

Press Release – The Money Charity – For Immediate Release

(BEGINS)

Heat Or Eat Challenges Loom For Many Over Coming Months
The Money Statistics September 2024

The ongoing challenges around the cost of living remain front and centre of minds for many UK households as increasing prices and debts push people towards stark choices of heating or eating, according to the September 2024 Money Statistics, produced by The Money Charity.

Heading into the end of the year, signs are that the cost of living continues to occupy a lot of people's thoughts, with ongoing concerns about price rises and how these will affect the spending choices ahead in the winter. In one recent set of polling, people confirmed that the cost of living remained at the forefront of their minds, with **86%**¹ reporting it as one of the most important issues facing the UK and **93%** citing the cost of food shopping as a contributory factor.

Meanwhile, indications can be seen that people are continuing to make difficult choices as to where their money goes, with levels of mortgages in arrears up, with a **38.8 per day**² increase in the year to Q2 2024. Levels of consumer credit lending are also rising, up **6.62%**³ in the year to July 2024. Citizens Advice Bureaux report that in August 2024 calls about debt were up **28.2%**⁴ from the year previous.

These concerns are around prices and debts are particularly highlighted in one recent report which stated that the poorest fifth of UK households with dependent children now have to (or would have to) spend **70%**⁵ of their disposable income to afford the NHS' recommended nutritious diet.

While families with children are feeling the pinch, so too are older people, with the new coming challenge of a means-tested Winter Fuel Payment. While **16%**⁶ of UK pensioners are already said to be living in relative poverty (but should continue to qualify for support), a means-testing system has prompted concerns that for those just above this bracket especially, higher winter fuel bills could push more below the poverty line. The increase seen in older people in the workforce both in the previous quarter and year, **14,000** and **72,000**⁷ respectively, may well be indicative of widespread concerns around the looming challenge of heat or eat.

Michelle Highman, Chief Executive of The Money Charity says:

"The last few years have been incredibly tough on the budgets of countless UK households and this month's figures show this once again, with several indications that many will have to face, or are already facing, the type of spending challenges which just ought not be seen. Circumstances clearly remain deeply challenging right across the UK and while some measures of help are

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

² (The Money Statistics September 2024 Full Report, P13)

³ (The Money Statistics September 2024 Full Report, P14)

⁴ (The Money Statistics September 2024 Full Report, P7)

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

⁶ (The Money Statistics September 2024 Full Report, P4.1)

⁷ (The Money Statistics September 2024 Full Report, P20)

available, these seem to often be struggling to keep pace with the needs they're designed to meet, or indeed are being withdrawn in some cases.

"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 be 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 September Money Statistics:

- Borrowers paid **£218 million** a day in interest in July 2024. (P5.)
- The average pension pot required in 2023-24 to meet a basic standard of retirement living is now **£107,800**, rising 60% from 2020-21. (P4.1.)
- **333.4** people a day were declared insolvent or bankrupt in England and Wales in June to August 2024, equivalent to one person every **4 minutes and 20 seconds**. (P8.)

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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