

Household Finance Update



Release date : 27 August 2019

UK Finance: Household Finance Update for July 2019

Key data highlights:

Gross mortgage lending across the residential market in July 2019 was £26.1 billion, 2.9 per cent higher than the same month in 2018 and the highest since March 2016 (see chart 2).

There were 95,126 mortgages approved by the main high street banks in July 2019, the highest monthly total since July 2009 when the figure stood at 99,970. Mortgage approvals for home purchase were 16.4 per cent higher, remortgage approvals were 19.4 per cent higher and approvals for other secured borrowing were 12.7 per cent higher than the same month a year earlier (see chart 3).

The £12.0 billion of credit card spending in July 2019 was 8.2 per cent higher than in July 2018 and reached its highest level on record (see chart 4). Repayments were also the highest level on record, showing that consumers are managing their finances effectively overall. The level of credit card borrowing grew by 3.8 per cent in the year to July 2019.

Personal borrowing through loans in July 2019 was 9.3 per cent higher than the same month a year earlier (see chart 5), but remains lower than the levels seen during 2015 to 2017. Overdraft borrowing was 1.7 per cent higher in July 2019 than the same month a year earlier, while the longer-term trend has seen overdraft borrowing decline.

Personal deposits grew by 1.6 per cent in the year to July 2019. Three-quarters of deposits were held in immediate access accounts in July 2019, in line with the same period last year (see chart 8).

Notes to Editors

1 For more information please call the [UK Finance Press Office on 020 7416 6750](tel:02074166750) or e-mail press@ukfinance.org.uk.

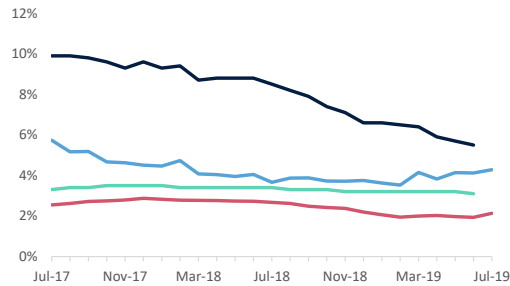
2 UK Finance is the collective voice for the banking and finance industry. Representing more than 250 firms across the industry, we act to enhance competitiveness, support customers and facilitate innovation.

3 Data in this update referred to as main high street banks reflects more than two-thirds of all UK lending and deposit activity provided by all banks and building societies and is indicative of household behaviour. All data in this update refers to high street banks, apart from gross mortgage lending for the residential market referred to the first bullet above which covers the total market.

Household borrowing

Chart 1
Annual growth in amounts outstanding

Rates reflect underlying 12-month trends, compiled on a comparable basis



Latest (July 2019)

Full market - mortgages

Full market - consumer credit

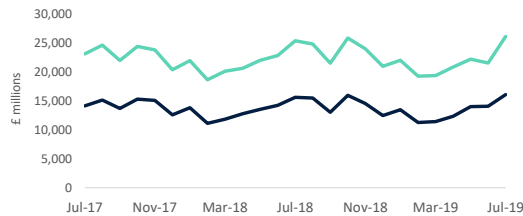
High street banks - mortgages 2.1%

High street banks - consumer credit 4.3%

Mortgages

Chart 2
Gross mortgage lending

Value of new residential mortgage loans for home purchase, remortgaging or other purposes, secured by a first charge on the property



Latest (July 2019)

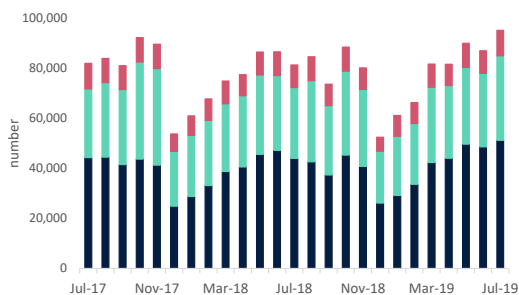
Y-o-Y Comparison

Full market £26.1 bn 2.9%

High street banks £16.1 bn 3.0%

Chart 3
Mortgage approvals

Number of new residential mortgage loans approved by high street banks for home purchase, remortgaging with a different lender or for other purposes, less cancellations. Approvals are a forward indicator of lending in future months



Latest (July 2019)

Y-o-Y Comparison

Other secured lending 10,174 12.7%

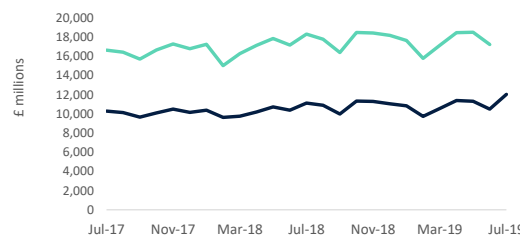
Remortgaging 33,792 19.4%

House purchase 51,160 16.4%

Consumer credit

Chart 4
Credit card spending

Value of world-wide credit card transactions by UK cardholders using cards issued by UK banks, building societies or non-bank credit providers



Latest (July 2019)

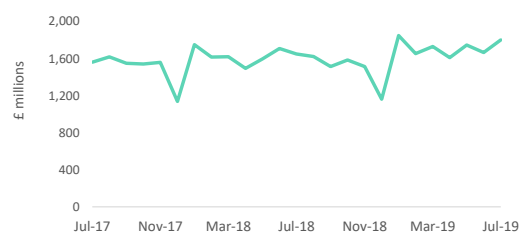
Y-o-Y Comparison

Full market

High street banks £12.0 bn 8.2%

Chart 5
Gross personal loans

Value of new personal loans provided by high street banks



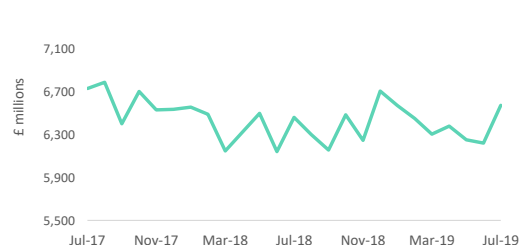
Latest (July 2019)

Y-o-Y Comparison

High street banks £1.8 bn 9.3%

Chart 6
Overdrafts

Sterling amounts outstanding on personal current account overdrafts with high street banks



Latest (July 2019)

Y-o-Y comparison

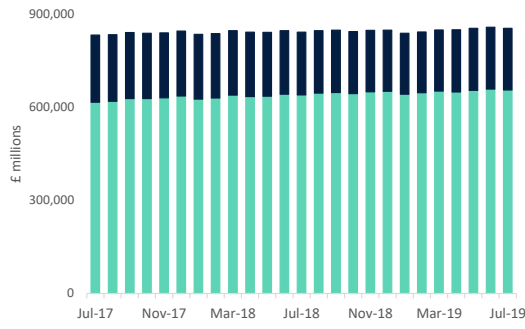
High street banks £6.6 bn 1.7%

Personal deposits & savings

total sterling deposits held in personal current and savings accounts

of which immediate access without penalty

of which requiring notice or available on maturity



Latest (July 2019) Y-o-Y comparison

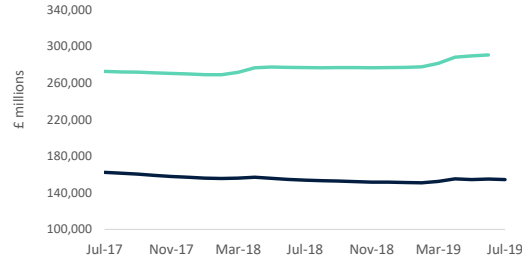
£854.2 bn 1.6%

High street banks £655.8 bn 2.5%

£198.4 bn -1.9%

Chart 7
Personal deposits

Cash deposits held in Individual Savings Accounts



Latest (July 2019) Y-o-Y comparison

Full market

High street banks £154.5 bn 0.5%

Chart 8
ISAs

Mortgages		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	
Gross mortgage lending (£mns)	Full market	25,357	24,781	21,500	25,829	23,985	20,959	21,988	19,247	19,360	20,817	22,173	21,516	26,100	BOE/est
	High street banks	15,599	15,474	13,032	15,962	14,524	12,454	13,447	11,251	11,422	12,326	14,006	14,062	16,073	HSB
Mortgage approvals	Home purchase	43,967	42,581	37,348	45,289	40,800	26,145	29,159	33,621	42,328	44,034	49,683	48,539	51,160	HP
	Remortgaging	28,294	32,457	27,676	33,505	30,736	20,653	23,618	24,281	30,063	29,014	30,579	29,415	33,792	R
	Other loans	9,024	9,519	8,614	9,619	8,591	5,634	8,353	8,352	9,239	8,557	9,712	9,059	10,174	OL
Annual growth in mortgage amounts outstanding	Full market	3.4%	3.3%	3.3%	3.3%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.1%		BOE
	High street banks	2.7%	2.6%	2.5%	2.4%	2.4%	2.2%	2.1%	1.9%	2.0%	2.0%	2.0%	1.9%	2.1%	Growth
Consumer credit		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	
Annual growth in consumer credit	Full market	8.5%	8.2%	7.9%	7.4%	7.1%	6.6%	6.6%	6.5%	6.4%	5.9%	5.7%	5.5%		BOE
	High street banks	3.7%	3.9%	3.9%	3.7%	3.7%	3.8%	3.6%	3.5%	4.1%	3.8%	4.1%	4.1%	4.3%	Growth
Credit card spending (£mns)	Full market	18,283	17,755	16,368	18,450	18,391	18,157	17,612	15,754	17,107	18,428	18,473	17,193		BOE
	High street banks	11,108	10,887	9,974	11,311	11,271	11,034	10,823	9,716	10,532	11,373	11,299	10,487	12,014	HSB
Annual growth in credit card credit amounts outstanding	Full market	8.9%	8.9%	8.6%	8.2%	7.8%	7.0%	6.5%	6.3%	6.6%	5.8%	5.5%	5.1%		BOE
	High street banks	5.3%	5.7%	5.5%	5.1%	4.8%	4.2%	3.8%	3.7%	4.3%	4.1%	4.3%	4.0%	3.8%	Growth
Gross & net personal loans (£mns)	High street banks	1,647	1,621	1,511	1,582	1,512	1,160	1,846	1,652	1,729	1,609	1,743	1,664	1,800	gross
		-140	-40	-150	-115	-142	-316	185	25	-32	-90	94	111	185	Net
Overdrafts (£mns)	High street banks	6,464	6,303	6,159	6,487	6,248	6,709	6,575	6,453	6,307	6,382	6,254	6,223	6,576	O/S
		320	-157	-142	330	-230	467	-128	-106	-140	85	-121	-25	368	Net
Annual growth in loan & overdraft amounts outstanding (£mns)	High street banks	44,270	44,042	43,735	43,935	43,501	43,615	43,630	43,447	43,231	43,162	43,089	43,134	43,587	O/S
	High street banks	180	-197	-292	214	-371	151	57	-81	-173	-5	-28	86	552	Net
Annual growth in loan & overdraft amounts outstanding (£mns)	Full market	8.3%	7.9%	7.5%	7.0%	6.8%	6.4%	6.7%	6.6%	6.3%	6.0%	5.7%	5.7%		BOE
	High street banks	2.1%	2.1%	2.3%	2.4%	2.6%	3.3%	3.4%	3.3%	4.0%	3.5%	3.9%	4.2%	4.7%	Growth
Personal deposits & savings		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	
Personal deposits (£mns)		841,857	847,041	848,597	843,763	847,937	848,611	838,285	842,690	849,297	849,497	854,278	858,123	854,214	O/S
of which instant access		639,644	645,644	647,663	644,261	650,041	651,600	642,271	646,684	652,090	649,566	654,629	658,764	655,819	O/S
of which notice or time		202,214	201,397	200,934	199,501	197,895	197,011	196,013	196,007	197,207	199,930	199,650	199,358	198,395	O/S
		1.2%	1.2%	0.9%	0.7%	0.6%	0.6%	0.4%	0.6%	0.4%	0.9%	1.2%	1.3%	1.6%	Growth
ISAs (included above) (£mns)	Full market	276,915	276,605	276,851	276,953	276,725	276,881	277,032	277,608	281,396	288,185	289,582	290,679		BOE
	High street banks	153,767	153,203	152,794	152,329	151,730	151,603	151,227	150,941	152,373	155,191	154,522	155,027	154,503	O/S

Data included in this update relate to business conducted with the banking groups of Barclays, Lloyds, HSBC, RBS, Santander UK, TSB and Virgin Money, other than for gross mortgage lending, see below.

Gross mortgage lending reflects the total value of newly advanced loans secured on dwellings by all mortgage lenders and is estimated for the latest month by UK Finance - earlier figures and other references to full market data (ie all banks and building societies) are sourced from the Bank of England but are not yet published for the latest month.

Annual growth rates are adjusted to exclude the effects of population changes, write-offs and sales/purchases of loan books, to reflect underlying business trends where appropriate and are based on seasonally adjusted data, while all other data series are non-seasonally adjusted.

Total consumer credit and non-card consumer credit growth rates have revised in March 2018 to show the estimated underlying growth in on-going business, after reflecting a group restructure of balance sheet allocation of personal lending.

Year-on-year percentage changes compare the latest month's figure with the same month's figure in the previous year.

Extended data tables are available from our website www.ukfinance.org.uk/statistics/

For more information please call the UK Finance Press Office on 020 7416 6750 or e-mail press@ukfinance.org.uk
