



DEBT STATISTICS

NOVEMBER 2012 EDITION

CONTENTS

Welcome to the November 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
£53,785 was the average household debt (including mortgages) in September
£165m was the daily amount of interest paid on personal debt in September
8,465 new debt problems were dealt with by the CAB each working day over the year to June
1,432 people were made redundant every day between June and August
897,000 people had been unemployed for over a year between June and August
£12.52m of loans are written-off daily by UK Banks and Building Societies (based on Q2 2012 trends)
Every 15 min 30 sec a property is repossessed (based on Q2 2012 trends)
Every 4 min 49 sec someone is declared insolvent or bankrupt (based on Q2 2012 trends)
£1.325 billion was the daily value of all purchases made using plastic cards in August

1. UK PERSONAL DEBT

TOTAL UK PERSONAL DEBT

Outstanding personal debt was **£1.415 trillion** at the end of September 2012.

- This is up from £1.406 trillion at the end of September 2011.
- Individuals owed nearly as much as the entire country produced during the whole of 2011.

Outstanding secured (mortgage) lending was **£1.257 trillion** at the end of September 2012.

- This is up from £1.242 trillion at the end of September 2011.

Outstanding unsecured (consumer credit) lending was **£158 billion** at the end of September 2012.

- This is down from £164 billion at the end of September 2011.

AVERAGE UK PERSONAL DEBT

Average household debt in the UK (excluding mortgages) was **£5,991** in September.

- This is up from a revised **£5,939** in August.

Average household debt in the UK (including mortgages) was **£53,785** in September.

- This is up from a revised **£53,719** in August.

The average amount owed per UK adult (including mortgages) was **£28,797** in September. This is up from a revised **£28,761** in August, and was around **116%** of average earnings.

Average consumer borrowing (including credit cards, motor and retail finance deals, overdrafts and unsecured loans) per UK adult was **£3,208** in September. This is up from a revised **£3,180** in August.

The estimated average outstanding mortgage for the 11.2m households that carry mortgage debt stood at **£111,881** in September.

Based on September 2012 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£60.3 billion**.

- This is equivalent to **£165 million** per day.
- This means that UK households would have paid an average of **£2,292** in annual interest repayments.

1. UK PERSONAL DEBT

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

- This would mean that average household debt would reach **£77,719** (assuming that the number of households in the UK remained the same between now and Q1 2017).

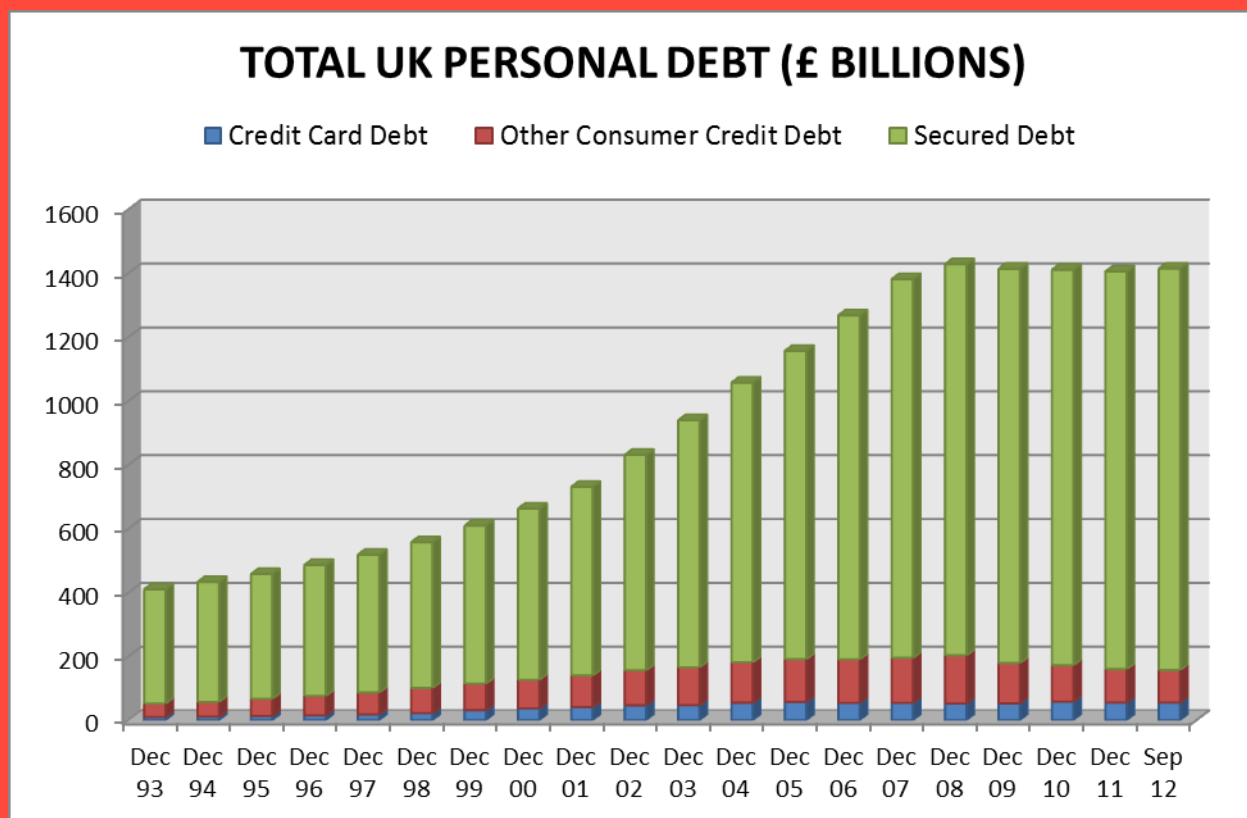
NET LENDING AND WRITE-OFFS

Total net lending by UK Banks and Building Societies **rose by £1.7 billion** in September 2012.

- Net secured lending rose by £0.5 billion in the month; net consumer credit lending rose by £1.2 billion.

UK Banks and Building Societies **wrote-off £5.3 billion** of loans to individuals over the four quarters to Q2 2012.

- In Q2 2012 itself they wrote-off £1.15 billion (of which £567 million was credit card debt) amounting to a daily write-off of **£12.52m**.



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:

- **299** people are declared insolvent or bankrupt every day (based on Q2 2012 trends). This is equivalent to one person **every 4 minutes 49 seconds**.
- **1,170** Consumer County Court Judgements (CCJs) are issued every day (based on Q2 2012 trends). The average value of a Consumer CCJ in Q2 2012 was **£3,217**.
- 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.
- **93** properties are repossessed every day (based on Q2 2012 trends).
- **79** new people a day became unemployed for over 12 months during the year ending August 2012.
- **1,432** people a day reported they had become redundant between June and August 2012.
- Public Sector Net Borrowing (excluding financial interventions) was **£12.8bn** in September, meaning that the Government borrowed an average of **£426,666,667** per day during the month (equivalent to **£4,938** per second).
- **164** mortgage possession claims are issued and **127** mortgage possession orders are made every day.
- **396** landlord possession claims are issued and **279** landlord possession orders are made every day.
- The UK population is growing by an estimated **1,342 people a day**.
- **27.2m** plastic card purchase transactions were made every day in August 2012 with a total value of **£1.325 billion**.
- **8.7m** cash machine transactions were made every day in September 2012 with a total value of **£344m**.
- The average car costs **£18.33 per day** to run.
- It cost **£69.45** to fill a 50 litre tank with unleaded petrol in October.

3. NATIONAL STATISTICS

ECONOMY

The UK economy **grew by 1.0%** in the third quarter of 2012, according to preliminary 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 44 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 June and August 2012 was **2.53 million** (7.9%). This is down by 50,000 from the previous three months, and also down by 50,000 from a year earlier.

- **131,000** people (**1,432 a day**) reported they had become redundant over the three months. This is down by 16,000 from the previous three months, and down by 18,000 from a year earlier.
- **897,000** people had been unemployed for over 12 months between June and August, a rise of 13,000 over the previous three months, and a rise of 29,000 (**79 a day**) from a year earlier.
- The number of economically inactive people aged between 16 and 64 fell by 138,000 over the three months, and fell by 314,000 over the year, to reach **9.04 million** in the three months to August 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 September 2012, public sector net debt (PSND) *excluding* financial interventions was **£1065.4bn**, equivalent to 67.9% of GDP. This compares to £972.5bn (63.6% of GDP) at the end of September 2011.

Meanwhile, public sector net debt *including* financial interventions was **£2157.9bn**, equivalent to 137.5% of GDP. This compares to £2234.2bn (146.1% of GDP) at the end of September 2011.

- The Office of National Statistics includes complete data from the Royal Bank of Scotland and Lloyds Banking Group, which were part-nationalised in 2008, in its calculations for PSND including financial interventions.

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

CORPORATE INSOLVENCIES

Figures from the Insolvency Service show that there were **4,115** compulsory liquidations and creditors' voluntary liquidations in England and Wales in the second quarter of 2012 (on a seasonally adjusted basis).

- This was down 3.6% on the previous quarter, and down 2.4% on the same period a year ago.

In the twelve months ending Q2 2012, approximately **1 in 142** active companies (0.7% of all active registered companies) went into liquidation.

- This is similar to the previous quarter.

Additionally, there were **1,310** other corporate insolvencies in Q2 2012 (not seasonally adjusted), comprising 333 receiverships, 625 administrations and 352 company voluntary arrangements.

- In total these have increased 6.3% on the same period a year ago.

3. NATIONAL STATISTICS

INFLATION AND RETAIL ACTIVITY

CPI (Consumer Prices Index) annual inflation stood at **2.2%** in September. This is down from 2.5% in August.

RPI (Retail Prices Index) annual inflation stood at **2.6%** in September. This is down from 2.9% in August.

The British Retail Consortium/KPMG Retail Sales Monitor for September 2012 showed that UK retail sales values increased by 1.5% on a like-for-like basis from September 2011, when sales had risen 0.3%.

- On a total basis, sales were up 3.4% in September 2012, against a 2.5% increase in September 2011.

There were 359,612 new car registrations in September, according to the Society for Motor Manufacturers and Traders. This is an increase of 8.2% compared to September 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), **8,500** properties were taken into possession in Q2 2012 (this is down from 9,600 in Q1 2012, and is the lowest quarterly total since Q4 2010).

- This equates to **93** properties being repossessed every day, or one property being repossessed **every 15 minutes 30 seconds**.
- In terms of payment difficulties, **157,400** mortgages ended Q2 2012 with arrears equivalent to at least 2.5% of the outstanding mortgage balance.
- This is fractionally down from 157,800 at the end of Q1 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 **27,390** individual insolvencies in England and Wales in Q2 2012. This is equivalent to **299** people a day or, one person **every 4 minutes 49 seconds**.

- This was a fall of **4.6%** on the previous quarter and a fall of **10.2%** 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

With winter approaching and many households now starting to turn on their central heating, research by uSwitch has found that 24% of households suffered a broken boiler last year, which cost them an average of £280 in repair bills.

- Despite this however, uSwitch add that 62% of households don't have boiler cover in place. Of those who don't, 39% say this is because they can't afford it.
- Overall, 27% of households believe that boiler cover is now essential, and 21% say that after recent cold winters it is more necessary now than before. Only 11% think that boiler cover is unnecessary. However, with incomes squeezed, 37% of people believe cover is too expensive.
- uSwitch say that of those now considering taking out boiler cover, 21% are doing so because they wouldn't be able to afford any nasty surprises this winter. 29% are doing so because they are looking for peace of mind, and 35% because they are concerned that their boiler is old and more likely to break down.

In a separate survey, uSwitch have also found that almost nine in ten households (87%) will be rationing their energy use this winter in order to save on fuel bills.

- Energy costs are now the top worry for most households (90%), ahead of the rising costs of food (80%), petrol prices (75%) and mortgage and rent payments (40%).
- uSwitch add that 92% of households say they have seen a reduction in their disposable income as a result of rising energy prices, with nearly a fifth (18%), saying they no longer have any disposable income left.
- Furthermore, many households are now being forced into debt in order to meet the costs of essential household bills. uSwitch say that 41% of households are using debt such as credit cards, overdrafts and loans in order to meet day-to-day living costs, and 22% are worried about this debt. 10% of households have gone into debt by more than £2,500.

Research by the Consumer Credit Counselling Service (CCCS) suggests that overdraft debt has become a particular problem since 2007.

- CCCS say that despite the overall debt levels of their clients going down, the average overdraft debt has increased over the past five years, from £1,748 in 2007 to £2,082 in 2012.
- The number of people seeking help with overdrafts has also risen sharply, from 58,069 in 2007 to 134,540 in 2011. This is set to be surpassed this year, with 69,663 people seeking help with overdraft debt in the first half of 2012.

5. PLASTIC CARDS AND PERSONAL LOANS

KEY STATISTICS

During August 2012 an average of **314** purchases were made in the UK every second using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£15,336** was spent every second using debit and credit cards.
- On a daily basis, purchases using plastic cards were worth **£1.325 billion** in August.

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

- In total, cash machine transactions were worth **£3,976** per second in September.
- 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 September 2012 was **£55.4bn**.

- The average interest rate on credit card lending was **18.35%** in September. This is **17.85%** 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 August.

RECENT HEADLINES

Figures from the Consumer Credit Counselling Service (CCCS) show that the number of people contacting the charity for help with problem credit card debt has fallen.

- CCCS say that 76,368 people sought help with credit card debt in the first half of 2012. This is down from 80,971 in the first half of 2011 and 85,315 in the first half of 2010.
- However, CCCS also found that level at which credit card debt becomes problematic has decreased, with the average credit card debt for those who seek CCCS's help dropping from £13,196 in 2009 to £10,517 in 2012.

Meanwhile, turning to store cards, CCCS suggest that while there is a general decline in store card debt, it remains a particular problem for over-60s.

- CCCS say that the average store card debt for clients aged under 25 has fallen by £75 since 2009. For those aged 25-40 it declined by £94 over the same period, and for clients aged 41-59 average store card debt decreased by £128.
- However, CCCS add that the trend is very different for clients aged over 60, amongst whom average store card debt has increased by £36 to £1,984 since 2009.

6. YOUNG PEOPLE

KEY STATISTICS

764,000 economically active 18-24 year olds were unemployed between June and August 2012. This was down by 53,000 (6.5%) compared to the previous three months.

- This meant that **18.5%** of all economically active 18-24 year olds were unemployed between June and August.
- **381,000** (50.0%) had been unemployed for over 6 months.
- **241,000** had been unemployed for over 12 months. This is a rise of 2,000 (0.9%) over the previous 3 months, and a rise of 13,000 (5.7%) from a year earlier.

The number of 18-24 year olds not in education, employment or training (NEET) at the end Q2 2012 was **875,000** (18.1%).

- The number of 16-18 year olds classed as NEET stood at **191,000** (10.3%) at the end of Q2 2012.
- The overall number of 16-24 year olds NEETs was **968,000** (16.0%).

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

410,000 people aged over 50 were unemployed between June and August 2012. This is up 2,000 (0.5%) from the previous three months, and up 23,000 (6.0%) from a year earlier.

- **47.9%** of unemployed workers aged over 50 - a total of **196,000** people - have been out of work for over a year. 115,000 have been unemployed for more than two years.
- **946,000** people aged over 65 were *in work* between June and August, which is up 18,000 (2.0%) from the previous three months, and up 124,000 (15.0%) 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 have revealed that over-75 households experienced a sharp drop in the level of inflation that they faced in September.

- According to Alliance Trust's data, over-75 households experienced an inflation rate of 2.0% in September, down from 2.8% in August. This is the lowest rate encountered by this group since October 2009.
- The dramatic change is due to significant falls in gas and electricity price inflation in September, which affect elderly households in particular as they allocate a larger proportion of their budget to utilities.
- Gas price inflation fell from 13% to almost zero in September, while electricity price inflation fell from 7% to less than zero. These considerable reductions are due to the fact that price rises which took place the previous year, in September 2011, have now dropped out of the index calculation which is worked out on an annual basis.
- However, Alliance Trust add that with energy companies announcing a new round of price increases, this beneficial effect will only be temporary.

Data from MGM Advantage suggests that there was a sharp fall in annuity rates during the three months between June 2012 and September 2012.

- MGM Advantage say that over the period, the average rate of conventional annuities fell by 7%, while the enhanced annuity rate declined by 5%. They add that this is the largest quarterly decline since their Annuity Index began in August 2009.
- The figures also show that, overall, there has been a 20% drop in average annuity rates during the three year period between August 2009 and September 2012.

7. OLDER GENERATIONS AND PENSIONS

A study by Prudential, which questioned self-employed workers about their financial plans for retirement, has found that 46% of UK business owners have no private pension savings.

- Of those entrepreneurs in this situation, 54% said this was because they simply could not afford to put money aside, while 18% said they did not save because they didn't believe they would ever quit work.
- Prudential found that 27% of UK business owners say they prioritise investing money into their own business over saving into pensions, and 23% choose to invest in their companies over any other form of personal saving.
- Moreover, 19% of self-employed workers say that they think of their business as their pension funds, and therefore invest directly into them rather than saving into pension schemes.
- Prudential add that of those business owners who do have pensions, 27% stopped making contributions during the downturn as business was slow. Only 8% have since restarted their contributions, with 19% admitting these are still on hold.

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.
- Unbiased.co.uk add that 42% of people haven't thought about the impact that inheritance tax could have on their estate, while 11% didn't know that inheritance tax had any effect at all.

8. HOUSING MARKET

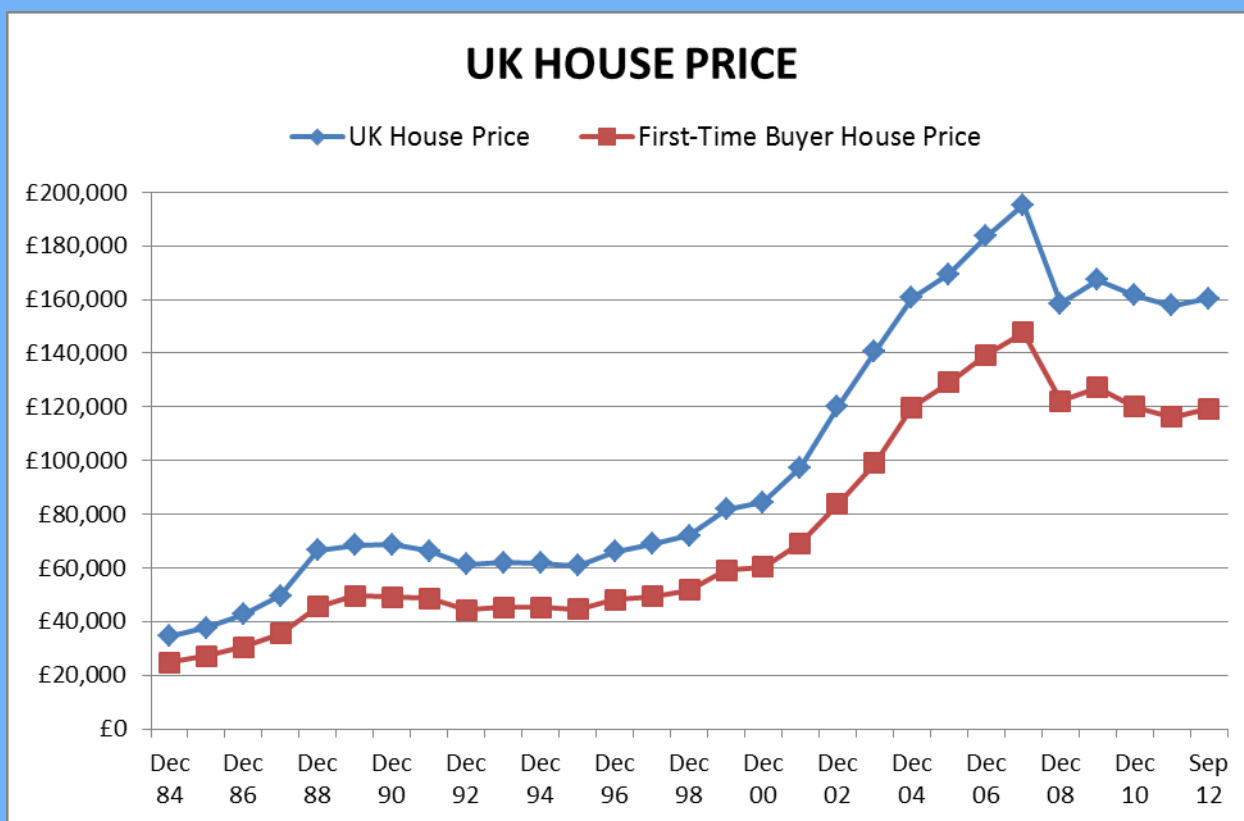
KEY STATISTICS

According to the Office of National Statistics the average house price in the UK in August 2012 stood at **£234,000** (£242,000 in England).

- Average UK house prices increased by 0.1% over the month to August 2012, compared to an increase of 0.3% in August 2011 (seasonally adjusted).
- Over the year to August 2012, UK house prices **increased by 1.8%**.
- Average house prices in London **increased by 6.3%** in the year to August 2012.

Nationwide estimate that house prices fell by 0.4% during September 2012, and fell 1.4% over the year.

Halifax said that house prices fell by £656 in September 2012. This is a monthly fall of 0.4%. Prices fell 0.5% over the quarter and fell 1.2% 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 September.

According to the Council of Mortgage Lenders, gross mortgage lending in September totalled an estimated £11.6 billion. This is a fall of 10% compared to August's gross lending total (£12.9 billion) and a fall of 15% from September 2011 (£13.7 billion).

Gross lending for Q3 2012 was an estimated £37.3 billion, an increase of 8% from Q2 2012 (£34.5 billion), but a fall of 5% from Q3 2011 (£39.3 billion).

The September RICS Housing Market Survey shows that 15% more surveyors report prices falling rather than rising which, although in negative territory, is the best reading since spring.

- RICS also note cautious optimism in surveyors' future price predictions. 9% more respondents expected prices to fall rather than rise over the next three months – once again, while negative, this is in fact the best reading since the expiry of March's stamp duty holiday.
- RICS also suggest that surveyors expect transaction activity to pick up in the months ahead, with 26% more respondents predicting that transactions will grow rather than fall in the final three months of the year, the highest level since May 2010. RICS say that the prospect of greater mortgage finance on the back of recent Government initiatives has helped raise expectations.

Hometrack's monthly survey of agents and surveyors showed that demand for housing fell 3.6% in September, compared to a fall of 1.3% in August. This is the fourth consecutive month in which demand has fallen.

- The supply of homes for sale decreased by 0.9% in September, following a 0.8% increase in August. This is the first monthly fall in supply after seven months of growth.
- House prices fell 0.1% in September – this is the third consecutive month that prices have fallen by this amount.
- Hometrack say that the Government's Funding for Lending initiative looks set to support a modest increase in mortgage lending, but an uncertain economic outlook, together with affordability pressures will continue to act as a drag on activity. Hometrack add that pricing will remain under slow downward pressure but tightening supply will limit the scale of price falls in the short-term.
- Lower prices were reported across 23.6% of the country in September, while 6.0% of the country reported price rises.

Rightmove said new seller asking prices rose by 3.5% in October, standing at an average of £243,168. Prices rose 1.5% compared to October 2011.

8. HOUSING MARKET

According to the NAEA the number of house-hunters registered per branch decreased on average from 293 in July to 288 in August.

- The average number of sales agreed per branch was unchanged at 7 in July and in August.
- The average number of properties available for sale per branch decreased from 61 in July to 60 in August.

House purchase approvals in September (31,175) showed a small upturn from August, but were 6% lower than a year ago according to the British Bankers Association (BBA). The average loan approved for house purchase in September was £155,000, 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) decreased 1.7% during the month of September, but rose 11.0% year on year from September 2011.

- The average price increased 11.3% year on year to \$183,900.
- Meanwhile, RealtyTrac® said that a total of 180,427 foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on U.S. properties in September, a 7% decrease in total properties from the previous month and a 16% decrease from September 2011. September 2012's total was the lowest since July 2007.
- RealtyTrac®'s monthly Foreclosure Report also shows that over Q3 2012 as a whole, one in every 248 U.S. housing units received at least one foreclosure filing.

FIRST-TIME BUYERS AND BUY TO LET

The Office of National Statistics say that the average house price for first-time buyers was **£174,000** in August 2012, which is an annual increase of 2.9%.

The typical first-time buyer deposit in August 2012 was **19% (around £30,407)**. The average first-time buyer borrowed 3.23 times their income and the average first-time buyer loan was an estimated **£129,630**.

The Council of Mortgage Lenders say that there were 1,416,000 buy-to-let mortgages outstanding at the end of Q2 2012, worth a total of £160.7 bn. This is up from last year when there were 1,338,000 buy-to-let mortgages worth £153 bn.

8. HOUSING MARKET

According to the July 2012 RICS Residential Lettings Survey, rental increases are being driven by a sustained (albeit modest) growth in demand and broadly stable levels of supply. RICS say that 4% more surveyors reported tenant demand rising rather than falling, down from 15% in the April Survey but still indicative of positive growth.

RECENT HEADLINES

Figures from HSBC suggest that the “Bank of Mum and Dad” helped to finance over 100,000 first-time buyer (FTB) borrowers between 2008 and 2011. HSBC say that this financing enabled £23 billion worth of FTB purchases, or £5.6 billion per year, over the period.

- HSBC say that tough mortgage market conditions have prompted FTBs to ask for help from their families. Of those FTBs surveyed by HSBC, around 85% said they turned to this kind of finance because they felt it was less risky, cheaper and less stressful than traditional mortgages.
- HSBC’s research also looked at how the FTB market is likely to change over the next five years between 2012 and 2017. This suggests that 11.0% of FTB transaction values will rely on family financing by 2017, compared to 18.7% in 2011.
- Despite this proportional decline however, HSBC note that family financing will remain an important part of the market even in 2017, and predict that in that year £5.1 billion of FTB purchases is likely to be impossible without it, roughly the same amount as in 2011.

Research from Halifax has found that in the years since the financial crisis, bungalows have been the most resilient type of property in terms of house price.

- Halifax say that since 2007 the average price of a bungalow has fallen by 19%, to £185,365 today.
- However, this compares favourably with other types of property. Halifax found that the average price of detached properties fell by 21% over the period, and semis by 24%. Terraced houses and flats were the worst performers, with average prices declining by 28% and 25% respectively.
- Halifax also note that the price difference between detached houses and other types of properties has widened since the start of the housing downturn. For example, the average price of a detached house (£117,000) is 86% higher than that of a terraced house, up from 71% five years ago.

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 October 2012 the average price of unleaded petrol fell by 1.3ppl (pence per litre) to 138.9ppl.

- This meant it cost **£69.45** to fill a 50 litre unleaded tank.
- The average price of diesel fell by 0.9ppl to 143.7ppl. The UK had the eighth highest petrol price in Europe and the second highest diesel price.

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

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

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

RECENT HEADLINES

The Lloyds TSB Spending Power Report for September shows that, on an annual basis, discretionary spending power contracted by 0.9%.

- This equates to consumers having almost £8 a month less to spend on non-essential items compared to last year.
- Lloyds TSB suggest that this decline was driven by a weakening in income growth in September. They say that annual income growth fell to its lowest level since December 2010 during the month, standing at 1.7%.
- This follows a resurgence in April, when income growth rose to 4%. However, Lloyds say that September's results indicate that the underlying trend of squeezed household budgets remains, and attributes the volatility to factors such as mixed weather conditions and one-off events (such as the Queen's Jubilee and the Olympics) over the summer, which may have influenced consumer behaviour.
- At the same time, there was little change in essential spending compared to August – in September, people spent 3.3% more on essential items compared to the same month last year.

10. SPENDING

Sainsbury's Finance say that Britons have spent a collective £2.2 billion on going on religious holidays in the last 12 months, either on a pilgrimage or to visit a site of religious interest.

- Sainsbury's Finance suggest that around 2.2 million Brits took such a trip in the last year, with each spending around £1,000.
- Lourdes in France is the most popular destination for people in the UK who take a religious holiday. This is followed by Vatican City in Italy in the Western Wall in Israel. Bethlehem in Palestine and Knock in Ireland complete the top five.
- Sainsbury's Finance add that, interestingly, younger people are more likely to take a pilgrimage or visit a site of religious interest than older generations. 12% of 18-24 year olds say they have taken a religious holiday in the last year, compared to 7% of 25-54 year olds and 4% of over-55s.

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.

Lloyds TSB have tracked spending patterns during the Olympic Games, and suggest that restaurants benefitted from the largest rise in spending.

- Compared to the same period last year, spending in restaurants increased by 11.5% on average. This was almost double the growth in spending on health products (6.6%) which recorded the second biggest annual rise.
- Food and drink saw the third biggest spending rise (6.0%), followed by electrical stores (4.8%). Overall, spending across the UK during the Olympic period rose 3.9% compared to the same time last year, with auto fuel the only area to record a fall (where spending declined 1.5%).
- Lloyds have also looked at trends in spending on Olympic tickets, saying that 63% were bought by men. Men spent an average of £295, compared to £228 by women. However, Lloyds suggest that the disparity may be because of the greater propensity for men to pay for family trips to the Olympics.

11. SAVING

RECENT HEADLINES

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.

Meanwhile, the latest NS&I Savings Survey suggests that there was an uplift in saving levels in August 2012, compared to the previous Survey conducted in May 2012.

- NS&I say that Britons were saving an average of 7.17% of their income per month in August (equivalent to £90 in real terms), compared to 7.08% in July (when savings reached their lowest level in over a year). They suggest that this increase is being driven by higher levels of savings amongst women and young people in their twenties and early thirties.
- NS&I reveal that savers in the 25-34 age range are saving significantly more than the national average, putting away an average of 8% of their income each month in August. This is a rise from 7.24% in the previous Survey, representing a real terms increase of £103.
- Meanwhile, women were saving 7.65% of their monthly earnings in August, compared to 6.82% for men. Women are now saving more than they were during the last Survey in May (7.36%), and in August last year (7.51%).

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.

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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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