

29<sup>th</sup> October 2012

## BRITS PLAN TO SPEND **£526** CELEBRATING CHRISTMAS

- *Almost half of Brits not planning to cut back on gifts this year*
- *17% of people will borrow from one source or another to pay for presents*
- *Consumers will turn as much to the internet as they will to the high street for Xmas gifts*

Brits plan to spend an average of **£526** celebrating Christmas this year – with almost half of people planning to put current economic conditions to one side and spend the same amount on presents for their family as last year.

The **HSBC Christmas Spending Survey** found that across the UK people will spend on average £347 on gifts for their immediate family, and an additional £179 on food, drink and entertainment this festive season. The comparative figures in the 2011 survey were £378 and £183.

The survey also revealed that:

- The biggest spenders by age group will be the 35-44 year-olds (£633) - many people in this group will be buying gifts for their young children.
- 20% of people say they will spend more this year compared to last year. This applies to more people aged 18-24 (29%), suggesting that disposable income may be on the rise among young people.
- In contrast, 17% will spend less this year compared to 2011 – especially women (20%) and people living in south east England (22%).
- The Welsh will be the biggest spenders by UK region with a total of £656 - £484 on gifts and £172 on food, drink and entertainment. The comparative figures in Scotland are £343 and £172.

### **Saving money**

Among people who plan to spend money on presents for their immediate family, 71% will try and save cash by one means or another to get the best value for their money.

Almost a third of people (31%) will use discount vouchers, whereas 29% will be cashing in their retailer reward points. Others will be more selective when it comes to giving presents, with 12% saying they will drop some people off their present list this year to make [savings](#).

1 in 10 people (9%) will give homemade presents, whereas others will resort to recycling presents given to them in previous years (7%), with another 5% even giving second-hand items as presents.

Women will do more to save money this year when it comes to giving Christmas presents to immediate family members, whereas 25% of men will not even try to make any savings.

### **High Street v Online spending**

The survey found that British consumers will turn as much to the internet as they will to the high street when it comes to Christmas shopping for presents this year. However, 16% of people will only use online sources for presents and 13% will only use offline outlets.

Online auction sites are especially popular with younger people aged 25-54, compared to those aged 55+.

Compared to men, women find particular appeal in high-street shops (65%), but also local markets (28%), Christmas fetes (21%), charity shops (13%), boutique shops (9%) and car boot sales (7%).

### **Financing Christmas**

The survey revealed that 65% of people will fund their Christmas present shopping from their salary or other income and 38% will use all or some of their savings.

However, collectively, 17% of people will borrow from one source or another to pay for the presents they buy.

Credit and store cards will be especially popular with men (15%), but overall, the use of such credit is down to 13% from 16% in 2011.

Using an overdraft facility, on the other hand, is more common with women (6%), compared to men (3%), as well as with 18-24 year olds (12%).

### **When to hit the shops**

Retailers will be pleased to hear that just 8% of British people say they have already done the majority of their Christmas shopping, either in last year's January sales (1%) or throughout the year up to and including September (7%).

Early December (1<sup>st</sup> to 11<sup>th</sup>) promises to be busy as usual with 27% of people doing most of their present shopping then. Just 2% will put it off until the week before Christmas (19<sup>th</sup> to 22<sup>nd</sup>).

George Charalambous, HSBC Head of Current Accounts, said: 'Our research shows that once again households want to put financial difficulties to one side and celebrate this special time of the year.

'Almost two thirds of people will fund their present shopping from their salary or other income. To help our customers keep on top of their finances, we offer a free text message alert facility that warns them when they are nearing their overdraft limit.

'Customers can also download the free HSBC Fast Balance app, which can be used to obtain details of your current account balance and last six transactions. In addition, by using our text banking service you can get your account balance sent by text message.

'We are also the only bank to give our customers an alert when withdrawing cash from HSBC ATMs if the amount they are requesting will take them over their overdraft limit.'

A full copy of the **HSBC Christmas Spending Survey** can be found at **[www.hsbc.co.uk/newsroom](http://www.hsbc.co.uk/newsroom)**

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**For further information please contact the HSBC press office:**

Simon Coughlin  
020 7992 1574 / 07827 354600  
simon.coughlin@hsbc.com  
<http://www.hsbc.co.uk/newsroom>

**Notes to Editors:**

This report was commissioned by HSBC and presents quantitative research carried out with 2,036 Great British adults aged 18+ as part of an online consumer omnibus survey. Among this sample, 1,977 adults celebrate Christmas and were asked the majority of the questions.

Fieldwork took place between 21st and 23rd September 2012. During the omnibus research process, questions are posed to consumers and data is collected until various pre-defined sampling quotas are reached. The sample is then demographically weighted to make it representative of the GB population aged 18+ to overcome any sampling deficiencies and / or Internet bias.

The results have then been analysed and sig-tested at a 95% confidence level according to age, gender, region, and 2011 data collected during a like-for-like survey. For this summary, the main differences that are interesting and statistically significant have been described accordingly.

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