

Statistics Release

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Weaker mortgage approvals, subdued consumer credit

- June's gross mortgage lending of £21.5bn, the highest figure ever, was a reflection of strong re-mortgaging activity. This was, however, only 5% higher than a year earlier, suggesting that in real terms, lending growth is slackening.
- There were 193,850 mortgages approved (for all purposes) in June; 8% fewer than in June 2006, with an aggregate value of £23.1bn. The average loan approved for house purchase was £159,600, some 16% higher than a year earlier.
- Underlying net mortgage lending (gross lending minus repayments and redemptions) rose by £5.4bn (revised from last week's release), lower than May's increase (£5.9bn) but in line with the recent average. The annual growth in net mortgage lending continued to stay around 14%.
- Credit card borrowing fell by £0.1bn (net) in the month, while borrowing on personal loans and overdrafts rose by £0.1bn.

David Dooks, BBA director of statistics, said:

"Although the trend in net mortgage lending is being maintained, approval numbers for house purchase are well down on this time last year, suggesting that market demand may be reacting to higher mortgage costs.

Spending on credit cards was lower than at the same time last year, reflecting weaker retail sales but the reducing appetite for unsecured borrowing continues the pattern seen over the last two years."

Mortgage Lending

- When compared to June 2006, house purchase approvals were down 11% by number but up 3% by value; remortgaging approvals were down 1% by number and up 10% by value; while approvals for equity withdrawal were down 13% by number and 3% by value.

Consumer Credit

- Spending on credit cards totalled £6,983mn in June; 4% less than in June 2006. After allowing for repayments and seasonal adjustment, underlying net lending decreased by £73mn.
- New lending on personal loans and overdrafts in June was 5% more than in June 2006 and after seasonal adjustment, loan and overdraft lending rose by £117mn net.

Notes to Editors

1. *The BBA is the leading UK banking and financial services trade association and acts on behalf of its members on domestic and international issues. Our members, from 60 different countries, collectively provide the full range of banking and financial services. They operate some 130 million personal accounts, contribute £50bn to the economy, and together make up the world's largest international banking centre*
2. *The Major British Banking Groups (MBBG) account for some two-thirds of all mortgage lending outstanding and around 65% of gross lending. Additionally, they provide over half of all consumer credit outstanding and, within that, some 70% of all card credit. They include twelve of the fifteen largest mortgage lenders in the UK: Abbey, Alliance & Leicester, Barclays and Woolwich, Bradford & Bingley, HBOS (through Halifax and Bank of Scotland), HSBC Bank, LloydsTSB (through Cheltenham & Gloucester), Northern Rock, Royal Bank of Scotland and National Westminster.*
3. *Statistical releases relating to the business of the MBBG are available on the internet in the 'News Room' area of the BBA website at www.bba.org.uk*
4. *Figures shown for net changes in amounts outstanding are consistent with Table A4.3 of the Bank of England's Monetary & Financial Statistics, which shows lending to individuals by banks and building societies excluding the effects of securitisations and loan transfers. However from January 2005 the series are also adjusted to remove fluctuations arising from regular intra-group transactions between banks and their non-bank subsidiaries, thus providing a better indication of underlying trends in mortgage lending. Other figures are consistent with the comprehensive data for lending to individuals by all lenders due to be released by the Bank of England on 30 July 2007.*

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MAJOR BRITISH BANKING GROUPS' LENDING SECURED ON DWELLINGS ^(a)

Date	Lending secured on dwellings				Value of all Loans Approved ^(b)			Number of all Loans Approved ^(b)			Average value of loan for House Purchase £
	Amounts outstanding at end-period £ mn	Net changes (c) (l) in amounts outstanding £ mn	Seasonally adjusted net (c) (l) changes in amounts outstanding £ mn	Gross loans during period £ mn	for House Purchase £ mn	for Remortgaging £ mn	Other Secured Lending £ mn	for House Purchase	for Remortgaging	Other Secured Lending	
Jan 2005	496,309	+ 3,929	+ 4,375	11,642	3,897	5,456	1,045	34,216	52,814	42,812	113,900
Feb	494,038	+ 3,439	+ 4,988	11,938	5,805	6,059	1,279	47,084	59,772	51,532	123,300
Mar	496,035	+ 4,211	+ 4,374	13,721	8,185	6,966	1,471	64,372	67,473	56,261	127,200
Apr	498,833	+ 4,032	+ 4,435	14,120	8,696	6,944	1,517	67,290	65,665	58,902	129,200
May	498,766	+ 4,286	+ 4,255	14,339	8,487	6,607	1,414	67,702	63,636	55,104	125,400
Jun	499,161	+ 6,011	+ 4,666	16,475	9,313	7,104	1,479	70,750	65,520	58,972	131,600
Jul	503,355	+ 4,414	+ 3,964	16,042	8,706	7,041	1,370	65,611	62,989	53,333	132,700
Aug	507,300	+ 4,885	+ 4,562	16,848	9,068	7,831	1,438	69,499	69,145	55,832	130,500
Sep	512,159	+ 4,874	+ 4,741	17,817	9,147	8,451	1,447	70,105	72,485	56,441	130,500
Oct	514,722	+ 4,791	+ 4,630	17,509	9,368	8,145	1,314	72,328	70,014	51,389	129,500
Nov	519,191	+ 5,584	+ 5,095	17,955	9,329	8,480	1,248	71,310	72,650	48,967	130,800
Dec	521,087	+ 5,164	+ 5,345	16,935	6,884	6,483	931	51,233	55,247	34,386	134,400
Jan 2006	509,743	+ 4,351	+ 4,976	14,515	5,696	5,855	1,144	44,939	51,867	43,114	126,800
Feb	512,973	+ 3,331	+ 5,037	14,028	7,592	7,000	1,198	57,385	62,490	46,451	132,300
Mar	513,592	+ 5,762	+ 5,779	17,673	11,432	8,773	1,457	85,098	76,405	54,969	134,300
Apr	514,608	+ 4,512	+ 5,173	15,500	9,008	7,184	1,187	64,183	59,688	44,959	140,400
May	517,199	+ 5,811	+ 5,546	18,234	11,188	8,447	1,396	80,298	68,926	51,282	139,300
Jun	525,238	+ 7,038	+ 5,569	20,459	11,709	8,768	1,476	85,006	72,463	54,199	137,700
Jul	531,931	+ 5,985	+ 5,599	19,051	9,383	7,557	1,308	67,412	61,687	48,139	139,200
Aug	534,451	+ 6,197	+ 5,769	20,857	10,074	7,526	1,486	71,178	60,780	52,499	141,500
Sep	535,997	+ 5,334	+ 5,295	17,898	10,129	7,734	1,390	72,155	61,269	49,666	140,400
Oct	535,158	+ 5,488	+ 5,439	18,888	10,815	9,569	1,369	74,802	71,817	49,357	144,600
Nov	536,417	+ 6,959	+ 6,166	21,392	11,568	10,414	1,448	78,626	79,082	51,861	147,100
Dec	542,584	+ 5,547	+ 5,548	18,085	6,652	5,810	971	45,433	44,317	33,668	146,400
Jan 2007	542,547	+ 4,585	+ 5,369	16,636	6,280	6,322	1,242	42,804	48,836	47,564	146,700
Feb	546,100	+ 3,244	+ 5,099	14,949	8,220	8,542	1,313	54,659	66,336	46,251	150,400
Mar	542,484	+ 4,997	+ 5,124	18,634	11,326	9,481	1,477	75,098	71,691	51,437	150,800
Apr	546,989	+ 4,109	+ 5,093	17,298	9,904	7,892	1,284	64,815	60,476	44,493	152,800
May	538,477	+ 6,303	+ 5,867	19,702	12,166	10,518	1,485	77,443	77,584	49,814	157,100
Jun	540,833	+ 6,820	+ 5,405	21,506	12,019	9,641	1,432	75,318	71,572	46,963	159,600

(a) The first three columns relate to all banks within the group; the following columns relate to a sample of banks, accounting for some 99% of total lending secured on dwellings by the group. Columns 1,2 and 3 include acquisitions of mortgages from, or sales of mortgages to, other lenders; column 4 includes only acquisitions of mortgages from other lenders. Figures are not seasonally adjusted, unless otherwise specified.

(b) From October 1997, data are net of cancellations.

(c) Figures exclude the effects of securitisations and sales/purchases of loan and credit card books.

(k) In September 2004 a number of banks deconsolidated securitised lending institutions associated with covered bond issues.

(l) These series are adjusted to remove fluctuations arising from intra-group transactions between banks and their non-bank subsidiaries.

MAJOR BRITISH BANKING GROUPS' CONSUMER CREDIT^(a)

Date	Credit Card Credit				Overdraft Lending		Structured Personal Loans			Non-credit card credit
	Amounts outstanding at end-period £ mn	Net changes (c) in amounts outstanding £ mn	Seasonally adjusted net (c) changes in amounts outstanding £ mn	Gross loans during period £ mn	Amounts outstanding at end-period £ mn	Net changes (c) in amounts outstanding £ mn	Amounts outstanding at end-period £ mn	Net changes (b) in amounts outstanding £ mn	Gross loans during period £ mn	Seasonally adjusted net changes in (c) amounts outstanding £ mn
Jan 2005	33,853	- 120	+ 381	7,205	8,785	+ 14	60,818	+ 533	2,748	+ 477
Feb	33,728	- 125	+ 30	6,842	8,787	+ 2	61,263	+ 445	2,856	+ 554
Mar	33,628	- 100	+ 206	7,586	8,958	+ 171	61,864	+ 601	2,952	+ 646
Apr	34,017	+ 388	- 82	7,064	8,486	- 472	62,248	+ 384	3,025	+ 360
May	34,311	+ 294	+ 206	7,643	8,959	+ 473	62,563	+ 315	2,915	+ 493
Jun	33,498	+ 103	+ 326	7,468	9,070	+ 111	62,980	+ 418	2,993	+ 155
Jul	33,526	+ 28	- 58	7,191	8,886	- 185	63,393	+ 413	2,832	+ 443
Aug	33,808	+ 282	+ 140	8,117	9,246	+ 361	63,761	+ 368	2,870	+ 647
Sep	33,171	+ 183	+ 191	7,453	8,991	- 255	64,248	+ 487	3,002	+ 309
Oct	31,915	+ 18	+ 289	7,320	9,524	+ 201	64,285	+ 241	2,903	+ 247
Nov	31,319	- 13	+ 22	7,520	9,668	+ 144	64,274	- 11	2,966	+ 245
Dec	33,350	+ 702	+ 105	7,736	9,866	+ 198	63,992	- 283	2,323	+ 153
Jan 2006	32,919	- 399	+ 127	7,805	10,177	+ 311	64,188	+ 197	2,824	+ 601
Feb	31,807	- 334	- 100	6,723	10,094	- 83	64,067	- 121	2,692	+ 684
Mar	31,230	- 577	- 254	7,215	9,588	- 506	64,519	+ 452	2,972	- 66
Apr	31,727	+ 465	- 14	6,601	9,308	- 280	64,607	+ 88	2,628	+ 237
May	32,102	- 149	- 170	7,682	9,914	+ 606	64,931	+ 324	2,906	+ 614
Jun	31,510	- 194	- 312	7,243	9,752	- 161	65,249	+ 318	2,856	+ 154
Jul	31,812	- 50	- 58	7,083	9,928	+ 175	65,510	+ 261	2,848	+ 318
Aug	31,705	- 332	- 405	7,228	10,092	+ 164	65,793	+ 283	2,927	+ 150
Sep	31,439	- 187	- 169	6,904	9,699	- 393	66,022	+ 229	2,893	+ 156
Oct	30,871	- 601	- 314	7,266	10,027	+ 328	66,441	+ 419	3,091	+ 664
Nov	30,584	+ 74	+ 22	7,250	9,973	- 54	66,452	+ 11	2,814	- 88
Dec	31,233	+ 649	- 62	7,569	9,829	- 144	66,329	- 123	2,015	+ 146
Jan 2007	30,610	- 1,060	- 469	7,239	10,023	+ 194	66,284	- 46	3,020	+ 149
Feb	30,452	- 190	+ 33	6,224	9,919	- 104	66,325	+ 41	2,571	- 230
Mar	30,077	- 408	- 77	7,017	9,807	- 112	66,158	- 167	2,852	- 41
Apr	29,952	+ 328	- 145	6,767	9,949	+ 142	66,002	- 156	2,638	+ 167
May	29,520	- 466	- 386	7,418	10,225	+ 276	66,074	+ 72	2,855	- 70
Jun	29,369	+ 100	- 73	6,983	10,127	- 98	66,174	+ 100	2,919	+ 117

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COMPOSITION OF THE MAJOR BRITISH BANKING GROUPS (MBBG)

Data in this release cover the business of the following institutions' UK offices:

Abbey Group:

Abbey National plc
Abbey National Treasury Services plc
Cater Allen Ltd

HSBC Bank Group:

HSBC Bank plc
HSBC Trust Company (UK) Ltd

Alliance & Leicester plc

Barclays Group:

Barclays Bank plc
Barclays Bank Trust Company Ltd

Lloyds TSB Group:

Lloyds TSB Bank Plc
AMC Bank Ltd
Cheltenham & Gloucester plc
Lloyds TSB Private Banking Ltd
Lloyds TSB Scotland plc
Scottish Widows Bank plc

Bradford & Bingley plc

HBOS Group:

Halifax plc
Bank of Scotland
HBOS Treasury Services plc
Capital Bank plc

Northern Rock plc

The Royal Bank of Scotland Group:

The Royal Bank of Scotland plc
Adam and Company plc
Coutts & Co
National Westminster Bank plc
Tesco Personal Finance Ltd
Ulster Bank Ltd
Ulster Bank Ireland Ltd