing supply to the cost of living. But the report makes a compelling case for financial capability to play a stronger role in homelessness prevention and sets out the steps needed to make it happen.

At the heart of the report are powerful testimonies from young people on the sharp end of housing insecurity. Our hope, in funding this work, is that their voices will be heard.

Sally Dickinson, Berkeley Foundation

At a glance

48%

of young adults in the UK have experienced housing insecurity in the last five years. Those with the **lowest financial literacy** are nearly **twice** as likely to be among them.

Young adults are not falling into housing insecurity because they are reckless with money. They are falling into it because nobody taught them how it works, the systems meant to catch them rarely record why it happened, and by the time it does happen, the cost of not knowing has already compounded.

This research combines nationally representative polling of 3,000 UK young adults aged 18-40, Freedom of Information data from 56 local authorities across all four UK nations, and focus groups with young adults. Together they demonstrate two key findings: an individual pattern (people with less financial education are more likely to face housing insecurity, and more likely to face its most severe forms) sitting inside a systemic blind spot (the homelessness system inconsistently records financial or benefit-related causes and rarely tracks whether the support it does offer works).

What we are calling for

1. Mandatory recording of financial and benefit-related factors as contributing causes in homelessness data systems, across all four UK nations.

2. Statutory money guidance with outcome tracking, embedded in homelessness assessment and support.

3. Financial education and capability as a named prevention activity under the existing Homelessness Reduction Act 2017 prevention duty.

Executive summary

Four findings run through this research. Each is built on the same three strands of evidence: what young adults told us directly, what the national polling shows at scale, and what the system itself reveals through Freedom of Information data.

The financial education void

Young adults who scored lowest on a standard test of financial literacy are nearly twice as likely to have experienced housing insecurity as those who scored highest. Nearly one in four have never received any financial education at all.

The debt spiral for essential costs

Seven in ten young adults have used some form of credit specifically to cover essential housing costs. This is not confined to the lowest earners. Even among those earning £75,000 or more, use of high-cost credit to cover essential costs remains common.

The 'life on hold' generation

Nine in ten young adults who have faced housing insecurity have had to put a major life plan on hold, from saving for the future to starting a family. A third say it has damaged their mental health.

The system that isn't watching

Only around one in three young adults who have faced housing insecurity say their council offered them financial support or advice, even though our FOI findings show around half of councils have some form of embedded or formally linked money advice service.

1. Introduction and context

Why this research, why now

The cost-of-living crisis has made money harder to manage for almost everyone. For young adults entering the housing market for the first time, often with little in the way of savings, no credit history, and no one having explained how either of those things really work, an already difficult transition is now significantly harder.

At the same time, the housing crisis has narrowed the margin for error. Rents have risen faster than wages in most of the UK. Deposits take longer to save for. Mortgages are harder to qualify for. A single missed payment, misunderstood contract term or administrative error can now be the difference between a stable tenancy and a housing crisis that takes years to recover from.

> "It's becoming harder and harder each year to genuinely live on what we're getting."
>
> **Focus group participant, Birmingham**

> "Electric and gas prices... from what they were a year and a half ago to what they are today."
>
> **Focus group participant, Coventry**

We are acutely aware that financial education alone will not fix the housing crisis in the UK. Supply, affordability, wage stagnation, and a system that too often fails the people reliant on it are the primary drivers of this crisis and addressing them is far beyond the scope of improved financial education alone. What this report argues is narrower, and, we believe, still significant: financial education is a missing tool for prevention, one factor among several that shapes the ramifications of a housing crisis on a young person.

Money Ready has spent years teaching people the financial skills that are too often left out of life's lessons. Through that work, we continually hear the same thing from young adults, support workers, teachers and our own trainers: the gap between what people are taught about money and what they actually need to know is widest at exactly the moment they need it most, when they first live independently. Housing is one area where that gap becomes intensely visible.

We are publishing this research to mark World Homeless Day 2026, because the case it makes is that people need to understand how money works, especially as it relates to housing, to live securely. Equally, they deserve a system that acknowledges when a lack of financial knowledge contributes to them losing their home and actively seeks to remedy this.

Methodology

This report is built on three different kinds of evidence:

Polling

We commissioned a nationally representative poll of 3,000 young adults aged 18 to 40 across the UK, run by Censuswide in August 2026. It shows the individual pattern at scale: that lower financial literacy can predict housing insecurity and its most severe forms, including homelessness, even more strongly. This polling used The Big Three financial literacy questions, an internationally recognised financial literacy measure.

Qualitative fieldwork

We ran focus groups with young adults in Birmingham, with St Basils, and in Coventry, with The House Project. St Basils works with young people aged 16-25 who are homeless or at risk of homelessness across the West Midlands. The House Project works specifically with care leavers moving into independent living. Both groups face a markedly higher risk of housing insecurity than the general population, though for overlapping and distinct reasons, and this is a deliberate contrast with the national polling above. The polling shows the pattern holds across a nationally representative sample. The fieldwork goes deep with groups for whom the stakes of that pattern are highest, capturing the lived detail and mechanism behind it. Where the same finding appeared in both groups, unprompted, in two different cities, among young adults who do not know each other, we treat that as strong evidence. Where a finding appeared in only one group, we say so plainly rather than overstating it. This fieldwork gives the polling's statistics a human voice.

Freedom of Information requests

We received Freedom of Information responses from 56 local authorities across all four UK nations between March and September 2026, based on questions around homelessness presentations, contributing factors and financial or debt support offered. This is where the report's argument turns from an individual pattern into a systemic one. See Appendix A at the end of the report for the full list.

Why combining them matters

Any one of these three strands, taken alone, would tell a partial story. Polling alone shows a pattern without showing why it feels the way it does or what the system is doing about it. Qualitative research alone shows what individuals experience without showing whether it holds true at scale. Freedom of Information research alone shows what the system fails to see without showing what it is missing.

Together, they show something none can show alone: an individual pattern, playing out systemically at national scale, inside a system that is structurally unable to see it happening. That is the argument this report makes, and the four chapters that follow set out the evidence for it in full.

2. The financial education void

50% **of young adults agree that a lack of financial education directly contributes to housing difficulties.**

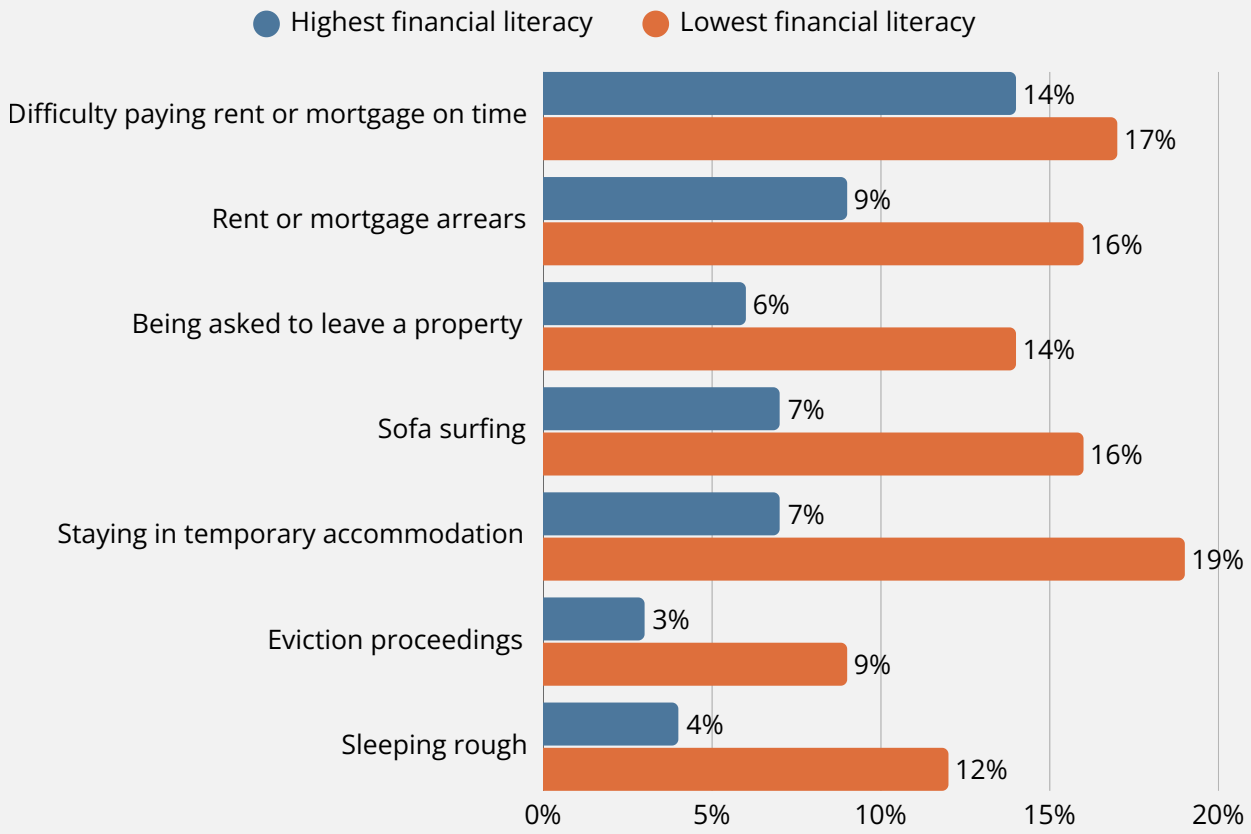
Young adults are entering the rental and housing market without ever being taught how rent, credit scores, deposits or tenancy contracts actually work. The gap is not simply that financial education is absent. It is patchy, inconsistently timed, and, for the young adults who told us about it, arrives after the moment it was needed rather than before.

What the data shows

- Young adults with the **lowest financial literacy scores** are **nearly twice as likely** to have **experienced housing insecurity** as those with the highest scores (57% versus 29%). The gap widens further for the most severe outcomes: those with the lowest scores are three times more likely to have spent time sleeping rough or in a homeless shelter, and three times more likely to have faced eviction proceedings.

The gap is not evenly spread across every kind of housing insecurity. It is barely there for the mildest form and widens sharply as the problem worsens:

Experience of housing insecurity in the last 5 years



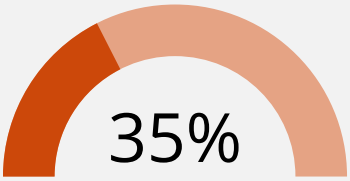
From the chart on page 8, you can see that:

- Difficulty paying rent or mortgage on time barely changes with financial literacy at all.
- Rent or mortgage arrears is 1.8 times more common among the least financially literate than the most.
- Being asked to leave a property and sofa surfing are both 2.3 times more common.
- Staying in temporary accommodation is 2.7 times more common.
- Sleeping rough and facing eviction proceedings are both 3 times more common.

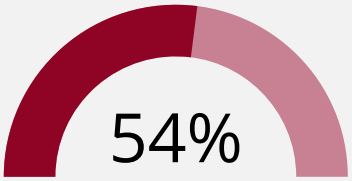
In other words, financial literacy does not predict whether a young person hits a rough patch. Almost everyone does, regardless of how financially literate they are. What it predicts, strongly, is whether that rough patch is likely to turn into something more severe.

- The same gap shows up in housing-specific knowledge, not just general financial literacy. Asked whether you need a will to get a mortgage, 92% of the most financially literate young adults correctly said no, compared with just 48% of the least financially literate, a 44-point gap. Every housing misconception we tested showed the same pattern, at varying widths.

- Nearly one in four young adults (22%) say they have never received any financial education at all. Provision has improved for the youngest people we surveyed (12% of 18- to 20-year-olds say they have never received any, against 29% of those in their late thirties), but that improvement has come almost entirely through college and sixth form, not through compulsory school lessons.



More than a third (35%) say they felt unprepared for the financial side of living independently for the first time.



Just over half of applicants (54%) did not fully understand how their credit history would affect a rental or mortgage application before they applied.

- Looking back, four in five young adults (81%) say there is something they wish they had understood better before renting or buying their first home. The two most common gaps were how to budget for housing costs (31%) and how to build and maintain a good credit history (27%).

What people told us

Both of our focus groups converged on the same point. What little financial education they remembered, if any, was inconsistent and poorly timed.

"The only hope we ever got in school to deal with money is when it was a maths question... We need to learn proper stuff but we didn't get that."

Focus group participant, Birmingham

"I didn't do any money stuff at school."

Focus group participant, Coventry

Both groups were just as clear about what should replace it. Neither wanted more of what they had already had. Both wanted financial education earlier, tied to real moments, delivered close to when it is really needed, and ideally taught by people who have lived it rather than delivered as generic instruction.

"...learning about that earlier would have been a lot more helpful. I feel like prevention is better than allowing people to get into the situations and feel that there's no hope."

Focus group participant, Birmingham

"More things need to be taught. I understand that everything can't be taught, it's impossible... I think it's easier for someone that's been through it to teach it."

Focus group participant, Coventry

Why it matters

None of this is a story about young adults failing to take money seriously. It is a story about a generation reaching one of the biggest financial decisions of their life, a first tenancy or a first mortgage, without ever having been shown how the basic mechanics of money and housing work. The young adults we spoke to did not ask for sympathy. They asked for the lesson, delivered at the right time, by people who understand what they are really experiencing.

This is also where financial education stops being a school subject and becomes a prevention tool. Every knowledge gap in this chapter, from credit history to deposit protection to what a guarantor is actually liable for, represents a moment when the right information, delivered early enough, could have changed what happened next. That is the basis for our second and third policy asks in Chapter 6: statutory money guidance embedded in homelessness support, and financial education and capability recognised as a named prevention activity in its own right.

3. The debt spiral for essential costs

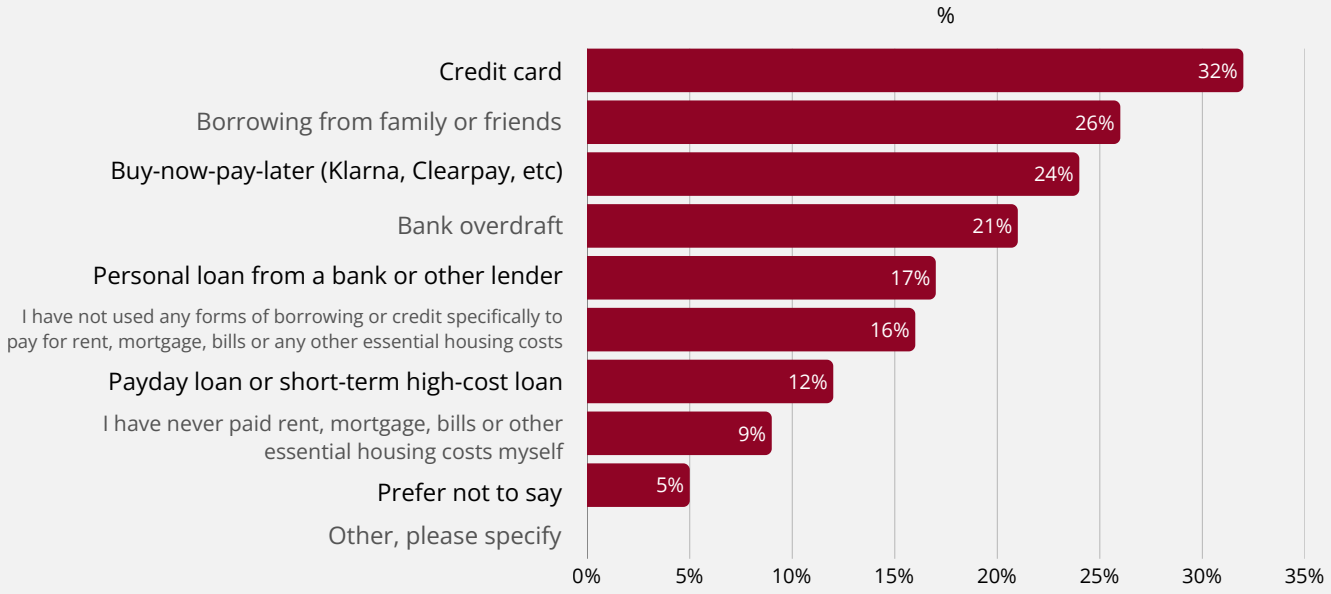
70% **of young adults have used some form of credit or borrowing specifically to help pay rent, mortgage, bills or other essential housing costs.**

Short-term credit and Buy Now Pay Later are not only being used for luxuries. They are being used to cover rent, bills and basic survival, often because something went wrong that was never the young person's fault to begin with. Used this way, and used often, that credit can leave a mark on a credit history that then makes the next tenancy harder to secure.

What the data shows

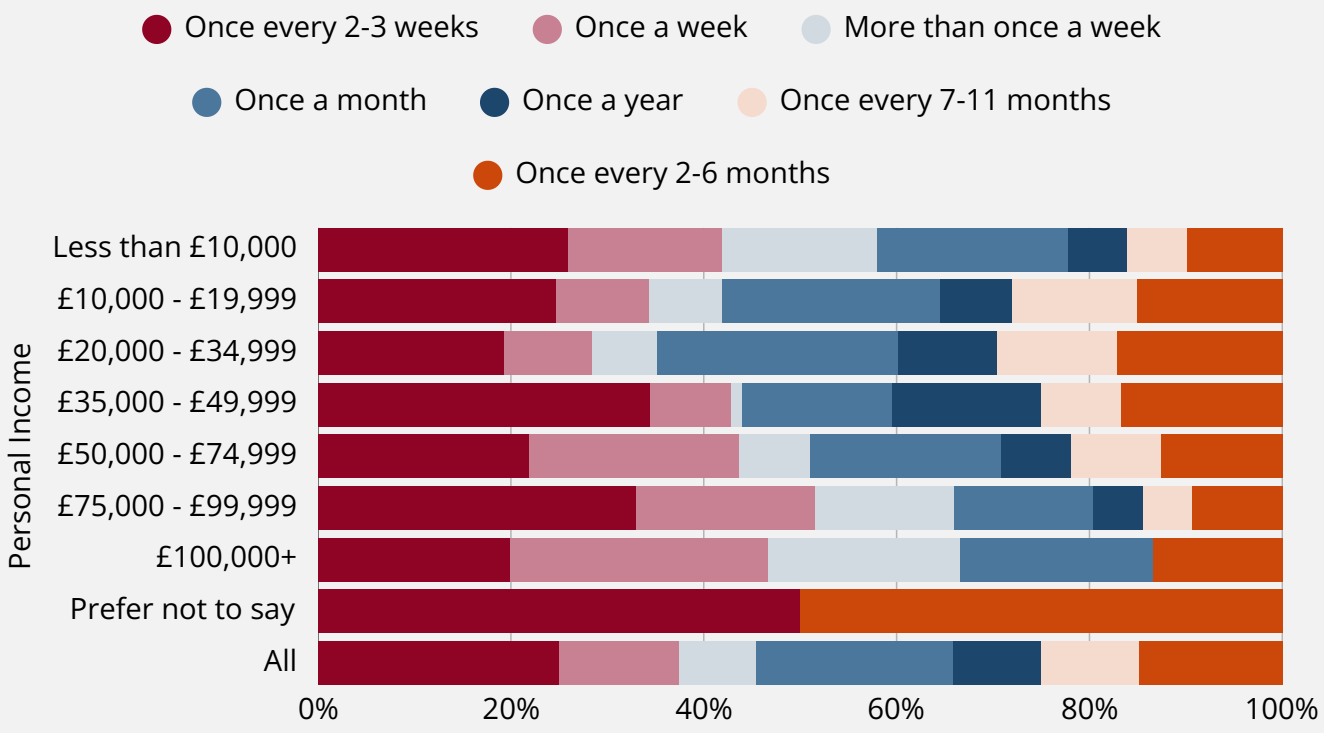
- To cover housing costs and essential bills, 32% of people told us they have used a credit card, 26% have borrowed from friends or family, 24% have used Buy Now Pay Later, 21% have used a bank overdraft and 12% have used a payday loan.
- This is not occasional. Of those who use Buy Now Pay Later or payday loans for housing costs, 58% do so at least monthly and around one in five do so weekly or more often. This is a recurrent coping method, not a one-off emergency measure.

In the last five years, what forms of borrowing or credit have you used, if any, specifically to help pay your rent, mortgage, bills or other essential housing costs?



- It is also not confined to low earners. Payday loan use to cover housing costs stays in a narrow band across almost the entire income scale, from 12% to 14% in every bracket from £10,000 to £100,000 and above, dipping only slightly to 8% among the very lowest earners. A high income does not protect against needing high-cost credit to cover the basics.

Payday loan or short-term high-cost loan: how often do / did you use it to help with housing costs?



- Financial literacy changes the mix of borrowing, not simply the amount. As literacy falls, credit card use falls too (from 38% to 27%), while payday loan use rises (from 8% to 14%). Young adults with lower levels of financial education are not necessarily borrowing more overall, but they are borrowing in a riskier way.
- This all has consequences beyond the borrowing itself. One in four (26%) young people have been rejected for a tenancy or mortgage due to their financial circumstances, with over a third of these (34%) being down to a failed credit check because of unknown bad debt.

1 in 4 young people have been rejected for a tenancy or mortgage due to their financial circumstances

34%

over a third of these being down to a failed credit check because of unknown bad debt

What people told us

Both focus groups gave detailed, specific first-hand accounts of debt caused by administrative error, not overspending. In Birmingham, this happened in three separate ways: one participant was hit with a £400 bill after an app fault meant their energy provider couldn't show them an accurate bill; another had their energy top-ups silently redirected to a closed account at an old address without being told, and their electricity was cut off completely, triggering a panic attack; and a third was sanctioned by Universal Credit for missing an appointment they say they'd asked to reschedule, then left to get by on a hardship payment for a month. In Coventry, one participant was hit by a Universal Credit error they had no way to prevent.

"I tried to pay it monthly, but it was saying that I didn't owe them anything so I couldn't pay anything and then all of a sudden, I got a letter saying, you owe us 400 pound... So now we've got to pay 110 pound monthly when we only used about the 37 pound a month on gas and electric... because it's a company, we can't say anything to them, we'll never win against a company."

Focus group participant, Birmingham

"They didn't tell me how much money I was going to get per month... How is that my fault?"

Focus group participant, Coventry

Our Freedom of Information research shows this is not two isolated incidents. Among English councils able to report it, rent arrears drove somewhere between one in eight and around one in five young people's loss of a private rented tenancy in 2024 to 2025.

Where councils could break this down further, the single largest sub-driver of those arrears was not straightforward overspending, but difficulty prioritising payments against a shortfall between benefit income and rent, the same mechanism described in the two accounts above, just recorded at a systemic scale. Where councils could distinguish tenure type, arrears accounted for a far higher share of losses in social housing specifically, commonly 40% to over three-quarters, more than double the private rented rate in the same council.

Some of the young adults we spoke to had already built their own defences against this, entirely on their own initiative. One participant in Coventry described teaching themselves how credit scoring works and deliberately making small, regular repayments specifically to build a positive credit history, self-taught rather than shown by any institution. Another described learning to avoid debt altogether after watching a parent struggle with repeated borrowing, while informal lending between friends had strained those friendships rather than solved anything. These are individual accounts, but they point to a resourcefulness that a system built for prevention, rather than self-teaching, could put to much better use.

Why it matters

This is also the clearest single piece of evidence in this report for our first policy ask. Our Freedom of Information research found that benefit delays, sanctions and Universal Credit migration issues are not recorded as contributing factors anywhere in the UK, and several councils told us directly this information exists only in individual case notes, if it exists at all, at a cost of extraction that exceeds the statutory limit for a Freedom of Information request. The two accounts above show what that blind spot looks like for the people living through it: two unconnected young people, in two different cities, both fell into debt through an administrative error, with no route for that cause to ever be formally recorded anywhere in the system. If the system will not record where this is happening, it cannot be expected to prevent it happening again.

4. The 'life on hold' generation

92%

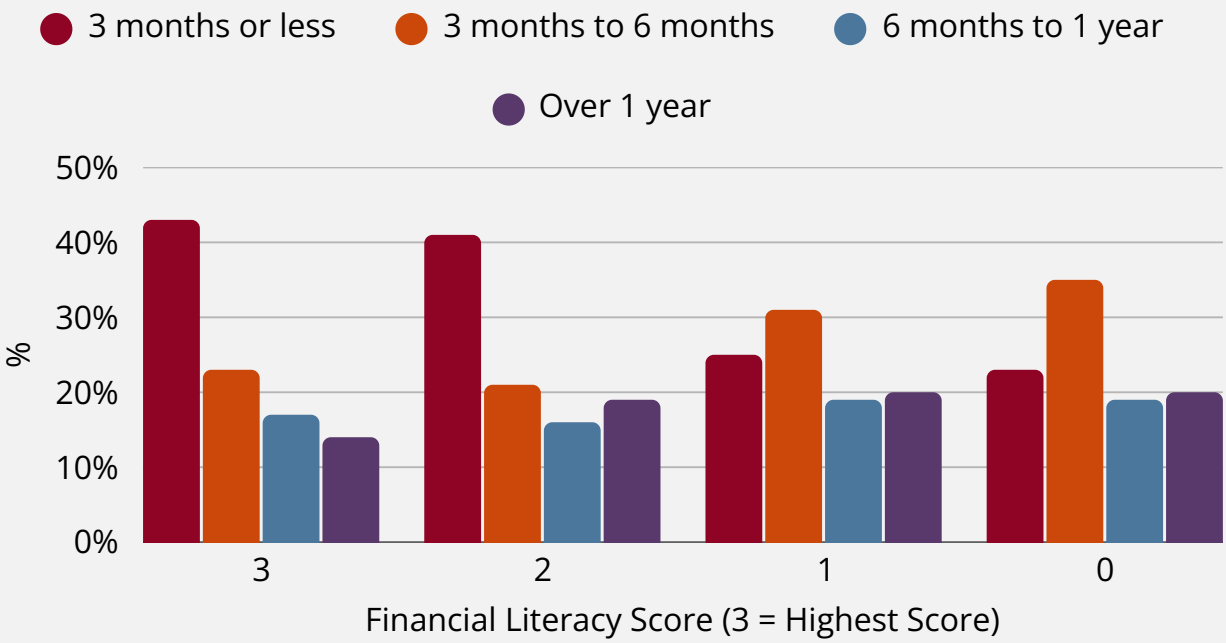
of those affected have had to delay at least one major life plan because of housing insecurity or housing costs.

Housing insecurity and financial strain do not stay contained to a bank balance or single tenancy. They reach into decisions young adults make about their future and can stop them making those decisions at all. Getting married, starting a family, changing career, even simply saving, all get pushed back, sometimes for years, while the immediate cost of staying housed takes priority.

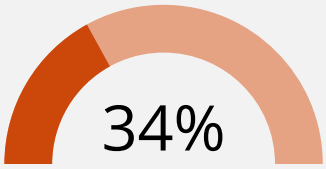
What the data shows

- Of the 48% of young adults who have experienced housing insecurity in the last five years, 78% lived with it for up to a year, and 19% for longer than a year. For nearly one in five, this was not a temporary setback but a sustained period of their life stretching well beyond twelve months.
- Financial literacy itself also affects how long that period lasts. Those with the highest literacy scores were the least likely to be affected for more than a year, at 14%, compared with roughly one in five (20%) among those with lower literacy, in line with the average across everyone affected.

You said that you have experienced housing insecurity issues in the last 5 years. How long in total did / have you experience(d) this for?



- 96% of those affected report at least one negative impact on their daily life. The most common are damage to mental health (34%), being unable to save (33%) and trouble sleeping (30%). Only 4% say it has had no impact on them at all.



Roughly a third of those affected say housing insecurity has had a negative impact on their mental health.

- Saving for the future is the most commonly delayed life plan (44%), followed by health or mental health treatment (28%), starting a family (22%), moving in with a partner (20%), changing or advancing a career (20%) and getting married (16%).
- 42% have had to move home at least once for financial reasons in the last five years and 22% have had to do so more than once. For more than one in five, this is not a single disruption but a repeated one.

What people told us

Beyond the financial hardship itself, one participant in Birmingham described a fear of repeat homelessness as a distinct emotional weight, separate from the money worry that caused it.

> "They don't really give you leeway on your rent... they'll start chasing you, sending you letters... we're panicking, oh my God, we're going to be homeless again."
>
> **Focus group participant, Birmingham**

That same participant described a broader, day to day toll of managing on very little that went beyond the specific fear of losing their home. This is a single account, but it points to a wellbeing cost that sits alongside the financial one, not underneath it.

Both groups independently identified savings as the thing that would have protected them most, and both identified the same root cause: nobody had ever taught them how, in any systematic way. Without that buffer, the choice to delay a life plan is often not really a choice at all.

> "Instead of being an adult being told to save for a rainy day, why not be a child and be told to save for the future?"
>
> **Focus group participant, Birmingham**

> "I was never taught how to save by anyone."
>
> **Focus group participant, Coventry**

Why it matters

The savings finding and the delayed life plans finding are the same problem, seen from two directions. Savings are what most people told us would have protected them, and saving for the future is also the single most commonly delayed plan in our polling. Without the financial education to build that buffer in the first place, and without the buffer itself when a crisis hits, the natural response is to put everything else on hold until the immediate threat has passed. For nine in ten young people affected, that is exactly what happens.

This is not a story about a generation putting off ordinary milestones by choice. It is a story about a generation forced to put life on hold, often with no family safety net to fall back on in the meantime, carrying a wellbeing cost that lasts well beyond whichever month the rent was actually short. Our Freedom of Information research shows just how long that hold can last: in several large urban authorities, more than half of young households in temporary accommodation had been there for over a year, and in some, over three quarters had. The statutory money guidance and prevention support set out in Chapter 6 are aimed directly at shortening this period, so that a housing crisis costs a young person months, not years, of their life.

5. The system that isn't watching

The first four chapters describe a pattern in young adults' own lives. This chapter asks a different question: does the system meant to prevent and respond to homelessness see any of it? Our Freedom of Information research, submitted to local authorities across all four UK nations, shows that in almost every case, it does not.

What the data shows

Our Freedom of Information requests to local authorities across all four UK nations point to a system with a blind spot, not simply a data collection choice.

- **Financial factors are almost never recorded as a cause of homelessness anywhere in the UK.** Scotland's HL1 return is the only partial exception, with a field for financial difficulties, debt or unemployment as a contributing factor, but even there it is inconsistently completed.
- Where officers do see this pattern, it often exists only in free text case notes rather than structured, reportable data, to the point that retrieving it would exceed the legal cost limit for a Freedom of Information request. In practice, this means **many councils could not systematically report on this**.
- **Around half[1] of local authorities have a money or debt advice service embedded in, or formally linked to, their housing team.** The rest offer signposting to external services, or support on a case-by-case basis with no structural relationship. **Even where a service exists, councils rarely track how many people use it or whether it made any difference**.

[1]Methodology note: A council was counted as having an embedded or formally linked service if it has a money, debt or financial inclusion function that is either integrated within its housing/homelessness team, or has a named, structured referral relationship specifically tied to that team's work, not merely signposting to a generic external service, and not a function that exists elsewhere in the council with no defined link to housing. One council (Cambridge) has an embedded service that meets this test but is restricted to council housing tenants only; it is counted as Yes with this caveat noted.

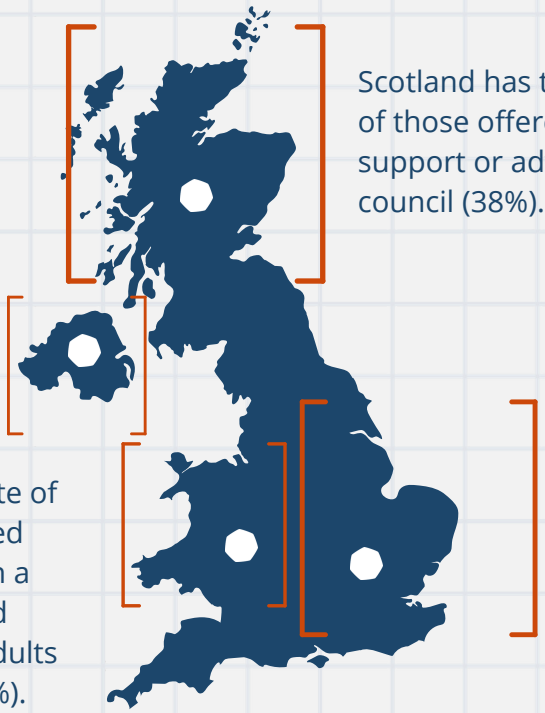
- **Nowhere in the UK are benefit delays, sanctions, or Universal Credit migration issues systematically recorded as contributing factors**, despite our own polling finding that 8% cite a benefit delay or sanction, and 7% cite a Universal Credit migration issue, as something that made it harder to pay their rent or other housing costs in the last five years.
- Our polling and our Freedom of Information research point to the same underlying problem from two independent directions. **Only 31% of young adults who have experienced housing insecurity say their council offered them financial support or advice.** Separately, our FOI findings show that only around half of councils have any embedded or formally linked money advice service to offer in the first place, meaning even where a service exists on paper, most young adults are not experiencing it as help.
- 13% of those affected say they were offered no support at all, and did not know where to turn themselves either, a genuine gap distinct from the 14% who found support only by seeking it out on their own initiative. This is not evenly spread across the UK.

Around half[1] of local authorities have a money or debt advice service embedded in, or formally linked to, their housing team.

Yet **only 31%** of young adults who have experienced housing insecurity say their council offered them financial support or advice.

Even where a service exists on paper, most young adults are not experiencing it as help.

Regional spread of where young people who have experienced housing insecurity say their council offered them financial support or advice



Scotland has the highest rate of those offered financial support or advice by their council (38%).

Northern Ireland's figure was lowest, at 17%, but its sample size (24 respondents) is too small to draw a reliable conclusion from.

England sits between Wales and Scotland at 32%, though this masks significant variation across its regions, from 27% in the East of England to 37% in the South West, almost matching Scotland's national rate.

Wales has both the lowest rate of financial support being offered by councils of any nation with a robust sample size (22%), and the highest share of young adults left entirely without help (21%).

What people told us

Both focus groups raised concerns about the people and processes meant to help them. In Birmingham, participants described poor access to their tenancy agreements with an external housing association, in some cases being repeatedly denied a written copy, or signing one without understanding the conditions.

In Coventry, participants described a sense that some of the support staff around them had never actually experienced what leaving care and living independently is really like. These are different complaints, but they point to the same underlying concern: that the people and processes meant to help are not always equipped to.

"I got told it once and I've never seen it again, and every time I ask for it, they say they don't have it."

Focus group participant, Birmingham

"Some adults that work for foster care sometimes don't understand what it's like for a kid in care to be leaving home and living by themselves, paying bills and paying rent... that's one of the things that needs to be noticed more."

Focus group participant, Coventry

One participant in Birmingham described turning to AI tools to draft formal letters and emails when challenging a landlord or a benefit decision, simply because there was no one else readily available to help them do it. This is a single account rather than a pattern confirmed across both groups but is a striking illustration of what happens when institutional support is not there: young adults build their own workarounds, often alone.

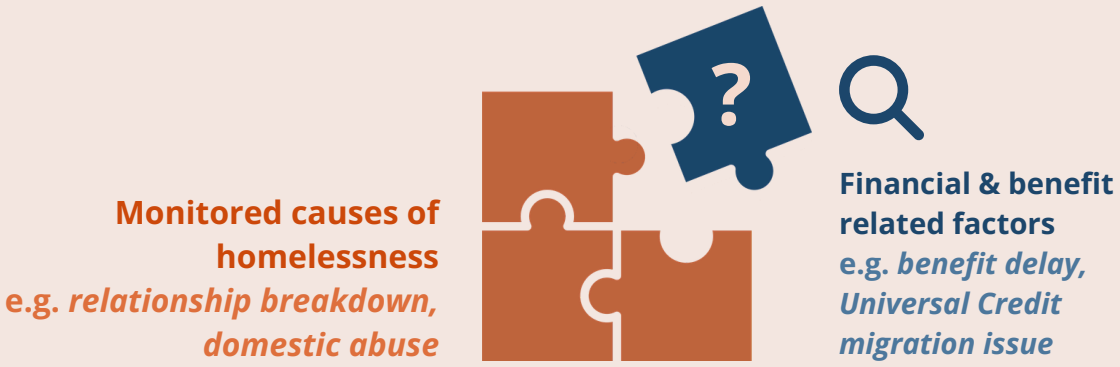
"If I need help about something, I'll go to AI because it's 24/7, whereas I can't call up the council to talk about my rent."

Focus group participant, Birmingham

Why it matters

A system cannot prevent what it does not record and cannot know whether its own support works if it never tracks the outcome. That is the single point underlying all three of this report's policy asks in Chapter 6.

- **Mandatory recording of financial and benefit related factors** gives the system the evidence base it currently lacks.
- **Statutory money guidance with outcome tracking** turns a patchwork of case-by-case goodwill into something consistent and measurable.
- **Recognising financial education and capability as a named prevention activity** gives councils a legitimate, fundable route to act on what this evidence base would finally let them see.



6. What we are calling for

Every chapter in this report points to the same underlying gap: young adults are not given the financial knowledge they need, the system does not notice when that gap contributes to them losing their home, and where support does exist, nobody is checking whether it works. The following three asks are aimed directly at that gap.

Ask 1: Mandatory recording of financial and benefit related factors as contributing causes in homelessness data systems, across all four UK nations

Prevention starts with knowing what to prevent. Every homelessness case in the UK is already logged in a system where officers record what contributed to it, things like relationship breakdown or domestic abuse are already options. A general 'financial difficulties' category exists too, in England's H-CLIC system and Scotland's HL1 return, but it's filled in wildly inconsistently, from under 5% of cases in some Scottish councils to over 70% in others, a gap that has nothing to do with how many young homeless people actually have financial difficulties and everything to do with recording practice. And for specific causes like a benefit delay, a sanction, or a Universal Credit migration issue, there's no category at all, anywhere in the UK. **We're asking for two things:** that the existing financial difficulties field is completed consistently, and that specific benefit-related categories are added where none currently exist. Neither requires new legislation. Both are changes to data specifications that the Ministry of Housing, Communities and Local Government (MHCLG) and its equivalents already update periodically.

The evidence: Chapter 5 shows this is a structural blind spot repeated across every UK nation, most starkly visible in how wildly differently the same recording field is completed from one council to the next, for reasons that have nothing to do with how many young people actually have financial difficulties. Chapter 3 shows what that blind spot looks like on the ground: two unconnected young people, in two different cities, both fell into debt through an administrative error, with no route for that cause to ever be recorded.

Ask 2: Statutory money guidance, with outcome tracking, embedded in homelessness assessment and support

This is a prevention ask, not a support-services ask. The Homelessness Reduction Act 2017 already asks local authorities to intervene before a household loses its home, but a prevention duty without financial guidance is trying to prevent a housing crisis while ignoring one of its most common causes. Around half of councils we asked currently have a money advice service embedded in or formally linked to their housing team. Others offer signposting, a funded partnership with an external service or a case-by-case referral arrangement. But what exists is entirely uncoordinated: there is no shared standard or minimum requirement determining which of these a council offers, roughly a third offer nothing beyond signposting, and almost none, including those with a well-established service, track whether the support they do offer is actually used and whether it helps. **This ask would make money guidance a statutory part of homelessness assessment everywhere**, not something that depends on which local authority a person happens to live in, with a basic outcome tracking requirement so that, for the first time, we would know whether it works to help keep people housed.

The evidence: Chapter 4 shows that housing insecurity, left unresolved, does not simply cost money, it costs young adults months or years of their lives. Chapter 5 shows the support that could shorten that period is patchy, untracked, and often entirely absent.

Ask 3: Financial education and capability recognised as a named, fundable prevention activity under the Homelessness Reduction Act 2017

The Homelessness Reduction Act 2017 already places a prevention duty on local authorities, requiring councils to agree a Personalised Housing Plan setting out reasonable steps to help someone stay housed. What counts as a reasonable step is deliberately broad and undefined in law, and in principle can already include basic financial or debt advice. But nothing requires, standardises, or ring-fences funding for long-term financial capability support, meaning whether a council includes it comes down to discretionary local practice rather than an expected part of core prevention work. **This ask closes that gap:** naming financial education and capability explicitly, alongside a funding route to match, turns something a council currently may offer in passing into something every council is expected to build in properly.

The evidence: Chapter 2 shows financial education arrives too late, too inconsistently, or not at all, for most young people, precisely when it could have made the most difference. Chapter 5 shows that where any related support exists at all, it is patchy, uncoordinated, and rarely tracked, the same absence of a named standard that leaves financial capability support undefined and unfunded here too.

7. Conclusion

The young adults in this report didn't choose to miss out on learning how money works. They're navigating a system that isn't working. Financial education that arrives too late, if at all. Experiencing debt spirals triggered by errors or issues beyond their control. A generation putting its own life on hold because nobody taught it how to build a safety net. And a system that, across every UK nation we asked, cannot record any of this happening consistently.

"I was quite stressed, just the idea of living on my own, all the expectation of the bills and things I didn't understand, like water bills and so on."

Focus group participant, Coventry

None of this is unfixable. It does not require a new government department, a new benefit, or years of research still to come. It requires recording what is already being seen, guiding people who are already asking for help, and naming financial education as what it has always been: critical prevention, not an afterthought.

The missing money lesson behind homelessness is not a mystery. This report sets out exactly what it is, and exactly what closing it would take. We are asking policymakers, local authorities and the wider sector to act on it with us.

Money Ready, funded and supported by the Berkeley Foundation

Appendix A

This report draws on Freedom of Information responses from 56 local authorities across all four UK nations, received between March and September 2026:

England (26): Barking & Dagenham, Blackpool, Boston, Brent, Brighton & Hove, Bristol, Cambridge, Cheltenham, Coventry, Hastings, Haringey, Kingston upon Thames, Lambeth, Leeds, Leicester, Liverpool, Luton, Manchester, Middlesbrough, North Devon, Nottingham, Salford, Sheffield, Stoke-on-Trent, Waltham Forest, Wolverhampton

Wales (5): Ceredigion, Isle of Anglesey, Neath Port Talbot, Swansea, Wrexham

Scotland (24): Aberdeen City, Aberdeenshire, Angus, Clackmannanshire, Comhairle nan Eilean Siar, Dumfries and Galloway, Dundee, East Renfrewshire, Edinburgh, Falkirk, Fife, Glasgow, Highland, Inverclyde, Midlothian, Moray, Orkney, Perth and Kinross, Renfrewshire, Scottish Borders, Shetland, South Ayrshire, Stirling, West Dunbartonshire

Northern Ireland (1): Northern Ireland Housing Executive (NIHE)

Money Ready

Make money make sense

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