

For immediate release

8.5 million UK households would not last the week on their savings

- *Almost a quarter (24%) of households have no savings at all*
- *Nearly a third (30%) couldn't pay their mortgage if they lost their job*

A third (33%) of people in the UK – or 8.5 million¹ households – have £250 or less set aside as a financial safety net, new research from HSBC shows.

The survey of over 2,000 people found that almost a quarter (24%) of all UK households have no savings at all, while 9% have savings of £250 or less. Based on UK households' average outgoings², this would last just four days if they were to unexpectedly lose their income.

18-24 year olds are the group most at risk: 33% have no savings at all, while a further 10% have savings of under £250. Based on their average outgoings, this age group would survive just three days on £250. Worryingly, despite being likely to have more financial responsibilities, almost a third (31%) of 35-44 year olds also have no savings and 12% have less than £250.

A third would not be able to pay their mortgage if they lost their job

Almost half of UK households (44%) have savings pots of £2,000 or less, with 36% of the population saying they would depend on their savings if they were suddenly made redundant or were unable to work due to illness. Given that the average Brit has monthly essential outgoings of £954 and monthly debt payments of £514, these households could soon run into financial trouble.

If made redundant, almost a third (30%) said they would not be able to pay their mortgage. A quarter (26%) would be forced to apply for benefits, while nearly one in ten (9%) would turn to unsecured lending such as credit cards, store cards or a personal loan to finance their monthly outgoings and 8% would rely on their overdraft.

Table: How UK households would cover their monthly outgoings if they lost their income

	2015	2013
Use their savings	36%	36%
Apply for benefits	26%	29%
Use credit card / personal loan / overdraft	17%	17%
Ask family or friends to cover them	12%	13%
Use insurance that covers them for unemployment or a long-term illness	9%	12%

More than one in ten (12%) would rely on their partner, friends or family to cover the cost of their bills or mortgage, while 10% would borrow the money from family outright. Only 9% would be covered by insurance in the event of unemployment or a long-term illness that prevented them from working, down by three per cent since 2013.

Debbie Thomas, Head of Savings, HSBC:

“Our research paints a worrying picture of the UK’s savings, but the good news is that it’s easy to start a regular savings habit. If you put aside £50 each month, you’ll have saved £500 by Christmas plus the interest you’ve earned. That works out at just under £12.20 per week - whether you cut back on coffees, cocktails or get thrifty with vouchers and coupons, small changes genuinely do make a big difference over time.”

“As 91% of the population does not have their income protected by an insurance product, making sure you have a sufficient financial safety net is crucial. This cuts the risk of running into financial trouble should you lose your job or be unable to work, and means you don’t have to resort to methods that could leave you in debt. As a general rule, a minimum of three months’ salary makes for a solid financial backup.”

HSBC’s [Regular Saver](#) pays 4% AER gross interest for Bank Account customers and 6% for HSBC Advance and Premier customers. Customers can pay in from £25 to £250 a month, up to a maximum of £3,000 a year.

HSBC’s [Advance](#) bank account has no monthly fee. Customers must pay in at least £1750 per month to be eligible. Advance customers are eligible for [Save Together](#). Customers who pay in at least £25 a month into a [Loyalty Cash ISA](#) will receive an extra £10 a month for 12 months, on top of 1.5% AER interest.

-ENDS-

Notes to editors

Based on an Opinion Matters survey conducted in Q4 2014 on behalf of HSBC among 2,045 people in the UK aged 18 and over.

¹ Based on 33% of total number of households (26.4 million – [ONS Families and Households](#) data)

² Average monthly outgoings are £1,731.14, or £56.91 per day

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