



DEBT STATISTICS

APRIL 2012 EDITION

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Welcome to the April 2012 edition of Credit Action’s monthly Debt Statistics. The Debt Statistics provide a detailed overview of the level of debt in the UK as well as a range of other figures related to money, finance and the economy. We hope that you find them useful.

Our headline personal debt figures are on **pages 3 and 4**. The Striking Numbers box on the right also summarises some of the most significant statistics from this month’s release. The Striking Numbers are colour-coded, to help you navigate to the appropriate section using the key below.

Throughout this document, statistics that are written in **white** have been calculated by Credit Action. All other statistics come from external sources and are written in **black**.

From section 4 (Servicing Debt) onwards, figures are divided into either *Key Statistics* or *Recent Headlines*. The *Key Statistics* are reported on an ongoing basis, and are updated regularly when the latest data becomes available. Meanwhile, the *Recent Headlines* provide a summary of relevant and interesting news stories, and change every month.

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STRIKING NUMBERS
£56,058 was the average household debt (including mortgages) in February
£172m was the daily amount of interest paid on personal debt in February
8,518 new debt problems were dealt with by the CAB each working day over the year to December
1,896 people were made redundant every day between November and January
855,000 people had been unemployed for over a year between November and January
£16.23m of loans are written-off daily by UK Banks and Building Societies (based on Q4 2011 trends)
Every 15 min 28 sec a property is repossessed (based on Q4 2011 trends)
Every 4 min 32 sec someone is declared insolvent or bankrupt (based on Q4 2011 trends)
£1.361 billion was the daily value of all purchases made using plastic cards in January

1. UK PERSONAL DEBT

TOTAL UK PERSONAL DEBT

Outstanding personal debt stood at **£1.457 trillion** at the end of February 2012.

- This is up from £1.452 trillion at the end of February 2011.
- Individuals owed nearly as much as the entire country produced during the whole of 2011.

Outstanding secured (mortgage) lending stood at **£1.249 trillion** at the end of February 2012.

- This is up from £1.241 trillion at the end of February 2011.

Outstanding unsecured (consumer credit) lending stood at **£208 billion** at the end of February 2012.

- This is down from £212 billion at the end of February 2011.

AVERAGE UK PERSONAL DEBT

Average household debt in the UK (excluding mortgages) was **£8,002** in February.

- This is down from a revised **£8,005** in January.

Average household debt in the UK (including mortgages) was **£56,058** in February.

- This is up from a revised **£56,016** in January.

The average amount owed per UK adult (including mortgages) was **£29,671** in February. This was around **123%** of average earnings.

Average consumer borrowing (including credit cards, motor and retail finance deals, overdrafts and unsecured loans) per UK adult was **£4,235** in February.

The estimated average outstanding mortgage for the 11.2m households that carry mortgage debt stood at **£111,358** in February.

Based on February 2012 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£63.1 billion**.

- This is equivalent to **£172 million** per day.
- This means that UK households would have paid an average of **£2,427** in annual interest repayments.

1. UK PERSONAL DEBT

The Office for Budget Responsibility (OBR) predicts that total household debt will reach **£2.044 trillion** in Q1 2017.

- This would mean that average household debt would reach **£78,615** (assuming that the number of households in the UK remained the same between now and Q1 2017).

NET LENDING AND WRITE-OFFS

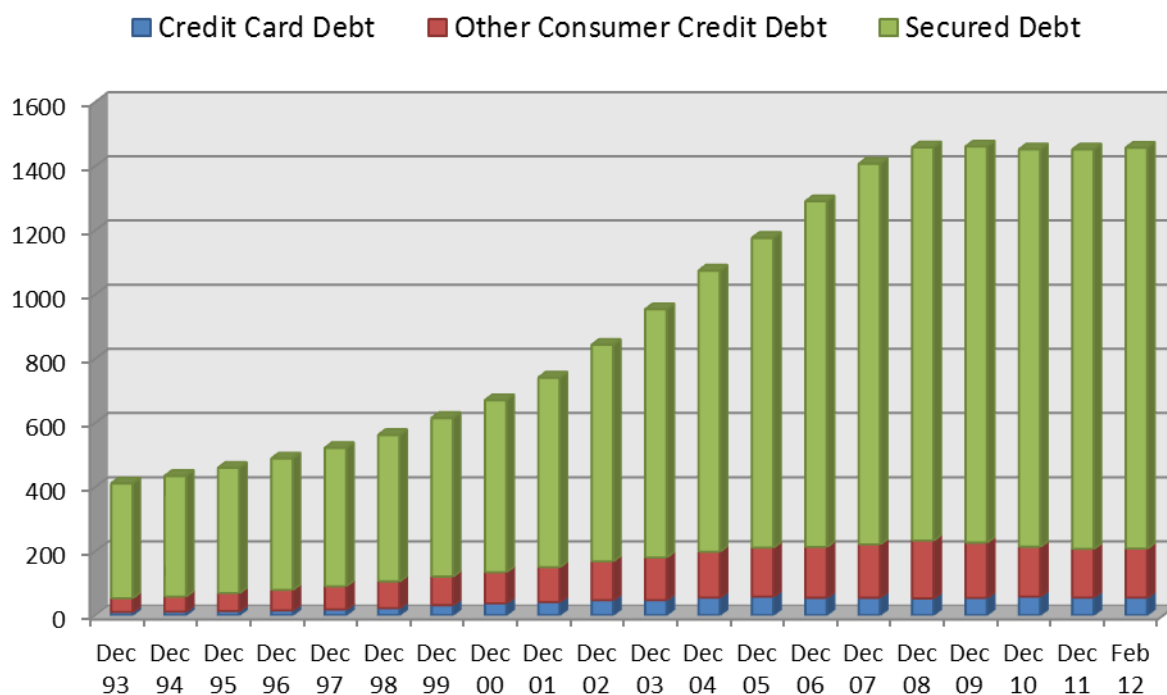
Total net lending by UK Banks and Building Societies **rose by £1.6 billion** in February 2012.

- Net secured lending rose by £1.2 billion in the month; net consumer credit lending rose by £0.4 billion.

UK Banks and Building Societies **wrote-off £6.9 billion** of loans to individuals over the four quarters to Q4 2011.

- In Q4 2011 itself they wrote-off £1.48 billion (of which £907 million was credit card debt) amounting to a daily write-off of **£16.23m**.

TOTAL UK PERSONAL DEBT (£ BILLIONS)



Based on Bank of England Data

2. EVERY DAY IN THE UK

Based on the latest available data, Credit Action estimates that every day in the UK:

- **318** people are declared insolvent or bankrupt every day (based on Q4 2011 trends). This is equivalent to **1 person every 62 seconds** during each *working day*.
- **1,473** Consumer County Court Judgements (CCJs) are issued every day (based on Q4 2011 trends). The average value of a Consumer CCJ in Q4 2011 was **£2,949**.
- Citizens Advice Bureaux in England and Wales dealt with **8,518** new debt problems every *working day* during the year ending December 2011.
- It costs an average of **£28.44** per day to raise a child from birth to the age of 21.
- **93** properties are repossessed every day (based on Q4 2011 trends).
- **30** new people a day became unemployed for over 12 months during the year ending January 2012.
- **1,896** people a day reported they had become redundant between November 2011 and January 2012.
- The Government's Public Sector Net Debt (including financial interventions) will fall by an average of **£165,300,000** today, equivalent to **£1,913** per second (based on February 2012 data).
- The Government pays an estimated **£136,810,000** of interest each day on the UK's Public Sector Net Debt of £2172.8bn (including financial interventions).
- **196** mortgage possession claims are issued and **149** mortgage possession orders are made every day
- **388** landlord possession claims are issued and **275** landlord possession orders are made every day.
- The UK population is projected to grow by **1,205 people a day** over the next decade.
- **27.5m** plastic card purchase transactions were made every day in January 2012 with a total value of **£1.361 billion**.
- **8.1m** cash withdrawals will be made daily with a total value of **£547m** (based on Q4 2011 trends).
- The average car costs **£18.33 per day** to run.
- It cost **£69.25** to fill a 50 litre tank with unleaded petrol in March.

3. NATIONAL STATISTICS

ECONOMY

The UK economy **contracted by 0.3%** in the fourth quarter of 2011, according to the latest estimates from the Office of National Statistics.

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 37 months.

There were **5.8 million** working age benefit claimants at August 2011. This is an increase of 58,000 in the year.

UNEMPLOYMENT

The number of unemployed people in the three months between November 2011 and January 2012 was **2.67 million** (8.4%). This is up by 28,000 from the previous three months, and up by 148,000 from a year earlier.

- **173,000** people (**1,896 a day**) reported they had become redundant over the three months. This is up by 11,000 from the previous three months, and up by 30,000 from a year earlier.
- **855,000** people had been unemployed for over 12 months between November and January, a fall of 12,000 over the previous three months, but a rise of 11,000 (**30 a day**) from a year earlier.
- The number of economically inactive people aged between 16 and 64 fell by 27,000 over the three months, and fell by 30,000 over the year, to reach **9.30 million** in the three months to January 2012.

Public sector employment fell by **37,000** in the fourth quarter of 2011 to reach **5.942 million** overall.

The Office for Budget Responsibility's March 2012 forecast for General Government Employment estimates a total reduction of around **730,000** staff between the start of 2011 and the start of 2017. Meanwhile, they estimate that total employment will rise by around 1 million over the same period, reaching **30.2 million** in Q1 2017.

3. NATIONAL STATISTICS

PUBLIC SECTOR NET DEBT

In February 2012, public sector net debt (PSND) *excluding* financial interventions was **£995.0bn**, equivalent to 63.1% of GDP. This compares to £877.3bn (58.8% of GDP) at the end of February 2011.

Meanwhile, public sector net debt *including* financial interventions was **£2172.8bn**, equivalent to 137.9% of GDP. This compares to £2233.3bn (149.6% of GDP) as at the end of February 2011.

- 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 PSND including financial interventions.

According to the March 2012 Budget, public sector net debt will peak at **76.3% of GDP** in 2014-15. It will then fall to 74.3% of GDP in 2016-17.

CORPORATE INSOLVENCIES

Figures from the Insolvency Service show that there were **4,260** compulsory liquidations and creditors' voluntary liquidations in England and Wales in the fourth quarter of 2011 (on a seasonally adjusted basis).

- This was up 0.4% on the previous quarter, and up 7.2% on the same period a year ago.

In the twelve months ending Q4 2011, approximately **1 in 138** active companies (0.7% of all active registered companies) went into liquidation.

- This is unchanged from the previous quarter.

Additionally, there were **1,173** other corporate insolvencies in Q4 2011 (not seasonally adjusted), comprising 324 receiverships, 658 administrations and 191 company voluntary arrangements.

- In total these have increased 5.3% on the same period a year ago.

3. NATIONAL STATISTICS

INFLATION AND RETAIL ACTIVITY

CPI (Consumer Prices Index) annual inflation stood at **3.4%** in February. This is down from 3.6% in January.

RPI (Retail Prices Index) annual inflation stood at **3.7%** in February. This is down from 3.9% in January.

The British Retail Consortium/KPMG Retail Sales Monitor for February 2012 showed that UK retail sales values decreased by 0.3% on a like-for-like basis from February 2011, when sales had fallen 0.4%.

- On a total basis, sales were up 2.3% in February 2012, against a 1.1% increase in February 2011.

There were 61,868 new car registrations in February, according to the Society for Motor Manufacturers and Traders. This is a decrease of 2.5% compared to February 2011.

4. SERVICING DEBT

KEY STATISTICS

Citizens Advice Bureaux across England and Wales advised **0.47 million** clients with new problems in the three months between October and December 2011.

- Debt was the second largest advice category (behind Benefits) with 475,000 enquiries. This is a 6% decrease on the same period last year. Debt enquiries represented 31% of all problems dealt with between October and December 2011.
- Based on *annual* figures to the end of December 2011, Citizens Advice Bureaux in England and Wales are dealing with **8,518** new debt problems every *working day*.

According to the Council of Mortgage Lenders (CML), **8,500** properties were taken into possession in Q4 2011 (this is down nearly 9% from 9,300 in Q3 2011, but up 5% from 8,100 in Q4 2010).

- This equates to **93** properties being repossessed every day, or one property being repossessed **every 15 minutes 28 seconds**.
- In terms of payment difficulties, **159,400** mortgages ended 2011 with arrears equivalent to at least 2.5% of the outstanding mortgage balance. On an annual basis, this was down 7.5% from 172,400 at the end of 2010.
- The total number of properties taken into possession by first-charge mortgage lenders in 2011 was 36,200, which is the lowest annual total since 2007.

The Financial Services Authority estimates that at the end of Q4 2011 there were **313,200** mortgage loan accounts in reportable arrears (i.e. arrears of over 1.5% of current loan balance), a fall of 9% from Q4 2010.

- At the end of Q4 2011, loans in arrears represented **2.61%** of the value of the residential loan book.

The Insolvency Service said there were **28,973** individual insolvencies in England and Wales in Q4 2011. This is equivalent to **318** people a day or, one person **every 4 minutes 32 seconds**.

- This was a fall of **4.1%** on the previous quarter and a fall of **5.6%** on the same period a year ago.
- Previous research by R3 has suggested that there may also be an additional 700,000 people using informal insolvency solutions such as Debt Management Plans.
- R3 also said that there were around 574,000 people who had contacted their creditors informally about their debts, and a worrying 961,000 individuals who are struggling but have not sought help.

4. SERVICING DEBT

RECENT HEADLINES

A survey by the Co-operative Bank has suggested that 70% of people may have some form of debt problem, with 29% not prepared to confront their debt issues.

- The Co-operative say that those in debt do not believe they have money worries until they have accumulated an average of £1,247 in overdrafts, credit card debts or loans.
- The findings also suggest 22% of people have been in debt for more than five years.
- Moreover, 50% of respondents said they had slipped further into debt in the past year, with the average debtor building up an extra £325 worth of debt since Christmas alone.

Meanwhile, research conducted for the Money Advice Trust forecasts that 1.7 million people will seek help from free debt charities in 2012, which would represent a 16% increase on 2011 levels.

- The findings suggest that regions which have a high proportion of public sector employment are likely to face large rises in debt problems in coming years, as public spending cuts drive unemployment.
- For example, the Money Advice Trust warn that advice agencies could face a 40% increase in cases from Northern Ireland by the end of 2013.

Money Advice Trust also say that the number of calls its National Debtline service takes from people fuel debt problems has increased substantially in the last seven years.

- In 2004, fuel debts accounted for just 2.7% of calls to National Debtline. However, in 2011 this reached 13.7%.
- Overall, more than 27,000 people contacted National Debtline with a problem about fuel debt in 2011, while in January 2012 the service received a call for help about gas and electricity debts every 5 minutes that its lines were open.

A survey by Moneysupermarket.com has revealed that 17% of Brits (equivalent to 8 million people nationwide) have missed a payment on at least one bill in the last 12 months.

- 7% of respondents (3 million people) have missed a credit card payment in the last year, while 4% (1.9 million people) have missed a council tax payment.
- Mobile phones, personal loans, broadband, Sky, gas and electricity bills were also high on the list – in each case, 3% of respondents said that they had missed at least one of these repayments in the past year.
- Moneysupermarket.com suggest that those living in Scotland and Wales are most at risk of missing payments, with 22% having failed to make at least one repayment in the last 12 months.

5. PLASTIC CARDS AND PERSONAL LOANS

KEY STATISTICS

During January 2012 an average of **319** purchases were made in the UK every second using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£15,755** was spent every second using debit and credit cards.
- On a daily basis, purchases using plastic cards were worth **£1.361 billion** during January.

Meanwhile, data from the UK Payments Council shows that, on average, **93** cash withdrawals were made every second from UK's 64,369 cash machines in Q4 2011.

- By value, an average of **£6,335** was withdrawn every second.

Total credit card debt in February 2012 was **£55.3bn**.

- The average interest rate on credit card lending was **18.53%** in February. This is **18.03%** above the Bank of England Base Rate (0.5%).
- According to the British Bankers Association, the proportion of credit card balances bearing interest was about two-thirds in January.

RECENT HEADLINES

Research by Sainsbury's Finance has revealed that 42.3% of credit cards now come with some form of reward incentive, which is an increase from 27.4% two years ago.

- According to the findings, 22% of cards offer cashback, 68% provide a points or voucher system, and the remaining 10% offer Air Miles.
- The research also shows that the generosity of such incentives is becoming increasingly significant to whether or not people apply for a new card.
- 24.5% of people planning to take out a new credit card in the next year will do so because they want to be better rewarded, while a further 4.5% are doing so because their existing card has removed or reduced its existing rewards scheme.

Sainsbury's Finance have also forecast that £1.5 billion worth of personal loans may have been taken out for the purposes of debt consolidation between January and March.

- Sainsbury's Finance estimate that a total of 157,000 loans will be taken out over the first three months of the year for this purpose.
- This means that 30% of all personal loans taken out over the period will be used at least in part to consolidate debts.
- The average size of a loan taken out for debt consolidation is around £9,800.

6. YOUNG PEOPLE

KEY STATISTICS

826,000 economically active 18-24 year olds were unemployed between November 2011 and January 2012. This was up by 11,000 (1.3%) compared to the previous three months.

- This meant that **20.2%** of all economically active 18-24 year olds were unemployed between November and January.
- **380,000** (46.0%) had been unemployed for over 6 months.
- **217,000** had been unemployed for over 12 months. This is a decrease of 10,000 (4.5%) over the previous 3 months, but an increase of 18,000 (9.0%) from a year earlier.

The number of 18-24 year olds not in education, employment or training (NEET) at the end Q4 2011 was **873,000** (18.2%).

- The number of 16-18 year olds classed as NEET stood at **178,000** (9.6%) at the end of Q4 2011.
- The overall number of 16-24 year olds NEETs was **958,000**.

RECENT HEADLINES

Sainsbury's Finance have found that mums and dads provide £32 billion worth of free taxi services for their kids every year.

- Sainsbury's Finance say that each week, 9.3 million parents cover an average of 24.7 miles a week driving their children around, which is worth £46.17 at Hackney Carriage rates. They also spend an average of 1 hour 14 minutes sitting in their cars waiting for their children, worth a further £20.49 per week.
- On a total basis, parents collectively clock up 230 million miles every week, which is equivalent to the distance between the Earth and Mars at their furthest points. If charged at Hackney Carriage rates, this would cost in excess of £621 million.

A study by J.P. Morgan has found that 94% of parents are worried about their children's financial future.

- 57% said that they were concerned about whether their children would be able to enjoy life without struggling financially.
- Meanwhile, unemployment (56%) and the rising cost of living (53%) were the second and third biggest areas of concern.
- Furthermore, 22% of parents fear that the level of savings that their children will have accumulated when they reach adulthood will not be enough – this rises to 25% amongst parents with children under the age of 5.

6. YOUNG PEOPLE

Research by Nationwide has suggested that 95% of workers aged between 18 and 34 are not saving for their retirement, but are instead putting money aside for more immediate concerns.

- 34% of people in this age bracket are saving for a deposit to allow them to move home or take their first steps onto the property ladder.
- Meanwhile, 31% say that they save in case of a change of circumstances, and 16% save with the aim of paying off their debts.

A report from the Campaign to End Child Poverty has determined child poverty levels across the UK.

- Breaking these down by parliamentary constituency, the report shows that Bethnal Green and Bow has the highest level of child poverty (51%) followed by Manchester Central (49%) and Poplar and Canning Town (48%).
- However, there are 89 constituencies that have already met the Government's headline target for 2020 of having child poverty rates below 10%. These include Prime Minister David Cameron's Whitney constituency (7%) and Deputy Prime Minister Nick Clegg's constituency of Sheffield Hallam (5%).

A survey by American Express has found that 34% of 16-24 year olds plan to go on a gap year during this academic year, with 50% (equivalent to 1.3 million young adults) planning to head out before August.

- Of those planning to take a gap year, 43% will focus on paid-for employment, or a combination of work and travel, in order to save money or fund their trip. Only 19% plan a gap year experience of rest and relaxation.
- Fear of running out of funds is one of the biggest concerns for those planning a gap year, but while 56% have budgeted for major expenses, 25% of travellers have not budgeted at all and instead just plan to "see how it goes".

Research by Legal and General has suggested that only 21% of parents believe that they will stop financially supporting their children when they turn 18.

- In fact, 27% of parents do not think they will ever stop financially supporting their kids.
- However, at the other end of the extreme 10% of parents, who do not believe they can afford to fund their children past 18, say it is simply not their responsibility to do so.
- Legal and General have also found that the majority of parents are relying on their own parents for financial support for their adult children, with 65% believing that contributions to their child's ISA will come direct from grandparents.

7. OLDER GENERATIONS AND PENSIONS

KEY STATISTICS

428,000 people aged over 50 were unemployed between November 2011 and January 2012. This is up 19,000 (4.8%) from the previous three months and up 38,000 (9.6%) from a year earlier.

- **43.1%** of unemployed workers aged over 50 - a total of **185,000** people - have been out of work for over a year. 111,000 have been unemployed for more than two years.
- **870,000** people aged over 65 were *in work* between November and January, which is up 11,000 (1.3%) from the previous three months, but down 28,000 (3.1%) from the previous year.

At August 2011, there were 12.8m people of state pension age claiming a DWP benefit, an increase of 72,000 since August 2010. Of these, 67% were claiming State Pension (SP) only.

RECENT HEADLINES

Latest figures from the Alliance Trust Research Centre show that elderly households experienced a drop in inflation during February, as the headline rate also fell, but they continue to experience the highest levels of inflation of all age groups.

- Over-75s faced an inflation rate of 4.1% in February, down from 4.3% in January. This is the lowest level of inflation they have encountered since November 2010. However, it remains above the headline rate of 3.4%.
- Over-75 households spend more than 8% of their income on gas and electricity costs, both of which saw slight falls. Gas price inflation slowed to 17% in February (from 19% in January), whilst electricity price inflation eased to 10% (from 13%).

Meanwhile, research by LV has found that retired people in the UK have seen the cost of living rise by 33% since 2000.

- LV suggest that the UK's 10.6 million retirees spend a collective £96 billion each year.
- This means a retired couple spend an average of £17,922 a year. Meanwhile a single retiree spends £9,917 annually, equivalent to £190.70 per week.
- The basic state pension was worth £102.15 a week at the beginning of April. Therefore, LV calculate that on average single retirees spent £88.55 (87%) a week more than the basic state pension.
- The largest area of expenditure for pensioners is food and non-alcoholic drinks (£1,411 a year, or 14% of their annual spend). Utility bills cost £918 a year (9% of the annual spend) which is an increase from £635 in 2000.

7. OLDER GENERATIONS AND PENSIONS

MGM Advantage suggest that the average retired person has personal debts of £8,180 – on a total basis, this means that all the retired people in the UK owe a collective £96.41 billion of personal debt.

- Breaking the figures down, MGM Advantage say that 57% of the retired population have no personal debt at all.
- However, around 178,000 retired people each owe £100,000 or more, while just over 729,000 people owe between £25,000 and £100,000.
- There also seems to be a gender gap in the amounts owed. MGM Advantage say that the average personal debt for a retired man is £9,007, while for a retired woman the average falls to £7,350.

Research by Prudential has found that 10% of people who had planned to retire in 2012 are now making alternative arrangements and are putting off drawing their pension for the time being.

- Of those deferring retirement, 32% say this is because they do not want to retire yet, while 68% say they are putting it off because they cannot afford to retire as originally planned.
- However, Prudential also suggest that giving up work before growing too old is still an aspiration for many. The average age of those intending to retire this year is 60, which is similar to last year's result and actually seven months younger than in 2010.

A survey undertaken for Age UK has suggested that 55% of people aged 60 and over are finding it harder to manage their regular outgoings compared to this time last year.

- 9% go as far as to say that they are “finding it quite difficult” or “really struggling” to manage on their income, and 33% (equivalent to 4.5 million older people nationwide) say they can only afford to buy the basics due to rising prices.
- 23% of older people (equivalent to 3.1 million people nationwide) have been forced to buy less food than they wanted when shopping, and 55% have moved to cheaper brands in the last year.
- In order to save money on heating, 14% of those surveyed admit to having gone to bed when they weren't tired to keep warm, while 13% said they were living in just one room to keep down costs.

8. HOUSING MARKET

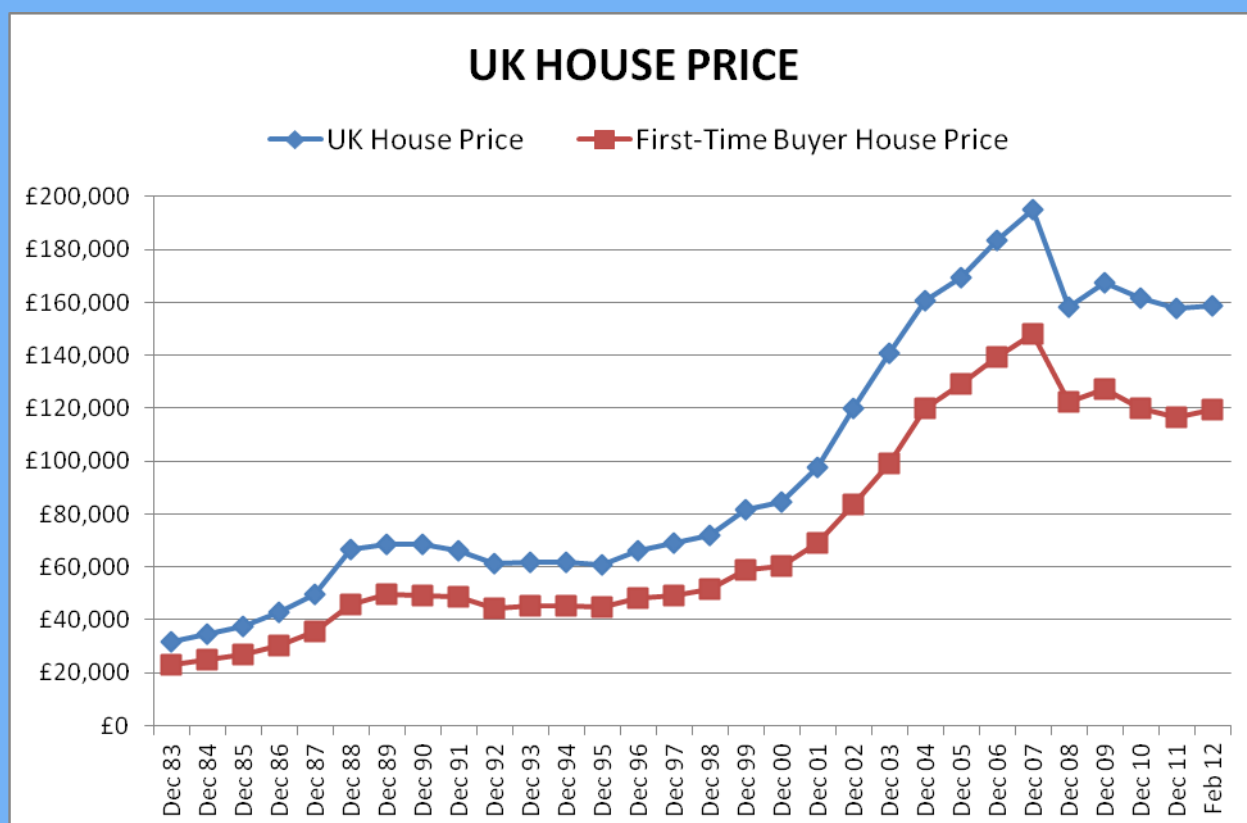
KEY STATISTICS

According to the Department for Communities and Local Government the average house price in the UK in January 2012 stood at **£206,523** (£214,852 in England).

- Over the year to January 2012, UK house prices **increased by 0.2%**.
- Average house prices in London **increased by 3.1%** in the year to January 2012.
- Average UK house prices were 0.2% higher over the quarter to January 2012, compared to an increase of 0.6% over the quarter to October 2011 (seasonally adjusted).

Nationwide estimate that house prices rose by 0.6% during February 2012, and rose 0.9% over the year.

Halifax said that house prices fell by £807 in February 2012. This is a monthly fall of 0.5%. Prices fell 1.1% over the quarter and fell 1.9% over the year.



Data from Halifax House Price Index (Standardised, Non-Seasonally Adjusted)

8. HOUSING MARKET

The average Mortgage Interest rate was 3.33% at the end of February.

According to the Council of Mortgage Lenders, gross mortgage lending in February totalled an estimated £10.7 billion. This is almost identical to January's gross lending total (£10.65 billion) and up 14% from February 2011 (£9.4 billion).

The February RICS Housing Market Survey shows that 13% more surveyors report prices falling rather than rising. However, RICS say that the underlying data suggests that the overall picture is relatively flat.

- 68% of surveyors reported no changes in price (the highest proportion since March 2010), and of those that did report a price fall, 84% said these were in the 0-2% range.
- Meanwhile, new buyer enquiries (demand) rose in February, as did new instructions (supply).
- RICS suggest that part of the explanation for the improved tone of the data can be put down to the expiry of the stamp duty exemption on 24 March, which has supported a pick-up in demand as new households seek to beat the deadline. However, RICS believe that there are signs that the medium term outlook is also improving.

Hometrack's monthly survey of agents and surveyors showed that demand for housing rose 18.1% in February, compared to a fall of 10.5% in January.

- The supply of homes for sale increased by 15.0% in February, following a 5.4% decrease in January. Activity levels were boosted by first-time buyers looking to beat the stamp duty holiday, which ends on 24 March.
- Hometrack say that the growth in demand outpaced the increase in supply across nearly all the country in February. They add that scarcity of supply is currently a key feature of the market – over the past 6 months the supply of housing for sale has grown just 1.5%, which is acting as a support to pricing.
- House prices were unchanged in February, having also been static in January.
- Lower prices were reported across 19% of the country in February, while 7.7% of the country reported price rises.

Rightmove said new sellers raised average asking prices by 1.6% (£3,687) to an average of £236,939 in March. Prices rose 2.2% compared to March 2011. Over the first three months of 2012 prices were up 4.9%, the largest first quarter increase since 2004.

8. HOUSING MARKET

According to the NAEA the number of house-hunters registered per branch increased on average from 260 in January to 293 in February.

- Average sales agreed per branch increased from 6 in January to 7 in February.
- The average number of properties available for sale per branch increased from 60 in January to 63 in February.

House purchase approvals in February (33,103) dropped back to more normal trends according to the British Bankers Association, having reached the highest level for two years in January. This reflected falling demand from buy-to-let investors and first-time buyers, who had been driving demand ahead of the end of the stamp duty exemption on 24 March. The average loan approved for house purchase in February was £146,600 which was 5% higher than a year earlier.

Statistics from the National Association of Realtors show that existing home sales across the United States (including single-family, townhomes, condominiums and co-ops) decreased 0.9% during the month of February, but rose 8.8% year on year from February 2011.

- The average price increased 0.3% year on year to \$156,600.
- Meanwhile, RealtyTrac® said that a total of 206,900 foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on U.S. properties in February 2012, a 2% decrease in total properties from the previous month and an 8% decrease from February 2011 (this is the lowest annual decrease since October 2010).
- RealtyTrac®'s monthly Foreclosure Report shows that one in every 637 U.S. housing units received at least one foreclosure filing during the month.

FIRST-TIME BUYERS AND BUY TO LET

The Department for Communities and Local Government say that the average house price for first-time buyers was at **£153,233** in January 2012, which is an annual increase of 0.8%.

The typical first-time buyer deposit in January 2012 was **20% (around £30,303)**. The average first-time buyer borrowed 3.20 times their income and the average first-time buyer loan was an estimated **£121,212**.

The Council of Mortgage Lenders say that there were 1,391,400 buy-to-let mortgages outstanding at the end of December, worth a total of £157.8 bn. By value, buy-to-let mortgages accounted for 12.7% of all mortgages.

8. HOUSING MARKET

According to the January 2012 RICS Residential Lettings Survey, tenant demand remained positive in the three months to January. 19% more surveyors reported a rise in demand than a fall, unchanged from the three months to October.

RECENT HEADLINES

Figures from Lloyds TSB suggest that the average price of a home close to the main site of the 2012 Olympic Games has increased by over £60,000 since July 2005, when it was announced that London had won the right to host the Games.

- In July 2005, the average house price across the 14 postal districts closest to the main site was £206,145. However, by November 2011 this had increased by 30% to £268,884, a rise of £62,739 or £815 per month.
- By comparison, house prices across England and Wales as a whole grew by an average of £611 per month.
- Dalston and Homerton – both in the London Borough of Hackney – have seen the fastest growth in house prices over the period, both recording increases of 55%.

Analysis by Halifax has suggested that four in ten first-time buyers benefitted from the two-year stamp duty holiday which ended on 24 March (this saw the starting threshold for stamp duty raised from £125,000 to £250,000).

- Halifax estimate that 150,000 first-time buyers benefitted directly from the increase in the threshold, and that overall 95% of first-time buyers (380,000) paid no stamp duty in the period.
- There were regional differences however. Halifax say that first-time buyers in the South East and Greater London benefitted the most, with seven in ten being exempted from stamp duty directly because of the rise in the threshold.
- By comparison, only one in six first-time buyers in the North and Northern Ireland were exempted from the tax as a result of the change.

A survey by Unbiased.co.uk has found that nearly half of all mortgage holders have failed to look at their mortgage arrangements in the last three years.

- 49% of borrowers admit that they have not reviewed their mortgage since the Bank of England's Base Rate fell to 0.5% in March 2009.
- Indeed, 56% of mortgage holders say that they are in fact unaware of the interest rate that they are currently paying on their deal.
- Of those who do know their current rate, fixed mortgage rate holders are paying an average rate of 4.63%. However, around 42% are paying a rate of 5% or higher.

9. FINANCIAL EDUCATION

RECENT HEADLINES

A survey by uSwitch has revealed that a startling 51% of ISA savers have no idea what interest rate they are getting on their savings.

- Furthermore, 47% have never switched their ISA for a better rate, while 25% use the same provider as their current account simply because it's easier.
- Only 22% of Brits actually knew that the tax-free cash ISA allowance was £5,340 in 2011-12, with 11% wrongly believing it was £3,600.
- On average, respondents said they were intending to save just £2,784 into their ISA by the time the financial year ended on 5 April 2012 – only 25% said they would save the full £5,340.

A survey of full-time students aged 16-18 by the Chartered Insurance Institute (CII) has revealed that many teenagers lack a basic level of knowledge about personal finance.

- CII found that 39% of students have not received any financial teaching at school, and that of those who were taught financial education, many simple money management terms were not explored in lessons.
- As a result, 71% of students surveyed were unclear about what “APR” means. Significant numbers were also unsure about the meanings of terms such as “equity” (73%), “credit” (33%) and “debt” (24%). This is despite the fact that 19% of students polled had a store card and 95% had a debit card.
- Moreover, CII's survey also found that 51% of students thought that debt is “something everyone goes through at some point”, while only 2% considered it “unusual”.

Research by Halifax has found that the average person in the UK has held their main bank account for more than 20 years, with 26% of people having done so for over 26 years.

- 1 in 10 still use the account they opened between the ages of 1 and 15, while a third opened their main account when aged 16-24.
- Consequently, many adults admit that they chose their provider for reasons that are no longer relevant to their circumstances.
- 17% say that their parents' choice of bank was a key factor, 11% chose their account on the strength of its offering when they were a student, and 23% say they chose their provider because it was the closest branch to their home when they first opened the account.

10. SPENDING

KEY STATISTICS

The AA calculate that in March 2012 the average price of unleaded petrol rose by 3.5ppl (pence per litre) to 138.5ppl.

- This meant it cost **£69.25** to fill a 50 litre unleaded tank.
- The average price of diesel rose by 2.7ppl to 145.5ppl. The UK had the eighth highest petrol price in Europe and the second highest diesel price.

According to the RAC, the average new car now costs **£6,689** annually to keep on the road, equating to £128.64 per week or 55.74p per mile.

An annual report by LV has calculated that the cost of raising a child to their 21st birthday now stands at **£218,024**. This is up 3.3% from last year, and has increased 55% since 2003.

- Education and childcare represent the biggest areas of expenditure, costing parents £71,780 and £62,009 over the course of their children's childhoods.
- The cost of education (including school uniforms, after-school clubs and university tuition fees) increased 5% over the year.

The average British couple will spend **£16,569** on their wedding, according to research by Clydesdale and Yorkshire Banks. This is £4,331 less than 2010's average.

RECENT HEADLINES

A survey by uSwitch has found that 53% of people believe that they will be worse off a result of the measures announced in the Budget on 21 March.

- The findings revealed that the Budget has left 55% of people feeling less confident about their money, with just 11% feeling more confident.
- Indeed, amongst over-65s the number of people who say they feel confident falls further to just 8%.
- As a result of the changes in the Budget, 25% of consumers say they will cut back on retail spending, while 15% will change their personal habits, for example by driving less or cutting out smoking.

10. SPENDING

Research by Aviva has found that first-time parents in the UK spend over £425 million each year preparing for the arrival of their first baby, equivalent to £1,370 per family.

- However, Aviva say that 60% of parents admit that, in hindsight, they bought things that they either didn't use or could have done without.
- In addition, 27% of expectant or new parents said that they had bought or changed their car with an average spend of £2,658, while 25% moved to a bigger house with an average spend of £20,813.

Lloyds TSB's latest Spending Power Report suggests that UK consumers are continuing to feel squeezed, despite recent falls in inflation.

- Lloyds TSB say that the number of people saying that they spend at least three quarters of their income on bills and essentials rose to 46% in February, up 3% from January.
- Spending on essentials is growing at its highest rate in almost two years. The largest increases have been on water (up 15.9% between February 2011 and February 2012) and gas and electricity (up 10.5% over the same period).
- In this context, some are looking at borrowing as a solution. Lloyds TSB say that consumer research has found that of those who are open to borrowing, the highest proportion (30%) are those who state they don't have enough to meet their monthly outgoings.

A survey by Bright Grey has suggested that 33% of UK adults, equivalent to 16 million people nationwide, are either spending more than their salary each month or are just about managing to break even.

- Bright Grey's findings show that 23% of adults (11 million nationally) just about match their outgoings to their net monthly salary, with nothing left at the end of the month.
- Furthermore, a worrying 10% (equivalent to 4.9 million people across the UK) say they are regularly spending more than they earn.

Research by Sainsbury's Finance suggests that 28.9 million Brits plan to spend a total of £22.1 billion on holiday escapes during 2012 – on average, those planning to travel will spend £765 on the cost of their holiday alone.

- However, the research also reveals that the majority of us are looking to cut the cost of our holiday this year, with 78% of those planning a break in 2012 saying that they intend to spend less than in previous years.
- Sainsbury's say that 45% of those surveyed planned to holiday abroad in 2012, but nearly as many (43%) intended to holiday in the UK in order to keep costs down.

11. SAVING

RECENT HEADLINES

A survey by uSwitch has found that 21% of Brits don't save anything at all, and just 31% save every single month.

- On average, uSwitch say that British savers put away £237 a month, but that over-55s save more, putting aside an average of £258 per month.
- Strikingly, 44% of savers are losing out on interest by saving in a current account – young savers are worst at doing this, with 48% of 18-34 year olds keeping their savings in their current accounts.

Meanwhile, a separate study by the Co-operative Bank has suggested that 20% of Brits have no savings set aside in case of an emergency.

- Young people are most likely to struggle to save, with those aged under 35 being three times more likely than over-55s to have no savings.
- The research reveals the most common types of emergencies that lead consumers to dip into their savings – unexpected bills were the most common cause (53%), followed by a boiler breaking down (46%) and loss of employment (45%).
- However, the Co-operative also found that 1 in 20 people would access the money they set aside for emergencies in order to pay for hair appointments, cosmetic surgery, or even to buy clothes.

Elsewhere, research released by Halifax suggests that there has been a growth in ISA savings in recent years, finding that the average ISA balance has increased 23% in the last 3 years.

- Average balances grew by £1,113 in the 12 months between January 2011 and January 2012, increasing from £7,836 to £8,949.
- Looking back over the past three years, ISA balances grew from £7,269 in February 2009 to £8,949 in January 2012, which represents an increase of 23% (£1,680).
- Halifax also note that, unsurprisingly, older ISA savers tend to have higher balances. Savers aged over 65 have an average balance of £14,400 (61% above the national average), while those in the 25-54 age bracket have an average balance of around £5,423 (40% below the national average).

NOTES

Credit Action's Debt Statistics are compiled on a monthly basis by John Davies. Email [johndavies@creditaction.org.uk](mailto: johndavies@creditaction.org.uk) for information and enquiries.

If you would like to receive regular monthly updates of the statistics then please register using the **Subscribe to Debt Statistics** link at www.creditaction.org.uk

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Note that all statistics in this release are based on the latest available data at time of writing.

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