



# Forthcoming improvements to interest rate statistics

By Barney Greenish and Becky Sanders

Tel: +44 (0)207 601 3957

[srdd\\_ir@bankofengland.co.uk](mailto:srdd_ir@bankofengland.co.uk)

---

As part of the regular reviews of statistical returns, the Bank has reviewed both the effective and quoted rates datasets and will publish new series from both collections. These new series will be available from the September 2016 edition of *Bankstats (Monetary and Financial Statistics)*, published on October 31<sup>st</sup>.

## Introduction

The Bank of England collects and maintains two interest rate datasets: effective rates (ER) and quoted rates (QR). Effective rates data are sourced from the Bank's effective interest rates return, Form ER, completed by 19 monetary financial institutions (MFIs).

Quoted interest rates are advertised rates offered to individuals on a range of secured lending, consumer credit and deposit products. Aggregate rates are compiled by collecting the headline rates advertised by MFIs in the ER sample and weighting these by balances reported on Bank of England returns to calculate weighted average rates for each product.

The Bank currently publishes effective rates series in *Bankstats* Table G1.4 and a quarterly distribution of balances, by interest rate type and tenure, from Form ER in Table G1.5. Quoted rates series are published in Table G1.3. Series from both datasets are also published on the Bank's Statistical Interactive Database (IADB).<sup>1</sup> For more information on the collections please see the explanatory notes.<sup>2</sup>

Following regular reviews of both datasets, this article outlines new series to be published from September 2016 data. Annex 1 and Annex 2 provide IADB codes for the new effective rates and quarterly distribution of balance series, respectively. Annex 3 provides IADB codes for new quoted rates

series and Annex 4 shows minimum, maximum and average revisions to quoted rates series as a result of improved weighting with the new ER balances.

## Publication of new Effective Rates series

A review of Form ER was conducted as part of the rolling programme of reviews of statistical returns outlined in the Bank's Statistical Code of Practice.<sup>3</sup> The Bank started to collect new data from January 2016 and some new series were published in the January edition of *Bankstats*.<sup>4</sup>

With effect from the September edition of *Bankstats* the remaining new series will be published. These include a breakdown of the household sector into unincorporated businesses (UB) and individuals & individual trusts (IIT), with further breakdowns for individuals' mortgages, fixed-rate bonds, new business ISAs, credit cards and overdrafts.<sup>5</sup> New series relating to lending to small & medium enterprises (SMEs) will also be published. These series will be available backdated to January 2016.

## Further detail on new published series

### Unincorporated businesses

New series will be published for a range of lending and deposit rates for unincorporated businesses to

---

<sup>1</sup> Available at: [www.bankofengland.co.uk/boeapps/iadb/newwintermed.asp](http://www.bankofengland.co.uk/boeapps/iadb/newwintermed.asp)

<sup>2</sup> Available at: [www.bankofengland.co.uk/statistics/Pages/iadb/notesiadb/effectiv\\_int.aspx](http://www.bankofengland.co.uk/statistics/Pages/iadb/notesiadb/effectiv_int.aspx) (ER)  
[www.bankofengland.co.uk/statistics/Pages/iadb/notesiadb/household\\_int.aspx](http://www.bankofengland.co.uk/statistics/Pages/iadb/notesiadb/household_int.aspx) (QR)

---

<sup>3</sup> Available at [www.bankofengland.co.uk/statistics/documents/about/code.pdf](http://www.bankofengland.co.uk/statistics/documents/about/code.pdf)

<sup>4</sup> Please see 'Developments in Effective Rates statistics' by Louise Johnston, Bank of England *Bankstats (Monetary & Financial Statistics)*, December 2015, available at: [www.bankofengland.co.uk/statistics/Documents/articles/2016/10/an.pdf](http://www.bankofengland.co.uk/statistics/Documents/articles/2016/10/an.pdf)

<sup>5</sup> The household sector contains unincorporated businesses (i.e. sole traders) as defined by the Office for National Statistics (ONS) sector classifications. Existing household series will continue to be published on the IADB, G1.4 and G1.5.

show rates available to these smaller businesses. These will be available on the IADB.

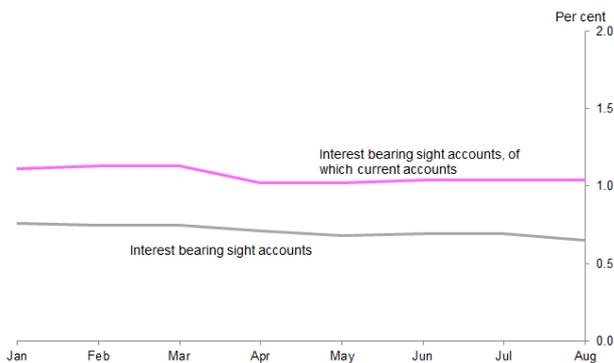
**Individuals and individual trusts**

**Deposits**

To allow for further analysis on deposits, new series for individuals will be published, including a new business ISA series, a current account series and rates on fixed-rate bonds broken down by fixation period.

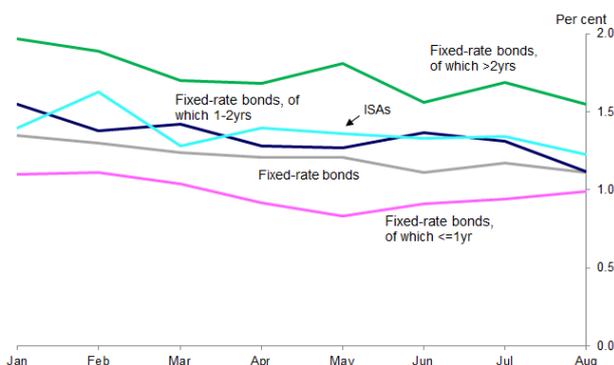
Chart A shows the existing interest bearing sight series alongside the new current account series. The higher rate for current accounts reflects the competition in this market. Chart B shows new business fixed-rate bond series by fixation period, and ISAs.

**Chart A: Effective rates on outstanding deposits, individuals and individual trusts<sup>(a)</sup>**



(a) Effective rates on sterling individuals' deposits. The Bank's effective rate series are currently compiled using data from up to 19 UK MFIs. The effective rate is an average monthly rate. Non seasonally adjusted

**Chart B: Effective rates on new business deposits, individuals and individual trusts<sup>(a)</sup>**



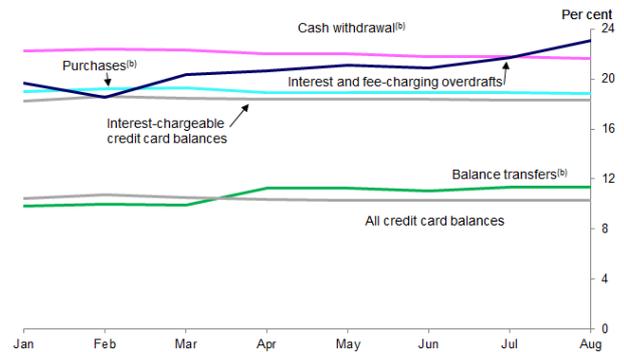
(a) Effective rates on sterling individuals' deposits. The Bank's effective rate series are currently compiled using data from up to 19 UK MFIs. The effective rate is an average monthly rate. Non seasonally adjusted

**Consumer credit**

Given significant growth in the consumer credit market, new series relating to consumer credit will be published. Existing credit card series will be

broken down by use of the card, with new series relating to balance transfers, purchases and cash withdrawals. These series will allow for more analysis on rates on these card types, which have seen growth in recent years.<sup>6</sup> An additional series for interest and fee-charging overdrafts will also be published, reflecting the different pricing structures in this market. Chart C shows these series alongside existing credit card series.

**Chart C: Effective rates on outstanding credit cards and overdrafts, individuals and individual trusts<sup>(a)</sup>**

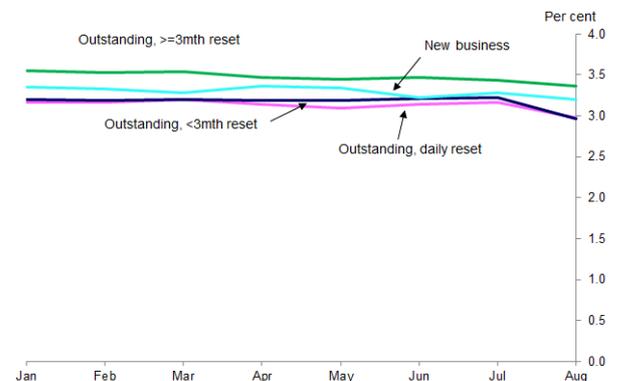


(a) Effective interest rates on sterling lending. The Bank's effective interest rates series are currently compiled using data from up to 19 UK MFIs. The effective rate is an average monthly rate. Non seasonally adjusted.  
(b) Effective rates on interest-chargeable balances.

**Corporate lending**

New series relating to lending to SMEs will be published, with floating loans broken down by reference rate and reset period and fixed-rate loans broken down by fixation period. This will allow for more detailed analysis on lending to these businesses by product type. Effective rates on outstanding and new business floating loan series are shown in Chart D and Chart E.

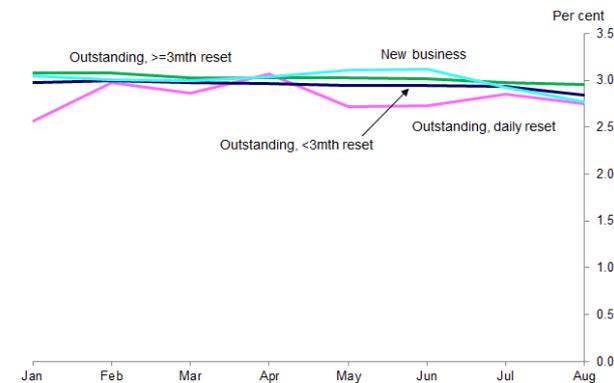
**Chart D: Effective rates on SME loans linked to Bank Rate<sup>(a)</sup>**



(a) Effective rates on sterling lending. The Bank's effective rate series are currently compiled using data from up to 19 UK MFIs. The effective rate is an average monthly rate. Non seasonally adjusted

<sup>6</sup> Please see [www.fca.org.uk/your-fca/documents/market-studies/ms14-6-3-credit-card-market-study-final-findings-report](http://www.fca.org.uk/your-fca/documents/market-studies/ms14-6-3-credit-card-market-study-final-findings-report)

**Chart E: Effective rates on SME loans linked to LIBOR<sup>(a)</sup>**



(a) Effective rates on sterling lending. The Bank's effective rate series are currently compiled using data from up to 19 UK MFIs. The effective rate is an average monthly rate. Non seasonally adjusted

**Quarterly distribution of balances**

The effective rates data can be broken down to show the share of MFI business by different loan and deposit types, and fixation periods or maturities, for households, individuals and private non-financial corporations (PNFCs). These data are published quarterly in Bankstats Table G1.5.

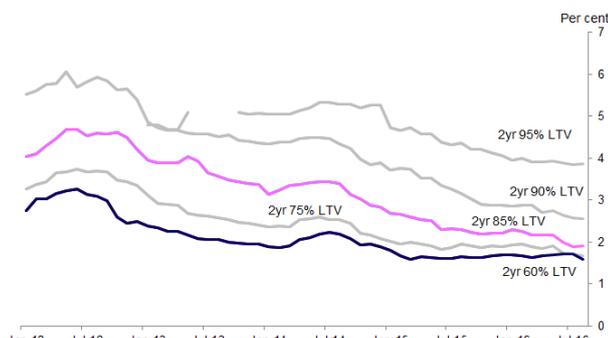
New series showing the distribution of balances by loans and deposit type relating to individuals and SMEs will be published. IADB codes for these series can be found in Annex 2.

**Publication of new quoted rates series**

**Mortgages**

Two new mortgage series will be published: a two-year fixed 60% loan-to-value (LTV) series and a two-year fixed 85% LTV series. These series will be available backdated to January 2012.

**Chart F: Two-year fixed-rate quoted mortgage rates<sup>(a)(b)</sup>**



(a) The quoted interest rates are end-month rates on sterling lending. The Bank's quoted interest rates series are currently compiled using data from up to 19 UK MFIs. Non seasonally adjusted  
 (b) The 2yr 95% LTV series was suppressed from May to October 2013 due to confidentiality reasons.

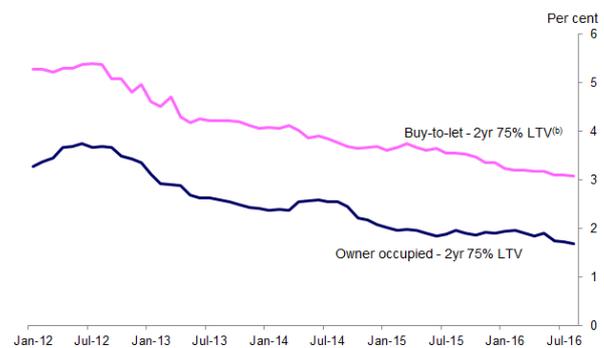
Chart F shows the existing quoted rates on two-year fixed-rate mortgages with the new series for 60%

and 85% LTVs in the blue and pink lines respectively. Many mortgage products, which are not currently captured in any of our higher LTV series, have a maximum LTV of 60%, and the 85% LTV series bridges the gap between the current two-year fixed 75% LTV and 90% LTV series.

**New buy-to-let mortgage series**

Given increasing interest in the buy-to-let (BTL) market, the Bank has compiled a new BTL mortgage series, for two-year fixed 75% LTV borrowers, backdated to January 2012.<sup>7</sup>

**Chart G: Two-year fixed-rate quoted mortgage rates<sup>(a)</sup>**



(a) End-month rates on sterling lending. The Bank's quoted interest rate series are on sterling lending and are currently compiled using data from up to 19 UK MFIs. Non seasonally adjusted.  
 (b) This series is currently compiled using data from up to 27 MFIs, based on largest BTL lenders according to and weighted by MLAR data. Non seasonally adjusted.

Chart G shows the new quoted BTL series in the pink line compared with the current owner occupied two-year fixed 75% LTV mortgages in blue.

This new series is weighted using Mortgage Lenders and Administrators Return (MLAR) data, which are published quarterly.<sup>8</sup> Quoted rates BTL data are therefore provisional until MLAR data for the relevant quarter are available to update the weights.

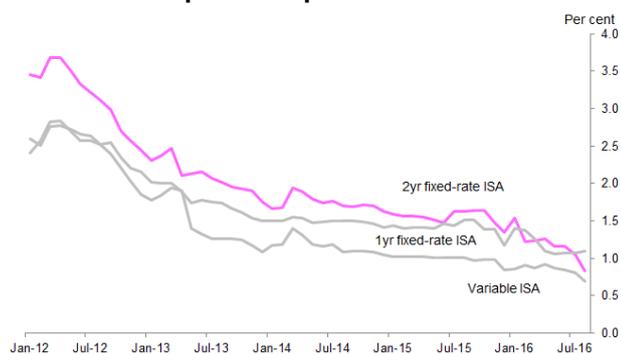
**New ISA series**

A new two-year fixed-rate ISA series will be published. This series will be available backdated to January 2012. Rates are currently published for variable and one-year fixed-rate ISAs. Due to increased deposits being placed in ISA products, the Bank will start to publish rates for the two-year fixation period.<sup>9</sup> Chart H shows the current series in

<sup>7</sup> See CML's December 2015 press release available at: [www.cml.org.uk/news/press-releases/house-purchase-lending-up-in-october/](http://www.cml.org.uk/news/press-releases/house-purchase-lending-up-in-october/)  
<sup>8</sup> More information available at: [www.bankofengland.co.uk/pr/Pages/regulatorydata/mlar/2015/d ec.aspx](http://www.bankofengland.co.uk/pr/Pages/regulatorydata/mlar/2015/d ec.aspx)  
<sup>9</sup> Bankstats Table A6.1 (Sectoral deposits and Divisia) details ISA balances.

grey lines, with the new two-year series in the pink line.

**Chart H: ISA quoted deposit rates<sup>(a)</sup>**



(a) The quoted interest rates are end-month rates on sterling lending. The Bank's quoted interest rates series are currently compiled using data from up to 19 UK MFIs. Non seasonally adjusted.

For more details on the weighting of quoted rates series, please see the explanatory notes.

An initial assessment shows there are some series that will be impacted by these new weights. The impact as currently assessed can be found in Annex 4, where minimum, maximum and average monthly revisions due to these improvements are given for each impacted series. The largest impacts affect the Lifetime Tracker series, with an average absolute revision of 18bps. Any impacts that breach our thresholds will be footnoted on the relevant series in *Bankstats* Table G1.3. For more detailed information on weighting of quoted rates series, please see the explanatory notes. There are no other changes to existing quoted rates series.

### Publication of 3 year fixed-rate bonds series

The three-year fixed-rate bond series has previously been available in the 'Additional Statistics Requested by Users'.<sup>10</sup> The Bank will now publish this series as a part of the regular monthly quoted rates dataset. These data will be available backdated to July 2011.

### Inclusion of intermediary products

Since the last review of the quoted rates series in 2012,<sup>11</sup> intermediaries have become an increasingly significant channel for mortgage products.<sup>12</sup> Given this, intermediary-only products will now be eligible for selection across all mortgage series from September 2016 data. For further information see the quoted rates explanatory notes.

### Improved weighting of existing quoted rates series using new effective rates data

More granular data on mortgages and deposit products will allow for improvements to quoted rates for these products, as the effective rates balances they are weighted on will be more closely aligned to the product selected. These improvements will be implemented when the new effective rates data are published in the September edition of *Bankstats*.

<sup>10</sup> See

[www.bankofengland.co.uk/STATISTICS/Pages/dl/default.aspx](http://www.bankofengland.co.uk/STATISTICS/Pages/dl/default.aspx)

<sup>11</sup> See 'Forthcoming improvements to interest rate statistics' by Anisha Tibrewal and Jason Murphy, Bank of England *Bankstats* (*Monetary & Financial Statistics*), August 2012, available at: [www.bankofengland.co.uk/statistics/Documents/ms/articles/art1sep12.pdf](http://www.bankofengland.co.uk/statistics/Documents/ms/articles/art1sep12.pdf)

<sup>12</sup> See IRESS' Annual Intermediary Mortgage Survey. Available at:

[www.iress.com/files/8714/4777/3079/UK\\_Intermediary\\_Mortgage\\_Survey\\_2015\\_070115.pdf](http://www.iress.com/files/8714/4777/3079/UK_Intermediary_Mortgage_Survey_2015_070115.pdf)

**Annex 1- New Effective Rates series and codes available from September 2016 *Bankstats***

All series will be available backdated to January 2016 data.

		Effective rates series	Series code
Outstanding deposits	Individuals & Individual Trusts	Sight	CFMZ6IQ
		Sight, of which current accounts	CFMZ6IU
		Time	CFMZ6IW
		Time - Fixed maturity	CFMZ6J9
		Time - Maturity <= 1yr	CFMZ6JB
		Time - Maturity 1-2yr	CFMZ6JD
		Time - Maturity >2yr	CFMZ6JF
		Time - Redeemable at notice	CFMZ6JH
		Time - Redeemable at notice <=3mth	CFMZ6JJ
		Time - Redeemable at notice >3mth	CFMZ6JL
		Time - Fixed-rate bond <=1yr	CFMZ6JN
		Time - Fixed-rate bond 1-2yr	CFMZ6JP
		Time - Fixed-rate bond >2yr	CFMZ6IZ
		UBs	Sight
	Time		CFMZ6LK
	Time - Fixed maturity		CFMZ6JU
	Time - Maturity <= 1yr		CFMZ6JW
	Time - Maturity 1-2yr		CFMZ6JY
	Time - Maturity >2yr		CFMZ6K2
	Time - Redeemable at notice		CFMZ6K4
	Outstanding loans	Individuals & Individual Trusts	Secured loans
Secured loans - floating			CFMZ6K8
Secured loans - fixed			CFMZ6KA
Credit cards balance transfer, interest-chargeable balances			CFMZ6KC
Credit cards purchase, interest-chargeable balances			CFMZ6KE
Credit cards cash withdrawal, interest-chargeable balances			CFMZ6KG
Credit cards balance transfer, all balances			CFMZ6KI
Credit cards purchase, all balances			CFMZ6KK
Interest and fee charging overdrafts			CFMZ6KM
Other loans			CFMZ6KO
Other loans - floating			CFMZ6KQ
Other loans - fixed			CFMZ6LI
Other loans - fixed <=1yr			CFMZ6LO
Other loans - fixed 1-5yr			CFMZ6LP
Other loans - fixed >5yr		CFMZ6KV	
UBs		Overdrafts	CFMZ6KX
		Secured loans	CFMZ6KZ
		Secured loans - floating	CFMZ6L3
		Secured loans - fixed	CFMZ6L5
		Secured loans - fixed <=1yr	CFMZ6L7
		Secured loans - fixed 1-5yr	CFMZ6L9
	Secured loans - fixed >5yr	CFMZ6LS	
Unsecured loans	CFMZ6LT		

Outstanding loans	UBs	Unsecured loans - floating	CFMZ6LU	
		Unsecured loans - fixed	CFMZ6LE	
		Unsecured loans - fixed <=1yr	CFMZ6LJ	
		Unsecured loans - fixed 1-5yr	CFMZ6LM	
		Unsecured loans - fixed >5yr	CFMZ6LH	
	SMEs	Other loans	CFMZ6LN	
		Other loans - floating	CFMZ6LQ	
		Floating - Bank Rate linked	CFMZ6LR	
		Floating - Bank Rate linked daily reset	CFMZ6HO	
		Floating - Bank Rate linked reset <3mths	CFMZ6HQ	
		Floating - Bank Rate linked reset >=3mths	CFMZ6HS	
		Floating - LIBOR linked	CFMZ6HU	
		Floating - LIBOR linked daily reset	CFMZ6HW	
		Floating - LIBOR linked reset <3mths	CFMZ6HY	
		Floating - LIBOR linked reset >=3mths	CFMZ6I4	
		Fixed	CFMZ6I6	
		Initial fix <=1yr	CFMZ6I8	
		Initial fix >1yr<=5yr	CFMZ6IA	
		Initial fix >5yr	CFMZ6IC	
		Overdrafts	CFMZ6IF	
New business deposits	Individuals & Individual Trusts	Time	CFMZ6IH	
		Time - Maturity <=1yr	CFMZ6IJ	
		Time - Maturity 1-2yr	CFMZ6IL	
		Time - Maturity >2yr	CFMZ6IN	
		Time of which Fixed-rate bond <=1yr	CFMZ6IP	
		Time of which Fixed-rate bond 1-2yr	CFMZ6IT	
		Time of which Fixed-rate bond >2yr	CFMZ6IV	
		Time of which NISAs	CFMZ6JC	
	UBs	Time	CFMZ6JE	
		Time - Maturity <=1yr	CFMZ6JG	
		Time - Maturity 1-2yr	CFMZ6JI	
		Time - Maturity >2yr	CFMZ6JK	
	New business loans	Individuals & Individual Trusts	Secured loans	CFMZ6JM
			Secured loans - floating	CFMZ6JO
			Secured loans - floating, Lifetime Tracker (LTT)	CFMZ6JT
			Secured loans - fixed	CFMZ6JV
			Secured loans - fixed <=2yr	CFMZ6JX
Secured loans - fixed 3&4yr			CFMZ6JZ	
Secured loans - fixed 5yr			CFMZ6K3	
Other loans			CFMZ6K5	
Other loans - floating			CFMZ6K7	
Other loans - fixed			CFMZ6K9	
Other loans - initial fix <=1yr			CFMZ6KB	
Other loans - Initial fix >1yr<=5yr			CFMZ6KD	
Other loans - Initial fix >5yr			CFMZ6KF	
UBs		Secured loans	CFMZ6KH	
		Secured loans - floating	CFMZ6KJ	

New business loans	UBs	Secured loans - fixed	CFMZ6KL
		Secured loans - fixed <=1yr	CFMZ6KN
		Secured loans - fixed 1-5yr	CFMZ6KP
		Secured loans - fixed >5yr	CFMZ6KU
		Unsecured loans	CFMZ6KW
		Unsecured loans - floating	CFMZ6KY
		Unsecured loans - fixed	CFMZ6L2
		Unsecured loans - fixed <=1yr	CFMZ6L4
		Unsecured loans - fixed 1-5yr	CFMZ6L6
		Unsecured loans - fixed >5yr	CFMZ6L8
	SMEs	Other loans	CFMZ6LD
		Other loans - floating	CFMZJ3L
		Floating - Bank Rate linked	CFMZJ3M
		Floating - Bank Rate linked daily reset	CFMZJ3N
		Floating - Bank Rate linked reset <3mths	CFMZJ3O
		Floating - Bank Rate linked reset >=3mths	CFMZJ3P
		Floating - LIBOR linked	CFMZJ3Q
		Floating - LIBOR linked daily reset	CFMZJ3R
		Floating - LIBOR linked reset <3mths	CFMZJ3S
		Floating - LIBOR linked reset >=3mths	CFMZJ3T
		Fixed	CFMZJ3U
		Initial fix <=1yr	CFMZJ3V
		Initial fix >1yr<=5yr	CFMZJ3W
Initial fix >5yr	CFMZJ3X		

**Annex 2 - New quarterly distribution of balances series and codes available from September 2016 Bankstats**

All series will be available backdated to January 2016 data.

		Quarterly distribution of balances series	Series Code
Outstanding deposits	Individuals & Individual Trusts	Time - Redeemable at notice	CFQZJ3Y
		Time - Fixed maturity	CFQZJ3Z
		Time - Maturity <=1yr	CFQZJ42
		Time - Maturity 1-2yr	CFQZJ43
		Time - Maturity >2yr	CFQZJ44
		Time - Fixed-rate bond <=1yr	CFQZJ45
		Time - Fixed-rate bond 1-2yr	CFQZJ46
		Time - Fixed-rate bond >2yr	CFQZJ47
Outstanding loans	Individuals & Individual Trusts	Secured loans - Floating	CFQZJ48
		Secured loans - Fixed	CFQZJ49
		Secured loans - Fixed <=2yr	CFQZJ4B
		Secured loans - Fixed 3&4yr	CFQZJ4C
		Secured loans - Fixed 5yr	CFQZJ4D
		Other loans - Floating	CFQZJ4E
		Other loans - Fixed	CFQZJ4F

Outstanding loans	Individuals & Individual Trusts	Other loans - Fixed <=1yr	CFQZJ4G
		Other loans - Fixed 1-5yr	CFQZJ4H
		Other loans - Fixed >5yr	CFQZJ4I
	SMEs	Other loans - Floating	CFQZJ4J
		Other loans - Fixed	CFQZJ4K
		Initial fix <=1yr	CFQZJ4L
		Initial fix >1yr<=5yr	CFQZJ4M
		Initial fix >5yr	CFQZJ4N
	New business deposits	Individuals & Individual Trusts	Time - Maturity <=1yr
Time - Maturity 1-2yr			CFQZJ4P
Time - Maturity >2yr			CFQZJ4Q
Time - Fixed-rate bond <=1yr			CFQZJ4R
Time - Fixed-rate bond 1-2yr			CFQZJ4S
Time - Fixed-rate bond >2yr			CFQZJ4T
New business loans	Individuals & Individual Trusts	Secured loans - Floating	CFQZJ4U
		Secured loans - Fixed	CFQZJ4V
		Of which fixed <=2yr	CFQZJ4X
		Of which fixed 3&4yr	CFQZJ4Y
		Of which fixed 5yr	CFQZJ4Z
		Other loans - Floating	CFQZJ54
		Other loans - Fixed	CFQZJ55
		Other loans - Fixed <=1yr	CFQZJ56
		Other loans - Fixed 1-5yr	CFQZJ57
		Other loans - Fixed >5yr	CFQZJ58
		Floating	CFQZJ59
	SMEs	Fixed	CFQZJ5A
		Initial fix <=1yr	CFQZJ5B
		Initial fix >1yr<=5yr	CFQZJ5C
		Initial fix >5yr	CFQZJ5D

**Annex 3 - New Quoted Rates series and codes available from September 2016 *Bankstats***

Quoted rates series	Series code	Series start date
Two-year 60% LTV fixed-rate mortgage	IUMZICQ	January 2012
Two-year 85% LTV fixed-rate mortgage	IUMZICR	January 2012
BTL two-year 75% LTV fixed-rate mortgage	IUMZID4	January 2012
Two-year fixed-rate ISA	IUMZID2	January 2012
Three-year fixed-rate bond	IUMB6RI	July 2011

**Annex 4 - Initial estimates of revisions to series impacted by improved weighting of QR series**

Impacted series will be affected from January 2016. Estimated impacts below are calculated using data from January to July 2016.

Series	Min absolute impact (bps)	Max absolute impact (bps)	Average absolute impact (bps)
Lifetime Tracker	12	26	18
Two-year 75% LTV fixed-rate mortgage	1	3	2
Two-year 90% LTV fixed-rate mortgage	2	7	4
Two-year 95% LTV fixed-rate mortgage	0	2	1
Three-year 75% LTV fixed-rate mortgage	0	2	1
Five-year 75% LTV fixed-rate mortgage	0	5	2
Five-year 95% LTV fixed-rate mortgage	0	4	2
One-year fixed-rate bond	0	16	5
Two-year fixed-rate bond	0	29	8
Three-year fixed-rate bond	0	30	8
Variable-rate ISA incl bonus	3	10	6
Variable-rate ISA excl bonus	9	18	13
One-year fixed-rate ISA	3	26	14