

## **Saving for holidays: a priority for most**

### *25-34 year-olds are most likely to stick to their holiday budget*

With the great summer getaway about to kick off in a few weeks, new research for the Financial Services Compensation Scheme (FSCS) shows saving hard for holidays is a priority for most British holidaymakers.

The research shows:

- 65% of British holidaymakers save for their holiday;
- 51% of people save in advance to cover the full cost of their holiday;
- 14% pay with savings and supplement the remainder of the cost by using credit cards or loans; and
- only 5% pay for the entire cost of the holiday on loans or credit cards.

Relying on savings to enjoy that well-earned summer break makes the protection of your money all the more important, says FSCS. It protects peoples' savings up to £85,000 in banks, building societies and credit unions.

Money guru and blogger Penny Golightly believes that financial planning is key to getting more holiday for your money. Penny says: "It looks as if many holidaymakers have the right idea. Saving into a holiday fund is much cheaper in the long run than putting a holiday on a credit card or taking out a loan, especially if you have no clear plan of how to pay off the debt."

Penny Golightly suggests checking your holiday fund is protected by visiting the FSCS protection checker at [www.fscs.org.uk/protected](http://www.fscs.org.uk/protected). The checker can help consumers to be better informed, reassured and able to make considered, confident decisions about their savings and current accounts.

The research also revealed that 25-34 year-olds were the thriftiest, with 60% saving the full cost of their holidays in advance. In addition, 27% of Welsh holidaymakers surveyed had enough money to pay for their holiday without the need to save.

### **Budgeting on holiday**

Once they reach their destination, two thirds (66%) set a budget for holiday expenses, yet only a fifth (20%) stick to it and just under two fifths (37%) spend slightly or significantly more than planned. Again, 25-34 year-olds proved the most frugal when it comes to budgeting, with 27% sticking to their budget while on holiday. By contrast, only 15% of those aged over 65 do so.

### **Spare currency**

British holidaymakers admit to returning home with an average of £70 in foreign currency. 70% said they keep the currency until their next holiday – if they can find it!

Penny Golightly suggests converting the holiday money back into sterling and depositing it in an FSCS protected account. They can beat the blues by putting the money towards their next holiday!

[Mark Neale, Chief Executive of FSCS](#), says: “Britons are scrimping and saving every month for their annual holiday. They may worry about getting in shape for their holiday but they don’t have to worry about their savings being safe. FSCS protects your holiday savings with any UK-authorized bank, building society or credit unions. So you can sit back and enjoy your holiday whether at home or abroad.”

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. It covers deposits, insurance, investments and mortgage broking.

## **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](http://www.fscs.org.uk)

### **2. About Penny Golightly**

Penny Golightly is a journalist and author who shares bargain-hunting tips to readers through Twitter and her blog. PennyGolightly.com was given a LoveMoney.com Best Loved Blog award in 2010 and Penny has been named as one of Times Money Online's top 25 personal finance writers on Twitter. For more information visit [www.pennygolightly.com/](http://www.pennygolightly.com/)

### **3. About the research**

Between 26 and 29 November 2013, Opinium conducted online interviews with 2,065 UK adults, aged 18 and over, who have been on holiday in the last five years. Opinium 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.