

Consumer Attitudes towards Debt - UK - July 2019

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“Despite a number of positive indicators for households such as rising real wages and historically low levels of unemployment, many remain cautious about committing to big ticket purchases due to a combination of political and economic uncertainty as well as the threat of rising interest rates.”

– **Thomas Slide, Senior Research Analyst**

This report looks at the following areas:

This makes for a challenging market for lenders that need to find a way to appeal to borrowers who are increasingly focused on clearing their debts.

- Addressing concern over the impact of debt on mental health
- Good household finances but poor economic outlook causes credit growth to stall

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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 implications

Good household finances but poor economic outlook causes credit growth to stall

The facts

The implications

The Market – What You Need to Know

Growth in unsecured debt stalls

Growth in secured lending also slows

Uncertainty over the timing and direction of interest rates

Economic growth slows but wages grow

Insolvencies grow 45% since 2015

FCA takes on unfair credit markets

Advertising expenditure on debt products returns to growth

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Nielsen Ad Intel coverage

The Consumer – What You Need to Know

- Two thirds hold some form of debt product
- 45% of unsecured borrowers owe more than £2,000
- Fewer people have paid down debts
- Borrowers are optimistic of reducing the amount they owe
- Everyday spending is the most common reason to get into debt
- 55% of Older Millennials have borrowed to pay off debts
- More than a quarter are uncomfortable with their debts
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