



Statistics

High Street Banking – October 2015

embargoed until 9.30am on Wednesday, 25 November 2015

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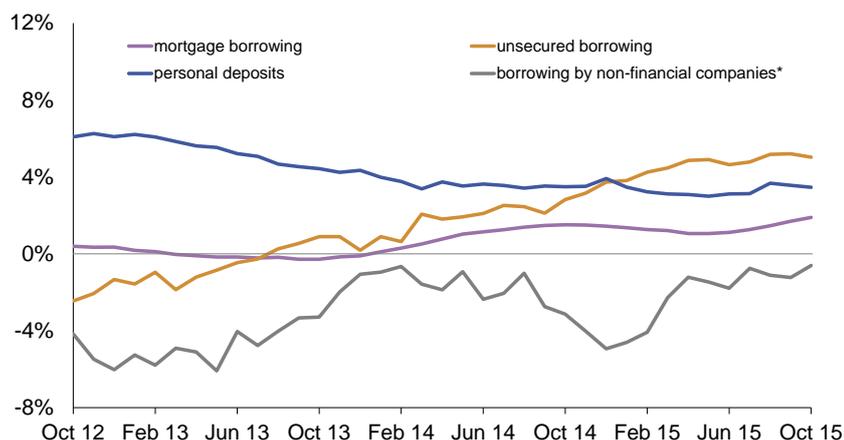
Richard Woolhouse, Chief Economist at the BBA, said:

"These statistics show that housing market activity remained strong in October, with gross mortgage borrowing 26 per cent higher than a year ago and at its highest level for seven years.

"Consumers remain confident and their incomes are growing. Mortgage rates are at multi-year lows and people are snapping up the very competitive deals being offered by banks."

- Gross mortgage borrowing in October was £12.9 billion, 26% higher than a year ago and the highest since August 2008.
- The number of mortgage approvals in October was 27% higher than a year ago, with remortgaging up 34% and house purchase up 21%.
- Bank lending to companies is polarised. There is growth in lending to wholesale, retail and manufacturing sectors, while lending to the construction and real estate sectors is continuing to contract. Net capital market finance has grown by £18.2 billion in 2015 so far, with larger companies using that as an alternative to loans and overdrafts.

annual growth rates



Overall personal deposits are growing at an annual rate of 3.5%.

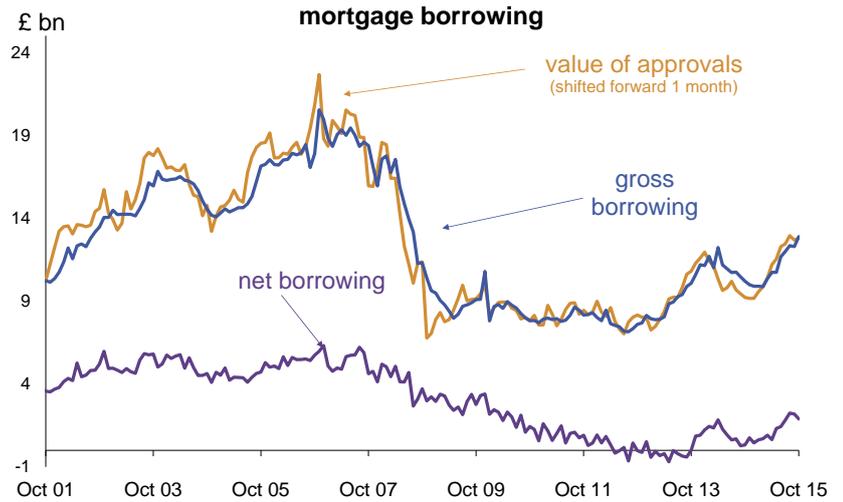
ISA deposits rose by £29m in October 2015.

Annual growth in unsecured borrowing is at 5.0% with both elements of credit card borrowing and other unsecured borrowing (personal loans and overdrafts) matching that rate.

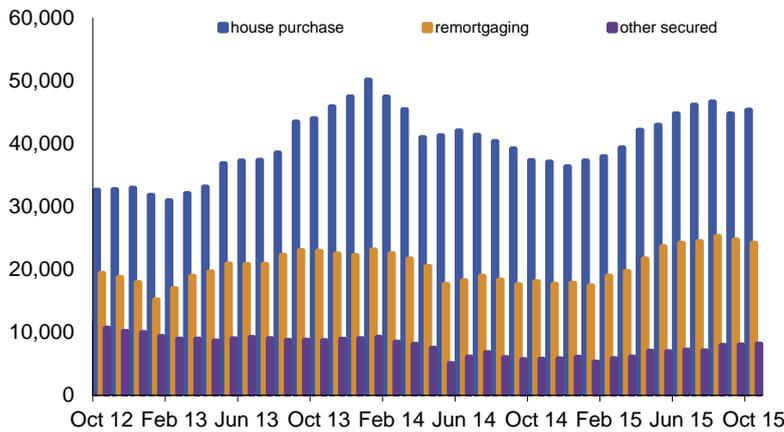
*excluding real estate

Gross mortgage borrowing was £12.9 billion in October, 26% higher than in the same month last year and the largest since August 2008.

After seeing slower demand in the second half of 2014, the overall mortgage stock is now 1.9% higher than a year ago.



number of approvals



House purchase approvals recovered in October, with all months in 2015 exceeding corresponding months in 2014. There were 21% more approvals in October than in the same month last year.

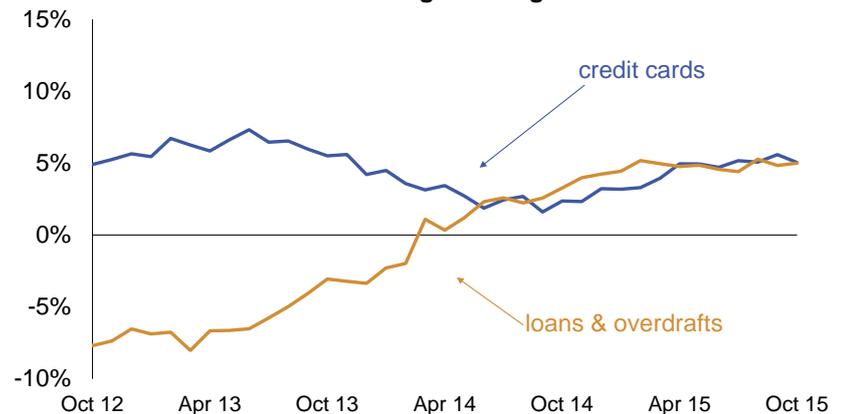
Remortgaging approvals moderated in October but were still 34% higher than October last year while other approvals were also 41% higher than a year ago.

Approvals overall were 27% higher than at the same time a year ago.

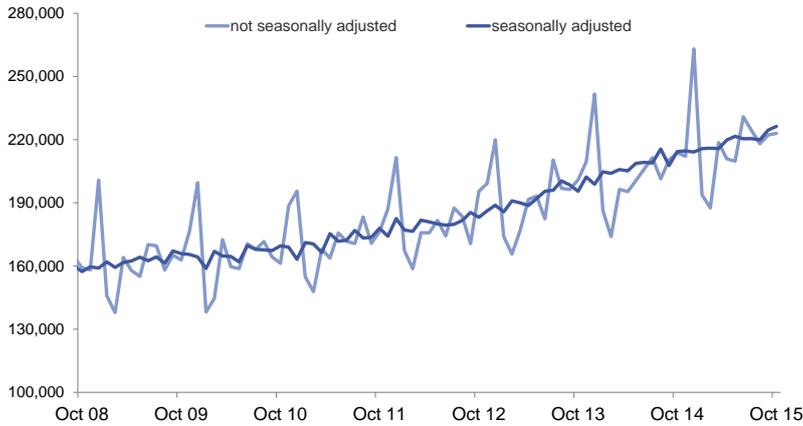
Over the past year, net borrowing through personal loans has been rising at an annual rate of about 5%. Increased demand for personal loans continues to reflect better credit availability, lower interest rates on personal loans and stronger household finances.

Annual growth in high street banks' credit card borrowing was 5.0% in October; exceeding growth in the wider (all issuers) credit card market which grew at an annual rate of 3.9%.

unsecured borrowing annual growth rates



number of credit card purchases



In the wider (all issuers) credit card market, card use continues to rise. There were 223 million purchases in October, with a total value of £12.4 billion. This spending volume was 4% higher than in October 2014, however its aggregate value was 0.2% lower.

About 60 million credit cards are in issue, relating to 51 million accounts. About 67% of these were active at the end of October (i.e. carrying a balance relating to card spending and extended credit).

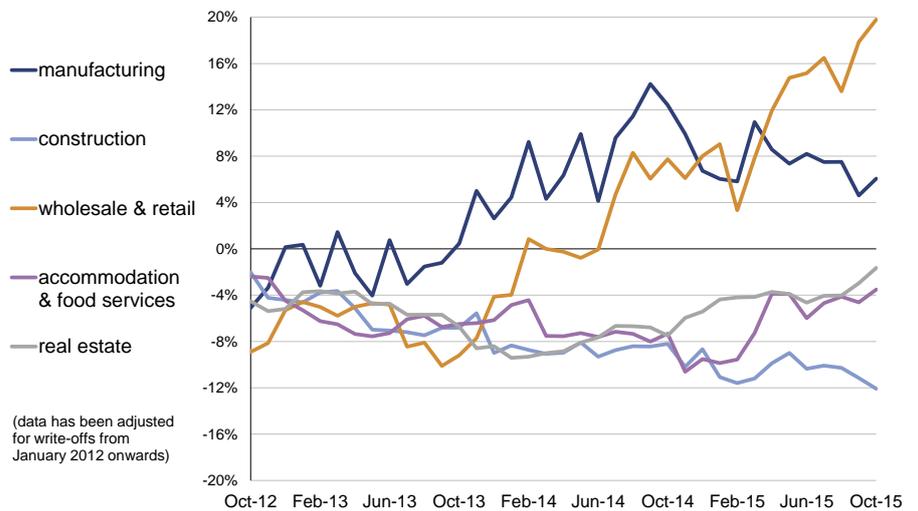
About 42% of all balances in aggregate incur no interest at all.

Larger companies continue to make use of capital market finance as an alternative to loan and overdraft borrowing from banks. They raised £18.2 billion in the first ten months of 2015.

The real estate sector has been actively reducing bank borrowing over the past three years and high street lenders have active programmes to dispose of property loans.

Companies' net borrowing increased by £0.6 billion in October with significantly increasing borrowing by the wholesale & retail sector and modest rises in transport, electricity and manufacturing sectors offset by reduced borrowing by the real estate and a continued noticeable contraction in the construction sector.

business borrowing annual growth rates



(data has been adjusted for write-offs from January 2012 onwards)

High Street Banks

All figures are seasonally adjusted unless otherwise specified as (nsa)	Oct 2015	Sep 2015	average of six months prior to Oct 2015	amounts outstanding (nsa)
Mortgages (secured)				
net mortgage borrowing	+ £ 1.9 bn	+ £ 2.2 bn	+ £ 1.6 bn	£ 807.1 bn
gross mortgage borrowing	£ 12.9 bn	£ 12.3 bn	£ 11.6 bn	
repayment of capital	£ 11.0 bn	£ 10.0 bn	£ 9.9 bn	
value of mortgage approvals	£ 12.8 bn	£ 12.7 bn	£ 12.2 bn	
house purchase	£ 8.1 bn	£ 7.9 bn	£ 7.7 bn	
re-mortgage	£ 4.2 bn	£ 4.3 bn	£ 4.0 bn	
other secured borrowing	£ 0.5 bn	£ 0.5 bn	£ 0.5 bn	
number of mortgage approvals	77,951	77,739	76,182	
house purchase	45,437	44,825	44,652	
re-mortgage	24,275	24,796	24,074	
other secured borrowing	8,239	8,118	7,456	
average approval value (nsa)				
house purchase	£ 175,600	£ 172,000	£ 173,000	
re-mortgage	£ 172,800	£ 172,700	£ 169,000	
other secured borrowing	£ 58,400	£ 58,700	£ 65,000	
Consumer credit				
net consumer credit borrowing	+ £ 0.4 bn	+ £ 0.1 bn	+ £ 0.3 bn	£ 84.5 bn
credit cards				
net credit card borrowing	+ £ 0.1 bn	+ £ 0.0 bn	+ £ 0.2 bn	£ 41.3 bn
new spending	£ 9.5 bn	£ 9.3 bn	£ 9.3 bn	
repayments	£ 9.4 bn	£ 9.4 bn	£ 9.3 bn	
number of purchases	161.6 mn	159.7 mn	156.8 mn	
loans & overdrafts				
net loans & overdraft borrowing	+ £ 0.2 bn	+ £ 0.1 bn	+ £ 0.1 bn	£ 43.2 bn
new loans	£ 1.8 bn	£ 1.8 bn	£ 1.7 bn	£ 36.6 bn
net overdraft borrowing (nsa)	- £ 0.3 bn	+ £ 0.2 bn	- £ 0.0 bn	£ 6.7 bn
Personal deposit & savings				
personal deposit net change	+ £ 2.0 bn	+ £ 1.7 bn	+ £ 3.1 bn	£ 787.2 bn
Net borrowing by businesses (nsa)				
by non-financial businesses	+ £ 0.6 bn	- £ 1.0 bn	- £ 0.4 bn	£ 260.9 bn
by financial businesses	- £ 14.0 bn	- £ 6.4 bn	+ £ 0.3 bn	£ 231.2 bn

*see editors' note 6

Notes to editors

1. Figures referred to as 'High Street Banks' in this release relate to the UK activity of 21 institutions across the banking groups of Barclays, HSBC Bank, Lloyds Banking Group, Royal Bank of Scotland Group, Santander UK and Virgin Money.
2. Figures referred to as the 'wider credit card market' (reflecting all Visa, Mastercard and Amex-affiliated banks and building societies) in this release are based on a previously separate BBA credit card data release which is now integrated here.
3. Time series data tables are available at <https://www.bba.org.uk/news/statistics/high-street-banking/>
4. Following a change in statistical reporting in January 2010, securitised loan assets held within special purpose vehicles became included in their parent banks' reported lending. The impact of this change was adjusted out of earlier flows.
5. A note explaining lending terms is available from the BBA website at <http://www.bba.org.uk/statistics/article/lending-terminology>.
6. The introduction of the revised Standard Industrial Classification (SIC2007) in national statistics was reflected in the banks' statistical reporting at end-January 2011 and impacts on some of the industry-level data covered by this release, where counterparties have been re-classified between sectors. Where possible, estimates of underlying movements have been made to continue consistent time-series trends.
7. The inclusion of a credit card book, previously structured outside the banking operations by one group, resulted in an increase in credit balances of around £2bn in October 2014; the net change shown to reflects underlying growth, while the higher spending, repayments and transactions data compared to previous months largely reflect the inclusion of this card operation.
8. The BBA is the leading UK banking association, representing members from 50 countries on domestic and international issues. Members provide the full range of banking and financial services, operating some 150 million accounts in the UK and making up the world's largest international banking centre.

Future release dates:

Data for the month of:

BBA High Street Banking

Bank of England information on monetary aggregates, sectoral deposits/borrowing and lending to individuals

Oct 2015	25 Nov 2015	30 Nov 2015
Nov 2015	24 Dec 2015	4 Jan 2016
Dec 2015	27 Jan 2016	1 Feb 2016
Jan 2016	24 Feb 2016	29 Feb 2016
Feb 2016	24 Mar 2016	31 Mar 2016
Mar 2016	26 Apr 2016	29 Apr 2016