

# TWO FIFTHS OF BRITONS BORROW FROM MATES AS BANK LENDING SLOWS FURTHER

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- New research from a money saving website in the UK has revealed that 38% of Britons have borrowed from a friend in the last 12 months.
- The majority, 51%, turned to a friend as they were refused a loan from the bank.
- Of those who had borrowed from a friend, just a quarter have paid back what they owe.

A new survey has shown that nearly two fifths of Britons claim to have had a friend lend them money within the last year, whilst just a quarter have paid back what they owe.

Conducted by VoucherCodesPro (<http://www.VoucherCodesPro.co.uk>), the survey polled a total of 2,249 adults from across the UK as part of research into UK borrowing habits.

Respondents were initially asked to state what means, if any, they had used to borrow money in the past 12 months. According to the results, credit cards came highest, with 56% saying they had used a card to secure credit in the past 12 months. A quarter, 24%, admitted that they had taken out a personal loan with their bank, whilst 18% confessed to using a short term loans company. Furthermore, 38% of those polled had gone to a friend to borrow money in the last year.

Those who had borrowed money from a friend were asked what the money was chiefly used for, to which the majority, 43%, stated it was used to pay 'bills.' Just over a quarter, 27%, claimed the money was for 'a night out', whilst 22% said it was to pay for the cost of car repairs. Just under a tenth, 7%, needed money from a friend to pay for grocery shopping.

When asked why they had gone to a friend for money rather than using other options, the majority, 51% claimed that they had been turned down for a loan by the bank; so had turned to a friend instead. Interest rates also came out highly for 33%, who said they asked a friend for money to avoid accruing high interest charges on a loan from another lender.

The study showed that for smaller sums of money, borrowing from a friend was the most popular avenue. The average amount borrowed in these circumstances was 'GBP100' according to 56% of those who'd borrowed from a friend, whilst 8% revealed that they had taken loans from a friend of a GBP1,000 or more. In contrast, the bank was the preferred resource for larger loans, with two thirds, 65%, of those who had borrowed from the bank receiving 'GBP1,000 or more.'

When asked how long they took to repay the money, the average respondent claimed that they were yet to repay their friend, as just 26% claimed to have repaid their debt. Furthermore, 22% of those who were yet to repay their friend claimed that they had no intention of paying the loan back at all.

George Charles of VoucherCodesPro made the following comment:

"Money can be a taboo subject between friends but it seems that people are increasingly willing to borrow off each other in tricky economic times. Perhaps it's a lack of trust in banks. Despite the rise

in companies specifically offering short-term loans it seems that people are looking to more trustworthy sources such as mates, than those charging exorbitant interest rates.”

He continued:

“Money can sometimes put a strain on relationships. People may feel embarrassed to ask a friend to help them, and if they can’t afford to pay a loan back, then it could be the end of a friendship. I’d always recommend ensuring you can repay the loan in good time before borrowing from, or loaning to a friend. Money and relationships can often be tricky, and it’s often not worth falling out over.”

ENDS

LINK VoucherCodesPro (<http://www.VoucherCodesPro.co.uk>)

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