



# The Money Statistics

## March 2015

# The MONEY Charity

Welcome to the March 2015 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 Jamie Thunder at [jamie@themoneycharity.org.uk](mailto:jamie@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.

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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

**£1.469 trillion**

**£8.2m**

Daily write-off to individuals by banks and building societies

Total personal debt in the UK at the end of January 2015

**76 a day**

Decrease in mortgages with arrears of 2.5% or more

**1,765**

Average number of consumer County Court Judgements every day

**£282m**

Daily fall in Public Sector Net Borrowing

**962 a day**

Fall in working-age people claiming benefits in the year to August 2014

**£77m**

Daily net lending by banks to individuals

**£23,829**

Average UK salary excluding bonuses

**Every 5 minutes 55 seconds**

Someone becomes insolvent in England and Wales



# 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.
- It costs an average of **£29.91** per day to raise a child from birth to the age of 21.
- On average, a UK household spends **£3.17** a day on water, electricity and gas.
- **244** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 5 minutes 55 seconds**.
- **33.8 million** plastic card purchase transactions were made every day in December 2014, with a total value of **£1.582 billion**.
- **8.44m** cash machine transactions were made every day in January with a value of **£307m**.
- **1,765** Consumer County Court Judgements (CCJs) are issued every day, with an average value of **£2,527**.
- Citizens Advice Bureaux in England and Wales dealt with **6,389** new debt problems every *working day* during the year ending September 2014.
- **58** properties are repossessed every day, or one every **25 min 2 seconds**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **76** a day.
- The number of people unemployed for over 12 months fell by **575** per day.
- **1,163** people a day reported they had become redundant between October and December.
- Government repaid **£282m** a day during January 2015 (**£3,268** per second).
- Net lending to individuals in the UK increased by **£77m** a day.
- Borrowers would repay **£152m** a day in interest over a year, based on January 2015 trends.
- **77** mortgage possession claims and **54** mortgage possession orders are made every day.
- **377** landlord possession claims and **298** landlord possession orders are made every day.



## 2. Personal debt in the UK

### Total UK personal debt

People in the UK owed **£1.469 trillion** at the end of January 2015.

- This is up from £1.440 trillion at the end of January 2014 – an extra **£574** per UK adult.

The average total debt per household – including mortgages – was **£55,003** in January. The revised figure for December was **£54,912**.

Per adult in the UK that's an average debt of **£29,083** in January – around **114.1%** of average earnings. This is up from a revised **£29,035** in December.

Based on January 2015 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£55.5 billion**.

- That's an average of **£152 million** per day.
- This means that households in the UK would have paid an average of **£2,079** in annual interest repayments. Per person that's **£1,099 – 4.31%** of average earnings.

According to the Office for Budget Responsibility's December 2014 forecast, household debt is predicted to reach **£2.639 trillion** in Q1 2020. This makes the average household debt **£85,552** (assuming that the number of households in the UK remained the same between now and Q1 2020).

### Consumer credit debt

Outstanding consumer credit lending was **£169.5 billion** at the end of January 2015.

- This is up from £159.1 billion at the end of January 2014, and is an increase of **£204** for every adult in the UK.

Per household, that's an average consumer credit debt of **£6,346** in January, up from a revised **£6,322** in December - or **£386** extra per household over the year.

It also means the average consumer credit borrowing stood at **£3,356** per UK adult in January. This is up from a revised **£3,343** in December.

Total credit card debt in January 2015 was **£61.2bn**. Per household this is **£2,292** – for a credit card bearing the average interest, it would take **25 years and 3 months** to repay if you made only the minimum repayment each month.

- The minimum repayment in the first month would be **£55** but reduces each month. If you paid £55 every month, the debt would be cleared in around **5 years and 4 months**.



## 2. Personal debt in the UK

### Net lending and write-offs

Total net lending to individuals by UK banks and building societies **rose by £2.4 billion** in January 2015 – or **£77m a day**.

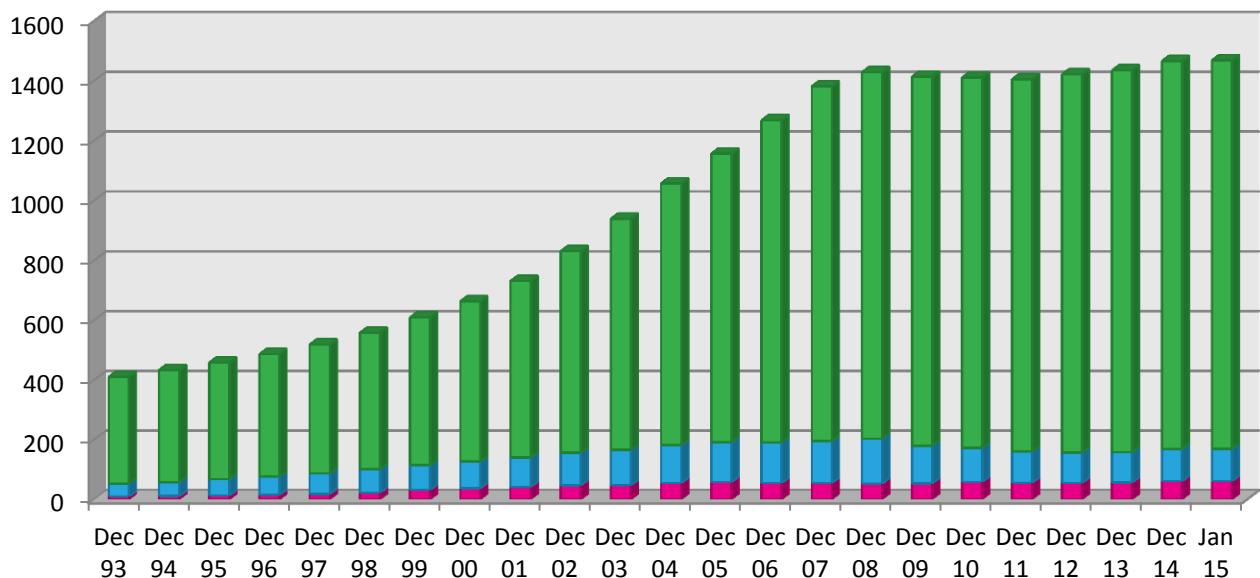
- Net mortgage lending rose by £1.6 billion in the month; net consumer credit lending rose by £0.8 billion.

UK Banks and Building Societies **wrote off £3.01 billion** of loans to individuals over the four quarters to Q4 2014.

- In Q4 2014 itself they wrote off £755 million (of which £393 million was credit card debt) amounting to a daily write-off of **£8.2 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 2013/14, the average Maintenance Loan awarded for full-time undergraduates from England was **£3,842**, and the average Maintenance Grant awarded to successful applicants was **£2,778**.

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).

### Advice, insolvency, and the courts

Citizens Advice Bureaux across England and Wales dealt with **573,000** new enquiries in the three months between July and September 2014.

Debt was the second largest advice category (behind Benefits) with 390,472 issues. This is a 7% decrease on the same period last year. Debt issues represented 30% of all problems dealt with between April and June 2014.

Based on *annual* figures up to the end of September 2014, Citizens Advice Bureaux in England and Wales are dealing with **6,389** 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 **22,433** individual insolvencies in England and Wales in Q4 2014. This is equivalent to **244** people a day or, one person **every 5 minutes 55 seconds**. This was a fall of **9.6%** on the previous quarter and **7.4%** on the same period a year ago.

Every day, on average, **46** people were made bankrupt, **69** Debt Relief Orders were granted, and **128** Individual Voluntary Arrangements were entered into.

The number of DROs over the year to Q4 2014 fell by 3.6% to its lowest level for five years. The number of bankruptcies in Q4 2014 was at its lowest level since Q1 1999.

**1,765** Consumer County Court Judgements (CCJs) were issued every day in Q4 2014. The average value of a Consumer CCJ in Q4 2014 was **£2,527**.



### 3. Mortgages, rent, and housing

#### Mortgage debt

Outstanding mortgage lending stood at **£1.299 trillion** at the end of January.

- This is up from £1.281 trillion at the end of January 2014.

That means that the estimated average outstanding mortgage for the 11.1m households with mortgage debt was **£117,305** in January.

The average Mortgage Interest rate was 3.17% at the end of January. Based on this, households with mortgages would pay an average of **£3,719** in mortgage interest over the year.

For new loans, the average Mortgage Interest rate was 2.81%. Using the latest figures from the Council of Mortgage Lenders, this means new mortgages would attract an average of **£4,700** in interest over the year.

According to the Council of Mortgage Lenders, gross mortgage lending in January totalled an estimated £14.3 billion.

- This is 11% lower than January 2014, and 14% lower than December 2014.

The Financial Conduct Authority reports that 64.1% of mortgage lending in Q3 2014 was for 75% or less of a property's value.

- 4.3% of lending was for mortgages for over 90% of a property's value.

There were 36,394 loans approved for house purchase in January, according to the British Bankers Association (BBA), 21% lower than a year earlier. The average loan approved for house purchase remained at £162,600.

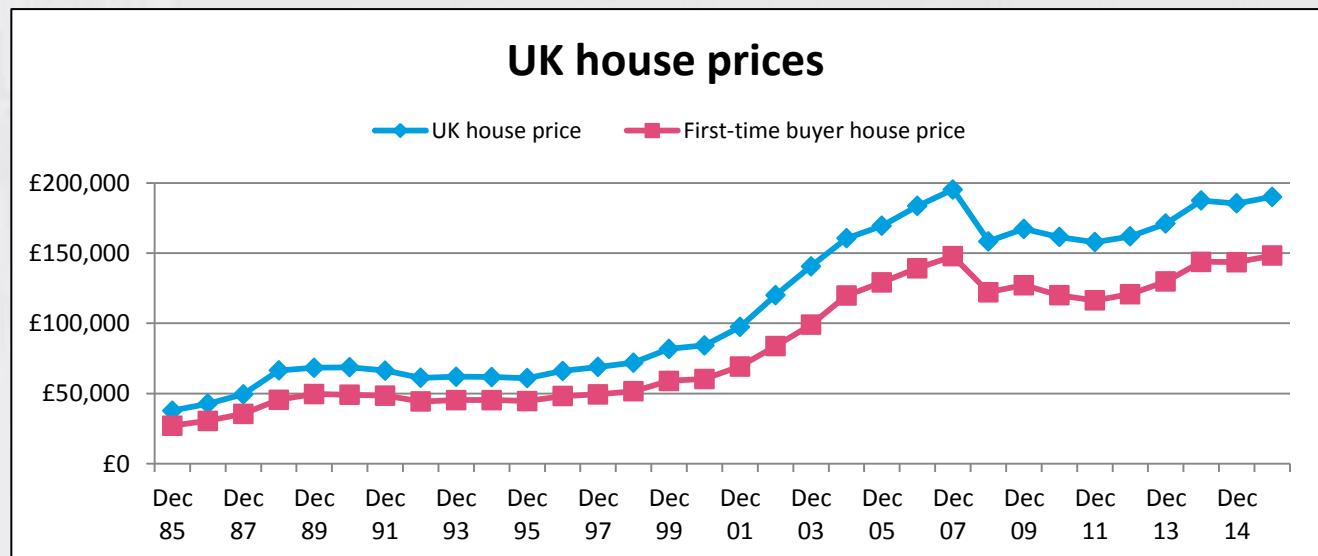


### 3. Mortgages, rent, and housing

#### House prices

Nationwide estimate that house prices fell by 0.1% during February 2015, and by 5.7% compared to February 2014.

Halifax said that house prices rose by £3,826 in January 2015. This is a monthly rise of 2%; prices rose 1.9% over the quarter and 8.5% 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 **£208,000** in December 2014, which is an annual increase of 9.5%.

According to the Council of Mortgage Lenders (CML), the typical first-time buyer deposit in December was 19% (around £34,152) – **134% of an average salary**.

The average first-time buyer borrowed **3.39** times their income and the average first-time buyer loan was an estimated **£145,594**.



### 3. Mortgages, rent, and housing

#### Renting

The median rent in England across all property types for the 12 months to September 2014 was £595, data from the Valuation Office Agency shows. In London this was £1,300.

For a single room, the average monthly rent was £347 – in London this was £525 (**51% higher**).

The average monthly rent for a two-bedroom house in England was £580 – in London this was £1,387 (**139% higher**).

According to the Office for National Statistics, private rental prices in Great Britain rose by 1.7% in the 12 months to December 2014.

Rental prices increased in all the English regions over the year to December 2014, with London seeing the biggest increase (2.4%).

Respondents to the January 2015 RICS survey expected rents to rise at an average of 4.6% a year over the next five years.

Figures from DCLG show that in 2012/13, private renters spent an average of **£705.79** a month on rental payments, while owner-occupiers paid **£645.17** in mortgage payments.

- These figures are the mean payments, so can be skewed by very high figures.

Private renters spent an average of 41% of their income on rental payments. Owner-occupiers spent on average 19%.

- 33.3% of private renters had weekly costs greater than 40% of their income. For owner-occupiers this was just 7.4%.



### 3. Mortgages, rent, and housing

#### Arrears and repossessions

According to the Financial Conduct Authority, at the end of Q3 2014 there were **230,192** mortgage loan accounts with arrears of more than 1.5% of the current loan balance. This is 4.3% fewer than the previous quarter, and the lowest figure since Q1 2007.

Loans in arrears represented **1.73%** of the value of the residential loan book.

**63.13%** of payments due for loans in arrears were received in Q2 2014 – the eighth successive quarter this figure has risen.

The Council of Mortgage Lenders reports that **116,800 (1.05%)** of mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance – the lowest since 2006. Since the end of Q4 2013, this figure has dropped by **76** a day.

The Council of Mortgage Lenders estimates that **21,000** properties were taken into possession in 2014. This is down from 28,900 in 2013.

This equates to **58** properties being repossessed every day, or one property being repossessed **every 25 minutes 2 seconds**.

Every day in Q4 2014, **77** mortgage possession claims were issued and **54** mortgage possession orders were made.

**377** landlord possession claims were issued and **298** landlord possession orders were made every day.



## 4. Savings and pensions

### Savings

In Q3 2014, households saved an average of **7.0%** of their pre-tax income.

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 0.84%.

If someone on the average salary saved 7.0% of their income in an average instant access savings account for a year, they would receive **£5.43** in interest after tax.

If they saved it in an average cash ISA, they would receive **£14.35**.

It would take **19 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 **19 years**.

Around **9.24m** (35%) households have no savings, while a further **3.43m** (13%) have under £1,500.

### Pensions

The Pensions Regulator estimates that at least **5.153 million** employees had joined a pension scheme under auto-enrolment by the end of January 2015.

According to the latest Family Resources Survey, **26%** of all adults actively participated in a pension in 2012/13. This figure was **48%** for employees, and **18%** 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 August 2014, there were 13 million claimants of State Pension, a rise of 89,000 on a year earlier. 42% of claimants were male and 58% female.



## 5. Spending and loans

### How we spend

During December 2014 an average of **392** purchases were made in the UK **every second** using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£18,311** was spent every second using debit and credit cards.
- Purchases using plastic cards were worth **£1.582 billion** every day during December.

Meanwhile, data from LINK shows that, on average, **98** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in January 2015.

- In total, cash machine transactions were worth an average of **£3,549** per second in January.
- 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 2014, households in the UK spent **£83.79m** a day on water, electricity and gas – or **£3.17** per household per day.

In February 2015 the average price of unleaded petrol fell by 0.63ppl (pence per litre) to 108.91ppl.

- This meant it cost **£54.41** to fill a 50 litre unleaded tank.
- The average price of diesel fell by 1.05ppl to 115.06ppl.
- The cheapest unleaded petrol in the UK was the Northern Ireland at 107.6ppl.

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 21<sup>st</sup> 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



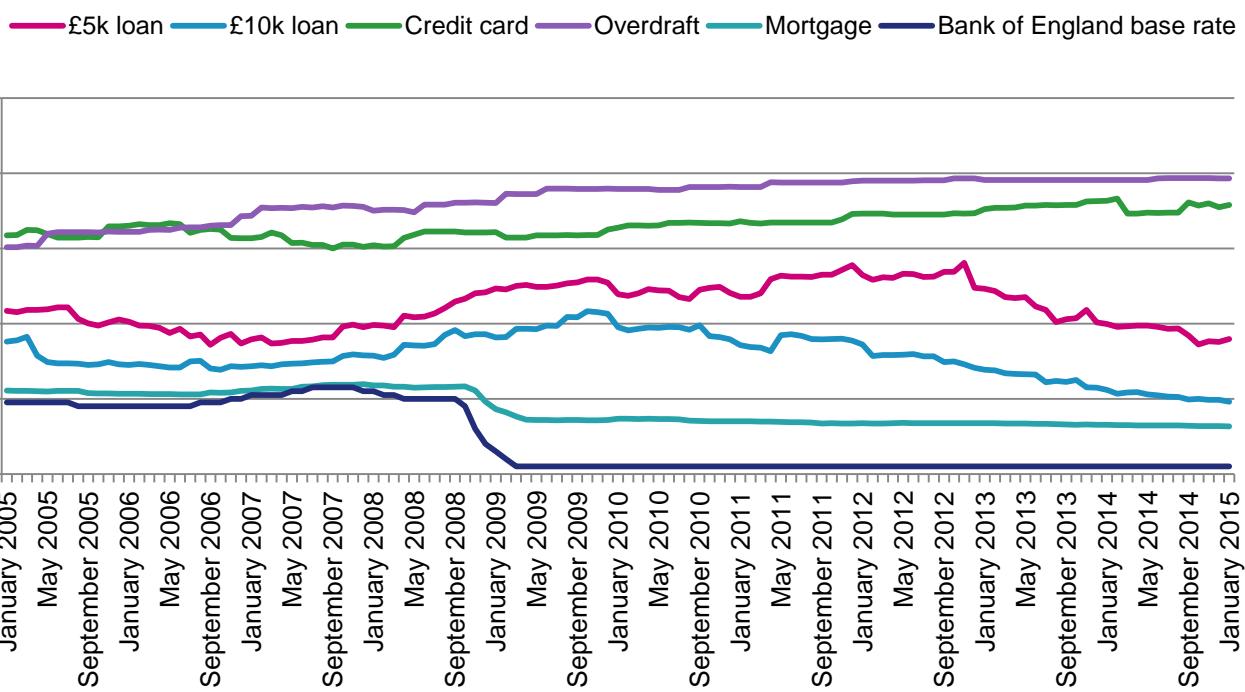
## The cost of credit

The average interest rate on credit card lending bearing interest was **17.91%** in January. This is **17.41%** above the Bank of England Base Rate (0.5%).

British Bankers Association figures show that 58.0% of credit card balances were bearing interest in January 2015.

The average APR for a £5,000 personal loan is 8.98%, according to the Bank of England. For a £10,000 loan it's 4.8%, while the average rate for an overdraft is 19.66%

### Interest rates (%)



Based on Bank of England Data



## 6. The bigger picture

The UK economy **grew by 0.5%** in the fourth quarter of 2014, according to latest estimates from the Office of National Statistics.

CPI (Consumer Prices Index) annual inflation stood at **0.3%** in January, down from 0.5% in December.

In the three months to December 2014 pay including bonuses was up by 2.1% from a year ago, and pay excluding bonuses rose by 1.7%. Average weekly pay was £489, or £457 excluding bonuses – an annual salary of **£25,498**, or **£23,829** 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 5<sup>th</sup> March 2009, and has been held there for 72 months.

Public Sector Net Borrowing (excluding public sector banks) was **-£8.754bn** in January 2015, meaning that the Government repaid an average of **£282m** per day during the month (equivalent to **£3,268** per second).

In January 2014, public sector net debt excluding public sector banks was **£1464bn (79.6% of GDP)**. This was £1377.9bn (78.4% of GDP) at the end of January 2014, meaning public sector net debt grew by **£236m** a day in the year to January 2015.

Public sector net debt including public sector banks was **£1775.6bn (96.5% of GDP)**. This was £2125.5bn (120.9% of GDP) at the end of January 2014.

- 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 the figure that includes public sector banks.

According to the December 2014 Autumn Statement, public sector net debt is forecast to peak at **78.7% of GDP** in 2015-16, before falling to **73.8% of GDP** in 2018-19.

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



## 6. The bigger picture

An estimated 4.48 million people will fall into the 40% income tax band in 2014/15 – **£10,000** more than in 2011/12. 313,000 will pay the 45% rate, which replaced the 50% rate in 2013/14.

Based on the latest figures, **2.003m** people in work would pay no income tax.

There were **5.1 million** working-age people claiming benefits in August 2014. This is a decrease of 351,000 in the year, or **962 a day**.

The number of people classed as unemployed between October and December 2014 was **1.862 million** (5.7%). This is down by 97,000 from the previous three months, and down by 486,000 from a year earlier – **1,332 a day**.

- **638,000** people had been unemployed for over 12 months, down by 50,000 from the previous three months, and down by 210,000 (**575 a day**) from a year earlier.

The unemployment rate in Great Britain was highest in the North East (8.0%) and lowest in the South West (4.5%).

**583,000** 18-24 year olds (14.3%) were unemployed between October and December 2014. This was 3,000 (0.6%) more than the previous three months.

- Of these, **265,000** (45.5%) had been unemployed for over 6 months.
- **183,000** had been unemployed for over 12 months. This is 8,000 (4.4%) lower than the previous three months and a fall of 53,000 (22.6%) on a year earlier.

At the end of Q4 2014, **419,000** (15.6%) of 18 to 24-year-olds in England were not in education, employment or training (NEET).

**319,000** people aged over 50 were unemployed between October and December 2014. This is down 31,000 (8.9%) from the previous three months, and 81,000 (20.2%) less than a year earlier.

- **47.2%** of unemployed workers aged over 50 - a total of **150,000** people - have been out of work for over a year. **100,000** have been unemployed for more than two years.
- **1,127,000** (10.1%) people aged over 65 were *in work* between October and December, which is up 8,000 (0.7%) from the previous three months, and up 53,000 (4.9%) from the previous year.

**107,000** people (**1,332 a day**) reported they had become redundant over the three months, 16,000 more than for July to September but almost identical to a year earlier.

# 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.**

