



NOT FOR PUBLICATION UNTIL 09:30 ON 29 OCTOBER 2008

Lending to individuals: September 2008

The increase in **total net lending to individuals** in September (£2.4 billion) was above the increase in August, but below the previous six-month average (Table A). The twelve-month growth rate slowed further, to 5.4%, and the three-month annualised growth rate fell by 0.4 percentage points to 1.9%.

Within the total, the increase in **net lending secured on dwellings** (£2.2 billion) was stronger than the decline in August (revised from a £0.1 billion increase published previously), but weaker than the previous six-month average (Table A). The twelve-month growth rate slowed further, to 5.3%. The three-month annualised growth rate fell by 0.2 percentage points to 1.5%. The **numbers of loans approved for house purchase** (33,000) and **remortgaging** (72,000) were higher than in August, but that for **other purposes** (37,000) was lower than in August (Table B).

The increase in **net consumer credit** in September (£0.3 billion) was below that in August and below the previous six-month average (Table A). **Net credit card lending** rose by £0.3 billion, below the increase in August. **Net other loans and advances** fell slightly in September. The annual growth rate of consumer credit slowed by 0.7 percentage points, to 6.0%; the three-month annualised growth rate fell by 1.5 percentage points, to 3.9%.

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	Jun	3.9	0.3	7.4	2.8	0.2	7.5	1.1	0.5	6.9
	Jul	4.0	0.3	6.9	3.1	0.3	6.9	0.9	0.4	6.8
	Aug	0.4	0.0	6.1	-0.7	-0.1	6.0	1.1	0.5	6.7
	Sep	2.4	0.2	5.4	2.2	0.2	5.3	0.3	0.1	6.0
	Previous 6m average	4.6			3.5			1.1		
	Amounts outstanding	1 457.1			1 219.4			237.6		

(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	Jun	16.6	158	4.9	36	10.9	80	1.2	42
	Jul	14.7	144	4.3	33	9.6	69	1.2	42
	Aug	13.6	135	4.1	32	8.8	64	1.1	39
	Sep	14.6	143	4.2	33	9.5	72	1.1	37
	Previous 6m average	18.1	169	5.9	43	11.1	82	1.3	45

(a) 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

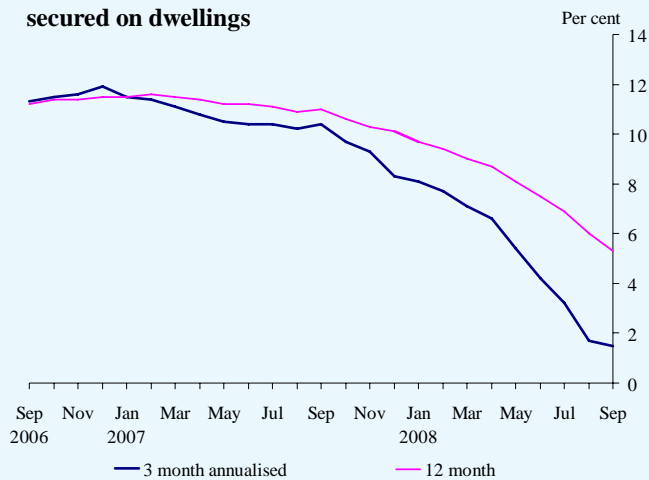
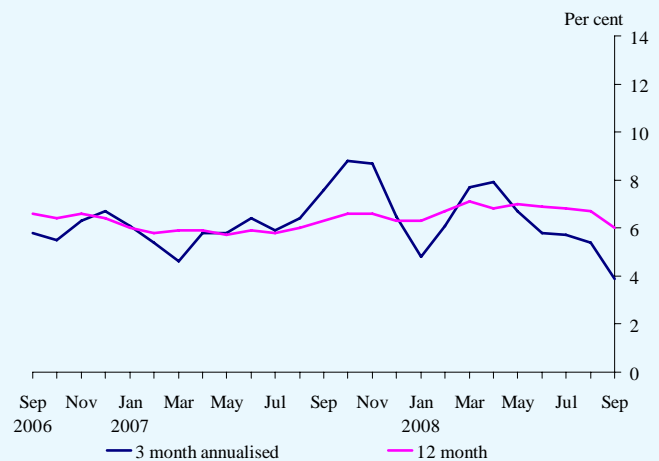


Chart 2: Growth rates of seasonally adjusted consumer credit



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.