



DEBT STATISTICS

JANUARY 2013 EDITION

CONTENTS

Welcome to the January 2013 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
£53,867 was the average household debt (including mortgages) in November
£165m was the daily amount of interest paid on personal debt in November
8,308 new debt problems were dealt with by the CAB each working day over the year to September
1,607 people were made redundant every day between August and October
904,000 people had been unemployed for over a year between August and October
£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)
£1.424 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 was **£1.420 trillion** at the end of November 2012.

- This is up from £1.406 trillion at the end of November 2011.
- At the end of November 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 November 2012.

- This is up from £1.244 trillion at the end of November 2011.

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

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

AVERAGE UK PERSONAL DEBT

Average household debt in the UK (excluding mortgages) was **£5,914** in November.

- This is down from a revised **£5,936** in October.

Average household debt in the UK (including mortgages) was **£53,867** in November.

- This is down from a revised **£53,906** in October.

The average amount owed per UK adult (including mortgages) was **£28,901** in November. This is down from a revised **£28,921** in October, 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 **£3,173** in November. This is down from a revised **£3,185** in October.

The estimated average outstanding mortgage for the 11.3m households that carry mortgage debt stood at **£111,534** in November.

Based on November 2012 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£60.5 billion**.

- This is equivalent to **£165 million** per day.
- This means that UK households would have paid an average of **£2,297** in annual interest repayments.

1. UK PERSONAL DEBT

The Office for Budget Responsibility (OBR) predicted in December 2012 that total household debt will reach **£1.997 trillion** in Q1 2018.

- This would mean that average household debt would reach **£75,769** (assuming that the number of households in the UK remained the same between now and Q1 2018).

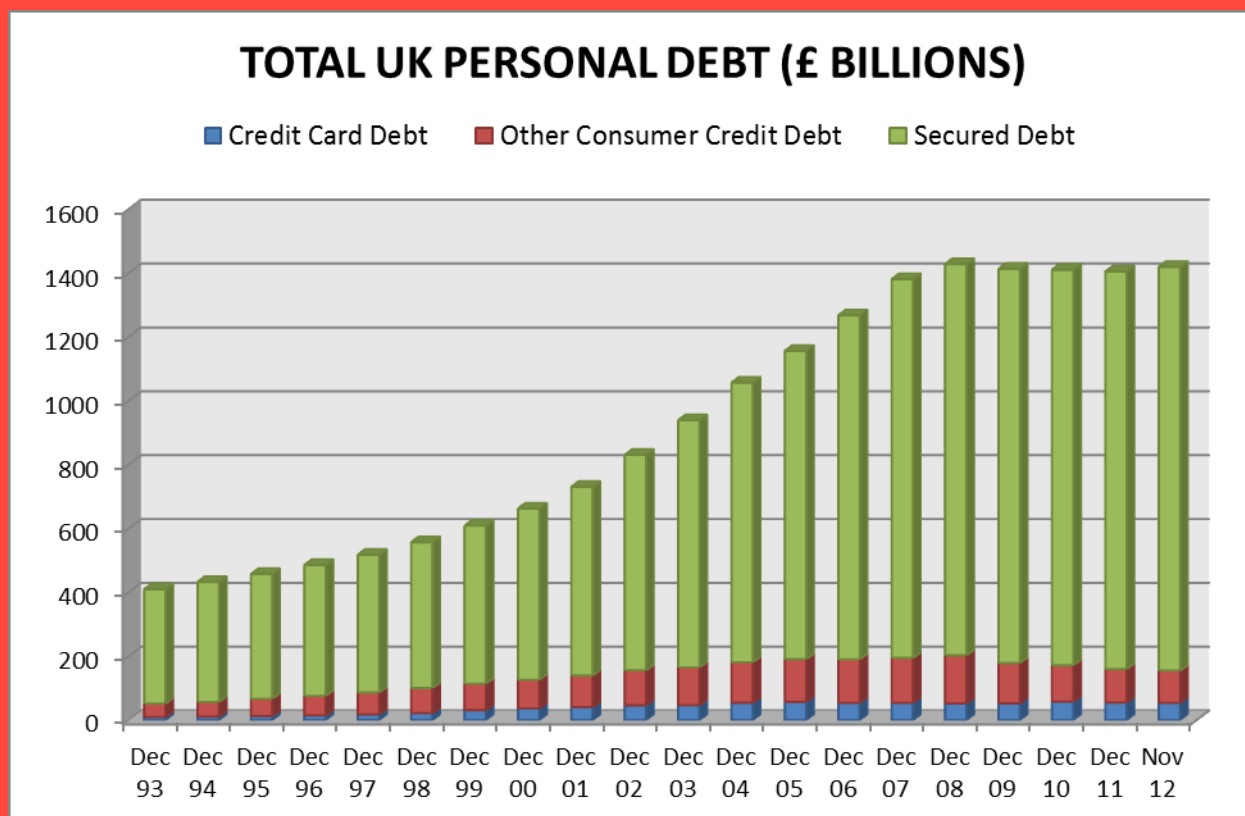
NET LENDING AND WRITE-OFFS

Total net lending by UK Banks and Building Societies **fell by £0.1 billion** in November 2012.

- Net secured lending fell by £0.2 billion in the month; net consumer credit lending rose by £0.1 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 **8,308** new debt problems every *working day* during the year ending September 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).
- **101** new people a day became unemployed for over 12 months during the year ending October 2012.
- **1,607** people a day reported they had become redundant between August and October 2012.
- Public Sector Net Borrowing (excluding financial interventions) was **£17.5bn** in November 2012, meaning that the Government borrowed an average of **£583,333,333** per day during the month (equivalent to **£6,752** 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**.
- **29.0m** plastic card purchase transactions were made every day in October 2012 with a total value of **£1.424 billion**.
- **8.8m** cash machine transactions were made every day in November 2012 with a total value of **£346m**.
- The average new car costs **£18.33 per day** to run.
- It cost **£66.15** to fill a 50 litre tank with unleaded petrol in December.

3. NATIONAL STATISTICS

ECONOMY

The UK economy **grew by 0.9%** in the third quarter of 2012, according to revised 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 46 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 August and October 2012 was **2.51 million** (7.8%). This is down by 82,000 from the previous three months, and down by 128,000 from a year earlier.

- **147,000** people (**1,607 a day**) reported they had become redundant over the three months. This is up by 5,000 from the previous three months, but down by 15,000 from a year earlier.
- **904,000** people had been unemployed for over 12 months between August and October, unchanged from the previous three months, and up 37,000 (**101 a day**) from a year earlier.
- The number of economically inactive people aged between 16 and 64 rose by 60,000 over the three months, but fell by 249,000 over the year, to reach **9.07 million** in the three months to October 2012.

Public sector employment fell by **24,000** in the third quarter of 2012 to reach **5.745 million** overall.

The Office for Budget Responsibility's December 2012 forecast for General Government Employment estimates a total reduction of around **1.1 million** staff between the start of 2011 and the start of 2018. Meanwhile, they estimate that total employment will rise by around 1.4 million over the same period, reaching **30.6 million** in Q1 2018.

3. NATIONAL STATISTICS

PUBLIC SECTOR NET DEBT

In November 2012, public sector net debt (PSND) *excluding* financial interventions was **£1083.6bn**, equivalent to 68.5% of GDP. This compares to £982.4bn (64.1% of GDP) at the end of November 2011.

Meanwhile, public sector net debt *including* financial interventions was **£2181.4bn**, equivalent to 138.0% of GDP. This compares to £2215.8bn (144.5% of GDP) at the end of November 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 December 2012 Autumn Statement, public sector net debt will be **79.9% of GDP** in 2015-16, before falling to 79.2% of GDP in 2016-17 and 77.3% of GDP in 2017-18.

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 November. This is unchanged from October.

RPI (Retail Prices Index) annual inflation stood at **3.0%** in November. This is down from 3.2% in October.

The British Retail Consortium/KPMG Retail Sales Monitor for November 2012 showed that UK retail sales values increased by 0.4% on a like-for-like basis from November 2011, when sales had fallen 1.6% on the preceding year.

- On a total basis, sales were up 1.8% in November 2012, against a 0.7% increase in November 2011.

There were 149,191 new car registrations in November, according to the Society for Motor Manufacturers and Traders. This is an increase of 11.3% compared to November 2011.

4. SERVICING DEBT

KEY STATISTICS

Citizens Advice Bureaux across England and Wales advised **0.59 million** clients with new problems in the three months between July and September 2012.

- Debt was the second largest advice category (behind Benefits) with 495,787 enquiries. This is a 7% decrease on the same period last year. Debt enquiries represented 30% of all problems dealt with between July and September 2012.
- Based on *annual* figures to the end of September 2012, Citizens Advice Bureaux in England and Wales are dealing with **8,308** 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 Q3 2012 there were **303,200** mortgage loan accounts in reportable arrears (i.e. arrears of over 1.5% of current loan balance), a rise of 2% from the previous quarter, but a fall of 7% compared to Q3 2011 (when there were 324,300 accounts in reportable arrears).

- At the end of Q3 2012, loans in arrears represented **2.46%** 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

With Christmas 2012 now over, research by uSwitch has revealed that 17% of Brits are still paying off debts from Christmas 2011.

- uSwitch add that, while the New Year is supposed to be an opportunity for a new start, 19% of Brits will start 2013 with over £5,000 of debt on their credit cards.
- Overall, uSwitch's survey suggests that 53% of consumers expect to take a year or more to pay off their credit card debt, while 15% say it may take as long as three years to settle their balance. A concerning 7% cannot imagine clearing their credit card debt at all.

A survey by R3 has found that 47% of the British population struggle to make it to payday, with rising food and fuel costs the main causes.

- R3 say that of those survey respondents who said they struggled, 67% blamed rising food costs while 58% thought rising fuel costs played a role.
- R3 add that these factors were cited by significantly higher proportions of respondents than other factors such as credit card repayments (32%) and mortgage payments (20%).

A study by Citizens Advice has shown that being in debt can have a significant impact on people's health. Having surveyed people experiencing debt problems, Citizens Advice found that 74% of respondents said debt had impacted their mental health, while 54% said their physical health had been affected.

- Citizens Advice add that of those experiencing health problems, 51% had experienced a panic or anxiety attack, and 79% were losing sleep most nights because of debt.
- Furthermore, 56% of respondents said that worry about debt was affecting their relationships, while 51% of those in employment and struggling with debt said that their work performance was suffering.
- Citizens Advice also found that 29% of respondents said they tried to take their mind off their debt problems by drinking, 24% by eating, and 29% by smoking, while 35% were taking no action about their debts and hoping the problem would go away.

5. PLASTIC CARDS AND PERSONAL LOANS

KEY STATISTICS

During October 2012 an average of **335** purchases were made in the UK every second using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£16,478** was spent every second using debit and credit cards.
- On a daily basis, purchases using plastic cards were worth **£1.424 billion** in October.

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

- In total, cash machine transactions were worth **£4,001** per second in November.
- 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 November 2012 was **£54.9bn**.

- The average interest rate on credit card lending was **18.28%** in November. This is **17.78%** 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

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

747,000 economically active 18-24 year olds were unemployed between August and October 2012. This was down by 70,000 (8.5%) compared to the previous three months.

- This meant that **18.2%** of all economically active 18-24 year olds were unemployed between August and October.
- **366,000** (49.0%) had been unemployed for over 6 months.
- **231,000** had been unemployed for over 12 months. This is a fall of 18,000 (7.2%) over the previous 3 months, but a rise of 4,000 (1.9%) 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

Research by the Co-operative has revealed uncertainty amongst young motorists about the impact that the recent European Gender Directive will have on them.

- The Directive means that insurance companies will no longer be able to offer different rates to people on the basis of gender – this is likely to have a particular impact on young women motorists, who often get preferential rates for car insurance as they are statistically less likely to be involved in an accident than young men.
- However, although the Co-operative say that around 60% of young motorists are aware that there has been a change to insurance rules, 40% are confused about how they will be affected.
- The Co-operative also found that the new Gender Directive could have significant financial consequences for young female motorists, with 65% of young women aged 18-24 saying they would find it difficult to cope with any significant increase to their car insurance costs.
- Furthermore, the Co-operative say that the introduction of the Gender Directive may end up sparking behavioural changes amongst young motorists, with 55% of 18-24 year old females and 36% of males of the same age saying that they will now shop around for their insurance more.

6. YOUNG PEOPLE

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.

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 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%).

7. OLDER GENERATIONS AND PENSIONS

KEY STATISTICS

400,000 people aged over 50 were unemployed between August and October 2012. This is down 13,000 (3.3%) from the previous quarter, and down 12,000 (3.0%) from a year earlier.

- **48.7%** of unemployed workers aged over 50 - a total of **194,000** people - have been out of work for over a year. 112,000 have been unemployed for more than two years.
- **959,000** people aged over 65 were *in work* between August and October, which is up 4,000 (0.4%) from the previous three months, and up 99,000 (11.5%) 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

Latest figures from the Alliance Trust Economic Research Centre show that during November, elderly households continued to experience the lowest rate of inflation of all age groups.

- According to Alliance Trust, households in the 65-74 and over-75 age brackets both faced an inflation rate of 2.1%.
- They particularly benefited from the fact that, although gas and electricity prices increased by almost 2% during the month of November, annual inflation rates for these two services were both still negative – the former fell by 0.1% over the year, while the latter fell by 1.1%.
- Meanwhile, under-30 households experienced the highest rate of inflation in November, at 3.4%. They were in fact the only category of household to have faced an inflation rate above November's headline rate of 2.7%.

A survey by Prudential has found that only 46% of couples over 40 make joint retirement arrangements to ensure that, when they die, their partners will continue to receive income.

- In fact, Prudential say that 26% of couples over 40 have never discussed what will happen to their pensions if one partner dies before the other.
- Furthermore, 13% admit that making a will is the only financial planning activity they have done together.
- 7% of those interviewed by Prudential admitted that they would be completely dependent on their partner's income in retirement – women were twice as likely to be in this position as men, with 10% of women planning to depend on their partner, compared to 5% of men.

7. OLDER GENERATIONS AND PENSIONS

A report by Aviva has found that in the past two years, the average monthly income for over-55s has risen by just over £100, and that many now work past traditional retirement age.

- Aviva say that between Q4 2010 and Q4 2012, average monthly incomes for everyone aged over-55 rose by £109, from £1,335 to £1,444.
- This increase was driven by those in the 65-74 age bracket, whose average monthly income rose by £166 in the period. Aviva say that this boost is underpinned by the fact that many people in this age range are now working past the Default Retirement Age, which was phased out in 2011.
- According to Aviva, proportion of 65-74 year olds who list wages as part of their income rose from 18% to 23% between Q4 2010 and Q4 2012.

However, Aviva's report also calculates that, on a collective basis, the UK's over-65 population does more than £640 million of unpaid work per week.

- Aviva say that the UK's 10.4 million over-65s give up an average of 10 hours each week to volunteer and support their families – collectively therefore they provide a total of 104 million hours of free support each week, which would be worth £643.8 million per week at national minimum wage.
- Looking specifically at the sort of unpaid volunteering that over-65s do, Aviva found that sitting on a committee or being a trustee was the most popular activity, with 20% of those in both the 65-74 and over-75 age ranges involved in this.
- Meanwhile, teaching children to read was the second most popular volunteering activity for over-65s, with 18% of those in both the 65-74 and over-75 age brackets doing so. Working in a charity shop was the third most popular type of volunteering – 17% of 65-74 year olds and 15% of over-75s were involved in this.

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”.

8. HOUSING MARKET

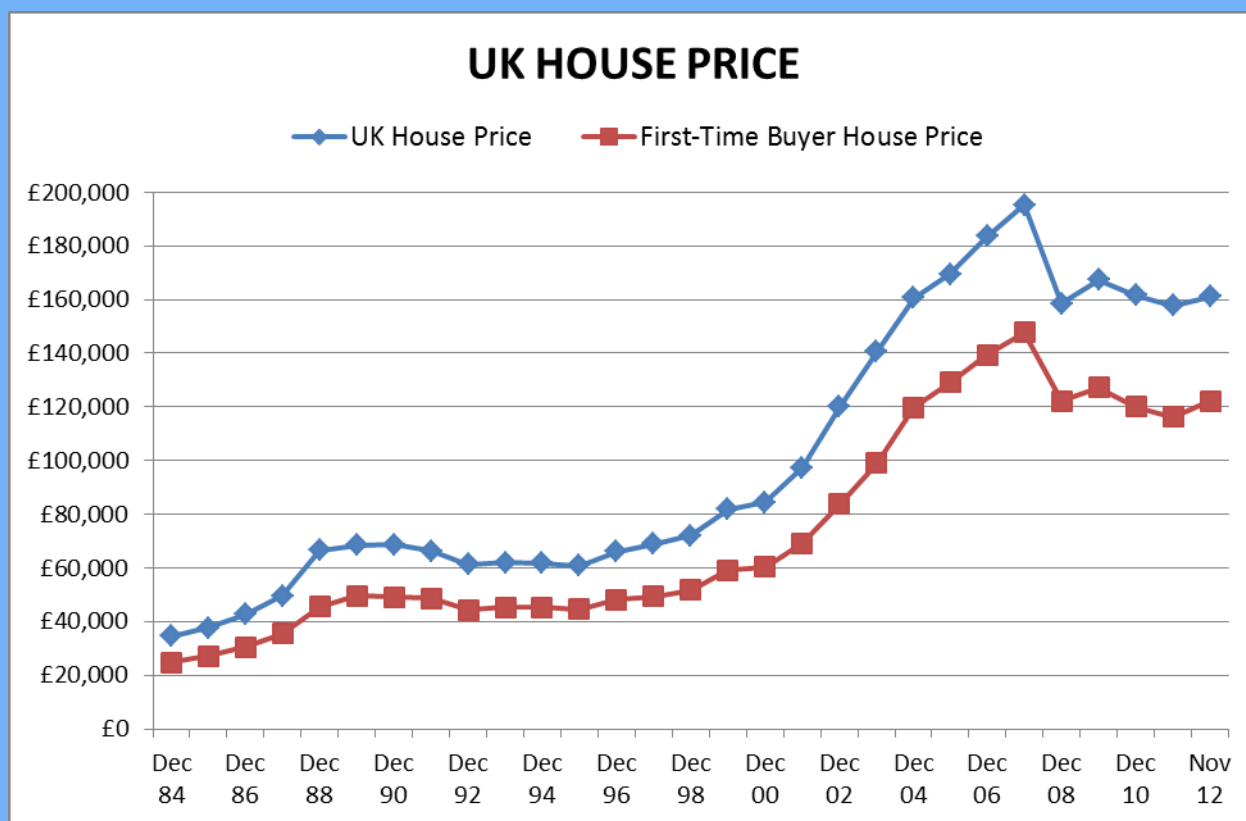
KEY STATISTICS

According to the Office of National Statistics the average house price in the UK in October 2012 stood at **£231,000** (£239,000 in England).

- Average UK house prices increased by 0.2% over the month to October 2012, compared to an increase of 0.5% in October 2011 (seasonally adjusted).
- Over the year to October 2012, UK house prices **increased by 1.5%**.
- Average house prices in London **increased by 3.4%** in the year to October 2012.

Nationwide estimate that house prices were unchanged during November 2012, but fell 1.2% over the year.

Halifax said that house prices rose by £1,566 in November 2012. This is a monthly rise of 1.0%. Prices fell 0.7% over the quarter and fell 1.3% over the year.



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

8. HOUSING MARKET

The average Mortgage Interest rate was 3.38% at the end of November.

According to the Council of Mortgage Lenders, gross mortgage lending in November totalled an estimated £12.9 billion. This is a rise of 0.9% compared to October's gross lending total (£12.8 billion) but a fall of 2.6% from November 2011 (£13.3 billion).

The November 2012 RICS Housing Market Survey shows that 9% more surveyors report prices falling rather than rising – according to RICS, this is only slightly up from October, and suggests the market is now beginning to stabilise.

- RICS also note that buyer demand rose in most parts of the UK in November, and has grown steadily since the end of summer, although it remains at historically low levels.
- RICS add that the amount of homes coming up for sale remained fairly flat during November, with very little movement now for two years.

Hometrack's monthly survey of agents and surveyors showed that demand for housing fell 0.8% in November, compared to a rise of 0.3% in October, as the seasonal slowdown began.

- The supply of homes for sale decreased by 0.6% in November, following a 1.4% increase in October.
- House prices fell 0.1% in November, the fifth consecutive month in which they have fallen by this amount. House prices are down 0.3% in the past 12 months.
- Hometrack say that house price falls were registered across all regions in November, apart from East Anglia where they were unchanged. In London prices fell 0.2%, the first month-on-month fall since December 2011.
- Hometrack add that mortgage availability and consumer confidence continue to drive the housing market in the short term, and while the outlook for the economy is weak, gross lending is up, reflecting a general increase in competitive mortgage products.
- Lower prices were reported across 27.7% of the country in November, while 5.3% of the country reported price rises.

Rightmove said new seller asking prices fell by 3.3% in December, standing at an average of £228,989. Prices rose 1.4% compared to December 2011.

According to the NAEA the number of house-hunters registered per branch decreased on average from 275 in September to 265 in October.

- The average number of sales agreed per branch increased from 7 in September to 8 in October.
- The average number of properties available for sale per branch remained the same with 62 available in September and October.

8. HOUSING MARKET

House purchase approvals in November (33,634) showed a continued upturn, and appear to be returning to the levels seen a year earlier, according to the British Bankers Association (BBA). The average loan approved for house purchase rose slightly to £154,200 in November.

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 5.9% during the month of November, and rose 14.5% year on year from November 2011.

- The average price increased 10.1% year on year to \$180,600. This is the ninth consecutive month in which there has been a year-on-year rise.
- Meanwhile, RealtyTrac® said that a total of 180,817 foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on U.S. properties in November, a 3% decrease in total properties from the previous month and a 19% decrease from November 2011. This is the 26th consecutive month in which there has been an annual decrease in foreclosure activity.
- RealtyTrac®'s monthly Foreclosure Report also shows that one in every 728 U.S. housing units received at least one foreclosure filing during November.

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 October 2012, which is an annual increase of 1.8%.

The typical first-time buyer deposit in October 2012 was **20% (around £31,250)**. The average first-time buyer borrowed 3.23 times their income and the average first-time buyer loan was an estimated **£125,000**.

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

Figures from Halifax show that during 2012, Southend recorded the biggest rise in house prices amongst major UK towns and cities.

- According to Halifax's data, house prices in Southend increased from £172,782 in 2011 to £198,418 in 2012, equivalent to a rise of 14.8%. By contrast, house prices across the whole of Essex increased by 2.1%.
- Basingstoke in Hampshire experienced the second biggest rise in house prices with a 14.7% gain. Southend and Basingstoke are both within comfortable commuting distance of London, and Halifax say that three other commuter towns – Rochester, St Albans and Dartford – made up the top five major towns and cities to record the largest price rises.
- At the other end of the spectrum, Craigavon in Northern Ireland and Wishaw in Scotland saw the largest decline in average prices in 2012, experiencing price falls of 18.4% and 12.5% respectively. Nine of the ten towns experiencing the biggest price declines are outside southern England.

Meanwhile, Halifax also say that there was a 12% increase in the number of first-time buyers (FTBs) in 2012 – according to Halifax's figures, there were around 216,000 FTBs in 2012, up from 193,000 in 2011.

- Halifax add that the number of FTBs in 2012 was the highest annual total since 2007. However, it is still 50% lower than in 2006 (402,800).
- FTBs also made up a larger share of the total number of house purchasers in 2012, increasing from 38% in 2011 to 40% in 2012.
- Halifax say that affordability for FTBs is close to its most favourable level since 2003. Their data suggests that the average house price paid by an FTB was "affordable" in 39% of Local Authority Districts (LADs) – Halifax define an LAD's house prices as "affordable" if the ratio of average house prices to average earnings is below 4.0.
- By contrast, at the peak of the housing market in 2007 the average price paid by FTBs was affordable in just 5% of LADs.

9. FINANCIAL EDUCATION

RECENT HEADLINES

With the New Year now underway, research by Legal & General has revealed that 96% of UK adults are making changes to their spending habits or are planning to be more savvy with their money to make it go further as part of their everyday living.

- Legal & General's research also suggests that over-55s are the savviest age group when it comes to spending money, and use more money-saving techniques than younger consumers aged under-35.
- For example, Legal & General found that 71% of over-55s shop around online and compare prices before buying, compared to 55% of under-35s. Equally, 66% of over-55s compared prices and special offers in various shops before making a purchase, compared with 52% of under-35s.
- Moreover, 70% of over-55s said that they only buy things that they really need and will use, compared with 55% of under-35s. Furthermore, 46% of over-55s say they will shop around for the best utilities deals, compared to just 28% of under-35s.

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 whether it supports 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.

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.

10. SPENDING

KEY STATISTICS

The AA calculate that in December 2012 the average price of unleaded petrol fell by 2.8ppl (pence per litre) to 132.3ppl.

- This meant it cost **£66.15** to fill a 50 litre unleaded tank.
- The average price of diesel fell by 1.5ppl to 140.4ppl. The UK had the eighth 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

Research published by Sainsbury's Finance shortly before Christmas estimated that British consumers would spend at least £1.3 billion on Christmas Eve, equivalent to £55 million per hour.

- Sainsbury's Finance found that 36.3% of UK adults, or 17.2 million people, expected to be doing some of their Christmas shopping on Christmas Eve.
- Those people who knew what they were planning to spend anticipated spending 1.3 billion, although an additional 2.3 million people (6%) didn't know exactly what they were going to spend, so the total could have ended up being even higher.
- Sainsbury's Finance add that, year-on-year, the value of Christmas Eve shopping rose from £1 billion in 2011 to £1.3 billion in 2012. Furthermore, shoppers were expected to spend £9.85 billion in the week leading up to Christmas 2012, a 4.8% increase on the 9.4 billion which they expected to spend in the week leading up to Christmas 2011.

10. SPENDING

The latest Lloyds Spending Power Report suggests that, on an annual basis, spending power growth fell by 0.1% in November (after inflation), which is the equivalent of consumers having £11 less to spend on non-essential items compared to a year earlier.

- Lloyds say that discretionary spending power grew by 2.7% during the year, which is broadly in line with the rate of inflation on non-essential items.
- However, Lloyds add that tuition fees were a significant factor in pushing inflation on non-essential items up to 2.7%. This suggests that there may be significant differences between the spending power of students and non-students, as the latter may not face such a high rate of inflation on non-essential items.
- Lloyds add that attitudes towards future discretionary income have improved, with the balance of opinion (the difference between those saying they will have more minus those saying they will have less in six months' time) moving from -9% in October to -7% in November.
- Regionally, London has the most positive outlook, with 33% of people here believing they will have "more" or "much more" to spend in six months' time, compared with a national average of 19%.

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

The latest NS&I Quarterly Saving Survey suggests that savings levels increased in November – this is the second successive Survey in which a rise has been recorded.

- According to NS&I, Britons are now saving 7.33% of their income each month – equivalent to £90 in real terms – an increase from 7.17% in August.
- NS&I say that while this is positive news, savings levels are rising from a previously low level – in spring 2012, Britons were saving 7.08% of their income each month.
- Moreover, 28% of Britons do not believe that they will be able to sustain their current levels of saving over the next 3 months, rising to 36% amongst those aged 45-54. This is a deterioration from NS&I's Spring 2012 Survey, when 25% of Britons expected to be less likely to save.
- NS&I add that November's survey found that 25% of Britons do not make any savings in the average month, up from 21% in August and 19% the previous year.
- However, one piece of good news is a significant upswing in savings levels amongst 35-44 year olds – November's Survey saw the proportion of monthly income they saved rise to 7.22% (equivalent to £103 in real terms) from 5.62% (£81) in August.

A report by Legal & General estimates that the average British family would only last 19 days before its savings ran out if the main breadwinner was unable to work for any reason.

- Legal & General say that families in the South East have the longest "Deadline to Breadline", and would be able to last for 37 days before their savings were used up.
- This is two weeks longer than the North West, which has the second longest deadline at 22 days, and the South West in third at 21 days.
- Meanwhile, families in the West Midlands would only be able to last for seven days before their savings run out according to Legal & General, making them the most financially vulnerable in the country.

Separately, 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 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.

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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