



NOT FOR PUBLICATION UNTIL 09:30 ON 30 JANUARY 2009

Lending to individuals: December 2008

The increase in **total net lending to individuals** in December (£2.2 billion) was higher than the November increase, but below the previous six-month average (Table A). The twelve-month growth rate slowed further, to 3.6%, and the three-month annualised growth rate ticked up by 0.2 percentage points to 1.5%.

Within the total, the increase in **net lending secured on dwellings** (£1.9 billion) was higher than the November increase and the previous six-month average (Table A). The twelve-month growth rate slowed further, to 3.4%. The three-month annualised growth rate ticked up by 0.2 percentage points to 1.2%. The **number of loans approved for house purchase** (31,000) was higher than in November, that for **remortgaging** (36,000) was lower than in November and that for **other purposes** (32,000) was the same as in November. Approvals for each purpose were lower than their previous six-month average (Table B).

The increase in **net consumer credit** in December (£0.3 billion) was below the increase in November and the previous six-month average (Table A). **Net credit card lending** decreased by £0.1 billion (a net repayment) and **net other loans and advances** rose by £0.4 billion. The annual growth rate of consumer credit continued to slow, to 5.0%; the three-month annualised growth rate ticked up by 0.1 percentage points, to 2.9%.

Table A: Net lending to individuals ^(a)

Seasonally adjusted

| | | Total | | | Secured on dwellings | | | Consumer credit ^(b) | | |
|------|---------------------|----------------------|--------------------------|-----|----------------------|--------------------------|-----|--------------------------------|--------------------------|-----|
| | | Change £ billions | Growth rates Per cent | | Change £ billions | Growth rates Per cent | | Change £ billions | Growth rates Per cent | |
| | | | 1m | 12m | | 1m | 12m | | 1m | 12m |
| 2008 | Sep | 1.6 | 0.1 | 5.3 | 1.4 | 0.1 | 5.2 | 0.2 | 0.1 | 5.9 |
| | Oct | 1.5 | 0.1 | 4.7 | 0.9 | 0.1 | 4.5 | 0.7 | 0.3 | 5.4 |
| | Nov | 1.6 | 0.1 | 4.1 | 0.8 | 0.1 | 3.9 | 0.7 | 0.3 | 5.1 |
| | Dec | 2.2 | 0.2 | 3.6 | 1.9 | 0.2 | 3.4 | 0.3 | 0.1 | 5.0 |
| | Previous 6m average | 2.3 | | | 1.6 | | | 0.8 | | |
| | Amounts outstanding | 1456.7 | | | 1223.7 | | | 233.0 | | |

(a) Data in **bold italics** are where the current estimate of the change differs by more than 0.2 per cent of the underlying level or the growth rate differs by 0.2 percentage points or more from the most recent published estimate. There are no revisions above the thresholds on this occasion.

(b) See Notes to Editors 4.

Table B: Approvals secured on dwellings ^(a)

Seasonally adjusted

| | | Total ^(b) | | House purchase | | Remortgaging | | Other | |
|------|---------------------|----------------------|--------|----------------|--------|--------------|--------|------------|--------|
| | | Value | Number | Value | Number | Value | Number | Value | Number |
| | | £ billions | 000's | £ billions | 000's | £ billions | 000's | £ billions | 000's |
| 2008 | Sep | 14.5 | 141 | 4.2 | 33 | 9.5 | 71 | 1.1 | 37 |
| | Oct | 14.8 | 138 | 3.9 | 32 | 9.9 | 72 | 1.0 | 34 |
| | Nov | 10.0 | 100 | 3.1 | 27 | 5.5 | 41 | 0.9 | 32 |
| | Dec | 8.7 | 99 | 3.5 | 31 | 4.6 | 36 | 0.9 | 32 |
| | Previous 6m average | 14.1 | 136 | 4.1 | 32 | 9.0 | 66 | 1.1 | 38 |

(a) Approvals secured on dwellings are measured net of cancellations. From January 2008 additional monthly gross approvals and cancellations data are available on the Bank's Statistical Interactive Database. The database can be accessed at www.bankofengland.co.uk/mfsd/iadb. The additional series can be downloaded by clicking on "Tables", "Money and Lending", "Monthly lending secured on dwellings: gross approvals and cancellations, not seasonally adjusted".

(b) Owing to the method of seasonal adjustment of these series, they may not equal the sum of their component breakdown.

Chart 1: Growth rates of seasonally adjusted lending secured on dwellings

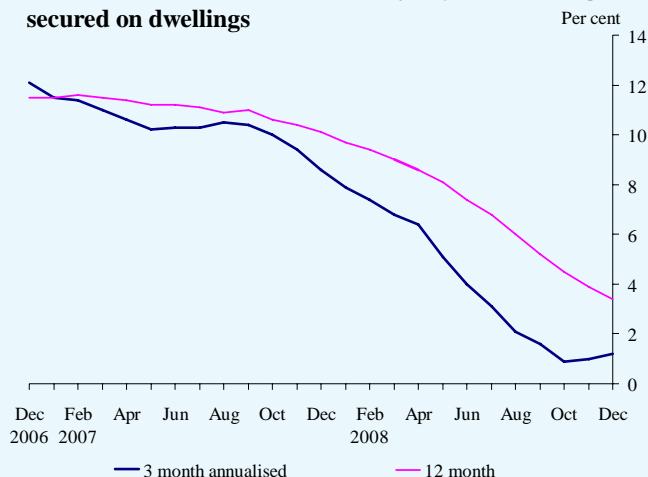
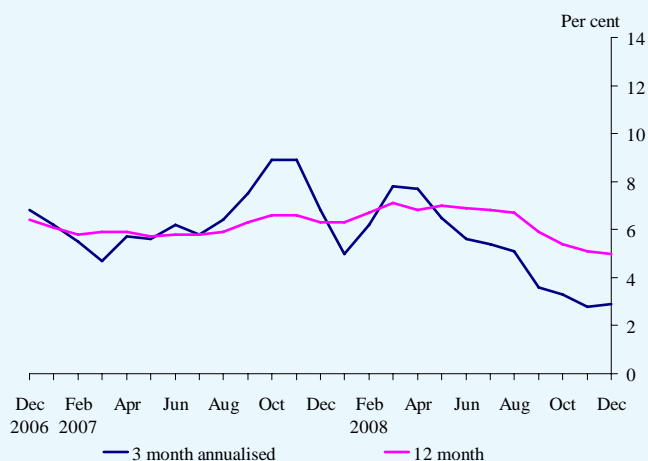


Chart 2: Growth rates of seasonally adjusted consumer credit



Notes to Editors

- 1 Full data on lending to individuals are available in Table A5 of Bank of England *Monetary and Financial Statistics* (www.bankofengland.co.uk/statistics/ms/current); these data are consistent with M4 lending, but are more comprehensive (as they include lending by institutions other than banks and building societies). Further information on the definitions of lending to individuals and calculations of growth rates are shown separately.
- 2 The consumer credit data include input from the Office for National Statistics. These data, and additional data not presented here, can be accessed free-of-charge from the Time Series data services at the National Statistics website www.statistics.gov.uk/statbase/tsdintro.asp
- 3 The Statistical Interactive Database provides long runs of statistical data with comprehensive search options and the ability to download in a variety of formats. This database can be accessed at www.bankofengland.co.uk/mfsd/iadb. The additional tables, shown separately, illustrate the codes for each series which can be used for downloading long runs from the database.
- 4 Consumer credit consists of credit card lending and other loans and advances. Other loans and advances include loans made through Government student support schemes (currently through the Student Loans Company). From the academic year 2006/07 onwards, tuition fee loans were made available to new students affected by variable fees (fees charged at a higher rate than the previous fixed level fees) and also to those continuing students who were not entitled to 100% tuition fee grants and, hence, were paying all or part of their lower fixed level tuition fees. Such loans are made in instalments, mainly paid in February and May. All new entrants in academic year 2007/08 were affected by the variable fee regulations, whilst the corresponding group that had left university was mostly affected by the previous fixed level fees. Hence, the overall level of tuition fee loans rose significantly in 2007/08. It is likely a similar increase will take place in 2008/09. Further information on Government student support schemes can be found at www.slc.co.uk/statistics/national_statistics.html