



Adults in UK missing out on £744 each year by not using digital to save money

Lloyds Bank's first UK Consumer Digital Index says people losing hundreds £ by not shopping online for best deals

- The UK's first Consumer Digital Index – the largest ever data-led study of one million people - measures the link between people's financial wellbeing and their digital know-how
- Over two-thirds (70%) of people say the internet helps them to save around £62 per month or £744¹ per year
- People whose annual income is less than £15,000 can save £516; a significant proportion of their earnings. This could cover the cost of ten weekly food shops² for the family, fill the car with petrol ten times over³, or pay for nearly half a year's dual fuel bill⁴
- With financial stress ranked as the primary cause of mental health issues in the UK⁵ – four out of five (86%) people who manage their money online say they "worry less" if they have more choice and control around their real-time money management
- Digitally savvy can save 5-10% on their utility bills (equivalent to six weeks of utilities free each year), which is particularly important given the continuing increase in fuel costs;⁶
- There's a £3.7bn savings opportunity for UK adults each year, if the 7.1 million UK people who do not have a bank account plus those who are also digitally excluded were to capitalise on the opportunity to benefit
- Generation X, (those born between the early 1960s to mid 1980s), are the clear financial winners of our digital age as they are savvy at shopping around online and confident in money management
- Based on the UK's projected growth in digital the divide could deepen for those who are already financially and digitally excluded – meaning a risk to financial and personal wellbeing

¹ £744 based on quantitative survey of 2,700 UK adults of their financial and digital behaviours and attitudes

² [ONS/Money Advice Service](#) estimate average weekly food spend is £58.80 and total weekly cost of a household is £517

³ RAC Jan 2016 fuel fact sheet

⁴ Medium house spend £1152 on annual dual fuel bill. Pricing based on national average in 2014 from "Energy Consumption in the UK", Dec 2014

⁵ [Martin Lewis, Jenny Keefe and Marianne Curphey \(2015\) Mental Health and Debt](#)

⁶ Resolution Foundation, 2014. The State of Living Standards. London: Resolution Foundation

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Lloyds Bank has today unveiled results from its first ever UK Consumer Digital Index. The Index, in association with digital skills charity **Go ON UK**, Accenture, and Toynbee Hall, is the only report of its kind in the UK that looks at the trends in digital and financial capability and, for the first time, aims to understand them from a UK wide perspective.

The Lloyds Bank Consumer Digital Index combines insights on levels of digital and financial capability of a broad spectrum of people across the UK⁷. Significantly, those people who make the most of being online, such as through increased access to research and comparison sites, offers and discounts, have a real advantage against their non-digital peers. This means that they are typically more financially resilient and also report greater overall wellbeing.

However, the Index also reveals that people can benefit no matter what their financial capability may be – with those on the lowest incomes of under £15,000 per year actually saving an average of £516.

Miguel-Ángel Rodríguez-Sola, Group Director of Digital at Lloyds Banking Group says: “Irrespective of geography, age and circumstance, a person’s financial situation has a huge impact on the way they are able to live. It impacts day-to-day welfare and wider wellbeing.

“Our first Lloyds Bank Consumer Digital Index clearly shows those who make the most of being online are able to gain the most financially. Notably, it highlights a growing ‘digital dividend’ or a missing financial bonus, with people who shop around online reporting an average annual saving of £744 and those on the lowest incomes missing out on a sizeable £516 per year which could be used to supplement day to day living expenses.”

Winners and losers of ‘Digital Dividend’

Generation X is reaping the biggest benefits online, but it’s the over 60s who have the most to gain digitally. This age group is financially savvy and adept at saving and using a variety of financial products and services, yet are failing to realize that they could make huge savings online through price comparison sites.

Looking at the spending habits of those with low and high financial capability, digital ‘know-how’ has a huge impact on what a person can save. When it comes to utility bills, the more digitally savvy a person may be, the less they will spend in comparison to their non-digital peers as they shop around for the best online deals.

Commenting on the report, Martha Lane Fox, Chair of digital skills charity, Go ON UK says: “It’s unacceptable that the people who can benefit the most from what our digital age has to offer are currently missing out making huge online financial savings.”

⁷ The Index is broken down into 4 consumer segments: high financial capability and low digital capability; Low financial capability and low digital capability; high digital and high financial capability and high digital and low financial capability. See graph in notes to editors for more detail

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“Of the over 60s who are digitally excluded, 64% say they are worried about privacy and security and 62% claim the internet is of no interest to them. Yet, a staggering 86% of people who manage their money online say they “worry less”. We know that the older generation, whilst financially capable, are more likely to be concerned about the safety and security of the internet, yet this evidence shows there are huge emotional benefits if people have more choice and control around their real time money management.”

The research supporting the Lloyds Bank Consumer Digital Index also looked at what might help encourage older people to engage digitally. Worryingly, despite being offered a range of options from ‘free access’ to ‘skills and training’ almost half of the 60+ digitally excluded group (47%) said that nothing could encourage them to get online.

Gareth Wilson, a managing director and banking practice lead in Accenture’s financial services practice said, “As the first report of its kind, the Lloyds Bank UK Consumer Digital Index goes a long way to highlight the very tangible personal financial benefits that ‘going digital’ can have on people’s lives. While consumers today are increasingly digitally astute, this Consumer Digital Index highlights a real gap between those with high and low digital capability, and their varying opportunities to access digital tools to boost their financial and personal well-being. With over 11 million UK consumers having low digital capability, there is a real opportunity for fintech companies, organisations and government to help drive digital skills and bridge this gap.”

Lane Fox adds: “We know from our research that ensuring universal **Basic Digital Skills** would give Government a direct cash return of £1.9 billion⁸ in increased tax receipts, lower job seeker allowance payments and NHS primary care savings. As such, it is vital more is done now to shift the perception around the benefits of digital and to help boost the lack of confidence and motivational barriers that may be holding people back from benefiting in our digital age.”

Miguel-Ángel Rodríguez-Sola concludes: “As the Index shows, being online is a key enabler, not only can it help save money, but for many people, it is a lifeline – allowing them to stay connected and access the right information. Four out of five people say that managing their money online takes away some of their worry. We should not underestimate how important enabling even more people to be digitally capable is and the positive impact it would have on their finances and wellbeing.”

ENDS

Notes to Editor :

Case studies are available.

1. About the Consumer Digital Index

The Lloyds Bank Consumer Digital Index is the first report of its kind in the UK to examine the extent to which consumers’ financial and digital capability are linked. This report looks at the behavioural data of 1million consumers, and is unique in its ability to combine this with attitudinal and qualitative research from a cross-section of the consumer population. The aim of this report is to gain a better understanding of the

⁸ November 2015 report by Tinder Foundation and Go ON UK “The economic impact of Basic Digital Skills in inclusion in the UK”

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benefits of digital inclusion, the barriers to it, and understand if there is a link between digital and financial measures for demographic groups in the UK.

This report builds on the success of the Lloyds Bank UK Business Digital Index, the first trackable measure of digital capability among UK small and medium-sized enterprises (SMEs) and charities. This yearly report provides unique insights that have been adopted by a wide range of stakeholders spanning many industries. Having seen the value created by combining data analysis and supplementary survey research, Lloyds Bank has committed to creating an aligned report that would expand this approach to individuals.

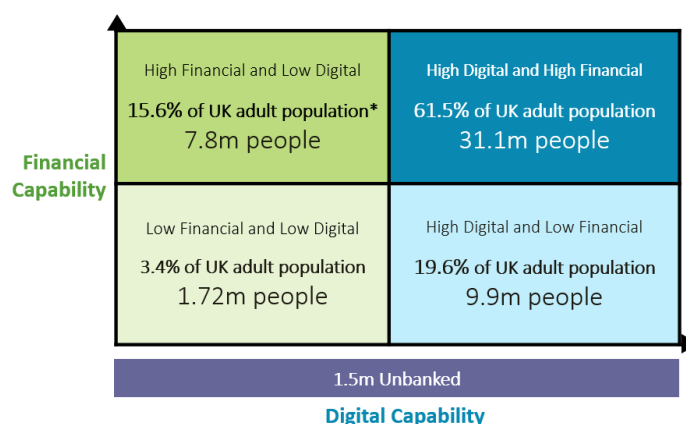
Lloyds Banks' considerable volume of behavioural data, supplemented with connected survey research, allows the report to have the "what" of consumer financial and digital behaviour as well as the "why" of consumer attitudes to these topics. However, to ensure full UK representation, it is important to have a view of the role of digital to the financially excluded; as such Lloyds Bank have worked with Toynbee Hall, a financial inclusion charity, to access unbanked individuals and undertake qualitative research.

The index gives a 'benchmark' score where 100 is the average. Anything above 100 means that the person is more digitally and financially able – in other words they engage in more digital and financial activities. A score below 100 means that the person is less developed in their digital and financial capability.

This study is based on a wide range of information:

- **Behavioural data:** a robust and representative sample of one million Lloyds Banking Group customers aged 18 and above from across the UK.
- **Attitudinal insights:** a quantitative survey of 2,700 UK adults of their financial and digital behaviours and attitudes.
- **In-depth insights:** a qualitative survey of 28 unbanked consumers, all aged 16 and above, conducted on Lloyds Banks' behalf by the charity Toynbee Hall.

For the purpose of the Consumer Digital Index the UK population is divided into four consumer groups:



*52m adults (2011 census and 2014 ONS)

2. Key Definitions

Financial Capability is an indicator of financial **health** rather than **wealth**; financial capability describes the efficiency with which consumers use the money available to them, rather than simply measuring the total resources available to them. This is the first measure of UK financial inclusion in the UK, and aligns with four

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elements defining “personal financial wellbeing” identified by the US Consumer Finance Protection Bureau (CFPB) in their recent report on US consumers.

Digital Capability is an indicator of digital behaviours, the data held on the engagement of customers with online platforms, products and services serves as the basis of the analysis. This measures not only behaviours indicating consumers’ relative skill levels, but also the type and frequency of the behaviours. By including frequency of behaviour, this definition of capability complements Go ON UK’s Basic Digital Skills definition (see below) which focuses on specific tasks and skills.

Basic Digital Skills are the skills needed to enjoy a wide range of online benefits. Through working with leading experts, Go ON UK has defined these skills, and examples of the activities that they enable. These include the ability to complete simple tasks such as communicating, finding the right information, or carrying out a transaction safely online.

3. About Lloyds Banking Group

Lloyds Banking Group is a proud founder partner of digital skills charity Go ON UK and our association has directly led to the creation of both the Consumer Index and Business index which allows us to measure the level of digital maturity of organisations in the UK to demonstrate progress and areas for improvement.

We are building our business and our strategy with digital firmly at the centre. We have committed to invest £1 billion in our digital capability over the next three years which is focused on delivering customer focused propositions, enhancing digital capabilities and delivery, and transforming our customer experience, whether they are a retail, business or insurance customer. Being able to bank digitally is of ever increasing importance to our customers. Lloyds Banking Group have over 11.5 million active internet users. 6.5 million actively use mobile, making us the ‘biggest mobile bank’ in the UK.

Our customers logged on to our secure banking site 1.6 billion times in the last 12 months. Business can increase turnover, charities can increase funding and organisations can become more efficient by embracing digital skills. Our [guides](https://resources.lloydsbank.com/business-guides/digital-know-how/) at <https://resources.lloydsbank.com/business-guides/digital-know-how/> are designed to highlight the benefits of online skills, digital platforms and marketing and communication channels, and how to apply them to your organisation.

As part of its 2015 Helping Britain Prosper Plan, around one in every four Lloyds Banking Group colleagues will be dedicated to helping people and organisations use the internet to improve digital skills and financial capability. This substantial commitment will deliver 20,000 Digital Champions by 2017. To help deliver this commitment Lloyds Banking Group aims to create the most digitally capable workforce in Financial Services, through the LBG Digital Academy. Additionally, to ensure this commitment has maximum impact within communities, the bank partners with the Tinder Foundation, providing the Group with access to a network of over 5,000 UK online centres.

4. About GO ON UK

Go ON UK is the leading digital skills charity which argues the powerful social and economic case for universal Basic Digital Skills. Established by Martha Lane Fox in 2012, Go ON UK has the chief executives of ten major organisations around its boardroom table – Age UK, Argos, BBC, Big Lottery Fund, E.ON, EE, Lloyds Banking Group, Post Office, Sage Group and TalkTalk. Working with its partners, Go ON UK’s vision is for everyone to have the Basic Digital Skills they need. For more information please visit <http://www.go-on.co.uk/>

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4. About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 319,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$30.0 billion for the fiscal year ended Aug. 31, 2014. Its home page is www.accenture.com.

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