Household Debt in 2014 Increased at Fastest Rate for a Decade

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Today the UK's leading financial capability charity The Money Charity releases The Money Statistics, giving an overview of the financial situation in the UK.

Households in the UK took on an average of £395 of additional consumer debt in 2014, new analysis by The Money Charity shows – the biggest growth in any year since 2004.

Average consumer credit debt stood at £6,322 in December, up from £5,938 at the end of 2013. In 2013, the average increase was just £50 – but as the recovery continues, consumers are rediscovering their appetite for credit cards, overdrafts, and personal loans.

Total lending, including mortgages, grew by £1,081 in the year, the most since 2008. At the height of the property boom this was growing by over £4,000 per household per year.

In total, people in the UK owed £1.466 trillion at the end of December, of which nearly nine tenths was mortgage debt.

Other highlights include:

- 57% of credit card balances are bearing interest – the lowest proportion ever.
- The average household owes £2,287 in credit card debt.
- The average first-time buyer deposit was 119% of the average salary.

Michelle Highman, Chief Executive of The Money Charity, said:

"As we get stuck in to a new year, the news that the average household increased its consumer credit debt by nearly £400 last year will prompt many to think about their finances.

"There's no better time to start taking control of your money and making a plan – and the best way to start is to make a budget with a tool like our free Budget Builder. If you can do that, you can start making your money work for you and achieve your goals!

"But if things are already too much, pick up the phone to StepChange or one of the other free debt advice charities who will be able to help you properly assess your options."

Latest figures include:

1. £29.91: average daily cost of raising a child to 21

2. At least 5.135m:number of people who have joined a pension scheme under auto-enrolment

3. £146,718:average first-time buyer loan

4. 1,132 number of people made redundant every day between September and November

5. 57%: proportion of credit card balances bearing interest

6. £71m:daily net lending by banks to individuals

7. 401:purchases made every second on debit or credit cards in November

8. £54.46: average cost of filling a 50-litre tank with unleaded petrol

9. £2,287: average household credit card debt

10. 4.35%: proportion of average earnings the average person would pay in interest

You can get the full picture at http://themoneycharity.org.uk/money-statistics/

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The Money Charity

The Money Charity is the UK's financial capability (financial education) charity. Our vision is that everyone has the ability to be on top of their money as a part of everyday life. We empower people across the UK to build the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives.

The Money Charity is registered with the Charity Commission as a charity in England and Wales, number 1106941. A company limited by guarantee, incorporated under the Companies Act 1985, and registered in England and Wales, number 5244075.

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