



Deposit and Savings Accounts - UK - April 2021

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

This report looks at the following areas:

- The impact of COVID-19 on the retail savings market.
- The proportion of adults who have savings and how much they have.
- Where people hold their savings, eg in which products and with which providers.
- Intentions to save and switch to other products/providers/asset classes over the coming year.
- Consumer usage of, and interest in, digital savings apps.

Mintel's research reveals significant disenchantment among UK savers. More than two thirds are dissatisfied with the interest they are currently earning on their savings, while a substantial minority intends to invest some of their savings to potentially boost returns. Savers with the largest balances are most likely to take this course of action.

This disenchantment with low interest rates comes at a time when household savings are at record levels. As a result of COVID-related restrictions and increased economic uncertainty, consumption contracted sharply in 2020. At the same time, retail deposits increased strongly. Much of the extra accumulated savings flowed into current accounts and has stayed there, as consumers have had little incentive to move their money.

Low interest rates are set to remain a feature over the next few years, and this is arguably the biggest threat to the market. Over the past year, savings account providers have benefited from increased customer apathy. However, this is set to change within the next year or two. As the economic recovery picks up pace and as inflation begins to rise, more savers will be prompted to switch products/providers or consider alternative homes for their money.

Providers, therefore, need to shift the narrative. Rather than focus promotion on the headline rate, greater attention needs to be given to other product features and benefits. There is already movement in this direction, with several



"Banks and building societies have benefited from increased inflows of customer deposits during the pandemic. Much of this extra accumulated cash is likely to be spent – perhaps not immediately, but over the medium term. There is no room for complacency, therefore."
– Sarah Hitchcock, Senior Financial Services Analyst

Buy this report now

| | |
|----------|----------------------|
| Visit | store.mintel.com |
| EMEA | +44 (0) 20 7606 4533 |
| Brazil | 0800 095 9094 |
| Americas | +1 (312) 943 5250 |
| China | +86 (21) 6032 7300 |
| APAC | +61 (0) 2 8284 8100 |

Deposit and Savings Accounts - UK - April 2021

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

providers introducing prize draws to attract new customers and/or reward loyalty. Most providers are also focused on improving their digital services, enabling them to offer greater customer access, control and functionality. Indeed, the biggest opportunity for the market going forward is digital saving and account aggregation.



What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Table of Contents

OVERVIEW

- Key issues covered in this Report
- COVID-19: market context
- Economic and other assumptions
- Products covered in this Report
- Household deposit balances

EXECUTIVE SUMMARY

- **COVID-19 has had a positive impact on the retail savings market**
Figure 1: Short, medium and long-term impact of COVID-19 on the UK deposit and savings account market, March 2021
- **The market**
- **Household savings ratio soared to 16.3% in 2020...**
- **... as spending constraints led to an 11% rise in retail savings**
Figure 2: Forecast of total household deposit balances, 2015-25 (prepared on 12 April 2021)]
- **Current accounts and NS&I saw the greatest inflows in deposits**
Figure 3: Household deposit balances, by product type, 2016-20
- **Record low savings rates**
- **Companies and brands**
- **LBG and NS&I lead the way by value of customer deposits**
Figure 4: Total retail deposits for the largest 10 providers, shown on a group basis – UK, 2019-20
- **NS&I's new green bond will fuel interest in eco-friendly savings**
- **New digital brands compete in an increasingly crowded space**
- **The consumer**
- **Two thirds of adults have at least £1,000 in savings**
Figure 5: Value of cash savings, February 2021
- **Many more savers have seen their savings grow over the past year than fall**
Figure 6: Change in value of savings compared to 12 months ago, February 2021
- **57% of savers are keeping at least some of their 'savings' in a current account**
Figure 7: Type of account held for savings, February 2021
- **Big banks dominate in the savings arena**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Figure 8: Company hold savings account(s) with, February 2021

- **Seven in 10 savers are putting away money regularly**

Figure 9: Agreement with statements regarding saving behaviour, February 2021

- **31% of savers are happy with the interest they are earning on their savings**

Figure 10: Agreement with statements regarding saving interest rates, February 2021

- **36% of savers are using a savings app or online tool**

Figure 11: Usage of and interest in savings apps, February 2021

- **59% are planning to add to their savings over the coming year**

Figure 12: Saving intentions over the coming year, February 2021

- **Around two fifths of savers are planning to move their savings**

Figure 13: Intentions regarding switching/transferring savings over the coming year, February 2021

ISSUES AND INSIGHTS

- **Savers are dissatisfied with low rates, but apathy is maintaining the status quo**
- **Despite growth in deposit balances, many people remain cautious about their finances**
- **Combined easy access and time account propositions could improve take-up of the latter**

THE MARKET – KEY TAKEAWAYS

- **Spending restrictions boost household savings**
- **Current accounts have seen the greatest inflows**
- **Low savings rates reduce appetite for time deposits...**
- **... and drive interest in equity investment**

MARKET SIZE AND FORECAST

- **The pandemic has exerted a positive influence over the savings market**

Figure 14: Short, medium and long-term impact of COVID-19 on the UK deposit and savings account market, March 2021

- **Household savings grew in real terms by 10% in 2020**

Figure 15: Household deposit balances (non-seasonally adjusted), at current and constant prices, 2015-20

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Cautious consumers will keep saving levels high in 2021, despite an increase in spending**

Figure 16: Forecast of total household deposit balances, 2015-25 (prepared on 12 April 2021)

Figure 17: Forecast of total household deposit balances, 2015-25 (prepared on 12 April 2021)

- **Market drivers and assumptions**

Figure 18: Key drivers affecting Mintel's market forecast, 2015-25 (prepared on 31 March 2021)

- **Conditions are very different from the last recession**

Figure 19: Household deposit balances (non-seasonally adjusted), 2006-11

- **Forecast methodology**

MARKET SEGMENTATION

- **Time deposits decreased by 6% in 2020...**
- **...while consumer apathy resulted in a 25% increase in non-interest-bearing deposits**

Figure 20: Household deposit balances, by product type, 2016-20

- **Interest-bearing sight accounts represent 50% of total household deposits**
- **Cash ISA balances barely grew in 2020...**
- **...while NS&I deposits were up by 18%**

MARKET DRIVERS

- **Saving levels to remain high, despite increased spending in 2021**
- **Spending plans are likely to centre on the home**
- **Savings ratio in 2020 is the highest on record**

Figure 21: Gross household savings and saving ratio, seasonally adjusted and at current prices, 2011-20

- **Threat of negative interest rates recedes**

Figure 22: Annual percentage changes in CPI and RPI and Official Bank Rate – quarterly basis, 2010-20

- **Stock markets buoyed by positive vaccine news**
- **Fixed-rate products still offer better returns, on average, but only just**

Figure 23: Average monthly quoted household deposit and cash ISA interest rates, February 2012-February 2021

COMPANIES AND BRANDS – KEY TAKEAWAYS

- **Not all of the largest deposit takers managed double-digit growth**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

| | |
|----------|----------------------|
| Visit | store.mintel.com |
| EMEA | +44 (0) 20 7606 4533 |
| Brazil | 0800 095 9094 |
| Americas | +1 (312) 943 5250 |
| China | +86 (21) 6032 7300 |
| APAC | +61 (0) 2 8284 8100 |

- **Current account providers and NS&I have benefitted the most from the surge in household savings**
- **Providers focus on improving digital channels and functionality**
- **The digital space is becoming increasingly crowded**
- **Green savings to get a boost by new NS&I bond launch**

MARKET SHARE

- **Certain brands attract greater inflows of deposits than others**
Figure 24: Total retail deposits for the largest 10 providers, shown on a group basis – UK, 2019–20
- **LBG retains the largest share of retail deposits in the UK...**
Figure 25: Retail deposit balances – LBG, 2019–20
- **...but second-placed, NS&I grew balances by the greatest margin in 2020**
- **Nationwide's performance in 2020 was below par...**
- **...hence, it's upping the ante in 2021**
- **Current accounts have been the main recipients of higher balances**

Figure 26: Retail deposit balances – Santander, 2019–20

COMPETITIVE STRATEGY AND LAUNCH ACTIVITY

- **Lack of real product innovation**
- **Digital drive continues**
- **Yorkshire Building Society on a 'digital transformation journey'**
- **TSB Bank's new Spend & Save proposition**
- **Digital banks face growing competitive pressure**
- **Zopa enters savings market**
- **JPMorgan Chase to follow Goldman Sachs in launching a digital bank**
- **Going green**
- **Other recent product launches**
- **NatWest's Digital Regular Saver**
- **Atom's Instant Saver**
- **Revolut's USD saving account**
- **Chip's easy access account**
- **Raisin UK adds easy access accounts to its savings platform**
- **Virgin Money and Principality target first-time buyers**

ADVERTISING AND MARKETING ACTIVITY

- **Savings market continues to attract low levels of adspend**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 27: Above-the-line, online display and direct mail advertising expenditure on savings products, by type of product, 2018-20

- **Nationwide was again the highest spending advertiser in 2020, despite cutting adspend by a third**

- **Recent entrants, Marcus and Ford Money make the top 10**

Figure 28: Top 10 advertisers of above-the-line, online display and direct mail advertising on savings products, 2019-20

- **Ad Intel coverage**

THE CONSUMER – KEY TAKEAWAYS

- **Many more savers have seen savings grow than fall over the past year**
- **57% of savers are holding their savings in a current account**
- **Scope for challenger brands to target savers with smaller balances**
- **Disenchantment with savings rates could see more transfer to equities**

IMPACT OF COVID-19 ON SAVING BEHAVIOUR

- **Just over half of all savers say their ability to save has changed as a result of the pandemic**

Figure 29: Impact of pandemic on ability to save, by gender and age, February 2021

- **Many more have seen their savings increase than decrease over the past year...**

Figure 30: Change in value of savings compared to 12 months ago, by gender and age, February 2021

- **...although wealthier households are more likely to have benefited**

Figure 31: Change in value of savings compared to 12 months ago, by value of cash savings, February 2021

- **As outgoings have reduced, many are prompted to add to their savings**

Figure 32: How consumers have been affected or changed their behaviour as a result of the outbreak, by gender and age, February 2021

- **Having a savings buffer signals financial success for many UK adults**

Figure 33: Own definition of financial success, by gender and age, February 2021

- **Over-55s are less eager to try out new technology**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 34: Agreement with statement "I like to be amongst the first to try technologies", by age, February 2021

- **Many people are concerned about the security of their personal data**

Figure 35: Agreement with statement "It is important to know that companies protect my personal information", by age, February 2021

AMOUNT OF SAVINGS AND TYPE OF ACCOUNTS HELD

- **Two thirds of UK adults have at least £1,000 in savings**

Figure 36: Value of cash savings, by gender and age, February 2021

- **Significant gender savings gap among under-55s**

Figure 37: Value of cash savings, by combined gender and age, February 2021

- **The average saver uses 2.4 different account types**

Figure 38: Type of account held for savings, February 2021

- **NS&I's Premium Bonds remain popular despite reduced chances of winning**

- **Those with the largest savings balances show strong preference for fixed-term bonds**

Figure 39: Type of account held for savings, by value of cash savings, February 2021

WHERE ACCOUNTS ARE HELD

- **86% of savers hold their savings with one of the top six banking groups**

Figure 40: Company hold savings account(s) with, by product type, February 2021

- **Challenger brands are better at attracting savers with higher balances**

Figure 41: Company hold savings account(s) with, by total value of cash savings, February 2021

ATTITUDES AND BEHAVIOURS OF SAVERS

- **Nine in 10 savers try to maintain a certain level of savings**

Figure 42: Agreement with statements regarding saving behaviour, February 2021

- **Roughly four in five will use savings to fund major purchases**

- **Under-45s more likely to save for a specific reason**

- **60% of savers are keeping most or all of their savings with one provider**

- **Two in three savers are dissatisfied with the interest they are earning**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 43: Agreement with statements regarding saving interest rates, February 2021

TAKE-UP OF SAVINGS APPS

- **Just over a third of savers are using a saving/banking app or online tool**

Figure 44: Usage of and interest in savings apps, February 2021

- **52% of adults are interested in a savings alert service**

INTENTIONS TO SAVE AND SWITCH

- **More than a quarter of savers are planning to dip into their savings over the coming year...**

Figure 45: Saving intentions over the coming year, February 2021

- **...of which, nearly half are planning to make a major purchase**

Figure 46: Expectations among those planning to dip into their savings, February 2021

- **Three in five people with balances of £50,000+ are planning to move at least some of their savings**

Figure 47: Intentions regarding switching/transferring savings over the coming year, by value of savings, February 2021

APPENDIX – DATA SOURCES AND ABBREVIATIONS

- **Abbreviations**
- **Consumer research methodology**
- **Other sources**

APPENDIX – MARKET SIZE AND FORECAST

- **Total market forecast – best- and worst-case scenarios**

Figure 48: Forecast of household deposit balances – Best- and worst-case scenarios, 2020-25

- **Forecast methodology**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.