

MONEYSUPERMARKET

Household Money Index

Quarterly Update December 2024

FOREWORD

‘Tis the season to be jolly - jolly savvy with your money, that is.

MoneySuperMarket’s holly-sprigged Household Money Index (HMI) tracks how much people are spending on 31 bills and daily outgoings on a quarterly basis.

Our latest figures show that spending has fallen by the biggest margin for 15 months, since we started the HMI in September 2023. People are now spending an average of 62% of their income on these bills and expenses.

Spending has fallen in 21 of the 31 bills and outgoings monitored by our HMI, and Brits are spending less on all six categories of insurance that we track. Spending on home and contents insurance is 14% lower, phone insurance 13% lower and car insurance 12% lower.

At MoneySuperMarket, we’re working hard every day to help more people switch and save on their household bills, and our customers save up to £219 on their home insurance¹ and £462 on their car insurance.² The latest data from MoneySuperMarket reveals that car insurance premiums have risen by 4% (£29) in the last month, so shopping around for the best deal is key.

Spending on everyday travel has gone up in the last three months with people spending 4% more on vehicle fuel and 12% more on public transport.

Perhaps pre-empting seasonal spending, the HMI also reveals that Brits are spending more paying off credit cards (up 12%). People have also been contributing more to their pension, with spending up 26% compared to the previous three months.

With Christmas fast approaching, the cost of being merry and bright is on many people’s minds. In recent years, food prices have rocketed, so too has the cost of travel, entertaining and days out. Our research reveals that many of us have multiple festive get-togethers, and the majority of people say Christmas is too expensive.

Many of the families who are jetting off for winter sun or snow told us they’ve been smart with their money throughout the year by switching and saving on bills and getting the best deals on financial products such as credit cards and loans, as well as earning cashback and making the most of deals and rewards using loyalty programmes, such as our SuperSaveClub.

So whether you’re hosting and serving a turkey that can feed 20, or on your way to Türkiye to soak up the sun, we’re glad we helped.

KARA GAMMELL
Personal finance expert
at MoneySuperMarket



CONTENTS

P2 HMI BY NUMBERS

Our latest Index shows disposable income is up £836 a year.

P3 QUARTER IN REVIEW

Finding ways to save on car insurance, energy costs and phone bills, UK households are using spare cash to top up their pensions and pay off credit cards.

P4 SOUTH FOR THE WINTER

Regional data demonstrates a more nuanced picture of daily spending in the UK – as the North–South divide becomes less clear-cut.

P5 FLIGHT CHRISTMAS

With many families worrying about the cost of the festive period in the UK, we look at the new trend of people leaving the country over Christmas for a cost-effective holiday, switching turkey for tapas in the sun.

P6 CASE STUDY

Mum-of-two Kate and her family are one of thousands escaping the UK this Christmas for sun, sea... and saving – on a four-night trip to Tenerife.

P7 SOURCES & METHODOLOGY

HMI BY NUMBERS

The latest Household Money Index (HMI), MoneySuperMarket's quarterly barometer of the UK's daily spending, reveals that people are spending less on 21 of the 31 different bills and daily spending that we track.

In total, spending has decreased by over 9% in three months. The average UK adult now spends £46.40 every day on bills and services - compared to £51.13 in September.

Looking at it monthly, UK households now spend £1,392 a month on average, £142 less than they were spending in September. This is the largest drop so far in spending recorded by MoneySuperMarket's HMI.

It means people have more money in their pockets after paying their bills. Today the average person has £836 left - that's an increase of £195 year on year and just over £150 on the quarter, representing a jump of 22% since September.

Last December, people reported spending almost 70% of the average income on the same costs. Today it's 62%.

Consumer confidence has fluctuated in the last three months, ultimately rising. UK households are using spare cash to pay off credit card debt and add to their pension.



QUARTER IN REVIEW

The cost of living remains a concern for many UK households. On one hand, interest rates have fallen in recent months which should be good news for borrowing - although it also means that your savings may not earn as much interest.

On the other hand, inflation rose to 2.3% in October from 1.7% in September with the increase largely attributed to higher energy bills. There are predictions that inflation may creep up further in the coming months, potentially causing prices to rise.

As the HMI shows, despite this uncertainty, people in the UK have found ways to cut back on their outgoings and are spending £4.73 less a day than they were in September.

The cost of car insurance has made headline news in the last two years. The good news for drivers is that spending on car insurance has reached its lowest point since MoneySuperMarket's first HMI in September 2023, with Brits now protecting their vehicles for an average of £35 a month - a drop of 12% since September 2024.

However, drivers should keep shopping around for their cover as MoneySuperMarket's proprietary data reveals that premiums have gone up 4% (£29) in the last month with the average annual premium costing £786. This is still 7% cheaper than in December 2023 when the average price was £842.

Thanks to a combination of more competitively priced energy deals becoming available - MoneySuperMarket customers have been saving up to £120 on their annual energy bills by switching to a fixed rate tariff - and a mild autumn, people in the UK have been spending the same amount on their fuel bills as three months ago - £109 a month on average.

As the weather gets colder and people use more energy, switching to a fixed rate deal could help more households to save over the winter months.

Following price increases on mobile phones earlier this year, people in the UK have been switching and saving on monthly contracts and top-ups, with spending falling by 19%.

People have reported spending 10% less on their water bills despite a nationwide increase averaging £19 a year over the next five years - suggesting a deliberate effort to use less.

UK households have also reduced spending in other areas of everyday life, including pet costs (down 4%), medicines and healthcare products (down 10%), toiletries (down 17%) and home maintenance and repairs (down 36%).

This latest HMI also reveals that spending on credit card repayments and pension contributions has increased in the last three months, as people put any spare money to good use by paying off debt or saving for the future.

People in the UK are spending an average of £70 a month repaying credit cards - 12% more than they were in September. Based on credit cards enquiries made via MoneySuperMarket, the average APR on a credit card is 28.38% and people switching to a Balance Transfer Credit Card through MoneySuperMarket could save up to £356⁴.

Our HMI data also shows that people are spending an average of £27 a month repaying loans.

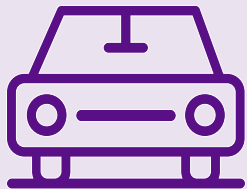
MoneySuperMarket data reveals that nearly a third (30%) of loan queries in September 2024 were for between £7,500 and £14,999 with an average APR of 18.52%. Nearly 40% of enquiries were for loans with a term of five years.

For September loan enquiries, the top five reasons given for taking out a loan were:


- Home improvements
- Buying a car
- Debt consolidation
- Paying for a holiday
- Paying for a wedding

35-44 year olds made nearly a third of enquiries for loans (29%) while 24-34 year olds made over a quarter of enquiries (26%)⁵.

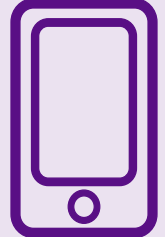
Brits are also putting £65 a month towards their pension - an increase of 25% from September 2024 and the highest monthly total calculated by our HMI since its creation in September 2023.




£35
monthly average car insurance



£120
saving on their annual energy bills



19%
drop in monthly phone costs



£65
a month towards their pension

SOUTH FOR THE WINTER

Since starting the HMI in September 2023, our quarterly index found that people living in the UK consistently committed around 70% of their income to bills and outgoings. In September 2024, this figure was 69%. The latest data shows it has dropped to 62%.

However, how much you spend varies significantly depending on where you live.

This latest quarterly index found that people in Edinburgh spend almost 78% of the average income each month on their bills and outgoings, the highest proportion of income spent in the UK - compared to the lowest in Brighton.

As a result of high wages and lower outgoings, those living in the Sussex city - nicknamed 'London By The Sea' - commit just 45% of their income to bills and outgoings every month, making it the place where people have the most disposable income.

This compares to Londoners who spend 60% of their income on their bills and outgoings per month - just below the national average and five percentage points fewer than Manchester.

Nottingham was found to be the cheapest place to live in terms of daily outgoings, with residents spending just £32.70 a day on bills and outgoings.

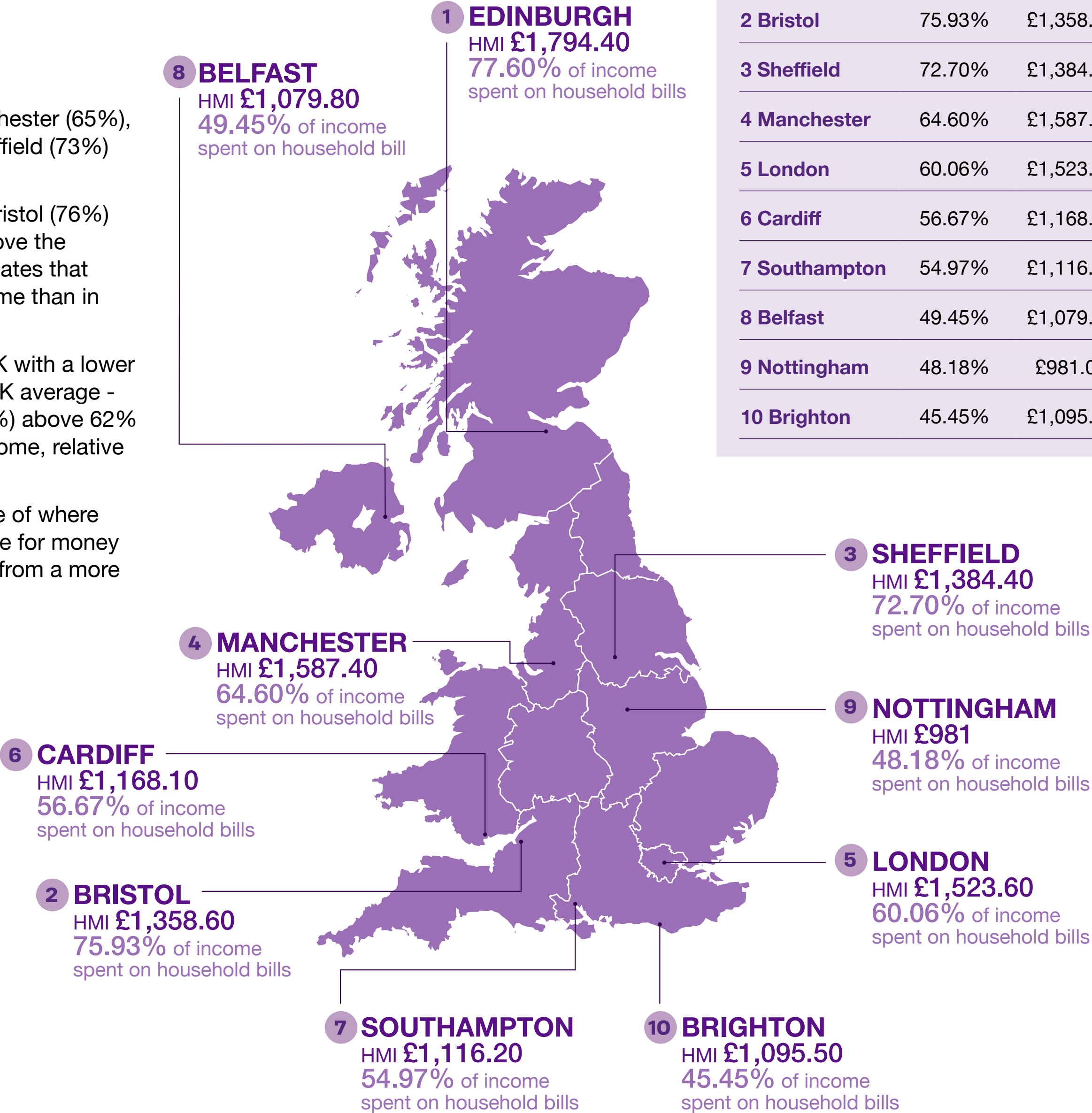
The HMI shows that cities in the South of England typically associated with a higher cost of living - such as London (60%), Southampton (55%) and Brighton (45%) - have all fallen below the UK average proportion of income spent on bills and outgoings (62%).

At the same time, northern cities Manchester (65%), Liverpool (72%), Leeds (71%) and Sheffield (73%) have all risen above the UK average.

With some parts of the UK - such as Bristol (76%) and Edinburgh (78%) - significantly above the national average of 62%, our HMI indicates that there is a wider gap in disposable income than in previous HMIs.

Other cities regarded as parts of the UK with a lower cost of living have pushed above the UK average - with Plymouth (65%) and Norwich (71%) above 62% - caused by a reported lower gross income, relative to the cost of bills and outgoings.

The HMI paints a more nuanced picture of where in the UK is best to live in terms of value for money as bills continue to rise - veering away from a more typical North - South divide.



ARE YOU DREAMING OF A ‘FLIGHT’ CHRISTMAS?

SHOULD I SLEIGH OR SHOULD I GO?

Our Christmas HMI research shows one in four (25%) people are trying to avoid hosting for the family this festive season. Of those surveyed, nearly one in three (32%) say they’d rather spend their money on going away for Christmas than on hosting the day.

Data from TravelSupermarket reveals that searches for holiday destinations for Christmas sun have increased by 110% this year compared to 2023.

According to Travel Supermarket website visits, the five most popular destinations for 2024 Christmas breaks are:

- Tenerife
- Lanzarote
- Egypt
- Gran Canaria
- Costa Blanca

New York was the third most popular search for Christmas breaks on TravelSupermarket in 2023, but has slipped to 8th place in 2024 with sunnier destinations taking all five top spots this year.

Today, over half (54%) say Christmas in the UK is too expensive, particularly among 18-34 and 34-55-year-olds, who are most likely to be spending money on food, gifts, travel and family entertainment such as days out.

In Belfast, 75% of people believe Christmas is too expensive, followed by Yorkshire cities Leeds (62%) and Sheffield (61%).

People in Southampton were the least likely to agree - the place in the UK which is consistently one of the best off when it comes to percentage of disposable income, according to the HMI.

YULE PAY

Nearly three quarters (71%) of Brits are staying at home with either family or friends, but the nation is split on whether asking guests to contribute to the cost of Christmas is the right thing to do.

A total of 46% of people agree that guests staying at other people’s homes over the festive season should contribute to the cost, though this differs depending on where you are in the UK and your gender.

In Leeds 57% of people think it’s fair to cough up your share and 51% of women agree versus only 40% of men.

And one in six people (17%) say guests not contributing to the cost causes frustration, leading to resentment and arguments.

STOCKING UP ON SAVINGS

Out of those going abroad, 42% are doing it to escape the cost and the pressure of hosting at Christmas. Over a third (36%) prioritise experiences over material things.

One in six (17%) said they’ve been able to afford it by being savvy with their money throughout the year, including switching to better deals on household bills and using cashback to earn on their everyday spending.

ELF INSURANCE

MoneySuperMarket experts are reminding people who are planning to take Christmas presents on their holidays to check they’ve got the right travel insurance. With Christmas becoming one of the busiest times of year to fly, this is particularly important because if you pack gifts in your bags, the value of your luggage may be more than standard policies cover. When you’re buying travel insurance, check the single-item limits - this is how much you can claim for an individual item. If you’re travelling with expensive items that cost more than your policy’s single-item limit, you may need to add extra cover. Annual travel insurance policies cost from as little £9.26 for European cover through MoneySuperMarket⁶.

The research reveals that 24% of people plan to pack Christmas presents in checked baggage, 12% will carry them on the plane, while 17% will leave them at home.

However, over half (53%) of those travelling this Christmas have not yet taken out their travel insurance, or don’t know if they have travel insurance that could cover their presents if they are lost, stolen or broken while they’re away.

Of people planning to jet off this Christmas, 15% don’t plan to get travel insurance at all.

DOUBLE THE JOY

Christmas comes but once a year, so they say. But over a quarter of Brits have Christmas Day twice... meaning the costs ramp up even more. According to our research, on average seven people attend Christmas dinner.

JOLLY HOLLY-DAY

Holiday prices show it may indeed cost less to escape abroad for Christmas. The average UK household already spends over £1,800 during the festive period on food, drink and gifts among other things⁷, according to the HMI. A family of four jetting away for four nights from London Luton Airport to the Canary Islands on Christmas Eve - with 22C temperatures - costs £1,500.⁸



CASE STUDY

TENE-WREATH?

Mum-of-two Kate Denyer is joining thousands of families escaping the UK this Christmas for sun, sea...and saving.

The single mum, 42, from Edinburgh says Christmas in the UK has become too costly so she's taking her children, aged 11 and eight, on a four-day trip to Tenerife.

Kate's all-inclusive holiday costs £1,000 for the family - £800 less than the average UK household spends over Christmas (£1,800).

Charity worker Kate, who booked the trip in November, said: "It was a no-brainer for me and I'm sure it's the same for other families who are feeling the pinch. We usually host up to eight family members every year and they come from all over the UK to stay with us in Scotland.

"While it's always a lovely family occasion, the costs quickly mount up - even for someone like me, who considers themselves financially savvy.

"I tend to do all I can throughout the year to save for Christmas, always looking at ways to cut back on bills and switch to better deals through sites like MoneySuperMarket. But this year, I wanted to make the most of that money and give my kids an experience they'll always remember.

"It's not surprising so many families are thinking the same this year. The costs can mount up if you're hosting at home.

"For example, my extended family travels across the length of the country - that already costs them a lot of money before Christmas has even begun. I tend to pay for food, drink and presents at a minimum. On top of that, we all spend money on Christmas activities, such as pantomimes, ice skating and Christmas lights shows.

"Chuck in the amount of money that you spend on bills over the festive period and you're looking at a huge amount of money - for us, it's in the thousands.

"Now, I get the chance to spend a few days on the beach with my kids without all the faff - in 20-degree heat and all my costs wrapped up. The holiday will be their present, the kids can play in the sea and the dinner will be cooked and served to me.

"A holiday abroad will allow the kids to relax properly and have even more fun than they would at home, and we'll be able to enjoy ourselves as a three."



KATE'S ALL-INCLUSIVE HOLIDAY COSTS £1,000 FOR THE FAMILY - £800 LESS THAN THE AVERAGE UK HOUSEHOLD SPENDS OVER CHRISTMAS (£1,800).

SOURCES & METHODOLOGY

POLLING

All consumer polling figures unless otherwise stated are from five separate polls of 2,000 adults carried out on behalf of MONY Group by Opinium on the following dates:

- 01 November 2024 - 05 November 2024
- 09 August 2024 - 13th August 2024
- 19 April 2024 - 23 April 2024
- 13 February 2024 - 16 February 2024
- 03 November 2023 - 07 November 2023
- 15 August 2023 - 18 August 2023

Opinium are company partners of the MRS and abide by its code of conduct and guidelines for best practice when carrying out research for clients, ensuring results are accurate, impartial and fair to both clients and participants.

The core Household Money Index (“HMI”) was calculated from the replies of 10,000 adults self-reporting how much they spend per average month on 31 different categories across five surveys carried out between August 2023 and August 2024.

The categories were determined by MONY Group experts to represent a ‘basket’ of common household bills and expenditures. Results have been weighted to be nationally representative.

Polling data was subjected to statistical analysis, including cross-tabulations and sentiment analysis. These analyses allowed for the identification of significant trends, preferences, and consumer sentiments pertaining to the HMI.

PROPRIETARY DATA

MoneySuperMarket.com is a price comparison site processing millions of quotes per month on over 40 financial products and services. These millions of quotes provide a rich source of data from which MoneySuperMarket has determined historic policy prices for the insights throughout this document.

¹51% of consumers could save up to £219.15 Consumer Intelligence , Buildings and Contents October 2024 Exc NI, CI, IOM

²51% of consumers could save up to £462.99 Consumer Intelligence , October 2024 Exc NI, CI, IOM

³Based on the average annual cost of the E.ON Next Fixed 12m v33 tariff compared to the price cap: £1,597 vs £1,717 (Oct ‘24 to Dec ‘24). Savings for medium energy usage as defined by Ofgem’s Typical Domestic Consumption Values, paying by direct debit, paperless billing. Prices averaged across all regions. Correct as of 11th Nov ‘24. UK only.

⁴Annual saving based on 51% of customers transferring £2,049 from a 24.9% (variable) p.a. card, with a 5% monthly repayment (November 24). BoE and UK Finance. Representative example: transferring £2,049, 3.49% balance transfer fee, 0% over 29 months then 24.9% (variable) p.a. Representative 24.9% APR. Credit broker not lender. 18+ UK only. Subject to status. MoneySuperMarket data correct as of 11th November 24.

⁵MoneySuperMarket website enquiries for loans in September 2024.

⁶Based on an individual aged 30 with no pre-existing medical conditions, taking European cover. Cover starts on 14th November 2024 Moneysupermarket data correct as of 11th November 24.

⁷Figure taken from MoneySuperMarket’s Christmas HMI 2023.

⁸Figure taken from package holiday website Travel Supermarket at the time of writing (11/11/24)

EXTERNAL SOURCES

The document uses a number of external sources to calculate and compare its findings and to provide context where necessary.

ONS data: Inflation and price indices

EXPERTISE INTEGRATION

Moneysupermarket’s three decades of experience and expertise in the finance sector played a pivotal role in the analysis process. Subject matter experts with a deep understanding of financial services were actively involved in interpreting the data, providing insights, and contextualising findings.

SYNTHESIS OF FINDINGS

The insights derived from website data analysis, consumer polling, and the invaluable input of MONY Group’s seasoned experts were meticulously synthesised. This synthesis encompassed identifying key trends, challenges, opportunities, and actionable recommendations to produce the results throughout the Index and accompanying report.

FACT CHECKING

All information in the index and accompanying report has been professionally fact-checked and is correct to the best of MONY Group’s knowledge at the time of publication 5 December 2024.



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