



### UK ADULTS HAVE SPENT £9.7 BILLION ON CREDIT SO FAR IN 2016

- Nearly a third of UK adults (29%) have used unsecured credit<sup>1</sup> so far this year to pay for essentials such as groceries and utility bills
- The amount spent on unsecured credit<sup>2</sup> so far this year totals £9.7 billion, at an average of £654 per person
- Consumer credit spending is at record levels in 2016<sup>3</sup>

**15 March 2016:** Almost three in 10 (29%) UK adults have already used unsecured credit<sup>1</sup> in 2016, spending on average £654 per person, equating to £9.7 billion in total so far this year. The new insight comes from a study conducted by short-term credit provider Sunny<sup>2</sup>, which reveals that the most popular reasons for using credit so far this year have been to pay for essentials such as food (16%), emergency expenses (11%) and utility bills (7%).

This same percentage of UK adults (29%) predicted that they will need to rely on credit to make future non-essential purchases this year – including holidays, dining out at restaurants, and weekends away – predicting they will probably spend an average of £1,356. This will create an additional £19 billion being spent on credit by the end of 2016 as UK adults turn to credit more this year for a mix of essential and non-essential spending.

It has also revealed that younger people are more likely to turn to credit in 2016, with 40% of 18 to 34 year olds saying they have used credit in January or February this year, compared to 30% of 35 to 54 year olds, and only 19% of over 55s.

This leaves seven in ten UK adults (71%) who say they do not plan to use credit cards, loans or overdrafts this year. Meaning, many are planning to save, rather than rely on credit for major purchases. For these people holidays are their main savings priority (42%), followed by home renovations (22%), and 19% planning to spend on essential home repairs.

However, with 2016 already seeing the largest increase in the use of unsecured consumer credit in over a decade, with a 9.1% growth in January 2016 over the same month last year, UK adults may find they end up using more credit this year than they planned.

**Scott Greever, MD of Sunny, commented:** “The insight into UK adults needing to rely on credit to help pay for essentials and shorter-term financial needs at the start of the year is not surprising given the rising cost of living, with some cities in the UK now being amongst the most expensive in Europe for day to day living costs<sup>4</sup>.”

“Additionally, now is the time of year when people start to get on top of their finances and think about larger, non-essential purchases. Although many UK adults plan to save for these longer-term

priorities, many, specifically younger adults, will still be relying on credit for major purchases. At Sunny, our goal is to help bridge this gap and responsibly serve consumers who have credit needs and little to no savings.”

- Ends -

#### **Notes to editors**

<sup>1</sup> Unsecured credit refers to ‘credit cards, overdrafts and loans.’

<sup>2</sup> Research conducted by Opinium Research among 2006 UK adults aged 18+ between 5<sup>th</sup> and 9<sup>th</sup> February 2016.

<sup>3</sup> Money and Credit: January 2016 – Bank of England figures published on 29<sup>th</sup> February 2016  
<http://www.bankofengland.co.uk/statistics/documents/mc/2016/Jan/moneyandcredit.pdf>.

<sup>4</sup> Economist Intelligence Unit data, March 2016

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#### **About Sunny**

Sunny aims to offer a better alternative for the UK’s short-term borrowers. It is committed to lending responsibly through a simple and transparent product which only charges customers interest and offers flexibility on when and how people repay their loan. Affordability checks using Sunny’s unique data and underwriting approach are also rigorously conducted on every customer.

Sunny is also a member of the CFA (Consumer Finance Association), the principal trade association representing major short-term lenders operating in the UK. As a member, it works to the standards set out in the CFA Code of Practice.

For further information go to [www.sunny.co.uk](http://www.sunny.co.uk).

#### **About Elevate**

Elevate’s innovative online credit solutions provide immediate relief to customers today and can help them build a brighter financial future. The company is committed to rewarding borrowers’ good financial behavior with features like lower interest rates, free financial training, and free credit monitoring.

Elevate’s suite of groundbreaking credit products includes RISE, Sunny, and Elastic. The company is privately held and is backed by respected Silicon Valley venture capital firms including Sequoia Capital and Technology Crossover Ventures