

Consumers and Saving - UK - January 2020

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.



“When it comes to saving and making the most of their finances, the majority of people are reluctant to receive direct help from financial services providers. Attitudes tend to vary greatly depending on demographics, particularly age, but consumers of all generations agree that technology helps them to be better at managing their money.”

– Irene Salazar, Senior Financial Services Analyst

This report looks at the following areas:

- Nudges: “Neutral” technology versus patronising interference
- Opportunity for providers to help savers maximise their returns

**BUY THIS
REPORT NOW**

VISIT:
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

DID YOU KNOW?

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

Consumers and Saving - UK - January 2020

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

Report scope

Executive Summary

The market

Savings growth remains slow

Figure 1: Deposits from households, 2009-19

Stocks and shares ISAs outperform cash ISAs

Figure 2: Number of cash and stocks and shares ISAs and amounts subscribed, 2012/13-2018/19

NS&I sees 7% growth in funds

Figure 3: Transactions with investors, by NS&I product, 2018 and 2019

Interest rate increases are unlikely in the short term

Figure 4: Consumer deposits quoted interest rates to households, October 2011-October 2019

Real wages continue to grow and savings ratio starts to recover

Figure 5: Household savings ratio, 2009-H1 2019

Regulators continue to review price discrimination and the 'loyalty penalty'

The consumer

People are more careful when spending than saving

Figure 6: Spending habits self-classification, October 2019

Figure 7: Saving habits self-classification, October 2019

Share of people saving regularly increases in 2019...

Figure 8: Current saving activity, October 2019

...but 29% have either no savings or less than £500

Figure 9: Value of savings and investments, October 2019

90% identify at least one savings priority

Figure 10: Saving priorities, October 2019

Easy-access and cash ISAs are the most common savings products

Figure 11: Savings product ownership, October 2019

Negative perceptions of limited-access accounts mean savers miss out on better rates

Figure 12: Savings products perceptions, correspondence analysis, October 2019

Online via website is the most preferred channel

Figure 13: Channel preference, October 2019

Technology is widely appreciated but direct prompts are not necessarily welcomed

Figure 14: Attitudes towards saving and money management, October 2019

What we think

Issues and Insights

BUY THIS
REPORT NOW

VISIT: 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

Consumers and Saving - UK - January 2020

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.

Nudges: "Neutral" technology versus patronising interference

The facts

The implications

Opportunity for providers to help savers maximise their returns

The facts

The implications

The Market – What You Need to Know

Savings growth remains slow

Stocks and shares ISAs outperform cash ISAs

Interest rate increases are unlikely in the short term

Real wages continue to grow and savings ratios start to recover

Regulators continue to review price discrimination and the 'loyalty penalty'

Market Size

Savings growth remains slow

Figure 15: Deposits from households, 2009-19

Stocks and shares ISAs outperform cash ISAs

Figure 16: Number of cash and stocks and shares ISAs and amounts subscribed, 2012/13-2018/19

NS&I sees 7% growth in funds

New strategy makes investments more accessible...

...while some products are wound down

Figure 17: Transactions with investors, by NS&I product, 2018 and 2019

The Savings Environment

Real wages continue to grow

Figure 18: CPI and average weekly earnings, June 2016-October 2019

Interest rates remain historically low...

Figure 19: Consumer deposits quoted interest rates to households, October 2011-October 2019

...and no increases are expected anytime soon

Household savings ratio starts to recover, albeit slowly

Figure 20: Household savings ratio, 2009-H1 2019

Proportion of people with no savings has declined

Figure 21: Value of savings and investments, 2016-19

The Regulatory Environment

Regulators continue to review price discrimination and the 'loyalty penalty'...

...with the expansion of Open Banking expected as a way to improve competition

Withdrawal of the Help to Buy ISA may push first-time buyers towards its closest alternative

The Consumer – What You Need to Know

People more careful when spending than when saving

Share of people saving regularly increases in 2019

BUY THIS
REPORT NOW

VISIT: 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

Consumers and Saving - UK - January 2020

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.

90% identify at least one savings priority

Easy-access and cash ISAs are the most common savings products

Negative perceptions could mean savers miss out on better rates

Online via website is the most preferred channel

Technology is widely appreciated but direct prompts are not necessarily welcomed

Saving and Spending Habits

Spending habits self-classification

Figure 22: Spending habits self-classification, October 2019

Saving habits self-classification

Figure 23: Saving habits self-classification, October 2019

Correlation between saving and spending habits

Figure 24: Savings habits self-classification, by spending habits self-classification, October 2019

Saver Profile

11% of people have no savings...

Figure 25: Value of savings and investments, by age, October 2019

...a further 18% have less than £500...

Figure 26: Value of savings and investments, 2016-19

...but 79% of people are currently contributing to their savings

Share of people saving regularly increases in 2019

Figure 27: Current saving activity, October 2018 and October 2019

Saving Priorities

Saving for a 'rainy day' is the most common reason to save...

...followed by more specific goals such as holidays or retirement

Figure 28: Saving priorities, October 2017 and October 2019

90% identify at least one savings priority

Majority of savers stick to one or two priorities

Figure 29: Repertoire of different saving priorities, October 2019

Priorities and goals go together

Figure 30: Repertoire of saving priorities, by agreement with the statement 'I set myself savings goals', October 2019

Savings Product Ownership

Easy-access and cash ISAs are the most common savings products

32% of savers claim to have a regular savings account

Figure 31: Savings product ownership, October 2019

People who maximise the returns on their savings look beyond easy access

Figure 32: Savings product ownership, by saving habits, October 2019

Majority of savers have more than one product

Savings Product Perceptions

Easy-access accounts are associated with positive attributes

**BUY THIS
REPORT NOW**

VISIT: 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

Consumers and Saving - UK - January 2020

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.

Negative perceptions could mean savers miss out on better rates

Figure 33: Savings products perceptions, correspondence analysis, October 2019

Savers are confused about cash ISAs

Figure 34: Savings products perceptions, October 2019

Channel Preference

Online via website is the most preferred channel...

...with mobile apps generally behind in person/face to face

Figure 35: Channel preference, October 2019

Convenience is key...

...but the personal touch offers reassurance

Attitudes towards Saving and Money Management

More than half of savers set themselves savings goals

Most are happy with their approach to money management

Figure 36: Attitudes towards saving and money management, October 2019

Generational differences in attitudes towards provider involvement

Technology is helpful to the majority...

...but not everyone would welcome help from financial services providers

Figure 37: Attitudes towards help from financial services providers, by age, October 2019

A and D socio-economic groups are more likely to value intervention

Figure 38: Attitudes towards saving and money management – CHAID – Tree output, October 2019

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Correspondence analysis methodology

CHAID analysis methodology

Figure 39: Attitudes towards saving and money management – CHAID – Table output, October 2019

Figure 40: Spending habits self-classification – CHAID – Table output, October 2019

Figure 41: Saving habits self-classification – CHAID – Table output, October 2019

BUY THIS
REPORT NOW

VISIT: 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