



DEBT STATISTICS

JUNE 2013 EDITION

CONTENTS

Welcome to the June 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.

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STRIKING NUMBERS
£54,015 was the average household debt (including mortgages) in April
£165m was the daily amount of interest paid on personal debt in April
8,192 debt problems were dealt with by the CAB each working day over the year to December
1,534 people were made redundant every day between January and March
902,000 people had been unemployed for over a year between January and March
£10.21m of loans are written-off daily by UK Banks and Building Societies (based on Q1 2013 trends)
Every 16 min 26 sec a property is repossessed (based on Q1 2013 trends)
Every 5 min 15 sec someone is declared insolvent or bankrupt (based on Q1 2013 trends)
£1.355 billion was the daily value of all purchases made using plastic cards in March

1. UK PERSONAL DEBT

TOTAL UK PERSONAL DEBT

Outstanding personal debt was **£1.424 trillion** at the end of April 2013.

- This is up from £1.410 trillion at the end of April 2012.
- At the end of April 2013, individuals owed nearly as much as the entire country produced during the whole of 2012.

Outstanding secured (mortgage) lending was **£1.266 trillion** at the end of April 2013.

- This is up from £1.252 trillion at the end of April 2012.

Outstanding unsecured (consumer credit) lending was **£157 billion** at the end of April 2013.

- This is down from £158 billion at the end of April 2012.

AVERAGE UK PERSONAL DEBT

Average household debt in the UK (excluding mortgages) was **£5,971** in April.

- This is down from a revised **£5,972** in March.

Average household debt in the UK (including mortgages) was **£54,015** in April.

- This is up from a revised **£53,991** in March.

The average amount owed per UK adult (including mortgages) was **£28,980** in April. This is up from a revised **£28,967** in March, and was around **120%** of average earnings.

Average consumer borrowing (including credit cards, motor and retail finance deals, overdrafts and unsecured loans) per UK adult was **£3,204** in April. This is unchanged from a revised **£3,204** in March.

The estimated average outstanding mortgage for the 11.3m households that carry mortgage debt stood at **£112,459** in April.

Based on April 2013 trends, the UK's total interest repayments on personal debt over a 12 month period would have been **£60.1 billion**.

- This is equivalent to **£165 million** per day.
- This means that UK households would have paid an average of **£2,279** in annual interest repayments.

1. UK PERSONAL DEBT

The Office for Budget Responsibility (OBR) predicted in March 2013 that total household debt will reach **£1.931 trillion** in Q1 2018.

- This would mean that average household debt would reach **£73,284** (assuming that the number of households in the UK remained the same between now and Q1 2018).

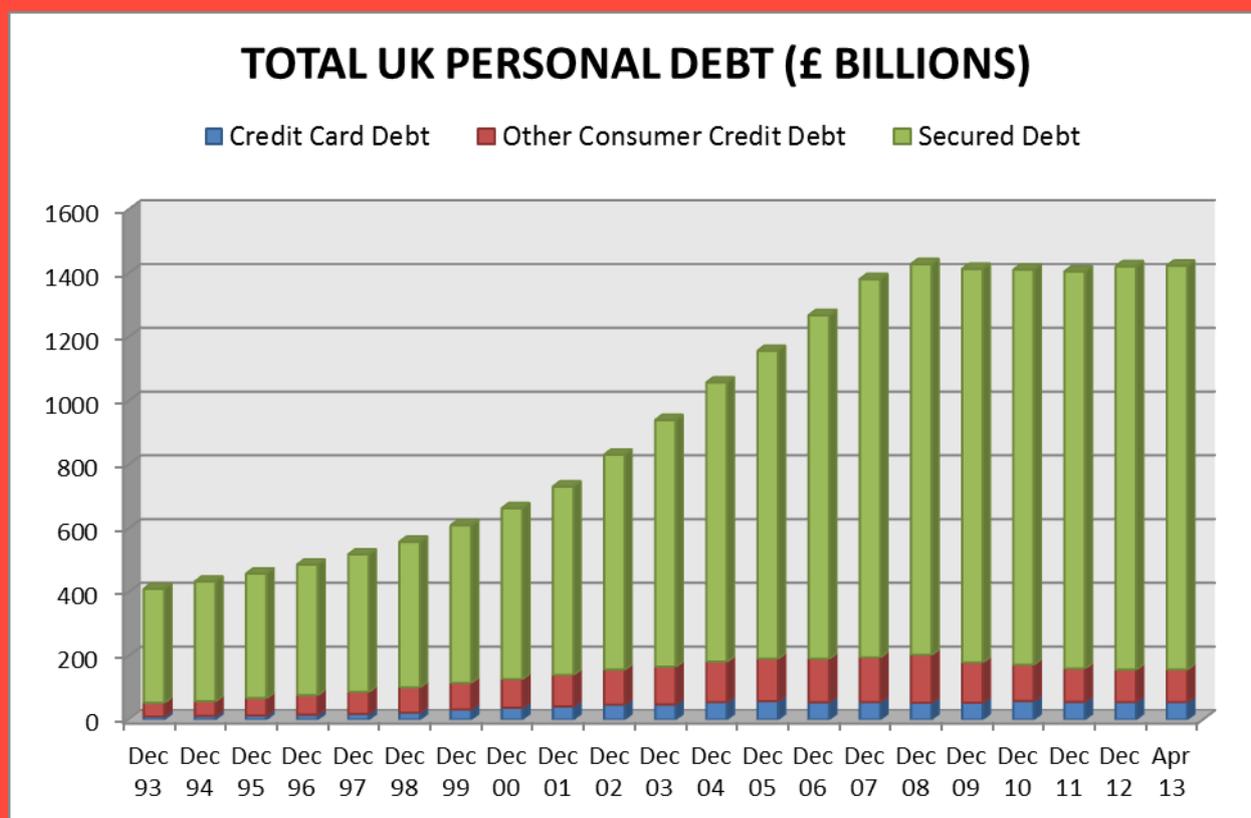
NET LENDING AND WRITE-OFFS

Total net lending to individuals by UK Banks and Building Societies **rose by £1.4 billion** in April 2013.

- Net secured lending rose by £0.9 billion in the month; net consumer credit lending rose by £0.5 billion.

UK Banks and Building Societies **wrote-off £4.1 billion** of loans to individuals over the four quarters to Q1 2013.

- In Q1 2013 itself they wrote-off £932 million (of which £385 million was credit card debt) amounting to a daily write-off of **£10.21m**.



Based on Bank of England Data

2. EVERY DAY IN THE UK

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

- **274** people are declared insolvent or bankrupt every day (based on Q1 2013 trends). This is equivalent to one person **every 5 minutes 15 seconds**.
- **1,373** Consumer County Court Judgements (CCJs) are issued every day (based on Q1 2013 trends). The average value of a Consumer CCJ in Q1 2013 was **£2,442**.
- Citizens Advice Bureaux in England and Wales dealt with **8,192** debt problems every *working day* during the year ending December 2012.
- It costs an average of **£29.02** per day to raise a child from birth to the age of 21.
- **88** properties are repossessed every day (based on Q1 2013 trends).
- **58** new people a day became unemployed for over 12 months during the year ending March 2013.
- **1,534** people a day reported they had become redundant between January and March 2013.
- Public Sector Net Borrowing (excluding financial interventions) was **£6.3bn** in April 2013, meaning that the Government borrowed an average of **£210m** per day during the month (equivalent to **£2,431** per second).
- **158** mortgage possession claims are issued and **112** mortgage possession orders are made every day.
- **466** landlord possession claims are issued and **312** landlord possession orders are made every day.
- The UK population is growing by an estimated **1,342 people a day**.
- **27.5m** plastic card purchase transactions were made every day in March 2013 with a total value of **£1.355 billion**.
- **8.7m** cash machine transactions were made every day in April 2013 with a total value of **£341m**.
- The average new car costs **£18.33 per day** to run.
- It cost **£66.70** to fill a 50 litre tank with unleaded petrol in May.

3. NATIONAL STATISTICS

ECONOMY

The UK economy **grew by 0.3%** in the first quarter of 2013, according to latest estimates from the Office of National Statistics.

The Bank of England Base Rate is currently set at **0.5%** (since being established in 1694, the Rate has never been lower). It was reduced to this level on 5th March 2009, and has been held there for 51 months.

There were **5.6 million** working age benefit claimants at November 2012. This is a decrease of 141,000 in the year.

UNEMPLOYMENT

The number of unemployed people in the three months between January and March 2013 was **2.52 million** (7.8%). This is up by 15,000 from the previous three months, but down by 92,000 from a year earlier.

- **140,000** people (**1,534 a day**) reported they had become redundant over the three months. This is down by 5,000 from the previous three months, and down by 32,000 from a year earlier.
- **902,000** people had been unemployed for over 12 months between January and March, up 23,000 from the previous three months, and up 21,000 (**58 a day**) from a year earlier.
- The number of economically inactive people aged between 16 and 64 rose by 47,000 over the three months, but fell by 212,000 over the year, to reach **9.00 million** in the three months to March 2013.

Public sector employment fell by **20,000** in the fourth quarter of 2012 to reach **5.722 million** overall.

The Office for Budget Responsibility's March 2013 forecast for General Government Employment estimates a total reduction of around **1.2 million** staff between the start of 2011 and the start of 2018. However, they estimate that this will be more than offset by a rise of **2.6 million** in market sector employment over the period, which will reach 25.8 million by the start of 2018.

3. NATIONAL STATISTICS

PUBLIC SECTOR NET DEBT

In April 2013, public sector net debt (PSND) *excluding* financial interventions was **£1185.3bn**, equivalent to 75.2% of GDP. This compares to £1086.5bn (70.6% of GDP) at the end of April 2012.

Meanwhile, public sector net debt *including* financial interventions was **£2210.4bn**, equivalent to 140.2% of GDP. This compares to £2144.2bn (139.4% of GDP) at the end of April 2012.

- 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 2013 Budget, public sector net debt is forecast to peak at **85.6% of GDP** in 2016-17, before falling to 84.8% of GDP in 2017-18.

CORPORATE INSOLVENCIES

Figures from the Insolvency Service show that there were **3,619** compulsory liquidations and creditors' voluntary liquidations in England and Wales in the first quarter of 2013 (on a seasonally adjusted basis).

- This was down 5.3% on the previous quarter, and down 15.8% on the same period a year ago.

In the twelve months ending Q1 2013, approximately **1 in 154** active companies (0.7% of all active registered companies) went into liquidation.

- This is down from 1 in 144 in the previous quarter.

Additionally, there were **935** other corporate insolvencies in Q1 2013 (not seasonally adjusted), comprising 236 receiverships, 557 administrations and 142 company voluntary arrangements.

- In total these have decreased 27.5% on the same period a year ago.

3. NATIONAL STATISTICS

INFLATION AND RETAIL ACTIVITY

CPI (Consumer Prices Index) annual inflation stood at **2.4%** in April, down from 2.8% in March.

RPI (Retail Prices Index) annual inflation stood at **2.9%** in April. This is down from 3.3% in March.

- Note that following a re-assessment earlier this year, the Office of National Statistics no longer designates RPI as an official “National Statistic”.

The British Retail Consortium/KPMG Retail Sales Monitor for April 2013 showed that UK retail sales values fell by 2.2% on a like-for-like basis from April 2012, when sales had decreased 3.3% on the preceding year.

- On a total basis, sales were down 0.6% in April 2013, against a 1.0% decrease in April 2012.
- However, the British Retail Consortium note that the growth figures were negatively affected by the timing of Easter, which took place in March this year but in April last year.
- The 3-month total growth average, which irons out the Easter distortions, was 2.6%.

There were 163,357 new car registrations in April, according to the Society for Motor Manufacturers and Traders.

- This is an increase of 14.8% compared to April 2012.

4. SERVICING DEBT

KEY STATISTICS

Citizens Advice Bureaux across England and Wales dealt with **0.55 million** new enquiries in the three months between October and December 2012.

- Debt was the second largest advice category (behind Benefits) with 455,574 enquiries. This is a 6% decrease on the same period last year. Debt enquiries represented 29% of all problems dealt with between October and December 2012.
- Based on *annual* figures to the end of December 2012, Citizens Advice Bureaux in England and Wales are dealing with **8,192** debt problems every *working day*.

According to the Council of Mortgage Lenders (CML), **8,000** properties were taken into possession in Q1 2013 (this is down from 9,600 in Q1 2012, but shows the usual seasonal upturn from the fourth quarter figure, which was 7,700 in Q4 2012).

- This equates to **88** properties being repossessed every day, or one property being repossessed **every 16 minutes 26 seconds**.
- In terms of payment difficulties, **159,800** mortgages ended Q1 2013 with arrears equivalent to at least 2.5% of the outstanding mortgage balance.
- CML's most recent forecast for 2013 anticipates that there will be a total of 35,000 repossessions, with 160,000 mortgages in arrears of 2.5% or more by the end of 2013.

The Financial Services Authority estimates that at the end of Q4 2012 there were **301,800** mortgage loan accounts in reportable arrears (i.e. arrears of over 1.5% of current loan balance), a drop of less than 1% from the previous quarter, and a fall of 4% compared to the end of 2011 (when there were 313,200 accounts in reportable arrears).

- At the end of Q4 2012, loans in arrears represented **2.44%** of the value of the residential loan book.

The Insolvency Service said there were **25,006** individual insolvencies in England and Wales in Q1 2013. This is equivalent to **274** people a day or, one person **every 5 minutes 15 seconds**.

- This was a fall of **1.8%** on the previous quarter and a fall of **12.9%** on the same period a year ago.
- This was made up of 6,663 bankruptcies (down 27.0% compared to Q1 2012), 7,219 Debt Relief Orders (down 8.6% compared to Q1 2012) and 11,124 Individual Voluntary Arrangements (down 4.9% compared to Q1 2012).
- The number of Debt Relief Orders was higher than total bankruptcies for the third quarter, while Bankruptcy Orders have been lower than Individual Voluntary Arrangements for the last eight quarters.

4. SERVICING DEBT

RECENT HEADLINES

A survey by Halifax has shown that as a result of low wage inflation and the increasing cost of living, many UK households are now at full stretch financially, with 46% admitting that they would find it difficult to cope if their outgoings increased by just £99.

- Halifax add that those in their 40s and 50s are the most stretched, with 51% of the former and 53% of the latter saying they would be unable to cope with a £99 rise in their outgoings. Indeed, 18% of those in both of these age groups now feel so close to the edge that they could not cope with a rise of just £24.
- Halifax note that those in their 40s and 50s appear to have been particularly affected by increases in essential bills. On average, 26% of UK households reported higher spending on fuel and energy bills over the past year, but this rose to 29% amongst those in their 40s and 50s.
- Similarly, 11% of households in their 40s reported higher mortgage/rental payments compared to a national average of 9%, while 9% of households in their 40s said their food costs had increased compared to a national average of 8%.
- Overall, 40% of households expect their financial situation to worsen over the year ahead. 62% are concerned or very concerned about their ability to save for the future, 53% are worried about having enough money to cover future living costs and bills, and 32% are concerned about paying their rent or mortgage.

Figures from StepChange Debt Charity suggest that self-employed people are amassing an alarming amount of problem debt.

- StepChange Debt Charity say that 16,118 self-employed people came to them for help in 2012. On average, those in this group owed £27,739, which is considerably higher than the average debt across all StepChange Debt Charity clients (£17,635).
- StepChange Debt Charity add that clients in all other employment categories owed less than those who were self-employed. The average debt of those in full-time employment was £19,445, and for those in part-time employment it was £14,582. Meanwhile, retirees owed an average of £17,839, full-time carers owed £13,658 and unemployed clients owed £11,888.
- Indeed, StepChange Debt Charity also note that if a self-employed client's business fails their debt levels experience a further dramatic increase, with the average amount owed by clients in this position rising to £45,292.

5. PLASTIC CARDS AND PERSONAL LOANS

KEY STATISTICS

During March 2013 an average of **318** purchases were made in the UK every second using debit and credit cards, based on figures from the UK Cards Association.

- An average of **£15,685** was spent every second using debit and credit cards.
- On a daily basis, purchases using plastic cards were worth **£1.355 billion** in March.

Meanwhile, data from LINK shows that, on average, **100** cash machine transactions (including balance enquiries and rejected transactions) were made every second in April 2013.

- In total, cash machine transactions were worth **£3,945** per second in April.
- 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 April 2013 was **£55.3bn**.

- The average interest rate on credit card lending was **17.46%** in April. This is **16.96%** above the Bank of England Base Rate (0.5%).
- The British Bankers Association says that interest-free borrowing has remained stable but balances bearing interest have fallen sharply over the last 3 years.

RECENT HEADLINES

Research by Confused.com has revealed that a significant number of credit card owners have little understanding of how their credit rating works.

- Confused.com say that a concerning 27% of credit card owners don't even know what the term "credit rating" means.
- Meanwhile, 61% don't know what their current credit rating is, and 40% have never checked it.
- Confused.com add that 19% of credit card owners don't realise that missing payments on your credit card could potentially affect your credit rating. Moreover, 87% don't know that using your credit card for online gambling can impact on your rating, while 28% don't realise that making multiple applications for a credit card can also have an effect.
- 55% of credit card owners were unaware that taking out a payday loan could potentially have an impact on your credit rating, while just 17% knew that your credit rating can affect your ability to get certain types of job, such as with the police or in the financial services industry.

6. YOUNG PEOPLE

KEY STATISTICS

768,000 economically active 18-24 year olds were unemployed between January and March 2013. This was down by 9,000 (1.2%) compared to the previous three months.

- This meant that **18.6%** of all economically active 18-24 year olds were unemployed between January and March.
- **367,000** (47.8%) had been unemployed for over 6 months.
- **245,000** had been unemployed for over 12 months. This is a fall of 3,000 (1.0%) over the previous 3 months, but a rise of 14,000 (6.2%) from a year earlier.

The number of 18-24 year olds not in education, employment or training (NEET) at the end Q1 2013 was **843,000** (17.6%).

- The number of 16-18 year olds classed as NEET stood at **152,000** (8.2%) at the end of Q1 2013.
- The overall number of 16-24 year olds NEETs was **909,000** (15.1%).

RECENT HEADLINES

Figures from StepChange Debt Charity have revealed that the amount that young people owe to friends and family is significantly less than for other age groups.

- According to StepChange Debt Charity's client data for 2012, under-25s who sought help from the charity owed an average of £1,761 to friends and family.
- By comparison, for those in the 25-39 age range the average amount owed was £3,458. Meanwhile, 40-59 year olds owed £4,341 to friends and family, and over-60s owed £4,229.
- In addition, StepChange Debt Charity note that amount owed to friends and family by under-25s has actually decreased in recent years, falling from £1,894 in 2009 to £1,761 in 2012.

Halifax say that Child Trust Funds remain the most popular savings vehicle for children (despite having closed to new business 2011), but suggest Junior ISAs are catching up.

- According to Halifax, 48.3% of those investing on behalf of their children are still actively putting money into a Child Trust Fund. This compares with 27.6% who are investing in Junior Cash ISAs, and 10.3% who invest in Junior Stocks and Shares ISAs.
- 48.7% of those investing on behalf of their children say the primary purpose is as a general savings vehicle, while 33.3% are saving specifically for their children's education and 12.8% are doing so to help their child buy their first home.

6. YOUNG PEOPLE

The End Child Poverty Campaign has released figures which map the level of child poverty across the UK.

- On a parliamentary constituency basis, Manchester Central has the highest level of child poverty (47%). This is followed by Belfast West and Glasgow North East (both 43%).
- Tower Hamlets has the highest level of child poverty if the figures are broken down by local authority, with 42% of children living in the area in poverty. Manchester (38%) and Middlesbrough (37%) are ranked second and third.
- The study also reveals that there can be significant variation in child poverty rates not only across the UK, but also within the same region.
- For example, in London the constituency of Poplar and Limehouse has a child poverty rate of 41%, compared to 7% in Richmond.
- Meanwhile, in the North West, while 38% of children in Manchester live in poverty, the comparative figure in Ribble Valley is 7%.

A report from Aviva has revealed that the period between birth and two years is the most financially stressful time for parents.

- Aviva say that the mums and dads of under-twos are most likely to worry about their income and finances (56%), argue about money with their family or partner (22%), borrow money from their family (19%), and see an increase in their household debts (19%).
- Furthermore, 27% of parents of under-twos admit they've stopped saving as a result of having a family, while 32% dipped into savings in order to make ends meet.
- On a more positive note however, Aviva add that parents with very young children are most likely to be trying to get to grip with their finances. 29% of those with a child aged one say having a child has motivated them to tackle their debts, but this falls steadily as children grow older, with just one in 10 saying the same when their child is aged 21.
- As their children grow, Aviva say parents are likely to experience another spike in financial stress when their children are aged 11-15, as this is when parents most likely to feel under pressure to spend beyond their means.

7. OLDER GENERATIONS AND PENSIONS

KEY STATISTICS

406,000 people aged over 50 were unemployed between January and March 2013. This is up 17,000 (4.3%) from the previous quarter, but down 13,000 (3.2%) from a year earlier.

- **44.9%** of unemployed workers aged over 50 - a total of **182,000** people - have been out of work for over a year. 112,000 have been unemployed for more than two years.
- **980,000** people aged over 65 were *in work* between January and March, up 7,000 (0.7%) from the previous quarter, and up 90,000 (10.1%) from the previous year.

At November 2012, there were 12.8m claimants of State Pension (SP), a rise of 146,000 on the year.

RECENT HEADLINES

Latest figures from the Alliance Trust Economic Research Centre show that people aged 75 and over faced the highest rate of inflation of all age groups in April.

- According to Alliance Trust, their inflation rate fell slightly from 3.1% in March to 2.9% in April, although this remains significantly above the headline rate which fell from 2.8% to 2.4% over the same period.
- Alliance Trust say that the main catalyst for the drop in the headline rate of inflation was a reduction in petrol prices, but this had less of an impact for elderly households.
- They did however face an elevated rate of food inflation, which increased from 3.8% to 5% during April. Those aged 75 and over allocate almost 16% of their budget to food, the highest proportion of all age groups.
- In addition, this group face elevated levels of gas and electricity price inflation – the former rose from 7.6% to 8.3% in April, while the latter was unchanged at 7.6%.
- Meanwhile, Alliance Trust say that those in the 30-49, 50-64 and 65-74 age ranges all experienced an inflation rate of 2.1% in April. Aside from those aged 75 and over, the only other age group to face an inflation rate of more than 2.1% was the under-30s, who experienced inflation at 2.4% during the month.

7. OLDER GENERATIONS AND PENSIONS

Analysis by Prudential has found that 14% of people who are planning to retire this year will depend entirely on the State Pension, as they have no other pension provision in place.

- Prudential add that 18% of those who plan to retire this year will have a retirement income of less than £8,254 a year – according to calculations by the Joseph Rowntree Foundation, any single pensioners living on less than this are below the poverty line.
- Prudential have also identified a significant gender gap, with 21% of women expecting to retire below the poverty line in 2013 compared to 14% of men.
- In addition, women are three times more likely to have no pension provision beyond the State Pension – 23% of women will retire in this position in 2013, compared to just 8% of men.

A study by MGM Advantage has revealed that one in eight (13%) of over-55s who have children or grandchildren are not planning to leave an inheritance, while another 13% simply do not know if they will be able to.

- According to MGM Advantage, 6% of current retirees are using an inheritance to help supplement their pension, while 15% would use the money they planned to leave to children or grandchildren to fund any long-term care in the future.
- Overall, MGM Advantage say that 60% of over-55s are planning to leave an inheritance to children or grandchildren, although this varies quite widely when broken down on a regional basis – in Yorkshire and Humberside, the proportion of over-55s planning to leave an inheritance is as high as 67%, but in Wales and the East Midlands it falls as low as 54%.
- MGM Advantage also note that people's confidence in their ability to leave an inheritance rises as they get older. While only 50% of those aged 55-59 believe they will be able to do so, this rises to 71% of people aged 75-79.

A survey by NS&I has found that 31% of Britain's adults do not know how they will finance their needs in later life, including such eventualities as long-term illness, nursing home or care fees and care for others such as parents and siblings.

- However, NS&I also note that 54% of Brits have started thinking about their financial needs, and of these 27% have actually started to put their financial plans into practice.
- Amongst those who have not yet given any consideration to financial planning in later life, 27% admit they do not want to think about such events, 23% say they simply have not had time to think about this, and 19% say they prefer to take a short-term view of their finances and use the money they have for the present.
- A further 12% say that they don't believe this situation will affect them in the near future and believe they still have plenty of time to consider their plans going forward, while 7% of Brits simply do not consider later life financial planning to be important.

8. HOUSING MARKET

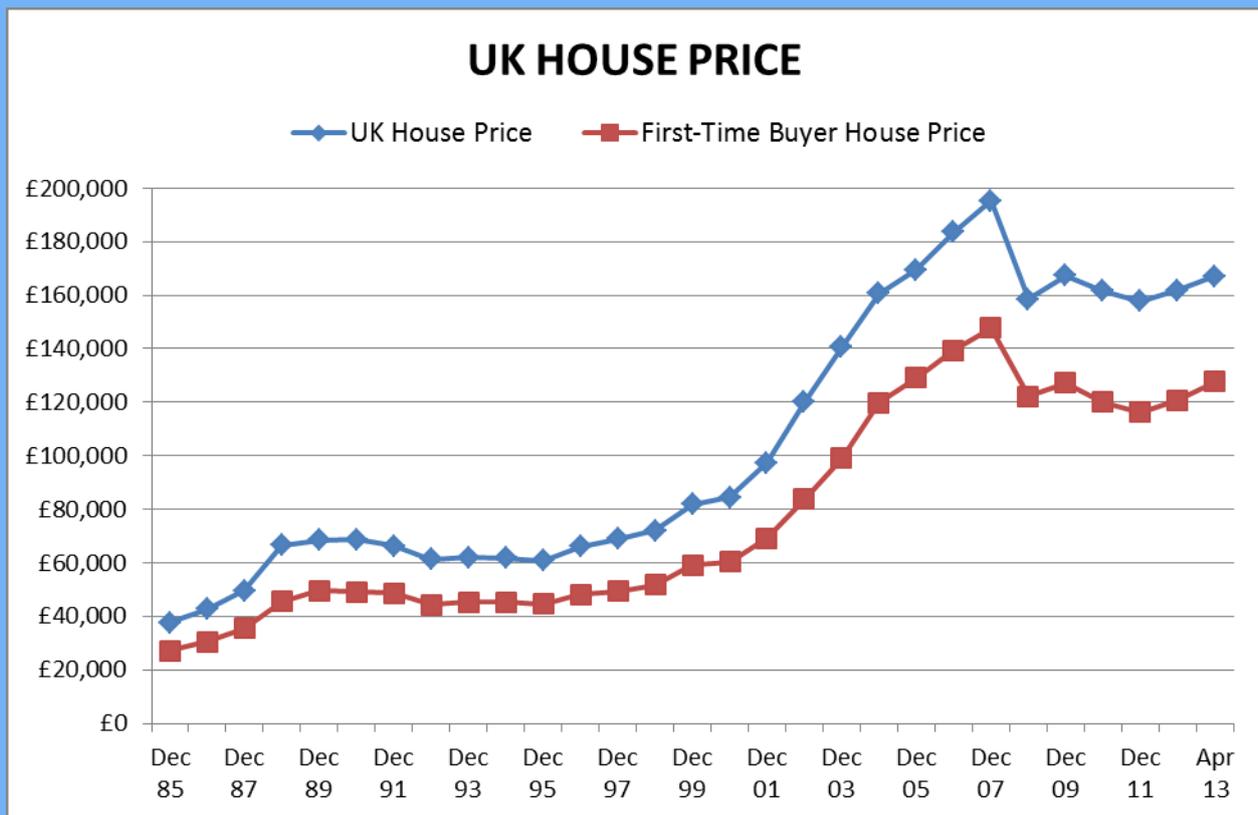
KEY STATISTICS

According to the Office of National Statistics the average house price in the UK in March 2013 stood at **£235,000** (£244,000 in England).

- Average UK house prices increased by 0.4% over the month to March 2013, compared to a decrease of 0.4% in March 2012 (seasonally adjusted).
- Over the year to March 2013, UK house prices **increased by 2.7%**.
- Average house prices in London **increased by 7.6%** in the year to March 2013.

Nationwide estimate that house prices fell 0.1% during April 2013, but rose 0.9% compared to April 2012.

Halifax said that house prices rose by £1,805 in April 2013. This is a monthly rise of 1.1%. Prices rose 1.3% over the quarter and rose 2.0% over the year.



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

8. HOUSING MARKET

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

According to the Council of Mortgage Lenders, gross mortgage lending in April totalled an estimated £12.1 billion. This is a rise of 4% compared to March's gross lending total (£11.6 billion) and a rise of 21% from April 2012 (£10.0 billion).

- However, the CML note that annual comparisons are likely to be distorted by the temporary dearth of house buying activity that followed the closure of the stamp duty concession last year.

The March 2013 RICS Housing Market Survey shows that 25% more surveyors reported that demand for property rose rather than fell (up from 13% in March), the highest level in three years, strongly suggesting that Government schemes such as Help to Buy and Funding for Lending are driving interest in the market.

- RICS add that supply also increased, albeit more modestly, with 8% more surveyors reporting new instructions rising rather than falling.
- With not enough housing to meet increased demand, RICS say prices are finally beginning to improve, with the survey recording its first positive reading for house prices since June 2010.
- Newly agreed sales also improved, with 19% more surveyors reporting that sales rose rather than fell in April (up from 11% in March).

Hometrack's monthly survey of agents and surveyors showed that demand for housing rose 3.1% in April, compared to a rise of 4.6% in March.

- The supply of homes for sale increased by 2.8% in April, following a 3.9% increase in March.
- House prices grew by 0.3% in April, following a rise of 0.3% in March (this is the third consecutive month in which prices have increased).
- Lower prices were reported across 4.6% of post code districts in April, compared to 4.7% in March. Price rises were reported across 21.6% of postal districts in April, compared to 23.9% the previous month.
- Hometrack say that the impetus for price growth continued to come from London, where prices rose 0.7% over the month. Outside London price rises remain below average, ranging from a fall of 0.1% in the North East to a rise of 0.2% in Wales.

Rightmove said new seller asking prices rose by 2.1% in May, standing at an average of £249,841. Prices rose 2.5% compared to May 2012.

8. HOUSING MARKET

According to the NAEA the number of house hunters registered per branch decreased on average from 289 in February to 286 in March.

- The average number of sales agreed per branch remained the same in March as it was in February at 8.
- The average number of properties available for sale per branch increased from 58 in February to 60 in March.

There were 32,153 house purchase approvals in April, according to the British Bankers Association (BBA). They add that schemes to assist the mortgage lending market are expected to help more first-time buyers and mortgage chains in due course. The average loan approved for house purchase rose to £155,900.

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 0.6% during the month of April.

- The average price increased 11.0% year on year to \$192,800. This is the fourteenth consecutive month in which there has been a year on year rise.
- Meanwhile, RealtyTrac® said that a total of 144,790 foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on U.S. properties in April 2013. This is a 5% decrease from the previous month, and a 23% decrease from April 2012.

FIRST-TIME BUYERS AND BUY TO LET

The Office of National Statistics say that the average house price for first-time buyers was **£175,000** in March 2013, which is an annual increase of 1.3%.

The typical first-time buyer deposit in March 2013 was **20% (around £31,414)**. The average first-time buyer borrowed 3.24 times their income and the average first-time buyer loan was an estimated **£125,654**.

The Council of Mortgage Lenders say that 33,500 buy-to-let mortgages were advanced in Q1 2013, worth a total of £4.2bn (this compares with £4.6bn in the previous quarter). By the end of Q1 2013, there were 1.46m buy-to-let mortgages in the UK, accounting for around 13% of the total estimated stock.

8. HOUSING MARKET

According to the April 2013 RICS Residential Market Survey, demand for rental property continues to outstrip supply. As a result, 18% more surveyors expect prices to rise rather than fall, although respondents anticipate rents rising by less than 2% over the next year. RICS say that this plateau may be in part due to a healthier housing market and increased access to mortgage lending.

RECENT HEADLINES

Figures from Halifax have shown that average house prices in seaside towns have increased by 63% over the past decade.

- Halifax say that since 2003, Porthmadog in Wales has been the best performing seaside town, with prices rising by 134% from £69,479 to £162,638 in 2013.
- The North East towns of Seaham (where prices have increased by 128% to £104,840) and Newbiggin-by-the-Sea (where prices rose 120% to £81,442) are next on the list. Indeed, Halifax say that contrary to the performance of the wider housing market, eight out of ten seaside towns that have experienced the biggest price gains since 2003 are outside Southern England.
- Halifax point out that with the average house price in a seaside town now standing at £197,938, they are 17% more affordable when compared to the average overall house price across the whole of England and Wales (£238,091).
- However, despite the fact that Southern seaside towns have been outperformed over the last 10 years, in absolute terms they remain the most expensive – all ten of the most expensive seaside towns in England and Wales are on the south coast, with eight in the South West. Salcombe in Devon has the highest average house price (£570,378) followed by Sandbanks in Dorset (£552,242).

Research by Lloyds TSB has revealed that Wandsworth in South West London is the leading property hotspot favoured by aspiring young professionals.

- Fulham, Battersea and Wimbledon – which like Wandsworth are all in the SW postcode area – are the next most popular areas with this segment of the population.
- Indeed, Lloyds TSB say that 18 of the 20 property hotspots favoured by young professionals are in London, including Paddington, Kilburn and Hampstead – the other two are Hove and central Brighton.
- Outside of London and the South East, the area most favoured by young professionals in England and Wales is Didsbury in South Manchester.

9. FINANCIAL EDUCATION

RECENT HEADLINES

Research by Defaqto has found that there is a wide variation between the services that current account providers offer when someone switches between them, highlighting the fact that consumers need to be aware of how the receiving bank or building society will manage the switching process when looking for a new current account.

- For example, Defaqto's research found that only 23% of current account providers contact a customer's existing bank to have their old account closed down when they switch, while 43% may do so but with various restrictions applied.
- Meanwhile, only 40% of current account providers allow customers to choose the date on which the transfer takes place, with a further 20% doing so with restrictions.
- Only 31% of providers send customers updates on the switching process by email, and only 37% send updates via SMS. Just over half (54%) of providers send the customer details of new direct debits and standing orders set up on their behalf, with a further 6% doing so on request.

Research conducted by Nationwide has shown that three-quarters of people agree that children should now learn about money management at school.

- Indeed, half of those surveyed for Nationwide's survey said that if they had been taught about money management when younger, they believe it would have had a positive impact on their current financial situation.
- The Department for Education recently announced that financial education is set to be included on the national curriculum for the first time, and be embedded in both mathematics and Citizenship.
- Nationwide's research found that three-quarters of people believe that adding financial education to the school curriculum will be good for young people.

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.

10. SPENDING

KEY STATISTICS

The AA calculate that in May 2013 the average price of unleaded petrol fell by 3.5ppl (pence per litre) to 133.4ppl.

- This meant it cost **£66.70** to fill a 50 litre unleaded tank.
- The average price of diesel fell by 3.6ppl to 138.2ppl.
- The UK has the tenth highest petrol price and the third highest diesel price in Europe.

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 **£222,458**. This is up 2.0% from last year, and has increased 58.4% since the study first began in 2003.

- Education and childcare represent the biggest areas of expenditure, costing parents £72,832 and £63,738 respectively over the course of their children's childhoods.
- The cost of education (including uniforms, after-school clubs and university costs) has increased 123.5% since 2003, while the cost of childcare has risen by 60.9%.
- LV predict that the cost of raising child to 21 will reach £350,000 by 2023.

RECENT HEADLINES

Research by Halifax has found that the cost of most leisure activities has increased again over the past year, as families continue to feel the pinch of funding their free time.

- The price of watching Premier League football has increased the most over the past 12 months, with the average price of tickets to two matches up by 16% on average from £73.82 in 2012 to £85.85 in 2013. Looking back over a decade shows that the cost has in fact increased 198% since 2003 when it stood at £28.85.
- Meanwhile, the costs of all forms of sport membership have increased over the past year, although only gym memberships (up 3%) have increased by more than inflation (which increased 2% over the last 12 months), currently standing at £37.93 per month. Golf membership is the most expensive at £66.08 per month (up 1%), while cycling memberships are the cheapest at 96p (also up 1% from last year).
- The cost of eating out rose 2% over the last year to £20.41, while the price of a takeaway rose 3% to £10.52, and a pint down the local now costs an average of £3 (an increase from £2 a decade ago).

10. SPENDING

A survey by Nationwide has revealed that when it comes to the costs of getting married, 29% of couples rely or will rely on the bride's parents to pay for their wedding, while 27% consider not getting married at all because they may not be able to afford it.

- Nationwide add that the proportion of couples who are unable to rely on the Bank of Mum and Dad is 68% - of these, 62% will pay for their wedding themselves, while 16% will rely on credit cards and loans.
- Nationwide say that the average wedding costs £21,939, and given this it is unsurprising that people are having to make sacrifices to pay for their big day. 29% put off spending on holidays or travel, while 14% delay starting a family until a later date. Meanwhile, 12% put off buying a house, and the same number postpone purchasing a car.

A report from Lloyds TSB has found that homeowners spent an average of £894 on outdoor furniture and decorations for their gardens in the last 12 months.

- As a result Lloyds TSB estimate that, with 15 million homeowners (85%) having some form of outdoor space around their property, £14 billion was spent on gardens over the course of the past year.
- Lloyds TSB add that the average UK garden is now worth £1,928. One in 10 Britons admit to spending money on their garden as they can't afford to move, while a third of homeowners say the main reason for splashing out is that they spend a lot of time outside.
- Lloyds TSB say that 10% of homeowners have purchased a hot-tub for their garden, while trampolines (22%) and summer houses (8%) are also popular.

A survey by Tesco Bank has examined the costs faced by pet owners, and found that those with dogs spend considerably more than other animal owners.

- Tesco Bank estimate that owning a dog costs an average of £594 per year, which includes annual veterinary fees averaging £200 as well as additional day-to-day costs.
- By contrast, the yearly cost of owning a cat comes in at £336 (including £150 in vet's fees), while for a rabbit or guinea pig annual spending falls to £268, and for hamsters or gerbils it is just £163.
- Indeed, Tesco Bank add that 22% of pet owners have found that caring for their animal is more expensive than they anticipated.
- Despite this however, many Brits are still prepared to spend significant amounts on treats for their pets, with the average pet owner saying they would spend up to £25 on a single treat on top of day-to-day expenditure on care.

11. SAVING

RECENT HEADLINES

According to Legal & General's latest MoneyMood Survey, there has been a big jump in the number of people who think that their savings will be eroded by inflation in the year ahead.

- Legal & General say that 78% of households expect that their savings will grow by less than inflation during the next 12 months – this is a significant rise from 29% of people who said this last year.
- Inflation expectations themselves have remained reasonably static over the last year. Last year, Legal & General found that 88% of people thought that inflation would either rise or stay the same over the following 12 months. This year the figure is almost unchanged at 90%.
- The Survey also asked people how they believed their earnings would perform over the next year, which produced a similar finding. 59% of respondents said that they expected their earnings growth would fall below inflation over the next 12 months, compared to 38% this time last year.

Research by Halifax has shown that the savings balances of those in rural areas are higher than those in urban areas, suggesting a very different attitude towards saving amongst the two groups.

- Halifax say that the average savings balance of a rural saver in England and Wales is £9,435 – this is 17% higher than the average balance for an urban saver, which is £8,060.
- On a regional basis, rural savers throughout all parts of England and Wales have a higher savings balance than their urban counterparts. The biggest disparity is in the West Midlands, where rural savers' average balances (£9,509) are 26% higher than urban savers' balances (£7,541). This is closely followed by the North West, where the gap is 25% (£9,449 in rural areas compared to £7,584 in urban areas).
- Halifax add that on average, rural savers have the equivalent of 29% of their local average earnings saved in their accounts, but this falls to 24% amongst urban savers.
- Those in rural Waveney and urban Christchurch both have savings balances equivalent to 53% of local average annual earnings (the highest proportion anywhere in England and Wales). Meanwhile, in rural areas the lowest savings balance as a proportion of earnings is 26% (in Forest of Dean and Waverley), and in urban areas it falls to just 13% in Islington and Hackney.

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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