

The
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Charity

The Money Statistics

**May
2019**

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The MONEY Charity

Welcome to the May 2019 edition of The Money Statistics, The Money Charity's monthly round-up of statistics about how we use money in the UK.

If you have any questions, comments, or want any information about the source of these statistics, please contact us through hello@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 such as Bank of England, ONS and UK Finance and are written in **black**. All statistics are from the latest available data at the time of writing.

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1. Striking Numbers

This month's highlights

£59,540

Average total debt per UK household
in March 2019

0.90%

Average interest rate on a cash ISA
in March 2019

0.4%

Average increase in house prices
in the year to April 2019,
according to Nationwide

19.87%

Average credit card interest rate
in April 2019

-6.1%

Change in the average real wage
since pre-crash peak in February 2008

£2,655

Average credit card debt per
household in March 2019

2.1%

Increase in Consumer Prices Index
in the year to April 2019

26 years and 9 months

Time to pay off average credit card
debt making only the minimum
payment per month

£6.18 billion

Public sector net borrowing (excluding RBS and Bank of England)
in the three months to April 2019



1. Striking Numbers

Every day in the UK

- The population of the UK grew by an estimated **1,166** people a day between 2017 and 2018.
- On average, a UK household spends **£4.05** a day on water, electricity and gas.
- **350** people a day were declared insolvent or bankrupt in January to March 2019. This was equivalent to one person **every 4 minutes and 7 seconds**.
- **3,567** Consumer County Court Judgements (CCJs) were issued every day in England and Wales in Q1 2019, with an average value of **£1,398**.
- Citizens Advice Bureaux in England, Wales and Northern Ireland dealt with **2,518** debt issues every day in the year to April 2019.
- **15** properties were repossessed every day in Q1 2019, or one **every 1 hour and 34 minutes**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **8** a day.
- The number of people unemployed fell by **326** per day in the year to March 2019.
- **1,022** people a day reported they had become redundant in January to March 2019.
- Net lending to individuals and housing associations in the UK grew by **£146 million** a day in March 2019.
- Government debt increased by **£73.7 million** a day in the year to April 2019.
- Borrowers paid **£139 million** a day in interest in March 2019.
- It costs an average of **£22.95** per day for a couple to raise a child from birth to the age of 18.
- For a lone parent family, the cost of raising a child comes to **£27.90** per day.
- **68** mortgage possession claims and **48** mortgage possession orders were made every day in January to March 2019.
- **337** landlord possession claims and **263** landlord possession orders were made every day.



2. Personal Debt in the UK

Total UK Personal Debt

People in the UK owed **£1,633 billion** at the end of March 2019. This is up from £1,588 billion at the end of March 2018, an extra **£852.40** per UK adult over the year.

Type of Personal Debt	Total Personal Debt £ billion	Per Household £	Per Adult £
Secured (Mortgages)	£1,415.9 billion	£51,636	£27,007
Unsecured Consumer Debt	£216.7 billion	£7,905	£4,134
Of which, Credit Card Debt	£72.8 billion	£2,655	£1,389
Grand Total (March 2019)	£1,632.6 billion	£59,540	£31,142

The average total debt per household, including mortgages, was **£59,540** and per adult was **£31,142**, around **113.1%** of average earnings. This is up from a revised **£31,055** a month earlier.

Based on March 2019 trends, the UK's total interest payments on personal debt over a 12-month period would have been **£50,731 million**, an average of **£139 million** per day. The average annual interest per household would have been **£1,850**, and per person **£968**, **3.5%** of average earnings.

According to the Office for Budget Responsibility's March 2019 forecast, household debt is forecast to reach **£2.425 trillion** in 2023-24. This would make the average household debt **£86,388** (assuming household numbers track ONS population projections.)

Consumer Credit Debt

At the end of March 2019, outstanding consumer credit lending was **£216.7 billion**, increasing by **£268 million** on the revised total for the previous month. Within the total, outstanding credit card debt came to **£72.8 billion**, an average of **£2,655** per household and **£1,389** per adult.

A credit card on the average interest rate would take **26 years and 9 months** to repay, making only the legal minimum repayments (interest plus 1% of the outstanding balance) each month. The minimum repayment in the first month would be **£67** but would reduce each month. If £67 were paid every month, the debt would be cleared in **5 years and 3 months**.

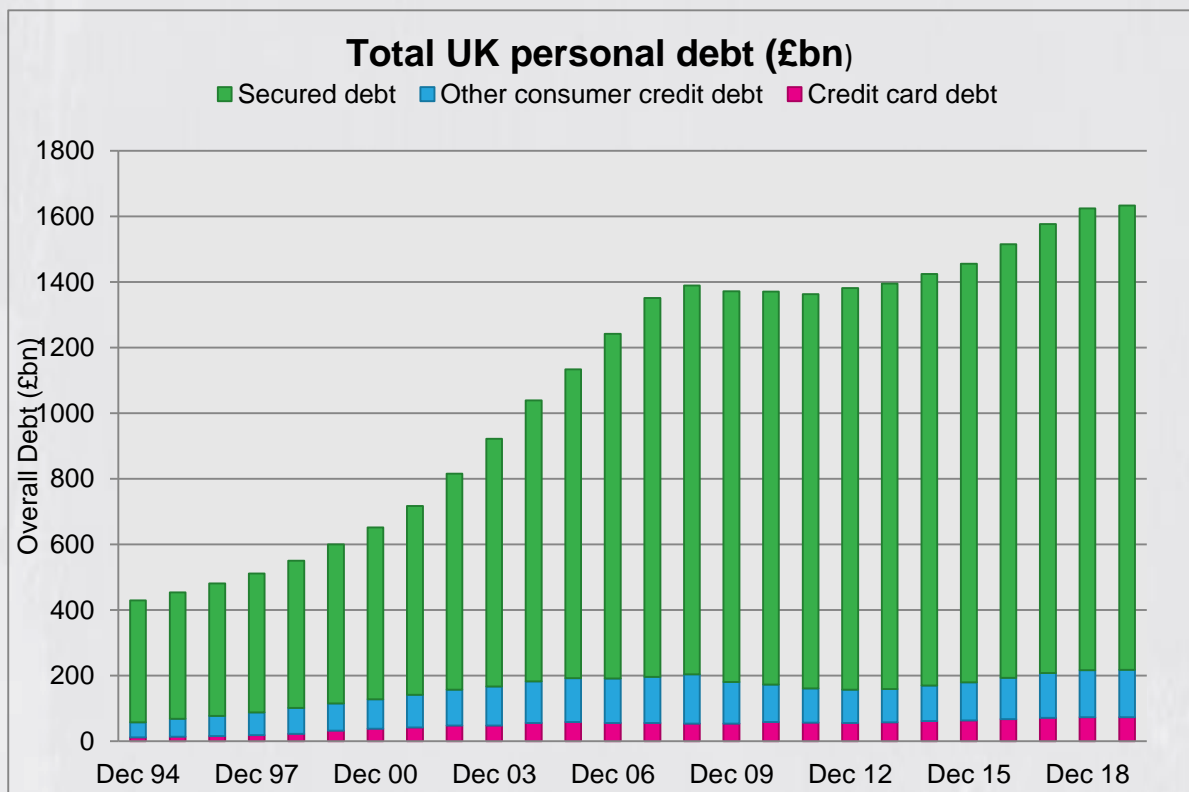


2. Personal Debt in the UK

Net Lending and Write-offs

Total net lending to individuals and housing associations by UK banks and building societies **rose by £4.53 billion** in March 2019 or **£146 million a day** over revised figures for February.

- Net mortgage lending rose by **£4.264 billion** in the month; net consumer credit lending rose by **£0.268 billion**.
- In Q4 2018 lenders wrote off **£1.004 billion** (of which **£488 million** was credit card debt, amounting to a daily write-off of **£5.3 million**.)



Based on Bank of England Data to March 2019



2. Personal Debt in the UK

Student Loans

In 2017-18, the provisional average maintenance loan awarded to full-time students in England was **£5,489 (up 16%** on the previous year.) In Wales it was **£4,774** and in Northern Ireland **£3,124**. The provisional average tuition fee loan in England was **£8,265 (up 2%.)** In Wales it was **£3,916** and in Northern Ireland **£5,105**.

In England, the average debt per borrower at the end of 2016-17 was **£16,849** (for English students and EU students in England, including loans for Further and Higher Education.) In Wales it was **£12,135** and in Northern Ireland **£13,471**.

The average debt for the latest cohorts (2016-17) to enter repayment was **£32,220** in England, **£19,280** in Wales and **£20,990** in Northern Ireland.

Advice, Insolvency, and the Courts

Citizens Advice Bureaux across England, Wales and Northern Ireland answered **356,625** enquiries in April 2019.

Debt was the second largest advice category (behind benefits and tax credits) with **75,807** issues. This was up **3.5%** on the same month last year. Debt represented **21.9%** of all issues dealt with in the year to April 2019. The top three debt categories in April 2019 were Council Tax arrears, credit, store and charge cards, and fuel debts. In the year to April 2019, Citizens Advice Bureaux in England, Wales and Northern Ireland dealt with **2,518** debt issues every day.

There were **31,527** individual insolvencies in England and Wales in Q1 2019. This is equivalent to **350** people a day or one person **every 4 minutes 7 seconds**. Individual insolvencies were down **8.1%** on the previous quarter but up **15.9%** on the same period a year ago.

Every day, on average, **46** people were made bankrupt, **78** Debt Relief Orders were granted, and **226** Individual Voluntary Arrangements were entered into.

In the 12 months ending Q1 2019, **119,652** individuals, **1 in 388 (0.26%** of the adult population of England and Wales) became insolvent.

3,567 Consumer County Court Judgements (CCJs) were issued every day in England and Wales in January to March 2019. The average value of a Consumer CCJs in January to March 2019 was **£1,398**, a fall of **6%** compared with January to March 2018.



3. Mortgages, Rent and Housing

Mortgage Debt

Outstanding mortgage lending stood at **£1.416 trillion** at the end of March 2019.

- This is up from £1.378 trillion a year earlier.

That means that the estimated average outstanding mortgage for the **10.9** million households with mortgage debt was **£129,420** in March 2019.

The average mortgage interest rate was **2.45%** at the end of March. Based on this, households with mortgages would pay an average of **£3,171** in mortgage interest over the year.

For new loans, the average mortgage interest rate was **2.13%**. Using the latest figures from UK Finance, this means new mortgages would attract an average of **£3,486** in interest over the year.

According to UK Finance, gross mortgage lending in March 2019 totalled an estimated **£20 billion**, down **0.5%** on March 2018.

The Financial Conduct Authority reports that **58.3%** of mortgage lending in Q4 2018 was for 75% or less of a property's value.

- **5.0%** of lending was for mortgages for over 90% of a property's value.

There were **54,080** loans approved for house purchase for first-time buyers and home movers in March 2019, according to UK Finance, **4.1%** lower than last year. The average (mean) loan approved for house purchase stood at **£163,662** for first-time buyers, **£218,225** for home movers and **£174,055** for re-mortgagors. This was a decrease for first-time buyers of **0.5%** and an increase for home movers of **1.6%** compared with March 2018.

Note: these numbers were revised in April 2019, with UK Finance now reporting means rather than medians as the measure of average loan size.

The mortgage as percentage of house value was on average **76.1%** for first time buyers, **67.1%** for home movers and **56.9%** for re-mortgagors in March 2019, a slight decrease for first-time buyers and increase for home movers (on the revised data) compared with March 2018.



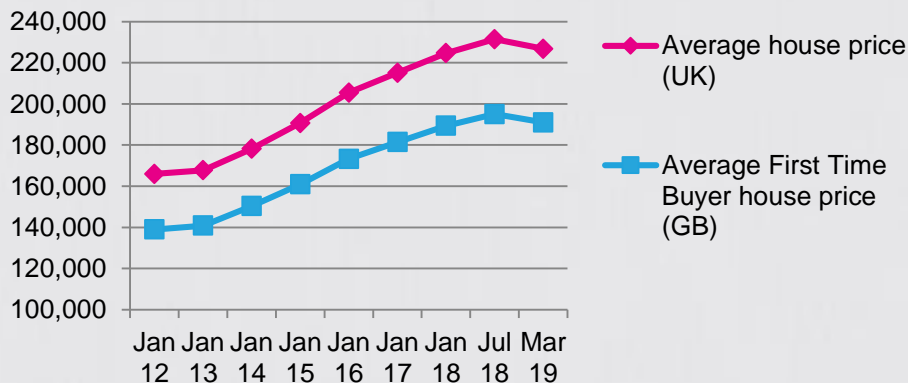
3. Mortgages, Rent and Housing

House Prices

Nationwide estimates that house prices rose by **0.4%** during April 2019, an increase of **0.9%** on 12 months before. Halifax reports that average house prices rose by **4.2%** in the three months to April 2019 to **£236,619**. This was a rise of **5.0%** for the year to April 2019.

Nationwide and HM Land Registry show falling prices since the summer of 2018. Halifax shows a significant increase over the same period. This is due to differences in the make-up of the three series. HM Land Registry is the largest and includes cash sales, but records transactions later, after registration of the sale, not at the mortgage approval stage.

House Prices



Data from ONS and HM Land Registry

First-time Buyers

HM Land Registry reports that the average house price for first-time buyers was **£190,999** in March 2019, an annual increase of **1.2%** but a fall of **0.3%** from the revised February average.

According to UK Finance, the typical first-time buyer deposit in March 2019 was **24%** of the purchase cost (**around £51,400**) – **187% of an average salary**. Note: this number was revised upwards in April 2019, due to UK Finance changing its measure of average loan size from median to mean.

The average first-time buyer borrowed **3.45** times their income.



3. Mortgages, Rent and Housing

Renting

The median rent in England across all private rental property types for the 12 months to 30th September 2018 was **£690**, according to the Valuation Office Agency. In London it was **£1,473**.

For a single room, the median monthly private rent was **£600**. In London it was **£1,288 (115% higher.)**

For two bedrooms, the median monthly private rent was **£650**. In London it was **£1,500 (131% higher.)**

According to the Office for National Statistics, private rental prices in the UK rose by **1.2%** in the 12 months to April 2019, the same as for the 12 months to March 2019.

Over the year to April 2019, rental prices increased in Northern Ireland, Wales, Scotland and all the English regions. The East Midlands saw the biggest increase (**2.1%**.) The lowest increase was in the North East (**0.4%**.)

Figures from the Ministry of Housing, Communities and Local Government show that in 2016-17, private renter households spent an average of **£832** a month on rental payments. Inclusive of benefits, private renters spent an average of **34%** of their income on rental payments.

Weekly rents in the social housing sector were **£102** for housing association renters and **£97** for local authority renters.

In 2017-18, **34%** of households owned their home outright, while **30%** were mortgagors, **19%** rented privately and **17%** paid a social rent.

- 2012-13 was the first year that outright owners were the largest tenure group.
- Since the mid-1990s, the number of renters and outright owners has risen, while the number of people owning a house with a mortgage has fallen.



3. Mortgages, Rent and Housing

Arrears and Repossessions

According to the Financial Conduct Authority, at the end of Q4 2018 there were **184,341** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is down **1.7%** on the previous quarter and **2.7%** down on Q4 2017.

55.6% of payments due for loans in arrears were received in Q4 2018.

UK Finance reports that **76,580 (0.85%)** of homeowner mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q1 2019, about the same as the previous quarter. Over the last year, mortgages in arrears have fallen by **8** a day.

UK Finance estimates that there were **1,380** homeowner properties taken into repossession in Q1 2019.

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

Every day in Q1 2019, according to the Ministry of Justice, **68** mortgage possession claims were issued and **48** mortgage possession orders were made.

337 landlord possession claims were issued and **263** landlord possession orders were made every day.

Compared to January to March 2018, mortgage possession claims and orders rose significantly (around **40%**), while landlord possession claims and orders fell slightly.



4. Savings and Pensions

Savings

In Q4 2018, households saved an average of **4.8%** of their post-tax income, including benefits. This compares with 4.2% in Q4 2017. From 2000 to 2015, the savings rate fluctuated mostly in the 6-10% range, with a post-crash peak of 12% in Q3 2009. The average interest rate for an instant access savings account, not including bonus interest payments, was **0.41%** in March 2019. For a cash ISA, this was **0.90%**.

If someone on the average salary saved 4.8% of their income in an average instant access savings account for a year, they would receive **£4.02** in interest after tax. If they saved it in an average cash ISA, they would receive **£11.39**.

It would take **35 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 **32 years**. This assumes no property price inflation in the meantime.

According to the DWP, in 2017-18 **12.6m** households (**46%** of the total) had either no savings or less than £1,500 in savings. **18.9m** households (**69%** of the total) had less than £10,000 in savings.

Pensions

According to The Pensions Regulator's Compliance Report, at least **10.07 million** employees had joined a pension scheme under auto-enrolment by the end of April 2019, making a total of **22.04 million** members of pensions schemes, but leaving **9.37 million** employees unenrolled, out of the total declared workforce of **31.41** million.

According to the Family Resources Survey, **49%** of working age adults actively participated in a pension in 2017-18, up **4%** on the previous year. This was **71%** for employees and **16%** for the self-employed.

The Annual Survey of Hours and Earnings reports that in 2017, **20.9%** of private sector employees were receiving an employer contribution to their workplace pension greater than 8%, whereas **94.4%** of public sector employees receive a contribution greater than 12%. **38.7%** of employees with a pension were in an occupational Defined Benefit scheme in 2017, according to the Office for National Statistics, while **31.5%** were in an occupational Defined Contribution scheme.

In August 2018, there were **13** million claimants of State Pension, a fall of **110,000** on August 2017. Of these, **960,000** were receiving the new State Pension (nSP) introduced in April 2016.



5. Spending and Loans

How We Spend

In the year to February 2019, consumer credit increased by **6.3%** according to UK Finance, while outstanding levels of credit card borrowing grew by **6.5%**, significantly down on the rate of growth in early 2018 .

Meanwhile, data from LINK show that, on average, **87** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in March 2019, a fall of **7.8%** on March 2018.

- In total, cash machine transactions were worth an average of **£44** per transaction.
- These LINK transaction figures do not include transactions or withdrawals made by customers at their own banks or building societies.
- The number of ATMs (in-branch and remote) fell from **68.6** thousand at the end of 2017 to **63.2** thousand at the end of 2018 (a fall of **7.9%**.)

What We Buy

In Q4 2018, households in the UK spent **£111.08 million** a day on water, electricity and gas, or **£4.05** per household per day. On a seasonally adjusted basis, this was **2.1%** more than in Q3 2018.

In April 2019 the average price of unleaded petrol rose by **4.4** pence per litre (ppl) to **125.4ppl**.

- This meant it cost **£62.70** to fill a 50 litre unleaded tank, **£2.20** more than last month.

The average price of diesel rose by 1.7 ppl to **132ppl**.

- This meant it cost **£66.00** to fill a 50 litre diesel tank, **£0.85** more than last month.
- The price difference between the two narrowed to **6.6ppl** in April, a difference of **£3.30** per 50 litre tank.

Based on AutoEurope figures, in 2017 it cost around **£2,618** a year to run a car (not including depreciation), or roughly **£7.17** a day. Driving on average 8,600 miles a year, the cost of petrol would amount to **£0.12** per mile.

Child Poverty Action Group's "The Cost of a Child in 2018" report estimates that couple families now spend **£150,753** on raising a child to their 18th birthday, **£22.95 a day**. This is an increase of **5.7%** since the study began in 2012.

- The cost for a lone parent is **£183,335**, an increase of **18.3%** since 2012.
- This comes to **£27.90 a day**.
- The percentage of basic costs covered by child benefit has risen by **1.0%** since 2012 for couples, but fallen by **2.0%** for a lone-parent family.



5. Spending and Loans

The Cost of Credit

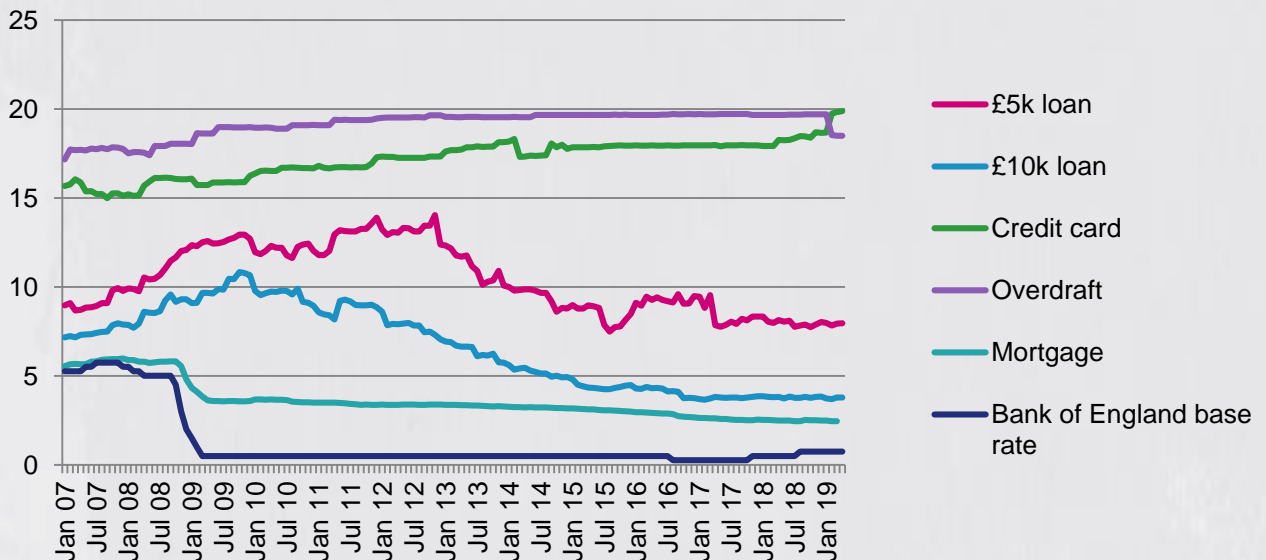
The average interest rate on credit card lending bearing interest was **19.87%** in April 2019. This is **19.12%** above the Bank of England Base Rate of 0.75%.

UK Finance figures show that **54.7%** of credit card balances were bearing interest in February 2019.

In April 2019, the average APR for a £5,000 personal loan was **7.96%**, according to the Bank of England. For a £10,000 loan it was **3.79%**, while the average rate for an overdraft was **18.50%**.

As shown in the chart, the gap between the Bank of England base rate (**0.75%**) and credit card and overdraft rates has widened substantially since 2008.

Interest rates (% pa to April 2019)



Source: Bank of England



6. The Bigger Picture

The UK economy grew by **0.5%** in the three months to March 2019, an increase of **0.3%** from the fourth quarter of 2018, according to the latest estimates from the Office of National Statistics.

The Conference Board Leading Economic Index® for the UK fell by **0.5%** in March 2019 and by **2.9%** in the six months to March, suggesting the economy is likely to slow in the months ahead.

The CPI (Consumer Prices Index) increased by **2.1%** in the year to April 2019, up from 1.9% in the year to March 2019.

The highest rates of inflation over the 12 months to April 2019 were for transport (**4.7%**), communication (**4.6%**) and alcohol and tobacco (**3.9%**.) The lowest was for clothing and footwear (**-1.9%**.)

In the three months to March 2019, regular pay increased by **3.3%** on the year before, while pay including bonuses increased by **3.2%**. Average weekly pay was **£498**, or **£528** including bonuses; an annual salary of **£25,967**, or **£27,531** with bonuses. In real terms, for the year to March 2019, regular pay increased by **1.5%** and total pay by **1.3%**. Due to inflation being higher than pay growth over the last ten years, both regular (**-1.7%**) and total pay (**-6.1%**) remain below the pre-crash peaks of August 2007 and February 2008 respectively.

Public Sector Net Borrowing (excluding RBS and Bank of England) in the three months to April 2019 was **£6.18 billion**, an average of **£69.4 million** per day. Spending included **£15.34 billion** net investment, meaning there was current budget surplus of **£9.16 billion** over the same period.

Public sector net debt in April 2019, *excluding* RBS and Bank of England, was **£1,610.1 billion (74.1% of GDP.)** This was **£26.9 billion** more than in April 2018, an increase of **£73.7 million** per day.

According to the March 2019 Economic and Fiscal Outlook from the Office for Budget Responsibility, total public sector net debt is currently **83.3% of GDP** and is forecast to fall to **73.0% of GDP** in 2023-24.

The population of the UK grew by an estimated **1,166** people a day between mid 2017 and mid 2018.



6. The Bigger Picture

Out of a total adult population of **52.4** million, there are projected to be **31** million income taxpayers in 2018-19. Of these, **25.6** million will be basic rate taxpayers, **4.3** million people will fall into the 40% income tax band and **393,000** will pay the 45% rate, which replaced the 50% rate in 2013-14.

People who do not pay income tax still pay indirect taxes such as VAT, non-EU import duties, insurance premium tax and excise duties on tobacco, alcohol and fuel.

There were **6.7 million** working-age people claiming benefits in August 2018. Housing benefit was received by **4 million** people (of all ages) while **1.1 million** received Universal Credit.

The number of people classed as unemployed in January to March 2019 was **1.30 million** (**3.8%** of the workforce), **65,000** fewer than the previous quarter and down **119,000** from the previous year, **326 a day**.

- **346,000** people had been unemployed for over 12 months, down by **12,000** (**33 a day**) from a year earlier.

The unemployment rate in the UK was highest in the North East (**5.4%**) and lowest in the South West (**2.4%**). In Wales it was **4.5%**, in Scotland **3.2%** and in Northern Ireland **2.9%**.

385,000 18-24 year olds (**9.9%**) were unemployed in January to March 2019. This was **24,000** fewer than in October to December 2018.

- Of these, **118,000** (**30.6%**) had been unemployed for over 6 months.
- **63,000** had been unemployed for over 12 months. This is a decrease of **16,000** on October to December 2018 and a fall of **4,000** on a year earlier.

788,000 (**11.3%**) of 16 to 24-year-olds in the UK were not in education, employment or training (NEET) in October to December 2018, up **31,000** from the previous quarter.

286,000 people aged 50 and over were unemployed in January to March 2019, an increase of **2,000** on October to December 2018, and down **29,000** on a year earlier.

- **41.4%** of unemployed workers aged 50 and over, a total of **118,000** people, had been out of work for over a year. **68,000** had been unemployed for more than two years.
- **1,282,000** (**10.8%**) people aged 65 and over were *in work*, which is an increase of **8,000** from October to December 2018, but an increase of **85,000** from the previous year.

92,000 people (**1,022 per day**) reported they had become redundant over the three months, an increase of **1,000** on October to December 2018.

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. We empower people across the UK to build the skills, knowledge, attitudes and behaviours, to make the most of their money throughout their lives.