



DEBT STATISTICS

JANUARY 2012 EDITION

CONTENTS

Welcome to the January 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.

SECTION	PAGE NUMBER
1. UK PERSONAL DEBT	3
2. EVERY DAY IN THE UK	5
3. NATIONAL STATISTICS	6
4. SERVICING DEBT	9
5. PLASTIC CARDS AND PERSONAL LOANS	11
6. YOUNG PEOPLE	12
7. OLDER GENERATIONS AND PENSIONS	14
8. HOUSING MARKET	16
9. FINANCIAL EDUCATION	20
10. SPENDING	21
11. SAVING	23

STRIKING NUMBERS
£55,816 was the average household debt (including mortgages) in November
£173m was the daily amount of interest paid on personal debt in November
8,652 new debt problems were dealt with by the CAB each working day over the year to September
1,764 people were made redundant every day between August and October
868,000 people had been unemployed for over a year between August and October
£15.68m of loans are written-off daily by UK Banks and Building Societies (based on Q3 2011 trends)
Every 14 min 17 sec a property is repossessed (based on Q3 2011 trends)
Every 4 min 21 sec someone is declared insolvent or bankrupt (based on Q3 2011 trends)
£1.243 billion was the daily value of all purchases made using plastic cards in October

1. UK PERSONAL DEBT

TOTAL UK PERSONAL DEBT

Outstanding personal debt stood at **£1.451 trillion** at the end of November 2011.

- This is down from £1.455 trillion at the end of November 2010.
- Individuals owed nearly as much as the entire country produced in the four quarters between Q4 2010 and Q3 2011.

Outstanding secured (mortgage) lending stood at **£1.244 trillion** at the end of November 2011.

- This is up from £1.239 trillion at the end of November 2010.

Outstanding unsecured (consumer credit) lending stood at **£208 billion** at the end of November 2011.

- This is down from £216 billion at the end of November 2010.

AVERAGE UK PERSONAL DEBT

Average household debt in the UK (excluding mortgages) was **£7,982** in November.

- This is down from a revised **£7,995** in October.

Average household debt in the UK (including mortgages) was **£55,816** in November.

- This is slightly up from a revised **£55,815** in October

Average amount owed per UK adult (including mortgages) was **£29,543** in November. This was around **122%** of average earnings.

Average consumer borrowing (including credit cards, motor and retail finance deals, overdrafts and unsecured loans) per UK adult was **£4,225** in November.

The average outstanding mortgage for the 11.2m households that carry mortgage debt stood at **£110,608** in November.

Based on November 2011 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 **£173 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 **£2.045 trillion** in Q1 2017.

- This would mean that average household debt would reach **£78,669** (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 £1.0 billion** in November 2011.

- Net secured lending rose by £0.6 billion in the month; net consumer credit lending rose by £0.4 billion.

UK Banks and Building Societies **wrote-off £7.6 billion** of loans to individuals over the four quarters to Q3 2011.

- In Q3 2011 itself they wrote-off £1.43 billion (of which £716 million was credit card debt) amounting to a daily write-off of **£15.68m**.



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:

- **331** people are declared insolvent or bankrupt every day (based on Q3 2011 trends). This is equivalent to **1 person every 60 seconds** during each *working day*.
- **1,779** Consumer County Court Judgements (CCJs) are issued every day (based on Q3 2011 trends). The average value of a CCJ in Q3 2011 was **£2,816**.
- Citizens Advice Bureaux in England and Wales dealt with **8,652** new debt problems every *working day* during the year ending September 2011.
- It costs an average of **£27.50** per day to raise a child from birth to the age of 21.
- **101** properties are repossessed every day (based on Q3 2011 trends).
- **88** new people a day became unemployed for over 12 months during the year ending October 2011.
- **1,764** people a day reported they had become redundant between August and October 2011
- The Government's Public Sector Net Debt (including financial interventions) will grow by an average of **£185,500,000** today, equivalent to **£2,147** per second (based on November 2011 data).
- The Government pays an estimated **£139,320,000** of interest each day on the UK's Public Sector Net Debt of £2305.6bn (including financial interventions).
- **193** mortgage possession claims are issued and **153** mortgage possession orders are made every day
- **402** landlord possession claims are issued and **274** landlord possession orders are made every day.
- The UK population is projected to grow by **1,205 people a day** over the next decade.
- **26.3m** plastic card purchase transactions were made every day in October 2011 with a total value of **£1.243 billion**.
- **8.0m** cash withdrawals will be made daily with a total value of **£531m** (based on Q3 2011 trends).
- The average car costs **£18.33 per day** to run.
- It cost **£66.85** to fill a 50 litre tank with unleaded petrol in November.

3. NATIONAL STATISTICS

ECONOMY

The UK economy **grew by 0.6%** in the third quarter of 2011, according to revised 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 34 months.

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

UNEMPLOYMENT

The number of unemployed people in the three months between August and October 2011 was **2.64 million** (8.3%). This is up by 128,000 from the previous three months, and up by 139,000 from a year earlier.

- **161,000** people (**1,764 a day**) reported they had become redundant over the three months. This is down by 1,000 from the previous three months, but up by 2,000 from a year earlier.
- **868,000** people had been unemployed for over 12 months between August and October, a rise of 19,000 over the previous three months, and a rise of 32,000 (**88 a day**) from a year earlier.
- The number of economically inactive people aged between 16 and 64 fell by 54,000 over the three months, but rose by 37,000 over the year, to reach **9.33 million** in the three months to October 2011.

Public sector employment fell by **67,000** in the third quarter of 2011 to reach **5.987 million** overall.

The Office for Budget Responsibility's November 2011 forecast for General Government Employment estimates a total reduction of around **710,000** staff between Q1 2011 and Q1 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 November 2011, public sector net debt (PSND) *excluding* financial interventions was **£977.1bn**, equivalent to 62.8% of GDP. This compares to £853.9bn (57.5% of GDP) at the end of November 2010.

Meanwhile, public sector net debt *including* financial interventions was **£2305.6bn**, equivalent to 148.1% of GDP. This compares to £2237.9bn (150.7% of GDP) as at the end of November 2010.

- 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 Chancellor's November 2011 Autumn Statement, public sector net debt will peak at **78.0% of GDP** in 2014-15. It will then fall back to 77.7% of GDP in 2015-16 and 75.8% of GDP in 2016-17.

CORPORATE INSOLVENCIES

Figures from the Insolvency Service show that there were **4,242** compulsory liquidations and creditors' voluntary liquidations in England and Wales in the third quarter of 2011 (on a seasonally adjusted basis).

- This was up 0.1% on the previous quarter, and up 6.5% on the same period a year ago.

In the twelve months ending Q3 2011, approximately **1 in 138** active companies (0.7% of all active registered companies) went into liquidation.

- This is similar to the previous quarter when 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 have increased 10.0% on the same period a year ago.

3. NATIONAL STATISTICS

INFLATION AND RETAIL ACTIVITY

CPI (Consumer Prices Index) annual inflation stood at **4.8%** in November. This is down from 5.0% in October.

RPI (Retail Prices Index) annual inflation stood at **5.2%** in November. This is down from 5.4% in October.

The British Retail Consortium/KPMG Retail Sales Monitor for November 2011 showed that UK retail sales values decreased by 1.6% on a like-for-like basis from November 2010, when sales had risen 0.7%.

- On a total basis, sales were up only 0.7%, against a 2.8% increase in November 2010.
- On both measures, sales performance was the weakest since May.

There were 134,027 new car registrations in November, according to the Society for Motor Manufacturers and Traders. This is a decrease of 4.2% compared to November 2010.

4. SERVICING DEBT

KEY STATISTICS

Citizens Advice Bureaux across England and Wales advised **0.52 million** clients with new problems in the three months between July and September 2011.

- Debt was the second largest advice category (behind Benefits) with 529,000 enquiries. This is an 11% decrease on the same period last year. Debt enquiries represented 31% of all problems dealt with between July and September 2011.
- Based on *annual* figures to the end of September 2011, Citizens Advice Bureaux in England and Wales are dealing with **8,652** new debt problems every *working day*.

According to the Council of Mortgage Lenders (CML), **9,200** properties were taken into possession in Q3 2011. This is largely unchanged from 9,100 in Q2 2011.

- This equates to **101** properties being repossessed every day, or one property being repossessed **every 14 minutes 17 seconds**.
- 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 Financial Services Authority estimates that at the end of Q3 2011 there were **324,200** mortgage loan accounts in reportable arrears (i.e. arrears of over 1.5% of current loan balance), a fall of 6% from Q3 2010.

- At the end of Q3 2011, loans in arrears represented **2.72%** of the value of the residential loan book.

The Insolvency Service said there were **30,219** individual insolvencies in England and Wales in Q3 2011. This is equivalent to **331** people a day or, one person **every 4 minutes 21 seconds**.

- This was a fall of **1.0%** on the previous quarter and a fall of **11.0%** 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 Gocompare has revealed that getting a grip on our finances was the most popular New Year's Resolution for Brits in 2012, with 49% of those who planned to make a resolution putting this at the top of their list.

- This put it ahead of getting fit (46%) and losing weight (45%), and is the first time since 2008 that financial affairs have topped the list.
- Looking specifically at financial related resolutions, 40% of those making resolutions committed to reducing outgoings, 35% resolved to pay off debt, 25% said they would deposit more money in a savings account, 12% said they would invest in the stock market and 10% aimed to save more into a pension.

A survey by moneysupermarket.com has found that, of people who admit to feeling stressed on a daily basis, 23% say that their future financial situation is the main cause, while 21% blame their current personal finances.

- Moneysupermarket.com say that these findings suggest that over 15 million Brits worry about their finances every single day.
- An overwhelming 76% think their financial stresses will increase in 2012, with the majority of these blaming the rising cost of living as a key factor.

According to research from uSwitch, Wales experiences the worst levels of fuel poverty in the UK, with 32% of households classified as fuel poor.

- The situation is almost bad in the East of England, where 31% of households are in fuel poverty.
- By contrast, London has the lowest level of fuel poverty in the UK with only 16% of households classed as fuel poor.
- However, uSwitch say that with huge differences in the way wealth is distributed across the capital, some parts of London could be experiencing far higher levels of fuel poverty than the broad averages suggest.

Figures released by the Consumer Credit Counselling Service (CCCS) have shown that the West Country is England's bankruptcy hub.

- Based on data obtained from the Insolvency Service, CCCS have found that Cornwall and the Isles of Scilly have the highest number of people going bankrupt of any English county (24 people per 10,000 in 2009).
- Furthermore, Devon had the third highest bankruptcy rate (23 people per 10,000), Dorset the sixth (21.9 people per 10,000) and Somerset the seventh (21.8 people per 10,000).

5. PLASTIC CARDS AND PERSONAL LOANS

KEY STATISTICS

During October 2011 an average of **304** purchases were made in the UK every second using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£14,385** was spent every second using debit and credit cards.
- On a daily basis, purchases using plastic cards were worth **£1.243 billion** during October.

Meanwhile, data from the UK Payments Council shows that, on average, **92** cash withdrawals were made every second from UK's 64,110 cash machines in Q3 2011.

- By value, an average of **£6,150** was withdrawn every second.

Total credit card debt in November 2011 was **£56.2bn**.

- The average interest rate on credit card lending was **18.31%** in November. This is **17.81%** 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 October.

RECENT HEADLINES

Figures from the Post Office suggest that 36% of credit card holders (equivalent to 12 million people nationwide) will spend the whole of January relying on credit cards simply to fund day-to-day living costs.

- Indeed, the Post Office say that roughly 2 million people are actually planning to spend more on credit cards in January 2012 than they did in January 2011.
- 10% of those using their credit cards in January say they will need to pay off outstanding Christmas costs and debts, while 7% say they will need to use their credit cards to pay domestic bills.

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.

6. YOUNG PEOPLE

KEY STATISTICS

815,000 economically active 18-24 year olds were unemployed between August and October 2011. This was up by 46,000 (6.0%) compared to the previous three months.

- This meant that **19.8%** of all economically active 18-24 year olds were unemployed between August and October 2011.
- **383,000** (47%) had been unemployed for over 6 months.
- **227,000** had been unemployed for over 12 months. This is an increase of 8,000 (3.9%) over the previous 3 months, and an increase of 28,000 (14.2%) from a year earlier.

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 olds classed as NEET stood at **267,000** (14.0%) at the end of Q3 2011.
- The overall number of 16-24 year olds NEETS was therefore **1,163,000**.

RECENT HEADLINES

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.

The Consumer Credit Counselling Service (CCCS) have said that 35% of the 6,000 18-24 year olds who contacted them 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.

6. YOUNG PEOPLE

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.

7. OLDER GENERATIONS AND PENSIONS

KEY STATISTICS

409,000 people aged over 50 were unemployed between August and October 2011. This is up 28,000 (7.5%) from the previous three months, and up 17,000 (4.3%) from a year earlier.

- **41.7%** of unemployed workers aged over 50 - a total of **170,000** people - have been out of work for over a year. 99,000 have been unemployed for more than two years.
- **859,000** people aged over 65 were *in work* between August and October 2011, which is down 4,000 (0.4%) from the previous three months, but up 13,000 (1.6%) from the previous year.

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.

RECENT HEADLINES

Figures from the Alliance Trust Research Centre show that while all households saw a decline in their inflation rates in November, elderly households continued to face inflation at well above the headline rate.

- Over-75 households faced an inflation rate of 5.6% in November, whilst households in the 65-74 age bracket faced inflation of 5.5%.
- Gas price inflation rose to 25% in November and electricity price inflation increased to 16%. Both of these, which affect the elderly disproportionately, are at their highest levels since March 2009.

A report by Aviva has suggested that 37% of economically active over-55s have yet to make plans for their finances in retirement.

- The main reasons given for a failure to prepare were a lack of money (47%), being hampered by family commitments (19%) and being too busy to think about it (8%).
- The financial implications of this can be serious, with Aviva finding that 67% of 65-74 year olds say that failing to prepare financially for retirement is their biggest regret.

Meanwhile, Aviva have also found that Britain's workers are encountering difficulty in managing their pension savings because they are split across multiple pots.

- 49% of workers surveyed by Aviva said that they had multiple pots, with 58% of this group unclear of the overall value of their pension savings.
- 64% of people were in favour of consolidating their various pots into one 'big pot', and of those 96% said they would be likely to do so if there was a simple system in place.

7. OLDER GENERATIONS AND PENSIONS

A major survey by BUPA has suggested that Britons are least likely to think that they will need to save in the future for the costs of care in old age.

- An international study of over 13,000 people in 12 countries found that only 30% of Brits think they will need to put money away in the future to fund care in later life. This placed Britain at the bottom of a table led by China and Thailand.
- The survey also found that 28% of Britons admit they're just planning to deal with the consequences of old age when it happens.

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.

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.

8. HOUSING MARKET

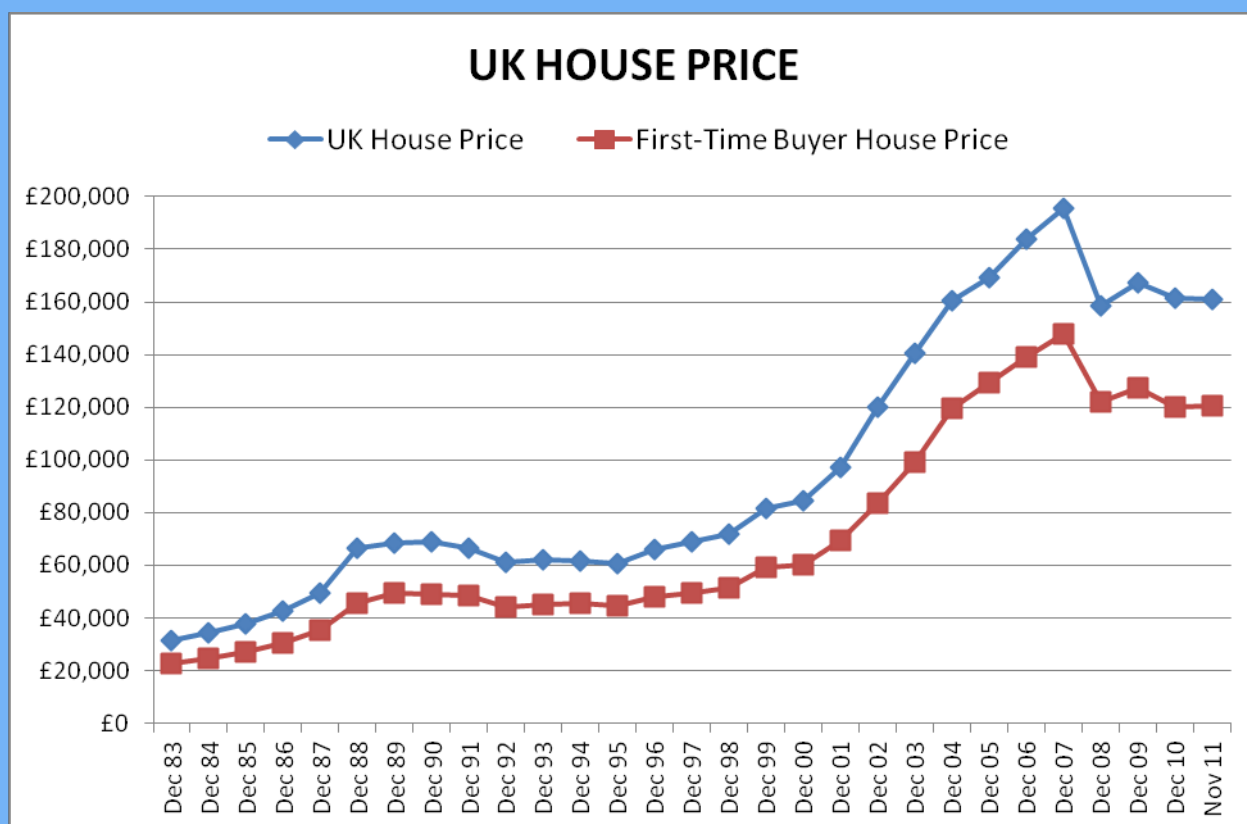
KEY STATISTICS

According to the Department for Communities and Local Government the average house price in the UK in October 2011 stood at **£205,974** (£213,895 in England).

- Over the year to October 2011, UK house prices **decreased by 0.4%**.
- However, average house prices in London **increased by 3.9%** in the year to October 2011.
- Average UK house prices were 0.6% higher over the quarter to October 2011, compared to a quarterly decrease of 0.6% over the quarter to July (seasonally adjusted).

Nationwide estimate that house prices rose by 0.4% during November 2011, and rose 1.6% over the year.

Halifax said that house prices fell by £1,496 in November 2011. This is a monthly fall of 0.9%. Prices fell 0.6% over the quarter and fell 1.0% over the year.



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

8. HOUSING MARKET

The average Mortgage Interest rate was 3.36% at the end of November.

According to the Council of Mortgage Lenders, gross mortgage lending in November totalled an estimated £13.0 billion. This is up 5% from October (£12.4 billion) and up 13% from November 2010 (£11.5 billion).

The November RICS Housing Market Survey shows that 17% more surveyors report prices falling rather than rising, although this is less than the October result of 24%.

- RICS say that it is significant that nearly three-fifths of surveyors indicated that prices had not changed over the month and of those reporting a fall, the vast majority indicated it had been in the 0 to 2% range.
- Meanwhile, new buyer enquiries (demand) recorded its third consecutive monthly increase in November (the first time since spring 2010 that the series has been in positive territory for three months in a row), while new instructions (supply) also edged up to its best reading since April.
- However, RICS say that for the time being new demand is running in-line with fresh supply coming onto the market, explaining why the pricing picture is broadly stable.

Hometrack's monthly survey of agents and surveyors showed that demand for housing fell 2.2% in November, compared to a fall of 0.2% in October.

- The supply of homes for sale decreased by 0.8% in November following a 1.3% increase in October.
- Hometrack expect to see an acceleration in price falls in the months ahead.
- House prices fell 0.2% in November (prices also fell 0.2% in October – house prices have fallen consecutively for the last 16 months).
- Lower prices were reported across 32% of the country in November, while 5.0% of the country reported price rises.

Rightmove said new sellers lowered average asking prices by 2.7% (£6,378) to an average of £225,766 in December. Prices rose 1.5% compared to December 2010.

According to the NAEA the number of house-hunters registered per branch decreased on average from 305 in October to 262 in November.

- The average number of sales agreed per branch decreased from 8 in October to 6 in November.
- The average number of properties available for sale per branch decreased from 72 in October to 65 in November.

8. HOUSING MARKET

House purchase approvals (34,738) were lower in November than in October according to the British Bankers Association, but 16% higher than in November 2010. The average loan approved for house purchase in November was £146,400 which is similar to a year ago.

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 4.0% during the month of November, and rose 12.2% year on year from November 2010.

- The average price decreased 3.5% year on year to \$164,200.
- Meanwhile, RealtyTrac® said that a total of 224,394 foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on U.S. properties in November 2011, a 3% decrease in total properties from the previous month and a 14% decrease from November 2010.
- RealtyTrac®'s monthly Foreclosure Report shows that one in every 579 U.S. housing units received a foreclosure filing during November.

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 **£152,828** in October 2011, which is an annual increase of 0.4%.

The typical first-time buyer deposit in October was **20% (around £30,488)**. The average first-time buyer borrowed 3.20 times their income and the average first-time buyer loan was an estimated **£121,951**.

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

According to the October 2011 RICS Residential Lettings Survey, tenant demand remained strongly positive in the three months to October. 19% more surveyors reported a rise in demand than a fall, down from 24% in the three months to July.

8. HOUSING MARKET

RECENT HEADLINES

Data from Halifax showed that Woking in Surrey recorded the biggest rise in house prices amongst major UK towns and cities in 2011.

- Prices in Woking rose by 16% year-on-year, from £257,590 in 2010 to 299,654 in 2011. Falkirk in Scotland experienced the second biggest price gain at 12%.
- Towns in London and the South East accounted for 9 of the 20 towns recording the strongest price rises, and overall 28% of towns surveys saw some increase.
- Kettering in Northamptonshire and Dunfermline in Scotland experienced the largest falls in average selling prices, both seeing a decline of 15%.

Meanwhile, Lloyds TSB have revealed that a number of country's most expensive streets are concentrated in the Royal Borough of Kensington and Chelsea.

- Camden Hill Square in Holland Park is the most expensive residential street in Britain, with an average house price of £4,853,000. In fact, seven of the ten most expensive streets are located in Kensington and Chelsea.
- Outside London the most expensive streets are mainly found in the Home Counties, with properties on Leys Road in Leatherhead leading the way with an average price of £3,108,000
- Meanwhile, outside London and the South East the most expensive street is Withinlee Road in Prestbury near Macclesfield, where the average house price stands at £1,649,000.

9. FINANCIAL EDUCATION

RECENT HEADLINES

A report by Friends Life has found that 83% of people do not feel that enough is being done to educate people about financial matters. 63% said they wished they had received financial education in school, and 65% thought that “financial education should be provided in the workplace”.

- The study also found that 48% of people disagree with the suggestion that the nation’s children will be more financially savvy than previous generations, while only one in five people agree.
- Friends Life also suggest that a lack of financial awareness means that increasing numbers of school leavers and graduates had no idea where to go for advice on pensions – over 65% of 18-24 year olds did not know how to get this advice.

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 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.

10. SPENDING

KEY STATISTICS

The AA calculate that in November 2011 the average price of unleaded petrol fell by 0.8ppl (pence per litre) to 133.7ppl.

- This meant it cost **£66.85** to fill a 50 litre unleaded tank.
- The average price of diesel rose by 1.3ppl to 140.9ppl. The UK had the seventh highest petrol price in Europe and the second highest diesel price.

According to the RAC, the average new car 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 **£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 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.

RECENT HEADLINES

Figures from LV suggest that UK parents spent a collective £2.47 billion pounds on their kids over Christmas 2011.

- LV said that mums and dads were set to spend an average of £157 on presents and £21 on stocking fillers per child over the festive period.
- This means that overall £178 was spent on average per child, which is up from £168 over Christmas 2010.
- Breaking the figures down by age group, 7-11 year olds were the most expensive to buy for with parents spending an average of £220 per child on kids in this range. They were closely followed by 12-17 year olds, who had £217 per child spent on them over Christmas.

10. SPENDING

MGM Advantage estimate that annual average household expenditure is £36,185.

- MGM Advantage therefore say that, despite CPI inflation falling to 4.8% in November, UK households still need to find an extra £43.621 billion collectively in order to maintain the same standard of living they enjoyed a year ago.
- This equates to an additional £698.66 of spending per person, or an extra £1,679.03 of spending per UK household.

According to Charities Aid Foundation's World Giving Index 2011, the UK is the fifth most charitable nation in the world, up from eighth last year.

- According to the study, 79% of people in the UK donate money to charity each month. Meanwhile, 28% of the UK population "volunteers time" each month, and 63% "help a stranger".
- Overall the Index shows that the USA is the most charitable nation, followed by Ireland in second and Australia in third.

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.

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.

11. SAVING

RECENT HEADLINES

Research from Santander suggests that Britons were planning to withdraw a total of £6 billion over Christmas 2011 in order to fund the festivities.

- In a survey undertaken shortly before Christmas, Santander found that 33% of savers were planning to withdraw money from their savings accounts over the festive period.
- They were set to withdraw £391 on average, and roughly 74% of those doing so planned to use the funds to buy presents.
- Santander also found that 14% of savers said that they would be withdrawing almost twice as much from their savings over Christmas 2011 as they had done over Christmas 2010.

Halifax suggest that a North-South divide is opening up with regard to savings, with customers in Southern England outsaving those in the North by 13%.

- The highest average balances are held by residents of South Buckinghamshire (£13,500), with 18 of the top 20 savings areas in the South.
- Meanwhile, the nation's lowest savers are in North Lanarkshire with an average savings balance of £3,759 – this is over 50% below the national average, and nearly 75% below the average in South Buckinghamshire.

A survey by First Direct has found that “Not saving enough” was the biggest source of financial regret for UK adults during 2011.

- 52% of adults said that not saving enough was their biggest financial misstep of last year, ahead of “Not paying off more of my debts” (33%) and “Not paying into a pension” (13%).
- Overall, 48% of UK adults were unhappy with the state of their finances in 2011, which is an increase from 36% in 2010.

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%).

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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