

Deposit and Savings Accounts: Inc Impact of COVID-19 - UK - May 2020

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

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“The COVID-19 outbreak has rapidly transformed household saving and spending, at least in the short term. While those directly affected by the lockdown may dip into savings to stay afloat, many will find their lack of savings means they are more likely to rely on credit.”

– **Thomas Slide, Senior Financial Services Analyst**
– **2nd June 2020**

This report looks at the following areas:

By contrast, those continuing to work will find that fewer opportunities to spend will leave them with more left over at the end of each month. Meanwhile, emergency cuts to the Bank of England base rate are feeding through to savings accounts, making it increasingly difficult to beat inflation.

However, the lessons from previous recessions (and early indications from Bank of England data) suggest that the net effect will be an increase in consumer deposits, as people look to build up rainy day savings. This desire for security is already feeding through into savings balances: Bank of England data shows that in April 2020, household deposits rose by £16.2 billion, compared to an average of £5 billion a month in the six months before the outbreak hit.

- **The impact of COVID-19 on the deposit and savings market.**
- **How the economic crisis associated with COVID-19 will change saving behaviour and consumers' priorities when looking for savings products.**
- **The value of deposits in different types of cash savings products.**
- **The saving habits and behaviours of consumers.**
- **Consumer priorities when choosing a savings product.**

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DID YOU KNOW?

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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