**Press Release – The Money Charity – For Immediate Release**

(BEGINS)

**Increased Credit + Debt Reliance Fuelled**

**By Record Cost of Living Increases**

**The Money Statistics July 2022**

**Worrying signs show a rapidly escalating reliance from UK households on credit and debt, in order to make ends meet in the face of record cost of living increases, according to the July 2022 Money Statistics, produced by The Money Charity.**

Major increases continue to be seen this month in credit card use, as people across the UK find it increasingly difficult to match quickly rising expenditures with struggling incomes. In April 2022, there were **320.7 million**[[1]](#footnote-1) credit card transactions, **23.7%** more than the same time the previous year. The total spend on these cards was **£17.7 billion**[[2]](#footnote-2), a **28.3%** increase on last April.

Increased spending on credit cards in order to cover essential living costs means ever more people getting into unsustainable debt. At the end of May 2022, outstanding consumer credit lending was **£202.2 billion**[[3]](#footnote-3), **£4.8 billion** more than in May 2021. Within the total, outstanding credit card debt came to **£61.1 billion**[[4]](#footnote-4), a **8.39%** increase (**£4.7 billion**) in the year to May 2022. Credit card debt averaged **£2,197** per household and **£1,155** per adult.

Debt charities are already reporting the reality of these figures, with StepChange saying **65%**[[5]](#footnote-5)ofnew clientsin May 2022 reported having at least one form of credit card debt. New debt advice clients were most likely to cite ‘a lack of control over finances’ as their most common reason for debt, with nearly one in five (**18%**[[6]](#footnote-6)) pointing to this. Increased cost of living is the second most cited reason at **16%**. In May 2021, just **6%** of clients gave this reason.

Debt concerns are not only to be seen in the area of credit cards however, with the Halifax reporting the average UK house price in June 2022 as **£294,845**[[7]](#footnote-7), putting outstanding mortgage lending at **£1,592.6 billion**[[8]](#footnote-8) at the end of May 2022. That means that the estimated average outstanding mortgage, for the **10.98 million** households with mortgage debt was **£145,047**[[9]](#footnote-9)in May 2022.

**Michelle Highman, Chief Executive of The Money Charity says:**

“Increased reliance on credit and debt are always understandable responses to financial difficulties, but also demonstrate extremely worrying trends for UK households and their finances. This recourse demonstrates both the profound way in which so many people are struggling, but also lay bare the broad lack of Financial Resilience across the UK.

“This scenario is only likely to keep getting worse before it gets better, with unsustainable debt increasing and many forced to make more stark spending choices. It’s a deeply troubling, challenging time and we continue to call on those who can affect change to keep doing so. Meanwhile, for anyone finding themselves in difficulties, or seeing it coming, we’d urge them to seek out the many free advice and support sources available sooner, rather than later.”

**Other Striking Numbers from the July Money Statistics:**

* In May 2022, the average total debt per adult was **£33,935**, around **107.7%** of average earnings.*(P5.)*
* In June 2022 the average price of unleaded petrol increased by **21.9ppl** to **188.8 ppl**. This meant it cost **£94.40** to fill a 50-litre unleaded tank, **£10.95** more than last month. (*P14.)*
* Households on the lowest income will be forced to spend **26%** of their budget after housing costs on gas and electricity in 2023/24, compared to just 12% two years previously. *(P4.1.)*

**Get the full picture and many more fascinating facts about money in the UK in our monthly** [**Money Statistics**](https://themoneycharity.org.uk/money-statistics/)**.**

Notes to Editors

* For over 25 years, The Money Charity has been the UK’s Financial Capability charity. We proactively provide education, information, advice and guidance to people of all ages, to reach our vision of seeing everyone achieving Financial Wellbeing by managing their money well. We empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives. Find out more at <https://themoneycharity.org.uk/>
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	+ You clearly acknowledge The Money Charity as the providers of the information and point your audience towards signing up themselves for the monthly report; and
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* If you’d like The Money Statistics emailed to you every month as soon as they’re published, please sign up at: <https://themoneycharity.org.uk/money-statistics/>
* If you’ve any questions, comments, or want any information about the source of these statistics, please contact us through hello@themoneycharity.org.uk
* Any media or press enquiries should be directed to our Policy & Marketing Office, Olivia Sizeland, on olivia@themoneycharity.org.uk

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1. (The Money Statistics July 2022 Full Report, P4.1) [↑](#footnote-ref-1)
2. (The Money Statistics July 2022 Full Report, P4.1) [↑](#footnote-ref-2)
3. (The Money Statistics July 2022 Full Report, P5) [↑](#footnote-ref-3)
4. (The Money Statistics July 2022 Full Report, P5) [↑](#footnote-ref-4)
5. (The Money Statistics July 2022 Full Report, P4.1) [↑](#footnote-ref-5)
6. (The Money Statistics July 2022 Full Report, P4.1) [↑](#footnote-ref-6)
7. (The Money Statistics July 2022 Full Report, P10) [↑](#footnote-ref-7)
8. (The Money Statistics July 2022 Full Report, P9) [↑](#footnote-ref-8)
9. (The Money Statistics July 2022 Full Report, P9) [↑](#footnote-ref-9)