

Press Release – The Money Charity – For Immediate Release

(BEGINS)

Household Belts Tightened In Face of Rising Debts
The Money Statistics October 2024

UK households were seen to be taking on more debt and reducing their saving rates through the end of the summer months in order to afford everyday expenses, indicating a continuing tightening of belts for challenged budgets, according to the October 2024 Money Statistics, produced by The Money Charity.

Numbers emerging from the third quarter of the year show increasing debt and reduced savings for UK households, prompted in no small part by growing difficulties in meeting the costs of day-to-day spending needs. In August 2024, total net lending to individuals and housing associations by UK banks and building societies increased by **£133.5 million a day**¹. These levels mean that total average debt per household, including mortgages, now stood at **£65,665**². This figure sits at almost twice the average UK salary and for many, will represent an unsustainable level of personal debt. Citizens Advice Bureaux reported that they dealt with **1,227**³ debt issues every day in the year to September 2024, with the most common reasons for seeking debt advice given as “cost of living increase”, “lack of control over finances” and “unemployment or redundancy”.

In turn with debt rising, household savings rates are down compared to the previous quarter, standing at **9.82%**⁴ of post-tax income, including benefits, although this rate is still slightly up from a revised rate of **7.3%** during the same period last year.

The cost of affording everyday expenses continues to present a challenge to households, with retail sale volumes in September 2024 only growing by **0.3%** compared to **1%**⁵ in August. The rate of increase in the CPI (Consumer Prices Index) slowed somewhat in the year to September 2024, with the greatest upward contribution in the month coming from food and non-alcoholic beverages at **4.9%**⁶. People both buying less and saving less shows very clearly the level of difficulties being faced.

Michelle Highman, Chief Executive of The Money Charity says:

“This month’s figures demonstrate well the type of financial challenges which increasingly more UK households are facing, namely that they are having to take on more debt while being pressed into having to both buy less and save less. The last few years have been incredibly tough on people’s budgets and this loss of autonomy over their spending choices will leave many feeling out of control and helpless, unable to harness their money to make the financial decisions they feel are right for themselves and their families. Circumstances clearly remain deeply challenging right across the UK.

¹ (The Money Statistics October 2024 Full Report, P6)

² (The Money Statistics October 2024 Full Report, P5)

³ (The Money Statistics October 2024 Full Report, P7)

⁴ (The Money Statistics October 2024 Full Report, P16)

⁵ (The Money Statistics October 2024 Full Report, P4.1)

⁶ (The Money Statistics October 2024 Full Report, P19)

“Recent months have seen some small signs of positivity, but with the new government warning many things may get worse before they get better, finding the way forward to improving this outlook will remain a considerable challenge. Alongside the vital work we continue to do each day, we will keep strongly advocating for options which will improve outcomes for consumers and help the UK increase its Financial Wellbeing.”

Other Striking Numbers from the October Money Statistics:

- The total value of ‘lost’ pension pots in the UK is estimated at **£31.1 billion**. (P4.1.)
- On average, a UK household spends **£5.20** a day on water, electricity and gas. (P14.)
- The economic inactivity rate for people aged 16-64 in the UK between June and August 2024 was **21.8%**, down on the previous quarter and the lowest level since July 2023. (P4.1.)

Get the full picture and many more fascinating facts about money in the UK in our monthly Money Statistics.

Notes to Editors

- For 30 years, The Money Charity has been the UK’s Financial Capability charity. We proactively provide education, information, advice and guidance to people of all ages, to reach our vision of seeing everyone achieving Financial Wellbeing by managing their money well. We empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives. Find out more at <https://themoneycharity.org.uk/>
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