

The
MONEY
Charity

**The Money
Statistics**

March 2016

The MONEY Charity

Welcome to the March 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

£11.2 billion

The government surplus in January

3.7%

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

83 months

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

0.37%

The record low average interest rate from an instant access savings account

5.935 million

Employees are auto-enrolled to their pension

1.41%

Loans in arrears represented this proportion of the residential loan book

33%

Of households owned their home outright

0.66%

The average interest rate from an ISA

£231,843

The average cost of raising a child to 21 years old



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.
- **222** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 6 minutes 13 seconds**.
- **37.8 million** plastic card purchase transactions were made every day in December 2015, with a total value of **£1.71 billion**.
- **7.8m** cash machine transactions were made every day in November with a value of **£305m**.
- **2,102** Consumer County Court Judgments (CCJs) are issued every day, with an average value of **£2,030**.
- 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 **35** a day.
- The number of people unemployed for over 12 months fell by **400** per day between October and December.
- **1,065** people a day reported they had become redundant between October and December.
- Net lending to individuals in the UK increased by **£171 million** a day, despite a fall in January.
- The Government had a surplus of **£361m** a day during December 2015 (**£4,182** per second).
- Borrowers would repay **£143m** a day in interest over a year, based on December 2015 trends.
- It costs an average of **£30.23** 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: Figures are not yet available for January 2016.

Total UK personal debt

People in the UK owed **£1.460 trillion** at the end of January 2016. This is up from £1.428 trillion at the end of January 2015 – an extra **£631.15** per UK adult.

The average total debt per household – including mortgages – was **£54,080** in January. The revised figure for December was £53,910.

Per adult in the UK that's an average debt of **£28,913** in January – around **111.9%** of average earnings. This is slightly up from a revised £28,822 a month earlier.

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 **£179.49 billion** at the end of January 2016.

- This is up from £171.41 billion at the end of January 2015, and is an increase of **£159.86** for every adult in the UK.

Per household, that's an average consumer credit debt of **£6,648** in January up from a revised £6,621 in December - or **£299** extra per household over the year.

It also means the average consumer credit borrowing stood at **£3,554** per UK adult. This is up from a revised £3,540 in December.

Total credit card debt in January 2015 was **£63.82bn**. Per household this is **£2,364** – 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 £5.3 billion** in January 2016 – or **£171m a day**.

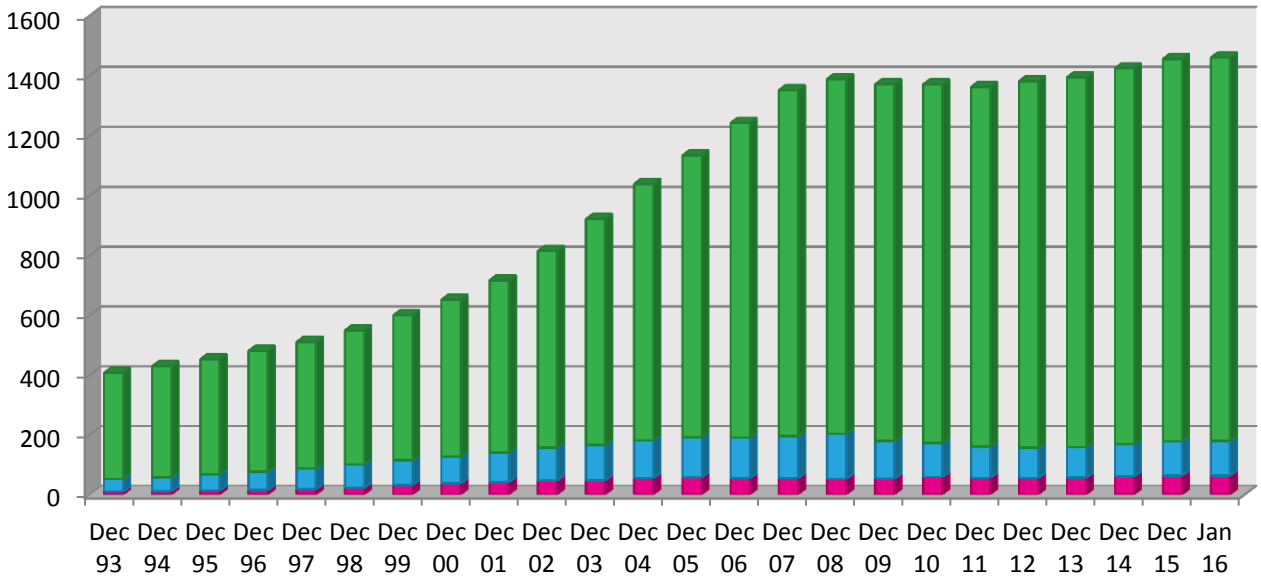
- Net mortgage lending rose by £3.7 billion in the month; net consumer credit lending rose by £1.6 billion.

UK Banks and Building Societies **wrote off £3.175 billion** of loans to individuals over the four quarters to Q4 2015.

- In Q4 2015 itself they wrote off £1,046 million (of which £356 million was credit card debt) amounting to a daily write-off of **£11.4 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 **20,404** individual insolvencies in England and Wales in Q4 2015. This is equivalent to **222** people a day or, one person **every 6 minutes 13 seconds**. This was up **3.6%** on the previous quarter but down **10.5%** on the same period a year ago.

Every day, on average, **40** people were made bankrupt, **71** Debt Relief Orders were granted, and **111** Individual Voluntary Arrangements were entered into.

In the 12 months ending Q4 2015, 1 in 632 adults (just under 0.16% of the adult population) became insolvent. This was the lowest rate in a decade.

2,102 Consumer County Court Judgements (CCJs) were issued every day in the year to Q4 2015. The average value of a Consumer CCJ in Q4 2015 was **£2,030**.



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 **£1.281 trillion** at the end of January.

- This is up from £1.257 trillion a year earlier.

That means that the estimated average outstanding mortgage for the 11.1m households with mortgage debt was **£115,672** in January.

The average mortgage Interest rate was 2.96% at the end of January. Based on this, households with mortgages would pay an average of **£3,422** in mortgage interest over the year.

For new loans, the average mortgage Interest rate was 2.49%. Using the latest figures from the Council of Mortgage Lenders, this means new mortgages would attract an average of **£3,824** in interest over the year.

According to the Council of Mortgage Lenders, gross mortgage lending in January totalled an estimated £17.9 billion.

- This is 21% higher than January 2015, but 9% down on December.

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 47,509 loans approved for house purchase in January, according to the British Bankers Association (BBA), 27% higher than a year earlier. The average loan approved for house purchase rose to £178,900.

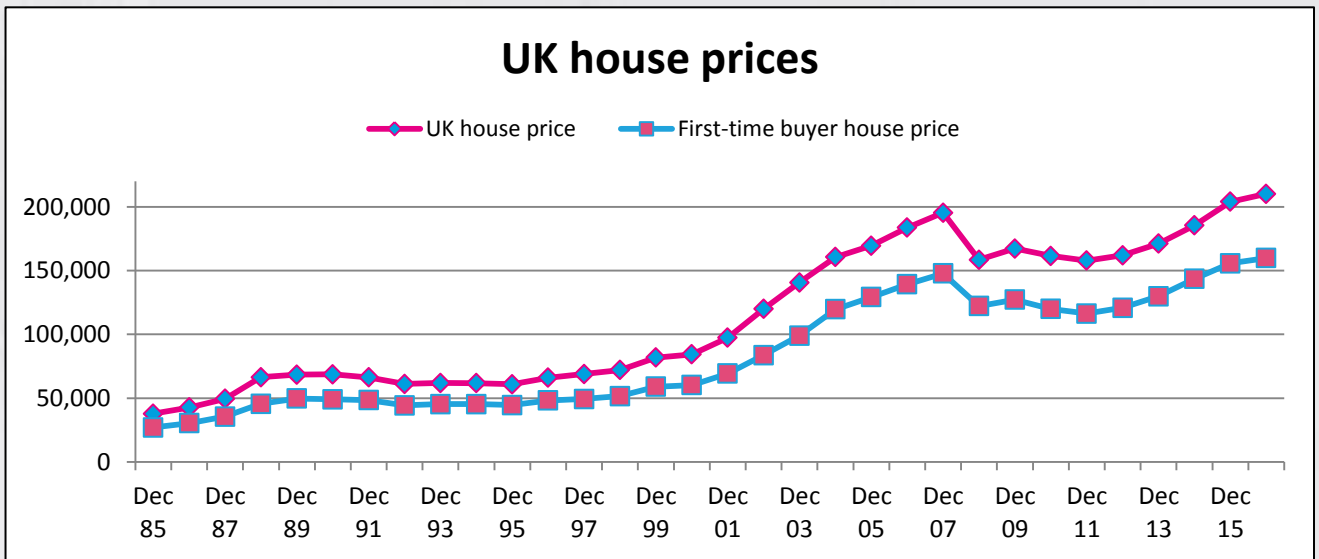


3. Mortgages, rent, and housing

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 £3,487 in January 2016. This is a monthly rise of 1.7%; prices rose 2.2% over the quarter and 9.7% 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 **£219,000** in December 2015, which is an annual increase of 6.7%.

According to the Council of Mortgage Lenders (CML), the typical first-time buyer deposit in November was 19.6% (**around £37,441**) – **145% of an average salary**.

The average first-time buyer borrowed **3.50** times their income and the average first-time buyer loan was an estimated **£131,000**.



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%).

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 mortgagers. **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 **96,100 (0.86%)** of mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q4 2015 – the lowest since 2006. Since the end of Q4 2014, this figure has dropped by **35** 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 0.37% in January. For a cash ISA, this was 0.66%.

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 **£3.35** in interest after tax. If they saved it in an average cash ISA, they would receive **£7.48**.

It would take **32 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 **30 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 **5.935 million** employees had joined a pension scheme under auto-enrolment by the end of January 2016.

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 August 2015, there were 12.96 million claimants of State Pension, a fall of 5,000 on a year earlier. 43% of claimants were male and 57% female.



5. Spending and loans

How we spend

During December 2015 an average of **438** purchases were made in the UK **every second** using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£19,788** was spent every second using debit and credit cards.
- Purchases using plastic cards were worth **£1.71 billion** every day during December.
- In total, **101** purchases using credit cards were made every second, worth **£5,750**.

Meanwhile, data from LINK shows that, on average, **90** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in January 2016.

- In total, cash machine transactions were worth an average of **£3,536** 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 **£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.



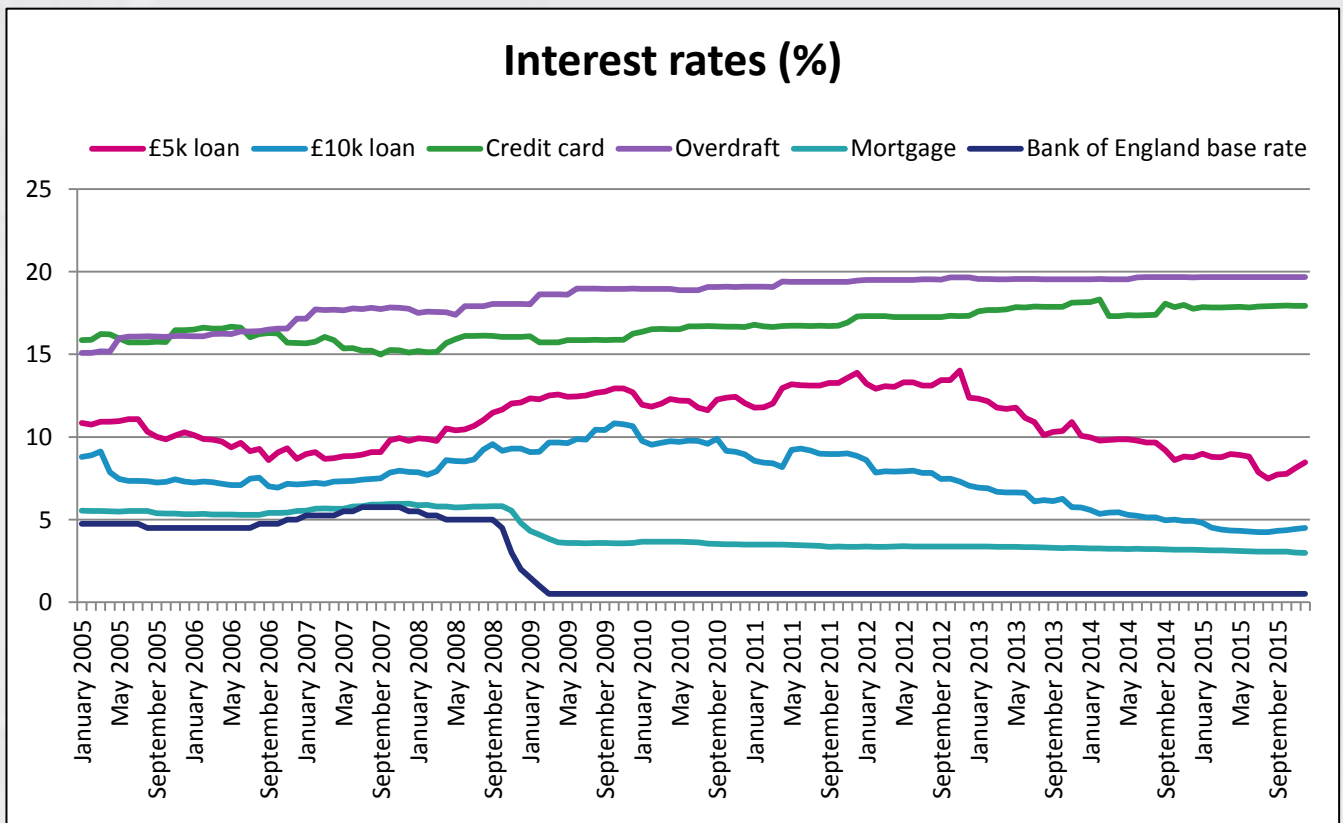
5. Spending and loans

The cost of credit

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

British Bankers Association figures show that 58.4% of credit card balances were bearing interest in January 2016.

The average APR for a £5,000 personal loan is 9.11%, according to the Bank of England. For a £10,000 loan it's 4.29%, 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 **0.3%** in the year to January, up 0.2% from December.

In the three months to December 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 £496, or £465 excluding bonuses – an annual salary of **£25,863**, or **£24,246** 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 83 months.

Public Sector Net Borrowing (excluding public sector banks) was in a surplus of **£11.2bn** in January 2016, meaning that the Government took in an average of **£361m** per day more than it spent during the month (equivalent to **£4,182** 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 **4.81 million** working-age people claiming benefits in August 2015. This is a decrease of 258,000 in the year, or **707 a day**.

The number of people classed as unemployed between October to December was **1.671 million** (5.2%). This is down by 57,000 from the previous three months, and down by 173,000 from a year earlier – **474 a day**.

- **483,000** people had been unemployed for over 12 months, down by 21,000 from the previous three months, and down by 149,000 (**400 a day**) from a year earlier.

The unemployment rate in Great Britain was highest in the North East (8.1%) and lowest in the South West (3.7%).

491,000 18-24 year olds (12.0%) were unemployed between October and December. This was 27,000 (5.3%) fewer than the previous three months.

- Of these, **184,000** (37%) had been unemployed for over 6 months.
- **111,000** had been unemployed for over 12 months. This is 8,000 down on the previous three months and a fall of 72,000 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.

318,000 people aged over 50 were unemployed between October and December. This is down 0.1% from the previous three months, and down 0.1% on a year earlier.

- **42%** of unemployed workers aged over 50 - a total of **134,000** people - have been out of work for over a year. **81,000** have been unemployed for more than two years.
- **1,22,000** (10.8%) people aged over 65 were *in work* between October and December, which is up 31,000 (0.2%) from the previous three months, and 75,000 (0.5%) from the previous year.

98,000 people (**1,065 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.

