



DEBT STATISTICS

AUGUST 2013 EDITION

CONTENTS

Welcome to the August 2013 edition of Credit Action’s monthly Debt Statistics. The Debt Statistics provide a detailed overview of the level of debt in the UK as well as a range of other figures related to money, finance and the economy. We hope that you find them useful.

Our headline personal debt figures are on **pages 3 and 4**. The Striking Numbers box on the right also summarises some of the most significant statistics from this month’s release. The Striking Numbers are colour-coded, to help you navigate to the appropriate section using the key below.

Throughout this document, statistics that are written in **white** have been calculated by Credit Action. All other statistics come from external sources and are written in **black**.

From section 4 (Servicing Debt) onwards, figures are divided into either *Key Statistics* or *Recent Headlines*. The *Key Statistics* are reported on an ongoing basis, and are updated regularly when the latest data becomes available. Meanwhile, the *Recent Headlines* provide a summary of relevant and interesting news stories, and change every month.

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STRIKING NUMBERS
£54,067 was the average household debt (including mortgages) in June
£164m was the daily amount of interest paid on personal debt in June
7,824 debt problems were dealt with by the CAB each working day over the year to March
1,293 people were made redundant every day between March and May
915,000 people had been unemployed for over a year between March and May
£10.21m of loans are written-off daily by UK Banks and Building Societies (based on Q1 2013 trends)
Every 16 min 26 sec a property is repossessed (based on Q1 2013 trends)
Every 5 min 7 sec someone is declared insolvent or bankrupt (based on Q2 2013 trends)
£1.421 billion was the daily value of all purchases made using plastic cards in May

1. UK PERSONAL DEBT

TOTAL UK PERSONAL DEBT

Outstanding personal debt stood at **£1.425 trillion** at the end of June 2013.

- This is up from £1.421 trillion at the end of June 2012.
- At the end of June 2013, individuals owed nearly as much as the entire country produced during the whole of 2012.

Outstanding secured (mortgage) lending stood at **£1.267 trillion** at the end of June 2013.

- This is up from £1.263 trillion at the end of June 2012.

Outstanding unsecured (consumer credit) lending stood at **£157.8 billion** at the end of June 2013.

- This is down from £157.9 billion at the end of June 2012.

AVERAGE UK PERSONAL DEBT

Average household debt in the UK (excluding mortgages) was **£5,986** in June.

- This is up from a revised **£5,978** in May.

Average household debt in the UK (including mortgages) was **£54,067** in June.

- This is up from a revised **£54,034** in May.

The average amount owed per UK adult (including mortgages) was **£29,008** in June. This is up from a revised **£28,990** in May and was around **117%** of average earnings.

Average consumer borrowing (including credit cards, motor and retail finance deals, overdrafts and unsecured loans) per UK adult was **£3,211** in June. This is up from a revised **£3,207** in May.

The estimated average outstanding mortgage for the 11.3m households that carry mortgage debt stood at **£112,548** in June.

Based on June 2013 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£59.9 billion**.

- This is equivalent to **£164 million** per day.
- This means that UK households would have paid an average of **£2,272** in annual interest repayments.

1. UK PERSONAL DEBT

The Office for Budget Responsibility (OBR) predicted in March 2013 that total household debt will reach **£1.931 trillion** in Q1 2018.

- This would mean that average household debt would reach **£73,284** (assuming that the number of households in the UK remained the same between now and Q1 2018).

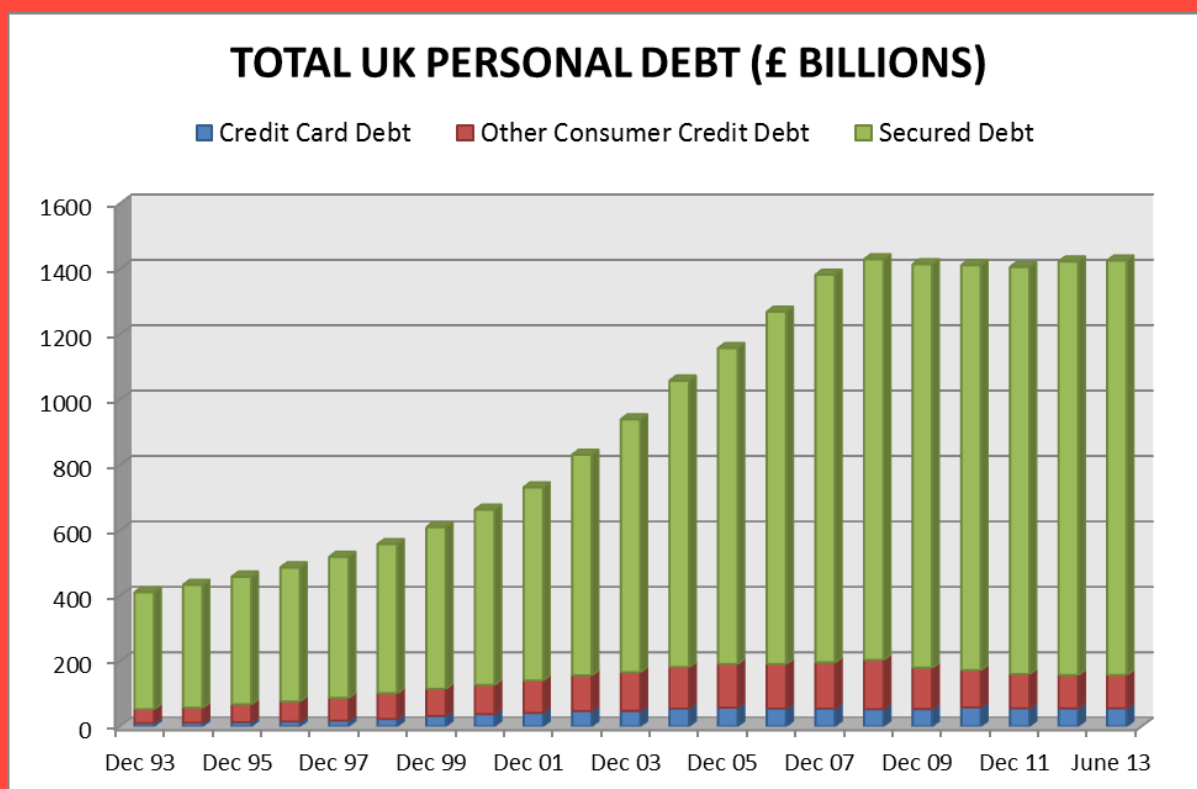
NET LENDING AND WRITE-OFFS

Total net lending to individuals by UK Banks and Building Societies **rose by £1.5 billion** in June 2013.

- Net secured lending rose by £1.0 billion in the month; net consumer credit lending rose by £0.5 billion.

UK Banks and Building Societies **wrote-off £4.1 billion** of loans to individuals over the four quarters to Q1 2013.

- In Q1 2013 itself they wrote-off £932 million (of which £385 million was credit card debt) amounting to a daily write-off of **£10.21m**.



2. EVERY DAY IN THE UK

Based on the latest available data, Credit Action estimates that:

- **282** people are declared insolvent or bankrupt every day (based on Q2 2013 trends). This is equivalent to one person **every 5 minutes 7 seconds**.
- **1,317** Consumer County Court Judgements (CCJs) are issued every day (based on Q2 2013 trends). The average value of a Consumer CCJ in Q2 2013 was **£2,766**.
- Citizens Advice Bureaux in England and Wales dealt with **7,824** new debt problems every *working day* during the year ending March 2013.
- It costs an average of **£29.02** per day to raise a child from birth to the age of 21.
- **88** properties are repossessed every day (based on Q1 2013 trends).
- An additional **88** people a day became unemployed for over 12 months during the year ending May 2013.
- **1,293** people a day reported they had become redundant between March and May 2013.
- Public Sector Net Borrowing (excluding financial interventions) was **£8.5bn** in June 2013, meaning that the Government borrowed an average of **£282m** per day during the month (equivalent to **£3,286** per second).
- **158** mortgage possession claims are issued and **112** mortgage possession orders are made every day.
- **466** landlord possession claims are issued and **312** landlord possession orders are made every day.
- The UK population grew by **1,123** people a day between 2001 and 2011.
- **28.8m** plastic card purchase transactions were made every day in May 2013 with a total value of **£1.421 billion**.
- **9.00m** cash machine transactions were made every day in June with a total value of **£360m**.
- A new car in the £13,000 - £18,000 price bracket travelling 10,000 miles per year costs **£16.23** per day to run.
- It cost **£67.90** to fill a 50 litre tank with unleaded petrol in June.

3. NATIONAL STATISTICS

ECONOMY

The UK economy **grew by 0.6%** in the second quarter of 2013, according to latest estimates from the Office of National Statistics.

The Bank of England Base Rate is currently set at **0.5%** (since being established in 1694, the Rate has never been lower). It was reduced to this level on 5th March 2009, and has been held there for 53 months.

There were **5.6 million** working age benefit claimants at November 2012. This is a decrease of 141,000 in the year.

UNEMPLOYMENT

The number of unemployed people in the three months between March and May 2013 was **2.51 million** (7.8%). This is down by 57,000 from the previous three months, and down by 72,000 from a year earlier.

- **118,000** people (**1,293 a day**) reported they had become redundant over the three months. This is down by 19,000 from the previous three months, and down by 29,000 from a year earlier.
- **915,000** people had been unemployed for over 12 months between March and May, up 15,000 from the previous three months, and up 32,000 (**88 a day**) from a year earlier.
- The number of economically inactive people aged between 16 and 64 rose by 87,000 over the three months, but fell by 144,000 over the year, to reach **9.04 million** in the three months to May 2013.

Public sector employment fell by **22,000** in the first quarter of 2013 to reach **5.697 million** overall.

The Office for Budget Responsibility's March 2013 forecast for General Government Employment estimates a total reduction of around **1.2 million** staff between the start of 2011 and the start of 2018. However, they estimate that this will be more than offset by a rise of **2.6 million** in market sector employment over the period, which will reach 25.8 million by the start of 2018.

3. NATIONAL STATISTICS

PUBLIC SECTOR NET DEBT

In June 2013, public sector net debt (PSND) *excluding* financial interventions was **£1202.8bn**, equivalent to 74.9% of GDP. This compares to £1118.1bn (71.6% of GDP) at the end of June 2012.

Meanwhile, public sector net debt *including* financial interventions was **£2232.8bn**, equivalent to 139.1% of GDP. This compares to £2132.8bn (136.5% of GDP) as at the end of June 2012.

- The Office of National Statistics 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 March 2013 Budget, public sector net debt is forecast to peak at **85.6% of GDP** in 2016-17, before falling to 84.8% of GDP in 2017-18.

CORPORATE INSOLVENCIES

Figures from the Insolvency Service show that there were **3,978** compulsory liquidations and creditors' voluntary liquidations in England and Wales in the second quarter of 2013 (on a seasonally adjusted basis).

- This was an increase of 10.5% on the previous quarter, and but down 2.1% on the same period a year ago.

In the twelve months ending Q2 2013, approximately **1 in 166** active companies (0.6% of all active registered companies) went into liquidation.

- This is down from 1 in 164 in the previous quarter.

Additionally, there were **974** other corporate insolvencies in Q2 2013 (not seasonally adjusted), comprising 192 receiverships, 622 administrations and 160 company voluntary arrangements.

- In total these have decreased 25.6% on the same period a year ago.

3. NATIONAL STATISTICS

INFLATION AND RETAIL ACTIVITY

CPI (Consumer Prices Index) annual inflation stood at **2.9%** in June, up from 2.7% in May.

RPI (Retail Prices Index) annual inflation stood at **3.3%** in June. This is up from 3.1% in May.

- Note that following a re-assessment earlier this year, the Office of National Statistics no longer designates RPI as an official “National Statistic”.

The British Retail Consortium/KPMG Retail Sales Monitor for June 2013 showed that UK retail sales values rose by 1.4% on a like-for-like basis from June 2012, when sales had increased 1.4% on the preceding year.

- On a total basis, sales were up 2.9% in June 2013, against a 3.5% increase in June 2012.
- The British Retail Consortium note that in real terms, growth was 2.3% over the last six months against 1.5% over the last twelve.
- The total growth of 2.9% was just ahead of the year-to-date average (2.8%) and better than the long-term 12-month average (2.4%).

There were 214,957 new car registrations in June, according to the Society for Motor Manufacturers and Traders.

- This is an increase of 13.4% compared to June 2012.

4. SERVICING DEBT

KEY STATISTICS

Citizens Advice Bureaux across England and Wales dealt with **0.60 million** new enquiries in the three months between January and March 2013.

- Debt was the second largest advice category (behind Benefits) with 489,448 enquiries. This is a 16% decrease on the same period last year. Debt enquiries represented 30% of all problems dealt with between January and March 2013.
- Based on *annual* figures to the end of March 2013, Citizens Advice Bureaux in England and Wales are dealing with **7,824** debt problems every *working day*.
- CAB site the loss of specialist advice capacity and falling consumer credit debts for the reduction in debt advice cases.

According to the Council of Mortgage Lenders (CML), **8,000** properties were taken into possession in Q1 2013 (this is down from 9,600 in Q1 2012, but shows the usual seasonal upturn from the fourth quarter figure, which was 7,700 in Q4 2012).

- This equates to **88** properties being repossessed every day, or one property being repossessed **every 16 minutes 26 seconds**.
- In terms of payment difficulties, **159,800** mortgages ended Q1 2013 with arrears equivalent to at least 2.5% of the outstanding mortgage balance.
- CML's most recent forecast for 2013 anticipates that there will be a total of 35,000 repossessions in the year, with 160,000 mortgages in arrears of 2.5% or more by the end of 2013.

The Financial Conduct Authority estimates that at the end of Q1 2013 there were **296,363** mortgage loan accounts in reportable arrears (i.e. arrears of over 1.5% of current loan balance), a drop of less than 0.5% from the previous quarter, and a fall of 2.2% compared to the start of 2012 (when there were 302,976 accounts in reportable arrears).

- At the end of Q1 2013, loans in arrears represented **2.39%** of the value of the residential loan book.

The Insolvency Service said there were **25,717** individual insolvencies in England and Wales in Q2 2013. This is equivalent to **282** people a day or, one person **every 5 minutes 7 seconds**.

- This was a rise of **2.8%** on the previous quarter and a fall of **6.1%** on the same period a year ago.
- This was made up of 6,469 bankruptcies (down 20.1% compared to Q2 2012), 7,132 Debt Relief Orders (down 10.4% compared to Q2 2012) and 12,116 Individual Voluntary Arrangements (up 6.8% compared to Q2 2012).
- The number of Debt Relief Orders was higher than total bankruptcies for the fourth consecutive quarter, while Bankruptcy Orders have been lower than Individual Voluntary Arrangements for the last nine quarters.

4. SERVICING DEBT

RECENT HEADLINES

Personal debt concerns around a half of all UK adults, according to research from Baines & Ernst.

- One in three of the 1,824 people surveyed said money owed on credit and store cards is the cause of most distress, while one in seven identified overdraft charges as the main issue. Just over one in ten said mortgage repayments gave them the most stress.
- The rising cost of living is identified by one in two people for driving them into debt, while one in seven said unemployment was the reason they fell into the red. A similar proportion of respondents admitted to spending on non-essentials, such as luxuries and leisure activities caused them to overspend.
- Men are more likely to be concerned about their level of debt, being twice as likely as women to be anxious about bank loans. Young people are also concerned about debt, with one in four of under 25s being worried about credit card debt.

According to Halifax, nearly nine in ten (86%) children aged eight to fifteen say that their parents worry about money, an accurate reflection of the 92% of parents who admit to being concerned about their finances.

- However, the number of parents who appreciate the money worries of their children is much lower. While six in ten children (58%) admit to worrying about money themselves, just over a third of parents (36%) think this affects their child.

More than one in three people with mental health problems have had 'severe or crisis' debt, making them four and a half times more likely to fall into debt. That's according to a new report from MoneySavingExpert.com, which showed that crisis debt problems are nearly the norm for people suffering from mental health issues.

- With one in four adults in the UK experiencing at least one mental health problem in any year, the company has published a booklet, written with guidance from several leading charities including Mind, Rethink, Christians Against Poverty, and StepChange.

5. PLASTIC CARDS AND PERSONAL LOANS

KEY STATISTICS

During May 2013 an average of **333** purchases were made in the UK every second using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£16,443** was spent every second using debit and credit cards.
- On a daily basis, purchases using plastic cards were worth **£1.421 billion** during May.

Meanwhile, data from LINK shows that, on average, **104** cash machine transactions (including balance enquiries and rejected transactions) were made every second in June 2013.

- In total, cash machine transactions were worth an average of **£4,164** per second in June.
- LINK's transaction figures do not include transactions or withdrawals made by customers at their own bank's or building societies' ATMs.

Total credit card debt in June 2013 was **£55.7bn**.

- The average interest rate on credit card lending was **17.61%** in June. This is **18.11%** above the Bank of England Base Rate (0.5%).
- British Bankers Association figures show that 62.5% of credit card balances are bearing interest.

RECENT HEADLINES

The popularity of payday loans has dipped, with just 7% of UK adults planning to take out a payday loan in the next six months, down from 11% in October 2012, according to a survey of over 2,000 people by R3, the insolvency trade body.

- R3 states that demand for payday loans is highest amongst young adults, with 17% of 18-34 year olds likely to take out a payday loan in the next six months, compared to just 3% of those aged 35 and over.
- For 18-24 year olds with debt worries, almost one-in-five (19%) are concerned about their level of payday loan debt, up from just 8% in February and 14% in October 2012.

5. PLASTIC CARDS AND PERSONAL LOANS

Research by Scope shows that one in ten disabled people has borrowed money from a doorstep lender, compared with just 3% of non-disabled consumers.

- Disabled people are increasingly struggling to pay bills as a result of the rising cost of living. Half are using credit cards or loans to pay for essentials, including food and clothing, while one in five have been unable to make the minimum payment on their credit card in the past year.

Nine out of ten UK adults - equivalent to 47 million people – now own a debit card, according to the UK Plastic Cards 2013 report. Released by the UK Cards Association, it reveals that three out of four purchases made on the high street are made using cards.

- Each debit cardholder used their card an average of 205 times in 2012, an increase of 10 transactions on 2011. By contrast, credit card holders used their cards on average 68 times to make purchases.
- The move away from cash and cheques has been driven by the growing number of point-of-sale terminals at UK shops accepting cards. It's also been encouraged by internet shopping and e-commerce.

Online debit card spending passed online credit card spending for the first time in 2012. Debit card spending was £35 billion, compared to £34 billion on credit cards. Total online card spending increased by £5 billion in 2012.

6. YOUNG PEOPLE

KEY STATISTICS

763,000 economically active 18-24 year olds were unemployed between March and May 2013. This was down by 24,000 (3.1%) compared to the previous three months.

- This meant that **18.7%** of all economically active 18-24 year olds were unemployed between March and May.
- **366,000** (48.0%) had been unemployed for over 6 months.
- **249,000** had been unemployed for over 12 months. This is a fall of 3,000 (1.2%) over the previous 3 months, but a rise of 11,000 (4.5%) from a year earlier.

The number of 18-24 year olds not in education, employment or training (NEET) at the end Q1 2013 was **843,000** (17.6%).

- The number of 16-18 year olds classed as NEET stood at **152,000** (8.2%) at the end of Q1 2013.
- The overall number of 16-24 year olds NEETs was **909,000** (15.1%).

RECENT HEADLINES

Many young unemployed people feel marginalised, pessimistic and lacking in control over their lives, claims a survey by the UCU lecturers' union.

- The survey of youngsters not in education, employment or training - so-called NEETs - found a third had experienced depression and more than a third "rarely left the house".
- The poll examined views of some 1,000 youngsters aged 16-24 across the UK. It reveals that many feel isolated and are lacking in confidence - 40% feel they are not part of society, 36% believe they will never have a chance of getting a job. One third have suffered depression, 37% rarely go outside the house and 39% suffer from stress.

7. OLDER GENERATIONS AND PENSIONS

KEY STATISTICS

418,000 people aged over 50 were unemployed between March and May 2013. This is up 16,000 (4.1%) from the previous three months, and up 10,000 (2.5%) from a year earlier.

- **45.7%** of unemployed workers aged over 50 - a total of **191,000** people - have been out of work for over a year. 115,000 have been unemployed for more than two years.
- **992,000** people aged over 65 were *in work* between March and May, which is up 25,000 (2.6%) from the previous three months, and up 64,000 (6.9%) from the previous year.

At November 2012, there were 12.8m claimants of State Pension (SP), a rise of 146,000 on the year.

RECENT HEADLINES

One in three Britons expects to still be paying their mortgage in their 60s, a study has suggested. It compared this with the generation before, which cleared mortgages at an average age of "51".

- The research conducted by the Post Office underlined how the burden of higher property debt and the after-effects of the credit crunch is beginning to alter the lives of generations that are yet to retire.
- The study said high house prices and the associated problem with saving for a deposit means many homeowners are making the first step on the property ladder much later than their parents did – taking out their first mortgage at an average age of 33.

8. HOUSING MARKET

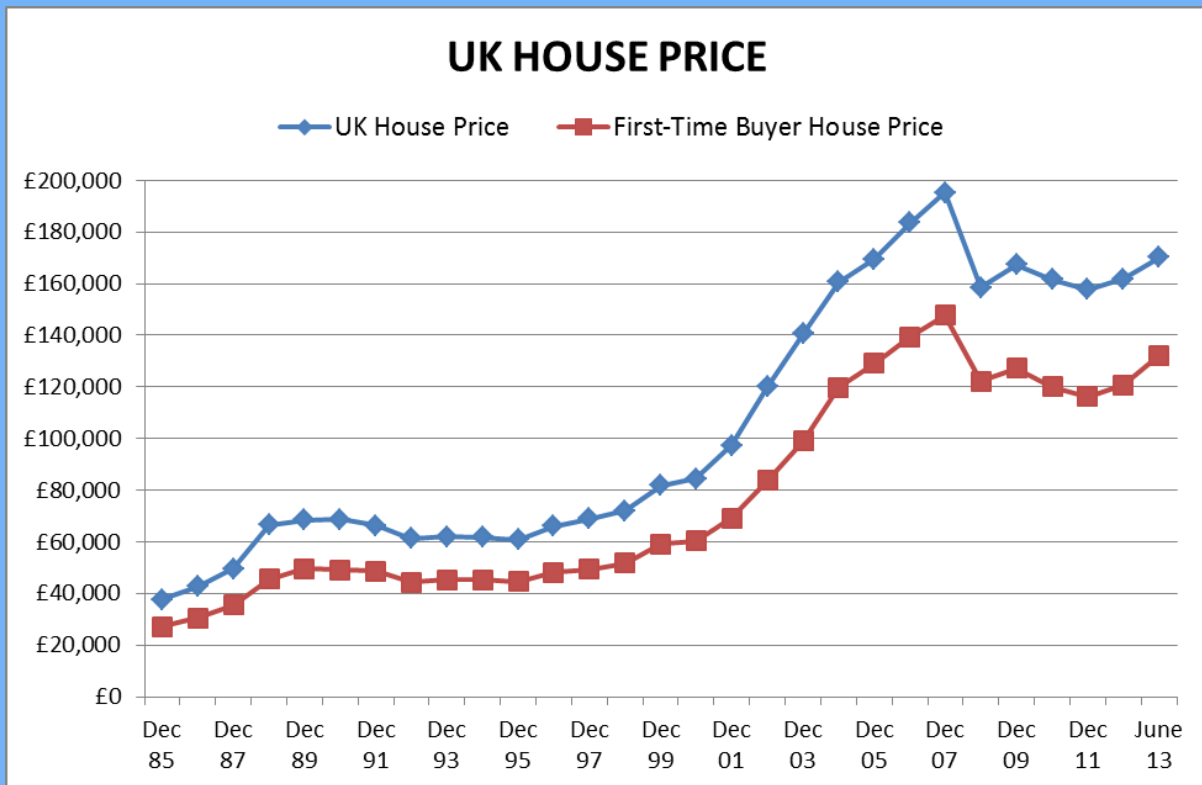
KEY STATISTICS

According to the Office of National Statistics the average house price in the UK in May 2013 stood at **£239,000** (£248,000 in England).

- Average UK house prices increased by 0.3% over the month to May 2013, compared with a revised 0.0% in May 2012 (seasonally adjusted).
- Over the year to May 2013, UK house prices **increased by 2.9%**.
- Average house prices in London **increased by 6.6%** in the year to May 2013.

Nationwide estimate that house prices rose 0.8% during July 2013, and rose 3.9% compared to July 2012.

Halifax said that house prices rose by £1002 in June 2013. This is a monthly rise of 0.6%. Prices rose 2.1% over the quarter and rose 3.7% over the year.



Data from Halifax House Price Index (Standardised, Non-Seasonally Adjusted)

8. HOUSING MARKET

The average Mortgage Interest rate was 3.33% at the end of June.

According to the Council of Mortgage Lenders, gross mortgage lending in June totalled an estimated £15.0 billion. This is a rise of 2% compared to May's gross lending total (£14.7 billion) and a rise of 26% from June 2012 (£11.9 billion).

- This is the highest monthly estimate for gross mortgage lending since October 2008.

The June RICS Residential Market Survey reports a growing imbalance between demand and availability in the sales market. New buyer enquiries have risen from 30 to 38, the highest level since August 2009. However, although the pick-up in buyer interest is enticing more homeowners to test the market, this is more modest with new vendor instructions amounting to 12, down from 15 in May.

- House price expectations amongst surveyors have picked up sharply, with an average rise of 1.5% predicted during the next 12 months. Over the next 5 years prices are now expected to rise by 4% a year against a previous estimate of 2.5%.

Hometrack's monthly survey of agents and surveyors showed that demand for housing rose 1.0% in July, compared to a rise of 1.6% in June.

- The supply of homes for sale increased by 2.4% in July, following a 1.6% increase in June.
- House prices grew by 0.3% in July, down on the rise of 0.4% in June.
- Lower prices were reported across 1.8% of post code districts in July, compared to 3.1% in June. Price rises were reported across 29.3% of postal districts in July, compared to 31.4% the previous month.
- Hometrack say that the average time on the market has fallen to 8.2 weeks – the lowest for 6 years as a result of rapidly shortening sales periods in London (3.8 weeks) and the South East (6.4 weeks).

8. HOUSING MARKET

Rightmove said new seller asking prices rose by 0.3% in July, standing at an average of £253,658. Prices rose 4.8% compared to July 2012, with the greatest annual rise being 12.0% in the Greater London area.

There were 37,278 loans for house purchase approvals in June, according to the British Bankers Association (BBA), this is 33% higher than June 2012. The average loan approved for house purchase rose to £160,100.

Statistics from the National Association of Realtors show that existing home sales across the United States (including single-family, townhomes, condominiums and co-ops) decreased 1.2% during the month of June.

- The average price increased 13.5% year on year to \$214,200. This marks 16 consecutive months of year-over-year increases which last occurred from February 2005 to May 2006.
- Meanwhile, RealtyTrac® said that a total of 127,790 foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on U.S. properties in June 2013. This is a 14% decrease from the previous month and a 35% decrease from June 2012.

8. HOUSING MARKET

FIRST-TIME BUYERS AND BUY TO LET

The Office of National Statistics say that the average house price for first time buyers was **£181,000** in May 2013, which is an annual increase of 4.1%.

The typical first-time buyer deposit in May 2013 was **17% (around £27,744)**. The average first-time buyer borrowed 3.29 times their income and the average first-time buyer loan was an estimated **£135,458**.

The Council of Mortgage Lenders say that 33,500 buy-to-let mortgages were advanced in Q1 2013, worth a total of £4.2bn (this compares with £4.6bn in the previous quarter). BY the end of Q1 2013, there were 1.46m buy-to-let mortgages in the UK, accounting for around 13% of the total estimated stock.

According to the June 2013 RICS Residential Market Survey, growth in tenant instructions was a little firmer than demand in the month. Respondents expect rents to increase by 1.5% over the next 12 months, but the longer term prediction is for rents to rise by 4% a year. Unlike the sales market, rental expectations in London are much closer to the national average.

9. SPENDING

KEY STATISTICS

The AA calculate that in July 2013 the average price of unleaded petrol rose by 1.2ppl (pence per litre) to 135.8ppl.

- This meant it cost **£67.90** to fill a 50 litre unleaded tank.
- The average price of diesel rose by 1.0ppl to 140.2ppl.
- The UK had the eleventh highest petrol price and the fourth highest diesel price in Europe.

According to the AA, it costs 59.25 pence per mile to run a car. This is based on buying a new petrol car in the £13,000 - £18,000 price bracket, replacing it after 4 years and averaging 10,000 miles per year.

- Do 30,000 miles per year in a car that cost less than £13,000 and the cost falls to 31.47ppm
- Do 5,000 miles per year and spend £25,000 - £32,000 on the vehicle and the cost soars to 155.14ppm.

An annual report by LV has calculated that the cost of raising a child to their 21st birthday now stands at a record **£222,458**. This is up 2.0% compared to last year, and has increased 58.4% since the study first began in 2003.

- Education and childcare represent the biggest areas of expenditure, costing parents £72,832 and £63,738 respectively over the course of their children's childhoods.
- The cost of education (including uniforms, after-school clubs and university costs) increased 123.5% since 2003, while the cost of childcare has risen by 60.9%.
- LV predict that the cost of raising a child to 21 will reach £350,000 by 2023.

9. SPENDING

RECENT HEADLINES

Three in ten people feel obliged to buy a round when money's tight. Peer pressure in pubs is adding to consumer stress, according to the Debt Advisory Centre, as an estimated 35 million people feel they have to buy a round of drinks when they can't afford to.

- Pressure to conform to social conventions means that three quarters of consumers sometimes avoid situations where they might end up spending more than they are comfortable with. These include having meals out with friend, a few drinks in a bar or the pub, work nights out and shopping with friends.
- Almost 30% will make excuses to sidestep a stag or hen do, while more than 40% will turn down a wedding invitation for financial reasons.

Almost half of British adults are living 'hand to mouth' and are 'broke' by the end of the month, it has been revealed. One in four adults regularly dips into overdrafts, while one in five borrows money from family or friends to pay housing costs or unexpected bills.

- Finding it impossible to save for retirement, almost half of people don't yet have a pension plan in place and firmly believe they'll be working 'until they drop'. All this according to a study from Engage Mutual.
- Although six out of ten people do save money regularly, for three out of five it would last less than six months should they lose their job.
- Of all the age categories polled, those aged 18 to 24 admit they are likely to go on spending sprees they can't afford and face the prospect of being unable to pay unexpected bills. But a significant number of people under the age of 35 think nothing of doing the same.
- Most people aged 55 and over think of themselves as being better at managing money and are more likely to have a savings account in place. However, some still find themselves living on the breadline much of the time.
- One in five has unpaid credit card debt at the end of each month, and two in five still aren't in a position where they could retire with one in three over 55s not having a pension.

10. SAVING

RECENT HEADLINES

Almost 300,000 Junior ISAs were opened in the 2012-13 tax year, with an average amount of £1,327 saved per child. This compares to just 71,000 accounts that were opened in the last five months of the previous tax year, according to HMRC.

Junior ISAs were launched in November 2011, replacing Child Trust Funds. The HMRC report reveals that based on the number of Junior ISAs opened, just one in twenty eligible children have benefited from the scheme. According to analysis by Halifax, this means there is an estimated £5.1 billion in unused Junior ISA allowances.

UK Couples stash £2.1bn in 'secret savings' as couples save solo according to findings from the Lloyds TSB Family Savings Report.

- 2.6 million secret savers in the UK hoard an average pot worth £823.48
- The typical secret saver keeps between a quarter and a third of their savings hidden
- The total secret savings stash in the UK is worth £2.1 billion
- Young couples now keep 80% of their savings in sole savings accounts
- The average UK couple now keeps 63% of their savings and investments in sole accounts

The report highlights a long-term shift to greater independence in couples' finances.

- Nearing half (47%) of those who have a joint account with a partner would expect their partner to always let them know when they spent from the account
- At the same time, just over one in ten (11%) say their partner would never have to tell them before spending their joint savings money
- However, when it comes to a partner's own savings, nearing a quarter (23%) still expect to be notified every time the partner spends from their savings, while a third (33%) would never expect to be told.

The average British family has so little in savings that they are just 18 days away from the breadline, according to a report by Legal & General.

It found that within less than three weeks of losing their usual sources of income, they will be reliant on state benefits and friends and family for financial support. Nearly four out of 10 families have no savings at all, and would stare at financial disaster immediately if they were made redundant.

NOTES

Credit Action's Debt Statistics are compiled on a monthly basis by Liz Dunscombe. Email lizdunscombe@creditaction.org.uk for information and enquiries.

If you would like to receive regular monthly updates of the statistics then please register using the **Subscribe to Debt Statistics** link at www.creditaction.org.uk

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Note that all statistics in this release are based on the latest available data at time of writing.

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