

Brits squirrel money away for a rainy day

People try to follow expert advice to keep money aside and pay down high interest debts

Over four in ten people say they have the recommended three months' salary tucked away as a safety net, new research by the Financial Services Compensation Scheme (FSCS) has found.

43% of those questioned said they have three months' wages in savings, with a further 21% acknowledging that they know they should have this amount set aside, but they find it difficult to save or maintain it. 27% of people admit they do not have such savings to fall back on.

People in the North East are most likely to have money set aside, with 61% saying they have three months' salary in savings. This compares with only 34% of their neighbours in the North West. Self-employed (55%) and married people (51%) are significantly more likely than the general population to have the recommended level of money squirreled away. By contrast, only 23% of under 25s have three months' salary in savings.

Paying down high interest debts

Of the 30% of those questioned who say they have high interest debts, 81% of them say they are paying them down. However a fifth of people say they still prefer to save. Again there are significant age differences, with 26% of under 45s with high interest debts preferring to save, compared to 9% of over 45s.

[Mark Neale, Chief Executive of the FSCS](#), said: "It is encouraging that people are following the experts' advice to pay down high interest debts and, if they can afford to, keeping money aside for a rainy day.

"These savers should ensure their money is kept in an FSA-authorized institution so their money is protected by the FSCS up to the £85,000 deposit limit. If the worst was to happen, people would get their money back within seven days so there really is no need to worry."

The FSCS protects people when authorised financial services firms go bust. Since being established in December 2001 the FSCS has paid out £26 billion in compensation and helped more than 4.5 million people.

-ENDS-

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 the FSCS can pay compensation if a firm is unable, or likely to be unable, to pay claims against it. The 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. The FSCS does not charge individual consumers for using its service. For more information visit www.fscs.org.uk

2. The first question used in this release asked people if they had three months' salary in savings. Separately we also asked those people with ISAs what is "the primary way they use their ISA?" 25% of those people with ISAs say they are using the money to protect themselves against a sudden loss of income and 14% will use the money as a safety net for a sudden unexpected cost, such as a new boiler or unplanned car maintenance. The other popular response, with 23%, was that ISA holders are using it as "a savings account for a large purchase e.g. a house deposit or new car".

3. About the research

The research was carried out by GfK NOP, who interviewed 1,006 individuals aged 16+ and residing in the UK between 14 and 16 February 2012. The interviews were conducted online via GfK NOP's online panel of over 200,000 internet users. GfK NOP Limited 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.