creditaction
Better thinking about money

Debt Facts and Figures - Compiled August 2011

Note: In the past month the Office of National Statistics has revised its estimate for size of the UK population. We use this estimate to calculate some of our figures. As a result, some of this month's figures may appear to have changed more substantially than expected when compared to last month's release.

Total UK personal debt

Total UK personal debt at the end of June 2011 stood at **£1,451bn**. The twelve-month growth rate remained unchanged at 0.8%. **Individuals currently owe nearly as much as the entire country produced between Q2 2010 to Q1 2011.**

Total lending in June 2011 rose by £0.4bn; secured lending decreased by £0.1bn in the month; consumer credit lending increased by £0.4bn (t*otal lending in Jan 2008 grew by £8.4bn).*

Total secured lending on dwellings at the end of June 2011 stood at **£1,241bn**. The twelve-month growth rate remained unchanged at 0.7%.

Total consumer credit lending to individuals at the end of June 2011 was **£210bn**. **The annual growth rate of consumer credit increased 0.3 percentage points to 1.8%.**

UK banks and building societies wrote off £9.5bn of loans to individuals in the 4 quarters to end Q1 2011. In Q1 2011 they wrote off £1.89bn (£866m of that was credit card debt). **This amounts to a write-off of £20.71m a day.**

Average household debt in the UK is ~ **£8,064** (excluding mortgages). This figure increases to **£15,507** if the average is based on the number of households who actually have some form of unsecured loan.

Average household debt in the UK is ~ **£55,803** (including mortgages).
If you add to this the March 2010 budget report figure for public sector net debt (PSND) expected in 2015-16 (excluding financial interventions) then this figure rises to £106,418 per household.

Average owed by every UK adult is ~ £29,536 (including mortgages). This is 123% of average earnings. Average outstanding mortgage for the 11.4m households who currently have mortgages now stands at ~ £109,032.

Britain's interest **repayments on personal debt were £64.8bn** in the last 12 months. The average interest paid by each household on their total debt is approximately **£2,492** each year.

Average consumer borrowing via credit cards, motor and retail finance deals, overdrafts and unsecured personal loans has risen to **£4,268** per average UK adult at the end of June 2011.

The Office for Budget Responsibility (OBR) predicts that household debt will be £2,126bn by the end of 2015. This would take the average household debt to £81,769 per household (if the figure is based on the current estimate for the number of UK households).

Striking numbers

9,072
number of new debt problems dealt with by CAB each working day (as at March 2011)

1,578 people
made redundant daily

807,000
unemployed for > 12 months

£55,803
average household debt (including mortgages)

£177m
personal interest paid in UK daily

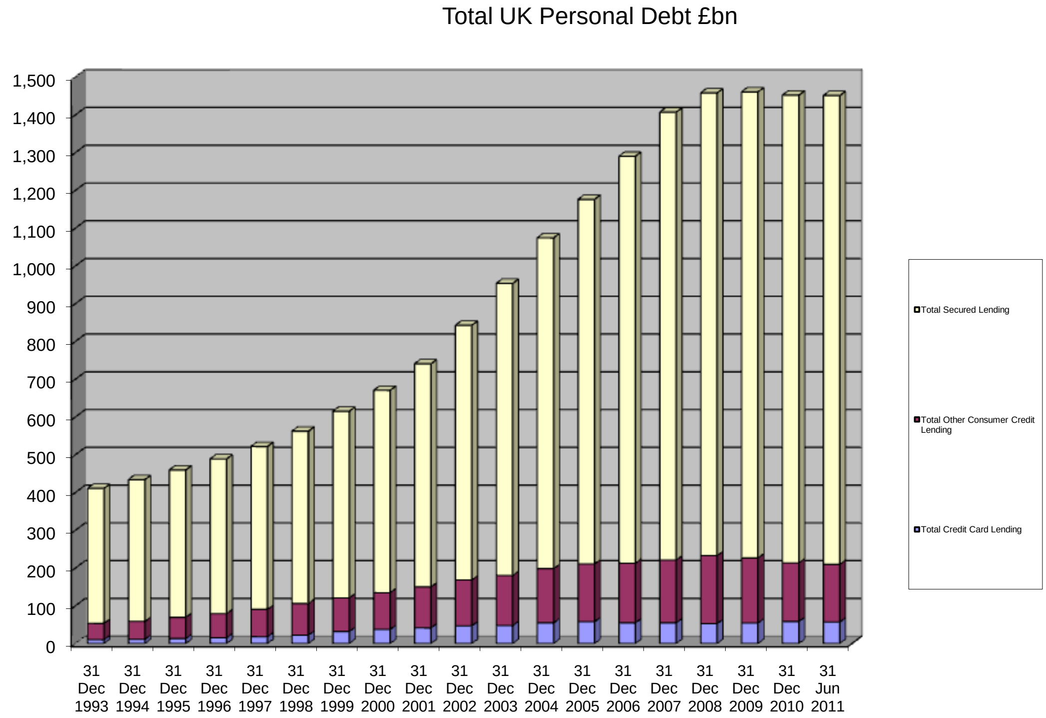
£20.71m
daily write-offs of loans by banks & building societies

every 14 minutes
a property is repossessed

every 4.36 minutes
someone will be declared insolvent or bankrupt

£251,500,000
daily increase in Government national debt (PSDN)

£1,182,000,000
total value of all purchases made using plastic cards today



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

Today in the UK:

- **331 people every day of the year** will be declared insolvent or bankrupt. This is equivalent to **1 person every 60 seconds during a working day.**
- 1,577 Consumer County Court Judgements (CCJs) were issued every day during Q1 2011 and the average judgement amount was £3,118.
- Citizen Advice Bureaux dealt with **9,072 new debt problems** every working day in England and Wales during the year ending March 2011.
- The average cost of raising a child from birth to the age of 21 is £27.50 a day.
- **100 properties were repossessed every day during Q1 2011**
- **36 new people became unemployed for more than 12 months every day** during the 12 months to end May 2011
- **1,578 people reported they had become redundant every day** during 3 months to end May 2011
- £251,500,000 is the amount that the Government Public Sector Net Debt (PSDN), including financial interventions, will grow today **(equivalent to £2,911 per second).**
- **£144,600,000** is the interest the Government has to pay each day on the UKs net debt of £2276.0bn (which includes financial interventions). This is estimated to rise to £182m a day in 2015-16.
- 220 mortgage possession claims will be issued and 160 mortgage possession orders will be made today
- 382 landlord possession claims will be issued and 265 landlord possession orders will be made today.
- The UK population is projected to grow by 1,205 people a day over the next decade
- 24.1m plastic card purchase transactions will be made today with a total value of £1.182bn.
- 7.3m cash withdrawals will be made today with a total value of £478m
- The average car will cost £16.08 to run today
- It costs £67.80 on average to fill a car with a 50 litre tank with unleaded petrol.

Other key national statistics:

The UK economy **grew by 0.2%** in the second quarter of 2011, according to initial estimates from the Office of National Statistics.

There were 5.7 million working age benefit claimants at November 2010. This is a decrease of 172,000 in the year.

UK base rate fell to a 315 year low when the official bank rate was reduced to 0.5% on 5th March 2009 **and has been held at that level for 29 months in a row.**

There were 4,121 compulsory liquidations and creditors' voluntary liquidations in total in England and Wales in the first quarter of 2011 (on a seasonally adjusted basis). This was an increase of 3.7% on the previous quarter and an increase of 2.1% on the same period a year ago. In the twelve months ending Q1 2011, **approximately 1 in 139 active companies (or 0.7%) went into liquidation,** which is comparable with the previous quarter, when this figure stood at 1 in 138. Additionally, there were 1,314 other corporate insolvencies in Q1 2011 (not seasonally adjusted) comprising 349 receiverships, 782 administrations and 183 company voluntary arrangements. In total these represented a decrease of 2.2% on the same period a year ago.

In June 2011 the **public sector net debt (PSND) <u>including financial interventions</u> was £2276.0bn**, equivalent to **149.3%** of Gross Domestic Product. This compares to £2184.2bn (150.3% of GDP) as at the end of June 2010. Meanwhile, **public sector net debt <u>excluding financial interventions</u> was £944.3bn** (61.9% of GDP), up from £803.7bn at the end of June 2010 (55.3% of GDP). ***The Office of National Statistics now includes complete data from the Royal Bank of Scotland and Lloyds Banking Group, which were part-nationalised in 2008, in its calculations for PSND including financial interventions.***

According to the **Coalition's March 2011 Budget report** the public sector net debt will peak at 70.9% of GDP in 2013-14, before declining to 70.5% of GDP in 2014-15 and 69.1% of GDP in 2015-16.

The number of **unemployed people in the three months to May 2011 was 2.45 million (7.7%). This is down 26,000** from the previous three months and down 23,000 from a year earlier. **144,000 people (1,578 a day) reported they had become redundant** in the three months, up 16,000 on the previous three months but down 15,000 from a year earlier.

The number of people unemployed for more than 12 months decreased by 37,000 (4.4%) over the quarter and increased 13,000 (36 a day) over the year to reach 807,000. The number of economically inactive people aged from 16 to 64 rose by 32,000 over the quarter but fell by 11,000 over the year to reach 9.33 million in the three months to May 2011.

Public sector employment decreased by 24,000 in the first quarter of 2011, to 6.162 million, compared with the previous quarter.

The Office for Budget Responsibility (OBR) March 2011 forecast for the number of general Government employees estimates a reduction from 5.67m in 2010/11 to 5.28m in 2015/16. They estimate that between 2010 and 2015 total employment will rise by around 900,000, reaching 30.1m by the final quarter of 2015.

In the year to June, the consumer prices index (CPI) rose by 4.2%, down from 4.5% in May. **The Retail Prices Index rose by 5.0% in the year to June, down from 5.2% in May.**

There were 183,125 new car registrations in June. This is a decrease of 6.2% compared to June 2010.

In June 2011 UK retail sales values decreased by 0.6% on a like-for-like basis from June 2010, when sales had risen 1.2%. On a total basis, sales were up 1.5%, against a 3.4% increase in June 2010.

Servicing Debt: Analysis conducted for the Consumer Credit Counselling Service (CCCS) has identified 6.2 million households as 'financially vulnerable'. This includes 3.2 million households which are 'already in financial difficulty' (either three months behind with a debt repayment or subject to some form of debt action such as insolvency), and a further 3 million who are 'at risk' of getting into financial difficulty because they are finding it hard to make ends meet and struggling with increasing household bills.

CCCS also suggest that low earners who come to them for help are holding extremely high levels of unsecured debt. Amongst those clients earning up to £13,500 per year, average unsecured debt is £12,870. Strikingly, the average unsecured debt to income ratio for this group of clients is 199% of their annual income. This is far more than CCCS clients in higher earning income groups.

Official figures released by the Department for Energy and Climate Change suggest that, in 2009, there were around 5.5 million fuel poor households in the UK, up from 4.5 million in 2008. A household is said to be in fuel poverty if it has to spend over 10% of its income to maintain an adequate level of warmth. Fuel poverty amongst vulnerable households (a household that contains children, an elderly person, or someone who is disabled or long-term sick) stood at 4.5 million in 2009, an increase of 0.75 million from 2008.

Meanwhile, a survey by uSwitch suggests that fuel poverty has spiralled further, and that 24% of UK households (equivalent to 6.3 million nationwide) are now classed as fuel poor. 36% of working class households are in fuel poverty, but uSwitch believe that the problem is rapidly spreading up the income scale, with 15% of middle class households fuel poor as well. Single working parents are most likely to be fuel poor, with 39% of this group classed as being in fuel poverty according to the uSwitch survey.

Research by the Co-operative Bank has found that 80% of the UK population are worried about the state of their finances. Utility/energy bill prices (21%), personal debt (21%) and fuel price rises (15%) are causing the most concern. Furthermore, 32% of UK adults do not feel confident that they can pay their bills every month. 28% of those in this group admit to missing some bill payments completely. Of those who have missed payments, 33% had done so for more than one month.

Citizens Advice Bureaux across England and Wales advised 0.57 million clients with new problems in the three months between January and March 2011. Debt was the largest advice category with 595,841 enquiries (32% of all problems – including enquiries about mortgage and rent arrears, benefit overpayment debts – and a 9% decrease on the same period last year). Based on annual figures to the end of March 2011, Citizens Advice Bureaux in England and Wales are currently dealing with **~ 9,072 new debt problems every working day.**

Mortgage lenders took 9,100 properties into possession in Q1 2011, up from 7,900 in Q4 2010 according to the Council of Mortgage Lenders, but 10% down on the same period a year ago. This equates to **100 properties being repossessed every day or 1 property being repossessed every 14 minutes.**

In terms of payment difficulties, 166,900 mortgages ended Q1 2011 with arrears equivalent to at least 2.5% of the outstanding mortgage balance. This was down from 170,000 at the end of Q4 2010.

The only arrears band where a worsening was experienced was where arrears exceeded 10% of the mortgage balance. This band increased slightly in number to 27,700 in Q1 2011, up from 27,400 in Q4 2010.

The CML's current forecasts are for a 2011 outturn of 40,000 repossessions and 180,000 mortgages in arrears. This already anticipates the short-term pressure on household finances as a result of the expected squeeze on incomes. Overall, the CML believes that the prospect of low interest rates for a protracted period should limit the adverse impact on keeping up with mortgage payments, despite the increased tax and inflation burden on households.

The FSA estimate that at the end of Q1 2011 there were **337,000 loan accounts in reportable arrears (> 1.5% of current loan balance)**, a decrease of 7% from Q1 2010. At the end of Q1 2011, loans in arrears represented 2.88% of the value of the residential loan book.

The Insolvency Service said there were 30,162 individual insolvencies in England and Wales **(331 people a day or 1 every 4.36 minutes)** in Q1 2011. This was a decrease of 1.7% on the previous quarter and a **decrease of 15.5%** on the same period a year ago.

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

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

Figures released by Finance & Leasing Association (FLA) show that while new consumer credit lending rose by 3% in May 2011 (compared with the same month last year), there was a fall of 3% in total lending over the past 12 months. The store card market in particular contracted significantly, showing a 20% drop in value in May compared with the same month last year.

Plastic card / Personal Loans: Figures released by the UK Payments Council indicate that debit cards continued to be UK consumers' payment method of choice during the first three months of 2011. Spending on debit cards increased 10.1% compared to the same period in 2010 (by contrast, credit card spending increased just 1.5%, and cash withdrawals declined 0.3%). Last year, debit cards became the most popular payment method for the first time, with £26bn more spent using debit cards than notes or coins in 2010.

A survey by moneysupermarket.com suggests that a quarter of Brits (equivalent to 11 million people nationwide) are turning to credit cards as a fall-back when they run out of funds in their current account. On average, those in this group fall-back on their credit cards 21 days after being paid each month. However, 9% of this group begin relying on credit cards less than 15 days after they have been paid, meaning they fund the remaining fortnight using credit cards.

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

Moneysupermarket.com have also found that 46% of credit card holders do not pay off their balance in full at the end of the month, with the average debt being held for 10 months before being paid off – as a result of this, credit card users are wasting a massive £2.3bn a year in interest payments simply by letting debt sit on their existing card.

There were 146.7m debit, credit or charge cards in circulation in the UK at the end of 2010, according to the UK Payments Council. **An average 279 plastic card purchases were made in the UK every second** during Q1 2011 using debit and credit cards (equal to £13,686 /second). 85 cash withdrawals were made every second (equal to £5,532 / second) from UK's 63,414 cash machines during Q1 2010.

There are **about as many credit cards in the UK as there are people** according to the UK Payments Council. At the end of 2010 there were an estimated 62.1m credit and charge cards in the UK, compared with around 62.3m people in the country.

Total credit card debt in June 2011 was **£57.1bn.**

The average interest rate on credit card lending is currently **18.74%, which is 18.24% above base rate (0.5%).**

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

Young people - the IPOD generation: Research by uSwitch has found that graduates currently face an average debt of £21,198 when they finish university, which takes 11 years on average to clear. uSwitch also suggest that graduates are postponing big life decisions until they have paid off their debts, with 30% putting off plans to start a family and 29% delaying plans to get married.

Recently released figures by Citizens Advice suggest that their Bureaux dealt with 700,000 problems from people under the age of 25 in the year between April 2010 and May 2011. Housing benefit was the problem that under 25s sought most advice on during the period (27,841 issues). Meanwhile, disability related benefits saw the biggest increases in problems for young people, with enquiries about Employment and Support Allowance increasing 42%, and problems with Disability Living Allowance going up 18%.

A survey by Aviva has found that young people feel a strong sense of financial responsibility towards their parents, with all under-21s questioned saying that they would be prepared to give up a proportion of their income to support older family generations if they could afford to do so. 19% said they would give up a quarter of their income to help their parents, and over 40% said they would sacrifice at least 10% of their income to help out.

A survey by Triodos Bank has found that parents are keen to pass on values such as good money sense to their children. Faced with a lack of personal financial education in schools, 78% of parents are teaching their children how to be sensible with money, making it the number one principle parents want to pass on. Furthermore, 44% of parents say that having children has encouraged them to become more sensible with their own money.

Unemployment amongst economically active 18 to 24 year olds decreased by 26,000 (3.6%) in the 3 months ending May 2011, to reach 715,000**. This means that 17.4% of all economically active 18 to 24 year olds are unemployed.** 311,000 (43%) have been unemployed for > 6 months. 179,000 **have been out of work for over 12 months** which is a decrease of 18,000 (9.2%) over the last 3 months and a decrease of 16,000 (8.1%) over the last 12 months.

The number of 18-24 year olds not in education, employment or training (NEET) at the end Q1 2011 was 844,000 (17.7%). The number of 16-18 year NEETs stood at 159,000 (8.3%) at the end of Q1 2011. **The total of 16 – 24 classed as NEETS now stands at 925,000.**

Pensioners / Pensions: A study by Prudential has found that UK pensioners are living on an average of £6,200 less than the amount they say that they need to live comfortably. Pensioners would ideally like an income of £22,000 per year, but in reality the average income that they receive is £15,800. 38% say that they are finding retirement more difficult than they expected. Meanwhile, 17% of pensioners continue to work part-time and 12% have downsized their property in order to enhance their disposable income.

A report by Aviva has found that 39% of over 55s have experienced changes (often unwanted and unplanned) to their careers between their 55th and 65th birthdays. 15% were made redundant, 11% were forced to stop working due to illness, and 11% were forced into early retirement. 68% of those who had experienced such changes said they had a detrimental effect on their retirement finances.

A survey of people aged over 50 by Saga has found that only 63% of respondents would shop around for a will or probate provider following the loss of a loved one. Saga suggest that those who do not compare prices could lose out financially as a result, with some will and probate providers charging as much as 5% of the value of the estate for their services – Saga estimate that 5% equates to roughly £7,200 for the average estate.

An annual study by Scottish Widows has found that of those who could and should save (defined as being people aged between 30 and state pension age who earn over £10,000), 49% are making inadequate plans for retirement. This figure has never been lower than 46% in the last five years. Moreover, 20% are failing to save anything at all. Despite this, 73% of those surveyed said they recognised the need to take personal responsibility for retirement planning, suggesting that awareness of the importance of saving for retirement is not translating into action.

Research by Prudential has found that 79% of UK pensioners with private or company pension schemes are taking tax-free lump-sums out of their pension funds upon retirement. The average lump-sum withdrawn at the point of retirement is £21,500 – this has fallen 11% since 2008, when the average lump-sum taken was £24,154, which Prudential suggest is a result of the effects of the recession on pension funds and pay-outs.

A study by Prudential has found that only 52% of people who are planning to retire in 2011 feel confident that they will be able to leave an inheritance to relatives after funding their own retirement. 26% have already ruled out being able to leave an inheritance, and 22% are unsure whether their savings would be sufficient to see them through their retirement. Moreover, 9% say they will cancel plans to leave an inheritance in order to boost their own retirement income.

The number of unemployed people aged 50+ during the three months to end May was 390,000, which is an increase of 0.5% over the previous quarter and an increase of 2.0% (8,000) over the previous year. The number of people over 65 in work increased by 12,000 in the three months to the end of May to 895,000, **a rise of 95,000 (11.9%) over the previous year.**

Two in five 50-plus unemployed workers (43.1%) - a total of 168,000 people - have been out of work for over a year. 97,000 have been unemployed for more than two years.

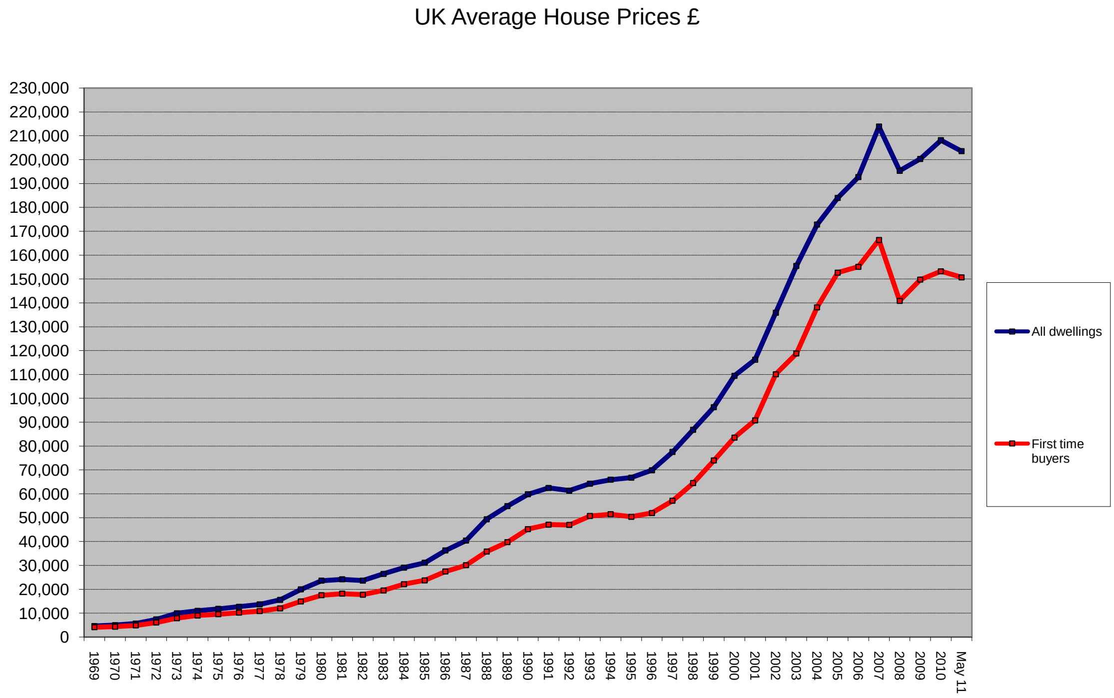
At November 2010, there were 12.8m people of state pension age claiming a DWP benefit, an increase of 125,000 since November 2009. Of these, 67% were claiming State Pension (SP) only.

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

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

Housing: According to the Department for Communities and Local Government (DCLG) the average house price in the UK in May 2011 stood at **£203,528** (£211,243 in England). Over the year to May 2011, UK house prices decreased by 1.6%. **Average house prices in London increased by 1.0% in the year to May 2011.**

Average UK house prices were 0.1% lower over the quarter to May 2011, compared to a quarterly decrease of 0.3% over the quarter to February (seasonally adjusted).



The average Mortgage Interest rate is 3.45%.

Gross mortgage lending totalled an estimated £12.6 billion in June, the highest monthly figure since July 2010 (£13.3 billion). Gross mortgage lending in June was up 16% from May (£10.8 billion) but down 3% from June 2010 (£13.0 billion).

Gross mortgage lending in Q2 2011 was an estimated £33.5 billion. This was an 11% increase on Q1 2011 (£30.1 billion) but a 3% decrease from Q2 2010 (£34.4 billion).

Halifax said that house prices rose by £2,010 in June 2011. **This is a monthly rise of 1.2%.** Prices fell 0.5% over the quarter and fell 3.5% over the year.

Nationwide estimate that house prices were unchanged during June 2011 (compared to May 2011), but fell 1.1% over the year.

The June RICS Housing Market Survey shows that 27% more surveyors report prices falling rather than rising, although 78% of those reporting price falls said these were in the 0-2% range. New buyer enquiries (demand) in June were unchanged (which has been the broad trend all year), while new vendor instructions (supply) were fairly flat after rising more convincingly in the previous two months.

Hometrack monthly survey of 5,000 agents and surveyors showed that demand for housing rose from -0.5% in May to 1.9% in June. The supply of homes for sale increased by 3.5% in June (following a 3% increase in May). Hometrack also say that the volume of sales agreed by agents increased by 10.6% in June, the highest monthly increase since March 2011 (12.6%). Hometrack suggest that the improvement in sales volumes is partly the result of a bounce back in activity following a subdued market in May, but also reflects lower prices and greater realism by sellers over achievable pricing levels. House prices fell 0.1% in June. Lower prices were reported across 28% of the country in June, while 8.7% of the country reported price rises.

Rightmove said new sellers dropped average asking prices by 1.6% (£3,797) to an average of £236,597 in July.

According to the NAEA the number of house-hunters registered per branch decreased on average from 275 in May to 263 in June, the number of sales agreed per branch increased on average from 8 in May to 9 in June, and the average number of properties available for sale per branch increased from 68 in May to 74 in June (this is the highest figure since April 2009, when there were an average of 76 homes for sale per branch).

House purchase approvals (31,747) were slightly higher in June than in May according to the British Bankers Association, but were 6% lower than in June 2010. The average loan approved for house purchase in June was **£149,700 which is 0.6% lower than a year ago**.

Existing home sales across the United States (including single-family, townhomes, condominiums and co-ops) decreased 0.8% over last month and fell 8.8% year on year in June 2011. The **average price increased 0.8% year on year** to $184,300. RealtyTrac® said that a total of 222,740 foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on U.S. properties in June 2011, a 4% increase in total properties from last month but a 29% decrease from June 2010. June was the ninth straight month where foreclosure activity decreased on a year-over-year basis. Over the first six months of 2011 1,170,402 U.S. housing units received foreclosure filings, a 25% decrease on the previous six months and a 29% decrease from the first half of 2010. The report shows that one in every 111 of all U.S. housing units received a foreclosure filing during the first six months of 2011.

Research by Santander has found that being close to work is the biggest priority amongst those who are looking to buy a home in the next 5 years. 33% of such prospective homebuyers said that proximity to work was the most important factor for them, followed by having more space (29%) and good public transport links (21%). Being in the catchment area of a good school was a main priority for 37% of buyers with children aged between 0 and 10.

Sainsbury's Finance have also said that one in five of all personal loans is taken out solely to pay for home improvements, as Britons continue to invest in their homes despite challenging market conditions. 21.0% of all loans granted by Sainsbury's are for home improvements, an increase from 20.8% in 2010 and a big jump from 14.1% in 2007. The average value of a personal loan taken out to fund home improvements has decreased slightly this year to £8,318 (from £8,827 in 2010).

Housing First Time Buyers (FTB) & Buy-to-let: The average house price in the UK in May 2011 for first time buyers now stands at **£150,685** which is an **annual decrease of 2.1%.**

As at the end of March, there were 1,313,200 buy-to-let mortgages outstanding, worth a total of £152 bn. By value, buy-to-let mortgages accounted for 12.3% of all mortgages.

The typical first-time buyer deposit in May was **20% (£29,874)**. The average first-time buyer borrowed 3.14 times their income and the average first-time buyer loan was £119,497.

According to the RICS Residential Lettings Survey for April 2011, tenant demand continued to increase in the three months to April, and at a marginally quicker pace than the in the last period. 35% of surveyors reported a rise in demand.

Figures released by Endsleigh have shown that the average rental price paid by tenants has increased 4% since 2009, and now stands at £688 per month. London is the most expensive area, with the average rental price of £1,372 being twice the national average. Meanwhile, tenants pay the least in Scotland, where the average rental price is £299 per month (43% of the national average).

Money Education: A study by HSBC has revealed that young people are more apathetic about their savings than other age groups, sharpening calls to educate them about personal finance. 89% of under-25s surveyed by HSBC said they did not know the interest rate on their savings account, and 65% did not know their current balances. Moreover, 14% admitted that they never actually checked their savings accounts.

AXA suggest that a significant proportion of people on low incomes are not using any source of financial information to help them manage their money. This applies to almost 1 in 4 of a group AXA term 'The Stretched' (20-30s on a low income with few financial assets) and to 30% of those its calls 'Under-funded Seniors' (retired people living in sheltered accommodation who have low incomes and no savings and are therefore dependent on the state).

A survey by Gocompare has found that 23% of UK consumers have never switched providers for any of the 20 most common financial products including car and home insurance, energy provider, bank account, and mortgage or credit card provider. Taking products individually, 31% of consumers said they have never switched bank accounts, 15% have never switched mortgage lender, 14% have never switched savings accounts, and 8% have never switched energy provider.

A survey by the Post Office has suggested that people learn savings habits from an early age, with 72% of respondents saying that they were encouraged to save by their parents. The research also showed that it is becoming harder to save across generations, with 31% of over 55s believing that it is harder for them to save than it was for their parents. This figure increases to 60% amongst under 35s.

Spending: Barclays estimate that, over the course of the six week summer holiday period, British holidaymakers will spend a total of £1.47 billion whilst they are abroad (via debit cards and cash withdrawals). However, Barclays say that this figure is broadly the same as that for summer 2010, and suggest that this shows that consumer confidence has not totally bounced back since the end of the recession. Spain, France and the USA are the favourite holiday destinations for Britons, and are expected to account for around two-fifths of all overseas debit card spending.

Meanwhile, back home, LV have calculated that UK parents are set to spend a collective £8.6 billion over the summer holidays on childcare (£3.2 billion) and entertainment (£5.4 billion). Parents will spend an average of £110 per child per week. With the typical school summer holiday lasting 42 days, this means parents will be spending £660 per child over the course of the entire summer break. 38% of parents say the costs connected to school holidays are now becoming unaffordable.

Research by Sainsbury's Finance suggests that 1.3 million motorists have given up driving over the past 12 months because of the rising cost, and that in total 76% of motorists have changed their driving habits in the past year in order to save money. 26% have stopped filling up their tanks fully (and instead purchase specific values of fuel, such as making £20 or £50 visits). Furthermore, 45% of motorists (16.5 million people) are driving less, and 7% have started to car share.

According to AXA, 40% of consumers (equivalent to 20 million people nationwide) made significant spending cutbacks in their daily lives during the three months between January and March 2011. During this period, 40% of consumers say they chose to go out less (up 5% on the previous quarter), 27% reduced their car usage (up 10%), a similar number said they cut back on food shopping, and 35% spent less on alcohol and take aways. Furthermore, AXA suggest that between Q1 2010 and Q1 2011, the number of people feeling financially confident fell from 23% to 16%.

Research by moneysupermarket.com has found that 22% of Brits say they are now so stretched they have reached their "affordability tipping point" and can no longer make ends meet as the cost of living has now become too high for them. Moreover, 30% of those surveyed suggested that if their monthly outgoings increased by less than £100 they would be unable to meet everyday living costs. 40% of adults said that the soaring cost of petrol had had the most significant effect on their spending and budgeting over the last 12 months.

The average British couple will spend £16,569 on their wedding, according to research by Clydesdale and Yorkshire Banks. This is £4,331 less than last year's average.

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

The average new family car now costs £5,869 annually to keep on the road, equating to £112.87 per week or 48.91p per mile.

The AA calculate that in July 2011 the average price of unleaded petrol fell by 0.5ppl (pence per litre) to 135.6ppl. **This means it costs £67.80 to fill a 50 litre unleaded tank**. The average price of diesel fell by 0.1ppl to 139.7ppl. The UK currently has the 11th highest unleaded price in Europe and the 2nd highest diesel price.

Savings: Recently published research by NS&I suggests that on average Britons are setting aside 8.31% of their income every month, equating to approximately £100.24. However, this average figure masks the fact that, according to NS&I, 13% of the British population actually have no savings at all. In addition, 36% of the population do not believe that they have enough money to cope in an emergency.

A survey by the Post Office has revealed that 93% of people in the UK are worried about the impact that inflation is having on their finances (however, the study also revealed a degree of confusion about the precise level of inflation, with only 5% of people being able to name the correct rate). The Post Office's survey also found that 34% of people are currently saving regularly, and 36% are saving money whenever they can.

Research by Halifax has identified a link between the levels of savings balances in an area and house prices. It suggests that there are five areas in the UK – Kensington and Chelsea, Mole Valley, Chiltern, Elmbridge, and Richmond-upon-Thames – which feature in the top ten lists for both average savings balances and highest average house prices. There are some exceptions however. The London Boroughs of Hackney, Newham, Lewisham and Southwark are all amongst the five areas with the lowest savings balances, but each has an average house price significantly above the national average.

A report by Scottish Provident has found that 37% of British adults describe themselves as stressed or very stressed, with a lack of financial stability identified as a key factor in causing this. 49% of those with no existing savings describe themselves as either stressed or very stressed, as do 47% of those who cannot afford to put any money away each month. 59% of people say that having no income would increase their stress levels, but this has not translated into people building a stronger financial safety net, as 25% of Britons would face money troubles within a week of losing their income.

Compiled monthly by John Davies. johndavies@creditaction.org.uk. ***If you would like to receive regular monthly updates of these statistics then please register using the "Register to receive Debt Statistics" link at http://www.creditaction.org.uk/debt-statistics.html Note: new / changed statistics are at the start of each section.***

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