

The
MONEY
Charity

**The Money
Statistics**

February 2016

The MONEY Charity

Welcome to the February 2016 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 Frank Hobson at frank@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**.

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- 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

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1. Striking numbers

This month's highlights

£4.7 billion

The **fall** in the amount people in the UK owe during December

3.7%

The unemployment rate in the South East –the lowest in the UK

£31.7 billion

The **growth** in the amount people in the UK owe since December 2014

82 months

The period of time the Bank of England base rate has been at **0.5%**

734

The daily fall in working age benefit claimants in the year to May 2015

7.9%

The unemployment rate in the North East –the highest in the UK

£3,456

The average rise in house prices during December according to Halifax

2.99%

The average mortgage interest rate in December 2015

4.4%

The average proportion of their post-tax income, including benefits, UK households save. The lowest since Q3 2008.



1. Striking numbers

Every day in the UK

- The population of the UK grew by an estimated **1,223** people a day between 2003 and 2013.
- On average, a UK household spends **£3.78** a day on water, electricity and gas.
- **209** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 6 minutes 53 seconds**.
- **39.1 million** plastic card purchase transactions were made every day in November 2015, with a total value of **£1.77 billion**.
- **8.9m** cash machine transactions were made every day in November with a value of **£390m**.
- **2,330** Consumer County Court Judgments (CCJs) are issued every day, with an average value of **£2,171**.
- Citizens Advice Bureaux in England and Wales dealt with **4,097** new debt problems every day during the quarter ending September 2015.
- **25** properties are repossessed every day, or one every **57 min 40 seconds**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **56** a day.
- The number of people unemployed for over 12 months fell by **99** per day between September and November.
- **1,121** people a day reported they had become redundant between September and November.
- Net lending to individuals in the UK increased by **£142 million** a day, despite a fall in December.
- The Government borrowed **£242m** a day during December 2015 (**£2,800** per second).
- Borrowers would repay **£143m** a day in interest over a year, based on December 2015 trends.
- It costs an average of **£29.91** per day to raise a child from birth to the age of 21.
- **54** mortgage possession claims and **37** mortgage possession orders are made every day.
- **420** landlord possession claims and **317** landlord possession orders are made every day.



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

Total UK personal debt

People in the UK owed **£1.455 trillion** at the end of December 2015. This is up from £1.424 trillion at the end of December 2014 – an extra **£627.09** per UK adult.

The average total debt per household – including mortgages – was **£53,904** in December. The revised figure for November was £54,078.

Per adult in the UK that's an average debt of **£28,891** in December – around **111.9%** of average earnings. This is slightly down from a revised £28,912 in November.

Based on December 2015 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£52.371 billion**.

- That's an average of **£143 million** per day.
- This means that households in the UK would have paid an average of **£1,940** in annual interest repayments. Per person that's **£1,037 – 4.03%** of average earnings.

According to the Office for Budget Responsibility's July 2015 forecast, household debt is predicted to reach **£2.551 trillion** in Q1 2021. This makes the average household debt **£94,481** (assuming that the number of households in the UK remained the same between now and Q1 2021).

Consumer credit debt

Outstanding consumer credit lending was **£178.67 billion** at the end of December 2015.

- This is up from £168.8 billion at the end of December 2014, and is an increase of **£194.41** for every adult in the UK.

Per household, that's an average consumer credit debt of **£6,617** in December up from a revised £6,660 in November- or **£363.63** extra per household over the year.

It also means the average consumer credit borrowing stood at **£3,538** per UK adult. This is up from a revised £3,528 in November.

Total credit card debt in December 2015 was **£63.35bn**. Per household this is **£2,346** – for a credit card bearing the average interest, it would take **25 years and 5 months** to repay if you made only the minimum repayment each month.

- The minimum repayment in the first month would be **£56** but reduces each month. If you paid £56 every month, the debt would be cleared in around **5 years and 5 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 **rose by £4.4 billion** in December 2015 – or **£142m a day**.

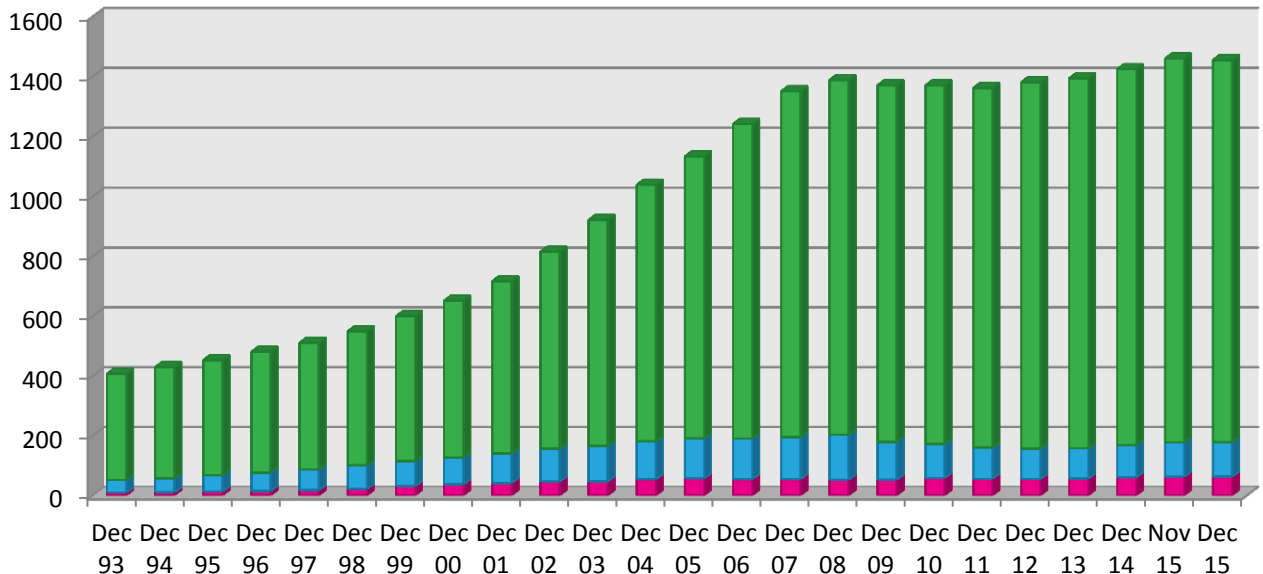
- Net mortgage lending rose by £3.2 billion in the month; net consumer credit lending rose by £1.2 billion.

UK Banks and Building Societies **wrote off £2.881 billion** of loans to individuals over the four quarters to Q3 2015.

- In Q3 2015 itself they wrote off £798 million (of which £552 million was credit card debt) amounting to a daily write-off of **£8.7 million**.

Total UK personal debt (£bn)

■ Credit card debt ■ Other consumer credit debt ■ Secured debt



Based on Bank of England Data



2. Personal debt in the UK

Student loans

In 2014/15, the average maintenance loan awarded for full-time undergraduates from England was **£3,890**, and the average maintenance grant awarded to successful applicants was **£3,008**.

The average debt owed per student at the end of 2013/14 was **£12,651** (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 2014 cohort which just entered repayment was **£20,100**.

Advice, insolvency, and the courts

Citizens Advice Bureaux across England and Wales dealt with **583,000** new enquiries in the three months between July and September 2015.

Debt was the second largest advice category (behind Benefits) with 377,000 issues. This is a 4% decrease on the same period last year. Debt issues represented 27% of all problems dealt with over the period.

Based on *quarterly* figures up to the end of September 2015, Citizens Advice Bureaux in England and Wales are dealing with **4,098** debt problems every *working day*.

- CAB cite the loss of legal aid and falling trends in many individual debt types for the reduction in debt advice cases.

There were **19,008** individual insolvencies in England and Wales in Q2 2015. This is equivalent to **209** people a day or, one person **every 6 minutes 53 seconds**. This was a fall of **6.5%** on the previous quarter and **29.5%** on the same period a year ago.

Every day, on average, **44** people were made bankrupt, **64** Debt Relief Orders were granted, and **101** Individual Voluntary Arrangements were entered into.

In the 12 months ending Q2 2015, 1 in 589 adults (just over 0.17% of the adult population) became insolvent. This was the lowest rate in a decade.

1,969 Consumer County Court Judgements (CCJs) were issued every day in Q3 2015. The average value of a Consumer CCJ in Q2 2015 was **£1,853**.



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 **£1.277 trillion** at the end of December.

- This is up from £1.255 trillion at the end of December 2014.

That means that the estimated average outstanding mortgage for the 11.1m households with mortgage debt was **£115,669** in December.

The average Mortgage Interest rate was 2.99% at the end of December. Based on this, households with mortgages would pay an average of **£3,447** in mortgage interest over the year.

For new loans, the average Mortgage Interest rate was 2.55%. Using the latest figures from the Council of Mortgage Lenders, this means new mortgages would attract an average of **£3,839** in interest over the year.

According to the Council of Mortgage Lenders, gross mortgage lending in December totalled an estimated £19.9 billion.

- This is 23% higher than December 2014, but 3% down on November.

The Financial Conduct Authority reports that 61.97% of mortgage lending in Q3 2015 was for 75% or less of a property's value.

- 3.3% of lending was for mortgages for over 90% of a property's value.

There were 43,975 loans approved for house purchase in December, according to the British Bankers Association (BBA), 23% higher than a year earlier. The average loan approved for house purchase rose to £177,000.

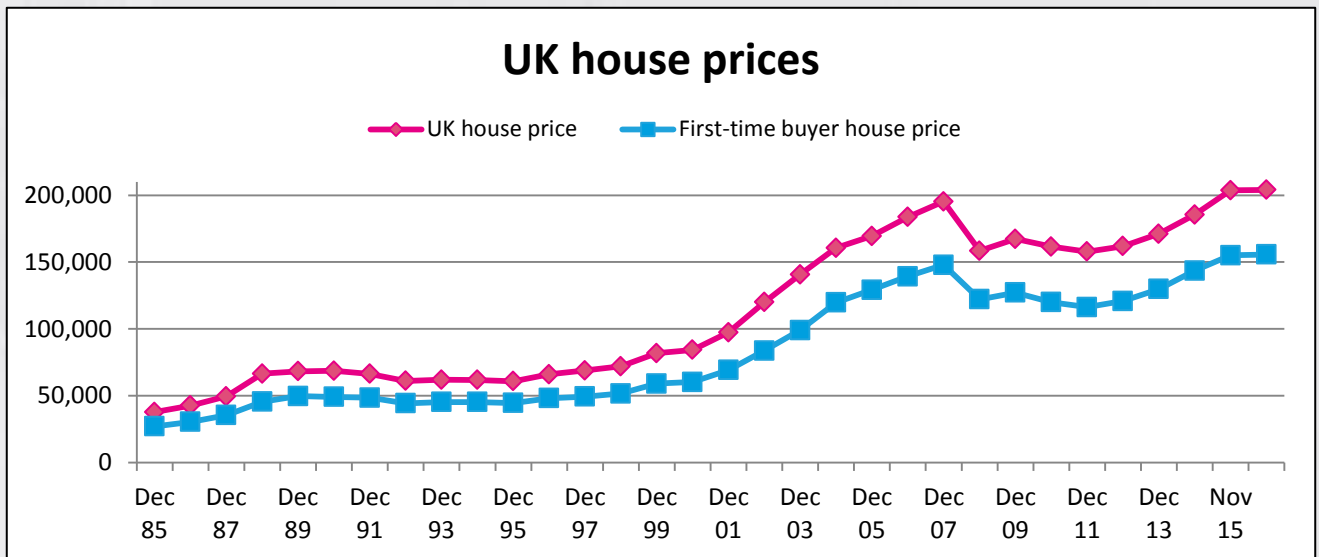


3. Mortgages, rent, and housing

House prices

Nationwide estimate that house prices rose by 0.3% during January 2016, and were up 4.4% on 12 months ago.

Halifax said that house prices rose by £3,456 in December 2015. This is a monthly rise of 1.7%; prices rose 1.6% over the quarter and 9.5% over the year.



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

First-time buyers

The Office of National Statistics say that the average house price for first-time buyers was **£221,000** in November 2015, which is an annual increase of 7.4%.

According to the Council of Mortgage Lenders (CML), the typical first-time buyer deposit in November was 16.5% (**around £29,747**) – **115% of an average salary**.

The average first-time buyer borrowed **3.46** times their income and the average first-time buyer loan was an estimated **£128,000**.



3. Mortgages, rent, and housing

Renting

The median rent in England across all property types for the 12 months to September 2015 was £625, data from the Valuation Office Agency shows. In London this was £1,400.

For a single room, the average monthly rent was £350 – in London this was £550 (**57% higher**).

The average monthly rent for a two-bedroom house in England was £595 – in London this was £1,450 (**144% higher**).

According to the Office for National Statistics, private rental prices in Great Britain rose by 2.7% in the 12 months to September 2015.

Rental prices increased in all the English regions over the year to September 2015, with London seeing the biggest increase (4.1%) and the North East seeing the lowest rise (0.5%).

Respondents to the May 2015 RICS survey expected rents to rise by 5% per year over the next five years.

Figures from DCLG show that in 2013/14, private renters spent an average of **£762.67** a month on rental payments, while owner-occupiers paid **£663** in mortgage 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 43% of their income on rental payments. Owner-occupiers spent on average 19%. Weekly rents in the social housing sector were £98 for housing association renters and £89 for local authority renters.

33% of households owned their home outright, while **31%** were mortgagors. **19%** rent privately, and **17%** pay a social rent.

- 2012/13 was the first year ever there outright owners where 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 Q3 2015 there were **196,148** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is 7% down on the previous quarter, and the lowest figure since records began in 2007.

Loans in arrears represented **1.41%** of the value of the residential loan book.

60.7% of payments due for loans in arrears were received in Q3 2015.

The Council of Mortgage Lenders reports that **104,600 (0.94%)** of mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q3 2015 – the lowest since 2006. Since the end of Q3 2014, this figure has dropped by **56** a day.

The Council of Mortgage Lenders estimates that **9,100 owner-occupied** properties were taken into possession in the year to September 2015.

This equates to **25** properties being repossessed every day, or one property being repossessed **every 57 minutes 40 seconds**.

Every day in Q3 2015, **54** mortgage possession claims were issued and **37** mortgage possession orders were made.

420 landlord possession claims were issued and **317** landlord possession orders were made every day.



4. Savings and pensions

Savings

In Q3 2015, households saved an average of **4.4%** of their post-tax income, including benefits – the lowest since the spring of 1963.

The average interest rate for an instant access savings account – not including bonus interest payments – was 0.38% in December. For a cash ISA, this was 0.68%.

If someone on the average salary saved 4.4% of their income in an average instant access savings account for a year, they would receive **£3.68** in interest after tax. If they saved it in an average cash ISA, they would receive **£8.23**.

It would take **24 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 **23 years**.

Around **9.61m** (36%) households have no savings, while a further **3.47m** (13%) have under £1,500. 71% have less than £10,000 in savings.

Pensions

The Pensions Regulator estimates that at least **5.81 million** employees had joined a pension scheme under auto-enrolment by the end of December 2015.

According to the Family Resources Survey, **30%** of adults actively participated in a pension in 2013/14, up **4%** on the previous year. This was **52%** for employees, and **17%** for the self-employed.

The Annual Survey of Hours and Earnings reports that **59.2%** of employees were receiving an employer contribution to their pension.

28% of employees were in a Defined Benefit scheme in 2012, according to the Office for National Statistics.

In 2008/10, the average value of a Defined Contribution pot was £29,000.

At the end of May 2015, there were 12.96 million claimants of State Pension, a rise of 6,000 on a year earlier. 42% of claimants were male and 58% female.



5. Spending and loans

How we spend

During November 2015 an average of **453** purchases were made in the UK **every second** using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£20,525** was spent every second using debit and credit cards.
- Purchases using plastic cards were worth **£1.77 billion** every day during November.
- In total, **105** purchases using credit cards were made every second, worth **£5,980**.

Meanwhile, data from LINK shows that, on average, **103** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in December 2015.

- In total, cash machine transactions were worth an average of **£4,510** per second.
- LINK's transaction figures do not include transactions or withdrawals made by customers at their own bank's or building societies' ATMs.

What we buy

In Q3 2015, households in the UK spent **£103.26m** a day on water, electricity and gas – or **£3.78** per household per day.

In January 2015 the average price of unleaded petrol fell by 2.15ppl (pence per litre) to 102.23ppl.

- This meant it cost **£51.12** to fill a 50 litre unleaded tank.
- The average price of diesel fell by 5.16ppl to 102.56ppl.

According to the AA, it costs **51.60 pence per mile** to run a car. This is based on buying a new petrol car for between £13,000 and £18,000, 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 25.46ppm
- Do 5,000 miles per year and spend £25,000 - £32,000 on the vehicle and the cost soars to 126.04ppm.

LV's 'Cost of a Child' report estimates that parents now spend a record **£229,251** on raising a child to their 21st birthday - **£29.91 a day**. This is up 0.9% compared to last year, and has increased 63.3% since the study first began in 2003.

- Education and childcare are the main areas of expenditure, costing £74,319 and £67,586.
- The cost of education (including uniforms, after-school clubs and university costs) has increased 128% since 2003, while the cost of childcare has risen by 70.6%.
- Parents now spend 29% of their annual income on raising a child.



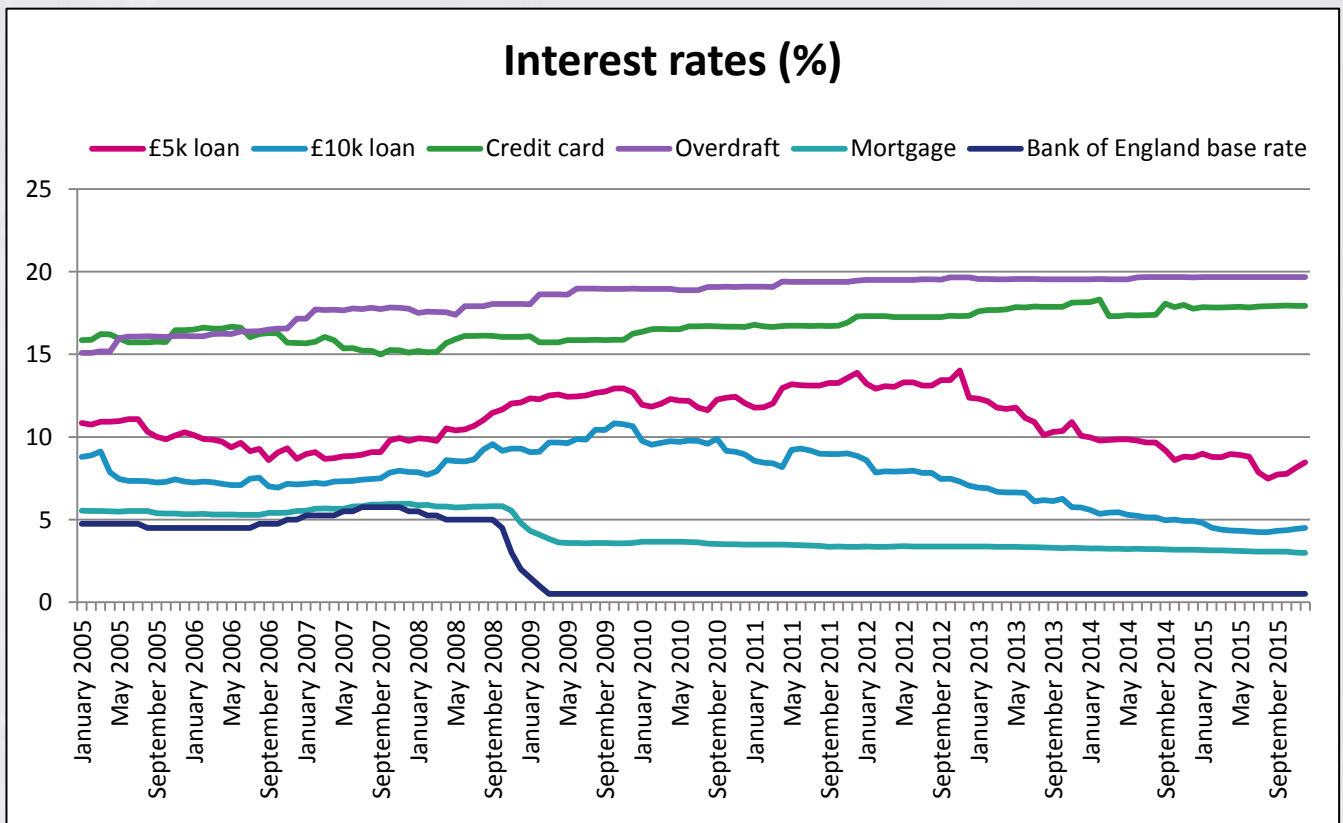
5. Spending and loans

The cost of credit

The average interest rate on credit card lending bearing interest was **17.89%** in November. This is **17.39%** above the Bank of England Base Rate (0.5%).

British Bankers Association figures show that 57.8% of credit card balances were bearing interest in December 2015.

The average APR for a £5,000 personal loan is 8.47%, according to the Bank of England. For a £10,000 loan it's 4.49%, while the average rate for an overdraft is 19.67%



Based on Bank of England Data



6. The bigger picture

The UK economy **grew by 0.5%** in the fourth quarter of 2015, according to latest estimates from the Office of National Statistics.

CPI (Consumer Prices Index) annual inflation stood at **0.2%** in the year to December, up 0.1% from October.

In the three months to November 2015 pay including bonuses was up by 1.9% from a year ago, and pay excluding bonuses also rose by 2%. Average weekly pay was £494, or £464 excluding bonuses – an annual salary of **£25,759**, or **£24,194** without bonuses.

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 82 months.

Public Sector Net Borrowing (excluding public sector banks) was **£7.5bn** in December 2015, meaning that the Government took spent an average of **£242m** per day more than it took in during the month (equivalent to **£2,800** per second).

Public sector net debt *excluding* public sector banks was **£1542.6bn (81% of GDP)**. This was £1489.4bn (80.4% of GDP) at the end of December 2014, meaning public sector net debt grew by **£146m** a day in the year to December 2015.

According to the July 2015 Budget analysis from the Office for Budget Responsibility, public sector net debt is forecast to have peaked at **80.8% of GDP** in 2014-15, before falling to **71.5% of GDP** in 2019-20.

The population of the UK grew by an estimated **1,223** people a day between 2003 and 2013.



6. The bigger picture

An estimated 4.65 million people will fall into the 40% income tax band in 2015/16 – **1.08m** more than in 2011/12. 332,000 will pay the 45% rate, which replaced the 50% rate in 2013/14.

Based on the latest figures, **2.116m** people in work would pay no income tax.

There were **4.9 million** working-age people claiming benefits in May 2015. This is a decrease of 268,000 in the year, or **734 a day**.

The number of people classed as unemployed between September and November was **1.68 million** (5.1%). This is down by 99,000 from the previous three months, and down by 239,000 from a year earlier – **655 a day**.

- **480,000** people had been unemployed for over 12 months, down by 36,000 from the previous three months, and down by 170,000 (**466 a day**) from a year earlier.

The unemployment rate in Great Britain was highest in the North East (7.9%) and lowest in the South East (3.7%).

502,000 18-24 year olds (12.3%) were unemployed between September and November. This was 42,000 (7.7%) fewer than the previous three months.

- Of these, **187,000** (37%) had been unemployed for over 6 months.
- **114,000** had been unemployed for over 12 months. This is 12,000 down on the previous three months and a fall of 74,000 on a year earlier.

936,000 18 to 24-year-olds in England were not in education, employment or training (NEET), down 32,000 from the previous quarter.

325,000 people aged over 50 were unemployed between September and November. This is down 1.7% from the previous three months, but up 0.2% on a year earlier.

- **41%** of unemployed workers aged over 50 - a total of **135,000** people - have been out of work for over a year. **87,000** have been unemployed for more than two years.
- **1,210,000** (10.7%) people aged over 65 were *in work* between September and November, which is up 53,000 (4.6%) from the previous three months, and 77,000 (6.8%) from the previous year.

102,000 people (**1,121 a day**) reported they had become redundant over the three months, largely unchanged from the previous quarter.

the **MONEY** Charity

The Money Charity's 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.

