

Consumer Attitudes Towards Debt - UK - July 2015

Report Price: £2195.00 | \$3554.69 | €2788.33

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"Lending has increased since the recession and people have started to show signs of becoming more comfortable with credit, whether out of necessity or choice. Rising confidence in line with the economic recovery is only making people more certain their repayments will remain manageable, but an interest rate rise could leave them exposed."

– Patrick Ross, Financial Services Analyst

This report looks at the following areas:

- Online-only brands could challenge high street lenders
- People are becoming more comfortable with long-term unsecured debt

Lending has accelerated since the recession, as intense competition has made credit easy for most people to come by. Mortgage lending has grown despite the FCA's Mortgage Market Review in 2014, which implemented tighter lending criteria and caused a capacity crunch.

Against a backdrop of low interest rates, people's relationship with credit is changing. The recession has started to fade from memory, and people are becoming more comfortable with taking on unsecured debt. However, consumers still strive to live within their means and still see the value in aspiring to low or zero debt even now that personal finances have started to recover. There will always be a place for debt with the British public, but there are opportunities to create a more positive relationship between creditor and debtor that protects the interests of both parties.

This report examines consumers' attitudes towards debt and their use of credit products. The report looks at how much is owed and on what types of product, as well as how consumers are managing their debt and likely sources of credit in the future. The report also looks at more general attitudes towards the market for credit.

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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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