

# A Nation in Financial Denial?

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A Nation in Financial Denial?

Nearly a quarter (24%) of Brits are in financial denial, admitting that when it comes to managing their personal finances, they would rather ignore them, don't have enough time, find it too boring, or don't know how to go about it, according to new research by [bettermoneyskills.com](http://bettermoneyskills.com).

[www.bettermoneyskills.com](http://www.bettermoneyskills.com) is a new financial education website, which aims to help put people back in control of their finances. From budget calculators and jargon busters to simple educational modules, the website can help people improve their money skills with simple, practical and easily digestible financial information.

The research also reveals that despite 89% of consumers claiming to have a budget, perhaps they aren't budgeting carefully enough, as 70% of consumers admit they are unable to say what their exact outgoings are each month.

Brits reluctance to manage their personal finances could be attributed to the fact that a third of consumers (32%) are still spending more than they earn each month and just under a quarter (24%) are spending all of their earnings each month.

In particular 18-34 year olds are the worst when it comes to managing their personal finances properly, with a worrying one in seven (14%) admitting to throwing away their bank statements without even checking them. Equally concerning is that half (50%) of the age group doesn't know what an APR is and a quarter (25%) didn't understand the meaning of a single financial term when asked.

Peter York, social commentator said: "This picture shows that we aren't prepared or informed enough, particularly the young compared to their parents' generation. Years of relatively easy money - and less lecturing than their parents received - have made a Hollyoaks generation that's more disinclined to budget than their parents, and more in denial about everything financial than other age groups. There's a lot of learning and catching up to do which is where sites such as [bettermoneyskills.com](http://bettermoneyskills.com) can prove useful."

Fiona Wilkinson, Head of Corporate Communications at Visa UK said: "Our research indicates that many consumers are in denial about their financial situation because they don't have the basic financial skills they need, and don't know how to go about getting them. [www.bettermoneyskills.com](http://www.bettermoneyskills.com) quite simply aims to help put people in control of their finances, by educating and guiding them towards managing their money more responsibly."

Other interesting statistics from the research:

North vs South:

- The South West was highlighted as the most financially astute region in the UK
- The North East is the least financially astute

- People in the North East are the worst at managing their finances, with over half (52%) spending more than they earn each month
- People in the East Midlands are the biggest savers in the UK (46%), they not only still have money in their account at the end of each month but they also put money aside into savings
- People in Wales save the least (32%)
- Londoners are the worst at keeping track of their finances, with nearly a tenth (6%) not even opening financial statements when they receive them and just filing them away
- The Scots (33%) are the most keen to learn how to budget
- West Midlands are the worst at budgeting with 28% of the residents admitting to not budgeting, they just spend money as and when they need to

#### Men vs Women:

- Men have a better understanding of financial terms (such as APR & Interest Rate) than women. 41% of women did not know what APR meant, whereas only 25% of men were unable to answer.
  - Nearly half of women ignore their statements compared to a quarter of men. However women are more likely to budget than men
- Ends-

#### Notes to Editors:

This research was carried out on behalf of Visa Better Money Skills by YouGov. Questions were asked of a nationally representative sample of 2,104 adults.

#### About Better Money Skills

Better Money Skills is a new financial education website from Visa Europe, developed with the support and collaboration of the Citizens Advice Bureau.

The website contains a series of educational modules on topics such as credit, borrowing, saving and common financial problems. It also contains quizzes for consumers to work out their financial personalities and test their knowledge as well as budgeting and debt calculators. In addition, the site includes a reference centre packed with contact details of organisations that offer free advice and a full glossary of financial terms.

The Better Money Skills website can be found at [www.bettermoneyskills.com](http://www.bettermoneyskills.com)

#### About Visa in the UK

In the UK, Visa is the leading debit card with 52million debit cards issued. In the 12 months ending June 2008, these cards were used to make 3.2 billion purchases. In the same period, there were 744 million purchase transactions on Visa UK credit cards. Visa has unsurpassed acceptance and purchase protection at approximately 29 million retail locations worldwide

Visa Europe is a membership association that is the leading European payments system, developing

innovative products and technologies to benefit its 4,600 member banks and their customers (cardholders and retailers). In October 2007, Visa Europe became independent of the new global Visa Inc., with an exclusive, irrevocable and perpetual licence in Europe.

For more information, visit [www.visaeurope.com](http://www.visaeurope.com).

For more information please contact:

Gemma Bull - [Gemma.Bull@hillandknowlton.com](mailto:Gemma.Bull@hillandknowlton.com) - 020 7413 3040