

EMBARGOED UNTIL 00.01 SATURDAY 9TH AUGUST 2014

STUDENT FINANCES SQUEEZED AS ALMOST A THIRD WILL MOVE BACK HOME AFTER THEY GRADUATE

Almost a third (30%) of students currently attending university will move back in with their parents after they have completed their studies, HSBC research shows. For those starting university this year, almost half (49%) expect to live with their parents. Of those who intend to live at home, 78 per cent said it was in order to save money and minimise their debt.

Cost of living expectations

The research shows that current students spend £145 on average each week, not including tuition fees. Two thirds (66%) of current students say their weekly living cost is more than they expected before they started university. The biggest weekly living expenses that students hadn't counted on were food (46%), rent (42%), and utility bills (32%) - all of which were more expensive than expected.

Digital banking comes out top

Two thirds of this year's students (66%) plan to stay on top of their finances without visiting a bank branch at all, preferring to do their banking online or via mobile or telephone. The majority of students (44%) say they'll use online banking via a laptop or desktop.

Table 1: How this year's students will conduct their everyday banking at university

Method	Percentage
Online banking via a laptop or desktop	44%
Bank branch	33%
Mobile banking app	16%
Tablet app	4%
Telephone banking	2%
Other	1%

George Charalambous, head of mobile banking at HSBC, said:

"It's good to see that this year's students are realistic about the financial pressures of university, and are already thinking about their financial situation when they graduate. Current students say university life is more expensive than they expected, so it's important students keep on top of their finances, whether that's by using a mobile app to check an account balance before making that purchase, or by asking their bank for advice and support on how to manage their money."

Expected student debt

This year's students expect their debt to be £20,648 on average by the time they graduate. However, students using a full tuition fee and maintenance loan* this academic year would be left with £43,665 of debt after a three year course. This suggests some students are significantly underestimating the amount they will owe, especially if they don't have access to additional funds from their parents, for example.

-Ends-

Notes to editors

Research conducted among 2,000 young adults aged 18 to 22 by Opinion Matters between 16th and 23rd June 2014

*Based on a student taking out a full tuition fee loan of £9,000 and a full maintenance living away from home, outside of London at £,5,555 over a three year course. Source: Student Finance England.

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- Access to up to £3,000 interest free overdraft over the length of a course (subject to status and account conduct)
- A £60 Amazon.co.uk Gift Certificate, plus £70 off any Kindle Fire HDX (4G/3G + WiFi) 7" & 8.9" tablets*
- Guaranteed £500 interest free overdraft at account opening
- No fees to arrange overdraft extensions
- 2% interest paid on credit balances up to £1,000 in the first year of study
- HSBC [Mobile Banking app](#): make payments, view balances, transfer money between accounts and send and receive money using a mobile number with [Paym](#)
- Contactless Debit card
- Text alerts: customers can set their own limits and we'll text them when they're nearing them
- A email newsletter each term containing guidance on how to manage finances, plus support with future careers
- Optional fee free student credit card with a limit of £500 (APR 18.9%)
- Access to exclusive offers and discounts available on our [Student Exclusives](#) website featuring offers from National Express, Krispy Kreme, 3 Mobile and Lonely Planet.

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