

FSCS finds that Britons still hoarding billions at home

People are holding almost £5.2bn at homes across the UK, new research by the Financial Services Compensation Scheme (FSCS) shows.

That is almost £200 for each of the 26.4 million households in the country, excluding the money in wallets and purses.

And some people are keeping considerably more than the average at home. 2% of those questioned say they keep more than £1,000 in their homes. The majority of this cash will not be protected by home insurance policies, with high-end policies only covering up to about £1,000.

By contrast, FSCS protects deposits in UK-regulated banks, building societies and credit unions up to £85,000 per person. FSCS, which is independent and free to consumers, has helped more than 4.5m people and paid out more than £26bn since 2001. The financial services industry funds the scheme through a compulsory levy.

Mark Neale, Chief Executive of FSCS, said: “People should remember that FSCS protects any cash up to £85,000 in an FSA-authorized institution. By contrast, any money which is kept at home may not be covered by household insurance. In these tough times no one can afford to lose their hard earned cash.

“In the unlikely event of a bank, building society or credit union failing, the vast majority of customers will get their money back within seven days. There really is no need to keep it under the bed.”

Notes to Editors:

1. About the FSCS

The Financial Services Compensation Scheme (FSCS) is the UK’s statutory compensation scheme for customers of authorised financial services firms. This means that FSCS can pay compensation if a firm is unable, or likely to be unable, to pay claims against it. FSCS is an independent body, set up under the Financial Services and Markets Act 2000 (FSMA), and funded by a levy on authorised financial services firms. FSCS does not charge individual consumers for using its service. For more information visit www.fscs.org.uk

FSCS aims to pay compensation in the majority of cases within seven days of a bank, building society or credit union failing. Any remaining claims, which are likely to be more complex, will be paid within 20 working days. This is the Europe-wide target for pay outs following the failure of all deposit takers within the EEA. FSCS, which is free to consumers, has helped more than 4.5 million people and paid out more than £26 billion since 2001.

2. About the research

GfK NOP interviewed 1,000 adults aged 16+ by telephone between 7 and 9 December 2012. Data has been weighted to bring it in line with national profiles. GfK NOP is a Company Partner of the Market Research Society (MRS). All work was carried out in accordance with the MRS Code of Conduct and the ISO 20252 international standard for market, opinion and social research. The polling was done via telephone, which is a different methodology than in 2011 and 2010, when it was carried out online. The question on money kept at home has remained the same over the last three years.

3. The total kept at home

The average amount people currently stash at home is £196.80. This amount is down from £217.92 twelve months ago and well below the figure of £281.82 from two years ago.

The Office for National Statistics estimates there were 26.4 million¹ households in the UK in 2012 (the most recent figures available). Assuming each person questioned was talking about the total money in the household, this gives a total of £5,195,520,000. The figure 12 months ago, based on around 26 million households in the UK was £5,665,920,000. The figure two years ago, based on 24.9 million households in the UK (figure from 2006), was £7,017,318,000.

¹ <http://www.ons.gov.uk/ons/rel/family-demography/families-and-households/2012/stb-families-households.html#tab-Household-size>