creditaction

Better thinking about money

Debt Facts and Figures - Compiled March 2011

Total UK personal debt

Total UK personal debt at the end of January 2011 stood at **£1,452bn**. The twelve-month growth rate remained unchanged at 0.7%. **Individuals currently owe more than the entire country produced in the year between Q4 2009 and Q3 2010.**

Total lending in January 2011 rose by £1.5bn; secured lending increased by £1.8bn in the month; consumer credit lending decreased by £0.3bn (t*otal lending in Jan 2008 grew by £8.4bn).*

Total secured lending on dwellings at the end of January 2011 stood at **£1,240bn**. The twelve-month growth rate remained unchanged at 0.7%.

Total consumer credit lending to individuals at the end of January 2011 was **£212bn**. **The annual growth rate of consumer credit fell 0.3 percentage points to 0.8%.**

UK banks and building societies wrote off £9.7bn of loans to individuals in the 4 quarters to end Q4 2010. In Q4 2010 they wrote off £2.27bn (£1.18m of that was credit card debt). **This amounts to a write-off of £24.88m a day.**

Average household debt in the UK is ~ **£8,416** (excluding mortgages). This figure increases to **£16,185** if the average is based on the number of households who actually have some form of unsecured loan.

Average household debt in the UK is ~ **£57,635** (including mortgages).
If you add to this the March 2010 budget report figure for public sector net debt (PSND) expected in 2015-16 (excluding financial interventions) then this figure rises to £109,857 per household.

Average owed by every UK adult is ~ £29,838 (including mortgages). This is 125% of average earnings. Average outstanding mortgage for the 11.4m households who currently have mortgages now stands at ~ £108,952.

Britain's interest **repayments on personal debt were £65.3bn** in the last 12 months. The average interest paid by each household on their total debt is approximately **£2,593** each year.

Average consumer borrowing via credit cards, motor and retail finance deals, overdrafts and unsecured personal loans has risen to **£4,357** per average UK adult at the end of January 2011.

The Office for Budget Responsibility (OBR) predicts that household debt will be £2,113bn by end 2015. This would take the average household debt to £83,849 per household.

Striking numbers

8,004
number of new debt problems dealt with by CAB each working day

1,589 people
made redundant daily

833,000
unemployed for > 12 months

£57,635
average household debt (including mortgages)

£179m
personal interest paid in UK daily

£24.88m
daily write-offs of loans by banks & building societies

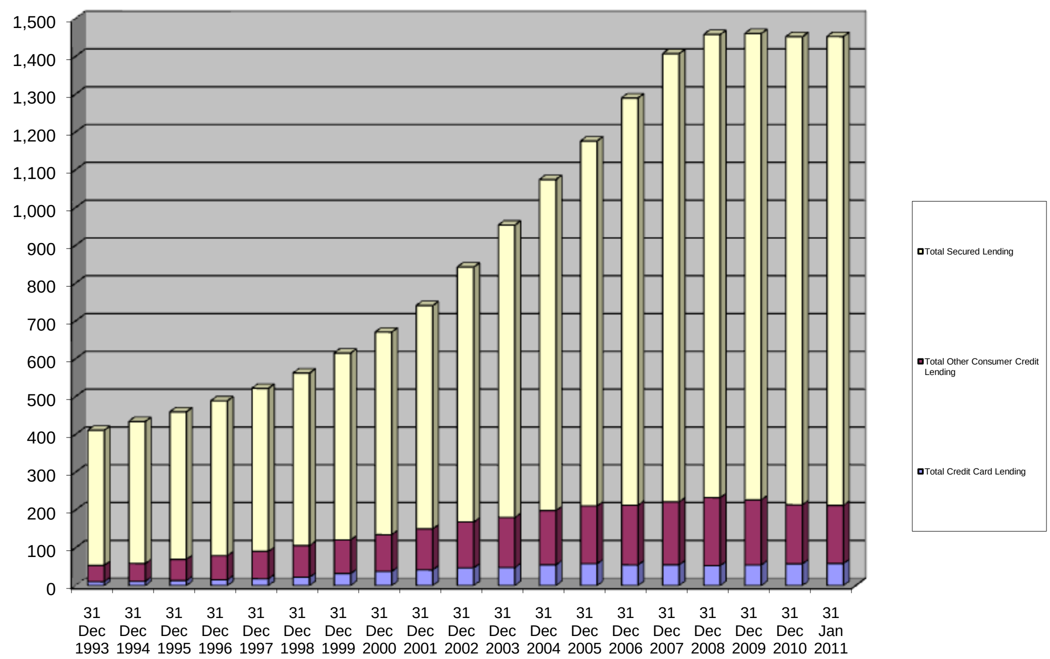
every 17 minutes
a property is repossessed

every 4.28 minutes
someone will be declared insolvent or bankrupt

£145,200,000
daily increase in Government national debt (PSDN)

£1,153,000,000
total value of all purchases made using plastic cards today

Total UK Personal Debt £bn



Statistical Sources - Unless otherwise indicated statistics in the "Total UK personal debt" section are calculated by Credit Action - primarily using the Bank of England's debt figures.

Today in the UK:

- **337 people every day of the year** will be declared insolvent or bankrupt. This is equivalent to **1 person every 59 seconds during a working day.**
- 1,603 Consumer County Court Judgements (CCJs) were issued every day during Q4 2010 and the average judgement amount was £3,245.
- **The average person will save £2.73 every day.**
- Citizen Advice Bureaux dealt with **8,004 new debt problems** every working day in England and Wales
- The average cost of raising a child from birth to the age of 21 is £27.50 a day.
- **1,000 people are seeking some form of formal debt rescheduling every working day.**
- **87 properties were repossessed every day during Q4 2010**
- **474 new people became unemployed for more than 12 months every day** during the 12 months to end December 2010
- **1,589 people reported they had become redundant every day** during 3 months to end December 2010
- £145,200,000 is the amount that the Government Public Sector Net Debt (PSDN), including financial interventions, will grow today **(equivalent to £1,681 per second).**
- **£120,660,000** is the interest the Government has to pay each day on the UKs net debt of £2244.2bn (which includes financial interventions). This is estimated to rise to £182m a day in 2015-16.
- 212 mortgage possession claims will be issued and 163 mortgage possession orders will be made today
- 377 landlord possession claims will be issued and 251 landlord possession orders will be made today.
- The UK population is projected to grow by 1,178 people a day over the next decade
- 24.1m plastic card purchase transactions will be made today with a total value of £1.153bn.
- 7.9m cash withdrawals will be made today with a total value of £530m
- The average car will cost £16.08 to run today

Other key national statistics:

The UK economy **contracted by 0.6%** in the fourth quarter of 2010, according to revised estimates from the Office of National Statistics.

There were 5.7 million working age benefit claimants at May 2010. This is a decrease of 89,000 in the year.

UK base rate fell to a 315 year low when the official bank rate was reduced to 0.5% on 5th March 2009 **and has been held at that level for 24 months in a row.**

There were 3,955 compulsory liquidations and creditors' voluntary liquidations in total in England and Wales in the fourth quarter of 2010 (on a seasonally adjusted basis). This was a decrease of 0.2% on the previous quarter and a decrease of 11.3% on the same period a year ago. In the twelve months ending Q4 2010, **approximately 1 in 138 active companies (or 0.7%) went into liquidation,** which is a slight decrease from the previous quarter, when this figure stood at 1 in 133. Additionally, there were 1,114 other corporate insolvencies in Q4 2010 (not seasonally adjusted) comprising 302 receiverships, 642 administrations and 170 company voluntary arrangements. In total these represented a decrease of 24.0% on the same period a year ago.

In January 2011 the **public sector net debt (PSND) <u>including financial interventions</u> was £2244.2bn**, equivalent to **149.2%** of Gross Domestic Product. This compares to £2191.2bn (153.2% of GDP) as at the end of January 2010. Meanwhile, **public sector net debt <u>excluding financial interventions</u> was 867.2bn** (57.6% of GDP), up from £720.9bn at the end of January 2010 (50.4% of GDP). ***The Office of National Statistics now includes complete data from the Royal Bank of Scotland and Lloyds Banking Group, which were part-nationalised in 2008, in its calculations for PSND including financial interventions.***

According to the **Coalition's June 2010 Budget report** the public sector net debt will peak at 70.3% of GDP in 2013-14, before declining to 67.4% of GDP in 2015-16. **The interest on this debt in 2015–16 is estimated at £66.5bn (equivalent to £182m a day).**

The number of **unemployed people in the three months to December 2010 was 2.49 million (7.9%). This is up 44,000** from the previous three months and up 40,000 from a year earlier. **145,000 people (1,589 a day) reported they had become redundant** in the three months, unchanged from the previous three months but down 23,000 from a year earlier.

The number of people unemployed for more than 12 months increased by 17,000 (2.0%) over the quarter and increased 173,000 (474 a day) over the year to reach 833,000. The number of economically inactive people aged from 16 to 64 increased by 93,000 over the quarter and increased by 36,000 over the year to reach 9.36 million in the three months to December 2010.

Public sector employment decreased by 33,000 in the third quarter of 2010, to 6.014 million compared with the previous quarter.

The Office for Budget Responsibility (OBR) November 2010 forecast for the number of general Government employees estimates a reduction from 5.49m in 2010/11 to 5.09m in 2015/16. They estimate that for the whole economy employment will rise from 29.0m in 2010 to 30.1m in 2015.

In the year to January, the consumer prices index (CPI) rose by 4.0%, up from 3.7% in December. **The Retail Prices Index rose by 5.1% in the year to January, up from 4.8% in December.**

New car registrations fell by 11.5% in January to 128,811 units.

UK retail sales values increased 2.3% on a like-for-like basis from January 2010. On a total basis, sales were up 4.2% against a 1.2% increase in January 2010.

Servicing Debt: Citizens Advice Bureaux across England and Wales advised 0.47 million clients about 1.58 million new problems in the three months between October and December 2010. Debt was the largest advice category with 502,227 enquiries (32% of all problems – including enquiries about mortgage and rent arrears, benefit overpayment debts – and a 12% decrease on the same period last year). Citizens Advice Bureaux in England and Wales are currently dealing with **~ 8,004 new debt problems every working day.** ***The total number of problems dealt with by Citizens Advice Bureaux declined 7% over the quarter, which was largely attributed to the severe weather in December which dramatically reduced attendance of both advisers and clients.***

Mortgage lenders took 7,900 properties into possession in Q4 2010, down from 8,900 in Q3 2010 according to the Council of Mortgage Lenders. This equates to **87 properties being repossessed every day or 1 property being repossessed every 17 minutes.**

In terms of payment difficulties, 169,600 mortgages ended Q4 2010 with arrears equivalent to at least 2.5% of the outstanding mortgage balance. This was down from 176,100 at the end of Q3 2010.

Overall, the latest data is broadly in line with the CML's recent most forecasts for the 2010 outturn of 175,000 arrears cases and 36,000 repossessions. The CML continues to expect a 2011 outturn of 40,000 repossessions and 180,000 mortgages in arrears. However, uncertainties remain, not only if interest rates are to rise but also as a result of the reduction in the rate at which Support for Mortgage Interest is paid from 6.08% to 3.63%.

Across 2010 as a whole, the number of repossessions by first-charge mortgage lenders was 36,300. This figure was 24% lower than in 2009, and accounted for 0.3% of all mortgages.

The FSA estimate that at the end of Q3 2010 there were **346,000 loan accounts in reportable arrears (> 1.5% of current loan balance)**, a decrease of 2% from Q2 2010. At the end of Q3 2010, loans in arrears represented 2.97% of the value of the residential loan book.

The Insolvency Service said there were 30,729 individual insolvencies in England and Wales **(337 people a day or 1 every 4.28 minutes)** in Q4 2010. This was a decrease of 9.4% on the previous quarter and a **decrease of 13.6%** on the same period a year ago.

However, these figures do not include the number of people using informal insolvency solutions such as Debt Management Plans. R3 estimate that there may be as many as 700,000 people using these.

R3 have also previously suggested that there are another 574,000 who are struggling financially but have contacted their creditors informally. More worrying is another group further down comprising of 961,000 individuals who are struggling with debts but have not sought help. This group could find themselves in formal insolvency procedures unless they take swift action.

According to a survey by moneysupermarket.com, 1 in 10 UK adults (equating to 5 million people nationwide) are permanently overdrawn. One third of people (18 million nationally) have gone into the red over the last 12 months. Amongst 20-29 year olds specifically, 46% have used their overdrafts in the past year and 16% are permanently overdrawn. Moneysupermarket.com estimates that someone who permanently uses a £500 overdraft pays £240 more a year than they need to.

A separate piece of research by moneysupermarket.com has found that 17% of UK adults (equivalent to 8 million people nationwide) failed to pay at least one bill over the last year, potentially putting their credit profiles at risk. On a regional basis, London was home to the highest proportion of late payers, with 11% of residents missing at least one regular payment, while only 2% of borrowers in Northern Ireland missed payments.

According to a quarterly survey by R3, 43% of people believe that their financial situation will worsen over the next 6 months, an increase of 13% on last quarter. Only 24% of people believe that their situation will improve in the next 6 months. Meanwhile 45% of people are worried about the amount of debt they owe (a 6% increase on last quarter) with credit card debt remaining the main source of worry.

The Consumer Credit Counselling Service says that a quarter of people who contacted it for help in 2010 were unemployed, and almost 11% were claiming Jobseeker's Allowance. Unemployed clients had an average shortfall of £2,436 in the money needed to cover the costs of day-to-day living, while those clients claiming Jobseeker's Allowance owed an average of £15,816 in unsecured debt, which is nearly double the national average.

A study conducted by YouGov for Callcredit has found that 7% of young adults, aged 25-34, admit that they have applied for credit while knowing that they might not be able to pay it back, while 10% have knowingly overestimated their income on a credit application. Meanwhile, 12 % of British adults generally would be unable to keep up with their mortgage repayments if their income fell by up to £300, and 5% of 45-54 year olds would struggle to keep up repayments if income fell by up to £100.

Research by Scottish Provident has found that the average person only considers themselves to be in serious financial difficulty once their debts exceed £15,837. This increases to £16,646 for 18-34 year olds, but is slightly lower for over-55s at £14,424.

Figures released by debt counselling charity Christians Against Poverty (CAP) suggest that men are a third more less likely to deal with spiralling personal debts. Over the course of 2010, 63% of callers to CAP were women – amongst clients who were single the ratio was even higher with almost double the number of women calling CAP compared to men. The figures also show that February 15th was CAP's busiest day of 2010, followed closely by the last two Mondays in January.

Figures released by Finance & Leasing Association show that in December – traditionally a month when more customers use credit to pay for Christmas spending – credit card spending actually fell by 5%, with spending using store cards and store instalment credit falling by more than a quarter each. The figures reflect a difficult month on the high street with poorer than expected Christmas sales. For the second consecutive month, the take-up of personal loans increased, but this was compared to a very low base in the final months of 2009.

Research by the Money Advice Trust has found that 1.4 million UK adults accessed free, independent debt advice in 2010 (equating to 1 in every 33 adults) and predict that this could increase to 2 million in 2011. The research also found that, at any one time, up to 5 million people report arrears on consumer credit, failure to keep up with mortgage repayments, or difficulties with meeting credit commitments – however, only 1 in 6 of these people seek any form of advice.

Plastic card / Personal Loans: Research by moneysupermarket.com has found that 46% of credit card holders do not pay off their balance in full at the end of the month, with the average debt being held for 10 months before being paid off – as a result of this, credit card users are wasting a massive £2.3bn a year in interest payments simply by letting debt sit on their existing card.

The average credit card rate hit 18.9% in February, according to moneyfacts.co.uk. This is the highest level since February 1998, when the average credit card rate was 21.1% (however, in 1998 the Bank of England's base rate was 7.25%, whereas today it stands at a record low of 0.5%). 2006 saw the average rate reach a low of 14.8%, but since then it has steadily increased.

14th February 2011 was the fifth anniversary of PIN day, when the official changeover to chip and PIN took place in the UK. The UK Cards Association estimates that there are now over 140 million chip and PIN cards in issue in the UK, and more than 1 million chip and PIN terminals.

The UK Payments Council has revealed that the amount spent in the UK on debit cards over the course of a year has exceeded the amount spent using cash for the first time ever. The historic milestone was passed over the last August Bank Holiday, when the running total of debit card spending during the year (£272bn) overtook the cumulative amount of cash (£269bn) spent in the economy.

There were 143.7m debit, credit or charge cards in circulation in the UK at the end of 2009 according to the UK Payments Council. **An average 279 plastic card purchases were made in the UK every second** during Q3 2010 using debit and credit cards (equal to £13,356 /second). 91 cash withdrawals were made every second (equal to £6,134 / second) from UK's 63,294 cash machines during Q3 2010.

There are **more credit cards in the UK than people** according to the UK Payments Council. At the end of 2009 there were 64.4m credit and charge cards in the UK compared with around 62m people in the country.

Total credit card debt in January 2011 was **£58.3bn.**

The average interest rate on credit card lending is currently **18.83%, which is 18.33% above base rate (0.5%).**

According to the BBA the proportion of credit card balances bearing interest is 70%.

Young people - the IPOD generation: Research by First Direct has found that today's young people need to earn 55% more if they are to live the same lifestyle that their parents took for granted at their age. First Direct estimate that the average Briton in their mid-20s needs an annual salary of £39,720 to buy a house, pay for a wedding and have their first child – milestones that were all passed by their parents at the same age – but the actual average salary for someone in their mid-20s is in fact nearer to £25,000.

Family Investments have calculated that new parents would have to save £82 every month from the birth of their child in order to cover the potential cost of tuition fees (which could be as much as £27,000 for a three year undergraduate degree). This increases to £129 per month if parents delay saving until their child is five. Furthermore, these figures do not take into account additional factors like the cost of living, which would add even more to the bill.

The NUS and Endsleigh's Student Lifestyle Report has found that students are spending an increasing amount of time in paid employment. On average students did 15 hours a week of paid work in 2010, up from 13 hours a week in 2008. Furthermore, during the holidays students spent an average of 24 hours a week in employment, up 20% from 17 hours in 2008.

The report also looked at where students spend their income, finding that accommodation is the largest necessary outgoing (the average student spends £80 a week on this, with a quarter of students spending over £100 every week on rent) while activities and entertainment was where they spent most of their disposable income.

Meanwhile, Barclays has revealed that 45% of students are using "Kittynomics" to manage their living expenses, whereby they pool money into a single pot, or kitty, with friends to make group purchases. Barclays estimates that students collectively save £193 million every year using this system. Its research suggests that in total 66% of students contribute to a kitty at least once a month, with those who do saving an average of £171 per year.

Unemployment amongst economically active 18 to 24 year olds increased 42,000 (5.9%) in the 3 months ending December 2010, to reach 755,000**. This means that 18.1% of all economically active 18 to 24 year olds are unemployed.** 353,000 (47%) have been unemployed for > 6 months. 210,000 **have been out of work for over 12 months** which is an increase of 20,000 (10.7%) over the last 3 months and an increase of 51,000 (31.7%) over the last 12 months.

The number of 18-24 year olds not in education, employment or training (NEET) at the end Q4 2010 was 866,000 (18.1%). The number of 16-18 year NEETs stood at 162,000 (8.5%) at the end of Q4 2010. **The total of 16 – 24 classed as NEETS now stands at 938,000.**

A study by M&S Money has revealed that the UK's parents are still worried about whether the next generation will be able to manage their own money. A quarter think it will be easier for their children to get into debt than it was for them, and a third believe their children will be less able to handle money than they are. 19% said that their children will be ill equipped to deal with their own finances as there is too much jargon to wade through and not enough practical guidance in school. However, a third believed imparting their own experiences could help children learn and improve their chances.

Pensioners / Pensions: Figures from Age UK suggest that since January 2008, the average person over the age of 55 has experienced price increases at a rate of 5% above headline RPI. Age UK's most recent calculations show that the gap between price increases experienced by over 55s and headline RPI is equivalent to £907.20 per year.

Research by Standard Life has found that around 4.5m in the UK are offered a free pension contribution by their employer but do not join the company scheme – because of this, Standard Life estimates that UK employees are collectively missing out on nearly £6bn of 'free money' every year.

A study by Prudential has found that 62% of people planning to retire in 2011 said they would consider postponing their pension and continuing to work in order to boost their retirement income. Of those considering putting off retirement, 46% said they would definitely have to continue to work to supplement their pension or build up their savings further.

A survey from F&C Investments has found that 41% of UK adults have no pension provision, with nearly 48% also having no long-term savings that they could draw on in retirement. Only one third of respondents are currently contributing to an employer's or personal pension plan, with another 22% having pensions to which they are not currently contributing. Of those who are not currently contributing to a pension over 57% said they could not afford to.

Figures from M&S Money have revealed that, during the first 18 years of a child's life, grandparents in the UK are providing an average of £6165 worth of support. Grandparents spend an average of £315 on each grandchild in their first year. In each further year they spend an average of £257 on additional items and £68 on Christmas and birthday gifts.

The number of unemployed people aged 50+ during the three months to end December was 384,000, which is a decrease of 2.4% over the previous quarter and a decrease of 2.9% (11,000) over the previous year. The number of people over 65 in work increased by 23,000 in the three months to the end of December to 874,000, **a rise of 104,000 (13.5%) over the previous year.**

Two in five 50-plus unemployed workers (42.7%) - a total of 164,000 people - have been out of work for over a year. 77,000 have been unemployed for more than two years.

At May 2010, there were 12.7m people of state pension age claiming a DWP benefit, an increase of 229,000 since May 2009. Of these, 67% were claiming State Pension (SP) only.

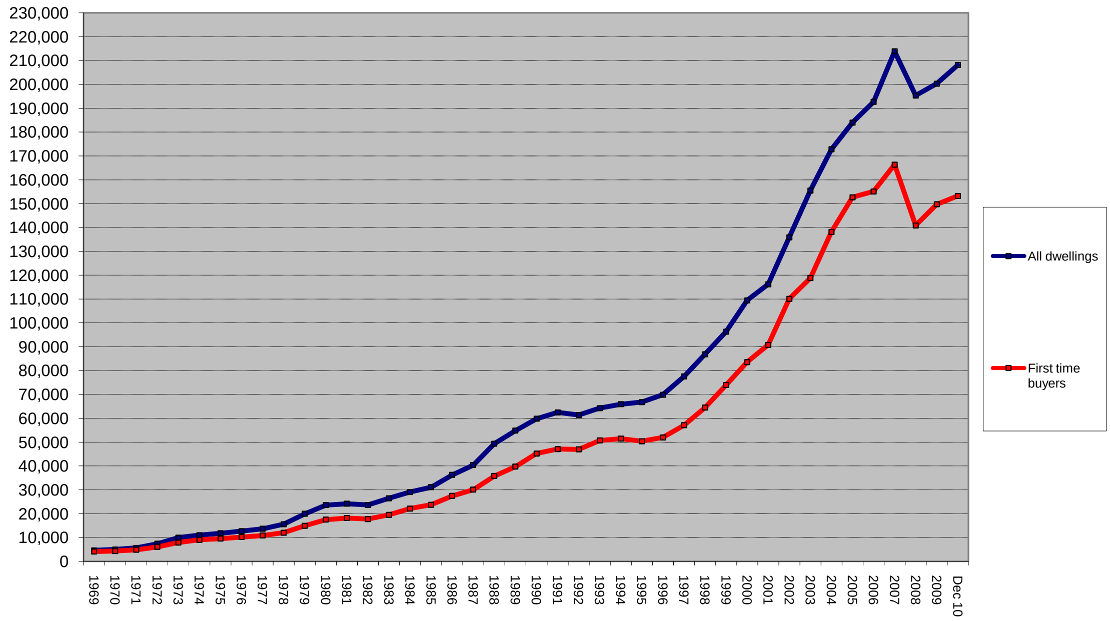
The proportion of retired households in the population rose from 22% in 1977 to 26% in 2008/09.There are 8.6m pensioner units in the UK (single pensioners over state pension age or pensioner couples, married or cohabiting pensioners, where one or more are over state pension age). In 2008/09, pensioner couples received average income of **£564 per week**, compared with £304 per week for single men pensioners and £264 per week for single women pensioners.

Pensions provide modest levels of annual income for many pensioner households. In 2008/09, 53% of single pensioners had total pension income (state benefit income and private pension income) of **less than £10,000**, while 36% of pensioner couples had less than £15,000.

Housing: According to the Department for Communities and Local Government (DCLG) the average house price in the UK in December 2010 stood at **£208,148** (£215,337 in England). The annual rate of UK house-price inflation in December 2010 was 3.8%. **The annual rate of house-price inflation in London was 6.9%.**

Average UK house prices were 0.4% lower over the quarter to December 2010 compared to a quarterly increase of 0.2% over the quarter to September (seasonally adjusted).

UK Average House Prices £



The average Mortgage Interest rate is 3.5%.

Gross mortgage lending totalled an estimated £9.2 billion in January, down 13% from December (£10.6 billion) but up 5% from January 2010 (£8.8 billion). This is the first year-on-year rise since August 2010, although comparisons with the beginning of 2010 are distorted as some households brought forward purchase activity in the closing months of 2009 to take advantage of the stamp duty concession which expired at the end of that year.

Halifax said that house prices rose by £1,370 in January 2011. **This is a monthly rise of 0.8%.** Prices fell 0.7% over the quarter and fell 2.4% over the year.

Nationwide estimate that house prices rose 0.3% during February 2011, and fell 0.1% over the year.

The January RICS Housing Market Survey shows that more surveyors are continuing to report prices falling rather than rising prices. Most activity indicators were negative once again, albeit a little less so than in the final month of last year, with new enquiries and new instructions continuing to fall.

Hometrack monthly survey of over 5,000 agents and surveyors showed that 2011 began with a sluggish start. Demand for housing dropped by -9.5% in January. In January 2010 demand stood at -2.7%, in sharp contrast to this month's figure – according to Hometrack this suggests that the housing market is facing more fundamental underlying issues than the usual post-Christmas slowdown. Supply also dropped by -5.4%. This is the largest monthly fall in supply in 4 years. Nationally, Hometrack estimate that house prices fell by -0.5%. Price falls were recorded across 37% of the country, compared to 36% in December.

Rightmove said new sellers raised average asking prices by 3.1% (£6,909) to an average of £230,030 in February.

According to the NAEA the number of house-hunters registered per branch increased on average from 227 in December to 252 in January, the number of sales agreed per branch increased from 4 in December to 6 in January and the average number of properties available for sale per branch increased from 64 in December to 69 in January.

House purchase approvals (28,932) were slightly higher in January than in December according to the British Bankers Association. The average loan approved for house purchase fell in January to **£135,200 which is 2.7% lower than a year ago**.

Existing home sales across the United States (including single-family, townhomes, condominiums and co-ops) increased 2.7% over last month and rose 5.3% year on year in January 2011 (this is the first time in seven months that sales activity was higher than a year earlier). The **average price decreased 3.7% year on year** to $158,800. RealtyTrac® said that a total of 261,333 foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on U.S. properties in January 2011, a 1% increase in total properties from last month but a 17% decrease from January 2010.The report shows that one in every 497 of all U.S. housing units received a foreclosure filing during the month.

Research by Barclays has found that mortgages are more affordable than at any stage over the last decade – Barclays found that on average, people paid out 15.4% of their take-home pay on their monthly mortgage repayments at the end of December 2010, which is the lowest level since the analysis began 10 years ago. This was largely attributed to current low interest rates. However, mortgage holders were warned against complacency, with 74% of survey respondents expecting a rate rise this year.

4 out of 10 landlords reported that tenant demand increased during the final quarter of 2010, according to research by Paragon. Demand is now at its highest level since the final quarter of 2008. The proportion of landlords reporting rising tenant demand has grown in each of the last 6 quarters, which coincides with a shortage of mortgage finance in the owner-occupied mortgage sector. Only 4% of landlords said that tenant demand fell over the quarter.

Housing First Time Buyers (FTB) & Buy-to-let: The average house price in the UK in December 2010 for first time buyers now stands at **£153,223** which is an **annual increase of 1.4%.**

As at the end of December, there were 1.3 million buy-to-let mortgages outstanding, worth a total of £152 bn. By value, buy-to-let mortgages accounted for 12% of all mortgages. Across 2010 as a whole, the total value of all buy-to-let lending was £10.4bn (22% higher than in 2009) and the total number of loans advanced during the year was 102,000 (10% higher than in 2009).

The typical first-time buyer deposit in December was **23% (£35,020)**. The average first-time buyer borrowed 3.23 times their income and the average first-time buyer loan was £117,241.

According to the RICS Residential Lettings Survey for Q3 2010, tenant demand increased at a faster pace in the three months to October than in the previous quarter. 33% of surveyors reported a rise in demand for property than a fall, compared to 27% last quarter.

Money Education: A study by Learndirect has found that two-thirds of people in the UK feel too confused to make the right choices about their money, and more than a third say they don't have the right skills to properly manage their cash. Over a quarter struggle to work out the best value for things like electricity and gas and mobile phones, while one in four said they did not understand small print or jargon (one in ten had signed up for contracts and services that weren't right for them). Meanwhile, eight in ten were unsure which benefits and allowances they were entitled to.

A survey for Gocompare.com has found that 25.9% of consumers (equating to 12 million people nationally) have never switched provider for any of the 20 most common financial products. 29% of respondents had never switched their bank account, 12% had never switched savings accounts, and 13.6% of drivers had never switched their car insurance.

A survey by M&S Money has found that some 14-18 year olds are given no help on basic money matters by their parents. 19% of parents have never discussed how to spend money with their teenagers, and 32% have yet to discuss how to budget or even describe what one is.

Lack of financial education has cost Brits nearly £250 million in charges and penalties alone, with almost a quarter (24%) having been hit by charges because they don't understand the terms and conditions of financial products, according to research from uSwitch.com. Moreover, almost three quarters of Brits (71%) say that a lack of basic personal financial understanding is to blame for debt.

The same survey also found that less than one in ten people (7%) think we are financially educated as a nation. Despite the fact that consumers can take out financial products such as credit cards and loans as soon as they hit 18, worryingly, on average most people don't become knowledgeable about personal finance until they are 27 years old.

Spending: An annual report by LV has calculated that the cost of raising a child to their 21st birthday now stands at £210,000. This is up 4.5% from last year, and has increased 50% since 2003. Childcare and education represent the biggest areas of expenditure, costing parents £67,430 and £55,660 over the course of their children's childhoods. The cost of education (including school uniforms, after-school clubs and university tuition fees) has increased 5.3% in the last year.

A study by Direct Line has found that 96% of people want to upgrade their possessions, and that the total bill for meeting the nation's aspirations would be £230bn. Direct Line compared what people own now to what they realistically aspire to own in five years time, and found that in order for the average person to meet their goals they would need to own possessions worth nearly £5,000 more than they do now.

A survey by moneysupermarket.com found that 67% of respondents admitted that rising fuel prices as well as the increasing cost of car insurance have changed their attitudes to motoring. 48% said that they would choose a more fuel efficient model the next time they bought a car, while 11% said they would buy one that was cheaper to insure. 8% suggested they would stop using their car completely and start using public transport instead.

According to research by HSBC, Britons underestimate the cost of key life events by £124,000 in total. The cost of raising a first child is significantly underestimated (by £116,000), as is the cost of a wedding (by £11,000) and of student debt (by £9,000). However, Britons also drastically overestimate the average cost of a first home deposit (by £9,000) and of a first car (by £2,500).

A survey for moneysupermarket.com has found that 25% of UK credit applicants, equivalent to 4.5 million people across the country, were turned down for a credit card or loan over the last year. The worst success rate was in London, where only 62% of applicants were accepted. The young were also more likely to be rejected than more mature customers, with 36% of 18-34 year olds having been turned down.

MGM Advantage has estimated that annual average household expenditure is currently £35,261, and that collectively UK households need to find an extra £33bn to maintain the same standard of living that they enjoyed 12 months ago – this equates an additional £528.96 per person.

Research from Shelter and Co-operative Insurance has found that nearly one third of people (28%) spend more each month than they have coming in. UK adults face an average shortfall of £165 each month according to the research, with 26% unsure whether they can pay their bills on time. It also found that 70% of people are worried about their cash flow, and 8% even admit to deliberately undervaluing their home contents to keep insurance premiums down.

A major study by Aviva has found that 39% of families feel too stretched to take on any additional financial obligations. The research also found that housing is the single largest expenditure for UK families, making up 20% of their monthly outgoings – with almost two thirds of families owning their own home, the report suggests that any sudden increase in mortgage rates is likely to hit this group particularly hard.

With Prince William and Kate Middleton preparing for their big day in April, Weddingplan estimates that the average cost of a wedding is now in excess of £21,000.

The average new family car now costs £5,869 annually to keep on the road, equating to £112.87 per week or 48.91p per mile.

Savings: A survey by Confused.com has found that of people who save, most (24%) are saving for a rainy day rather than towards a particular goal. Meanwhile 22% said that they are saving for the long-term and retirement, with another 20% saving for a deposit on a home (this rises to 30% amongst 18-24 year olds specifically). 7% of those surveyed said they were saving for a car, 3% for a wedding, and 1% admitted they were saving in order to leave their partner.

Confused.com have also conducted a separate survey of people who save £50 or less every month, and found that 57% blamed the high cost of day-to-day living for their inability to save. Meanwhile, 13% said that paying back debt took priority over saving, and 12% said that they started saving at the beginning of every month but ended up spending the money.

Aviva's Family Finances Report has found that 33% of families have no savings and 40% are currently saving nothing each month. Furthermore, amongst families that do save, 25% have less than £2,000 put aside, meaning they have little to fall back on in the case of an emergency.

NS&I's latest Quarterly Savings Survey revealed that the amount of money the population is saving has decreased. On average, Britons are setting aside £82.92 every month (6.69% of their monthly income), a decline from 12 months ago when the population was saving £88.65. This figure is also down from last quarter when the average amount saved per month was £87.37.

Compiled monthly by John Davies. johndavies@creditaction.org.uk. ***If you would like to receive regular monthly updates of these statistics then please register using the "Register to receive Debt Statistics" link at http://www.creditaction.org.uk/debt-statistics.html Note: new / changed statistics are at the start of each section.***

Follow Credit Action on twitter at www.twitter.com/creditaction