

Over 45% of people have had to rely on credit as a result of the pandemic

Submitted by: KIS Finance

Monday, 7 December 2020

Summary: A recent KIS Finance survey

(<https://www.kisbridgingloans.co.uk/finance-news/over-45-percent-of-people-have-suffered-financially-as-a-result-of-the-pandemic>) uncovered some shocking stats relating to the financial impact of the coronavirus pandemic.

The ongoing pandemic continues to take its toll on the British economy, wreaking havoc with the nation's finances. In a recent financial survey

(<https://www.kisbridgingloans.co.uk/finance-news/over-45-percent-of-people-have-suffered-financially-as-a-result-of-the-pandemic>) - conducted by KIS Finance (<https://www.kisbridgingloans.co.uk/>) - it was discovered that 45.5% of people have been forced to take out some kind of financial facility or borrow money from friends/family due to the pandemic.

Alongside this, a further 43.2% of people expect to seek out more financial help before the end of the year. Young adults between 25 and 34 were the worst hit, with people in London also suffering more than the rest of the UK.

As well as asking consumers if they had to take out any credit due to the pandemic, the survey also found out what type of credit people are turning to in these troubling times.

Almost 50% of respondents were forced to take out credit due to COVID-19

Almost half the survey respondents admitted to taking out at least one form of credit as a direct result of the pandemic. Among the 45.5% of people that fell into this category, the types of credit looked like this:

- 25.8% went into an overdraft
- 15.5% took out an additional credit card
- 10.5% sought help from family or friends
- 7.7% used a personal loan
- 6.4% had to sell assets

- 5.2% took out a payday loan

The data suggests that short-term borrowing is the most popular amongst respondents, which raises a few concerns. Primarily, it may lead to many people ending up in large amounts of debt in the next few months.

Young adults have been hit the worst

When looking at the percentage of people in each age group that had to take out a form of credit, the survey discovered that 66.1% of 25-34 year-olds needed financial help. This was the highest figure, meaning young adults were hit the worst. Perhaps more worryingly, 66.7% of this age group also believe they'll need more financial help by the end of the year.

The other age groups were as follows:

- 18-24: 49%
- 35-44: 63.6%
- 45-54: 38.7%
- 55-64: 23.6%
- 65+: 16%

Londoners are struggling the most

This survey also looked at the percentage of people living in different cities around the UK. Unsurprisingly, people in London suffered far more than anyone else.

A massive 61.3% of Londoners sought financial assistance due to the pandemic, with Manchester coming in second at 49.1%.

Most of the other cities that suffered during the pandemic were in either Tier 2 or 3 before the second national lockdown. This suggests that the extra measures had more of a negative impact on the local economies.

More struggles expected to come

43.2% of respondents believe they will seek more financial help in the next few months. When quizzed as to the reasons for this, 33.44% said fear of job loss/redundancy, while 27.98% said to cover the gap when payment holidays end. Around a quarter (25.34%) of respondents believe they'll need extra help to pay for Christmas.

[ENDS]

About KIS Finance

KIS Finance (<https://www.kisbridgingloans.co.uk/>) is an independent finance broker specialising in providing the most competitive finance facilities with the minimum fuss. The company has years of experience, with a panel of lenders lined up as finance providers. They offer a range of options to clients, offering top rates and flexible underwriting.

The KIS Finance survey was held in November 2020 and specifically looked at the pandemic's impact on consumer's finances.

For more information, visit the website here: <https://www.kisbridgingloans.co.uk/>.

Press contact details:

Sue Andrews

sue@kisfinance.co.uk

01884 820110