



Debt Facts and Figures - Compiled December 2011

This month's Debt Facts and Figures release includes a special Christmas section as we build up to the festive season. Remember that next month will also see the Debt Facts and Figures receive a New Year revamp!

Total UK personal debt

Total UK personal debt at the end of October 2011 stood at **£1,451bn**. Individuals owe nearly as much as the entire country produced in the four quarters between Q4 2010 and Q3 2011.

Total secured lending on dwellings at the end of October 2011 stood at **£1,243bn**.

Total consumer credit lending to individuals at the end of October 2011 was **£208bn**.

Net lending in October 2011 rose by £1.3bn; net secured lending increased by £1.3bn in the month; net consumer credit lending was broadly unchanged.

UK banks and building societies wrote off £7.6bn of loans to individuals in the 4 quarters to end Q3 2011. In Q3 2011 they wrote off £1.43bn (£716m of that was credit card debt). **This amounts to a write-off of £15.68m a day.**

Average household debt in the UK is ~ **£7,984** (excluding mortgages). This figure increases to **£15,353** if the average is based on the number of households who actually have some form of unsecured loan.

Average household debt in the UK is ~ **£55,808** (including mortgages).

Average owed by every UK adult is ~ £29,539 (including mortgages). This is 122% of average earnings.

Average outstanding mortgage for the 11.2m households who currently have mortgages now stands at ~ £110,587.

Britain's interest **repayments on personal debt were £63.5bn** in the last 12 months. The average interest paid by each household on their total debt is approximately **£2,441** each year.

Average consumer borrowing via credit cards, motor and retail finance deals, overdrafts and unsecured personal loans was **£4,226** per average UK adult at the end of October 2011.

The Office for Budget Responsibility (OBR) predicts that household debt will be £2,045.4bn in Q1 2017. This would take the average household debt to £78,669 per household (if the figure is based on the current estimate for the number of UK households).

Striking numbers

£55,808

average household debt
(including mortgages)

£174m

personal interest paid in UK daily

8,910

number of new debt problems
dealt with by CAB each working
day (as at June 2011)

1,611 people

made redundant daily

868,000

unemployed for > 12 months

£15.68m

daily write-offs of loans by banks
& building societies

every 14.28 minutes

a property is repossessed

every 4.35 minutes

someone will be declared
insolvent or bankrupt

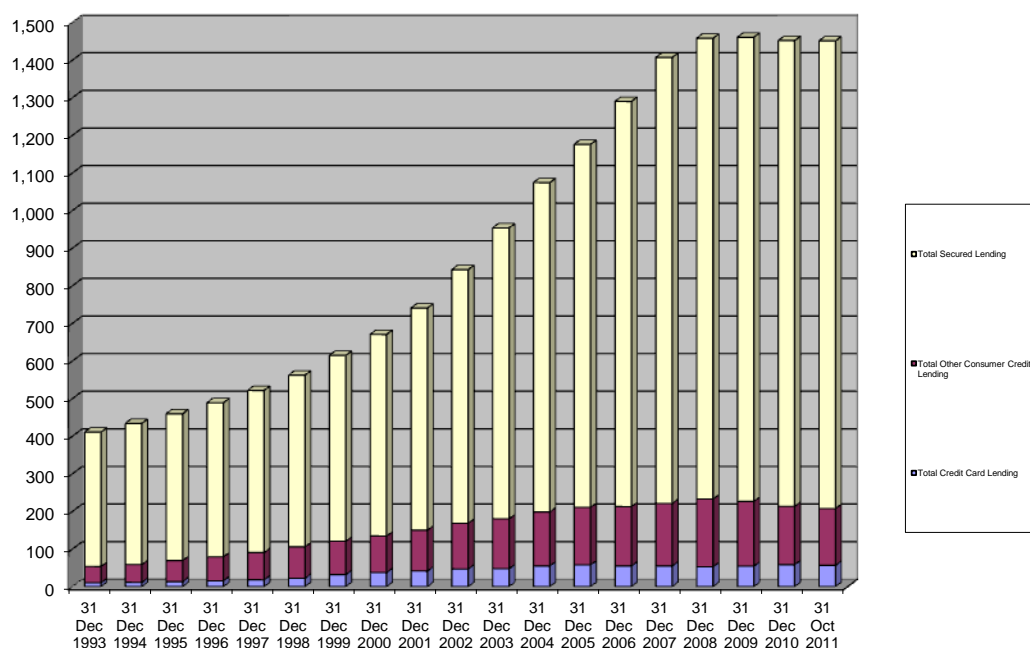
£185,200,000

daily increase in Government
national debt (PSDN)

£1,276,733,333

total value of all purchases made
using plastic cards each day in
September 2011

Total UK Personal Debt £bn



Statistical Sources - Unless otherwise indicated statistics in the "Total UK personal debt" section are calculated by Credit Action - primarily using the Bank of England's debt figures.

Today in the UK:

- **331 people every day of the year** will be declared insolvent or bankrupt. This is equivalent to **1 person every 60 seconds during a working day**.
- 1,779 Consumer County Court Judgements (CCJs) were issued every day during Q3 2011 and the average judgement amount was £2,816.
- Citizen Advice Bureaux dealt with **8,910 new debt problems** every working day in England and Wales during the year ending June 2011.
- The average cost of raising a child from birth to the age of 21 is £27.50 a day.
- **101 properties were repossessed every day during Q3 2011**
- **142 new people became unemployed for more than 12 months every day** during the 12 months to end September 2011
- **1,611 people reported they had become redundant every day** during 3 months to end September 2011
- £185,200,000 is the amount that the Government Public Sector Net Debt (PSDN), including financial interventions, will grow today (**equivalent to £2,144 per second**).
- **£135,730,000** is the interest the Government has to pay each day on the UK's net debt of £2295.3bn (which includes financial interventions). This is estimated to rise to £182m a day in 2015-16.
- 193 mortgage possession claims will be issued and 153 mortgage possession orders will be made today
- 402 landlord possession claims will be issued and 274 landlord possession orders will be made today.
- The UK population is projected to grow by 1,205 people a day over the next decade
- 26.5m plastic card purchase transactions were made each day in September with a total value of £1.277bn.
- 8.0m cash withdrawals will be made today with a total value of £531m.
- The average car will cost £18.33 to run today
- It costs £66.85 on average to fill a car with a 50 litre tank with unleaded petrol.

Other key national statistics:

The UK economy **grew by 0.5%** in the third quarter of 2011, according to the latest estimates from the Office of National Statistics.

There were 5.7 million working age benefit claimants at May 2011. This is a decrease of 38,000 in the year.

UK base rate fell to a 315 year low when the official bank rate was reduced to 0.5% on 5th March 2009 and has been held at that level for 33 months in a row.

There were 4,242 compulsory liquidations and creditors' voluntary liquidations in total in England and Wales in the third quarter of 2011 (on a seasonally adjusted basis). This was an increase of 0.1% on the previous quarter and an increase of 6.5% on the same period a year ago. In the twelve months ending Q3 2011, **approximately 1 in 138 active companies (or 0.7% of all active registered companies) went into liquidation**, similar to the previous quarter (where 1 in 139 companies went in liquidation). Additionally, there were 1,253 other corporate insolvencies in Q3 2011 (not seasonally adjusted) comprising 374 receiverships, 673 administrations and 206 company voluntary arrangements. In total these represented an increase of 10.0% on the same period a year ago.

In October 2011 the **public sector net debt (PSND) including financial interventions was £2295.3bn**, equivalent to **148.0%** of Gross Domestic Product. This compares to £2227.7bn (150.5% of GDP) as at the end of October 2010. Meanwhile, **public sector net debt excluding financial interventions was £966.6bn** (62.3% of GDP), compared to £836.8bn at the end of October 2010 (56.5% of GDP). ***The Office of National Statistics now 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 **Coalition's March 2011 Budget report** the public sector net debt will peak at 70.9% of GDP in 2013-14, before declining to 70.5% of GDP in 2014-15 and 69.1% of GDP in 2015-16.

The number of **unemployed people in the three months to September 2011 was 2.62 million (8.3%). This is up 129,000** from the previous three months and up 172,000 from a year earlier. **147,000 people (1,611 a day) reported they had become redundant** in the three months, down 7,000 from the previous three months but up 2,000 from a year earlier.

The number of people unemployed for more than 12 months increased by 31,000 (3.7%) over the quarter and increased 52,000 (142 a day) over the year to reach 868,000. The number of economically inactive people aged from 16 to 64 rose by 64,000 over the quarter and rose by 92,000 over the year to reach 9.36 million in the three months to September 2011.

Public sector employment decreased by 111,000 in the second quarter of 2011, to 6.037 million, compared with the previous quarter.

The Office for Budget Responsibility (OBR) November 2011 forecast for General Government Employment estimates a total reduction of around 710,000 staff between Q1 2011 and Q1 2017. They estimate that total employment will rise by around 1 million over the same period, reaching 30.2 million in Q1 2017.

In the year to October, the Consumer Prices Index (CPI) rose by 5.0%, down from 5.2% in September. **The Retail Prices Index rose by 5.4% in the year to October, down from 5.6% in September.**

There were 134,944 new car registrations in October, an increase of 2.6% compared to October 2010. This is the second year-on-year increase in three months.

In October 2011 UK retail sales values decreased by 0.6% on a like-for-like basis from October 2010, when sales had risen 0.8%. On a total basis, sales were up 1.5%, against a 2.4% increase in October 2010.

Christmas: A survey by uSwitch suggests that an average of six out of ten Brits will be cutting back on some aspect of Christmas expenditure this year. According to uSwitch, 57% of people plan to spend less on food, 60% will be buying less alcohol, 59% will cut back on Christmas cards and 64% will reduce the amount they spend on presents. Consumers expect to save an average of £68.31 by cutting back on gifts, and 22% saying they expect to save over £100 this way.

Meanwhile, moneysupermarket.com have found that only 38% of Brits say they will be able to fund Christmas using their disposable income this year. Of the rest, 21% will use their savings, and 11% say they will put their festive spending on a store or credit card. 4% of those surveyed said they would actually use their overdraft to fund the celebrations.

Moneysupermarket.com also say that those who pay for Christmas using a credit card in 2011 could still be repaying the debt in 2023 if they only make minimum repayments. Moneysupermarket.com calculate that someone with a balance of £500 on a card with an average APR of 18.12% would take 11 years and 8 months to settle their debt, if they only made minimum repayments of 2.5% per month. In the course of paying back their £500 debt, they would also incur an extra £477 in interest charges.

Research by M&S Money suggests that around 39% of people fail to set a budget for their Christmas spending, and that of those who do, 46% don't stick to it. Furthermore, 49% of shoppers fail to put money aside specifically for Christmas, and only 10% plan ahead by saving over the course of the whole year. However, around 5% of people start their Christmas shopping a full 12 months in advance, allowing them to take advantage of bargains in the January sales.

American Express have identified some of the strategies that families are employing this year in order to keep Christmas costs down. It says that one in four of the people it surveyed will use a 'Secret Santa' system, selecting just one member of their family or group of friends that they will be responsible for buying a gift for. Meanwhile, 68% say they will agree a financial limit with loved ones on what they will spend on each other, and 38% will request specific gifts.

Servicing Debt: A survey by Confused.com has found that 82% of people are worried about how they will heat their homes this winter due to the rising cost of energy, with 65% of people saying they are cutting back in order to pay their bills. 43% of people are cutting back on food shopping to pay energy bills, and 27% are having to be more stringent with other household bills in order meet their energy costs.

Meanwhile, research by uSwitch suggests that 89% of households (equivalent to 23 million households nationwide) will ration their energy use this winter to save on bills – this is an increase of 16% (4 million) compared to last year. Energy costs are now the top household worry for consumers (90%) ahead of mortgage repayments (42%) and the rising cost of food (77%). 37% of households also say they are in 'bill debt', using credit to cover their day-to-day household bills.

Figures released by Shelter forecast that the period between the beginning of November and Christmas Day could ultimately see up to 35,000 people losing their homes. Shelter suggest that during the run-up to Christmas, 630 people per day (equivalent to one person every 2 minutes) will receive a letter threatening the loss of their home, which could see them ending up in court.

Citizens Advice Bureaux across England and Wales advised 0.49 million clients with new problems in the three months between April and June 2011. Debt was the largest advice category with 529,000 enquiries (32% of all problems – including enquiries about mortgage and rent arrears, benefit overpayment debts – and a 7% decrease on the same period last year). Based on annual figures to the end of June 2011, Citizens Advice Bureaux in England and Wales are dealing with ~ **8,910 new debt problems every working day**.

Mortgage lenders took 9,200 properties into possession in Q3 2011, largely unchanged from 9,100 in Q2 2011 according to the Council of Mortgage Lenders. This equates to **101 properties being repossessed every day or 1 property being repossessed every 14.28 minutes**.

In terms of payment difficulties, 161,600 mortgages ended Q3 2011 with arrears equivalent to at least 2.5% of the outstanding mortgage balance. This was down from 165,200 at the end of Q2 2011.

Between the start of 2011 and the end of Q3, a total of 27,500 properties were taken into possession, which is 4% lower than during the equivalent period in 2010. It now appears that the total number of repossessions in 2011 will be lower than the CML's forecasts of 40,000.

The FSA estimate that at the end of Q2 2011 there were **332,700 loan accounts in reportable arrears (> 1.5% of current loan balance)**, a decrease of 6% from Q2 2010. At the end of Q2 2011, loans in arrears represented 2.81% of the value of the residential loan book.

The Insolvency Service said there were 30,219 individual insolvencies in England and Wales (**331 people a day or 1 every 4.35 minutes**) in Q3 2011. This was a decrease of 1.0% on the previous quarter and a **decrease of 11.0%** on the same period a year ago.

However, these figures do not include the number of people using informal insolvency solutions such as Debt Management Plans. R3 estimate that there may be as many as 700,000 people using these.

R3 have also previously suggested that there are another 574,000 who are struggling financially but have contacted their creditors informally. More worrying is another group further down comprising of 961,000 individuals who are struggling with debts but have not sought help. This group could find themselves in formal insolvency procedures unless they take swift action.

Plastic card / Personal Loans: Figures from moneysupermarket.com show that, in November, the APRs charged on unsecured personal loans of between £7,500 and £15,000 were at their lowest levels for four years. The average interest rate for the top ten such loans was 6.79%, which is the lowest average APR since November 2007 (6.72%) when the credit crunch was just starting. However, average rate on £3,000 loans (15.15%) was at its highest level for six months, and was 4.55% higher than four years ago.

Figures from Financial Fraud Action UK show that fraud losses on UK cards decreased in the first half of 2011. Such losses totalled £169.8m between January and June 2011, a 9% reduction on the first half of 2010. This half-year total is the lowest for 11 years and the third consecutive decrease. However, losses due to cheque fraud and telephone banking fraud both increased during the period.

Research by moneysupermarket.com has found that just 60% of Brits are paying their credit card bill off in full each month. Nearly 7% say they only pay off the minimum amount, while 13.5% say that the amount they pay off varies depending on what they can afford. Meanwhile, moneysupermarket.com have also found that 41% of Brits choose their credit cards based on the cash back, rewards and Air Miles offered by providers. Interestingly, only 11% of respondents said that APR was the most important factor when choosing a card.

A separate moneysupermarket.com survey has revealed that the majority of Brits (56%) use their debit cards to purchase items worth less than £10. Those in this group undertake an average of 3.2 such "small transactions" every week, with an average value of £6.34. This means that consumers are funding a total of £560 million worth of small purchases every week using their debit cards.

An average 306 plastic card purchases were made in the UK every second during September 2011 using debit and credit cards (equal to £14,777 /second). The plastic card share of total retail sales (including automotive fuels) was 71.3% in September.

During Q3 2011, 92 cash withdrawals were made every second (equal to £6,150 / second) from UK's 64,110 cash machines.

Total credit card debt in October 2011 was **£56.5bn**.

The average interest rate on credit card lending is currently **18.10%, which is 17.60% above base rate (0.5%)**.

According to the BBA the proportion of credit card balances bearing interest is about two-thirds.

Young people - the IPOD generation: Figures released by the Consumer Credit Counselling Service (CCCS) show that 35% of the 6,000 18-24 year olds who contacted the debt charity for help in the first half of 2011 cited unemployment as the main cause of their debt problem. Over the same period, just 23% of older working age clients attributed their financial difficulties to unemployment, highlighting the significant challenges that youth unemployment is creating.

Meanwhile, a separate analysis by CCCS has suggested that a large number of 18-19 year old "inbetweeners" are starting adult life in serious debt, and that a lack of financial capability may be a significant cause. In 2010, 753 young people aged between 18 and 19 contacted CCCS for help, holding an average of £2,254 in unsecured debt. One in ten of them blamed their problems on an inability to budget, compared to 5% of clients across all age groups.

A Student Finance Report by Lloyds TSB has found that a significant number of students are struggling with their finances. 17% say they do not have enough money to make it through the month, and a further 40% are only just managing to make ends meet. Furthermore, 51% of students say that they are concerned about the amount of debt that they are taking on.

A survey by Halifax has revealed that the amount of pocket money children receive every week has increased by 36p this year. This is the first time since 2003 that pocket money has increased, ending a seven year decline. This takes the total average amount that kids receive in pocket money to £6.25 per week, compared to £5.89 in 2010. Over the course of a year, this means children will earn an additional £18.72 compared to 2010.

Unemployment amongst economically active 18 to 24 year olds increased by 55,000 (7.4%) in the 3 months ending September 2011, to reach 799,000. **This means that 19.6% of all economically active 18 to 24 year olds are unemployed.** 379,000 (47%) have been unemployed for > 6 months. 224,000 **have been out of work for over 12 months** which is an increase of 20,000 (9.7%) over the last 3 months and an increase of 33,000 (17.0%) over the last 12 months.

The number of 18-24 year olds not in education, employment or training (NEET) at the end Q3 2011 was 1,013,000 (21.1%). The number of 16-18 year NEETs stood at 267,000 (14.0%) at the end of Q3 2011. **The total of 16 – 24 classed as NEETS now stands at 1,163,000.**

Pensioners / Pensions: Figures from the Alliance Trust Research Centre suggest that elderly households continue to face inflation which is significantly above the headline rate, despite a slight easing in October. Households in the 65-74 and over-75 age brackets both faced inflation rates of 5.8%, compared to an official rate of 5.0%. Rising gas and electricity prices were blamed for keeping rates high, with gas price inflation accelerating from 22% to 24% and electricity price inflation rising from 13% to 15%.

A survey conducted for the Institute of Financial Planning has found that just 19% of people believe that they are saving enough for their future needs, and almost half (47%) are not confident that they have saved enough to live comfortably when they retire. 31% are not currently contributing to a pension plan of any sort despite having contributed in the past, and a further 14% have never made any pension contributions at all.

A report by RIAS has found that 5.8 million grandparents in the UK (47%) regularly provide childcare for their grandchildren. RIAS estimate that this saves families £1,830 each year in childcare costs (equivalent to a collective £10.7 billion), although only 3% of grandparents who provide regular childcare receive any formal payments. Furthermore, RIAS suggest that 49% of grandparents make a financial contribution towards a grandchild's upbringing, averaging £1,701 per grandchild per year.

Research by the Consumer Credit Counselling Service (CCCS) has shown that significant numbers of their elderly clients are struggling to make ends meet. CCCS say that 13% of clients aged 70-74 have no money to repay their debts once they have covered the cost of their living expenses – this is also the case for 9% of 75-79 year olds and 8% of over-80s. CCCS also suggest that, across the UK, there may be as many as 427,000 over-70 households who are either already in financial difficulty or at risk of falling behind.

A study by LV has found that 28% of over-50s (equivalent to 6.1 million people nationwide) expect to work past the state current retirement age. On average, those in this group are planning to work for an extra six years. However, 19% of over-50s say they expect to work for at least a decade past the current state retirement age. 51% of those who intend to work past retirement age cited affordability as the key reason, while 11% want to delay taking out a pension in the hope its value will increase.

A report by HSBC suggests that the amount of inheritance left to beneficiaries will peak in 2047. HSBC estimate that those inheriting in 2047 will receive a collective £1.1 trillion (this compares with £194 billion in 2015). However, after 2047 there will be a steep drop, with collective inheritance halving back to £552 billion in 2062. Several factors, including rising life expectancy (which means more prospective inheritance will be spent simply on the cost of living) are responsible for this drop.

The number of unemployed people aged 50+ during the three months to end September was 410,000, which is an increase of 6.8% over the previous quarter and an increase of 4.9% (19,000) over the previous year. The number of people over 65 in work decreased by 32,000 in the three months to the end of September to 849,000, **a fall of 3,000 (0.3%) over the previous year.**

Two in five 50-plus unemployed workers (41.2%) - a total of 169,000 people - have been out of work for over a year. 105,000 have been unemployed for more than two years.

At May 2011, there were 12.8m people of state pension age claiming a DWP benefit, an increase of 63,000 since May 2010. Of these, 67% were claiming State Pension (SP) only.

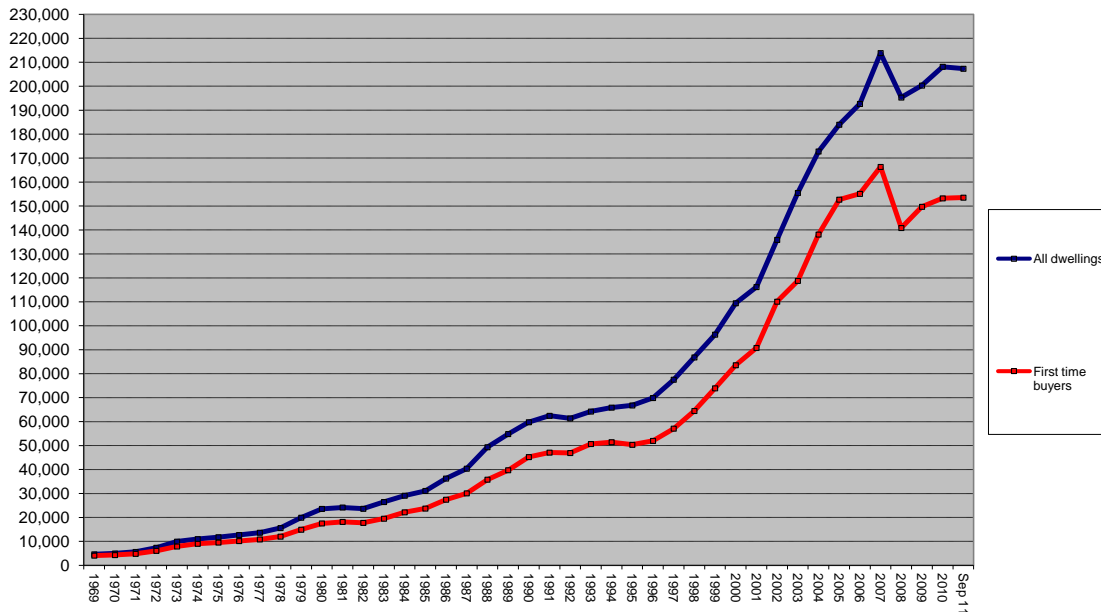
The proportion of retired households in the population rose from 22% in 1977 to 26% in 2008/09. There are 8.6m pensioner units in the UK (single pensioners over state pension age or pensioner couples, married or cohabiting pensioners, where one or more are over state pension age). In 2008/09, pensioner couples received average income of **£564 per week**, compared with £304 per week for single men pensioners and £264 per week for single women pensioners.

Pensions provide modest levels of annual income for many pensioner households. In 2008/09, 53% of single pensioners had total pension income (state benefit income and private pension income) of **less than £10,000**, while 36% of pensioner couples had less than £15,000.

Housing: According to the Department for Communities and Local Government (DCLG) the average house price in the UK in September 2011 stood at **£207,326** (£215,311 in England). Over the year to September 2011, UK house prices decreased by 1.4%. **Average house prices in London increased by 2.8% in the year to September 2011.**

Average UK house prices were 0.6% higher over the quarter to September 2011, compared to a quarterly decrease of 0.8% over the quarter to June (seasonally adjusted).

UK Average House Prices £



The average Mortgage Interest rate is 3.38%.

Gross mortgage lending totalled an estimated £13.1 billion in October. Gross mortgage lending in October was down 4% from September (£13.7 billion) but up 13% from October 2010 (£11.6 billion).

Halifax said that house prices rose by £1,943 in October 2011. **This is a monthly rise of 1.2%**. Prices fell 0.3% over the quarter and fell 1.8% over the year.

Nationwide estimate that house prices rose by 0.4% during October 2011, and rose 0.8% over the year.

The October RICS Housing Market Survey shows that 24% more surveyors report prices falling rather than rising. This is not dissimilar from September's result (23%), although RICS say that it is significant that more than half of respondents to the survey actually indicated that prices were broadly stable over the period, and of those reporting a decline almost three quarters suggested that the extent of the fall was somewhere between 0 and 2%. Activity levels were generally a little firmer over October, with new buyer enquiries (demand) edging up, while new vendor instructions (supply) were also up slightly, halting a three-month decline.

Hometrack's monthly survey of agents and surveyors showed that demand for housing fell 0.2% in October compared to a fall of 2.6% in September. The supply of homes for sale increased by 1.3% in October (following a 0.6% decrease in September). Hometrack suggest that the balance between supply and demand is shifting, pointing to an acceleration in price falls in the coming months. House prices fell 0.2% in October (compared to falls of 0.1% in each of the previous five months). Lower prices were reported across 34% of the country in October, while 6.5% of the country reported price rises.

Rightmove said new sellers lowered average asking prices by 3.1% (£7,528) to an average of £232,144 in November (this is the largest monetary fall since December 2007 and the third largest percentage fall on record). Prices rose 1.2% compared to November 2010.

According to the NAEA the number of house-hunters registered per branch decreased on average from 308 in September to 305 in October, the average number of sales agreed per branch was unchanged across September and October at 8, and the average number of properties available for sale per branch was also unchanged across September and October at 72.

House purchase approvals (35,295) were higher in October than in September according to the British Bankers Association, and 16% higher than in October 2010. The average loan approved for house purchase in October was **£145,400 which is similar to a year ago**.

Existing home sales across the United States (including single-family, townhomes, condominiums and co-ops) increased 1.4% over last month and rose 13.5% year on year in October 2011. The **average price decreased 4.7% year on year** to \$162,500. RealtyTrac® said that a total of 230,678 foreclosure filings — default notices, auction sale

notices and bank repossessions — were reported on U.S. properties in October 2011, a 7% increase in total properties from the previous month but a 31% decrease from October 2010. The report shows that one in every 563 of all U.S. housing units received a foreclosure filing during the month of October.

Research by Halifax has suggested that homeowners in the most popular locations in England and Wales have seen the value of their property double over the last decade. Halifax analysed house prices in the 20 Local Authority Districts (LADs) which experienced the highest 'net internal migration' (immigration from other English and Welsh LADs, minus emigration) between 2001 and 2010. They found that average prices rose 101% from £94,548 to £189,641, equivalent to a weekly increase of £183.

Housing First Time Buyers (FTB) & Buy-to-let: The average house price in the UK in September 2011 for first time buyers stood at **£153,521** which is an **annual decrease of 0.7%**.

As at the end of September, there were 1,378,700 buy-to-let mortgages outstanding, worth a total of £157 bn. By value, buy-to-let mortgages accounted for 12.7% of all mortgages.

The typical first-time buyer deposit in September was **20% (£30,220)**. The average first-time buyer borrowed 3.24 times their income and the average first-time buyer loan was £120,879.

According to the RICS Residential Lettings Survey for Q2 2011, tenant demand moderated in the three months to July, although it remained firmly in positive territory overall. 25% more surveyors reported a rise in demand than a fall.

According to research by Santander, 27% of aspiring first-time buyers say that they will take out an unsecured loan in order to raise the funds they need for a deposit. Moreover, 28% say that they will take on a second job or overtime in order to do so. Santander suggest that a third of all non-homeowners believe that they will never own a property, although 26% say they are hoping to buy in the next five years.

Figures from HSBC suggest that the 360,000 people who bought their first home in 2007 are unlikely to be able to move, with first-time buyer house prices having fallen by £11,000 since then. HSBC say that a typical first-time buyer who bought in 2007 with a 10% deposit would have started with £16,000 of equity. However, HSBC calculate that in the years since, these homeowners are unlikely to have increased their equity, as their repayments will have been offset by the decline in the value of their home. HSBC believe that moving up the housing ladder costs £27,000, leaving an £11,000 shortfall.

Money Education: A survey by moneysupermarket.com has suggested that 38% of customers who use Direct Debit to manage their bills don't know exactly how much money is leaving their account each month. Moreover, 7% say that the last time they checked their statement they noticed a Direct Debit that they had forgotten about. This is a wide-reaching issue, with moneysupermarket.com saying that 95% of current account holders utilise Direct Debits, and that Brits use them to pay a collective £13.7 billion every month.

Research by Unbiased.co.uk has revealed that 60% of adults (29.5m people nationally) do not have a will. 84% of 18-34 year olds are in this position, as are 65% of 35-54 year olds and, worryingly, 35% of over-55s. Furthermore, 48% of married adults do not have a will, despite the fact that under current rules a spouse may only inherit £250,000 if there is no will in place and there are children and grandchildren.

A study by Triodos Bank has revealed that 85% of UK savers want more information on what banks actually do with their money – indeed, 25% of savers have never received any information from their bank about how their money is being used. 74% of savers said that banks should do more to proactively help society, while 54% said they would consider changing providers if they found their savings were being invested in industries such as tobacco or weapons production.

A survey by the UK Payments Council has found a notable lack of knowledge around the meaning of some of the most common financial terms. Only 36% of people understand that the term "APR" relates to payments. This falls further to 31% amongst young people aged 18-34. This compares with the widespread use of text-speak acronyms such as "LOL" and "OMG" – four in five 18-34 year olds say they use these when communicating, as do 69% of 35-54 year olds and almost half of over 55s.

Spending: Figures released by the Office of National Statistics have shown that between 1986 and 2009/10, the poorest fifth of households consistently paid more VAT as a percentage of their disposable incomes than the richest fifth. In 1986, the poorest households paid an average of 8% of their disposable income in VAT, while the richest paid 7%. However, by 2001/02 the gap had substantially increased, with the poorest spending 13% of their disposable income on VAT compared to 6% for the richest. From 2001/02 to 2009/10, the gap reduced slightly but remained between 5 and 6 percentage points.

A report by Aviva has suggested that the pressures of inflation, combined with limited increases in average monthly incomes (which rose just £46 between January and November 2011), are forcing families to cut out spending on

certain items. Between August and November the number of families that spent money on non-essentials fell to new lows – 25% of families spent nothing on recreation and holidays, 39% spent nothing on leisure goods, and 52% spent nothing on children's activities.

Research by Santander suggests that 30% of motorists (equivalent to 11.4 million nationally) admit to making weekly car journeys of less than half a mile – 2.1 million drivers admit to making at least five. Santander estimate that these 'one-minute road-trips' cost UK motorists £1.1 million each week, and that drivers make around 58 million half-mile car journeys every 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 last year's average.

An annual report by LV has calculated that the cost of raising a child to their 21st birthday now stands at £210,000. This is up 4.5% from last year, and has increased 50% since 2003. Childcare and education represent the biggest areas of expenditure, costing parents £67,430 and £55,660 over the course of their children's childhoods. The cost of education (including school uniforms, after-school clubs and university tuition fees) increased 5.3% over the year.

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.

The AA calculate that in November 2011 the average price of unleaded petrol fell by 0.8pppl (pence per litre) to 133.7pppl. **This means it costs £66.85 to fill a 50 litre unleaded tank.** The average price of diesel rose by 1.3pppl to 140.9pppl. The UK has the seventh highest petrol price in Europe and the second highest diesel price.

Savings: Skipton Financial Services have undertaken a study analysing the spending habits of parents with at least two children, and found that 40% said they spent most of their cash on things they want, rather than saving it for the future. Almost one in three admitted to not having a savings account. According to Skipton, those that did save put away an average of £86 per month. However, one in four said that this was less than they put away in 2010, with the average monthly amount they saved falling by £55.

The latest NS&I Savings Survey has revealed that Britons who set themselves a savings goal are likely to save 44% (£42.50) more per month than those who don't – this adds up to an additional £500 saved every year. On average, those with regular savings goals manage to set aside £139.79 each month, compared to £97.28 for those without a goal. Despite this however, NS&I suggest that only 29% of the population say that they actually set themselves a goal and save for something specific.

Research by Norwich and Peterborough Building Society has suggested that a third of Britons (31%) have no accessible savings, putting them at considerable risk if illness, unemployment or an emergency should hit. Furthermore, nearly half of the population (48%) have less than £1,000 in accessible savings, and a striking 23% of over-55s have no savings available whatsoever. The survey also suggests that Cardiff is the UK city with the highest number of people with no savings (46%).

Meanwhile, research by Yorkshire Building Society suggests that inflation has cost Britain's savers nearly £2,500 over the last decade. Yorkshire say that the average savings account stands at £11,648 – if this amount was put into a basic easy access savings account a decade ago, Yorkshire estimate that the account holder would have earned £1,624 in interest over 10 years, leaving them with £13,272. However, in order to have the same spending power as when they originally invested their money, their savings would actually need to have grown to £15,700 – a difference of £2,428.

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