

# PRESS RELEASE



## Brits holding 11% more cash in accounts despite income hit

- Average balances up 11% in lockdown as spending stalls
- Spending on essentials down 3% in May year-on-year; non-essentials down 32%
  - Halifax reveals everyday banking top tips

22 June 2020: Brits were holding on average 11% more money in their accounts at the end of May, compared to pre-lockdown, despite the impact of the pandemic on peoples' wages.

Data from Halifax has found that the build-up of balances coincided with a significant fall in outgoings since lockdown was introduced. In May alone, spending on essentials and non-essentials fell 3% and 32% year-on-year, and much of that has been retained by customers.

The average current account balance is now higher than pre-pandemic levels.

However, many have also had their income substantially impacted by the pandemic, leaving them in a worse position.

Martin Turner, Head of Current Accounts, Halifax said: *"The pandemic has created lots of uncertainty in a very short period of time, forcing people to make quick decisions on what to do with their money.*

*"Households appear to be adapting quickly, with balances increasing against a backdrop of falling income. However, we know that not everyone is lucky enough to be in this position. If you feel your future finances are at risk you should contact your bank at the earliest opportunity to get the help and support you need at this challenging time."*

For those with extra money, it's important that people use it wisely and retain a cushion for future uncertainty.

Martin Turner continued: *"For some, cash has built up in accounts naturally through lockdown, as shop and leisure closures and travel restrictions have resulted in less money being spent. Deciding how best to manage lockdown finances might feel overwhelming at times so we have created a set of top tips to help people right now to navigate their next steps."*



## Top Tips from Halifax

**Make the most of your loyalty** - *Current accounts have moved on drastically over recent years to become more than just a vault for your money. Many will offer discounts at certain retailers, lifestyle rewards, and exclusive rates accessible only to customers. With the Current Account Switching Service, you can move to an account that works for you in just seven days.*

**Balance the books after bills** – *Many current accounts now have a budgeting feature which pulls together all your expenses for easy viewing. Just seeing what you have left at the end of each month, although simple, is a fantastic way to manage and make adjustments to your spending.*

**Review your direct debits** – *Some of us may have long lists of direct debits and standing orders to companies we didn't know we still had. A quick win for many looking to save more money in lockdown is to review and delete. Word of caution, always check whether you have a contract in place with a company before cancelling a payment to them.*

**Use card spending controls** – *It's easy to overspend online during lockdown. To take back control consider using features offered by some card providers to block transactions to certain categories of retailers. Giving yourself breathing space can give your finances time to recover from spending splurges.*

**Save for a rainy day** – *If you have a little more money now at the end of each month keeping it in savings account means it's safely set aside for when you need it. Scour best buy tables to find the right account for you and your circumstances.*

**Stay safe on the net** – *While there are some fantastic deals to be found online remember to stay safe. If a deal is too good to be true then it most likely is. Stick to websites that you know and trust and always pay for goods by credit or debit card if possible. If you aren't comfortable do not carry on with a transaction.*

-END-

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. © Halifax Bank plc all rights reserved 2020.

**This information is intended for the sole use of journalists and media professionals.**