

The
MONEY
Charity

The Money Statistics

**January
2018**

The MONEY Charity

Welcome to the January 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 Luke Humphrey on Luke@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

0.4%

The fall in real term wages excluding bonuses

1.4%

The rise in private rent prices over the year to November 2017

£3,280

The average interest on a new mortgage over the year

0.6%

The fall in house price increase over the year compared to last month

5%

The reduction in loans approved for house purchases over the year

4,563

The number of debt problems dealt with by Citizens Advice Bureau every day in November

26 years and 3 months

The amount of time to pay off an average credit card debt with minimum repayments

£70bn

The total amount credit card debt in November

0.06%

Increase in Cash ISA interest on last month



1. Striking numbers

Every day in the UK

- The population of the UK grew by an estimated **1,474** people a day between 2015 and 2016.
- On average, a UK household spends **£3.27** a day on water, electricity and gas.
- **277** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 5 minutes 12 seconds**.
- **543** credit and debit card purchase transactions were made every second in October 2017, with a total value of **£1.92 billion**.
- **1,756** Consumer County Court Judgments (CCJs) were issued every day in Q3, with an average value of **£1,472**.
- Citizens Advice Bureaux in England and Wales dealt with **4,563** new debt problems every day during October 2017.
- **21** properties are repossessed every day, or one **every 1 hour and 9 minutes**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **6** a day.
- The number of people unemployed for over 12 months fell by **499** per day in the year to November.
- **1,087** people a day reported they had become redundant between August and October.
- Net lending to individuals in the UK increased by **£154.8 million** a day in October 2017.
- The Government debt fell by **£64m** a day during November 2017.
- Borrowers would repay **£137 million** a day in interest over a year, based on November 2017 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 **37** mortgage possession orders are made every day.
- **371** landlord possession claims and **275** landlord possession orders are made every day.



2. Personal debt in the UK

Total UK personal debt

People in the UK owed **£1.566 trillion** at the end of November 2017. This is up from £1.512 trillion at the end of November 2016 – an extra **£1,040.96** per UK adult.

The average total debt per household – including mortgages – was **£57,578** in November. The revised figure for October was £57,424.

Per adult in the UK that's an average debt of **£30,253** in November – around **113.8%** of average earnings. This is up from a revised £30,172 a month earlier.

Based on November 2017 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£49,949 billion**.

- That's an average of **£137 million** per day.
- This means that households in the UK would have paid an average of **£1,836** in annual interest repayments. Per person that's **£965** – **3.63%** of average earnings.

According to the Office for Budget Responsibility's November 2017 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 **£205.8 billion** at the end of November 2017.

- This is up from £192.19 billion at the end of November 2016, and is an increase of **£259.24** for every adult in the UK.

Per household, that's an average consumer credit debt of **£7,565** in November, up from a revised £7,541 in October – and **£493.38** extra per household over the year.

It also means the average consumer credit borrowing stood at **£3,975** per UK adult. This is up from a revised £3,962 in October.

Total credit card debt in November 2017 was **£70bn**. Per household this is **£2,574** – for a credit card bearing the average interest, it would take **26 years and 3 months** to repay if you made only the minimum repayment each month.

- The minimum repayment in the first month would be **£62** but reduces each month. If you paid £62 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

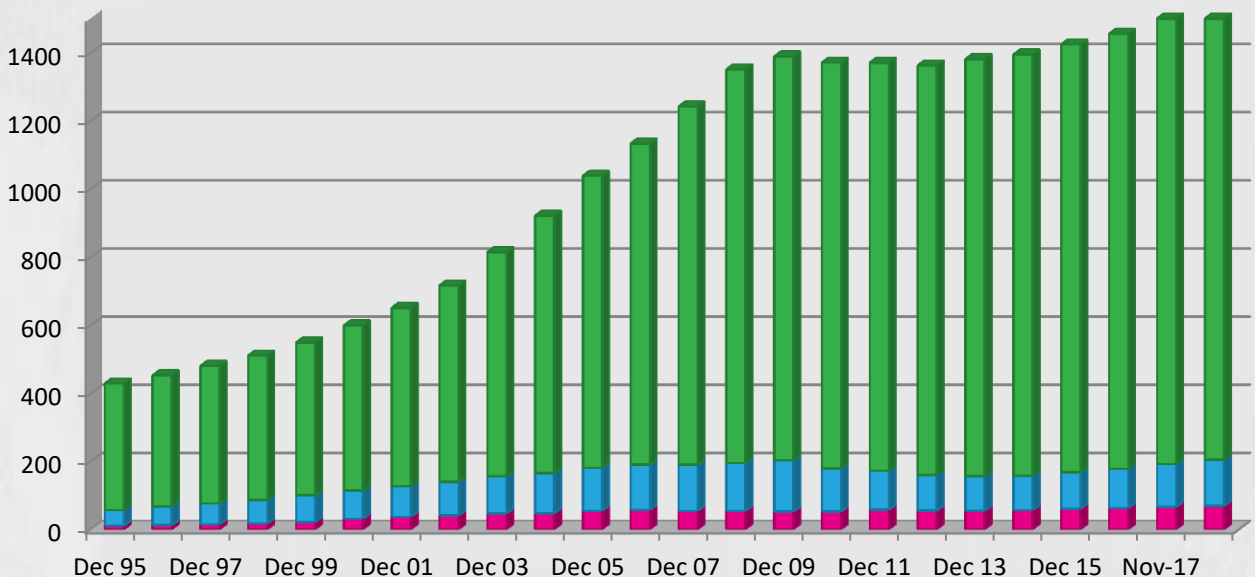
Net lending and write-offs

Total net lending to individuals by UK banks and building societies **rose by £4.8 billion** in October 2017 – or **£154.8m a day**.

- Net mortgage lending rose by £0.1 billion in the month; net consumer credit lending fell by £0.2 billion.
- In Q3 2017 they wrote off £576 million (of which £361 million was credit card debt) amounting to a daily write-off of **£6.2 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 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 **523,247** issues in November 2017.

Debt was the second largest advice category (behind benefits and tax credits) with 141,467 issues. This is up **3%** on the same month last year. Debt issues represented **27%** of all problems dealt with over the period.

Based on figures for November 2017, Citizens Advice Bureaux in England and Wales are dealing with **4,563** debt problems every *day*.

There were **25,479** individual insolvencies in England and Wales in Q3 2017. This is equivalent to **277** people a day or, one person **every 5 minutes 12 seconds**. This was up **10.6%** on the previous quarter and up **7.7%** on the same period a year ago.

Every day, on average, **41** people were made bankrupt, **67** Debt Relief Orders were granted, and **140** Individual Voluntary Arrangements were entered into.

In the 12 months ending Q2 2017, 1 in 489 adults (0.2% of the adult population) became insolvent.

1,756 Consumer County Court Judgements (CCJs) were issued every day in the six months to Q3 2017. The average value of a Consumer CCJ in Q3 2017 was **£1,472**.



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 **£1.36 trillion** at the end of November.

- This is up from £1.32 trillion a year earlier.

That means that the estimated average outstanding mortgage for the 11.1m households with mortgage debt was **£122,554** in November.

The average mortgage interest rate was 2.5% at the end of November. Based on this, households with mortgages would pay an average of **£3,064** in mortgage interest over the year.

For new loans, the average mortgage interest rate was 2%. Using the latest figures from the Council of Mortgage Lenders, this means new mortgages would attract an average of **£3,280** in interest over the year.

According to UK Finance, gross mortgage lending in November totalled an estimated £23.1 billion.

- This is 8.5% up on November 2016, and a 0.03% increase from July 2017.

The Financial Conduct Authority reports that 60.2% of mortgage lending in Q2 2017 was for 75% or less of a property's value.

- 4.61% of lending was for mortgages for over 90% of a property's value.

There were 39,507 loans approved for house purchase in November 2017, according UK Finance, 5% lower than November 2016. The average loan approved for house purchase rose to £190,500.



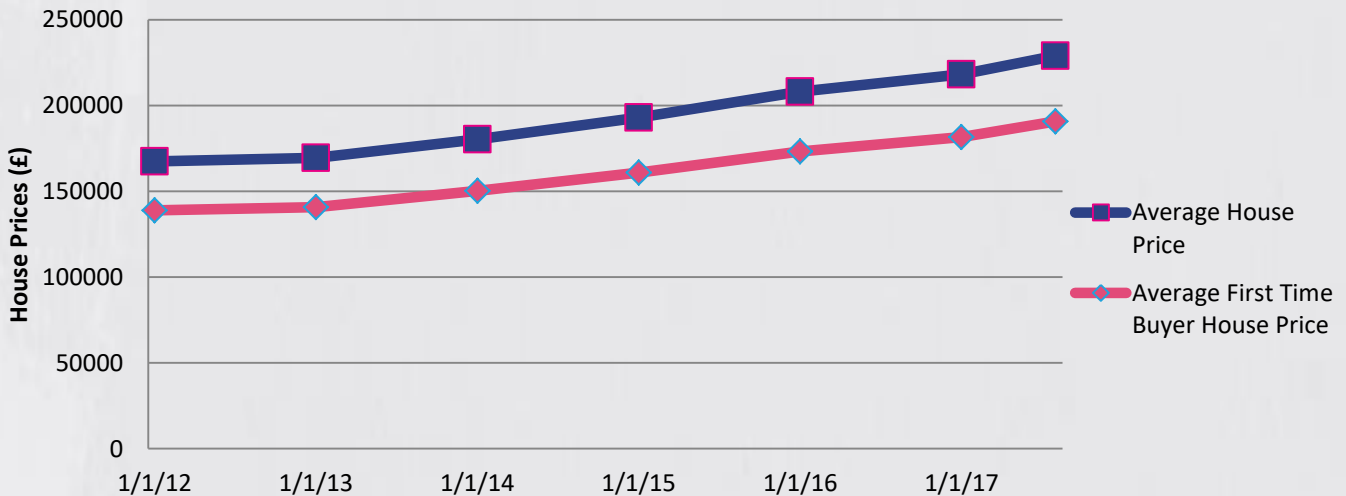
3. Mortgages, rent, and housing

House prices

Nationwide estimate that house prices rose by 0.6% during December 2017, up 2.6% on 12 months ago.

Halifax said that average house prices rose by **£1,387** in December 2017. This is a fall of 0.6% on last month; prices rose by 1.3% over the quarter and rose by 2.7% 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 **£188,173** in October 2017, which is an annual increase of 4.2% and a monthly decrease of 0.7%.

According to the Council of Mortgage Lenders (CML), the typical first-time buyer deposit in October was 17.2% (**around £29,062**) – **109% of an average salary**.

The average first-time buyer borrowed **3.60** times their income and the average first-time buyer loan was an estimated **£160,883**.



3. Mortgages, rent, and housing

Renting

The median rent in England across all property types for the 12 months to September 2017 was £675, data from the Valuation Office Agency shows. In London this was £1,433.

For a single room, the average monthly rent was £377 – in London this was £600 (**63% higher**).

The average monthly rent for a two-bedroom house in England was £650 – in London this was £1,473 (**127% higher**).

According to the Office for National Statistics, private rental prices in Great Britain rose by 1.4% in the 12 months to November 2017, down from 1.5% the month before.

Rental prices increased in all the English regions over the year to November 2017, excluding the North East which remains the same. The East Midlands saw the biggest increase (2.7%), with only the West Midlands increasing on last month by 0.1%.

Figures from DCLG show that in 2015/16, private renter households spent an average of **£797** a month on rental payments, while owner-occupiers with mortgages paid **£689** 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 35% of their income on rental payments. Owner-occupiers spent on average 18%. Weekly rents in the social housing sector were £106 for housing association renters and £95 for local authority renters.

34% of households owned their home outright, while **29%** 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 Q3 2017 there were **194,243** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is a slight dip on the previous quarter.

57.99% of payments due for loans in arrears were received in Q3 2017.

The Council of Mortgage Lenders reports that **88,300 (0.8%)** of mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q3, a small quarterly fall (from 90,400 in Q2). Since the end of Q3 2016, this figure has dropped by **6** a day.

The Council of Mortgage Lenders estimates that **1,900** properties were taken into possession in Q3.

This equates to **21** properties being repossessed every day, or one property being repossessed **every one hour, 9 minutes**.

Every day in Q3 2017, **52** mortgage possession claims were issued and **37** mortgage possession orders were made.

371 landlord possession claims were issued and **275** landlord possession orders were made every day.



4. Savings and pensions

Savings

In Q3 2017, households saved an average of **5.5%** of their post-tax income, including benefits. This is down from 7.2% in Q3 2016.

The average interest rate for an instant access savings account – not including bonus interest payments – was 0.19% in December. For a cash ISA, this was 0.33%.

If someone on the average salary saved 5.5% of their income in an average instant access savings account for a year, they would receive **£2.22** in interest after tax. If they saved it in an average cash ISA, they would receive **£4.83**.

It would take **21 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 also take **21 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 **9.187 million** employees had joined a pension scheme under auto-enrolment by the end of December 2017.

According to the Family Resources Survey, **43%** of adults actively participated in a pension in 2015/16, up **1%** on the previous year. This was **62%** 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 November 2017, there were 13 million claimants of State Pension, a fall of 65,000 on May 2016. 44% of claimants were male and 56% female.



5. Spending and loans

How we spend

During October 2017 an average of **543** purchases were made in the UK **every second** using debit and credit cards, based on figures from UK Finance.

- An average of **£22,222** was spent every second using debit and credit cards.
- **£1.92 billion** was spent with cards every day in October.
- In total, **119** purchases using credit cards were made every second, worth **£6,481**.

Meanwhile, data from LINK shows that, on average, **95** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in December 2017;

- In total, cash machine transactions were worth an average of **£4,367** 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 Q2 2017, households in the UK spent **£88.85m** a day on water, electricity and gas – or **£3.27** per household per day.

In December 2017 the average price of unleaded petrol rose by 0.5p (pence per litre) to 120.7ppl.

- This meant it cost **£60.35** to fill a 50 litre unleaded tank.
- The average price of diesel rose by 0.6ppl to 123.2ppl.

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

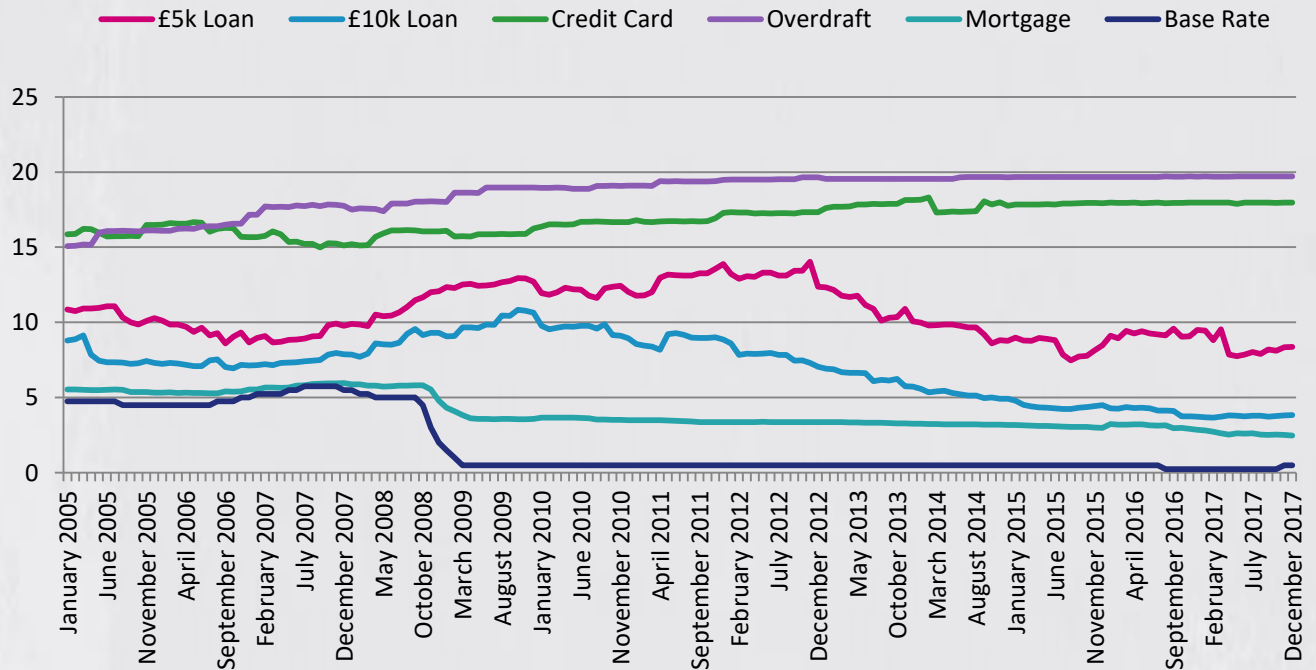
The cost of credit

The average interest rate on credit card lending bearing interest was **17.96%** in December. This is **17.46%** above the Bank of England Base Rate of 0.5%.

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 8.37%, according to the Bank of England. For a £10,000 loan it's 3.84%, while the average rate for an overdraft is 19.72%.

Interest rates (%)



Based on Bank of England Data



6. The bigger picture

The UK economy **grew by 0.4%** in the third quarter of 2017, according to latest estimates from the Office of National Statistics.

CPI (Consumer Prices Index) 12 month rate stood at **3.1%** in the year to November, up 0.1% on October.

The largest contributor to inflation over the last 12 months has been housing and household services (**adding 0.58% to our overall costs since last month**), while the lowest inflationary pressure has been on communication (**rising by 0.04% since last month**).

In the three months to October 2017 pay including bonuses was up by 2.3% from a year ago, and pay excluding bonuses also rose by 2.5%. Average weekly pay was £510, or £498 excluding bonuses – an annual salary of **£26,593**, or **£25,967** without bonuses. In real terms, wages decreased by 0.2% including bonuses and by 0.4% excluding bonuses.

The Bank of England Base Rate is currently set at **0.5%**.

Public Sector Net Borrowing (excluding public sector banks) was **£8.69bn** in November 2017, with the deficit standing at **£6.02bn** meaning that the Government spent an average of **£194m** per day more than it took in during the month (equivalent to **£2,246** per second).

Public sector net debt *excluding* public sector banks was **£1,574.5bn (76.7% of GDP)**. This was £1,598bn at the end of November 2017, meaning public sector net debt fell by **£64m** a day in the year from November 2016.

According to the November 2017 Budget analysis from the Office for Budget Responsibility, public sector net debt is forecast to peak at **86.5% of GDP** in 2017-18, before falling to **79.1% of GDP** in 2021-21.

The population of the UK grew by an estimated **1,474** people a day between 2015 and 2016.



6. The bigger picture

An estimated 4.16 million people will fall into the 40% income tax band in 364,000 will pay the 45% rate, which replaced the 50% rate in 2013/14.

Based on the latest figures, **1.84m** people in work would pay no income tax.

There were **6.8 million** working-age people claiming benefits in May 2017. This is a decrease of 61,000 in the year, or **167 a day**.

The number of people classed as unemployed between August and October was **1.43 million** (4.3%). This is down by 26,000 from the previous three months, and down by 182,000 from a year earlier – **499 a day**.

- **375,000** people had been unemployed for over 12 months, down by 16,000 from the previous three months, and down by 43,000 (**118 a day**) from a year earlier.

The unemployment rate in Great Britain was highest in the North East (5.9%), a change of +0.4% on the last three months and lowest in the South East (3.0%), a change of -0.2%.

416,000 18-24 year olds (10.6%) were unemployed between August and October. This was 1,000 (0.24%) more than the previous three months.

- Of these, **268,000** (64%) had been unemployed for over 6 months.
- **79,000** had been unemployed for over 12 months. This is down 6,000 on the previous three months and a fall of 5,000 on a year earlier.

790,000 (11.1%) of 16 to 24-year-olds in England were not in education, employment or training (NEET), down 10,000 from the previous quarter.

297,000 people aged over 50 were unemployed between August and October. This is up 2,000 from the previous three months, and down 20,000 on a year earlier.

- **39.8%** of unemployed workers aged over 50 - a total of **118,000** people - have been out of work for over a year. **74,000** have been unemployed for more than two years.
- **1,184,000** (10.1%) people aged over 65 were *in work*, which is down 1,000 (0.08%) from the previous three months, and down 41,000 from the previous year.

100,000 people (**1,087 a day**) reported they had become redundant over the three months, a slight dip of 2,000 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.