



## One third of Scots turning to friends and family to borrow substantial sums of money

- **New research from Bank of Scotland reveals that a third of Scots (36%) borrow money from friends and family, with a quarter (23%) doing so just to cover day-to-day living costs.**
- **Over half (54%) of Scots feel guilty about borrowing money, and one in ten (8%) say it has resulted in family tension.**
- **Scotland is a generous nation, with over half of Scots (58%) saying they are happy to lend money to family members.**

One third of Scots (36%) have borrowed money from family and friends; yet one in ten (8%) do not expect to pay the money back according to new research by Bank of Scotland.

Part of Bank of Scotland's *'How Scotland Lives'* study, the nation-wide analysis from YouGov of 3,048 adults also found that almost a quarter (23%) are borrowing money from friends and family just to get by, using the cash to cover day-to-day living costs.

Scots are most likely to borrow money from the Bank of Mum and Dad (29%); borrowing an average of £3,209. Meanwhile, one in 20 (6%) have borrowed from siblings and 4% from friends, with just 3% seeking financial support from grandparents.

Over half (54%) of those that borrow money say they feel guilty for doing so, as they hoped to provide for themselves, and one in ten (8%) admitted that the borrowing of money has caused tension in their family.

However, over half of Scots who have lent money (58%) say they are happy to give a helping hand to family and friends, with just one in ten (10%) feeling annoyed about lending to loved ones. Those in Aberdeen (76%) and Fife (68%) appear to be the most generous regions and are happiest to offer a loan in times of need.

South Scotland (49%) and Dundee (48%) are shown to be less likely to hand out the cash than the rest of Scotland, with only half happy to lend money to a family member. Those in Lothians (17%) and Dundee (17%) are also more likely to be annoyed about being asked for a loan. It comes as a quarter (25%) of Scots don't expect to get their loan back from loved ones.

**Ricky Diggins, Network Director at Bank of Scotland, said:** "As I am sure most Scots would agree, we are a small but generous nation, especially when it comes to family members, feeling much more comfortable lending than borrowing. It's important for us all to open up about money with our family and friends as this can help with easing financial strains or worries."

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Scots are likely to lend more to their children than anyone else, loaning their kids an average of £3,209 last year. However, the amount lent to children has fallen by an average of £500, since 2016.

## **Starting conversations about money with friends or family**

**By Ricky Diggins, Network Director at Bank of Scotland**

Conversations about money can be difficult, especially when you are facing financial problems. Most of us don't feel very comfortable talking about our finances with our loved ones, let alone asking them for help.

### **Go over your finances and understand what you need help with**

It is easy to sometimes feel so overwhelmed by your finances that you end up ignoring the situation altogether, so why not ask a family member to look through your finances with you?

Gathering all the information you need will help you understand exactly what the situation is. Once you've established all the facts, working out a plan will be much easier. For example, if you are struggling to get a deposit together for a home, it will be easier to start the conversation if you know how much you'll need to borrow.

### **Be prepared to talk, but also be prepared to listen**

Understand and acknowledge the other person's point of view. It's only by listening that you'll be clear on what's important to the other person and be able to make a plan together.

If you are asking for financial support, it is understandable that the other person might have some questions and concerns. Clear and open communication will help ensure there are no disagreements further down the line.

### **Feelings around money can be strong, but they don't have to lead to arguments**

It's not unusual for families to argue about money. There can be a lot of intense feelings, but the important thing is to have a calm conversation about the issues. Start by telling them how you feel, rather than what you want.

Turning to a friend or family member for help could also impact wider relationships, for example if other friends or family members see it as favoritism. If you're borrowing from a parent, it might be a good idea to call a family meeting to discuss the terms openly.

### **Make a plan together**

Reach an agreement about what to do next and keep talking about it. Occasionally the relief of having talked about money is so overwhelming that people don't mention it again and don't really convert words into action.

A written plan or agreement is always a good idea. Break down exactly what the plan is, including details like when you will start to pay them back and how you plan to make the payment.

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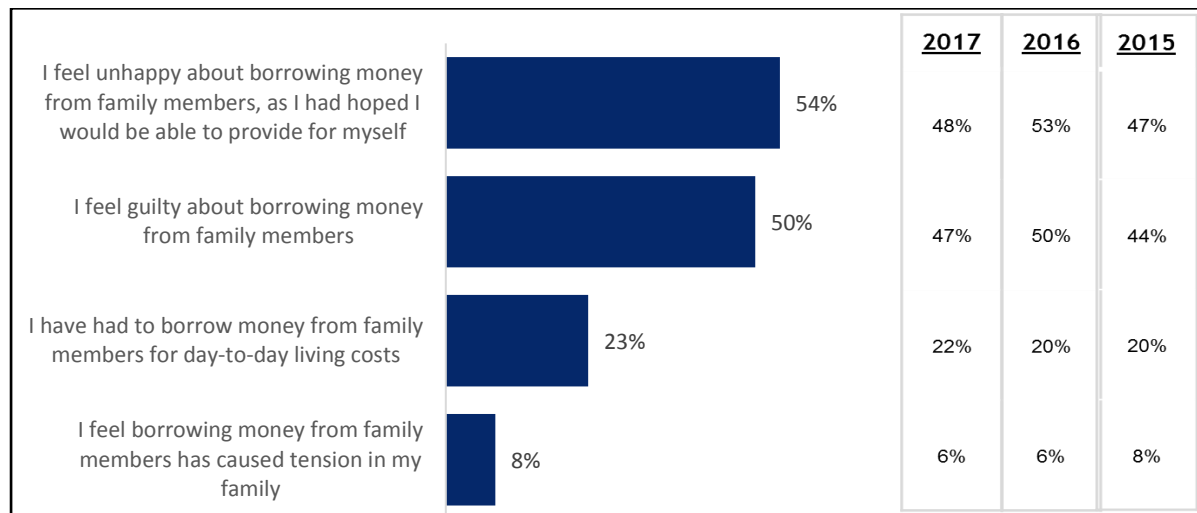
## Ends

### Notes to editors:

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 3048 adults. Fieldwork was undertaken between 11th-22nd March 2019. The survey was carried out online. The figures have been weighted and are representative of all Scottish adults (aged 18+).

This research is part of a wider series from Bank of Scotland called 'How Scotland Lives', a major study looking into the issues that Scottish people face in today's modern world including insight on their lives, attitudes and daily pressures.

### Appendix



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# Press Release

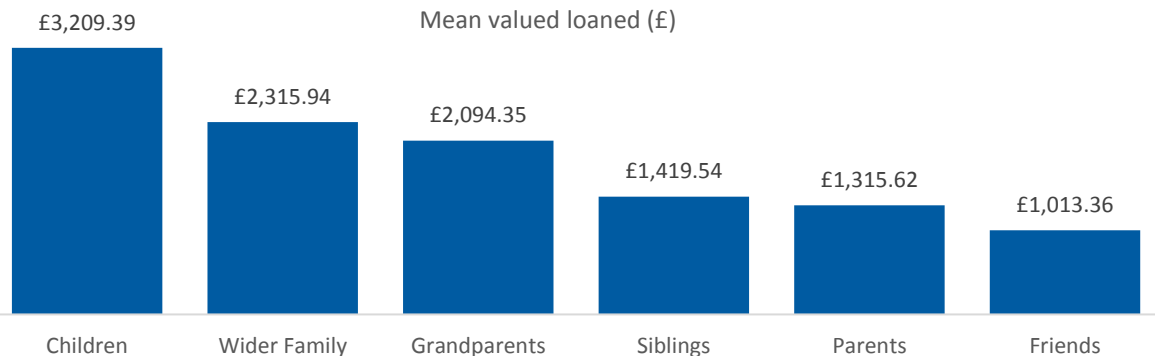


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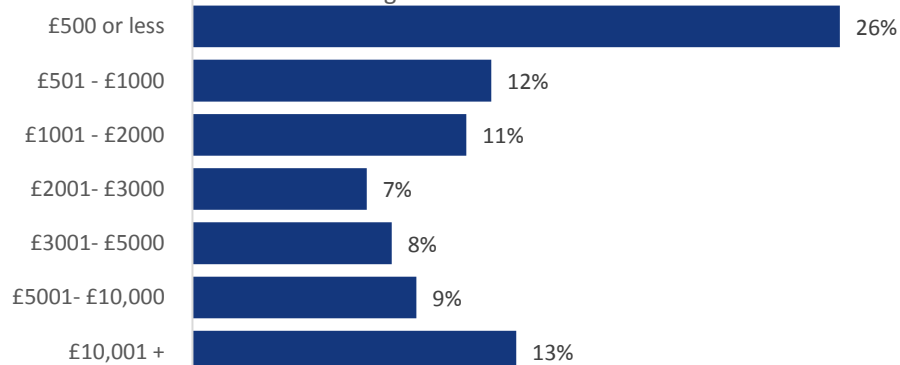
## I feel guilty about borrowing money from family members



## Mean valued loaned (£)



## How much being loaned to children



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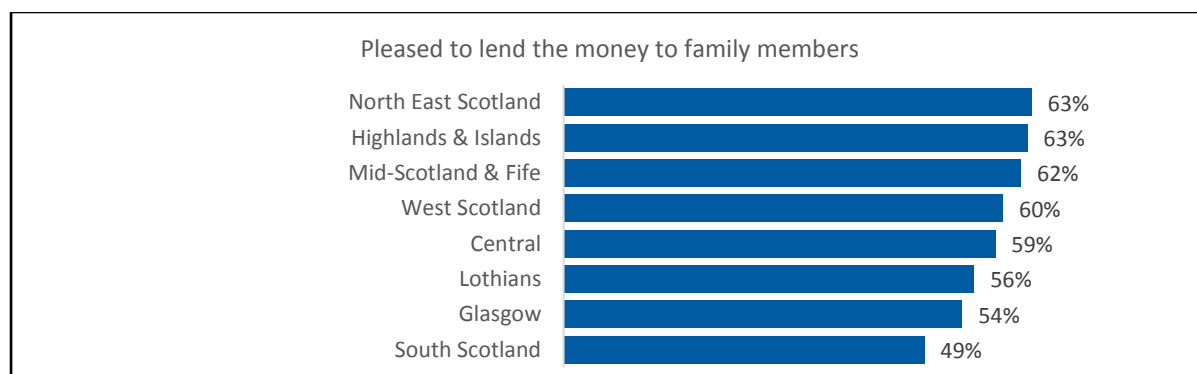
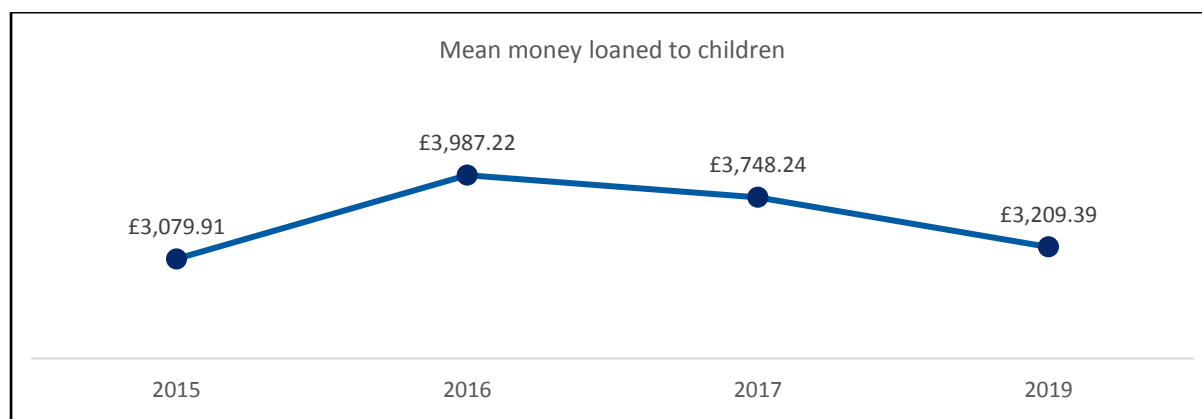
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