



2011 Cash ISA Balances

Recent Halifax research shows that many UK savers are continuing to make use of their annual ISA allowance. The average ISA balance across the UK is now £8,505 and is equivalent to a third of national average pre-tax annual earnings¹ of £27,235.

Although it is encouraging to see that many savers are using ISA allowances, according to the Department of Work and Pensions' Family Resources Survey (FRS) 2009/10, only two out of five households in the UK have an ISA product².

ISA Balances in 2011

Savers in 32 local areas hold average balances in excess of £10,000. ISA customers in South Buckinghamshire have the highest average balance, which at £11,059 is 30% higher than the UK average of £8,505, with Harrow (£10,976) and Chiltern (£10,958) following closely.

Twenty-two of the 30 local areas with the highest cash ISA balances are in southern England, the South East holds the highest average balance by region of £9,142.

At the other end of the spectrum, there are four areas where the average balance is below £6,000: West Lothian (£5,889), Newham (£5,835), Glasgow City (£5,750) and Hackney (£5,455). Average ISA savings in Hackney are more than a third below the national average (See Table 2). The lowest region of ISA savers are in Scotland, with an average balance of £7,078; 17% below the UK average (See Table 3).

ISA saver pots determined by age

Older customers are more likely to have ISA savings and indeed higher balances. Savers in the age band from 55 to 64 have an average balance of just over £11,000. This rises to £12,479 for those aged 65-74 and to £14,111 for those who are 75 and above (66% above the average for all ISA savers).

By contrast, savers in the age band 25 to 34 have an average balance of £3,100 (64% below the average for all savers) and those who are between 35 and 44 have an average ISA balance of £4,798.

Halifax' challenge to the Cash ISA market

The Halifax Cash ISA Promise, which came in to effect on 2 October 2010, challenged the market by addressing key issues customers face during the lifetime of their cash ISA – in particular, losing the benefit of a better deal due to delays in the transfer process. All customers switching their existing cash ISA to Halifax now earn interest from the first day their completed application form is received either in branch or by post.

One year on from its launch, the Halifax Cash ISA Promise has increased the ISA pots of UK savers by an extra £10 million in interest.

Simon Kenyon, Director of Savings, said:

"We are incredibly pleased that the Cash ISA Promise has been so well received by customers, it clearly addresses a real issue. ISA savers across the UK are already feeling the benefit to the tune of £10million."

- ENDS -

Data tables

Table 1: Highest Average ISA Savings Balances – Top 30

Local Authority District	Region	Average Savings ^a Balance (£)	% Above UK Average
South Buckinghamshire	South East	11,059	30%
Harrow	Greater London	10,976	29%
Chiltern	South East	10,958	29%
Derbyshire Dales	East Midlands	10,841	27%
Brentwood	Greater London	10,766	27%
East Dorset	South West	10,764	27%
Christchurch	South West	10,757	26%
Mole Valley	South East	10,637	25%
Epsom and Ewell	South East	10,627	25%
Windsor and Maidenhead	South East	10,570	24%
St Albans	South East	10,539	24%
Elmbridge	South East	10,487	23%
Hambleton	Yorkshire & The Humber	10,446	23%
Fylde	North West	10,435	23%
Bromley	South East	10,418	22%
Vale of White Horse	South East	10,391	22%
Barnet	Greater London	10,342	22%
Wokingham	South East	10,319	21%
Harborough	East Midlands	10,312	21%
Rochford	South East	10,287	21%
Epping Forest	South East	10,280	21%
Richmond upon Thames	Greater London	10,250	21%
Rushcliffe	East Midlands	10,226	20%
Bedford	East Anglia	10,221	20%
Waverley	South East	10,154	19%
Sevenoaks	South East	10,107	19%
Woking	South East	10,079	19%
Blaby	East Midlands	10,073	18%
Oadby and Wigston	East Midlands	10,064	18%
South Oxfordshire	South East	10,051	18%
UK		8,505	

Source: Halifax. ^a Average balance for September 2011

Table 2: Lowest Average ISA Savings Balances – Bottom 10

Local Authority District	Region	Average Savings ^a Balance (£)	% Above UK Average
Hackney	Greater London	5,455	-36%

Glasgow City	Scotland	5,750	-32%
Newham	Greater London	5,835	-31%
West Lothian	Scotland	5,889	-31%
Southwark	Greater London	6,075	-29%
Lewisham	Greater London	6,204	-27%
Barking and Dagenham	Greater London	6,222	-27%
Manchester	North West	6,369	-25%
Derry City	Northern Ireland	6,388	-25%

Source: Halifax. ^a Average balance for September 2011

Table 3: Regional ISA Savings Balances

	Average Savings ^a Balance (£)	All as % of Average Pre-Tax annual earnings ^b
North	8,342	36%
North West	8,536	35%
Yorkshire & The Humber	8,579	36%
West Midlands	8,630	36%
East Midlands	9,067	36%
East Anglia	9,125	32%
Greater London	8,527	22%
South East	9,142	30%
South West	8,506	35%
Wales	8,507	37%
Scotland	7,078	28%
Northern Ireland	8,223	37%
UK	8,505	31%

Source: Halifax. ^a Average balance for September 2011; ^b ONS and Halifax estimates

Table 4: Average Balance by Age

Age bands	Average Savings ^a Balance (£)
16-17	2,498
18-24	2,210
25-34	3,100
35-44	4,798
45-54	7,375
55-64	11,089
65-74	12,479
75+	14,111
All age groups	8,505

Source: Halifax. ^a Average balance for September 2011.

For more information, please contact the Halifax Press Office:

Halifax ISA case studies are available on request.

Nathan Hatch
0207 356 1223
nathan.hatch@lloydstsb.co.uk

Clare Mortimer
07768541555
claremortimer@halifax.co.uk

Notes to editors:

The data used in this research refers to balances held in Halifax ISA products at the end of September 2011 and relates to balances per customer. The data includes ISA fixed, variable and direct.

The average earnings data is a calculation based on the annual gross earnings for all employees (full-time and part-time) from the ASHE survey at April 2010 and uplifted by the national average earnings index published by the ONS to produce Halifax estimates to July 2011.

By definition this survey excludes those who do not have ISA savings. According to the Family Resources Survey 2010 (Savings and Investment Section 4) 40% of households have some sort of ISA savings product (cash or investment).

Note: ¹ annual gross earnings for all employees (ONS and Halifax estimates)

Note: ² this includes both cash and investment. Halifax data quoted in this release relates to cash only.

Halifax Cash ISA Promise

The Halifax Cash ISA Promise offers new and existing cash ISA customers a simple three point commitment. With effect from the 2nd October 2010 the Cash ISA Promise forms part of cash ISA terms & conditions. It reads, as follows:

- When you switch your cash ISA to us we will not wait for your current provider, we pay interest from day one of receiving your completed transfer application.
- We'll keep you informed:
 - while switching your cash ISA to us
 - when your reward or fixed rate cash ISA offer is coming to an end
 - of your cash ISA interest rate
- All Cash ISAs will be available to all customers, new and existing

"This report is prepared from information that we believe is collated with care, however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance."