

The
MONEY
Charity

The Money Statistics

**October
2018**

The MONEY Charity

Welcome to the October 2018 edition of The Money Statistics, The Money Charity's monthly round-up of statistics about how we use money in the UK.

If you've 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**.

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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.

Section	Page Number
1. STRIKING NUMBERS	3
2. PERSONAL DEBT IN THE UK	5
3. MORTGAGES, RENT AND HOUSING	8
4. SAVINGS AND PENSIONS	12
5. SPENDING AND LOANS	13
6. THE BIGGER PICTURE	15



1. Striking Numbers

This month's highlights

£58,776

Average total debt per UK household
in August 2018

0.2%

Average interest rate on instant access
savings account in August 2018

£32,220

Average student debt for 2016 cohort
in England

18.38%

Average credit card interest rate in
August 2018

93

Number of times *per second* LINK
cash machines used across the UK in
September 2018

34%

Proportion of income including
benefits spent on rent by private
renters

94%

First time buyer deposit as percent of average
salary, in August 2018

+ 0.3%

Change in house prices in
September 2018 according to
Nationwide

- £29billion

Change in Public Sector Net Debt (excluding RBS and debt to Bank of England) in the
year to August 2018



1. Striking Numbers

Every day in the UK

- The population of the UK grew by an estimated **1,074** people a day between 2016 and 2017.
- On average, a UK household spends **£4.00** a day on water, electricity and gas.
- **301** people a day were declared insolvent or bankrupt in April to June 2018. This was equivalent to one person **every 4 minutes and 47 seconds**.
- **2,920** Consumer County Court Judgements (CCJs) were issued every day in Q2 2018, with an average value of **£1,460**.
- Citizens Advice Bureaux in England and Wales dealt with **2,310** new debt problems every day during September 2018.
- **12** properties were repossessed every day in Q2 2018, or one **every 2 hours**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **19** a day.
- The number of people unemployed fell by **219** per day in the year to August 2018.
- **967** people a day reported they had become redundant in June to August 2018.
- Net lending to individuals and housing associations in the UK grew by **£112 million** a day in August 2018.
- Government debt fell by **£79 million** a day in the year to August 2018.
- Borrowers paid **£137 million** a day in interest in August 2018.
- 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.
- **49** mortgage possession claims and **32** mortgage possession orders were made every day in April to June 2018.
- **324** landlord possession claims and **250** landlord possession orders were made every day.



2. Personal Debt in the UK

Total UK Personal Debt

People in the UK owed **£1.5987 trillion** at the end of August 2018. This is up from £1.5544 trillion at the end of August 2017, an extra **£849.91** per UK adult and **£66.96** higher than the previous month.

The average total debt per household, including mortgages, was **£58,776** in August. The revised figure for July was **£58,648**.

Per adult in the UK that's an average debt of **£30,698** in August, around **113.2%** of average earnings, up **0.2%** on last month. This is up from a revised **£30,631** a month earlier.

Based on August 2018 trends, the UK's total interest payments on personal debt over a 12 month period would have been **£50,099 million**.

- That's an average of **£137 million** per day.
- This means that households in the UK would have paid an average of **£1,842** in annual interest payments. Per person that's **£962**, **3.55%** of average earnings.

According to the Office for Budget Responsibility's March 2018 forecast, household debt is forecast to reach **£2.296 trillion** in Q1 2022. This would make the average household debt **£84,412** (assuming that the number of households in the UK remained the same between now and then.)

Consumer Credit Debt

Outstanding consumer credit lending was **£214.2 billion** at the end of August 2018, increasing by **£687 million** on last month.

- This is also up from £202.8 billion at the end of August 2017, and is an increase of **£219.32** for every adult in the UK.

Per household, that's an average consumer credit debt of **£7,874** in August, up slightly from a revised £7,849 in July, and **£419.93** extra per household over the year.

The average consumer credit borrowing stood at **£4,113** per adult. This is up from **£4,100** last month.

Total credit card debt in August 2018 was **£72.2 billion**. Per household this is **£2,656**, for a credit card bearing the average interest, it would take **26 years and 5 months** to repay if making only the minimum repayment each month.

- The minimum repayment in the first month would be **£64** but reduces each month. If £64 were paid every month, the debt would be cleared in around **5 years and 4 months**.

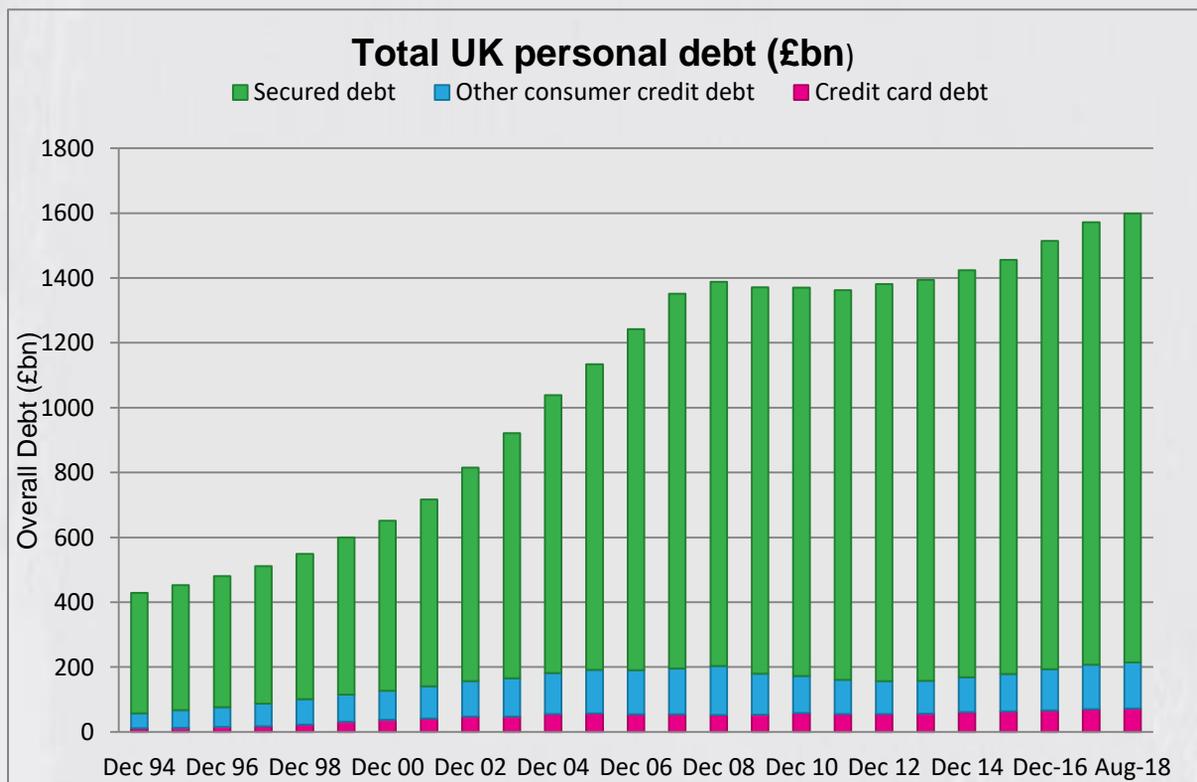


2. Personal Debt in the UK

Net Lending and Write-offs

Total net lending to individuals by UK banks and building societies **rose by £3.49 billion** in August 2018 or **£112 million a day**.

- Net mortgage lending rose by £2.8 billion in the month; net consumer credit lending rose by £0.69 billion as well.
- In Q2 2018 lenders wrote off £1.049 billion (of which £309 million was credit card debt) amounting to a daily write-off of **£3.3 million**.



Based on Bank of England Data



2. Personal Debt in the UK

Student Loans

In 2016/17, the average maintenance loan awarded to full-time students in England was **£4,732**. In Wales it was **£4,157** and in Northern Ireland **£3,092**. The average tuition fee loan in England was **£8,116**. In Wales it was **£3,753** and in Northern Ireland **£4,869**.

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 and Wales answered enquiries from **325,913 people** in September 2018.

Debt was the second largest advice category (behind benefits and tax credits) with **69,285** issues. This is down **3.1%** on the same month last year. Debt represented **21.6%** of all issues dealt with in 2017-18.

Based on figures for September 2018, Citizens Advice Bureaux in England and Wales are dealing with **2,310** debt problems every *day*.

There were **27,388** individual insolvencies in England and Wales in Q2 2018. This is equivalent to **301** people a day or one person **every 4 minutes 47 seconds**. This was up **4.4%** on the previous quarter and up **27.3%** on the same period a year ago.

Every day, on average, **44** people were made bankrupt, **76** Debt Relief Orders were granted, and **198** Individual Voluntary Arrangements were entered into.

In the 12 months ending Q2 2018, **108,640** individuals, **1 in 477 (0.2%** of the adult population) became insolvent.

2,920 Consumer County Court Judgements (CCJs) were issued every day in Q2 2018. The average value of a Consumer CCJ in Q1 and Q2 2018 was **£1,460**.



3. Mortgages, Rent and Housing

Mortgage Debt

Outstanding mortgage lending stood at **£1.385 trillion** at the end of August.

- This is up from £1.352 trillion a year earlier.

That means that the estimated average outstanding mortgage for the 11.1 million households with mortgage debt was **£124,732** in August.

The average mortgage interest rate was **2.45%** at the end of August. Based on this, households with mortgages would pay an average of **£3,056** in mortgage interest over the year.

For new loans, the average mortgage interest rate was **2.11%**. Using the latest figures from UK Finance, this means new mortgages would attract an average of **£3,070** in interest over the year.

According to UK Finance, gross mortgage lending in August totalled an estimated **£24.1 billion**.

- This is down **2.1%** on August 2017.

The Financial Conduct Authority reports that **59.7%** of mortgage lending in Q2 2018 was for 75% or less of a property's value.

- **4.4%** of lending was for mortgages for over 90% of a property's value.

There were **73,500** loans approved for house purchase for first-time buyers and home movers in August 2018, according to UK Finance, **0.3%** lower than last year. The average loan approved for house purchase stood at **£145,495** for a first-time buyer, and **£185,400** for home movers. This is an increase of **3.9%** and **1.5%** since last year respectively.

The mortgage as percent of house value was on average **85%** for first time buyers and **73.1%** for home movers in August 2018, **the same** for first time buyers and up **0.6%** for home movers on the previous month.



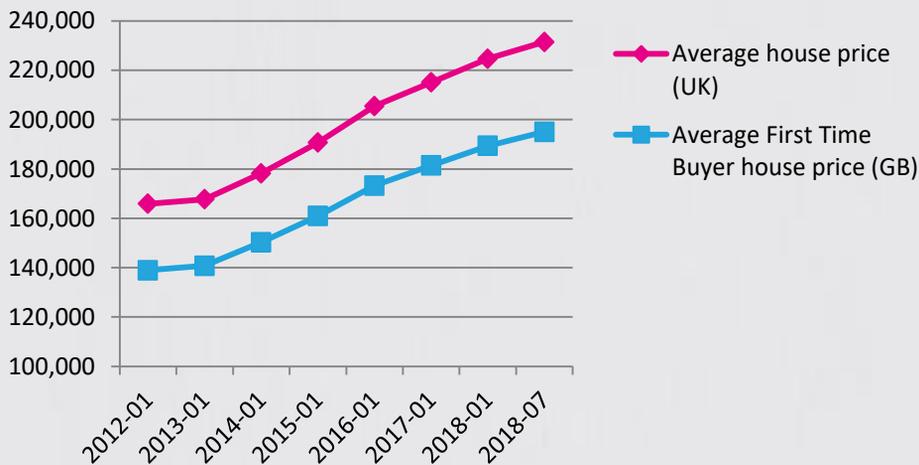
3. Mortgages, Rent and Housing

House Prices

Nationwide estimate that house prices increased by **0.3%** during September 2018, up **2.0%** on 12 months ago.

Halifax said that average house prices fell by **£3,289** in September 2018 to **£225,995**. This is a fall of **1.4%** on last month, but a rise of **1.8%** over the quarter and **2.5%** over the year.

House Prices



Data from ONS and HM Land Registry

First-time Buyers

The HM Land Registry reports that the average house price for first-time buyers was **£195,057** in July 2018, which is an annual increase of **2.6%** and monthly increase of **1.1%**.

According to UK Finance, the typical first-time buyer deposit in August 2018 was **15%** (around **£25,676**) – **94% of an average salary**.

The average first-time buyer borrowed **3.7** times their income and the average age of a first-time buyer was **30**.



3. Mortgages, Rent and Housing

Renting

The median rent in England across all property types for the 12 months to December 2017 was **£675**, data from the Valuation Office Agency shows. In London this was **£1,433**.

For a single room, the average monthly rent was **£377**, in London this was **£600 (63% higher)**.

The average monthly rent for a two-bedroom house in England was **£650**, in London this was **£1,473 (127% higher)**.

According to the Office for National Statistics, private rental prices in Great Britain rose by **0.9%** in the 12 months to August 2018, the same as for the 12 months to July.

Over the year to August 2018, rental prices increased in all the English regions bar London, where they fell by **0.3%**. The East Midlands saw the biggest increase (**2.8%**).

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.

34% of households owned their home outright, while **28%** were mortgagors, **20%** rent privately and **18%** pay a social rent.

- 2012-13 was the first year ever that outright owners were 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 Q2 2018 there were **186,310** mortgage loan accounts with arrears of more than 1.5% of the current loan balance.

- This is slightly up on the previous quarter but **6%** down on Q2 2017.

55% of payments due for loans in arrears were received in Q2 2018.

UK Finance reports that **76,740 (0.85%)** of mortgages had arrears equivalent to at least 2.5% of the outstanding mortgage balance in Q2 2018, a quarterly fall (from 79,010 in Q1). Over the last year this figure has dropped by **19** a day.

UK Finance estimates that there were **1,060** properties taken into repossession in Q2 2018.

This equates to **12** properties being repossessed every day, or one property being repossessed **every two hours**.

Every day in Q2 2018, according to the Ministry of Justice, **49** mortgage possession claims were issued and **32** mortgage possession orders were made.

324 landlord possession claims were issued and **250** landlord possession orders were made every day.



4. Savings and Pensions

Savings

In Q2 2018, households saved an average of **4.4%** of their post-tax income, including benefits. This is down from 5.2% in Q2 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 **0.2%** in August 2018. For a cash ISA, this was **0.75%**.

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 **£1.91** in interest after tax. If they saved it in an average cash ISA, they would receive **£8.95**.

It would take **22 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 **20 years**. This assumes no property price inflation in the meantime.

According to DWP, around **13m** households (**48%** of the total) have either no savings or less than £1,500 in savings. **19m** households (**70%** of the total) have less than £10,000 in savings.

Pensions

The Pensions Regulator estimates that at least **9.91 million** employees had joined a pension scheme under auto-enrolment by the end of September 2018.

According to the Family Resources Survey, **45%** of working age adults actively participated in a pension in 2016-17, up **2%** on the previous year. This was **66%** for employees and **16%** for the self-employed.

The Annual Survey of Hours and Earnings reports that **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%.

38.1% of employees were in an occupational Defined Benefit scheme in 2017, according to the Office for National Statistics. **31.5%** were in an occupational Defined Contribution scheme.

In February 2018, there were **12.8** million claimants of State Pension, a fall of **85,000** on February 2017. **45%** of claimants were male and **55%** female.



5. Spending and Loans

How We Spend

In the year to July 2018, consumer credit increased by **8.5%** according to UK Finance, while outstanding levels of credit card borrowing grew by **8.9%**, a rate that has been fairly constant over the last year.

Meanwhile, data from LINK shows that, on average, **93** cash machine transactions (including balance enquiries and rejected transactions) were made **every second** in September 2018.

- In total, cash machine transactions were worth an average of **£43** per transaction.
- LINK's transaction figures do not include transactions or withdrawals made by customers at their own banks or building societies.
- Adding LINK and own bank transactions, there were **2.598 billion** cash withdrawals in 2017, amounting to **82** withdrawals per second.

What We Buy

In Q2 2018, households in the UK spent **£108.7 million** a day on water, electricity and gas, or **£4.00** per household per day. On a seasonally adjusted basis, this was slightly down on Q1 2018.

In September 2018 the average price of unleaded petrol increased by 1.8 pence per litre (ppl) to 131.3ppl.

- This meant it cost **£65.65** to fill a 50 litre unleaded tank, **£0.90** more than last month.
- The average price of diesel increased by 2.1p to 134.4ppl.
- This meant it cost **£67.20** to fill a 50 litre diesel tank, **£1.05** more than last month.
- The price difference between the two widened to 3.1ppl in August, a difference of **£1.55** per 50 litre tank.

Based on AutoEurope figures, it costs 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 will 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

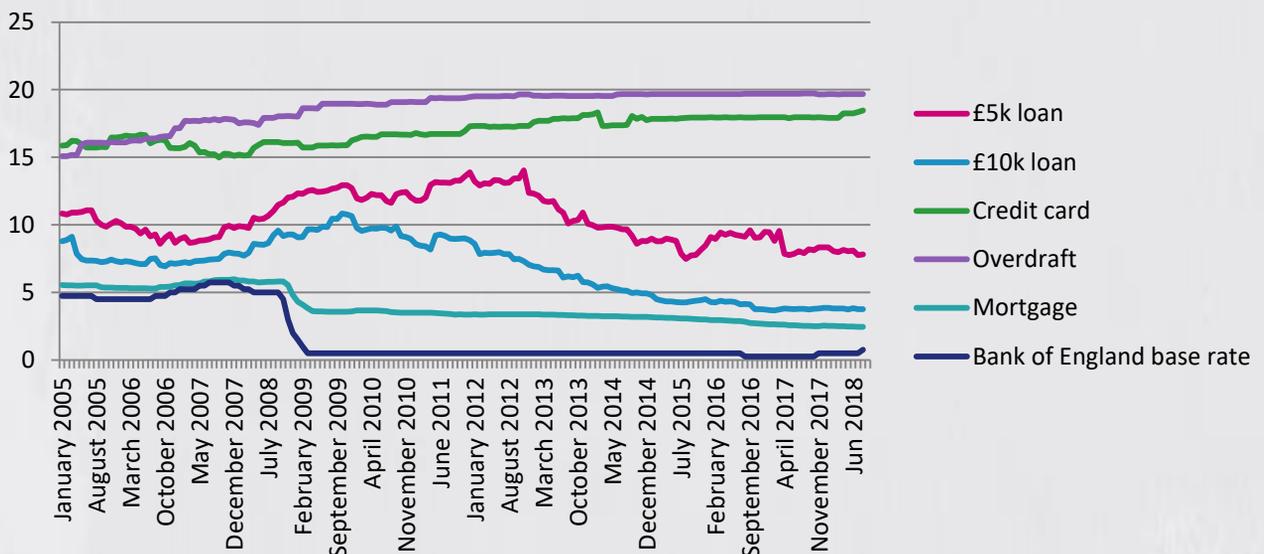
The average interest rate on credit card lending bearing interest was **18.38%** in August 2018. This is **17.63%** above the Bank of England Base Rate of 0.75%.

UK Finance figures show that **54.5%** of credit card balances were bearing interest in August 2018.

In August 2018, the average APR for a £5,000 personal loan was **7.82%**, according to the Bank of England. For a £10,000 loan it was **3.77%**, while the average rate for an overdraft was **19.68%**.

As shown in the chart, the gap between the BoE base rate and credit card and overdraft rates has widened substantially since 2008.

Interest rates (% pa to Aug 2018)



Source: Bank of England



6. The Bigger Picture

The UK economy grew by **0.7%** in the three months to August 2018, an increase from the **0.4%** growth in the second quarter of 2018, according to the latest estimates from the Office of National Statistics.

The CPI (Consumer Prices Index) 12 month rate stood at **2.7%** in the year to August, up **0.2%** on the year to July. The inflation rate has been above the Bank of England's 2% target since February 2017.

The highest rates inflation over the 12 months to August were in transport (**6.1%**), alcohol and tobacco (**4.1%**), and recreation and culture (**3.6%**).

In the three months to August 2018, pay including bonuses was up by **2.7%** from a year ago, while pay excluding bonuses rose by **3.1%**. Average weekly pay was **£523**, or **£492** excluding bonuses; an annual salary of **£27,271**, or **£25,654** without bonuses. In real terms, for the year to August 2018, wages increased by **0.7%** for regular pay and **0.4%** for total pay. Due to inflation being higher than pay growth over the last ten years, both regular and total pay remain below the pre-crash peak of February 2008.

The Bank of England Base Rate is currently set at **0.75%**.

Public Sector Net Borrowing (excluding RBS and Bank of England) in the three months to August 2018 was **£7.3 billion**, meaning the Government spent an average of **£79 million** per day more than it took in over the three months. This included **£7.86 billion** net investment over the same period, i.e. there was a significant current budget surplus over the period of **£542 million**.

Public sector net debt in August 2018, *excluding* RBS and Bank of England, was **£1,588.7 billion (75.2% of GDP)**. This was **£29 billion** less than in Aug 2017.

According to the March 2018 Economic and Fiscal Outlook from the Office for Budget Responsibility, total public sector net debt is forecast to peak at **85.6% of GDP** in 2017-18, before falling to **77.9% of GDP** in 2022-23.

The population of the UK grew by an estimated **1,074** people a day between 2016 and 2017.



6. The Bigger Picture

Out of a total adult population of **52.1** million, there are projected to be **31** million income tax payers 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 in **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 **6.8 million** working-age people claiming benefits in February 2018. This is a decrease of **69,000** in the year to Feb 2018, or **189 a day**.

The number of people classed as unemployed in June to August 2018 was **1.36 million** (4.0% of the workforce.) This is the same as the previous quarter and down by **80,000** from last year, **219 a day**.

- **355,000** people had been unemployed for over 12 months, down by **9,000** from March to May 2018 and down by **26,000 (71 a day)** from a year earlier.

The unemployment rate in Great Britain was highest in London (**4.8%**), up by **0.1%** on the last three months and lowest in the South West (**2.7%**), up by **0.1%** on the previous three months.

371,000 18-24 year olds (9.6%) were unemployed in June to August 2018. This was **43,000 (10.4%)** fewer than in March to May 2018.

- Of these, **126,000 (34%)** had been unemployed for over 6 months.
- **66,000** had been unemployed for over 12 months. This is a decrease of **6,000** on March to May 2018 and a decrease of **14,000** on a year earlier.

783,000 (11.2%) of 16 to 24-year-olds in England were not in education, employment or training (NEET) in April to June 2018, down **25,000** from the previous quarter.

303,000 people aged 50 and over were unemployed in June to August 2018, an increase of **4,000** on March to May 2018, and **the same as** a year earlier.

- **35%** of unemployed workers aged 50 and over, a total of **106,000** people, had been out of work for over a year. **66,000** had been unemployed for more than two years.
- **1,241,000** (10.5%) people aged 65 and over were *in work*, which is an increase of **33,000** from March to May 2018, and up **60,000** from the previous year.

89,000 people (**967 per day**) reported they had become redundant over the three months, a decrease of **6,000** on March to May 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. 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.