

## Deposit and Savings Accounts - UK - June 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

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



“Most people have an unstructured approach to saving, doing so as and when they can afford to. However, affordability constraints mean people are saving less of their disposable income than previously. Innovative digital savings tools can help people to establish better saving habits and ensure they meet their savings goals.”

- **Jessica Galletley, Senior Financial Services Analyst**

This report looks at the following areas:

- Younger consumers more reactive to rising interest rates
- Pent-up demand for digital saving innovations
- Adapting to people’s saving approach is key to personalisation

In 2017, total retail savings deposits grew to £1.47 trillion. However, annual growth in deposits fell as people’s ability to save worsened and the low interest rate environment affected consumers’ incentive to do so. Despite this, Mintel forecasts that the market will grow over the next few years, albeit at a slower rate than in previous years.

**BUY THIS  
REPORT NOW**

**VISIT:**  
[store.mintel.com](http://store.mintel.com)

**CALL:**  
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

**EMAIL:**  
[reports@mintel.com](mailto:reports@mintel.com)

### DID YOU KNOW?

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

# Deposit and Savings Accounts - UK - June 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

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

## Table of Contents

### Overview

What you need to know  
Products covered in this Report

### Executive Summary

The market

Savings deposits forecast to grow by around 3% annually

Figure 1: Forecast of total retail savings deposits, 2012-22

Interest bearing sight deposits account for 45% of the market

Figure 2: Share of household retail savings balances, by main product type, 2017

Savings ratio falls to historic low

Figure 3: Household savings ratio, 2008-17

Competition in the cash savings market

Companies and brands

Lloyds Banking Group has the greatest share of customer deposits

Figure 4: Providers' total retail savings balances at year end, shown on a group basis – UK, 2016-17

Providers respond differently to base rate increase

Microsaving tools could tackle savings crisis

Adspend doubles in 2018

Figure 5: Above-the-line, online display and direct mail advertising expenditure on cash savings products, by type of product, 2014-18

The consumer

Four in five have a cash savings account

Figure 6: Ownership of cash saving products, February 2018

Unstructured approach to saving makes it hard to set goals

Figure 7: Approach to saving, February 2018

Online access is a priority

Figure 8: Attitudes towards managing savings, February 2018

Rising interest rates could lead to an increase in savings activity

Figure 9: Impact of interest rates on savings behaviour, February 2018

Positive levels of interest in digital saving innovations

Figure 10: Interest in various digital saving innovations, February 2018

What we think

### Issues and Insights

Younger consumers more reactive to rising interest rates

The facts

The implications

Pent-up demand for digital saving innovations

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** 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 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Deposit and Savings Accounts - UK - June 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

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

The facts

The implications

Adapting to people's saving approach is key to personalisation

The facts

The implications

## The Market – What You Need to Know

Savings deposits forecast to grow by around 3% annually

Interest bearing sight deposits account for 45% of the market

Savings ratio falls to a historic low

Competition in the cash savings market

## Market Size and Forecast

Annual growth in deposits drops to 3%

Figure 11: Total retail savings deposits, 2007-17

Savings deposits forecast to grow by around 3% annually

Figure 12: Forecast of total retail savings deposits, 2012-22

Figure 13: Forecast of total retail savings balances, at current and constant prices, 2017-22

Forecast methodology

## Market Segmentation

Interest-bearing sight deposits account for 45% of the market

Figure 14: Household retail savings balances, by main product type, 2013-17

Time deposits fall by 4%

Non interest-bearing deposits grew by 8%

## Market Drivers

Competition in the cash savings market

Interest rates begin to rise

Figure 15: Effective interest rates on household deposit balances versus official bank base rate, January 2010-February 2018

Average rates still below inflation

Figure 16: Annual change in the Consumer Price Index (CPI) and average weekly earnings (year on year 3 months average), January 2012-March 2018

Nearly a quarter have no savings

Figure 17: Value of savings and investments, February 2018

Savings ratio falls to a historic low

Figure 18: Household savings ratio, 2008-17

Open Banking

## Companies and Brands – What You Need to Know

Lloyds Banking Group has the greatest share of customer deposits

Providers respond differently to base rate increase

Microsaving tools could tackle savings crisis

Adspend doubles in 2018

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** 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 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Deposit and Savings Accounts - UK - June 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

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

## Market Share

Lloyds Banking Group has the greatest share of customer deposits

Figure 19: Providers' total retail savings balances at year end, shown on a group basis – UK, 2016-17

More people look elsewhere for fixed-rate or notice accounts

Figure 20: Savings product provider used, by product type, March 2018

Majority only use one savings provider

Figure 21: Number of different savings providers used, by age, March 2018

## Competitive Strategies and Innovation

Providers respond differently to base rate increase

Microsaving tools could tackle savings crisis

AI-based affordability saving

Rounding up

Savings 'pots' give people greater control over their savings

Current account interest on balances falling

## Advertising and Marketing Activity

Adspend doubles in 2018

Figure 22: Above-the-line, online display and direct mail advertising expenditure on cash savings products, by type of product, 2014-18

Halifax accounts for 30% of total adspend

Figure 23: Top 15 advertisers of above-the-line, online display and direct mail advertising on cash savings products, 2015/16-17/18

TV share of spend continues to rise

Figure 24: Share of above-the-line, online display and direct mail advertising expenditure on cash savings products, by type of media, 2015/16-2017/18

Nielsen Ad Intel coverage

## The Consumer – What You Need to Know

Four in five have a cash savings account

Unstructured approach to saving makes it hard to set goals

Online access is a priority

Rising interest rates could lead to an increase in savings activity

Positive levels of interest in digital saving innovations

## Ownership of Cash Saving Products

Four in five have a cash savings account

Figure 25: Ownership of cash saving products, February 2018

Higher-value savers have a greater variety of accounts

Figure 26: Ownership of cash saving products, by value of savings, February 2018

Higher penetration of accounts among over 55s

Online saving pots could appeal to younger generations

Figure 27: Repertoire of ownership of cash saving products, February 2018

## Approach to Saving

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** 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 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

## Deposit and Savings Accounts - UK - June 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Unstructured approach to saving makes it hard to set goals

Figure 28: Approach to saving, February 2018

Financial pressures challenge structured saving activities

Figure 29: Approach to saving, by age, February 2018

Lower earners find it difficult to save regularly

Figure 30: Approach to saving, by household income, February 2018

### Attitudes towards Managing Savings

Savings protection is key

Figure 31: Attitudes towards managing savings, February 2018

Online access is a priority

People look beyond their main provider for restricted access accounts

Figure 32: Agreement with the statement 'I have a savings account with a provider other than my main current account provider'

### Impact of Interest Rates on Saving Behaviour

Rising interest rates could lead to an increase in savings activity

Figure 33: Impact of interest rates on savings behaviour, February 2018

Most people are likely to stay put

Timed account holders more likely to switch

Figure 34: Agreement with the statement 'I am considering moving some savings to another provider or product that offers a better rate', February 2018

Financially healthy Millennials more open to alternative providers

Figure 35: Target groups based on attitudes towards saving – CHAID – Tree output, February 2018

### Interest in Digital Saving Innovations

Positive levels of interest in digital saving innovations

Figure 36: Interest in various digital saving innovations, February 2018

Younger generations more interested in digital saving innovations

Figure 37: Interest in various digital saving innovations, by age, February 2018

Financial strugglers interested in automated saving

Figure 38: Interest in various digital saving innovations, by financial situation, February 2018

### Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

### Appendix – Market Size and Forecast

Figure 39: Best and worst case forecast scenarios for total retail savings deposits, 2017-22

BUY THIS  
REPORT NOW

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** 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 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)