

Press Release

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This Halifax ISA Savings Report is part of a research series examining savings trends in the UK. The research is based on data from the Halifax ISA savings database, the largest of its kind in the UK. Halifax is one of UK's leading savings providers. This analysis is based on cash ISA accounts held with Halifax in August 2010 and an estimate of average earnings based on data from the ONS published in November 2009.

THIRD OF UK EARNINGS INVESTED IN ISAS

- UK average cash ISA balances is £7,782.
- This is equivalent to just under a third of the UK's average earnings of £26,075.
- The highest ISA balance is in the Derbyshire Dales (£10,476¹), 35% above the UK average.
- Over half of the top 30 local authorities with the highest Cash ISA balances are in Greater London and the South East, including Brentwood (£9,996) and Epsom and Ewell (£9,948).
- The lowest ISA balances are in the London boroughs of Hackney (£4,675) and Southwark (4,791).

Regional ISA balances and average earnings (Table 2)

The UK average ISA balance is £7,782, which is equivalent to just under a third of the UK's average earning (£26,075). ISA savers in Wales and Northern Ireland have the highest balances in relation to average regional earnings² with ISA savings equivalent to 37% and 36% of average annual gross earnings.

Nitesh Patel, Economist at Halifax, comments:

"It's great to see UK savers are taking advantage of the tax free benefit of an ISA by investing just under a third of their income. Frustratingly though, whilst ISAs have been available for over a decade, savers are still not making the most of their savings by using their full annual ISA allowance with the UK average of just £7,782 being saved which is only 1.5 times the annual limit."

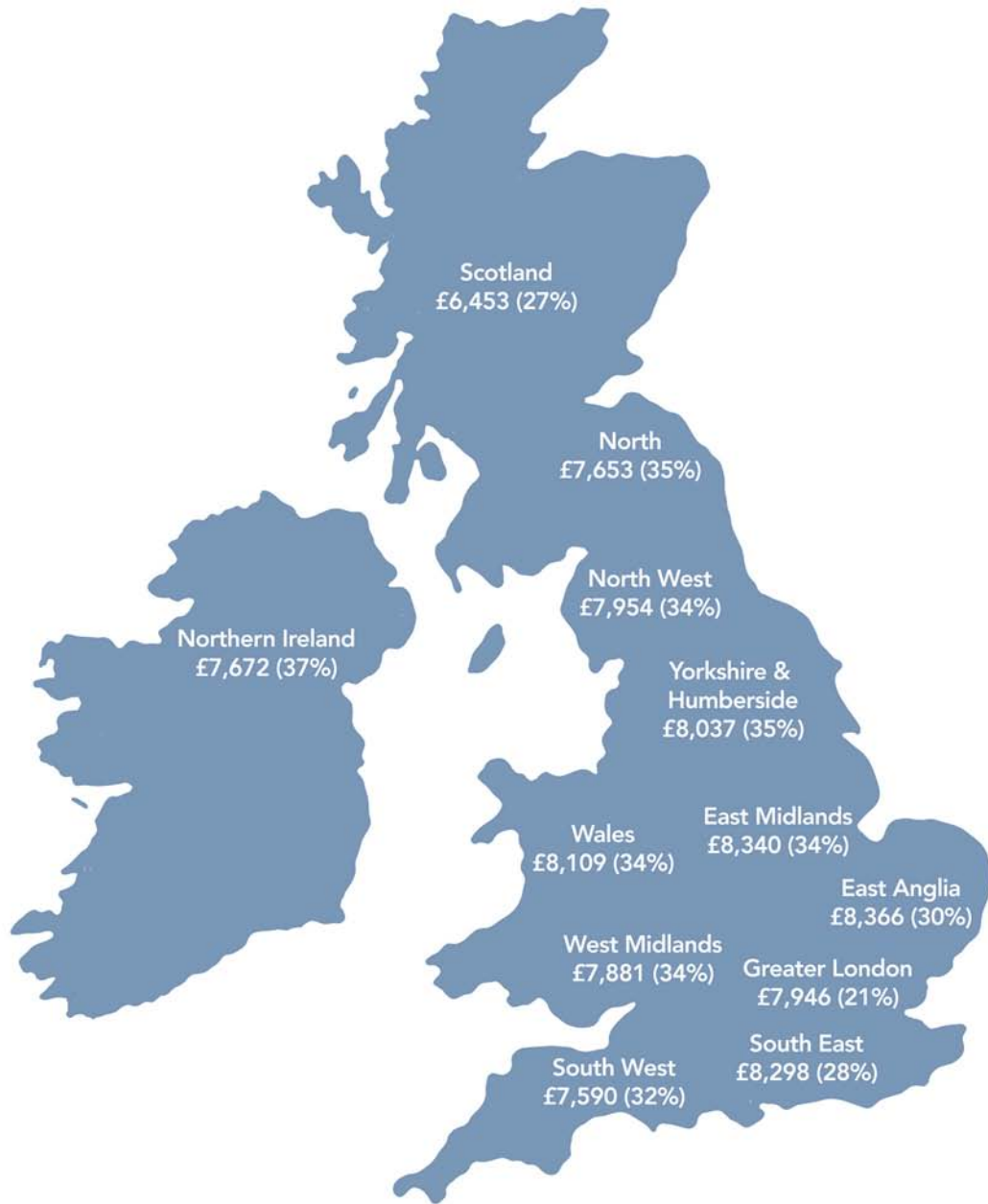
Average ISA balances by age (Table 3)

The 75+ age group held the highest average ISA balance of £13,912. Average balances for the age group 16-24 was £1,848, rising to £2,388 for ISA savers between 25-34 – below the average for all ages of £7,782.

Nitesh continues:

"It's also encouraging to see so many elderly savers (75+) so switched on to ISAs. This group holds the highest ISA balances at £13,912 – this surely underscores that it is not just the younger generation who are financially savvy."

ISA Savings Map – August 2010



Average ISA Balance in UK: £7,782
Balance as % of average all workers earnings: 30%

Source: Halifax and ONS

Table 1 Largest ISA Cash Balances by Local Authority

Local Authority	Region	Average ISA Balance £	% above UK Average
Derbyshire Dales	East Midlands	10,476	35%
South Buckinghamshire	South East	10,341	33%
Harrow	Greater London	10,248	32%
Chiltern	South East	10,205	31%
East Dorset	South West	10,085	30%
Brentwood	East Anglia	9,996	29%
Epsom and Ewell	South East	9,948	28%
Christchurch	South West	9,894	27%
Vale of White Horse	South East	9,808	26%
Fylde	North West	9,784	26%
Mole Valley	South East	9,762	26%
Hambleton	Yorkshire and the Humber	9,756	26%
St Albans	East Anglia	9,638	24%
Epping Forest	East Anglia	9,624	24%
Bromley	Greater London	9,600	24%
Windsor and Maidenhead	South East	9,597	23%
Rochford	East Anglia	9,592	23%
Barnet	Greater London	9,543	23%
Rushcliffe	East Midlands	9,482	22%
Runnymede	South East	9,476	22%
Wokingham	South East	9,440	21%
Oadby and Wigston	East Midlands	9,422	21%
Richmond upon Thames	Greater London	9,422	21%
Elmbridge	South East	9,397	21%
Three Rivers	Greater London	9,383	21%
Bedford	East Anglia	9,373	21%
Waverley	East Anglia	9,363	20%
Brent	Greater London	9,319	20%
North East Derbyshire	East Midlands	9,315	20%
Wyre	North West	9,300	20%

Source: Halifax August 2010

Table 2 Regional ISA balances and average earnings

Region	Average ISA Balance (£)	Average Earnings 2010 (£)	Average ISA Balance as % of Earnings
East Anglia	8,366	27,555	30%
East Midlands	8,340	24,308	34%
Greater London	7,946	37,061	21%
North	7,653	22,102	35%
North West	7,954	23,511	34%
South East	8,298	29,683	28%
South West	7,590	23,594	32%
West Midlands	7,881	23,205	34%
Yorkshire & the Humber	8,037	23,035	35%
Northern Ireland	7,672	21,610	36%
Scotland	6,453	24,278	27%
Wales	8,109	22,107	37%
UK	7,782	26,075	30%

Source: Halifax and ONS August 2010

Table 3 Average Balances by Age

	Average Balances (£)
16-17	2,283
18-24	1,825
25-34	2,388
35-44	3,903
45-54	6,546
55-64	10,314
65-74	11,937
75+	13,912
All	7,782

Source: Halifax

Editors' Notes

The Halifax Cash ISA Promise offers new and existing cash ISA customers a simple three point commitment. With effect from the 2nd October the Cash ISA Promise will form 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
- These promises are part of our agreement with you. Only Halifax does all this.

Halifax launched a Cash ISA microsite designed specifically for journalists to house all the information they need about ISAs. http://www.lloydsbankinggroup.com/media1/ISA_home.asp.

Note: ¹ Includes ISA fixed, variable and direct. ² Based on Annual Survey of Hours and Earnings (ONS)

The data used in this research refers to balances held in Halifax ISA products at the end of August 2010 and relates to the balances per customer

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 2009 and the national average earnings index published by the ONS.

"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."

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