



NOT FOR PUBLICATION UNTIL 09:30 ON 29 SEPTEMBER 2009

Lending to individuals: August 2009

Total net lending to individuals rose by £0.7 billion in August (Table A), in line with the previous six-month average. The twelve-month growth rate continued to fall, by 0.1 percentage points to 0.8%, and the three-month annualised growth rate remained at 0.2%.

Within the total, **net lending secured on dwellings** rose by £1.0 billion (Table A), above July's net repayment of £0.2 billion and above the previous six-month average of £0.6bn. The twelve-month growth rate ticked up by 0.1 percentage points to 0.9%. The three-month annualised growth rate increased to 0.4%. Within total secured lending, secured lending by banks (excluding the effects of securitisations) increased by £2.7 billion, above the £2.3 billion increase in July and in line with the six-month average of £2.6bn. The **number of loan approvals for house purchase** (52,317) was in line with the July figure and above the previous six-month average, whereas approvals for **remortgaging** (29,059) were below the July figure of 33,880 and lower than the previous six-month average. The number of loans approved for **other purposes** (26,256) was lower than in July and below the previous six-month average (Table B).

Consumer credit fell by a net £0.3 billion, below the previous six-month average (Table A). **Credit card lending** increased by a net £0.2 billion and **other loans and advances** fell by £0.5 billion. The annual growth rate of consumer credit continued to fall, to 0.7%.

Table A: Net lending to individuals ^(a)

Seasonally adjusted

	LPM	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
		VTUV	VTXZ	VTYC	VTVJ	VTYF	VTYI	RLMH	VTYL	VTYO
2009	May	0.7	0.0	1.4	0.5	0.0	1.3	0.2	0.1	2.2
	Jun	0.4	0.0	1.2	0.4	0.0	1.1	0.0	0.0	2.0
	Jul	-0.5	0.0	0.9	-0.2	0.0	0.8	-0.3	-0.1	1.3
	Aug	0.7	0.0	0.8	1.0	0.1	0.9	-0.3	-0.1	0.7
Previous 6m average		0.7			0.6			0.0		
		VTXC			VTXK			VZRI		
Amounts outstanding		1 457.2			1 227.6			229.6		

(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)(b)}
Seasonally adjusted

		Total ^(c)		House purchase		Remortgaging		Other	
		Value	Number	Value	Number	Value	Number	Value	Number
		£ billions		£ billions		£ billions		£ billions	
LPM		VTVQ	B3C8	B4B5	VTVX	B4B6	B4B3	B4B7	B4B4
2009	May	10.7	104,739	5.9	45,923	3.9	30,493	0.8	28,323
	Jun	11.7	112,760	6.6	49,938	4.2	33,431	0.8	29,392
	Jul	12.7	113,569	7.1	52,404	4.4	33,880	0.8	27,285
	Aug (d)	12.1	107,633	7.2	52,317	3.8	29,059	0.8	26,256
	Previous 6m average	10.8	107,006	5.8	45,787	4.1	32,130	0.8	29,090

(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) Revisions by one institution since the July 2009 release have increased approvals for house purchase (both values and numbers) for all months of 2009. They also decreased approvals for remortgaging (both values and numbers), for most months of 2009.

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

(d) A change in cancellations policy by one institution in August 2009 raised the number and value of gross cancellations, and reduced the number and value of approvals (net of cancellations) for this month only, although the institution involved could not quantify these effects. See footnote (a) for details on series showing gross approvals and cancellations.

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

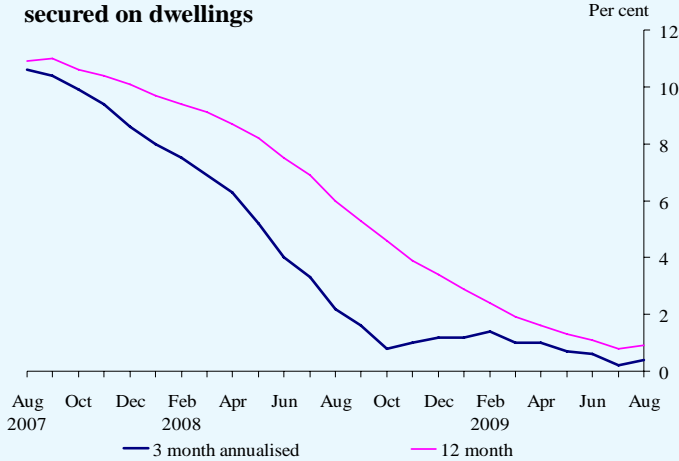
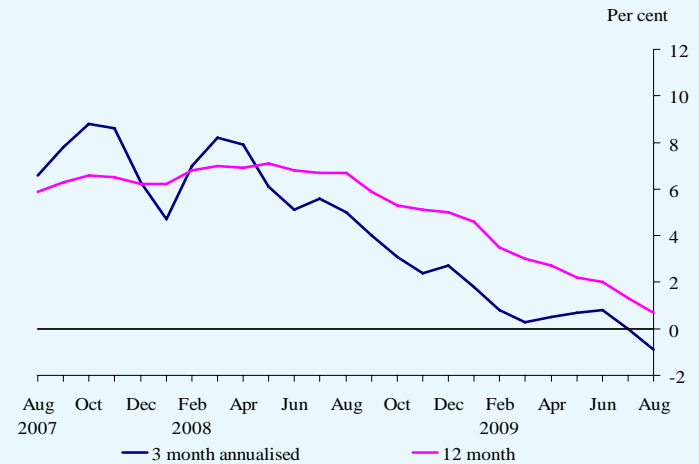


Chart 2: Growth rates of seasonally adjusted consumer credit



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 (www.bankofengland.co.uk/mfsd/iadb) provides long runs of statistical data with comprehensive search options and the ability to download in a variety of formats. The series codes are listed in the tables in this release. The additional tables, shown separately, also 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, and again in 2008/09. Further information on Government student support schemes can be found at www.slc.co.uk/statistics/national_statistics.html