

Consumers, Saving and Investing - UK - January 2016

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"The outlooks for the savings and investments markets are contrasting. Whilst the cash savings market is struggling to rally against difficult market conditions, the investment market is benefiting from growing levels of interest and the barrier-lowering effects of digital innovation."

Deborah Osguthorpe, Head of UK Financial Services Research

This report looks at the following areas:

- Persistent low rates lead to long-term shift in behaviour
- Dormant accounts serve as constant reminders of missed opportunities
- Online platforms could lower investment barriers

What you need to know

Savings accounts are the most widely owned financial product after current accounts. Just 19% of people say that they own no savings products. In contrast the investment market remains relatively niche. 72% of people say that they own no investment products. However, these headline ownership statistics create an overly simplistic picture.

In reality the high levels of ownership for savings products are misleading. A large number of savings accounts are either dormant or of very little value. 30% of people own just one savings product and 16% of these individuals say that they currently have no savings or investments. More than a quarter of people say that they have savings of less than £500. This reflects the difficult market conditions of recent years, which have caused long-term shifts in consumer behaviour. It also points to the fact that consumers often underestimate their ability to save, believing that saving is a luxury that only the well-off can afford.

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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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The Government seeks to encourage savers to save more

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