

Debt Facts and Figures - Compiled 2nd January 2009

Total UK personal debt

Total UK personal debt at the end of November 2008 stood at **£1,456bn**. This has slowed further to 4.1% in the last 12 months which equates to an increase of ~ £56bn.

Personal debt has forged ahead of UK GDP which, according to latest available data, currently stands at £1,410bn having increased by 5.1% over the past year.

Total secured lending on dwellings at the end of November 2008 stood at **£1,222bn**. This has slowed further to 3.9% in the last 12 months.

Total consumer credit lending to individuals at the end of November 2008 was **£234bn**. This has continued to slow to 5.2% in the last 12 months.

Total lending in November 2008 grew by £1.5bn; secured lending grew by £0.7bn in the month; consumer credit lending grew by £0.8bn.

Average household debt in the UK is ~ **£9,600** (excluding mortgages). This figure increases to **£21,875** 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 ~ **£59,670** (including mortgages).

Average owed by every UK adult is ~ £30,420 (including mortgages).

Average outstanding mortgage for the 11.7m households who currently have mortgages now stands at ~ **£104,058**.

Britain's interest **repayments on personal debt have soared to £92.1bn** in the last 12 months. The average interest paid by each household on their total debt is approximately **£3,774** each year.

Average consumer borrowing via credit cards, motor and retail finance deals, overdrafts and unsecured personal loans has risen to **£4,893** per average UK adult at the end of November 2008.

During 2008 Britain's personal debt has increased by ~ **£1 million every 10 minutes**.

Striking numbers

£154m

daily increase in UK debt

£59,670

average household debt
(including mortgages)

£252m

interest paid in UK daily

124

properties repossessed daily

1,490 people

unemployed every day

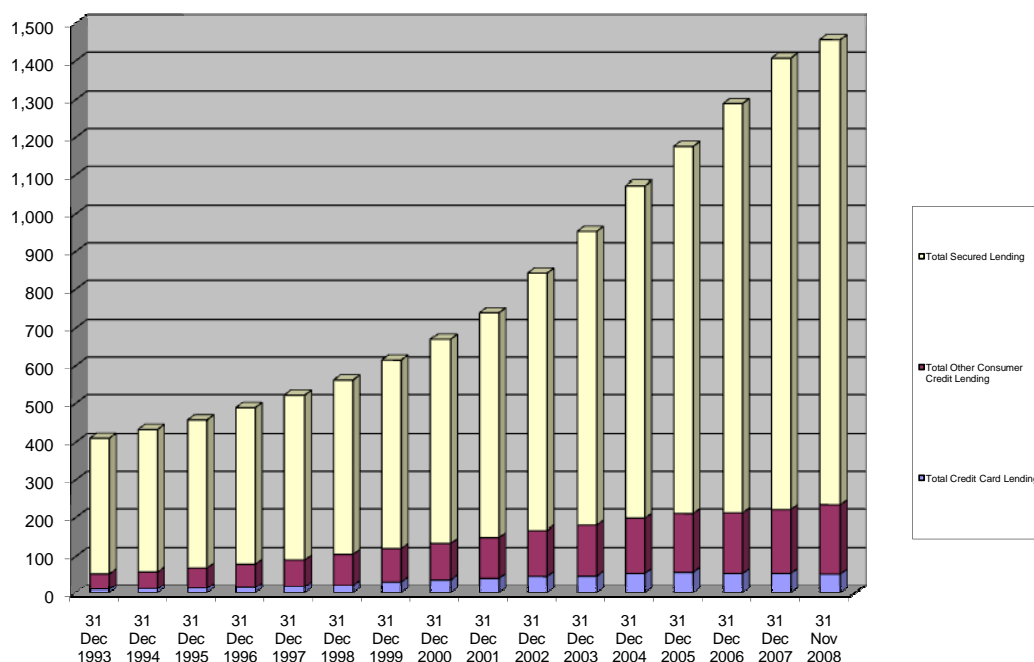
**1 person every 4.8
minutes**

declared bankrupt or insolvent

£100

average daily decrease in
house prices since Dec 2007

Total UK Personal Debt £bn



Today in the UK:

- Consumers will borrow an additional £154m today
- Consumers will pay £252m in interest today
- The average household debt will increase by over £6.30 today
- **298 people today** will be declared insolvent or bankrupt. KPMG estimate this will increase to **411 people a day in 2009** or **1 person becoming bankrupt or entering into an Individual Voluntary Arrangement (IVA) every 3.5 minutes.**
- 2,430 Consumer County Court Judgements (CCJs) will be issued
- **124 properties were repossessed every day during the last 3 months** to end September 2008. The Council of Mortgage lenders estimates this will increase to approximately **205 (65% increase) a day in 2009.**
- **Unemployment increased by 1,490 people every day** during 3 months to end October 2008. **This will increase to an average of 1,644 every day in 2009** according to the CIPD.
- **£105m** is the interest the Government has to pay each day on the UK's net debt of £650bn.
- 422 mortgage possession claims will be issued and 323 mortgage possession orders will be made today
- 405 landlord possession claims will be issued and 308 landlord possession orders will be made today.
- 27.4m plastic card transactions will be made today with a total value of £1.56bn.
- Approximately 18,000 credit card applications are being rejected every day.
- Citizen Advice Bureaus dealt with **4,760 debt problems** every day during the last 12 months
- The average car will cost £16.80 to run today
- £504m will be withdrawn from cash machines today.
- 1/3rd of all groceries we buy today will end up in the dustbin.

Other key national statistics:

UK base rate fell to a 70 year low when the official bank rate was reduced by 1% to 2.0% on 4th December 2008.

The number of **unemployed people increased by 137,000 (1,490 a day)** to 1.864m over the quarter to October 2008. This is the **highest figure in 11 years** since November 1997.

Public sector employment increased by 14,000 in the third quarter of 2008 to 5.764 million.

The Chartered Institute of Personnel and Development (CIPD) annual survey predicts the UK economy will shed at least 600,000 jobs in 2009 (**1,644 a day**) and the British Chamber of Commerce estimates that over the next two years, UK unemployment will rise to a **peak of 3.1 million, some 10 per cent of the workforce.**

Consumer Prices Index (CPI) annual inflation fell to 4.1 per cent in November, down from 4.5 per cent in October. For the second consecutive month the largest downward contribution came from transport costs, which fell from an annual

rate of 4.3 per cent in October to 1.3 per cent in November. It is anticipated that CPI will fall below 2% in 2009 with a **distinct risk of deflation** in the second half of 2009.

The FTSE stood at 4434 at close of play at the end of December. This was **2,023 points lower (- 31.33%)** than the same time last year. Also £1 was worth \$1.4378 dollars which is **55 cents lower (- 28%)** than the same time last year and £1 was worth \$1.0344 euros which is **33 cents lower (- 24%)** than the same time last year.

The new car market fell for a seventh successive month in November. The rate of decline has steadily risen over the past seven months and the November fall was the steepest since June 1980. New car registrations fell 36.8% in November to 100,333 units and year-to-date volume is down 10.7% to 2,023,104 units.

At the end of November 2008 the **public sector net debt (PSND) was £650 billion**, equivalent to **44.2%** of gross domestic product and **equivalent to £21,000 per tax payer**.

The interest the Government had to pay on this debt in November was £3.15bn. This is equivalent to **£102 for every tax payer in the UK**.

In the 2008 Pre-Budget Report (published on 24th November 2008) Public Sector Net Borrowing (**PSNB**) was revised to **£77.6bn (an 82.5% increase** from the 2008 budget estimate published in March) and Public Sector Net Debt (**PSND**) was revised upwards to **£602bn or 41.2% of GDP** (48.9% of GDP if you include financial sector interventions to stabilise the banking system).

In 2009 / 2010 PSNB is estimated to reach £118bn and PSND is estimated to reach £729bn (48.2% of GDP or 54.7% of GDP if you include financial sector interventions to stabilise the banking system). PSND is estimated to reach **£1,084bn or 57.4% of GDP** (excluding financial sector interventions to stabilise the banking system) by March 2014 which is **equivalent to £35,000 per tax payer**.

UK retail sales values fell 2.6% on a like-for-like basis, from November 2007, when they had risen 1.2%. Total sales were lower than a year ago, as in October. This was the first time since the survey began in January 1995 that sales declined for two consecutive months.

The current Government estimate (31st March 2006) of the combined liability of the **unfunded public sector pension schemes is £650bn**. This liability is estimated to be in the order of £1,000bn today. The annual cost to the taxpayer of the unfunded schemes is projected to increase by 40% over the next twenty years, from 1.0% of GDP (£14bn) to 1.4% of GDP in 2027/8.

The Bank of England said in the November Inflation report that the economy probably **entered recession in the second half of 2008**. Recession is two successive quarters of what is known as "negative growth" in gross domestic product GDP (GDP). **The third quarter of 2008 saw GDP down 0.6%** compared with the previous quarter the first quarter of falling output since 1992. GDP is likely to be in negative territory throughout 2009.

According to the IMF output is forecast to contract 0.3% in advanced economies on a full-year basis in 2009, the first such fall in the post-war period. It now predicts that the US economy will shrink by 0.7% in 2009 and in the **UK GDP will plunge by 1.3%** which is the highest predicted fall in any advanced economy.

There were **4,001 Company insolvencies** (compulsory liquidations and creditors' voluntary liquidations) in total in England and Wales in the third quarter of 2008 (on a seasonally adjusted basis). This was an increase of 10.5% on the previous quarter and an increase of 26.3% on the same period a year ago.

In 2001, UK bank customer lending was comparable to customer deposits. But by 2008 H1, the surplus of lending over deposits — the customer funding gap — was **£700 billion**.

The Bank of England's October Financial Stability Report states: "Pressures on the UK banking system have been arguably as severe as at any time since the beginning of the First World War." It estimates **total losses from the crisis to stand at \$2.8 trillion (£1.8 trillion)** — with \$1.58 trillion lost in the US and £122.6 billion in the UK.

Servicing Debt: Grant Shapps, the Shadow Housing Minister, has released a report which finds that 44% of mortgage holders are worried about being able to meet their mortgage payments in 2009 and 47% of local authority and housing association tenants are worried about being able to meet their rent payments. In addition, 41% of private renters fear that they won't be able to pay the rent over the next 12 months.

As the year draws to a close, latest research from Mintel shows that 2008 has seen a seismic shift in the key issues keeping Brits awake at night. In the short time between February this year and today, financial issues have replaced immigration and crime as the nation's greatest worries. Indeed, 54% of us are now concerned about the state of the economy and **44% are worried about our own personal financial situation**.

Consumer county court judgments in England and Wales rose by 17.4 percent year-on-year in Q3 2008 to 223,519, their highest level since Q1 2007. This is equivalent to **2,430 every day**.

The number of personal loans of £5,000 available has almost halved since the start of the year, according to research by MoneyExpert. In January the average APR on a £5,000 loan was 10.65 per cent but across the market this figure has since trebled to a massive 29.40 per cent.

Nearly one in three (30%) UK adults are concerned about their ability to manage their personal debt as the onset of recession piles on the financial pressure, according to research from MoneyExpert.com and 27% of those owing money have gone further into the red in the last three months.

Over 3.7 million people are failing to cope with mounting credit card bills and 1.02 million people have borrowed too much money and can't keep up with mortgage repayments, according to research published by AXA. In all around 11.6 million (25% of adults) are said to be struggling financially with over half saying they have no savings left at all.

According to a Bank of England survey published in December 2008:

- The proportion of households with some outstanding unsecured debt has increased and reached more than 50% in 2008.
- Around 470,000 (4%) of mortgages are estimated to have been in negative equity in late September 2008
- Around 40% of mortgagors reported that they owed more than £90,000 and almost 15% said they owed more than £150,000.
- More than half of the households surveyed reported that their monthly 'available' income had fallen in the year preceding the survey. The extent of this decline varied significantly across households and around 30% of households had experienced a decline in 'available' income of more than £100 per month.
- 12% of households said that they were having difficulty keeping up with their housing payments (ie rental payments for renters and mortgage payments for mortgagors).
- 29% said they were keeping up with bills and credit commitments, but struggle from time to time and 10% said they were keeping up, but a constant struggle.

According to research from CreditExpert.co.uk, 36 million (75 per cent) UK adults have put or are planning to put on hold key life plans for 2009, such as moving jobs and having a baby. Furthermore, over half (55 per cent) of all adults are feeling anxious about reaching their goals in life, mainly due to concerns over affordability.

CCCS have seen a 41% increase in the number of calls to their helpline during the last 4 months (ending October 2008).

The Council of Mortgage Lenders said that there were 11,300 mortgaged properties repossessed in the third quarter of 2008. This was **12% higher** than the second quarter of 2008. This equates to **124 properties being repossessed every day**. This will increase to approximately **205 a day in 2009 as they anticipate the number of repossessions to be around 75,000**.

The Insolvency Service said there were 27,087 individual insolvencies in England and Wales (**298 people a day or 1 every 4.8 minutes**) in the third quarter of 2008 on a seasonally adjusted basis. This was an **increase of 8.8%** on the previous quarter and an increase of 4.6% on the same period a year ago.

KPMG predicts 110,000 personal insolvencies by the end of 2008 and 150,000 personal insolvencies in 2009 (which would be equivalent to **411 people a day or 1 person becoming bankrupt or entering into an Individual Voluntary Arrangement (IVA) every 3.5 minutes**).

Research from Scottish Widows, reveals that the cost of running a home means that almost half (47%) of households are having to rely on more than one breadwinner to maintain a comfortable standard of living. This increases when it comes to those with dependent children, 61% of households with children are reliant on two incomes, forcing both parents out to work.

The FSA estimate that the total number of secured loans on people's homes in **arrears at the end of Q2 were 312,000** which is 2.58% of all secured loans. This is an increase of 3% on Q1 and 16% up on a year earlier. By the end of 2009 the Council of Mortgage Lenders expects **500,000 households to be more than three months in arrears**.

More than one in ten (11%) cash-strapped borrowers have missed payments on either their mortgage, credit card, or personal loan in the last six months, according to MoneyExpert.com. They estimate at least five million finance related bills have been missed with credit cards proving the greatest burden. Around 4m credit card customers have admitted missing a payment in the six months to September. The number of people missing payments on personal loans has increased considerably relative to the previous six month period. In the six months to September 1.3 million people missed a loan repayment, compared to 859,000 in the six months to January.

The number of people who have failed to pay their gas and electricity bills has soared, according to MoneyExpert.com. The amount of electricity bills that have gone unpaid in the past six months has jumped from 1.31 million to 1.96 million and approximately 1.61 million Brits missed a gas bill compared to 1.16 million in the final six months of 2007. The research shows around 12 per cent of adults – around 5.37 million people - have missed a household bill of some sort in the past six months including everything from gas and electricity to council tax, fixed and mobile phones and private or council rent.

In 2007/8 the Citizens Advice service saw 1.9 million clients with 5.54 million issues, of which 1.7 million issues related to debt (31.3% of all enquiries). Debt is the number one issue advised on in bureaux and equates to **4,760 new debt problems every day of the year**. The most recent figures for July to September 2008 (Q2 2008/9) show a 51% increase in new mortgage and secured loan enquiries and a 10% increase in fuel debts compared to the same period last year (Q2 2007/8).

Almost **two out of three people who take out a loan to consolidate their debts go on to borrow more** while still repaying that loan, according to research from the moneysupermarket.com. 44% would consider consolidating their debt again, showing it is often not a one-off solution.

The number of households in fuel poverty in the UK rose to 3.5m in 2006, one million more than in 2005. Around 2.75 million of these were low income vulnerable households. Fuel poverty is defined as households who spend more than 10% of their income on fuel.

The number of people suffering from serious debt problems is much higher than official figures suggest, a survey by R3 has found. 600,000 UK residents say they are currently repaying debts under a Debt Management Plan (DMP). A DMP is an unofficial, but formalised agreement between an individual who is in financial strife and their creditors which does not show up in the government's official quarterly insolvency statistics.

The number of people who spend more than they earn each month has risen to nearly 5.3 million according to Legal and General.

Plastic card / Personal Loans: More than **4.5 million credit card users are still clearing debt from expenditure on Christmas 2007** according to research from MoneyExpert.com. The research shows that 10% of adults are still labouring under credit card debts 12 months old.

Since January 2007 the level of credit card debt held by CCCS clients has increased by almost 19 percent, mainly in the past few months. CCCS counsellors are now dealing with almost 50,000 credit card related debts every month, 3.5 times more than three years ago.

According to the BBA the proportion of credit card balances bearing interest was 73.2% in October 2008.

Total credit card debt in November 2008 was **£53.3bn**. The UK collective credit limit on credit cards is **£158bn, which is an average credit card limit of £5,129 per person**.

The average interest rate on credit card lending is currently **18.0%**, which is 16.0% above base rate (2.0%).

According to uSwitch 7.3 million consumers use their credit card to make cash withdrawals – collectively, they take out £3.7 billion each year. They estimate that over one million people are using this money to pay their mortgage, loans and household bills and over 700,000 are withdrawing cash from one credit card to pay off another. uSwitch estimate the average APR for cash withdrawals is 29.97%.

MoneyExpert.com estimates that 5 million people have been rejected for financial products in the past 6 months, the majority of which were for credit cards or personal loans. Of these rejections, 3.27 million were for credit cards while 1.56 million were for loan applications.

There were 181m plastic cards in circulation in the UK at the end of 2007 according to APACS. 145m of these were debit, credit or charge cards. This works out at just under **4 plastic cards for every adult in the UK**.

An average of 317 plastic card transactions were made every second during 2007 (equal to £18,100 / second); 239 plastic card purchases were made in the UK every second during the third quarter of 2008 using debit and credit cards (equal to £11,788 /second). 92 cash withdrawals were made every second (equal to £5,917 / second) from UK's 64,500 cash machines in the third quarter of 2008.

There are **more credit cards in the UK than people** according to APACS. At the end of 2007 there were 73m credit and charge cards in the UK compared with around 60 million people in the country.

Young people - the IPOD generation: Research by Reform and Chartered Insurance Institute reveals that **50% of the 18 – 34-year olds** surveyed had debts (excluding mortgages) up to £10,000 and **20% had debts (excluding mortgages) greater than £10,000**. Nearly a third of IPODs have no savings at all.

FSA research shows that one-in-three students are constantly overdrawn; two-in-five students admit to being completely disorganised about their money; and one-in-three never check their bank statements or, if they do, they only check the final balance.

The annual survey by Push, the UK's leading independent resource for prospective students, has found that **student debt now tops £4,500 for each year of study – a hike of 9.6% since last year**. Students who started at university last year can expect to owe over £17,500 by the time they leave and new students should reckon on nearly £4,000 more than that. The national average projected debt on graduation now stands at £14,161.

The average pocket money in 2008 is £6.13 per week, versus £8.01 in 2007. Three in ten children (30%) save some of their pocket money each week.

Lloyds TSB estimates that one in four (27%) young people starting university plan to live at home with their parents in a bid to save money and that 26% are worried about managing their money during their studies and say that they would like further guidance.

According to the AXA group millions of teenagers are planning to fund their lifestyle through credit cards, overdrafts and loans. As many as 44% of 15 to 17 year olds are planning to take out a credit card when they become an adult; 18% are thinking of taking out a bank loan when they turn 18 and a further 17% expect to be overdrawn.

Pensioners / Pensions: On average someone who requires care in a residential care home may expect to pay in the region of £25,000 per annum.

Research from Lincoln Financial Group reveals that 41% of Brits are resigning themselves to the fact that they will have to work either full or part time during their retirement to fund and maintain the lifestyle they want. Lincoln's research also reveals that 11% people are convinced they will not have enough money to last them to the age of 70, let alone longer.

Some 1.5 million pension holders are teetering on the brink of halting their pension contributions in an effort to stave off the effects of the impending recession. The AXA figures suggest that one in twelve pension holders feel they will be left with little choice but to take a pension holiday in the next two years.

Independent research conducted by Prudential reveals that almost one in five (18 per cent) of UK workers say they have reduced the amount they save for an occupational or private pension as a result of the credit crunch. In addition, more than half of all UK workers (55 per cent) do not contribute to a company or private pension, leaving them completely reliant on the State pension or other savings.

Impartial.co.uk estimate that 1.4m homeowners aged over 55 admit to having at least 10 years left to run on their mortgage – taking them to, or even well beyond, the current state retirement age of 65.

In the past 12 months, the value of employees' defined contribution (DC) **pensions has plummeted by about £157bn**, according to Aon Consulting. Over 3.7m UK workers pay money into a DC pension every month. In October 2007, the value of DC pension assets stood at just over £552 billion, but by October 2008 the value had dropped by nearly a third (28%) to roughly £395 billion.

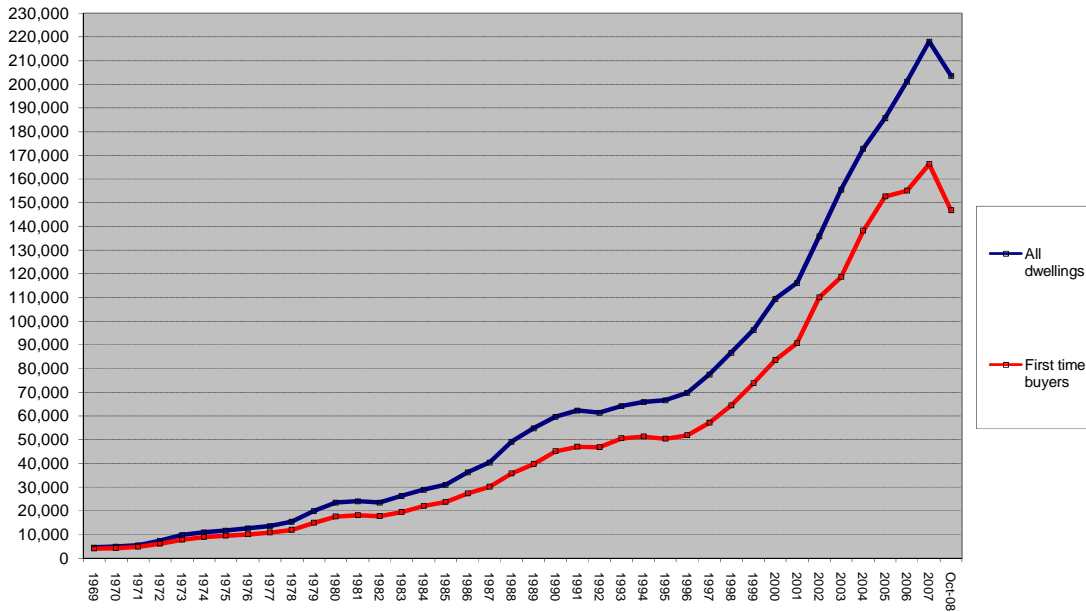
For the first time ever, there are more people of state pensionable age than under-16s.

Help the Aged estimate that 2.5 million pensioners live in poverty and 1.4 million live in deep poverty.

In 2007, total membership of occupational pension schemes was estimated at 26.7 million (8.8m employee members, down from 9.2m in 2006; 8.5m pensions in payment, up from 8.2 million in 2006; and 9.4m preserved pension rights, the same as in 2006).

Housing: According to the Department for Communities and Local Government (DCLG) the average house price in the UK in October 2008 now stands at **£203,539** (£210,216 in England). UK annual house price inflation fell by – 7.4%. Annual house price inflation in London fell by – 7.1%.

UK Average House Prices £



The average Mortgage Interest rate is 5.56%.

The Halifax said that house prices have dropped £33,500 in the first 11 months of 2008, a fall of 17% which is equivalent to a fall of **£100 / day**. The UK average price has returned to the level of July 2005 (£163,445). The house price to average earnings ratio has fallen from a peak of 5.84 in July 2007 to an estimated 4.56 in November 2008. The ratio is at its lowest level for more than five years.

The Bank of England estimates that individuals **injected a net total of £5.7 billion into housing equity** in the third quarter of 2008. That compares with a **housing equity withdrawal of £11.4bn** in Q3 2007.

Rightmove estimate that 68,000 new Christmas sellers cut asking prices by further 2.3% in December (£4,829). Initial asking prices are now more than 10% (£24,692) below May peak and they predict asking prices will bottom out by the end of 2009, having dropped a further 10%.

More than one in five homes on the market are there because their owners cannot afford the mortgage repayments according to a survey by the National Association of Estate Agents for *The Times*.

The Land Registry said that house price in England and Wales fell by 1.9% in November. This brings the annual rate of house price falls to 12.2%. The most up-to-date figures available show that during September 2008 the number of completed house sales fell by 61 per cent to 38,508 from 98,075 in September 2007.

The Bank of England said 27,000 new mortgages were approved in November 2008 which is **67% lower than what they were this time last year (82,000)**.

House purchase mortgage approval numbers in November were 22,936 which was **61% lower than November 2007**. The average loan approved for house purchase in November 2008 was **£117,000**, some **23.7% lower** than a year earlier.

Existing home sales across the United States (including single-family, townhomes, condominiums and co-ops) fell 10.6% year on year in November 2008 and the **average price dropped 13.2% year on year** to \$181,300. RealtyTrac® said foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on 259,083 U.S. properties during November, a 28% increase from November 2007. The report also shows one in every 488 U.S. households received a foreclosure filing during the month.

The latest RICS Housing Market Survey shows that completed sales per surveyor (over the last three months) fell to 10.6, which is the lowest level on record (this series was first introduced in 1978).

Gross mortgage lending reached an estimated £14.6 billion in November according to the Council of Mortgage Lenders. This is a 22% fall from October and a **51% fall from November last year**.

34% of mortgages taken out by home movers in October 2008 were “**interest only**” mortgages compared with only 12% taken out in June 2003. 23% of these “interest only” mortgages were taken out without a repayment plan specified to repay the capital.

Research by Liverpool Victoria reveals a worrying ‘mortgage gap’. Nearly half of the UK’s 2.9m interest-only mortgages (1.3m mortgages with a total value of £74bn) have no specified investment vehicle in place to pay off the capital on the loan.

Housing First Time Buyers (FTB) & Buy-to-let: The average house price in the UK in October 2008 for first time buyers now stands at **£146,921** which is an **annual decrease of – 9.7%**.

Affordability pressures continued to squeeze first-time buyers as income multiples in October stood at **3.10 times the average first-time buyer income** according to the Council of Mortgage Lenders (CML). The average new mortgage for first time buyers has now reached **£103,500**. The average age of a first-time buyer is 29. First-time buyers typically borrowed 83% of the value of the property and required a deposit of £21,200.

The National Landlords Association (NLA) has published research showing that 71 per cent of landlords expect rent arrears to increase during 2009. The research also revealed that 67 per cent of landlords have experienced problems with rent arrears in the past, while 37 per cent are having payment difficulties with current tenants.

Nearly half of all first-time buyers under 30 are receiving assistance with their deposit – most likely from parents or grandparents.

In the three months to October, continued falls in houses prices coupled with further tightening in mortgage lending conditions has turned more would be buyers and sellers to the rental market according to RICS. The rise in supply of new lettings relative to demand has led rental levels decline for the first time since April 2003. However, the falls to date appear to have been quite modest.

The number of buy to let mortgages with arrears greater than 3 months at the end of Q3 2008 **has risen to 18,000 which is a 49% increase** from Q2 2008. The payment profile of buy-to-let lending has worsened more rapidly than the market as a whole. Reasons include falling rents and an over-supply of rental property in some areas, resulting in some landlords being unable to let their property or achieve high enough rents to support their borrowing commitments.

Spending: Weddingplan estimates that couples looking to get married in 2009 can expect to pay a huge £21,089 on their big day.

The average family car now costs £6,133 a year to keep on the road, an increase of 19% (£1000) year-on-year.

Petmeds.co.uk estimate that the cost of keeping a pet has increased by £7.6million a week in the past two years, with UK adults now spending £93.6 million a week on their animals.

According to uSwitch 8 million households (31%) found it either very or fairly difficult to pay their energy bills before the second wave of price rises hit at the end of July. They also estimate that **10 million households (39%)** claim they cannot afford the extra payments needed to meet the latest increases.

Research by WRAP (Waste & Resources Action Programme) has revealed that households in the UK **throw away around a third of all of the food we buy**.

Savings: Alliance & Leicester say almost 31m Brits (64%) have managed to put at least some money away during 2008. However 13.5m Brits (28%) haven’t saved at all this year.

Nearly a third of adults would face financial disaster within two months if they lost their jobs, according to research for MoneyExpert.com. Half of them (15%) believe they would only last a month.

The number of people who are regularly saving money each month has fallen to below half of the population (47%). The monthly amount Britons are setting aside as a percentage of income has fallen every autumn since 2005.

As many as 14 million people say they cannot afford to set aside money for savings. However, a financial experiment conducted by AXA reveals that in just three months Britons can train themselves to save without substantially affecting their lifestyle. The research indicates that Britons treat money left in their current account after bills have been paid as the amount they need to live on and set their standard of living accordingly. If money is paid into a savings account on pay day the research demonstrates that they change their spending patterns and establish a new standard of living based on their remaining disposable income.

AXA says its analysis of recently-released savings ratio figures - which measure the amount of disposable income households save rather than spend - shows that most people can no longer afford to save with the exception of those bringing in over £70,000 a year – or more than £52,785 after taxes and benefits. The firm says that over 20 million households have been eating into savings since the turn of the year.

Compiled monthly by Richard Talbot. richardtalbot@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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