PRESS RELEASE

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HALIFAX
the people who give you extra

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The quarterly **Halifax Savings Review** uses consumer research, to monitor public sentiment and savings behaviours. The data presents a snapshot of the nation's saving habits. Raiding is defined as taking money out of savings to pay for unexpected costs or bills, or spending savings on things other than they were intended for.

Household expenses and everyday spending put pressure on savings balances

- **Average savings balance over £1,000 lower in Q1 2015 than Q4 2014**
- **A quarter of savers unexpectedly raided their savings over this period**
- **Overspending, and covering debts, unexpected bills and repairs amid the top reason for dipping in to savings**

Savings balances failed to rebound in the first three months of 2015, following the annual raiding of accounts over the Christmas period, with average balances now lower than they were in January 2015, according to the latest *Halifax Savings Review*.

The average savings balance for Q1 2015 stood at £16,690, over £1,000 lower than the previous quarter of £17,945. Suggesting, despite savings being high on the agenda in the budget and the build up to the end of ISA season, many failed to add significantly to their nest eggs over the past three months. Though consumer price inflation is zero per cent and average real wages are finally beginning to pick up[1], this suggests that for some households budgets were still under pressure.

Saving vs. Raiding

A quarter (24%) of savers added nothing to their savings in the first three months of the year; however this is down on the previous quarter when almost a third (30%) of consumers saved nothing at all. Additionally, the average amount saved over this period was £795 compared to £766. Meaning more savers were saving more on average than they had in the previous quarter.

However, with a quarter of savers (26%) raiding their accounts over this period, combined with any planned use of savings, average balances have yet to recover from the Christmas and New Year spending, and remain over a £1,000 lower than the previous quarter.

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Whilst those adding to their savings managed to save just under £800, those that were forced to raid their accounts were taking out over £1,000 (£1,087), with men (£1,290) raiding significantly more than women (£909). Spending on holidays was the most popular reason for dipping into savings, but three of the five main reasons for raiding were all linked to everyday spending and general household expenses. The top five reasons for raiding were:

- Holiday or weekend break - 22%
- Emergency home or car repairs - 16%
- Overspending on current account - 14%
- Unexpected utility bills - 12%
- To pay off debts - 11%

Giles Martin, Head of Halifax Savings, says:
"Whilst it is encouraging that so many people are still saving regularly, the fact that balances remain lower and are yet to recover from the end of last year indicates that many consumers are still not prioritising saving, or unable to save at previous levels. Whilst consumer confidence may have improved, with higher employment levels and low inflation, it remains important that a good savings habit is encouraged and regular saving remains a central part of a household's financial planning."

Region	Average savings in past three months	Average amount raided from savings	Average savings balances Q4 2014	Average savings balances in Q1 2015
South east	£1,010	£1,424	£20,889	£19,489
Midlands	£774	£933	£16,152	£18,680
North England	£746	£923	£17,574	£14,404
Wales & South West	£730	£1,124	£16,785	£14,340
Scotland	£473	£859	£17,708	£12,999
All	**£795**	**£1,087**	**£17,945**	**£16,690**

ENDS

Notes to Editors

All figures, unless otherwise stated, are from Marketing Sciences Unlimited. Total sample size was 2,050 adults. Fieldwork was undertaken between 10th – 12th April 2015. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

[1] In February weekly average earnings grew by 1.7% (3 monthly average) – source ONS.

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