

Lloyds TSB report that Britons are tackling debt but saving less



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Press Release Author: **Lloyds TSB**

Industry: [Financial](#)

Press Release Summary: Lloyds TSB have reported that while many Britons have taken action to clear their debt, they are saving less money.

Press Release Body: **Lloyds TSB Consumer Banking** released a new report revealing that over half of UK adults have taken action to clear their debt, but despite gathering economic gloom, almost two in five Britons (37%) are saving less money.



The '**Financial Face of Britain**' report reveals the nation's [savings](#) and spending habits, debt levels and tests Briton's overall financial know-how.

The in-depth study, of over 5,000 adults*, shows a distinct change in financial behaviour as the credit crunch bites. But whilst spending levels have been curbed, the current financial crisis has hit consumer's appetite to save at a time when a cash reserve is vital.

The report reveals a third of people have changed their spending habits in the last six months and spent less to cope with the credit crunch, with almost 40% of under 35s reporting that they have been cutting back.

People have also reassessed their finances, with over half (55%) of UK adults taking action to clear their debt. Almost one in three (32%) have increased the amount they pay off each month, with a fifth (19%) focusing on paying off more of their debt which is on higher interest rates, such as store cards.

But, almost two in five (37%) are [saving](#) less, particularly the older age group; with 43% of 45-54 year olds currently neglecting their savings. While the younger generation are bucking this trend, with almost a third (32%) of under 25s currently putting more money to one side. But when it comes to long term savings, almost three quarters (74%) of under 25s do not have a pension and are not saving enough to secure their future.

Worryingly, one in five people have less than £500 in their [savings](#), with four out of ten families having less than £500 available to them should disaster strike, making many consumers vulnerable to financial difficulty during these uncertain times.

In addition, over two million families are also failing to put enough money aside to secure their child/children's future and the average family savings balance of £7,542 is considerably lower than the national average (£12,703) for a single person.

Consumers are aware that they need to save more but many people want more guidance and support to kick start the savings habit. Research shows that the majority of consumers are looking for advice and guidance on how to save more money and how to make [long term savings](#).

Ian Larkin, managing director, Lloyds TSB Consumer Banking said: *"It has never been more important to save. Economic conditions are set to become more challenging and a healthy savings balance could prove to be a financial lifeline for some families during the economic storm.*

"But, with rising bills it's becoming harder to put money on one side. We all understand the need to save but what consumers told us they need is more guidance and advice on how to save more when their finances are being squeezed. To tackle this, we are launching a nationwide programme to help get Britain saving, which is going to be packed full of advice on how to boost your savings balance and make saving a habit."

For more information visit www.lloydstsb.com/savvysaver

Notes to Editors:

*Research conducted by ICM with 5000 UK adults between 29th July - 4th August 2008.

About Lloyds TSB:

Lloyds TSB offers customers a wide range of current accounts, savings accounts, insurance, loans and credit cards, designed to meet different customers' needs.

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