

The
MONEY
Charity

**The Money
Statistics**

November 2014

The MONEY Charity

Welcome to the November 2014 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.

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**.

You can use any of the statistics here, as long as:

- 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.

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1. Striking numbers

This month's highlights

270

Number of insolvencies every day

0.7%

Estimated growth of the UK economy in Q3 2014

£210,000

Average house price paid by first-time buyers

£1,185

Average amount paid in interest on debt per person annually

1,033

Number of people who became redundant every day between June and August

£90m

Daily increase in net lending to individuals

£2,214

Average household credit card debt

1,474

Drop in unemployed people per day

£17.8bn

Gross mortgage lending in September 2014



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 **£29.65** per day to raise a child from birth to the age of 21.
- On average, a UK household spends **£3.00** a day on water, electricity and gas.
- **270** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 5 minutes 20 seconds**.
- **32.5 million** plastic card purchase transactions were made every day in August 2014, with a total value of **£1.525 billion**.
- **8.79m** cash machine transactions were made every day in September with a value of **£364m**.
- **1,893** Consumer County Court Judgements (CCJs) are issued every day, with an average value of **£2,278**.
- Citizens Advice Bureaux in England and Wales dealt with **6,405** new debt problems every *working day* during the year ending June 2014.
- **71** properties are repossessed every day, or one every **20 min 15 seconds**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **64** a day.
- The number of people unemployed for over 12 months fell by **532** per day.
- **1,033** people a day reported they had become redundant between June and August.
- Government borrowed **£394 million** a day during September 2014 (**£4,564** per second).
- Net lending to individuals in the UK increased by **£90m** a day.
- Borrowers would repay **£164m** a day in interest over a year, based on September 2014 trends.
- **118** mortgage possession claims and **87** mortgage possession orders are made every day.
- **423** landlord possession claims and **353** landlord possession orders are made every day.



2. Personal debt in the UK

Total UK personal debt

People in the UK owed **£1.459 trillion** at the end of September 2014.

- This is up from £1.430 trillion at the end of September 2013 – an extra **£572** per UK adult.

The average total debt per household – including mortgages – was **£55,223** in September. The revised figure for August was **£55,083**.

Per adult in the UK that's an average debt of **£28,884** in September – around **116%** of average earnings. This is up from a revised **£28,810** in August.

Based on September 2014 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£59.8 billion**.

- That's an average of **£164 million** per day.
- This means that households in the UK would have paid an average of **£2,265** in annual interest repayments. Per person that's **£1,185** – **4.74%** of average earnings.

According to the Office for Budget Responsibility's March 2014 forecast, household debt is predicted to reach **£2.251 trillion** in Q1 2019. This makes the average household debt **£85,220** (assuming that the number of households in the UK remained the same between now and Q1 2019).

Consumer credit debt

Outstanding consumer credit lending was **£165.1 billion** at the end of September 2014.

- This is up from £158.6 billion at the end of September 2013, and is an increase of **£128.79** for every adult in the UK.

Per household, that's an average consumer credit debt of **£6,251** in September, up from a revised **£6,163** in August.

It also means the average consumer credit borrowing was **£3,270** per UK adult in September. This is up from a revised **£3,223** in August.

Total credit card debt in September 2014 was **£58.5bn**. Per household this is **£2,214** – for a credit card bearing the average interest, it would cost:

- **£56** a month to clear the debt in five years.
- **£38** a month to clear it in ten years.



2. Personal debt in the UK

Net lending and write-offs

Total net lending to individuals by UK banks and building societies **rose by £2.7 billion** in September 2014 – or **£190m a day**.

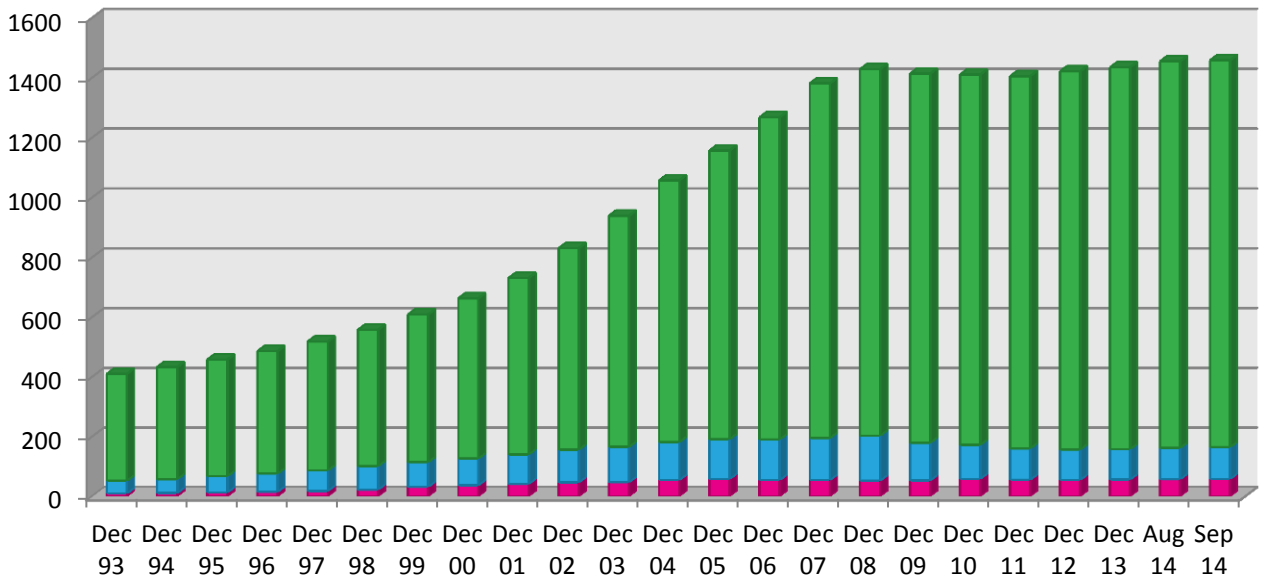
- Net mortgage lending rose by £1.8 billion in the month; net consumer credit lending rose by £0.9 billion.

UK Banks and Building Societies **wrote off £3.45 billion** of loans to individuals over the four quarters to Q2 2014.

- In Q2 2014 itself they wrote-off £722 million (of which £324 million was credit card debt) amounting to a daily write-off of **£7.9 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 2012/13, the average Maintenance Loan awarded for full-time undergraduates from England was **£3,751**, and the average Maintenance Grant was **£1,544**.

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 **531,842** new enquiries in the three months between April and June 2014.

Debt was the second largest advice category (behind Benefits) with 386,009 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 June 2014, Citizens Advice Bureaux in England and Wales are dealing with **6,405** 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 **24,837** individual insolvencies in England and Wales in Q3 2014. This is equivalent to **270** people a day or, one person **every 5 minutes 20 seconds**. This was a fall of **7.9%** on the previous quarter and **4.6%** on the same period a year ago.

Every day, on average, **53** people were made bankrupt, **74** Debt Relief Orders were granted, and **143** Individual Voluntary Arrangements were entered into.

The number of DROs over the year to Q3 2014 rose by 2.7% – the first annual increase since Q4 2012. The number of bankruptcies in Q3 2014 was at its lowest level since Q1 1999.

1,893 Consumer County Court Judgements (CCJs) were issued every day in Q2 2014. The average value of a Consumer CCJ in Q2 2014 was **£2,278**.



3. Mortgages, rent, and housing

Mortgage debt

Outstanding mortgage lending stood at **£1.294 trillion** at the end of September.

- This is up from £1.271 trillion at the end of September 2013.

That means that the estimated average outstanding mortgage for the 11.1m households with mortgage debt was **£116,035** in September.

The average Mortgage Interest rate was 3.2% at the end of September. Based on this, households with mortgages would pay an average of **£3,713** in mortgage interest over the year.

For new loans, the average Mortgage Interest rate was 3.22%. Using the latest figures from the Council of Mortgage Lenders, this means new mortgages would attract an average of **£4,902** in interest over the year.

According to the Council of Mortgage Lenders, gross mortgage lending in September totalled an estimated £17.8 billion.

- This is 1% lower than August 2014, but 10% higher than September 2013.

The Financial Conduct Authority reports that 64.5% of mortgage lending in Q2 2014 was for 75% or less of a property's value.

- 4.6% of lending was for mortgages for over 90% of a property's value.

There were 39,271 loans approved for house purchase in September, according to the British Bankers Association (BBA), 2.2% lower than a year earlier. The average loan approved for house purchase fell to £157,700.

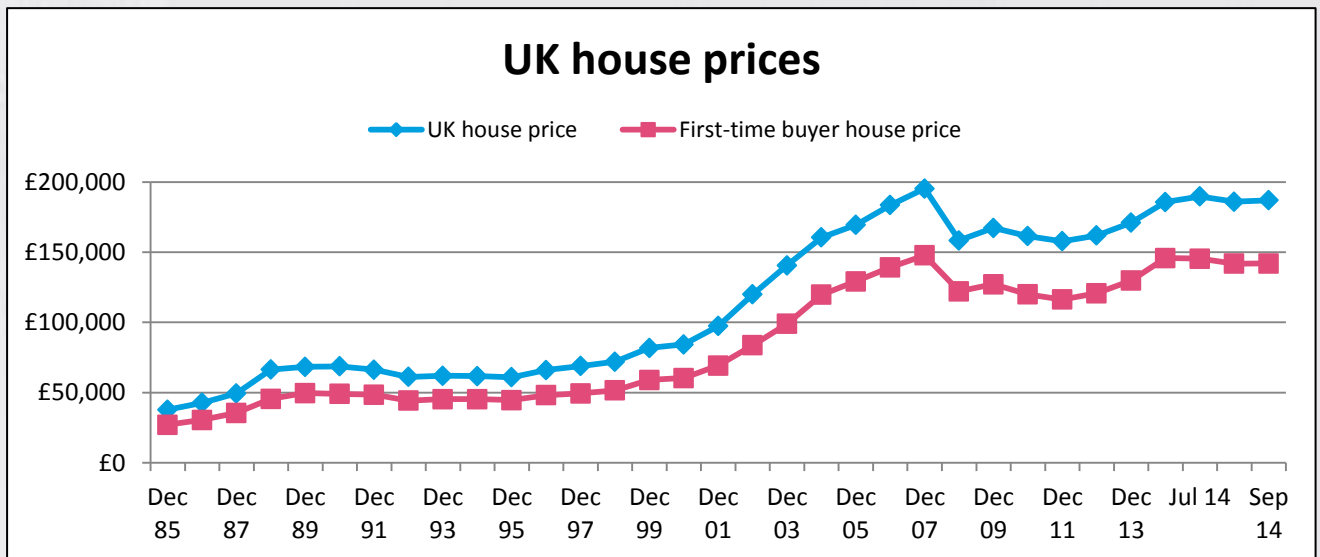


3. Mortgages, rent, and housing

House prices

Nationwide estimate that house prices rose by 0.5% during October 2014, but rose 9.0% compared to October 2013.

Halifax said that house prices rose by £1,087 in September 2014. This is a monthly increase of 0.6%; prices rose 2.7% over the quarter and 9.6% 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 **£210,000** in August 2014, which is an annual increase of 12.9%.

According to the Council of Mortgage Lenders (CML), the typical first-time buyer deposit in July was 17% (**around £31,184**) – **125% of an average salary**.

The average first-time buyer borrowed **3.42** times their income and the average first-time buyer loan was an estimated **£152,249**.



3. Mortgages, rent, and housing

Renting

The median rent in England across all property types for the 12 months to March 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 £355 – in London this was £542 (**53% higher**).

The average monthly rent for a two-bedroom house in England was £606 – in London this was £1,173 (**94% higher**).

According to the Office for National Statistics, private rental prices in Great Britain rose by 1.0% in the 12 months to September 2014.

Rental prices increased in all the English regions over the year to September 2014, with London seeing the biggest increase (1.5%).

Respondents to the September 2014 RICS survey expected rents to increase by 2.3% over the coming months.

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 Q2 2014 there were **240,464** mortgage loan accounts with arrears of more than 1.5% of the current loan balance. This is 5.9% fewer than the previous quarter, and the lowest figure since Q1 2007.

Loans in arrears represented **1.86%** of the value of the residential loan book.

63.2% 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 **131,400 (1.18%)** of mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance – the lowest since Q1 2008. Since the end of Q2 2013, this figure has dropped by **64** a day.

The Council of Mortgage Lenders estimates that **5,400** properties were taken into possession in Q2 2014. This is down from 6,400 in Q1 2014, and down from 7,600 in Q2 2013.

This equates to **67** properties being repossessed every day, or one property being repossessed **every 21 minutes 29 seconds**.

Every day in Q2 2014, **118** mortgage possession claims were issued and **87** mortgage possession orders were made.

423 landlord possession claims were issued and **353** landlord possession orders were made every day.



4. Savings and pensions

Savings

In Q2 2014, households saved an average of **6.7%** of their pre-tax income.

The average interest rate for an instant access savings account – not including bonus interest payments – was 0.42% in September. For a cash ISA, this was 0.82%.

If someone on the average salary saved 6.7% of their income in an average instant access savings account for a year, they would receive **£5.62** in interest after tax.

If they saved it in an average cash ISA, they would receive **£13.72**.

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 take **18 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 **4.748 million** employees had joined a pension scheme under auto-enrolment by the end of September 2014.

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 **49.8%** 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 February 2014, there were 12.9 million claimants of State Pension, a rise of 76,000 on a year earlier. 41% of claimants were male and 59% female.



5. Spending and loans

How we spend

During August 2014 an average of **376** purchases were made in the UK **every second** using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£17,655** was spent every second using debit and credit cards.
- Purchases using plastic cards were worth **£1.525 billion** every day during August.

Meanwhile, data from LINK shows that, on average, **102** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in September 2014.

- In total, cash machine transactions were worth an average of **£4,210** per second in September.
- 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 2014, households in the UK spent **£79.31m** a day on water, electricity and gas – or **£3.00** per household per day.

In October 2014 the average price of unleaded petrol fell by 2.01ppl (pence per litre) to 127.22ppl.

- This meant it cost **£63.61** to fill a 50 litre unleaded tank.
- The average price of diesel fell by 2.14ppl to 131.30ppl.
- The cheapest unleaded petrol in the UK was in London and the South East, at 127.0ppl.

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 **£227,266** on raising a child to their 21st birthday - **£29.65 a day**. This is up 2.2% compared to last year, and has increased 61.9% since the study first began in 2003.

- Education and childcare are the main areas of expenditure, costing £73,803 and £66,113.
- The cost of education (including uniforms, after-school clubs and university costs) has increased 126.4% since 2003, while the cost of childcare has risen by 66.9%.
- Parents now spend 28% of their annual income on raising a child.



5. Spending and loans

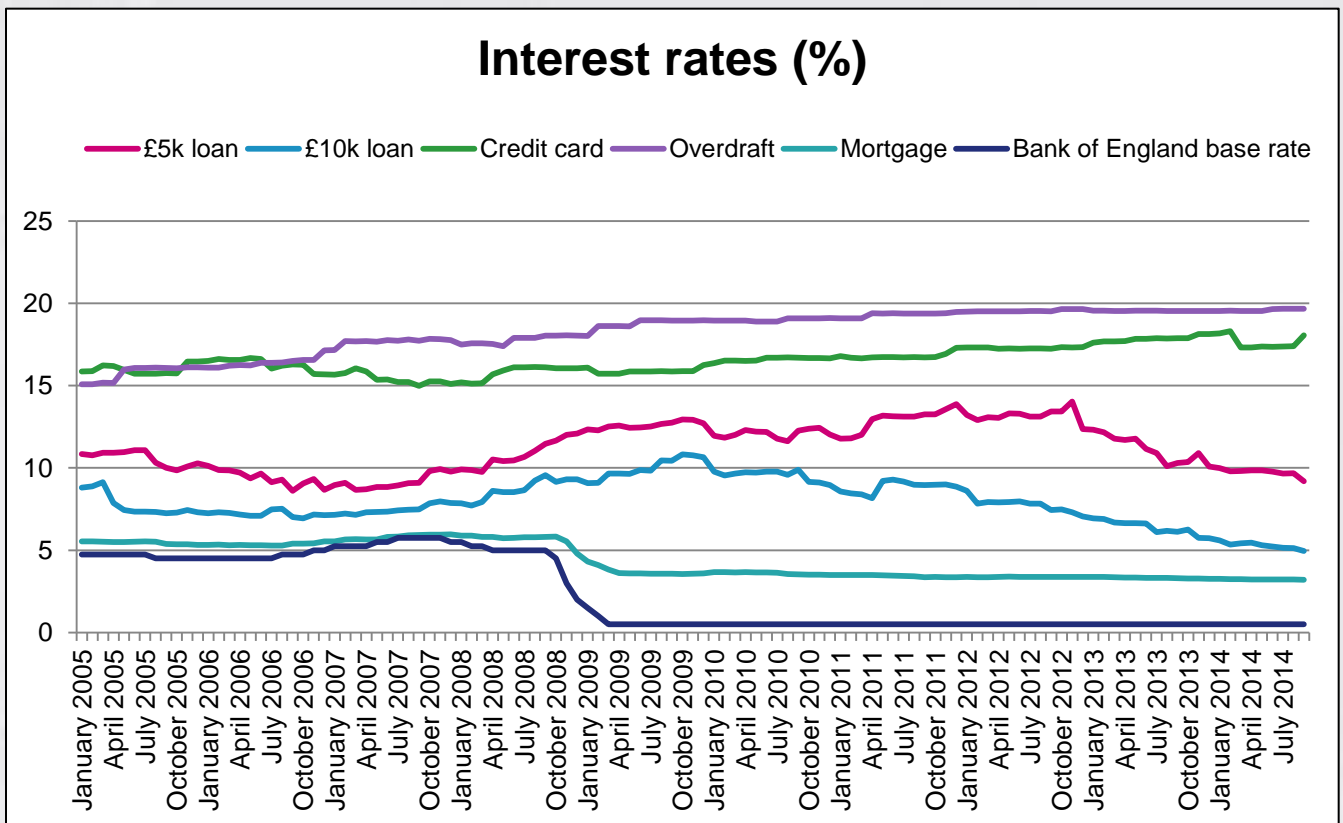
The cost of credit

The average interest rate on credit card lending was **18.06%** in September. This is **17.56%** above the Bank of England Base Rate (0.5%).

British Bankers Association figures show that 58.1% of credit card balances were bearing interest in August 2014.

The average APR for a £5,000 personal loan is 9.20%, according to the Bank of England. For a £10,000 loan it's 4.96%, while the average rate for an overdraft is 19.67%

Interest rates (%)



Based on Bank of England Data



6. The bigger picture

The UK economy **grew by 0.7%** in the third quarter of 2014, according to latest estimates from the Office of National Statistics.

CPI (Consumer Prices Index) annual inflation stood at **1.2%** in September, down from 1.5% in August.

In the three months to August 2014 pay including bonuses was up by 0.7% from a year ago, and pay excluding bonuses rose by 0.9%. Average weekly pay was £479, or £452 excluding bonuses – an annual salary of **£24,976**, or **£23,569** 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 67 months.

Public Sector Net Borrowing (excluding public sector banks) was **£11.830 billion** in September 2014, meaning that the Government borrowed an average of **£394 million** per day during the month (equivalent to **£4,564** per second).

In September 2014, public sector net debt *excluding* public sector banks was **£1451.3bn (79.9% of GDP)**. This was £1350.6bn (77.9% of GDP) at the end of September 2013, meaning public sector net debt grew by **£276m** a day in the year to September 2014.

Public sector net debt *including* public sector banks was **£2285.3bn (125.8% of GDP)**. This was £2197bn (126.8% of GDP) at the end of September 2013.

- 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 March 2014 Budget, public sector net debt is forecast to peak at **78.7% of GDP** in 2015-16, before falling to **74.2% 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 4.61 million people will fall into the 40% income tax band in 2014/15 – **1.04 million** more than in 2011/12. 343,000 will pay the 45% rate, which replaced the 50% rate in 2013/14.

Based on the latest figures, **1.710m** people in work would pay no income tax.

There were **5.3 million** working-age people claiming benefits in February 2014. This is a decrease of 386,000 in the year, or **1,058 a day**.

The number of people classed as unemployed between June and August 2014 was **1.972 million** (6.0%). This is down by 154,000 from the previous three months, and down by 538,000 from a year earlier – **1,474 a day**.

The unemployment rate in Great Britain was highest in the North East (9.3%) and lowest in the South West (4.6%).

572,000 18-24 year olds (13.9%) were unemployed between June and August 2014. This was 77,000 (11.9%) less than the previous three months.

- Of these, **281,000** (49.1%) had been unemployed for over 6 months.
- **188,000** had been unemployed for over 12 months. This is a fall of 4,000 (2.3%) over the previous 3 months, and 63,000 (25.1%) less than a year earlier.

At the end of Q2 2014, **473,000** (16.8%) of 18 to 24-year-olds in England were not in education, employment or training (NEET).

351,000 people aged over 50 were unemployed between June and August 2014. This is down 31,000 (8.1%) from the previous three months, and 67,000 (16.1%) less than a year earlier.

- **46.7%** of unemployed workers aged over 50 - a total of **164,000** people - have been out of work for over a year. **107,000** have been unemployed for more than two years.
- **1,110,000** people aged over 65 were *in work* between June and August, which is down 6,000 (0.6%) from the previous three months, and up 75,000 (7.3%) from the previous year.

95,000 people (**1,033 a day**) reported they had become redundant over the three months, 22,000 fewer than for March to May and 39,000 fewer than a year earlier.

- **711,000** people had been unemployed for over 12 months between June and August, down by 43,000 from the previous three months, and down by 194,000 (**532 a day**) from 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.

