

*The*  
**MONEY**  
*Charity*

**The Money  
Statistics**

**August  
2018**

# The MONEY Charity

Welcome to the August 2018 edition of The Money Statistics – The Money Charity’s monthly round-up of statistics about how we use money in the UK. These were previously published as the Debt Statistics, but we’ve now revamped and improved them to cover a wider range of information.

If you’ve any questions, comments, or want any information about the source of these statistics, please contact us through [hello@themoneycharity.org.uk](mailto:hello@themoneycharity.org.uk).

Throughout this document, statistics that are written in **colour** have been calculated by The Money Charity. All the other statistics come from external sources and are written in **black**.

You may use any of the statistics here, as long as:

- You don’t make any commercial or financial gain from their use; and
- You acknowledge us as the providers of the information.

If you’d like these emailed to you every month as soon as they’re published, please sign up [here](#).

All statistics are from the latest available data at the time of writing.

**We update these statistics every month with the latest data – check our [website](#) to make sure you’re reading the most recent edition**

Section	Page Number
<b>1. Striking numbers</b>	<b>3</b>
<b>2. Personal debt in the UK</b>	<b>5</b>
<b>3. Mortgages, rent, and housing</b>	<b>8</b>
<b>4. Savings and pensions</b>	<b>12</b>
<b>5. Spending and loans</b>	<b>13</b>
<b>6. The bigger picture</b>	<b>15</b>



# 1. Striking numbers

This month's highlights

**£19.97**

The fall in Debt growth per day in June

**44**

The amount of bankruptcies per day in June

**0.75%**

The new Bank of England base rate

**32**

The amount of mortgage possession orders per day in June

**£65m**

The fall in Public Sector Net Debt per day in 2018

**0.2%**

The average ISA account rate (highest in almost 2 years)

**106%**

The average First Time Buyer deposit compared to average salary

**1.4%**

The increase in house prices on last month

**£2,650**

The increase in net lending to individuals a day



# 1. Striking numbers

## Every day in the UK

- The population of the UK grew by an estimated **1,074** people a day between 2016 and 2017.
- On average, a UK household spends **£4.21** a day on water, electricity and gas.
- **322** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 4 minutes and 28 seconds**.
- Cash machines were used an average of **96** times a second across the UK.
- **3,399** Consumer County Court Judgements (CCJs) were issued every day in Q1 2018, with an average value of **£1,489**.
- Citizens Advice Bureaux in England and Wales dealt with **2,441** new debt problems every day during June 2018.
- **12** properties are repossessed every day, or one **every 2 hour and 3 minutes**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **38** a day.
- The number of people unemployed fell by **230** per day from March to May 2018.
- **1,033** people a day reported they had become redundant between March and May.
- Net lending to individuals in the UK increased by **£127 million** a day in June 2018.
- The Government debt fell by **£65m** a day during 2018.
- Borrowers would repay **£138 million** a day in interest, based on June 2018 trends.
- It costs an average of **£23.61** per day for a couple to raise a child from birth to the age of 18.
- This comes to **£28.48** per day for a lone parent family.
- **49** mortgage possession claims and **32** mortgage possession orders are made every day.
- **327** landlord possession claims and **253** landlord possession orders are made every day.



## 2. Personal debt in the UK

### Total UK personal debt

People in the UK owed **£1.592 trillion** at the end of June 2018. This is up from £1.545 trillion at the end of June 2017– an extra **£900.74** per UK adult. This is a fall of **£19.97** on last month.

The average household debt– including mortgages – was **£58,540** in June. The revised figure for May was **£58,369**. average total debt per household.

Per adult in the UK that's an average debt of **£30,759** in June – around **114.1%** of average earnings – up **0.3%** on last month. This is up from a revised **£30,669** a month earlier.

Based on June 2018 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£50.235 billion**.

- That's an average of **£138 million** per day.
- This means that households in the UK would have paid an average of **£1,847** in annual interest repayments. Per person that's **£970** – **3.60%** of average earnings.

According to the Office for Budget Responsibility's March 2018 forecast, household debt is predicted to reach **£2.296 trillion** in Q1 2022. This makes the average household debt **£84,412** (assuming that the number of households in the UK remained the same between now and then).

### Consumer credit debt

Outstanding consumer credit lending was **£213.0 billion** at the end of June 2018, increasing by **£0.1bn** on last month.

- This is also up from £200.8 billion at the end of June 2017, and is an increase of **£241.75** for every adult in the UK.

Per household, that's an average consumer credit debt of **£7,840** in June, up slightly from a revised £7,797 in May – and **£460.11** extra per household over the year.

The average consumer credit borrowing stood at **£4,119** per adult. This is up £4,097 on last month.

Total credit card debt in June 2018 was **£72.1bn**. Per household this is **£2,650** – for a credit card bearing the average interest, it would take **26 years and 6 months** to repay if you made only the minimum repayment each month.

- The minimum repayment in the first month would be **£64** but reduces each month. If you paid **£64** every month, the debt would be cleared in around **5 years and 4 months**.



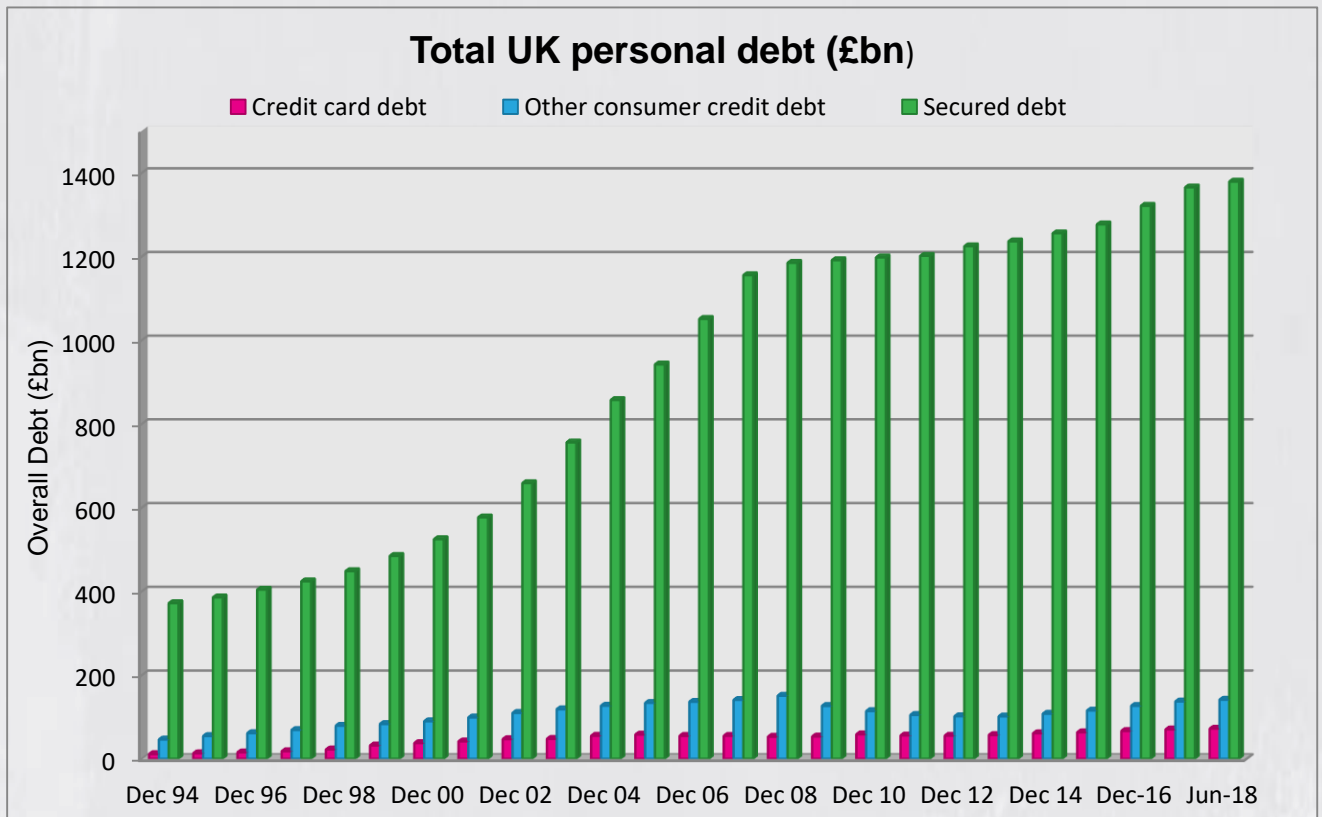
## 2. Personal debt in the UK

Note: The Bank of England altered the treatment of some secured credit series in May 2015, so figures here might not be directly comparable to historical Money Statistics figures

### Net lending and write-offs

Total net lending to individuals by UK banks and building societies **increased by £4.65 billion** in June 2018– or **£127m a day**.

- Net mortgage lending increased by £3.47 billion in the month; net consumer credit lending rose by £1.176 billion as well.
- In Q1 2018 they wrote off £1.069bn (of which £318 million was credit card debt) amounting to a daily write-off of **£11.6 million**.



Based on Bank of England Data



## 2. Personal debt in the UK

### Student loans

In 2016/17, the average maintenance loan awarded for full-time undergraduates from England was **£4,730**, and the average maintenance grant awarded to successful applicants was **£789**.

The average debt owed per student at the end of 2015/16 was **£16,849** (this is debt for English students and EU students in England, including loans for Further and Higher Education. It doesn't include 'mortgage-style' loans, as these were sold by Government in May 2013).

The average debt for the 2016 cohort which most recently entered repayment was **£32,220**.

### Advice, insolvency, and the courts

Citizens Advice Bureaux across England and Wales dealt with **335,457 people** in June 2018 (Citizens Advice have recategorized from issues dealt with to people dealt with).

Debt was the second largest advice category (behind benefits and tax credits) with 73,238 issues. This is down **2%** on the same month last year. Debt issues represented **21.7%** of all subjects dealt with over the period.

Based on figures for June 2018, Citizens Advice Bureaux in England and Wales are dealing with **2,441** debt problems every *day*.

There were **28,951** individual insolvencies in England and Wales in Q1 2018. This is equivalent to **322** people a day or, one person **every 4 minutes 28 seconds**. This was up **4.4%** on the previous quarter and up **5.7%** on the same period a year ago.

Every day, on average, **44** people were made bankrupt, **76** Debt Relief Orders were granted, and **198** Individual Voluntary Arrangements were entered into.

In the 12 months ending Q1 2018, **130,387** individuals, **1 in 433** (**0.23%** of the adult population) became insolvent.

**3,399** Consumer County Court Judgements (CCJs) were issued every day in Q1 2018. The average value of a Consumer CCJ in Q1 2018 was **£1,489**.



### 3. Mortgages, rent, and housing

Note: The Bank of England altered the treatment of some secured credit series in May 2015, so figures here might not be directly comparable to historical Money Statistics figures

#### Mortgage debt

Outstanding mortgage lending stood at **£1.379 trillion** at the end of June.

- This is up from £1.344 trillion a year earlier.

That means that the estimated average outstanding mortgage for the 11.1m households with mortgage debt was **£124,239** in April.

The average mortgage interest rate was **2.48%** at the end of June. Based on this, households with mortgages would pay an average of **£3,081** in mortgage interest over the year.

For new loans, the average mortgage interest rate was **2.11%**. Using the latest figures from UK Finance, this means new mortgages would attract an average of **£2,995** in interest over the year.

According to UK Finance, gross mortgage lending in June 2018 totalled an estimated **£23.5 billion**.

- This is up **2.1%** on June 2017.

The Financial Conduct Authority reports that 61.87% of mortgage lending in Q1 2018 was for 75% or less of a property's value.

- 3.59% of lending was for mortgages for over 90% of a property's value.

There were 51,800 loans approved for house purchase for first-time buyers and home movers in April 2018, according UK Finance-, **0.4%** lower than last year. The average loan approved for house purchase stood at £141,950 for a first-time buyer, and £180,000 for home movers. This is an increase of **4.1%** and **2%** since last year respectively.

The average mortgage loan to value of the house stood at **84.9%** in April 2018, up **1.4%** on the previous month.





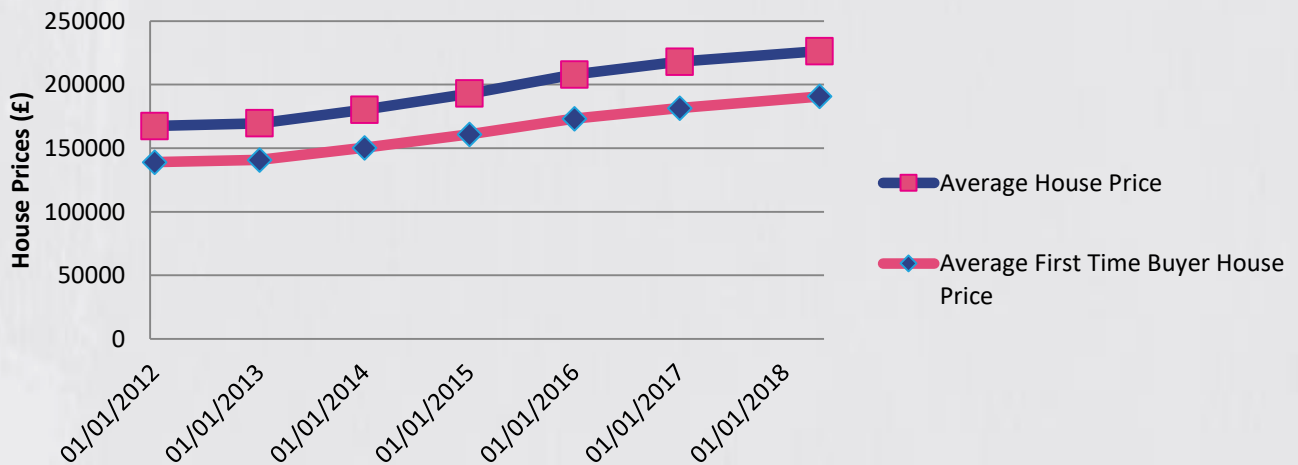
## 3. Mortgages, rent, and housing

### House prices

Nationwide estimate that house prices increased by 0.6% during July 2018, up 2.5% on 12 months ago.

Halifax said that average house prices rose by **£4,626** in July 2018, to £230,280. This is an increase of 1.4% on last month's; increasing by 1.3% over the quarter, but growing 3.3% over the year.

### UK House Prices



Data from ONS

### First-time buyers

The Office of National Statistics say that the average house price for first-time buyers was **£190,743** in May 2018, which is an annual increase of 2.4% and unchanged on last month.

According to UK Finance, the typical first-time buyer deposit in June was 15.0% (**around £28,611**) – **106% of an average salary**.

The average first-time buyer borrowed **3.65** times their income and the average age of a first-time buyer was **30**.



## 3. Mortgages, rent, and housing

### Renting

The median rent in England across all property types for the 12 months to March 2018 was £675, data from the Valuation Office Agency shows. In London this was £1,400.

For a single room, the average monthly rent was £401 – in London this was £629 (**64% higher**).

The average monthly rent for a two-bedroom house in England was £650 – in London this was £1,450 (**125% higher**).

According to the Office for National Statistics, private rental prices in Great Britain rose by 1% in the 12 months to June 2018, unchanged on the month before.

Rental prices increased in all the English regions over the year to June 2018, bar London which reduced by 0.2%. The East Midlands saw the biggest increase (2.8%).

Figures from DCLG show that in 2016/17, private renter households spent an average of **£850** a month on rental payments.

- These figures are the mean payments, so can be skewed by very high figures.

Inclusive of all benefits, private renters spent an average of 34% of their income on rental payments. Owner-occupiers spent on average 18%. Weekly rents in the social housing sector were £102 for housing association renters and £95 for local authority renters.

**34%** of households owned their home outright, while **28%** were mortgagors. **20%** rent privately, and **17%** pay a social rent.

- 2012/13 was the first year ever that outright owners were the largest tenure group.
- The rate of private renting is the highest it has been since the 1960s.



## 3. Mortgages, rent, and housing

### Arrears and repossessions

According to the Financial Conduct Authority, at the end of Q1 2018 there were **185,375** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is a slight dip on the previous quarter.

**56.54%** of payments due for loans in arrears were received in Q1 2018.

UK Finance reports that **78,800 (0.91%)** of mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q1 2018, a quarterly fall (from 82,800 in Q4). Since the end of Q1 2017, this figure has dropped by **38** a day.

UK Finances estimates that there were **1,060** properties were taken into possession in Q2 2018.

This equates to **12** properties being repossessed every day, or one property being repossessed **every two hours, 3 minutes**.

Every day in Q1 2018, according to the MoJ, **49** mortgage possession claims were issued and **32** mortgage possession orders were made.

**327** landlord possession claims were issued and **253** landlord possession orders were made every day.



## 4. Savings and pensions

### Savings

In Q1 2018, households saved an average of **4.3%** of their post-tax income, including benefits. This is up from 3.2% in Q1 2017.

The average interest rate for an instant access savings account – not including bonus interest payments – was 0.2% in July 2018. For a cash ISA, this was 0.69%.

If someone on the average salary saved 4.3% of their income in an average instant access savings account for a year, they would receive **£2.29** in interest after tax. If they saved it in an average cash ISA, they would receive **£9.86**.

It would take **19 years** for someone on the average salary, saving the average amount per household every year in an average instant access savings account, to afford the average first-time buyer deposit. If they saved into a cash ISA at the same rate it would take **18 years**.

Around **9.79m** (36%) households have no savings, while a further **3.54m** (13%) have under £1,500. **19.31m** 71% have less than £10,000 in savings.

### Pensions

The Pensions Regulator estimates that at least **9.82 million** employees had joined a pension scheme under auto-enrolment by the end of June 2018.

According to the Family Resources Survey, **45%** of working age adults actively participated in a pension in 2016/17, up **2%** on the previous year. This was **66%** for employees, and **16%** for the self-employed.

The Annual Survey of Hours and Earnings reports that **20.9%** of private sector employees were receiving an employer contribution to their workplace pension greater than 8%, whereas **94.4%** of public sector employees receive a contribution greater than 12%.

**28%** of employees were in an occupational Defined Benefit scheme in 2017, according to the Office for National Statistics. **23%** were in an occupational Defined Contribution scheme.

At the end of November 2017, there were 13 million claimants of State Pension, a fall of 73,000 on August 2016. 44% of claimants were male and 56% female.



## 5. Spending and loans

### How we spend

In May 2018, overall card spending increased by **2.3%** with repayments outstripping new lending according to UK Finance. Outstanding levels of credit card borrowing grew by **5.7%** on last year.

Meanwhile, data from LINK shows that, on average, **96** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in July 2018;

- In total, cash machine transactions were worth an average of **£43** per transaction.
- LINK's transaction figures do not include transactions or withdrawals made by customers at their own bank's or building societies' ATMs.
- There were **2.598bn** cash withdrawals through Link in 2017, amounting to **82** withdrawals per second.

### What we buy

In Q1 2018, households in the UK spent **£114.5m** a day on water, electricity and gas – or **£4.21** per household per day.

In June 2018 the average price of unleaded petrol increased by 3.3p (pence per litre) to 128.8ppl.

- This meant it cost **£64.40** to fill a 50 litre unleaded tank - **£1.65** less than last month.
- The average price of diesel increased by 3.4p to 131.7ppl.
- This meant it cost **£65.85** to fill a 50 litre diesel tank - **£1.70** more than last month.
- The price difference between the two grew to 2.9ppl in April, growing to a difference of **£1.45** per 50 litre tank.

According to the AutoEurope, it costs **£2,618** a year to run a car, or roughly **£7.17** a day. If you drive an average of 12,000 miles a year, the average cost of petrol will amount to **£0.09** per mile.

Child Poverty Action Group's 'The Cost of a Child in 2017' report estimates that couple families now spend **£155,142** on raising a child to their 18<sup>th</sup> birthday - **£23.61 a day**. This is up 2.4% compared to last year, and has increased 8.7% since the study first began in 2012.

- The cost for a lone parent is **£187,120** – an increase of **2.5%** on 2016, **20.7%** since 2012.
- This comes to **£28.48 a day**
- The percentage of basic costs covered by child benefit has risen by **1.6%** since 2012 for couples, but fallen by **2.2%** for a lone-parent family.



## 5. Spending and loans

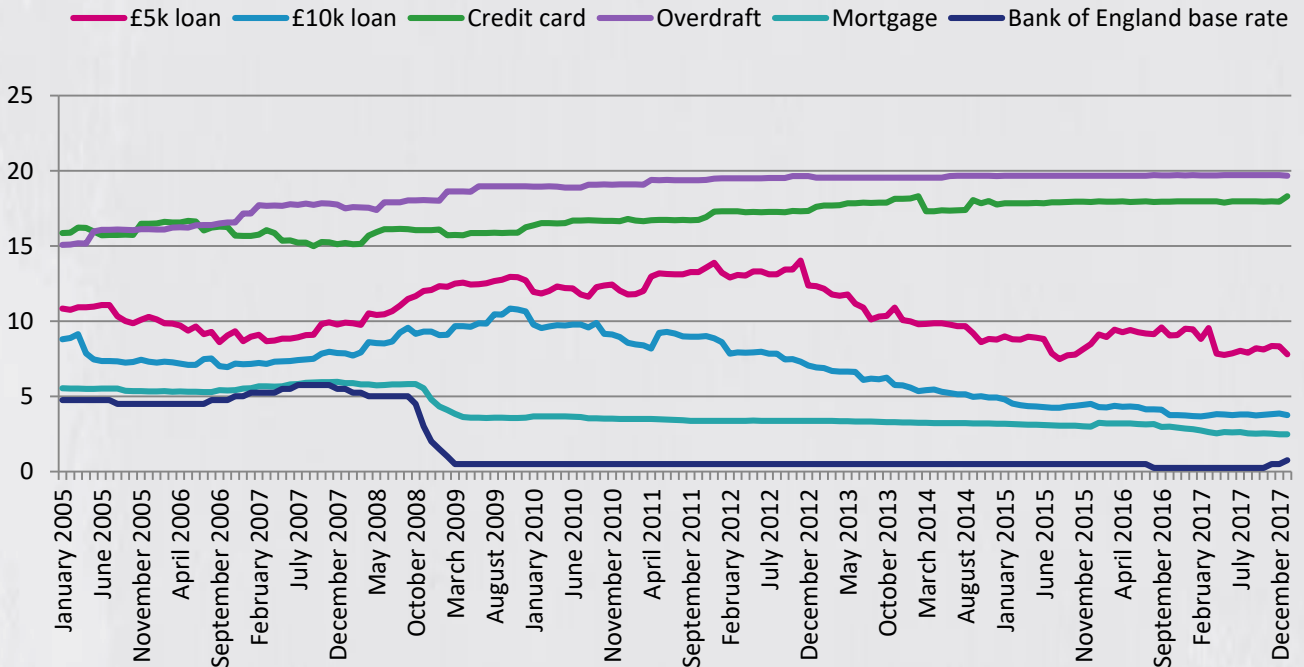
### The cost of credit

The average interest rate on credit card lending bearing interest was **18.3%** in July. This is **17.55%** above the Bank of England Base Rate of 0.75%.

UK Finance figures show that 55.6% of credit card balances were bearing interest in Q3 2017.

The average APR for a £5,000 personal loan is 7.79%, according to the Bank of England. For a £10,000 loan it's 3.76%, while the average rate for an overdraft is 19.68%.

### Interest rates (%)



Based on Bank of England Data



## 6. The bigger picture

The UK economy **grew by 0.2%** between March and May 2018.

CPI (Consumer Prices Index) 12 month rate stood at **2.4%** in the year to June, unchanged on last month.

The largest contributor to inflation over the last 12 months has been transport (**adding 0.67% to our overall costs since last month**), while the lowest inflationary pressure has been on miscellaneous goods and services (**decreasing by 0.01% since last month**).

In the three months to May 2018 pay including bonuses was up by 2.5% from a year ago, and pay excluding bonuses also rose by 2.7%. Average weekly pay was £517, or £486 excluding bonuses – an annual salary of **£26,958**, or **£25,341** without bonuses. In real terms, total pay increased by **0.1%** and regular pay by **0.3%**.

The Bank of England Base Rate is currently set at **0.75%**.

Public Sector Net Borrowing (excluding public sector banks) was **£5.394bn** in June 2018, with a deficit standing at **£2.566bn** meaning that the Government spent an average of **£174m** per day more than it took in during the month (equivalent to **£2,014** per second).

Public sector net debt *excluding* public sector banks was **£1,600.6bn (76.1% of GDP)**. This was £1,624.3bn at the end of June 2017, meaning public sector net debt fell by **£65m** a day in 2018.

According to the March 2018 Spring Statement analysis from the Office for Budget Responsibility, public sector net debt is forecast to peak at **85.6% of GDP** in 2017-18, before falling to **77.9% of GDP** in 2022-23.

The population of the UK grew by an estimated **1,074** people a day between 2016 and 2017.



## 6. The bigger picture

An estimated 4.28 million people will fall into the 40% income tax band and 393,000 will pay the 45% rate in 2018/19.

Based on the latest figures, **1.23m** people in work would pay no income tax.

There were **6.8 million** working-age people claiming benefits in August 2017. This is a decrease of 85,000 in the year, or **233 a day**.

The number of people classed as unemployed between March and May was **1.41 million** (4.2%). This is down 5,000 from the previous quarter, and down by 84,000 from last year— **230 a day**.

- **364,000** people had been unemployed for over 12 months, down by 5,000 from the previous three months, and down by 16,000 (**44 a day**) from a year earlier.

The unemployment rate in Great Britain was highest in London (5.1%), up **0.2%** on the last three months and lowest in the South West (3.2%), falling by **0.3%** on the last three months.

**414,000** 18-24 year olds (10.6%) were unemployed between March and May 2018. This was 9,000 (**2%**) more than the previous three months.

- Of these, 275,000 (**66%**) had been unemployed for over 6 months.
- **67,000** had been unemployed for over 12 months. This is an increase of 7,000 on the previous three months and a fall of 15,000 on a year earlier.

**808,000** (11.5%) of 16 to 24-year-olds in England were not in education, employment or training (NEET), up by 14,000 from the previous quarter.

**313,000** people aged over 50 were unemployed between January and March. This is up by 20,000 on the previous three months, and up 24,000 on a year earlier.

- **36.7%** of unemployed workers aged over 50 - a total of **115,000** people - have been out of work for over a year. **78,000** have been unemployed for more than two years.
- **1,196,000** (10.2%) people aged over 65 were *in work*, which is unchanged from the previous three months, and down 5,000 from the previous year.

**95,000** people (**1,033 day**) reported they had become redundant over the three months, a decrease of 12,000 on the previous quarter.



# the **MONEY** Charity

The Money Charity is the UK's leading financial capability charity.

We believe that being on top of your money means you are more in control of your life, your finances and your debts, reducing stress and hardship. And that being on top of your money increases your wellbeing, helps you achieve your goals and live a happier more positive life as a result.

Our vision is for everyone to be on top of their money as a part of everyday life. So, we empower people across the UK to build the skills, knowledge, attitudes and behaviours, to make the most of their money throughout their lives.