

29 February 2012

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Summary of key statistics for Q4 2011

Plastic cards

Number of debit cards in issue (end-2011) **86.3 mn** Number of credit & charge cards in issue (end-2011) **60.9 mn**

Plastic card transactions

Number of	Q4 2011	Annual rate of growth	Total value of	Q4 2011	Annual rate of growth
Debit card purchases	1.9 bn	12.1%	Debit card purchases	£81.6 bn	12.0%
Credit & charge card purchases	0.5 bn	2.4%	Credit & charge card purchases	£32.3 bn	1.3%
All plastic card purchases	2.4 bn	9.8%	All plastic card purchases	£113.9 bn	8.7%
Number of	Annual figures (2011)	Annual rate of growth	Total value of	Annual figures (2011)	Annual rate of growth
Debit card purchases	7.3 bn	12.1%	Debit card purchases	£322.5 bn	12.0%
Credit & charge card purchases	2.1 bn	2.4%	Credit & charge card purchases	£129.8 bn	1.3%
All plastic card purchases	9.3 bn	9.8%	All plastic card purchases	£452.4 bn	8.7%

Plastic card spending

During 2011 Q4 £81.6 billion was spent in 1.9 billion debit card transactions, and £32.3 billion was spent in 0.5 billion credit card transactions. Debit cards accounted for 78.4% of all plastic card purchases, a figure that has grown by 3.3 percentage points over the past two years. In retailing, plastic cards accounted for 68.5% of the value of purchases during the quarter, an increase of 1.0 percentage points compared with 2010 Q4.

Compared to the rate of growth in the value of retail sales of 5.0% over the 12 months to December 2011, the total value of plastic card spending in the retail sectors was growing by 7.3%. This differential reflects a continuing move to plastic cards and away from cash and cheques, mostly to debit cards where usage (as measured by the number of purchases) grew by 12.0% over the same period. With faster growth in the number of purchases compared with their total value, the average transaction value for all plastic card purchases has declined by £1.35 from the level seen in Q4 2010, falling to £47.41.

Over the past 12 months, debit cards accounted for 81% of all plastic card purchases in the food and drink sector and 78% for automotive fuels. Plastic card spending is at its highest in the food & drink sector where it accounted for 63% of all spending during 2011, an increase of 1.8 percentage points compared with 2010. The plastic card share of the value of food & drink purchases grew by 7.3% in 2011 whereas the cash and cheque spend fell by 0.7%. Debit cards accounted for 82% of all plastic card supermarket purchases in 2011.

Credit card lending and repayments

Gross lending on credit cards amounted to £31.7 billion in 2011 Q4, a similar figure to the preceding quarter but £1.2 billion below the figure for the same quarter of 2010. This lower figure results from a combination of lower interest and other charges (down by £0.3 billion) and falling demand for new lending (down by £0.8 billion). The proportion of credit card balances bearing interest fell in 2011 Q4 to a another new low level of 59.6% compared with 65.7% in 2010 Q4, reflecting both a greater number of people repaying their balances without incurring interest, and a small effect from zero rate interest introductory offers. **Repayments** in 2011 Q4 amounted to £31.8 billion, exceeding gross advances (including interest and charges) by £0.2 billion. This brought the annual repayment ratio for 2011 to 98.9% - the highest figure so far recorded.

Outstanding credit card balances continued their gradual decline and amounted to £55.8 billion by end-December. This total comprised £22.5 billion of balances on which no interest is being charged (eg, monthly expenditure repaid in full) and £33.3 billion of revolving credit. At the end of 2011 credit card credit outstanding accounted for only 3.85% of total lending to individuals (secured and unsecured) which has remained unchanged throughout 2011 at £1.45 trillion.

Table 1 Spending in the UK on debit and credit cards

Seasonally adjusted

- Spending on debit cards grew by 12% during 2011, with a total amount spent of £27.2 billion
- Spending on credit cards grew by 1.3% in 2011, with a total amount spent of £10.7 billion
- Debit cards accounted for 72% of all spending and for 78% of total purchases on plastic cards during 2011

		Number of purchases (million)			Value of purchases (£ billion)			Average purchase value (£)		
		Debit cards	Credit cards	Total	Debit cards	Credit cards	Total	Debit cards	Credit cards	All cards
2005		4,090	2,003	6,093	169.5	121.6	291.1	41.44	60.74	47.78
2006		4,493	1,948	6,441	195.4	119.9	315.3	43.49	61.58	48.96
2007		4,969	1,958	6,927	223.9	123.8	347.7	45.06	63.22	50.19
2008		5,466	1,972	7,438	245.2	126.2	371.4	44.86	64.00	49.93
2009	Q1	1,437	493	1,930	63.8	31.0	94.6	44.36	62.85	49.03
	Q2	1,477	502	1,979	64.2	31.2	95.6	43.50	62.28	48.29
	Q3	1,501	503	2,005	65.9	31.5	97.4	43.87	62.51	48.58
	Q4	1,523	504	2,027	69.5	31.7	101.1	45.62	62.84	49.88
2009 Total		5,938	2,002	7,940	263.3	125.3	388.7			
2010	Q1	1,556	501	2,058	68.8	31.9	100.6	44.24	63.58	48.91
	Q2	1,604	505	2,109	72.0	31.9	100.6	44.91	63.18	47.71
	Q3	1,648	502	2,151	72.9	32.4	104.6	44.22	64.54	48.63
	Q4	1,675	498	2,173	74.2	31.7	106.0	44.31	63.72	48.76
2010 Total		6,484	2,007	8,490	288.0	127.9	411.8			
2011	Jan	586	169	756	25.2	10.7	35.9	43.02	63.14	47.53
	Feb	579	169	748	25.5	10.6	36.2	44.12	62.95	48.38
	Mar	573	167	740	25.4	10.5	35.9	44.31	63.06	48.54
	Apr	591	169	760	25.6	10.5	36.2	43.38	62.26	47.59
	May	638	177	815	30.1	11.4	41.5	47.15	64.34	50.89
	Jun	577	167	744	26.5	10.7	37.2	45.89	64.17	49.98
	Jul	595	167	762	26.8	10.7	37.5	44.98	64.06	49.16
	Aug	630	178	808	28.6	11.4	40.0	45.39	64.01	49.49
	Sep	618	171	789	27.2	10.9	38.1	43.98	63.92	48.29
	Oct	638	175	813	27.6	10.9	38.5	43.24	62.46	47.37
	Nov	614	171	786	26.8	10.7	37.5	43.62	62.57	47.75
	Dec	630	174	804	27.2	10.7	37.9	43.15	61.49	47.11
2011 Total		7,271	2,054	9,325	322.5	129.8	452.4			

Chart 1.1

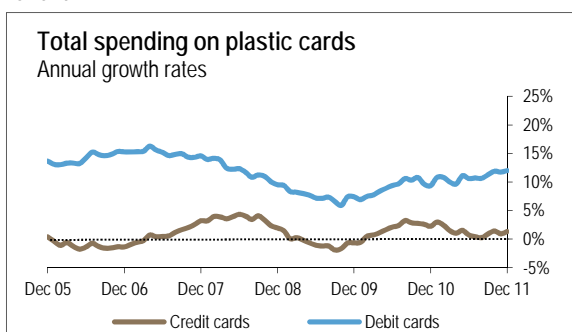


Chart 1.2

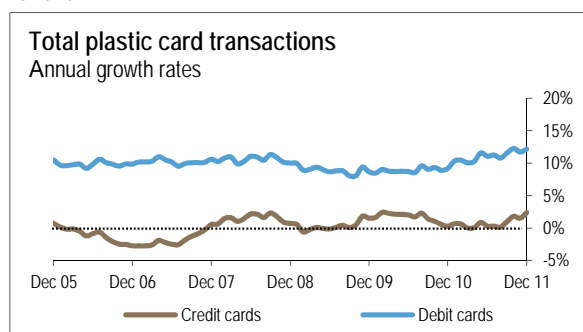
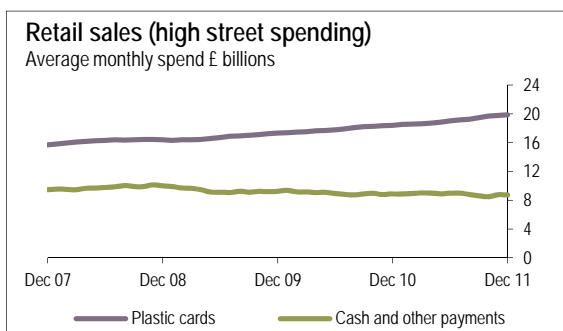


Chart 1.3



Notes

This table shows spending in the UK on plastic cards as reported to The UK Cards Association by the banks and other institutions that process card purchases on behalf of UK merchants, retailers and other service providers. The data include a small proportion of spending using non-UK-issued cards, e.g. by tourists, but exclude spending abroad on UK-issued cards. Cash withdrawals from ATMs are not included.

Chart 1.3 includes spending on automotive fuels.

These data are an extract of Card Expenditure Statistics that are available monthly and may be found on The UK Cards Association web site <http://www.theukcardsassociation.org.uk/>

Table 2 Credit card lending and repayments

Seasonally adjusted. Includes credit and charge cards.

- During 2011 gross lending on credit cards amounted to £127.1 billion, and repayments to £125.8 billion
- During the course of the year total credit card outstandings fell from £58.6 billion to £55.8 billion
- By the end of December 2011 credit card balances where no interest was being charged amounted to £22.6 billion

		Gross lending	Repayments		Outstanding balances ¹ Source Bank of England	Average credit card interest rate ² Source Bank of England
		£ billion	£ billion	%	£ billion	%
2005		131.4	125.3	95.3	68.8	16.0
2006		124.6	122.0	97.9	67.7	16.3
2007		125.1	122.5	97.9	66.4	15.4
2008	Q1	33.4	32.2	96.4	66.5	15.2
	Q2	33.0	31.9	96.5	66.8	15.9
	Q3	32.6	31.2	95.8	66.0	16.1
	Q4	32.0	31.5	98.3	65.9	16.1
2008	Total	131.1	126.8	96.7		
2009	Q1	30.5	29.7	97.2	65.7	15.8
	Q2	30.5	29.9	97.9	64.5	15.8
	Q3	30.1	29.8	98.9	63.9	15.9
	Q4	30.0	29.4	97.9	63.6	16.0
2009	Total	121.2	118.7	98.0		
2010	Q1	31.7	31.1	98.1	61.4	16.4
	Q2	32.4	32.1	99.2	59.3	16.6
	Q3	32.8	32.3	98.6	59.0	16.7
	Q4	33.0	32.7	99.0	58.6	16.7
2010	Total	129.8	128.1	98.7		
2011	Jan	10.7	10.6	98.8	58.6	16.8
	Feb	10.6	10.4	98.6	58.5	16.7
	Mar	10.5	10.4	98.4	58.2	16.7
	Apr	10.4	10.0	95.8	57.7	16.7
	May	11.3	11.3	99.2	57.5	16.7
	Jun	10.6	10.5	99.1	57.3	16.7
	Jul	10.4	10.1	97.4	57.3	16.7
	Aug	11.3	11.4	101.2	56.9	16.7
	Sep	10.7	10.5	98.2	56.8	16.7
	Oct	10.9	10.8	99.3	56.4	16.7
	Nov	10.7	10.8	100.5	56.2	16.9
	Dec	10.8	10.9	101.1	55.8	17.3
2011	Total	128.8	127.5	99.0		

Chart 2.1

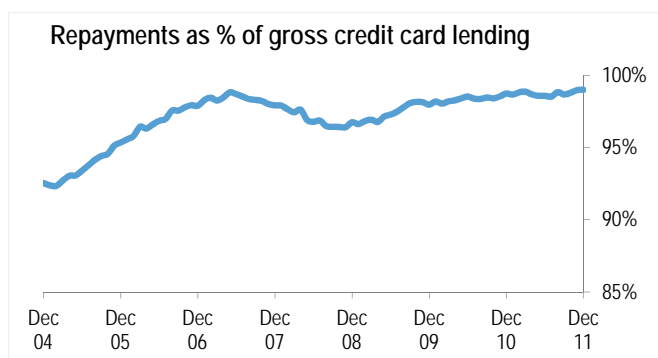


Chart 2.1 shows the rolling 12-month average of repayments

Chart 2.2

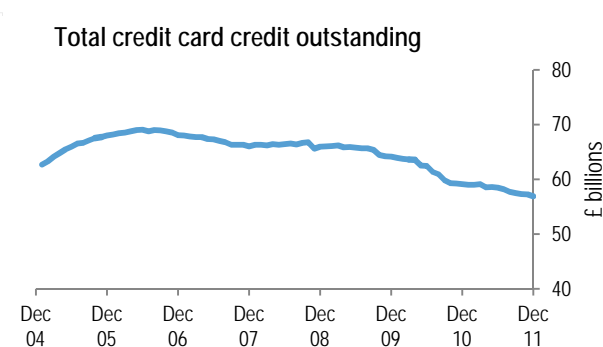


Table 2 shows data relating to UK households' credit and charge card use. Gross lending equates to new spending on credit and charge cards, including interest and other charges, whilst outstanding balances is the total amount still owed at the end of the period. Data on gross lending and repayments are provided by members of The UK Cards Association which accounted for 94% of gross credit card lending during the 12 months to December 2011.

¹ Outstanding balances are reported to the Bank of England by all UK credit card issuers. The figures shown here up to end-2009 include estimated amounts that have been securitised, ie, transferred by UK credit card issuers to non-resident associated companies. These estimates are based on the published footnotes to the Bank of England's data series LPMVZRJ. From January 2010 these securitisations have been included within the data published by the Bank that are reproduced

² The average interest rate (Bank of England data series IUMCCTL) is expressed in terms of Annual Percentage Rate of Charge (APR) and applies to credit card purchases rather than other transaction types. The series is weighted according to each credit card issuer's monthly gross credit card lending.