



GREAT BRITISH BORROWING HABITS: ONE THIRD OF BRITS TURNING TO FRIENDS AND FAMILY TO BORROW SUBSTANTIAL SUMS OF MONEY

- New research from Lloyds Bank reveals that 31% of Brits borrow money from friends or family, with one in five (22%) doing so just to cover day-to-day living costs.
- Over half (53%) have no plans to pay their family or friends back, 46% of those that have borrowed money say they feel guilty about it, and one in ten (8%) say it has resulted in tension.
- Brits are a generous nation, with six in ten (61%) saying they are happy to lend money to family members, though those living in London aren't quite as willing to loan money (50%).

One third of Brits (31%) have borrowed money from family and friends; yet more than half (53%) do not expect to pay the money back according to new research by Lloyds Bank.

Part of Lloyds Bank's 'How Britain Lives' study, the UK-wide analysis from YouGov of 2,018 adults also found that one in five (22%) are borrowing money from friends and family just to get by, using the cash to cover day-to-day living costs.

Brits are most likely to borrow money from the Bank of Mum and Dad (25%); borrowing an average of £4,008. Meanwhile, one in 20 (5%) have borrowed from siblings and 4% from friends, with just 3% seeking financial support from grandparents.

Almost half (46%) of those that borrow money say they feel guilty for doing so, as they hoped to provide for themselves, and nearly one in ten (8%) admitted that the borrowing of money has caused tension in their family.

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However, six in ten (61%) Brits say they are happy to lend money to family and friends, with just one in ten (8%) feeling annoyed about lending to loved ones. Those in the South West (67%), and the South East (66%) appear to be the most generous regions and are happiest to offer a loan in times of need.

London is shown to be less likely to hand out the cash than the rest of the UK, with only half (50%) of Londoners happy to lend money to a family member. Londoners are also twice as likely to be annoyed about being asked for a loan (20%), compared to 8% across the UK. The East Midlands are far more relaxed about lending money, with no respondents saying it left them feeling annoyed.

This comes against the backdrop of the Lloyds Bank M-word campaign to tackle the stigma of talking about money, which found that that people don't talk about money with their loved ones. More than two fifths (44%) of people have avoided discussions about money and a quarter (25%) have lied to family and friends about their personal finances.

Martin King, Head of Customer Support at Lloyds Bank said: "We feel much more comfortable lending than borrowing in Britain; with half of us feeling guilty when we do have to ask for a bit of extra help. It's important to keep talking with our family and friends about money concerns, as it can help to have some support and hear another perspective.

"We've recently created the Lloyds Bank M-word online hub to provide a series of tips to help people feel more confident in opening up about money worries."

STARTING CONVERSATIONS ABOUT MONEY WITH FRIENDS OR FAMILY

Conversations about money can be difficult, especially when you are facing financial problems. Most of us don't feel very comfortable talking about our finances with our loved ones, let alone asking them for help.

The Lloyds Bank M-word online hub has a whole range of information to support opening up about money. Take a look at the steps below on how to start a conversation.

Go over your finances and understand what you need help with – It is easy to sometimes feel so overwhelmed by your finances that you end up ignoring the situation altogether, so why not ask a family member to look through your finances with you?

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Gathering all the information you need will help you understand exactly what the situation is. Once you've established all the facts, working out a plan will be much easier. For example, if you are struggling to get a deposit together for a home, it will be easier to start the conversation if you know how much you'll need to borrow.

Be prepared to talk, but also be prepared to listen – Understand and acknowledge the other person's point of view. It's only by listening that you'll be clear on what's important to the other person and be able to make a plan together.

If you are asking for financial support, it is understandable that the other person might have some questions and concerns. Clear and open communication will help ensure there are no disagreements further down the line.

Feelings around money can be strong, but they don't have to lead to arguments – It's not unusual for families to argue about money. There can be a lot of intense feelings, but the important thing is to have a calm conversation about the issues. Start by telling them how you feel, rather than what you want.

Turning to a friend or family member for help could also impact wider relationships, for example if other friends or family members see it as favoritism. If you're borrowing from a parent, it might be a good idea to call a family meeting to discuss the terms openly.

Make a plan together - Reach an agreement about what to do next and keep talking about it. Occasionally the relief of having talked about money is so overwhelming that people don't mention it again and don't really convert words into action.

A written plan or agreement is always a good idea. Break down exactly what the plan is, including details like when you will start to pay them back and how you plan to make the payment.

Source: Lloyds Bank M-word online hub - <http://www.lloydsbank.com/help-guidance/mword.asp>

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Table 1 & 2: Borrowed money from friends and family

	% borrowed money from friends and family
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North East	31%
North West	35%
Yorkshire and Humber	30%
East Midlands	23%
West Midlands	27%
East of England	30%
London	40%
South East	32%
South West	26%
Wales	31%
Scotland	32%
Northern Ireland	29%

	% borrowed from...						
	Children	Siblings	Parents	Grandparents	Wider family	Friends	None of these
North East	2%	4%	24%	2%	1%	4%	69%
North West	0%	8%	29%	3%	1%	2%	65%
Yorkshire and Humber	2%	5%	24%	1%	2%	1%	70%
East Midlands	1%	3%	18%	5%	1%	3%	77%
West Midlands	3%	6%	21%	2%	1%	4%	73%
East of England	2%	5%	24%	3%	1%	3%	70%
London	2%	7%	29%	5%	3%	8%	60%
South East	1%	5%	25%	1%	1%	5%	68%
South West	2%	2%	21%	1%	1%	3%	74%
Wales	1%	3%	22%	5%	2%	4%	69%
Scotland	1%	3%	29%	2%	3%	4%	68%
Northern Ireland	0%	5%	24%	2%	3%	2%	71%

Table 3: Feelings towards borrowing money from friends and family

	% borrowing to cover cost of living	% feel guilty	% created tension in family	% don't expect to pay back
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North East	29%	46%	17%	42%
North West	24%	55%	5%	50%
Yorkshire and Humber	14%	47%	6%	51%
East Midlands	12%	39%	6%	64%
West Midlands	20%	40%	2%	56%
East of England	20%	38%	7%	62%
London	28%	46%	11%	51%
South East	23%	48%	4%	52%
South West	13%	33%	11%	60%
Wales	14%	55%	14%	62%
Scotland	29%	49%	14%	43%
Northern Ireland	25%	50%	6%	56%

Table 4: Feelings towards lending money to friends and family

	% happy to lend money	% feel annoyed as it has impacted their life
North East	62%	10%
North West	57%	10%
Yorkshire and Humber	62%	4%
East Midlands	65%	0%
West Midlands	59%	10%
East of England	61%	6%
London	50%	20%
South East	66%	7%
South West	67%	1%
Wales	68%	6%
Scotland	64%	8%
Northern Ireland	56%	6%

Notes to Editors:

Methodology

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YouGov fielded a quantitative survey to a nationally representative sample of the UK population, interviewing 2018 UK panelists who agreed to take part in research in March 2019.

This research is part of a wider series from Lloyds Bank called 'How Britain Lives', a major study looking into the issues that British people face in today's modern world including insight on their lives, attitudes and daily pressures.

About Lloyds Bank

Lloyds Bank is proud to have served the people, businesses and communities of Britain for over 250 years.

Whether you're starting a family, buying a new home, opening for business, changing direction, or dealing with the unexpected, Lloyds Bank are here to provide the support, and guidance, to face your next steps with confidence.

We offer a comprehensive range of financial products and services –shaped to suit individual needs, from current accounts, savings, mortgages, loans, credit cards, private banking and wealth management services and we are the UK's biggest provider of start-up finance for small businesses.

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