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Summary of key statistics for Q1 2017

Payment cards

Number of debit cards in issue (end-2016)

99.6 mn

Number of credit & charge cards in issue (end-2016)

64.0 mn

Payment card purchases

Number of	Q1 2017	Annual rate of growth ¹	Total value of	Q1 2017	Annual rate of growth ¹
Debit card purchases	3.1 bn	12.6%	Debit card purchases	£122.5 bn	6.5%
Credit & charge card purchases	0.9 bn	8.7%	Credit & charge card purchases	£49.8 bn	5.1%
Total	4.0 bn	11.7%	Total	£172.3 bn	6.1%
Number of	Annual figures 2016	Annual rate of growth	Total value of	Annual figures 2016	Annual rate of growth
Debit card purchases	11.5 bn	11.7%	Debit card purchases	£461.1 bn	5.0%
Credit & charge card purchases	3.4 bn	7.1%	Credit & charge card purchases	£186.2 bn	2.7%
Total	14.8 bn	10.6%	Total	£647.2 bn	4.3%

Card spending (seasonally adjusted)

Despite a slowdown in the rate of economic growth² and weak consumer confidence³, the first quarter of the year recorded robust growth in card spending. During Q1 2017 cardholders made 153 million more purchases than in Q4 2016, while the value spent was £4.0 billion above the level recorded in the previous quarter. More specifically, there were 3.1 billion debit card payments amounting to £122.5 billion, up from 3.0 billion transactions for £120.0 billion in the last quarter of 2016. Credit card transactions numbered 918 million, amounting to £49.8 billion, up from 880 million transactions of £48.3 billion in the previous quarter.

Expenditure in the **services** sector rose by 2.7% (£2.5 billion), with the majority (£1.2 billion) coming from the **other services** sub-sector, mainly driven by higher spending on **government services**. Spending on **entertainment** also grew notably (up by £0.6 billion or 3.7%), mostly benefiting from higher spending on **sporting** activities. Meanwhile, spending in the **retail** sector grew by 2.0% (£1.5 billion), mainly due to increased spending on **food & drink** and **petrol**, which were up by £0.5 billion and £0.4 billion respectively.

On an **annual basis** transactional activity on cards continued to grow strongly, by 11.7%, the highest rate since 2012, up from 10.6% at the end of 2016. Likewise, the rate of growth in **spending** continued, but at a slower pace, rising to an annual rate of 6.1%, up from 4.3% in the previous quarter. With values growing at a slower rate than volumes, **average transaction values (ATV)** continued to decline. The ATV for all payment cards decreased during the quarter by 93p, to £42.24. The ATV for debit cards fell by £1.02 to £38.79, and the ATV on credit cards decreased by 62p to £53.99. This decline has in part been driven by increased adoption and usage of contactless cards, which accounted for 32% of total card payments by the end of the quarter.

Credit card lending (seasonally adjusted)

Gross lending increased on the previous quarter, averaging £15.8 billion per month up from £15.6 billion in Q4 2016. **Net lending** (gross lending net of repayments and other adjustments) also increased slightly, averaging £517 million per month, up from £466 million in the previous quarter. A year ago this measure stood at £465 million.

Credit card outstandings resumed steady growth at the beginning of 2015. It is difficult to be certain if this signals natural growth, as this increase follows three upward revisions by the Bank of England, between July 2013 and October 2014 - the result of changes in the reporting population.

At the end of the first quarter of 2017 outstandings stood at £67.6 billion, up by £1.0 billion on the previous quarter. This total can be split into **interest bearing** and **non-interest bearing**. Around 43% of this total was non-interest bearing³ at the end of Q1 2017. Additionally, this total accounted for just 4.4% of total personal sector outstandings (£1,529 billion), a proportion which has consistently declined since peaking at around 6.0% in 2002.

¹ Growth rates are based on rolling twelve months

² <https://www.ons.gov.uk/economy/grossdomesticproductgdp>

³ <http://www.gfk.com/insights/press-release/uk-consumer-confidence-stays-at-6-in-march-1/>

⁴ Source: The British Bankers' Association

Table 1 Spending in the UK on debit and credit cards

Seasonally adjusted

- Payment card spending amounted to £172.3 billion generated from a record 4.0 billion transactions
- Card spending accounted for 78.4% of national retail sales by the end of the quarter, up from 77.1% a year ago
- ATVs fell to their lowest level since 2000, as the contactless share of total card payments reached 32% by the end of the quarter

		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	
2011		7,234	2,257	9,491	323.9	150.9	474.8	44.77	66.85	50.02	
2012		7,836	2,373	10,209	345.4	152.8	498.3	44.08	64.40	48.80	
2013		8,386	2,552	10,938	373.3	159.6	532.9	44.51	62.55	48.72	
2014	Q1	2,242	674	2,916	98.5	42.1	140.5	43.92	62.43	48.20	
	Q2	2,288	690	2,978	100.1	42.2	142.3	43.74	61.20	47.78	
	Q3	2,328	707	3,036	101.8	42.5	144.3	43.73	60.09	47.54	
	Q4	2,392	733	3,125	103.6	43.6	147.2	43.33	59.50	47.12	
2014 Total		9,250	2,804	12,054	404.0	170.4	574.4	43.67	60.77	47.65	
2015	Q1	2,457	759	3,216	107.6	44.7	152.4	43.80	58.99	47.38	
	Q2	2,524	777	3,301	109.7	45.2	154.9	43.47	58.21	46.94	
	Q3	2,605	800	3,405	110.4	45.7	156.1	42.37	57.18	45.85	
	Q4	2,684	815	3,499	111.4	45.6	157.1	41.53	55.97	44.89	
2015 Total		10,270	3,151	13,420	439.1	181.3	620.5	42.76	57.56	46.23	
2016	Jan	905	269	1,173	37.1	15.0	52.1	40.97	55.98	44.41	
	Feb	910	270	1,180	37.2	15.0	52.2	40.85	55.56	44.22	
	Mar	917	272	1,188	37.3	15.0	52.4	40.73	55.25	44.05	
	Q2	2,812	830	3,642	113.3	45.6	159.0	40.30	54.97	43.64	
	Q3	2,915	853	3,768	116.1	47.3	163.4	39.84	55.36	43.35	
	Q4	3,013	880	3,894	120.0	48.3	168.3	39.83	54.82	43.22	
	2016 Total		11,472	3,374	14,846	461.1	186.2	647.2	40.19	55.18	43.60
	2017	Jan	1,028	302	1,330	40.7	16.4	57.1	39.57	54.41	42.93
Feb		1,043	306	1,349	40.8	16.6	57.4	39.16	54.20	42.57	
Mar		1,057	310	1,368	41.0	16.7	57.8	38.79	53.99	42.24	
Q1		3,128	918	4,046	122.5	49.8	172.3	39.17	54.20	42.58	

Chart 1.1 Total spending on payment cards Annual growth rates

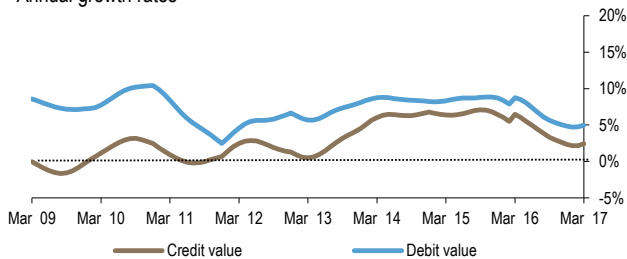


Chart 1.2 Total payment card transactions Annual growth rates

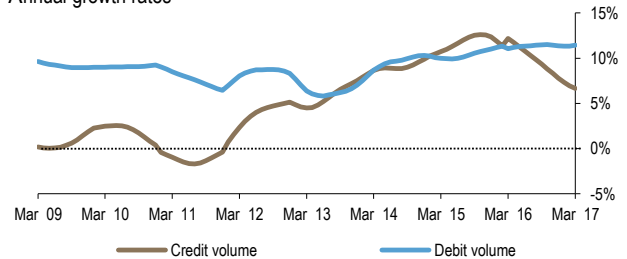
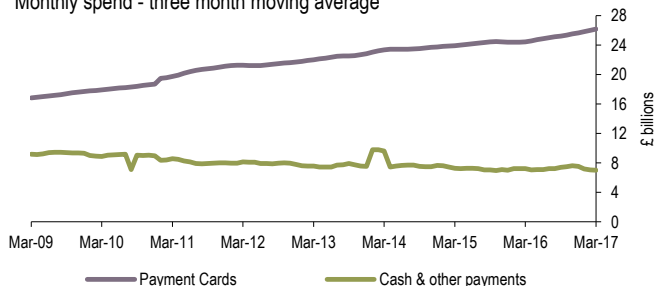


Chart 1.3 Retail sales (high street spending) Monthly spend - three month moving average



Notes

This table shows spending in the UK on payment 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 can be found on The UK Cards Association web site at <http://www.theukcardsassociation.org.uk/2017-facts-figures/index.asp>

Due to the regular up-dating of the seasonal adjustment process and rounding there are small differences between the annual figures in this table compared with those published in Tables 16, 17 and 18 of *UK Payment Statistics and monthly Card Expenditure Statistics*.

Annual growth rates for 2011 have been adjusted in charts 1.1 and 1.2 to take account of a change in reporting population in January 2011.

Table 2 Credit card lending

Seasonally adjusted. Includes credit and charge cards.

- Net credit card lending averaged £517 million per month, up from £466 million in the previous quarter
- Total credit card borrowings amounted to £67.6 billion at the end of the quarter
- 43% of total borrowings were non-interest bearing, unchanged when compared to Q1 2016

		Gross lending	Net lending	Net lending annual growth rate	Outstanding balances	Average credit card interest rate
		Source: Bank of England ¹	Source: Bank of England ²	Source: Bank of England ³	Source: Bank of England ⁴	Source: Bank of England ⁵
		£ billion	£ million	%	£ billion	%
2011		136.5	1,288	2.2%	55.7	17.3%
2012		138.7	1,118	2.0%	55.2	17.3%
2013		152.2	2,488	4.5%	56.8	18.1%
2014	Q1	39.2	718	4.8%	57.1	17.3%
	Q2	39.4	647	4.3%	57.2	17.4%
	Q3	39.4	614	4.6%	58.5	17.5%
	Q4	42.7	942	5.2%	61.0	17.8%
2014	Total	160.7	2,921			
2015	Q1	42.7	696	5.0%	61.5	17.8%
	Q2	43.6	877	5.3%	61.9	17.8%
	Q3	44.0	1,082	6.0%	62.7	17.9%
	Q4	44.5	1,122	6.2%	63.4	17.9%
2015	Total	174.9	3,777			
2016	Jan	15.1	581	6.9%	63.8	18.0%
	Feb	15.2	100	6.6%	63.8	17.9%
	Mar	14.9	713	7.4%	64.3	17.9%
	Q2	45.4	1,313	8.0%	65.1	17.9%
	Q3	46.1	1,348	8.4%	65.7	17.9%
	Q4	46.9	1,399	8.7%	66.6	18.0%
2016	Total	183.7	5,454	8.7%	66.6	18.0%
2017	Jan	15.8	501	8.6%	66.9	18.0%
	Feb	15.8	559	9.3%	67.3	18.0%
	Mar	15.8	490	8.9%	67.6	18.0%
	Q1	47.4	1,550			

Chart 2.1

Annual growth rate of net credit card lending

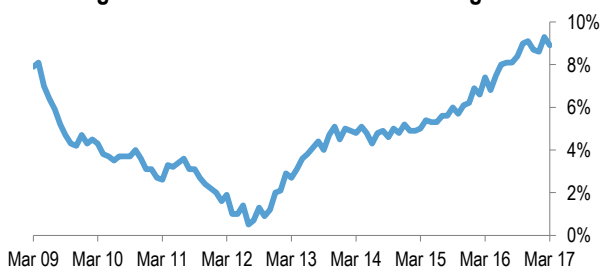
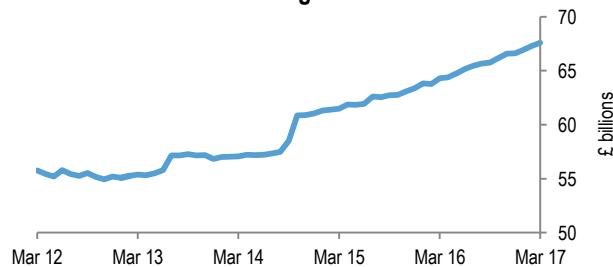


Chart 2.2

Total credit card borrowings⁴



¹ Series LPMVZQO. Gross lending equates to new spending including interest and any other charges.

² Series LPMVZQX. Net lending is gross lending net of repayments and other adjustments.

³ Series LPMVVUZ. Growth rates are as published at end period e.g. growth rate for 2015 was the figure published in December 2015.

⁴ Outstanding balances are reported to the Bank of England by all UK credit card issuers. There were upward revisions in July 2013, September 2014 and October 2014 (£5 billion in total) to account for changes in reporting population.

⁵ Series IUMCCTL published as at end-period. This is expressed in terms of Annual Percentage Rate of Charge (APR) for purchases only and is weighted according to each credit card issuer's monthly gross credit card lending.