

Consumer Attitudes towards Debt - UK - July 2017

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"Cheap loans and attractive credit card deals have fuelled a boom in unsecured lending since the recession. However, the economic fallout from Brexit means consumers are already feeling the squeeze of a combination of rising prices and slow wage growth.

– **Rich Shepherd, Senior Financial Services Analyst**

This report looks at the following areas:

- Surge in micro-debts points to the first signs of difficulty
- On balance, Brexit is expected to cause problems for borrowers
- Will Open Banking make it easier for challengers to compete?

Unsecured credit has boomed in the last few years, and total consumer credit gross lending reached £250 billion in 2016. Record-low interest rates, boosted further by the reduction to the base rate in August 2016, have incentivised consumers to take advantage of the current climate to fund big-ticket purchases. Despite this, consumers remain generally averse to using debt if they can avoid it, with most consumers looking to reduce the amount that they owe in the near future.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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