

Household Finance Update



Release date : 24 October 2018

UK Finance: Household Finance Update for September 2018

Key data highlights:

- Gross mortgage lending across the residential market in September was £21.5bn, some 1.2 per cent lower than last September.
- The number of mortgages approved by the main high street banks in September was 9.1 per cent lower than last September; approvals for house purchase were 10.1 per cent lower, remortgage approvals were 7.4 per cent lower and approvals for other secured borrowing were 9.8 per cent lower.
- The £10.0bn of credit card spending in September was 3.4 per cent higher than last September. Over the past twelve months, the outstanding level of credit card borrowing grew by 5.7 per cent. Personal borrowing through loans and overdrafts grew by 2.3 per cent in the year to September, although it has seen a net contraction in the last two months.
- Personal deposits in total grew by 0.9 per cent over the past twelve months. A consumer preference to hold cash for immediate use is reflected in instant access deposit levels being 3.1 per cent higher than last September.

Commenting on the data, [Eric Leenders](#), Managing Director, Personal Finance at UK Finance, said:

"The mortgage market softened slightly in September, following strong remortgaging activity in the months preceding the recent base rate rise.

"There has been modest year-on-year growth in card spending. However, borrowing through personal loans and overdrafts has contracted slightly in recent months, suggesting demand for unsecured household finance is becoming more subdued.

"Consumers are increasingly choosing to keep cash close to hand, with deposits held in instant access accounts showing steady growth."

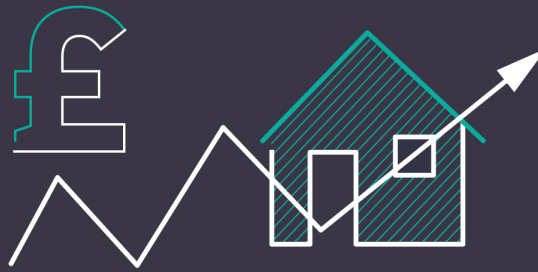
Notes to Editors

- 1 For more information please call the [UK Finance Press Office](#) on 020 7416 6750 or e-mail press@ukfinance.org.uk.
- 2 UK Finance is the trade association formed on 1 July 2017 to represent the finance and banking industry operating in the UK. It represents almost 300 firms in the UK providing credit, banking, markets and payment-related services. The organisation brings together most of the activities previously carried out by the Asset Based Finance Association, the British Bankers' Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association.
- 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.

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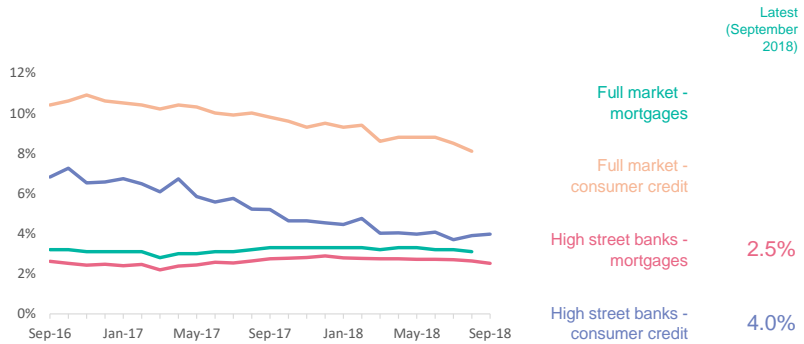


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Household borrowing

Annual growth in amounts outstanding

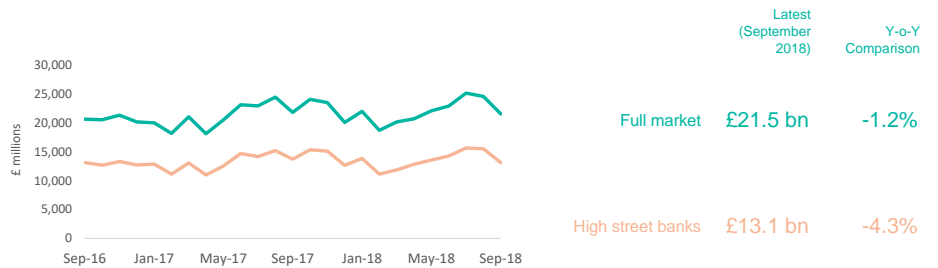
Rates reflect underlying 12-month trends, compiled on a comparable basis



Mortgages

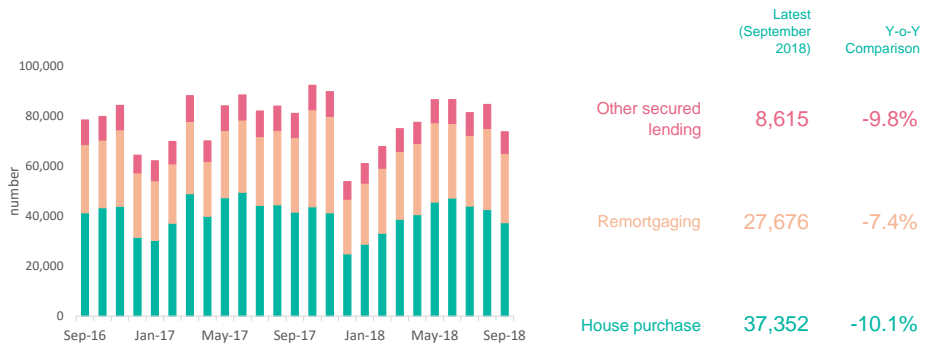
Gross mortgage lending

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



Mortgage approvals

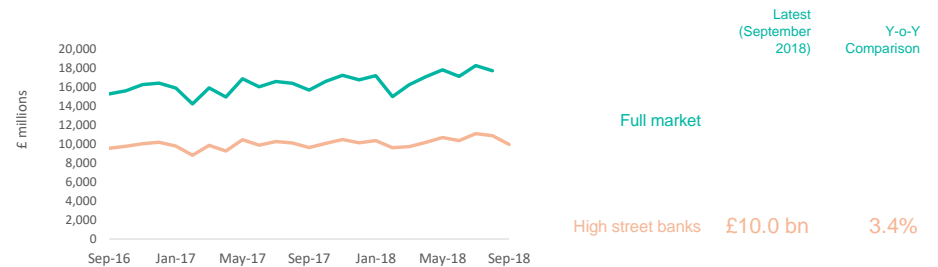
Number of new residential mortgage loans approved by high street banks for home purchase, remortgaging with a different lender or for other purposes, less cancellations. Approvals are a forward indicator of lending in future months



Consumer credit

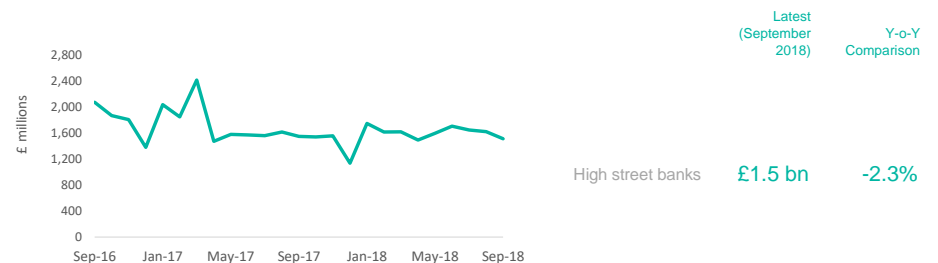
Credit card spending

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



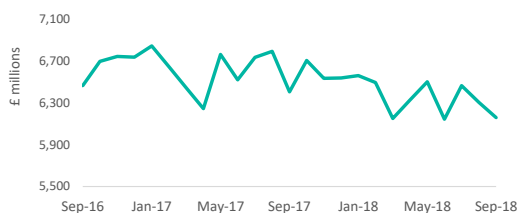
Gross personal loans

Value of new personal loans provided by high street banks



Overdrafts

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

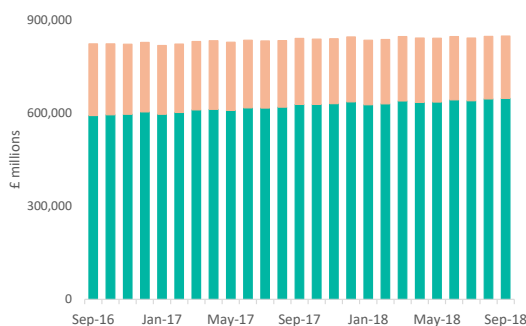


High street banks **£6.2 bn** **-3.8%**

Latest (September 2018) Y-o-Y comparison

Personal deposits & savings

total sterling deposits held in personal current and savings accounts



High street banks **£848.6 bn** **0.9%**

Latest (September 2018) Y-o-Y comparison

Personal deposits

of which immediate access without penalty

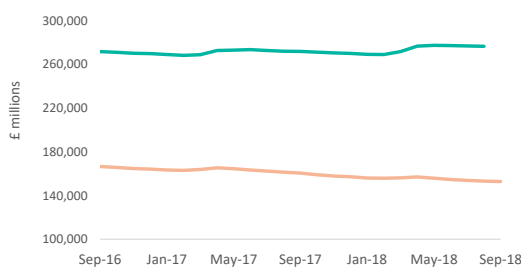
of which requiring notice or available on maturity

High street banks **£647.7 bn** **3.1%**

£200.9 bn **-5.6%**

ISAs

Cash deposits held in Individual Savings Accounts



Full market

High street banks **£152.8 bn** **-4.8%**

Latest (September 2018) Y-o-Y comparison

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Mortgages

		Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	
Gross mortgage lending (£mns)	Full market	21,752	24,019	23,424	20,013	21,930	18,639	20,105	20,638	22,033	22,845	25,073	24,497	21,500	BOE/est
	High street banks	13,672	15,287	15,076	12,593	13,815	11,110	11,833	12,784	13,529	14,215	15,599	15,474	13,088	HSB
Mortgage approvals	House purchase	41,529	43,706	41,289	24,840	28,739	33,110	38,710	40,564	45,549	47,175	43,967	42,581	37,352	HP
	Remortgaging	29,899	38,746	38,574	21,920	24,384	25,999	27,057	28,390	31,748	29,819	28,294	32,457	27,676	R
	Other loans	9,550	9,749	9,783	6,950	7,821	8,621	9,088	8,488	9,171	9,567	9,024	9,519	8,615	OL
Annual growth in mortgage amounts outstanding	Full market	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.2%	3.3%	3.3%	3.2%	3.2%	3.1%		BOE
	High street banks	2.7%	2.8%	2.8%	2.9%	2.8%	2.8%	2.7%	2.7%	2.7%	2.7%	2.7%	2.6%	2.5%	Growth

Consumer credit

		Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	
Annual growth in consumer credit	Full market	9.8%	9.6%	9.3%	9.5%	9.3%	9.4%	8.6%	8.8%	8.8%	8.8%	8.5%	8.1%		BOE
	High street banks	5.2%	4.6%	4.6%	4.5%	4.4%	4.7%	4.0%	4.0%	4.0%	4.1%	3.7%	3.9%	4.0%	Growth
Credit card spending (£mns)	Full market	15,690	16,623	17,263	16,768	17,226	15,001	16,256	17,104	17,830	17,137	18,284	17,742		BOE
	High street banks	9,650	10,088	10,483	10,145	10,370	9,615	9,746	10,182	10,698	10,369	11,108	10,887	9,974	HSB
Annual growth in credit card credit amounts outstanding	Full market	9.2%	8.6%	8.9%	9.0%	9.4%	9.6%	8.9%	8.8%	9.3%	9.4%	8.9%	8.9%		BOE
	High street banks	5.5%	5.0%	5.3%	5.4%	6.0%	6.3%	5.7%	5.3%	5.7%	5.6%	5.3%	5.8%	5.7%	Growth
Gross & net personal loans (£mns)	High street banks	1,548	1,540	1,557	1,136	1,748	1,614	1,619	1,492	1,595	1,706	1,647	1,621	1,511	gross
	High street banks	-119	-184	-227	-440	78	-24	-215	-219	-196	73	-140	-40	-150	Net
Overdrafts (£mns)	High street banks	6,404	6,705	6,534	6,538	6,560	6,493	6,150	6,326	6,500	6,143	6,464	6,303	6,159	O/S
	High street banks	-382	307	-166	8	50	-64	-341	180	176	-356	320	-157	-142	Net
Annual growth in loan & overdraft amounts outstanding (£mns)	High street banks	46,001	46,087	45,654	45,191	45,146	45,043	44,469	44,405	44,373	44,084	44,270	44,042	43,735	O/S
	High street banks	-501	123	-393	-431	128	-89	-556	-39	-20	-283	180	-197	-292	Net
Annual growth in loan & overdraft amounts outstanding (£mns)	Full market	10.2%	10.2%	9.5%	9.8%	9.3%	9.3%	8.5%	8.8%	8.5%	8.5%	8.3%	7.7%		BOE
	High street banks	4.9%	4.3%	4.0%	3.7%	3.0%	3.3%	2.4%	2.9%	2.3%	2.6%	2.2%	2.1%	2.3%	Growth

Personal deposits & savings

	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	
Personal deposits (£mns)	840,906	838,517	839,689	845,361	834,926	837,310	846,916	842,294	841,589	846,781	841,857	847,041	848,597	O/S
of which instant access	628,117	628,023	630,470	636,103	626,584	629,736	639,415	634,615	635,692	642,478	639,644	645,644	647,663	O/S
of which notice or time	212,789	210,494	209,220	209,258	208,342	207,574	207,501	207,679	205,897	204,303	202,214	201,397	200,934	O/S
	2.0%	2.0%	2.1%	2.1%	2.2%	1.9%	1.8%	1.4%	1.6%	1.3%	1.2%	1.2%	0.9%	Growth
ISAs (included above) (£mns)														
Full market	271,864	271,156	270,465	269,991	269,097	269,072	271,687	276,657	277,409	277,112	276,902	276,578		BOE
High street banks	160,464	158,981	157,779	157,110	156,026	155,749	156,071	157,055	155,876	154,632	153,767	153,203	152,794	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](tel:02074166750) or e-mail press@ukfinance.org.uk

Next update: 26 November 2018