



DEBT STATISTICS

DECEMBER 2012 EDITION

CONTENTS

Welcome to the December 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
£53,912 was the average household debt (including mortgages) in October
£166m was the daily amount of interest paid on personal debt in October
8,465 new debt problems were dealt with by the CAB each working day over the year to June
1,399 people were made redundant every day between July and September
894,000 people had been unemployed for over a year between July and September
£11.38m of loans are written-off daily by UK Banks and Building Societies (based on Q3 2012 trends)
Every 16 min 4 sec a property is repossessed (based on Q3 2012 trends)
Every 4 min 42 sec someone is declared insolvent or bankrupt (based on Q3 2012 trends)
£1.362 billion was the daily value of all purchases made using plastic cards in September

1. UK PERSONAL DEBT

TOTAL UK PERSONAL DEBT

Outstanding personal debt was **£1.421 trillion** at the end of October 2012.

- This is up from £1.406 trillion at the end of October 2011.
- At the end of October 2012, individuals owed nearly as much as the entire country produced during the whole of 2011.

Outstanding secured (mortgage) lending was **£1.264 trillion** at the end of October 2012.

- This is up from £1.243 trillion at the end of October 2011.

Outstanding unsecured (consumer credit) lending was **£156 billion** at the end of October 2012.

- This is down from £162 billion at the end of October 2011.

AVERAGE UK PERSONAL DEBT

Average household debt in the UK (excluding mortgages) was **£5,934** in October.

- This is down from a revised **£5,973** in September.

Average household debt in the UK (including mortgages) was **£53,912** in October.

- This is down from a revised **£53,944** in September.

The average amount owed per UK adult (including mortgages) was **£28,925** in October. This is down from a revised **£28,942** in September, and was around **117%** of average earnings.

Average consumer borrowing (including credit cards, motor and retail finance deals, overdrafts and unsecured loans) per UK adult was **£3,184** in October. This is down from a revised **£3,205** in September.

The estimated average outstanding mortgage for the 11.3m households that carry mortgage debt stood at **£111,592** in October.

Based on October 2012 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£60.7 billion**.

- This is equivalent to **£166 million** per day.
- This means that UK households would have paid an average of **£2,304** in annual interest repayments.

1. UK PERSONAL DEBT

The Office for Budget Responsibility (OBR) predicted in March 2012 that total household debt will reach **£2.044 trillion** in Q1 2017.

- This would mean that average household debt would reach **£77,556** (assuming that the number of households in the UK remained the same between now and Q1 2017).

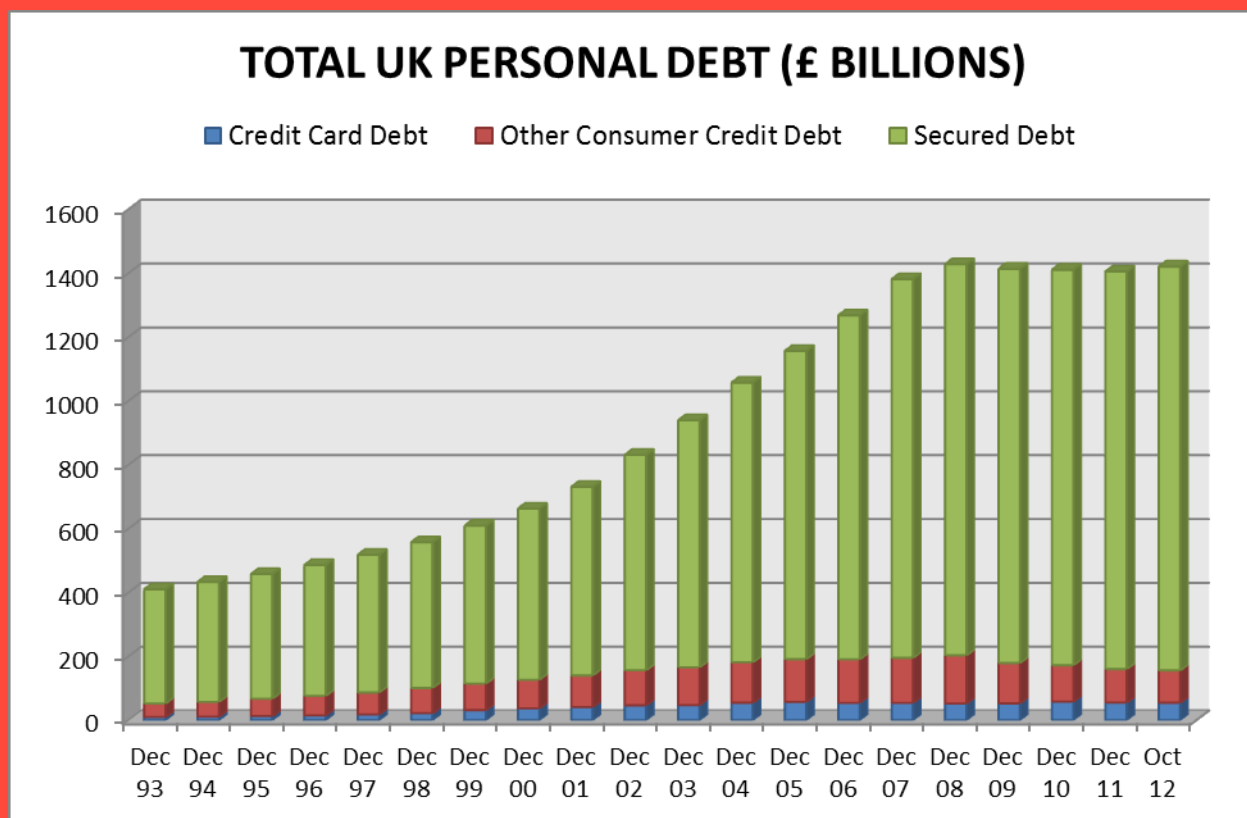
NET LENDING AND WRITE-OFFS

Total net lending by UK Banks and Building Societies **fell by £0.3 billion** in October 2012.

- Net secured lending rose by £0.2 billion in the month; net consumer credit lending fell by £0.5 billion.

UK Banks and Building Societies **wrote-off £5.0 billion** of loans to individuals over the four quarters to Q3 2012.

- In Q3 2012 itself they wrote-off £1.04 billion (of which £473 million was credit card debt) amounting to a daily write-off of **£11.38m**.



Based on Bank of England Data

2. EVERY DAY IN THE UK

Based on the latest available data, Credit Action estimates that:

- **307** people are declared insolvent or bankrupt every day (based on Q3 2012 trends). This is equivalent to one person **every 4 minutes 42 seconds**.
- **1,556** Consumer County Court Judgements (CCJs) are issued every day (based on Q3 2012 trends). The average value of a Consumer CCJ in Q3 2012 was **£2,646**.
- Citizens Advice Bureaux in England and Wales dealt with **8,465** new debt problems every *working day* during the year ending June 2012.
- It costs an average of **£28.44** per day to raise a child from birth to the age of 21.
- **90** properties are repossessed every day (based on Q3 2012 trends).
- **71** new people a day became unemployed for over 12 months during the year ending September 2012.
- **1,399** people a day reported they had become redundant between July and September 2012.
- Public Sector Net Borrowing (excluding financial interventions) was **£8.6bn** in October, meaning that the Government borrowed an average of **£277,419,355** per day during the month (equivalent to **£3,211** per second).
- **155** mortgage possession claims are issued and **111** mortgage possession orders are made every day.
- **426** landlord possession claims are issued and **281** landlord possession orders are made every day.
- The UK population is growing by an estimated **1,342 people a day**.
- **27.7m** plastic card purchase transactions were made every day in September 2012 with a total value of **£1.362 billion**.
- **8.7m** cash machine transactions were made every day in October 2012 with a total value of **£336m**.
- The average car costs **£18.33 per day** to run.
- It cost **£67.55** to fill a 50 litre tank with unleaded petrol in November.

3. NATIONAL STATISTICS

ECONOMY

The UK economy **grew by 1.0%** in the third quarter of 2012, according to the latest estimates from the Office of National Statistics, meaning the UK officially emerged from recession.

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 45 months.

There were **5.9 million** working age benefit claimants at February 2012. This is an increase of 116,000 in the year.

UNEMPLOYMENT

The number of unemployed people in the three months between July and September 2012 was **2.51 million** (7.8%). This is down by 49,000 from the previous three months, and down by 110,000 from a year earlier.

- **128,000** people (**1,399 a day**) reported they had become redundant over the three months. This is down by 22,000 from the previous three months, and down by 19,000 from a year earlier.
- **894,000** people had been unemployed for over 12 months between July and September, a rise of 12,000 over the previous three months, and a rise of 26,000 (**71 a day**) from a year earlier.
- The number of economically inactive people aged between 16 and 64 fell by 25,000 over the three months, and fell by 285,000 over the year, to reach **9.07 million** in the three months to September 2012.

Public sector employment fell by **235,000** in the second quarter of 2012 to reach **5.644 million** overall (note that the size of the fall in public sector employment in the second quarter is largely explained by the reclassification of Further Education and Sixth Form College Corporations in England from the public sector to the private sector).

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 October 2012, public sector net debt (PSND) *excluding* financial interventions was **£1068.8bn**, equivalent to 67.9% of GDP. This compares to £971.0bn (63.4% of GDP) at the end of October 2011.

Meanwhile, public sector net debt *including* financial interventions was **£2166.2bn**, equivalent to 137.5% of GDP. This compares to £2218.2bn (144.9% of GDP) at the end of October 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 **3,971** compulsory liquidations and creditors' voluntary liquidations in England and Wales in the third quarter of 2012 (on a seasonally adjusted basis).

- This was down 2.8% on the previous quarter, and down 6.6% on the same period a year ago.

In the twelve months ending Q3 2012, approximately **1 in 146** active companies (0.7% of all active registered companies) went into liquidation.

- This is similar to the previous quarter.

Additionally, there were **986** other corporate insolvencies in Q3 2012 (not seasonally adjusted), comprising 277 receiverships, 548 administrations and 161 company voluntary arrangements.

- In total these have decreased 21% on the same period a year ago.

3. NATIONAL STATISTICS

INFLATION AND RETAIL ACTIVITY

CPI (Consumer Prices Index) annual inflation stood at **2.7%** in October. This is up from 2.2% in September.

RPI (Retail Prices Index) annual inflation stood at **3.2%** in October. This is up from 2.6% in September.

The British Retail Consortium/KPMG Retail Sales Monitor for October 2012 showed that UK retail sales values decreased by 0.1% on a like-for-like basis from October 2011, when sales had fallen 0.6%.

- On a total basis, sales were up 1.1% in October 2012, against a 1.5% increase in October 2011.
- Excluding Easter, this was the lowest growth in total sales since November 2011.

There were 151,252 new car registrations in October, according to the Society for Motor Manufacturers and Traders. This is an increase of 12.1% compared to October 2011.

4. SERVICING DEBT

KEY STATISTICS

Citizens Advice Bureaux across England and Wales advised **0.57 million** clients with new problems in the three months between April and June 2012.

- Debt was the second largest advice category (behind Benefits) with 515,000 enquiries. This is a 4% decrease on the same period last year. Debt enquiries represented 32% of all problems dealt with between April and June 2012.
- Based on *annual* figures to the end of June 2012, Citizens Advice Bureaux in England and Wales are dealing with **8,465** new debt problems every *working day*.

According to the Council of Mortgage Lenders (CML), **8,200** properties were taken into possession in Q3 2012 (this is down from 8,500 in Q2 2012, and marked the lowest number of properties taken into possession in a single quarter since 2007).

- This equates to **90** properties being repossessed every day, or one property being repossessed **every 16 minutes 4 seconds**.
- In terms of payment difficulties, **159,100** mortgages ended Q3 2012 with arrears equivalent to at least 2.5% of the outstanding mortgage balance.
- This is fractionally up from 158,700 at the end of Q2 2012.

The Financial Services Authority estimates that at the end of Q2 2012 there were **296,500** mortgage loan accounts in reportable arrears (i.e. arrears of over 1.5% of current loan balance), a fall of 11% from Q2 2011 – this is the lowest total number since the end of 2007, having risen to a peak in the interim of 399,400 in Q1 2009.

- At the end of Q2 2012, loans in arrears represented **2.44%** of the value of the residential loan book.

The Insolvency Service said there were **28,062** individual insolvencies in England and Wales in Q3 2012. This is equivalent to **307** people a day or, one person **every 4 minutes 42 seconds**.

- This was a rise of **2.5%** on the previous quarter but a fall of **7.2%** on the same period a year ago.
- This was made up of 7,617 bankruptcies (down 20.5% compared to Q3 2011), 7,777 Debt Relief Orders (up 2.3% compared to Q3 2012) and 12,668 Individual Voluntary Arrangements (down 2.9% compared to Q3 2012).
- The number of Debt Relief Orders was higher than total bankruptcies for the first time in Q3 2012, while Bankruptcy Orders have been lower than Individual Voluntary Arrangements for the last six quarters.

4. SERVICING DEBT

RECENT HEADLINES

Research conducted for StepChange Debt Charity has indicated that significant numbers of working households (where at least one person is employed or self-employed) are struggling with priority debts such as council tax, energy bills and rent.

- The findings show that in the first nine months of 2012, 17% of StepChange Debt Charity clients in working households had council tax arrears (owing an average of £821), 12% had energy bill arrears (owing an average of £668) and 9% had rent arrears (owing an average of £842).
- The research also highlights the declining position of working household's finances. StepChange Debt Charity clients in working households saw their average monthly income fall from £1,594 in 2011 to £1,514 now – this is a drop of 5% (or £80) even before the effect of inflation is taken into account.
- StepChange Debt Charity add that these numbers reflect a broader trend in client incomes, which have been falling or remained static since 2007.

Meanwhile, Legal & General's latest MoneyMood Survey shows that 2.5 million households are currently "struggling", in that they do not have enough income to pay their bills. This has increased by 300,000 since 2010, before the double dip recession began.

- Furthermore, the number of homes who say that they have "money left over after paying bills and debts" has fallen from 50% in 2010 to 44% in 2012.
- Legal & General have also found that 21% of households say that they are currently in fuel poverty (a household is in fuel poverty if it spends over 10% of its income on gas or electricity), while a further 19% of households are "almost" in fuel poverty.
- On a regional basis, Wales (31%), London (29%), the West Midlands and Yorkshire and Humberside have the largest number of households who say they are currently in fuel poverty, while the South West and East Midlands have the largest number saying they are "almost" in fuel poverty (25% each).

Prudential has conducted a study of attitudes to financial planning amongst co-habiting couples aged over 40, and found that 20% of the people it surveyed (equivalent to 6.2 million people nationwide) had debts that they had not disclosed to their partners.

- Prudential say that the average value of these hidden debts is £9,546.
- When asked why they took on this hidden debt, 36% said they borrowed money to cover everyday living costs. 33% borrowed money to pay off other outstanding debts, and 6% said the debt arose from previous travelling costs. Other reasons included overspending due to an emotional event (5%) and debts inherited from a previous relationship such as joint mortgages (5%).

5. PLASTIC CARDS AND PERSONAL LOANS

KEY STATISTICS

During September 2012 an average of **321** purchases were made in the UK every second using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£15,758** was spent every second using debit and credit cards.
- On a daily basis, purchases using plastic cards were worth **£1.362 billion** in September.

Meanwhile, data from LINK shows that, on average, **101** cash machine transactions (including balance enquiries and rejected transactions) were made every second in October 2012.

- In total, cash machine transactions were worth **£3,892** per second in October.
- LINK's transaction figures do not include transactions or withdrawals made by customers at their own bank's or building societies' ATMs.

Total credit card debt in October 2012 was **£55.1bn**.

- The average interest rate on credit card lending was **18.22%** in October. This is **17.72%** 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 September.

RECENT HEADLINES

Research conducted for StepChange Debt Charity has revealed that the self-employed are more dependent on credit cards, personal loans and overdrafts than average, and therefore vulnerable to slipping into a cycle of problem debt.

- The figures show that in 2012 the average credit card balance for StepChange Debt Charity clients was £10,517 across 2.8 credit cards. However, for self-employed clients this rose to £17,237 across 3.6 credit cards.
- Meanwhile, the average client had a personal loan balance of £10,479, compared to £13,266 for self-employed clients.
- Finally, while the average overdraft balance across all StepChange Debt Charity clients was £2,082, self-employed clients owed an average of £3,615.

Turning to store cards, StepChange Debt Charity suggest that while there has been a general decline in store card debt in recent years, it remains a particular problem for over-60s.

- They say that average store card debt for clients aged over 60 has increased by £36 to £1,984 since 2009. However, over the same period average store card debt has fallen by £75 for under-25s, by £94 for 25-40 year olds, and by £128 for 41-59 year olds.

6. YOUNG PEOPLE

KEY STATISTICS

774,000 economically active 18-24 year olds were unemployed between July and September 2012. This was down by 35,000 (4.4%) compared to the previous three months.

- This meant that **18.9%** of all economically active 18-24 year olds were unemployed between July and September.
- **376,000** (48.6%) had been unemployed for over 6 months.
- **232,000** had been unemployed for over 12 months. This is a fall of 4,000 (1.6%) over the previous 3 months, but a rise of 9,000 (4.2%) from a year earlier.

The number of 18-24 year olds not in education, employment or training (NEET) at the end Q3 2012 was **912,000** (19.0%).

- The number of 16-18 year olds classed as NEET stood at **206,000** (11.3%) at the end of Q3 2012.
- The overall number of 16-24 year olds NEETs was **1,027,000** (17.0%).

RECENT HEADLINES

A survey by Halifax has found that although they aren't old enough to get a paying job, nearly two-thirds of 8-15 year olds are already earning money to help pay for the things they want by helping with housework and doing chores.

- Halifax's findings suggest that 63% of children in this age range did jobs around the house to earn money.
- The top domestic jobs that children earn money for include tidying their bedroom (40%), doing the washing up (25%) and cleaning (21%), while 17% even get paid for doing their homework.
- On a regional basis, children in Wales (71%), the West Midlands (69%), Scotland and the East Midlands (both 68%) are the most likely to take on chores to earn money. Those in the North West (57%) are the least likely.
- The survey also asked children about where they thought money came from generally – 61% said that it came as a result of working, 28% thought it came from banks and building societies, and 18% said they thought it came from the Government.

6. YOUNG PEOPLE

Meanwhile, Halifax has also found that the average amount of pocket money received by 8-15 year olds fell to £5.98 in 2012. This is a drop of 27p a week, or £14.04 a year, compared to 2011.

- There is also a gender gap in the amounts received, with girls receiving an average of 37p less than boys (£5.79 compared to £6.16), which amounts to £19.24 less over the course of a year.
- Halifax's survey also reveals that the number of 8-15 year olds who receive weekly pocket money fell from 83% in 2011 to 77% in 2012.
- The survey also suggested that many children are keen to save and grow their pocket money – 67% said that they saved at least a quarter of the money they received, and 40% keep their pocket money in a bank or building society account.
- On a regional basis, children in London receive the highest average amount of weekly pocket money (£7.34). However, in 2012 average pocket money only increased in 3 regions – the North East (22%), the South West (14%) and Wales (9%). The largest fall was recorded in the East Midlands (21%).

A survey by Lloyds TSB has found that significant numbers of students are continuing to have difficulties making ends meet.

- According to Lloyds, 16% of full time students do not have enough money to get through to the end of the month, and a further 40% admit they are only just managing their finances but money is tight.
- Lloyds say that the average annual income of a typical student is around £7,000, 46% of which is derived from student loans. There are however geographical disparities – for students studying in London it is 11% higher, while for those in Scotland it is 10% lower (although this is offset to some extent by lower levels of debt).
- With money tight, 49% of students say that they have taken on a full or part time job in the last academic year, with 43% of them saying they did so to support themselves through university and help make ends meet. Only 14% cited gaining experience in the job market or building their CV as their main motivation, while 17% confirmed they had not been able to find work at all.
- 75% of students who worked during term-time did so for less than 15 hours a week and earned just over £8 per hour. However, 25% admitted that it affected their studies in a negative way. A further 32% said it had a negative effect on their social life but they were able to find a balance between work and studies.

7. OLDER GENERATIONS AND PENSIONS

KEY STATISTICS

397,000 people aged over 50 were unemployed between July and September 2012. This is down 7,000 (1.7%) from the previous quarter, and down 15,000 (3.6%) from a year earlier.

- **48.4%** of unemployed workers aged over 50 - a total of **192,000** people - have been out of work for over a year. 115,000 have been unemployed for more than two years.
- **945,000** people aged over 65 were *in work* between July and September, which is up 14,000 (1.5%) from the previous three months, and up 96,000 (11.3%) from the previous year.

At February 2012, there were 12.7m claimants of State Pension (SP), a rise of 135,000 on the year.

RECENT HEADLINES

The latest figures from the Alliance Trust Economic Research Centre show that households in the 65-74 and over-75 age brackets faced the lowest rate of inflation in October.

- 65-74 and over-75 households both experienced an inflation rate of 2.2% during October. While this is a rise from September, it is below the headline rate of 2.7%.
- It is also lower than the rate of 3.5% faced by under-30 households, who have seen inflation rise significantly, primarily due to a sharp increase in tuition fees.
- Alliance Trust say that older age groups have been helped by negative gas and electricity price inflation – gas prices fell 1% over the year to October, while electricity prices declined by 2.3%. However, with energy companies announcing a new round of price rises, inflation in these categories will move higher in coming months.

Research from LV has revealed that almost twice as many women expect to have to work past state retirement age than men.

- LV say that 4.1 million women aged over 50 expect that they will have to work past state retirement age, compared to 2.4 million men in the same age range.
- Overall, this means that 6.5 million over-50s expect to work passed retirement age, a 43% increase on the 4.5 million who said they were planning to do so in 2010.
- LV have also found that those who expect to work beyond state retirement age believe they will do so for an average of 6.2 years. However, breaking this down by gender reveals that while fewer men plan to work beyond retirement age, those who do plan to work longer (6.9 years) than women who are in the same position (5.8 years).

7. OLDER GENERATIONS AND PENSIONS

With auto-enrolment now underway, a study by Friends Life has found that 26% of people would choose to opt-out of a pension scheme altogether, with a further 35% unwilling to contribute more than 5% of their salary to their pension pot.

- At the same time however, Friends Life say that only 14% of people thought that saving 8% of their salary each month (which is the total level auto-enrolment will reach which combined employer and employee contributions plus tax benefits) would be sufficient to fund a comfortable retirement.
- Notably, only 13% of people said they would be happy to personally contribute more than 10% of their salary to their pension pot.
- Worryingly, Friends Life also found that 9% of respondents said that they would struggle to make ends meet with the deduction of a 1% pension contribution from their salary (the minimum starting employee contribution under auto-enrolment). A further 5% said it would affect them “significantly”, and another 14% “quite a lot”.

A survey by the Prudential has revealed that only a small number of couples aged over 40 talk regularly about their long-term financial planning.

- According to the findings, only 16% of such couples say they talk regularly about retirement income and pension planning. Furthermore, only 3% say they have had conversations about inheritance planning and tax.
- Discussions about short-term everyday expenses seem to be far more common. 60% of over-40 couples say they regularly discuss daily living costs, 52% regularly discuss household bills, and 34% speak about the costs of home improvements, large purchases and luxuries.
- However, Prudential add that 14% of over-40 couples (equivalent to 4.2 million people nationwide) are burying their heads in the sand altogether and admit to never having discussed their finances at all.

Research from Unbiased.co.uk has revealed that nearly a third (32%) of over-55s do not currently have a will. This rises to 64% of 35-54 year olds, while across the population as a whole 58% of UK adults (equivalent to 28 million people nationwide) have not written a will.

- According to Unbiased.co.uk, 11% of people without a will believe that their estate will automatically go to the right people, despite the fact that dying without one could put stepchildren and unmarried partners in a particularly vulnerable position.
- Procrastination is the top reason for not having a will, with 30% of people who have yet to write one saying that they plan to do so when they “get older”. 11% said that making a will never occurred to them, and 21% felt they didn’t have anything of value to leave behind.

8. HOUSING MARKET

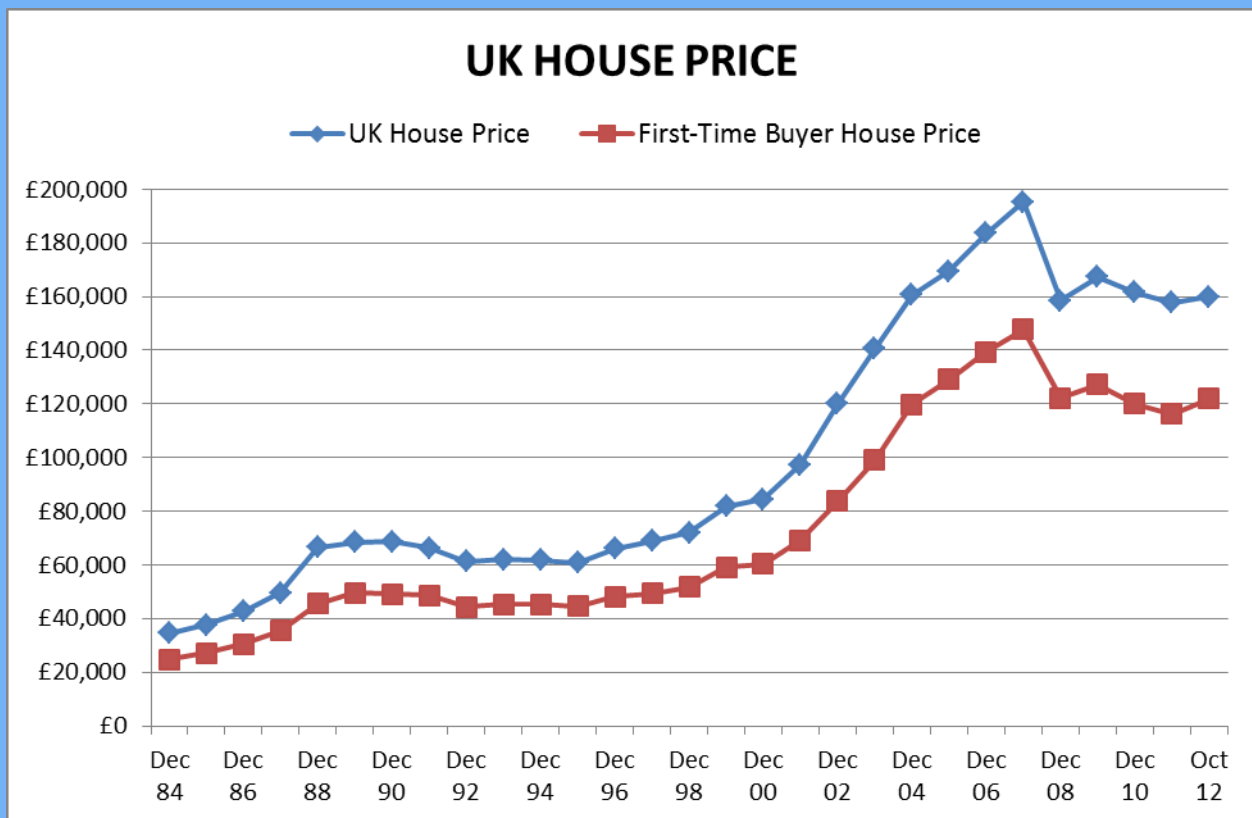
KEY STATISTICS

According to the Office of National Statistics the average house price in the UK in September 2012 stood at **£233,000** (£241,000 in England).

- Average UK house prices decreased by 0.2% over the month to September 2012, compared to a decrease of 0.2% in September 2011 (seasonally adjusted).
- Over the year to September 2012, UK house prices **increased by 1.7%**.
- Average house prices in London **increased by 5.2%** in the year to September 2012.

Nationwide estimate that house prices rose by 0.6% during October 2012, but fell 0.9% over the year.

Halifax said that house prices fell by £1,041 in October 2012. This is a monthly fall of 0.7%. Prices fell 1.2% over the quarter and fell 1.7% over the year.



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

8. HOUSING MARKET

The average Mortgage Interest rate was 3.39% at the end of October.

According to the Council of Mortgage Lenders, gross mortgage lending in October totalled an estimated £12.9 billion. This is a rise of 13% compared to September's gross lending total (£11.4 billion) and a rise of 4% from October 2011 (£12.4 billion).

The October RICS Housing Market Survey shows that 7% more surveyors report prices falling rather than rising – according to RICS, this is the least negative reading for two years.

- RICS also note that buyer demand rose at its fastest rate in almost three years during October.
- RICS add that 12% more respondents reported rises rather than falls in new vendor instructions, meaning the number of homes coming onto the market increased to the highest rate since April 2011.

Hometrack's monthly survey of agents and surveyors showed that demand for housing rose 0.3% in October, compared to a fall of 3.6% in September.

- The supply of homes for sale increased by 1.4% in October, following a 0.9% decrease in September.
- However, house prices fell 0.1% in October, in spite of rises in demand and the number of sales agreed.
- Hometrack add that overall demand remains subdued, with the modest headline increase in demand nationally being largely driven by a 3.9% jump in new buyer registrations in London.
- Hometrack suggest that while the UK emerged from recession in Q3 2012, the housing market will not see a sustained recovery until there is sustained growth in the economy and real household incomes.
- Lower prices were reported across 31.0% of the country in October, while 5.7% of the country reported price rises.

Rightmove said new seller asking prices fell by 2.6% in November, standing at an average of £236,761. Prices rose 2.0% compared to November 2011.

According to the NAEA the number of house-hunters registered per branch decreased on average from 288 in August to 275 in September.

- The average number of sales agreed per branch was unchanged at 7 in August and in September.
- The average number of properties available for sale per branch increased from 60 in August to 62 in September.

8. HOUSING MARKET

House purchase approvals in October (33,039) showed a continued upturn, but have not yet returned to the levels seen a year earlier, according to the British Bankers Association (BBA). The average loan approved for house purchase fell slightly to £154,100 in October, although this figure is not directly comparable with 2011 due to a change in the way some data is collected.

Statistics from the National Association of Realtors show that existing home sales across the United States (including single-family, townhomes, condominiums and co-ops) increased 2.1% during the month of October, and rose 10.9% year on year from October 2011.

- The average price increased 11.1% year on year to \$178,600.
- Meanwhile, RealtyTrac® said that a total of 178,600 foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on U.S. properties in October, a 3% increase in total properties from the previous month but a 19% decrease from October 2011.
- RealtyTrac®'s monthly Foreclosure Report also shows that one in every 706 U.S. housing units received at least one foreclosure filing during October.

FIRST-TIME BUYERS AND BUY TO LET

The Office of National Statistics say that the average house price for first-time buyers was **£172,000** in September 2012, which is an annual increase of 1.5%.

The typical first-time buyer deposit in September 2012 was **20% (around £32,123)**. The average first-time buyer borrowed 3.26 times their income and the average first-time buyer loan was an estimated **£128,492**.

The Council of Mortgage Lenders say that there were 1,444,000 buy-to-let mortgages outstanding at the end of Q3 2012, worth a total of £164.3 bn. This is up from a year earlier when there were 1,367,000 buy-to-let mortgages worth £156.7 bn.

According to the October 2012 RICS Residential Lettings Survey, demand for rental property rose at its fastest rate since the early part of the year during the three months to October. RICS say that 15% more surveyors reported tenant demand rising rather than falling over the period. RICS also suggest that rents are expected to rise by 4% over the coming year.

8. HOUSING MARKET

RECENT HEADLINES

Research by Shelter suggests that 750,000 children in Britain will wake up homeless on Christmas Day.

- According to Shelter, this equates to more than two children in every primary school in Britain.
- Shelter say they are particularly concerned about the increase in families with children who are forced to live in B&Bs. The number of families in this position has risen by 57% in the last 12 months, and 3,000 children will be spending Christmas Day living this way.

Data released by Halifax has demonstrated the size of the challenge which faces those who want to buy their first home in London.

- Barking and Dagenham is the London Borough with the lowest average house price (£167,846) and deposit (£29,921) for first time buyers (FTBs). However, while these may be the lowest figures in London, Halifax's data suggests they are still above the national average – across the UK as a whole, the average FTB house price is £135,468 and the average deposit is £27,537.
- Meanwhile, Halifax also note that the average FTB *deposit* in Camden is £145,148. This is five times higher than the national average (and is in fact £10,000 more than the total cost of the average UK property).
- Halifax add that FTB house prices in Kensington and Chelsea are so expensive that the Borough has priced itself out of the research, with so few first homes bought in the area in 2011 that the sample size was too small to include.

Figures from Lloyds TSB indicate that there has been a fall in the number of sales of million pound homes, which have declined to their lowest level since 2009.

- Lloyds say that there were a total of 3,043 sales of properties worth at least £1 million in Great Britain during the first half of 2012. This is the smallest total since the first half of 2009 (1,376 sales), and is 11% lower than the same period in 2011 (when there were 3,413 such sales).
- This 11% decline is in marked contrast to the rest of the housing market – overall, the total number of property sales in fact increased by 3% during the first half of the year.
- Furthermore, there were 670 sales of homes worth at least £2 million in the first half of 2012, a fall of 10% on the same period in 2011 (this is the first annual fall in this, market since 2009).
- However, sales of £5 million properties actually rose by 5% in the first half of 2012, the third successive year in which it has increased.

9. FINANCIAL EDUCATION

RECENT HEADLINES

A survey from Triodos Bank has revealed a lack of awareness about the way that companies use the money which people invest in them. Triodos found that 54% of private investors have no idea how their money is used, and therefore do not know whether their investments are being used to support ethical activities.

- Triodos say that 51% of UK adults are interested or very interested in the ethical records of companies that they buy from or invest in, and 80% of them believe that companies have a duty to behave ethically. Despite this however, just 20% of investors are aware of “unethical” activities undertaken by companies that they invest in.
- Forced or child labour is seen as the most reprehensible form of “unethical” behaviour, with 66% of investors saying that they would refuse to invest in companies that engage in this. Meanwhile, 51% say they would not be prepared to invest in companies involved in the arms or munitions trade.

Research published by Citizens Advice has demonstrated that social housing tenants could be more than £10 per week better off if they are provided with one-to-one financial training skills by their landlords.

- The effects of such training (which took place over a nine month period) were recorded and contrasted with a comparison group. Citizens Advice found that 71% of tenant learners reported higher financial confidence, compared to just 13% of the comparison group.
- Meanwhile, 78% of learners reported that they had changed the way they managed money since the training, compared to just 36% of the comparison group.
- Strikingly, the research also suggested that tenant learners who changed their savings behaviour ended up saving an average of £11 more per week.

A survey by Halifax has revealed that children as young as eight admit to worrying about money, and that they also engage in borrowing and lending from an early age, highlighting the need for financial education at school.

- Halifax say that 88% of children aged eight to fifteen believe that their parents worry about money, and 58% say that they worry about money themselves.
- It appears that children worry more the older they get. Halifax say that 57% of eight year olds “never” worry about money, but by the age of twelve this figure drops to 34%. By the age of fifteen, only 21% of children say they never worry about money.
- Halifax also found that 12% of children aged between eight and eleven borrow money, and 27% lend money to other people. These figures rise to 22% and 34% respectively amongst children aged between twelve and fifteen.

10. SPENDING

KEY STATISTICS

The AA calculate that in November 2012 the average price of unleaded petrol fell by 3.8ppl (pence per litre) to 135.1ppl.

- This meant it cost **£67.55** to fill a 50 litre unleaded tank.
- The average price of diesel fell by 1.8ppl to 141.9ppl. The UK had the seventh highest petrol price in Europe and the second highest diesel price.

According to the RAC, the average new car 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.

RECENT HEADLINES

With Christmas now just around the corner, research by Tesco Bank has found that Brits are planning to spend an average of £325 per household on presents, with one in ten people planning to spend over £600 on gifts for friends and loved ones.

- On a national level, Tesco Bank estimate that British consumers will spend a total of £8.5 billion on Christmas presents this year.
- Tesco Bank add that the shopping has already begun in earnest for many, with 58% of people stockpiling gifts since the start of November.

Meanwhile, HSBC say that Brits are set to spend an average of £347 on gifts for their immediate family this year, as well as another £179 on food, drink and entertainment, bringing the total cost of Christmas to £526.

- HSBC say that 35-44 year olds will be the biggest spenders of all age groups – they will spend £633 on average, with many buying gifts for young children.
- 20% of people say they will spend more in 2012 compared to 2011 (rising to 24% amongst 18-24 year olds), while 17% of people intend to spend less.
- HSBC also found that, collectively, 17% of people will borrow from one source or another in order to fund their Christmas present shopping, while 38% will use some or all of their savings.

10. SPENDING

A separate survey by Moneysupermarket.com suggests that a similar number, 19%, expect that funding Christmas will get them further into debt this year.

- Moneysupermarket.com add that this figure rises to 25% amongst 18-34 year olds, compared to 21% of 35-54 year olds and 12% of over-55s. Of those surveyed by Moneysupermarket.com, only 15% expected their December salary to cover the Christmas period.
- According to Moneysupermarket.com's figures, 67% of parents surveyed are very cautious about what they're spending due to the current financial climate, and 47% agreed they were under pressure to spend more than they can afford on their children. However, 34% said they were prepared to spend whatever it takes to give their children a happy Christmas.
- The survey also asked how parents planned to budget for their children's gifts – 24% said they would set a budget and not exceed it, 35% planned to set a budget but might go over it, while 27% did not plan to set a budget but did not feel their spending ever got out of hand.
- When asked about the maximum amount parents would ever spend on a single gift for their child, the average response given was £131.

Research by Confused.com has revealed that consumers are being forced to spend increasing amounts on parking, which may be contributing to the decline of Britain's high streets.

- Confused.com say that 78% of Britons spend up to £150 per month when paying for parking, and collectively spend nearly £8 billion per year. They add that the most expensive car park in Britain is in the Knightsbridge area of London, where users are charged £36 to park for 3 hours.
- Confused.com say that on average, the cost of parking increased by 12.5% in the last year. This is significant, as 69% of Brits report that they intentionally avoid shopping in areas with high car parking prices.
- Confused.com argue that addressing the high cost of parking would help support the high-street, with 65% of respondents saying that more affordable parking would encourage them to return.

11. SAVING

RECENT HEADLINES

Research by HSBC has revealed that 31% of households (equivalent to 8 million households nationwide), have less than £250 set aside as a financial safety net.

- 19% of respondents to an HSBC survey said they had no savings at all, and a further 12% had less than £250. HSBC say that with average monthly outgoings currently standing at £1,669, this level of savings would last just five days.
- HSBC add that the proportion of households in this position has risen from 28% last year – on a national basis, this means that an extra 750,000 now have savings of less than £250 compared to the same time last year.
- HSBC also say that 28% of people would be unable to cover their rent or mortgage if they unexpectedly lost their main source of income. While 40% would use their savings to meet their essential outgoings, a worrying 11% would rely on a personal loan, credit card or overdraft in the event of redundancy.

A survey by NS&I has suggested that savings success has a direct impact on people's mood, with 53% of respondents (equivalent to 26 million people nationwide) saying that saving improves their state of mind.

- Of those respondents who said that they weren't satisfied with their current savings, 30% said their mood would improve if they saved up to £50 more per month (equivalent to £1.66 per day). 12% would only need to put away an extra £30 per month to feel better.
- NS&I add that one of the most popular savings strategies is to use discount cards or vouchers when shopping, or buying items which have been reduced in price. 48% of people say they save money in this way, and NS&I suggest that making this small change to the way we shop could ultimately save £132 over the course of the year.
- NS&I add that other popular savings strategies include collecting loose change (something 41% of people do), buying items in bulk for a discounted price (36%) and using online money management tools (35%).
- Indeed, the benefits aren't just short-lived, with 65% of survey respondents saying that they felt a real sense of achievement when they make regular savings over the long-term.

NOTES

Credit Action's Debt Statistics are compiled on a monthly basis by John Davies. Email johndavies@creditation.org.uk for information and enquiries.

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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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Statistical Note: In the past month the Office of National Statistics have updated their estimate for the number of households in the UK. We use this estimate in some of our calculations, and as a result some of the statistics in this edition of the *Debt Statistics* may appear to have changed a lot if compared with last month.