

28 November 2011

Contents

This page	Summary of key payment statistics	
1	Plastic card spending	2 Credit card lending and repayments

Summary of key statistics for Q3 2011

Plastic cards

Number of debit cards in issue (end-2010) **84.6 mn** Number of credit & charge cards in issue (end-2010) **62.2 mn**

Plastic card transactions

Number of	Q3 2011	Annual rate of growth	Total value of	Q3 2011	Annual rate of growth
Debit card purchases	1.9 bn	12.4%	Debit card purchases	£84.7 bn	12.4%
Credit & charge card purchases	0.5 bn	1.7%	Credit & charge card purchases	£32.8 bn	0.9%
All plastic card purchases	2.4 bn	9.8%	All plastic card purchases	£117.5 bn	8.8%
Number of	Annual figures (2010)	Annual rate of growth	Total value of	Annual figures (2010)	Annual rate of growth
Debit card purchases	6.5 bn	9.2%	Debit card purchases	£288.0 bn	9.4%
Credit & charge card purchases	2.0 bn	0.2%	Credit & charge card purchases	£128.1 bn	2.2%
All plastic card purchases	8.5 bn	6.9%	All plastic card purchases	£416.2 bn	7.1%

Plastic card spending

During 2011 Q3 £84.7 billion was spent in 1.9 billion debit card transactions, and £32.8 billion was spent in 0.5 billion credit card transactions. Debit cards accounted for 78% of all purchases, a figure that has grown by three percentage points over the past two years. In retailing, plastic cards accounted for 68% of the value of purchases during the quarter, an increase of 1.4 percentage points compared with 2010 Q2.

Compared to the rate of growth in retail sales of 5.4% over the 12 months to September 2011, the total value of plastic card spending in the retail sectors was growing by 10.3%. 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 13.3% over the same period. However, the average transaction value [ATV] for all plastic card purchases has remained close to levels seen in Q3 2010, increasing by only 14p to £48.98, suggesting that it is mainly lower value payments moving over to plastic. Since Q1 2011 upward pressure on debit card ATVs has emerged from increased prices in supermarkets and for petrol where debit cards are extensively used. From a low point in Q1 2011, the debit card ATV in the food and drink sector has increased by 62p to £27.21, and for automotive fuels by 59p to £31.28. 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.

Credit card lending and repayments

Gross lending on credit cards amounted to £31.7 billion in 2011 Q3, £0.2 billion lower than during the preceding quarter and £1.1 billion below the figure for the same quarter of 2010. This lower figures results from a combination of minimal growth (of 0.9% - see above) in credit card purchases and a decline in the value of interest payments. The proportion of credit card balances bearing interest fell in 2011 Q3 to a new low level of 62% and the total of £1.8 billion received by lenders was the lowest since the end of 2004. As a result, the annual rate of growth in gross advances, which include card spending plus interest and other charges, has fallen to 1.2%, compared with the 4.2% seen in 2011 Q2. Repayments of £31.3 billion represented 98.8% of gross lending during the quarter. Over the 12 months to September 2011 repayments averaged 98.6% of gross advances.

Outstanding balances continued to decline gradually and amounted to £56.9 billion by end-September accounting for 3.9% of total lending to individuals and 27% of total unsecured lending - these percentage figures being unchanged from the previous quarter.

Table 1 Spending in the UK on debit and credit cards

Seasonally adjusted

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.

	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	315.4	43.49	61.59	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	44.85	64.00	49.93	
2009	Q1	1,437	492	1,930	63.8	31.0	94.6	44.35	62.87	49.03
	Q2	1,478	501	1,979	64.3	31.2	95.6	43.50	62.33	48.29
	Q3	1,500	504	2,005	65.9	31.5	97.4	43.91	62.44	48.58
	Q4	1,523	504	2,028	69.4	31.7	101.1	45.57	62.82	49.86
2010	Q1	1,557	501	2,058	68.9	31.9	100.6	44.21	63.58	48.89
	Q2	1,604	504	2,058	72.2	31.9	100.6	44.97	63.29	48.89
	Q3	1,648	504	2,106	72.9	32.4	104.6	44.24	64.38	49.66
	Oct	542	163	705	23.9	10.3	34.2	44.11	63.56	48.55
	Nov	577	172	749	25.5	10.9	36.4	44.20	63.31	48.58
	Dec	555	163	718	24.7	10.4	35.2	44.60	63.90	48.99
2011	Jan	586	169	755	25.2	10.7	35.9	42.99	63.17	47.51
	Feb	580	169	749	25.5	10.6	36.2	44.04	62.94	48.31
	Mar	575	167	742	25.5	10.5	36.0	44.31	63.03	48.53
	Apr	592	170	761	25.7	10.5	36.3	43.52	62.17	47.67
	May	639	177	816	30.2	11.4	41.6	47.27	64.26	50.96
	Jun	595	173	769	27.5	10.9	38.5	46.27	63.02	50.04
	Jul	611	176	787	27.7	11.0	38.7	45.40	62.42	49.20
	Aug	640	179	818	29.3	11.2	40.5	45.78	62.85	49.50
	Sep	624	169	794	27.7	10.6	38.3	44.31	62.76	48.25

Chart 1.1

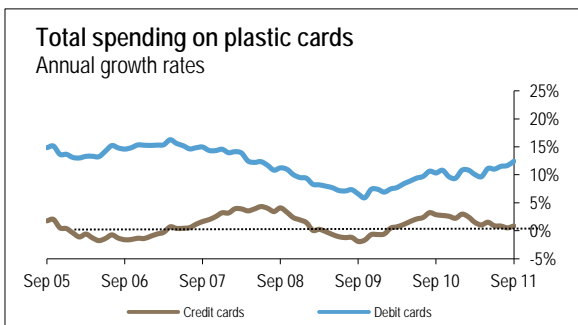


Chart 1.2

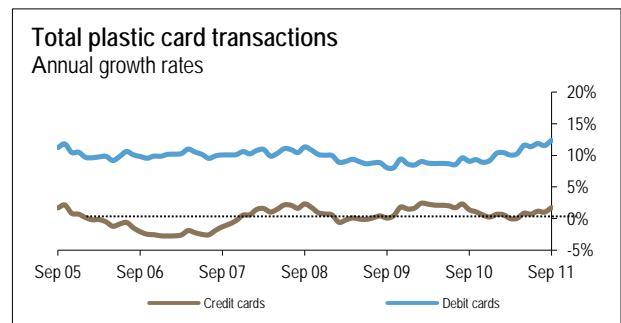
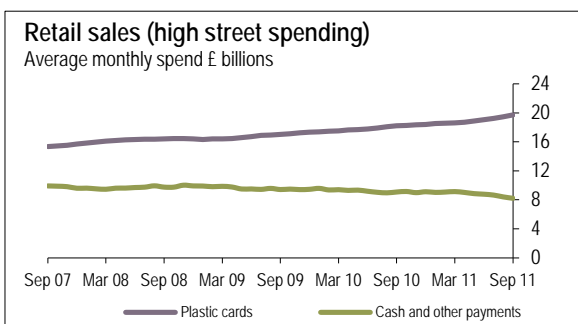


Chart 1.3



Notes

Seasonal adjustment is the process of estimating and removing seasonal effects from a time series in order to more accurately compare consecutive months. 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

Table B 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 95% of gross credit card lending during the 12 months to September 2011.

		Gross lending		Repayments		Outstanding balances ¹	Average credit card interest rate ²
		£ billion		£ billion	%	Source Bank of England £ billion	Source Bank of England %
2005		131.4	125.3	95.3	68.7	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	96.3	66.5	15.2	
	Q2	33.1	31.9	96.4	66.8	15.9	
	Q3	32.7	31.3	95.7	66.0	16.1	
	Q4	31.9	31.5	98.6	65.9	16.1	
2009	Q1	30.6	29.7	97.0	65.7	15.8	
	Q2	30.5	29.9	97.8	64.5	15.8	
	Q3	30.2	29.8	98.7	63.9	15.9	
	Q4	29.9	29.4	98.4	63.6	16.0	
2010	Q1	31.7	31.1	97.9	61.3	16.4	
	Q2	32.4	32.0	99.0	59.3	16.6	
	Q3	32.8	32.3	98.5	59.1	16.7	
	Oct	10.6	10.3	97.4	59.1	16.7	
	Nov	11.4	11.4	99.8	59.1	16.7	
	Dec	10.7	10.9	101.9	58.5	16.7	
2011	Jan	10.8	10.6	98.2	58.6	16.8	
	Feb	10.6	10.4	98.6	58.5	16.7	
	Mar	10.5	10.4	98.2	58.1	16.7	
	Apr	10.4	10.0	95.7	57.7	16.7	
	May	11.1	10.9	98.5	57.5	16.7	
	Jun	10.4	10.2	98.8	57.3	16.7	
	Jul	10.2	9.9	97.0	57.3	16.7	
	Aug	11.1	11.2	101.6	57.0	16.7	
	Sep	10.5	10.2	97.5	56.9	16.7	

Chart 2.1

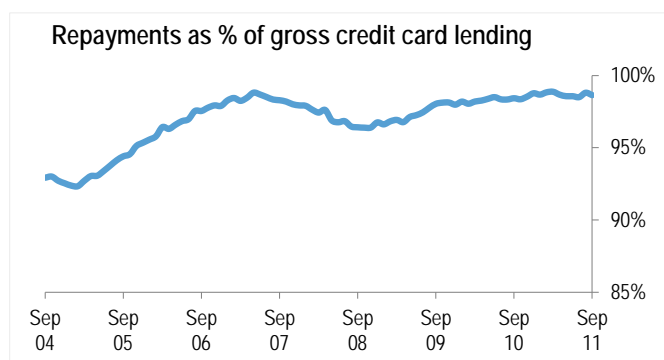
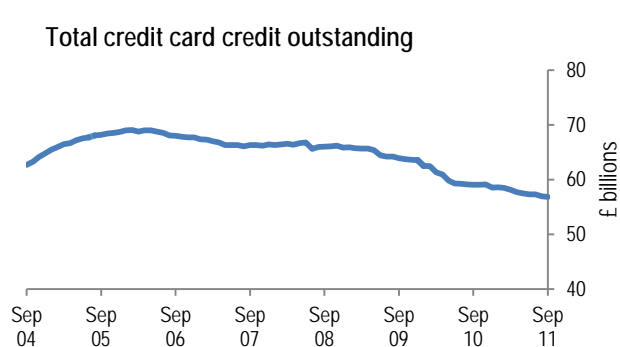


Chart 2.1 shows the rolling 12-month average of repayments

Chart 2.2



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 above.

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.