

The
MONEY
Charity

**The Money
Statistics**

February 2017

The MONEY Charity

Welcome to the February 2017 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

7.279 million

Employees had joined a pension scheme under auto-enrollment by the end of December 2016

5.6%

The average savings rate in Q3 2016

0.15%

The record low interest rate on an instant access savings account

£1.42

The amount of interest someone on the average salary would get if they saved 5.6% of their income in an instant access account for a year

22,852

The number of individual insolvencies in England and Wales in Q4 2016

£3.25

The sum spent per household every day on water, gas and electricity

1.597 million

The number of people classed as unemployed between October to December

£20,908

Was spent every second using debit and credit cards.

1.8%

The rate of inflation in January



1. Striking numbers

Every day in the UK

- The population of the UK grew by an estimated **1,286** people a day between 2014 and 2015.
- On average, a UK household spends **£3.25** a day on water, electricity and gas.
- **248** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 6 minutes 13 seconds**.
- **42 million** plastic card purchase transactions were made every day in November 2016, with a total value of **£1.806 billion**.
- **2799** Consumer County Court Judgments (CCJs) are issued every day, with an average value of **£1,711**.
- Citizens Advice Bureaux in England and Wales dealt with **4,022** new debt problems every day during the quarter ending June 2016.
- **15** properties are repossessed every day, or one every **one hour and 34 minutes**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **21** a day.
- The number of people unemployed for over 12 months fell by **266** per day October and December.
- **1,315** people a day reported they had become redundant between October and December.
- Net lending to individuals in the UK increased by **£123 million** a day.
- The Government debt grew by **£188m** a day during December 2016 (**£2,576** per second).
- Borrowers would repay **£138** a day in interest over a year, based on December 2016 trends.
- It costs an average of **£30.23** per day to raise a child from birth to the age of 21.
- **52** mortgage possession claims and **32** mortgage possession orders are made every day.
- **336** landlord possession claims and **268** landlord possession orders are made every day.



2. Personal debt in the UK

Total UK personal debt

People in the UK owed **£1.516 trillion** at the end of December 2016. This is up from £1.466 trillion at the end of December 2015 – an extra **£995.53** per UK adult.

The average total debt per household – including mortgages – was **£56,153** in December. The revised figure for November was £55,856.

Per adult in the UK that's an average debt of **£30,022** in December – around **113.6%** of average earnings. This is slightly up from a revised £29,982 a month earlier.

Based on December 2016 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£50.395 billion**.

- That's an average of **£138 million** per day.
- This means that households in the UK would have paid an average of **£1,866** in annual interest repayments. Per person that's **£998** – **3.77%** of average earnings.

According to the Office for Budget Responsibility's November 2016 forecast, household debt is predicted to reach **£2.294 trillion** in Q1 2022. This makes the average household debt **£84,964** (assuming that the number of households in the UK remained the same between now and then).

Consumer credit debt

Outstanding consumer credit lending was **£192.95 billion** at the end of December 2016.

- This is up from £178.8 billion at the end of December 2015, and is an increase of **£279.46** for every adult in the UK.

Per household, that's an average consumer credit debt of **£7,146** in December, up from a revised £7,047 in November – and **£522.70** extra per household over the year.

It also means the average consumer credit borrowing stood at **£3,821** per UK adult. This is up from a revised £3,809 in November.

Total credit card debt in November 2016 was **£67.9bn**. Per household this is **£2,465** – for a credit card bearing the average interest, it would take **25 years and 10 months** to repay if you made only the minimum repayment each month.

- The minimum repayment in the first month would be **£59** but reduces each month. If you paid £58 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

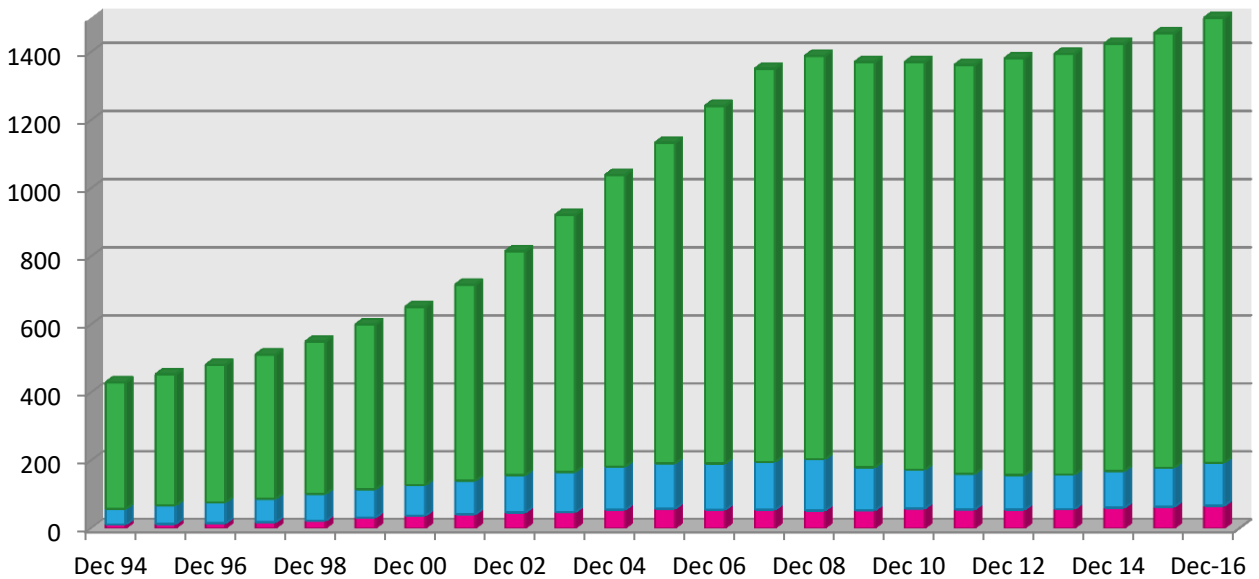
Net lending and write-offs

Total net lending to individuals by UK banks and building societies **rose by £3.8 billion** in December 2016 – or **£123m a day**.

- Net mortgage lending rose by £2.8 billion in the month; net consumer credit lending rose by £1 billion.
- In Q3 itself they wrote off £801 million (of which £584 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 2015/16, the average maintenance loan awarded for full-time undergraduates from England was **£4,000**, and the average maintenance grant awarded to successful applicants was **£2,983**.

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 2016 cohort which most recently entered repayment was **£24,640**. – this is the last group who will not have paid £9,000 tuition fees.

Advice, insolvency, and the courts

Citizens Advice Bureaux across England and Wales dealt with **612,209** new enquiries in the three months between July and September 2016.

Debt was the second largest advice category (behind Benefits) with 366,000 issues. This unchanged on the same period last year. Debt issues represented 26% of all problems dealt with over the period.

Based on *quarterly* figures up to the end of September 2016, Citizens Advice Bureaux in England and Wales are dealing with **4,022** 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 **22,852** individual insolvencies in England and Wales in Q4 2016. This is equivalent to **248** people a day or, one person **every 6 minutes 13 seconds**. This was down **4%** on the previous quarter and up **10%** on the same period a year ago.

Every day, on average, **41** people were made bankrupt, **68** Debt Relief Orders were granted, and **139** Individual Voluntary Arrangements were entered into.

In the 12 months ending Q4 2016, 1 in 2210 adults (just under 0.19% of the adult population) became insolvent.

2799 Consumer County Court Judgements (CCJs) were issued every day in the six months to Q4 2016. The average value of a Consumer CCJ in Q3 2016 was **£1,711**.



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 **£1.323 trillion** at the end of December.

- This is up from £1.287 trillion a year earlier.

That means that the estimated average outstanding mortgage for the 11.1m households with mortgage debt was **£119,465** in November.

The average mortgage interest rate was 2.67% at the end of December. Based on this, households with mortgages would pay an average of **£3,190** in mortgage interest over the year.

For new loans, the average mortgage interest rate was 2.15%. Using the latest figures from the Council of Mortgage Lenders, this means new mortgages would attract an average of **£3,500** in interest over the year.

According to the Council of Mortgage Lenders, gross mortgage lending in December totalled an estimated £20.4 billion.

- This is up 4% on December 2015, and down 4% from October.

The Financial Conduct Authority reports that 69.75% of mortgage lending in Q3 2016 was for 75% or less of a property's value.

- 5.3% of lending was for mortgages for over 90% of a property's value.

There were 30,878 loans approved for house purchase in November, according to the British Bankers Association (BBA), almost unchanged from a year earlier. The average loan approved for house purchase rose to £184,900.

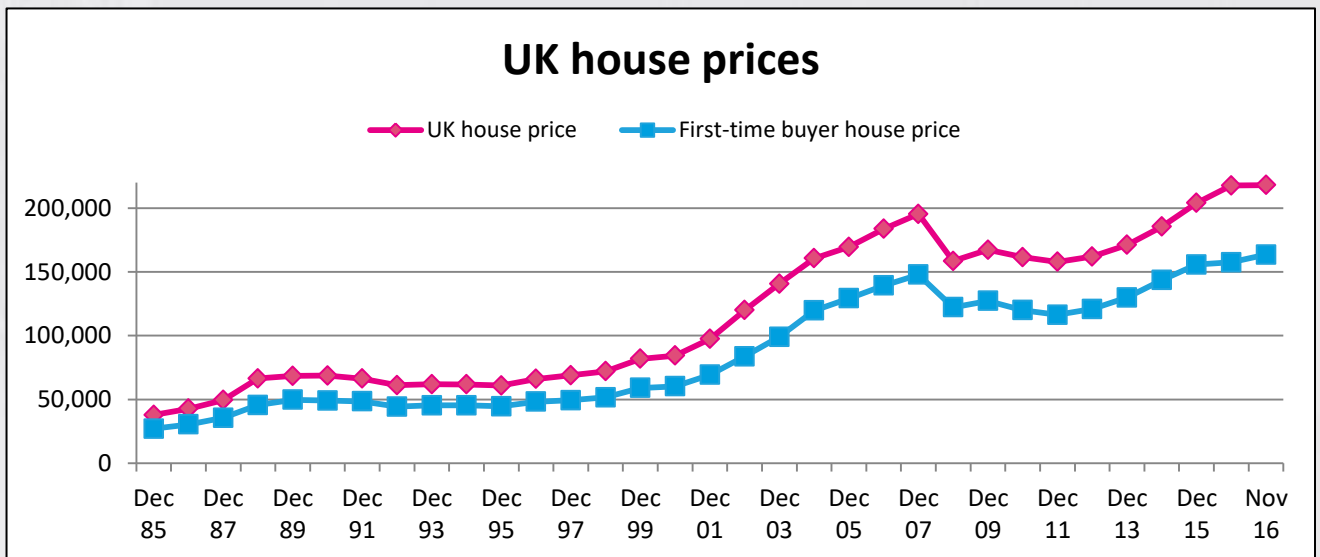


3. Mortgages, rent, and housing

House prices

Nationwide estimate that house prices rose by 0.2% during January 2017, and were up 4.3% on 12 months ago.

Halifax said that average house prices fell by £1,982 in January 2016. This is a monthly fall of 0.90%; prices rose by 2.4% over the quarter and rose by 5.7% 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 **£184,973** in December 2016, which is an annual increase of 7%.

According to the Council of Mortgage Lenders (CML), the typical first-time buyer deposit in November was 18.1% (**around £33,598**) – **127% of an average salary**.

The average first-time buyer borrowed **3.49** times their income and the average first-time buyer loan was an estimated **£136,000**.



3. Mortgages, rent, and housing

Renting

The median rent in England across all property types for the 12 months to March 2016 was £650, data from the Valuation Office Agency shows. In London this was £1,452.

For a single room, the average monthly rent was £360 – in London this was £585 (**63% higher**).

The average monthly rent for a two-bedroom house in England was £600 – in London this was £1,500 (**150% higher**).

According to the Office for National Statistics, private rental prices in Great Britain rose by 2.3% in the 12 months to November 2016.

Rental prices increased in all the English regions over the year to November 2016, with the South East seeing the biggest increase (3.4%) and the North East and North West seeing the lowest rise (1.1%).

Figures from DCLG show that in 2014/15, private renters spent an average of **£775.67** 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 **30%** 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 2016 there were **229,061** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is 5% up on the previous quarter.

60.31% of payments due for loans in arrears were received in Q3 2016.

The Council of Mortgage Lenders reports that **94,100 (0.84%)** of mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q4, the second, albeit small, quarterly rise (from 92,500 in Q2) since 2012. Since the end of Q4 2015, this figure has dropped by **21** a day.

The Council of Mortgage Lenders estimates that **5,400 owner-occupied** properties were taken into possession in the year to December 2016.

This equates to **15** properties being repossessed every day, or one property being repossessed **every one hour, 34 minutes**.

Every day in Q4 2016, **52** mortgage possession claims were issued and **32** mortgage possession orders were made.

336 landlord possession claims were issued and **268** landlord possession orders were made every day.



4. Savings and pensions

Savings

In Q3 2016, households saved an average of **5.6%** of their post-tax income, including benefits, over the full year of 2015 this was **6.6%**.

The average interest rate for an instant access savings account – not including bonus interest payments – was 0.15% in December. For a cash ISA, this was 0.43%.

If someone on the average salary saved 5.6% of their income in an average instant access savings account for a year, they would receive **£1.42** in interest after tax. If they saved it in an average cash ISA, they would receive **£6.37**.

It would take **23 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 **22 years**.

Around **9.45m** (35%) households have no savings, while a further **2.97m** (11%) have under £1,500. 68% have less than £10,000 in savings.

Pensions

The Pensions Regulator estimates that at least **7,279 million** employees had joined a pension scheme under auto-enrolment by the end of January 2017.

According to the Family Resources Survey, **42%** of adults actively participated in a pension in 2014/15, up **5%** on the previous year. This was **60%** for employees, and **16%** 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 2016, there were 12.95 million claimants of State Pension, a rise of 5,000 on six months earlier. 43% of claimants were male and 57% female.



5. Spending and loans

How we spend

During November 2016 an average of **481** purchases were made in the UK **every second** using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£20,908** was spent every second using debit and credit cards.
- Purchases using plastic cards were worth **£1.81 billion** every day during November.
- In total, **108** purchases using credit cards were made every second, worth **£5,974**.

Meanwhile, data from LINK shows that, on average, **91** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in January 2017;

- In total, cash machine transactions were worth an average of **£3,640** 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 2016, households in the UK spent **£87.84m** a day on water, electricity and gas – or **£3.25** per household per day.

In January 2017 the average price of unleaded petrol rose by 4.4 ppl (pence per litre) to 119.5ppl.

- This meant it cost **£59.75** to fill a 50 litre unleaded tank.
- The average price of diesel rose to 123ppl.

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 **£231,843** on raising a child to their 21st birthday - **£30.23 a day**. This is up 1.1% compared to last year, and has increased 65.1% since the study first began in 2003.

- Education and childcare are the main areas of expenditure, costing £74,430 and £70,466.
- 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 77.9%.
- Households now spend 38% of their annual income on raising a child.



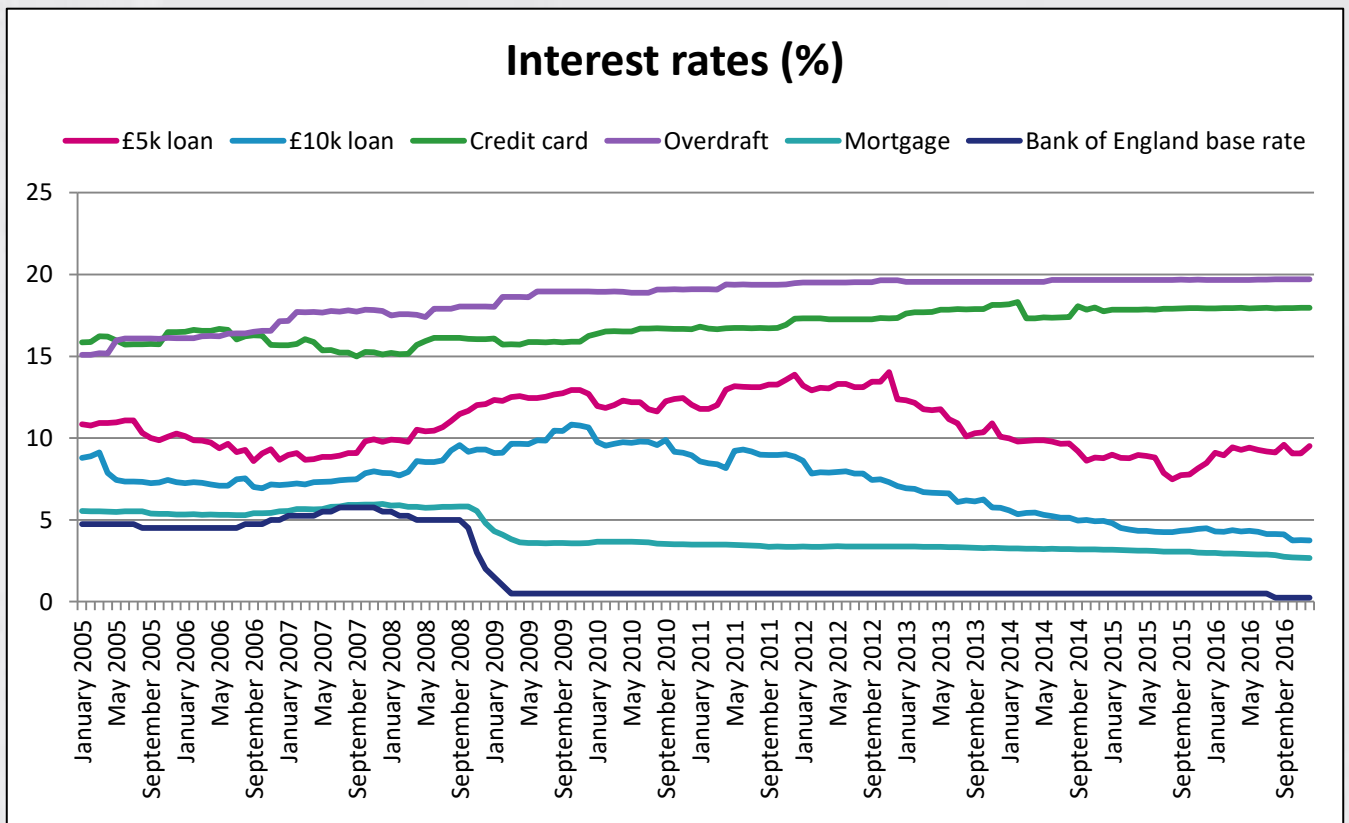
5. Spending and loans

The cost of credit

The average interest rate on credit card lending bearing interest was **18.2%** in November. This is **17.95 %** above the Bank of England Base Rate (0.25%).

British Bankers Association figures show that 55.3% of credit card balances were bearing interest in December 2016.

The average APR for a £5,000 personal loan is 9.51%, according to the Bank of England. For a £10,000 loan it's 3.74%, while the average rate for an overdraft is 19.70%.



Based on Bank of England Data



6. The bigger picture

The UK economy **grew by 0.6%** in the fourth quarter of 2016, according to latest estimates from the Office of National Statistics.

CPI (Consumer Prices Index) annual inflation stood at **1.8%** in the year to January, up 0.2% from December.

The largest contributor to inflation over the last 12 months has been transport (**0.87%**), while the only deflationary pressure has been food and alcoholic beverages (**-0.05%**).

In the three months to December 2016 pay including bonuses was up by 2.5% from a year ago, and pay excluding bonuses also rose by 2.6%. Average weekly pay was £507, or £477 excluding bonuses – an annual salary of **£26,364**, or **£24,804** without bonuses.

The Bank of England Base Rate is currently set at **0.25%** (since being established in 1694, the Rate has never been lower).

Public Sector Net Borrowing (excluding public sector banks) was **£6.9bn** in December 2016, meaning that the Government spent an average of **£223m** per day more than it took in during the month (equivalent to **£2,576** per second).

Public sector net debt *excluding* public sector banks was **£1,665.1bn (84.5% of GDP)**. This was £1596.5bn at the end of November 2015, meaning public sector net debt grew by **£188m** a day in the year to November 2016.

According to the November 2016 Budget analysis from the Office for Budget Responsibility, public sector net debt is forecast to peak at **90.2% of GDP** in 2017-18, before falling to **84.8% of GDP** in 2020-21.

The population of the UK grew by an estimated **1,286** people a day between 2005 and 2015.



6. The bigger picture

An estimated 4.61 million people will fall into the 40% income tax band in 2015/16 – **1.39m** more than in 2010/11. 347,000 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 **4.921 million** working-age people claiming benefits in February 2016. This is a decrease of 249,530 in the year, or **684 a day**.

The number of people classed as unemployed between October to December was **1.597 million** (4.8%). This is down by 7,000 from the previous three months, and down by 97,000 from a year earlier – **266 a day**.

- **404,000** people had been unemployed for over 12 months, down by 30,000 from the previous three months, and down by 86,000 (**236 a day**) from a year earlier.

The unemployment rate in Great Britain was highest in the North East (7%) and lowest in the South East (3.4%).

447,000 18-24 year olds (11.1%) were unemployed between October and December. This was 26,000 (5.5%) lower than the previous three months.

- Of these, **160,000** (36%) had been unemployed for over 6 months.
- **81,000** had been unemployed for over 12 months. This is 8,000 down on the previous three months and a fall of 31,000 on a year earlier.

906,000 (16%) of 18 to 24-year-olds in England were not in education, employment or training (NEET), down 25,000 from the previous quarter.

319,000 people aged over 50 were unemployed between October and December. This 6,000 up from the previous three months, and down 0.7% on a year earlier.

- **38%** of unemployed workers aged over 50 - a total of **120,000** people - have been out of work for over a year. **74,000** have been unemployed for more than two years.
- **1,220,000** (10.6%) people aged over 65 were *in work*, which is down 33,000 (2.6%) from the previous three months, and unchanged from the previous year.

121,000 people (**1,315 a day**) reported they had become redundant over the three months, little changed 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.

