MONY GROUP

MONEYSUPERMARKET

Household Money Index 2024

FOREWORD

A year ago, MoneySuperMarket launched the first Household Money Index (HMI), a quarterly report which tracks 31 bills and outgoings to share a clear view of how much people across the country spend on their daily lives.

Since September last year, we've explored the rising costs people are facing in special reports covering topics from Christmas to getting on the road. We've told real life stories of how people up and down the UK are switching and saving to improve their financial situation amid an extraordinary period of financial disruption.

We're also marking one year since our SuperSaveClub launched and we're delighted that membership has grown to over 500,000 people who have saved an extra £122m since this time last year*.

It's been a year of great change, and we've been fortunate to document it. This is our most in-depth report yet; the result of 12 months of tracking and analysing the finances of 10,000 survey responses, bolstered by extensive data and in-house expertise from across MoneySuperMarket.

We've found that the average person has spent £49.06 per day on bills and outgoings over the last year. From a low of £46.40 in February to a high of £51.13 in August 2024, this daily figure has wavered by nearly 10% throughout the year.

When we launched the HMI in 2023, our data revealed 'cautious optimism' - the first signs of stability returning. A year later, spending on most bills has fallen while disposable income has risen.

In this second annual edition, we delve into the UK's evolving housing market to explore what it means to be a renter in 2024.

Our research reveals that more people are living in rented homes than ever – including 20m who either currently or have previously lived in a shared house. Yet almost half (45%) of the UK's 16m renters have no insurance of any sort.

Welcome to the second annual HMI.

Peter Duffy
CEO of MONY Group

CONTENTS

HMI BY NUMBERS

The latest Household Money Index (HMI), MoneySuperMarket's quarterly barometer of the UK's daily spending, shows that reported spending on 31 bills and daily spending has increased by 28 pence per day since June this year to £51.13 every single day.

UK households are spending an average of £1,533.80 a month. On average, Brits are £8.50 a month better off than in June.

In this quarterly survey, reported spending was down on contributions to workplace pensions, energy, TV licences, vehicle fuel and broadband and telephones.

£51.13

the average amount Brits spent every day in September 2024

September 2024

↓ **£1,525.30**

total monthly HMI

June 2024

£1,533.80

Sepember 2024

↑ **£51.13**

daily cost

June 2024

£50.84

September 2024

↓ **69.14%**

committed spending (of income)

June 2024

69.59%

September 2024

↑ **£684.70**

disposable income up (per year)

June 2024

£666.53

YEAR IN REVIEW

DAILY BREAD

With the rise in the cost of living and real-world inflation, it's easy to see why people feel they're busting their budgets.

The HMI reveals precisely how much money the average person in the UK has to find every day from their fixed income; the amount they fork out before they've even had breakfast.

The latest results reveal that over the last year, bills and outgoings have averaged £49.06 per day. From a low of £46.40 in March to a high of £51.13 in September 2024, this daily figure has wavered by nearly 10% throughout the year.

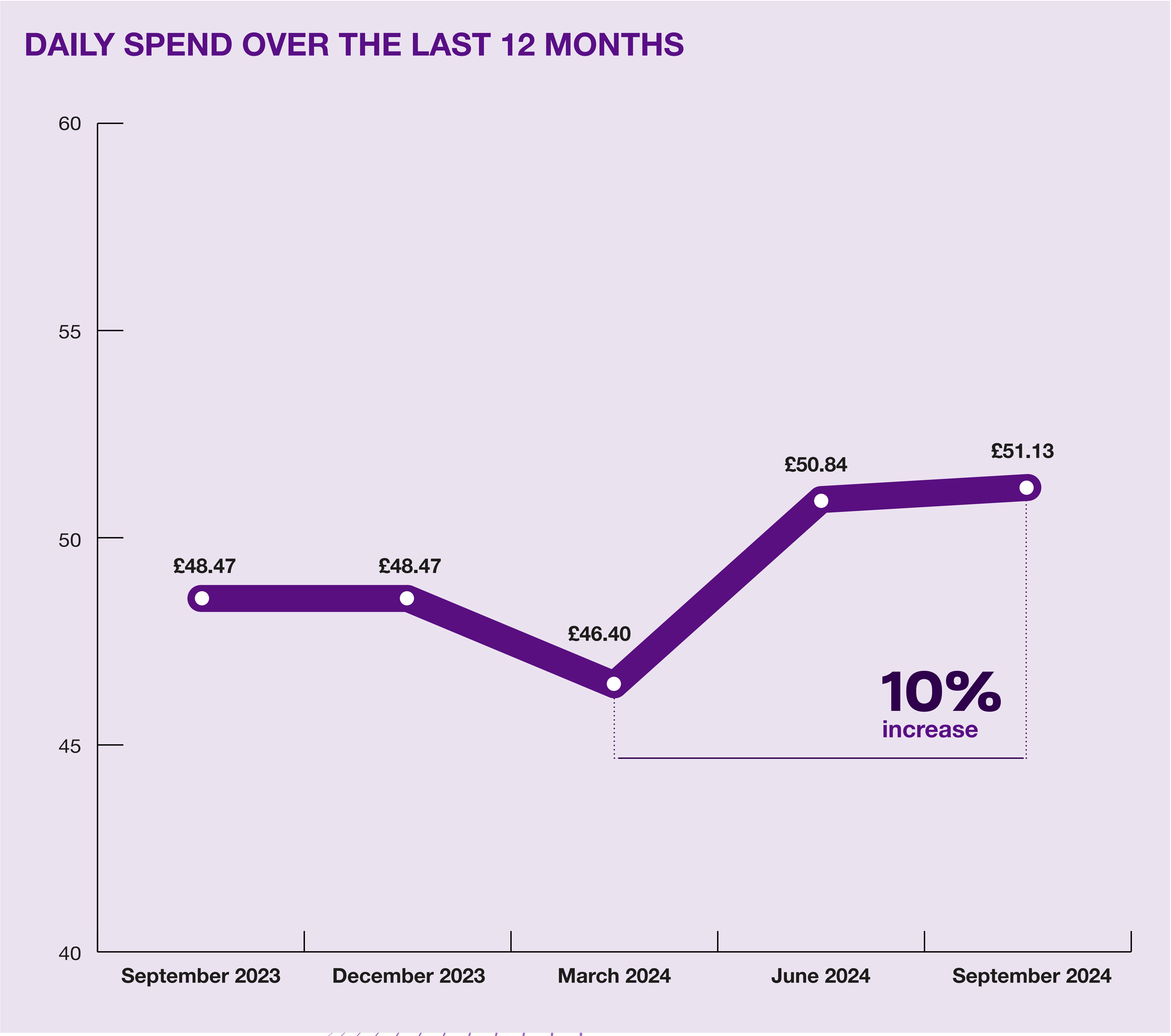
With a difference of £4.73 per day – or £141.80 a month – between the highest and lowest points, we can see just how much our bills and outgoings fluctuate over time.

£49.06

the amount the average person needs to find every day from their fixed income in 2024

10%

the increase in daily spend since March 2024



YEAR IN REVIEW – CONTINUED

CONFIDENCE RETURNS?

The HMI figure challenges us to think differently about our daily finances, especially when most people are more familiar with budgeting monthly.

In September 2024, the total average monthly spend on household bills and outgoings in the UK is

£1,533.80

In September 2023 it was

£1,454.00

This means spending on bills and outgoings is £79.80 per month higher than this time last year.

Even accounting for inflation over the past year, people are still spending an extra £34.70 a month on average.

We know the cost of essential bills hasn't driven the overall HMI figure up, so where has it come from?

The most significant rise in people's monthly spend is on non-essentials, indicating consumer confidence has been fairly buoyant over the last 12 months.

The amount spent on home repairs rose 40% in the last year – while the amount spent on subscription services, such as TV and music streaming, is up 41%.

Last year people reported spending £14.70 a month on gym memberships – today that figure has risen to £51.00 per month, suggesting people have ditched home workouts and leisure centres for more premium memberships.

A similar trend applies to news subscriptions, which have risen from a reported £10.90 in September 2023 to £50.90 today – a 353% rise.

We reported similar trends in the June edition of the HMI, and suggested consumer confidence was returning. It now appears cautious optimism was beginning to turn into genuine optimism. However, there could be challenges ahead to this outlook.

NEWS SUBSCRIPTIONS

September 2024

£50.90

September 2023

£10.90

HOME INSURANCE

September 2024

£28.50

September 2023

£27.42

GYM MEMBERSHIP

September 2024

£51.00

September 2023

£14.70

WAGE GAINS VS INFLATION

GROSS INCOME

September 2024

↑ £32,086

September 2023

£30,763

According to our latest research, gross income has risen 4.1% since September 2023, which is 1% higher than CPI inflation across the same period (3.1%).

This backs up headlines over the year about above inflation pay rises – the so-called wage-price spiral which can lead to an increase in the prices of goods and services.

AVERAGE INCOME AFTER TAX

September 2024

↑ £26,622

September 2023

£24,941

Meanwhile, reported income after tax has risen from an average of £24,941 to £26,622. At 6.31%, this is considerably higher than the rate of inflation over the last year.

This rise follows two recent National Insurance Contributions (NICs) cuts, reducing monthly NICs from 12% to 8% for most people. As a result, the average UK income is approximately £140.50 a month – £1,686.00 a year – higher than at the same time last year.

DISPOSABLE INCOME

September 2024

↑ £684.70

September 2023

£624

Disposable income after paying for bills and outgoings was £624.00 in September 2023, rising to £684.70 this year in September 2024 – an increase of £60.70 per month.

Averaged across the year, UK adults had £660.52 left over each month after paying for their bills and outgoings, amounting to £8,216.40 per year to spend on non-essentials, save or invest.

HIGHS AND LOWS

Between September 2023-2024 the average monthly spend on bills and outgoings was £1,471.86.

What people spend on their household bills and outgoings per month varies significantly by location – the highest recorded monthly spend was 2.5x more than the lowest.

In the last 12 months London has consistently been the most expensive place to live, but is very closely followed by Manchester.

Belfast, Northern Ireland, has spent the least on average. The median location was Nottingham – officially the most average place in the UK to live financially.

June 2024

£2,181.90

The highest ever monthly HMI recorded was in London

December 2023

£859.10

The lowest ever monthly HMI recorded was in Plymouth

£1,471.86

the average monthly spend on bills and outgoings between September 2023-2024

AVERAGE MONTHLY SPEND ON BILLS AND OUTGOINGS £

THE GREAT BILL DIVIDE

HMI AS A PERCENTAGE OF INCOME

Generally, most people spend about 70% of their income each month on their bills and outgoings.

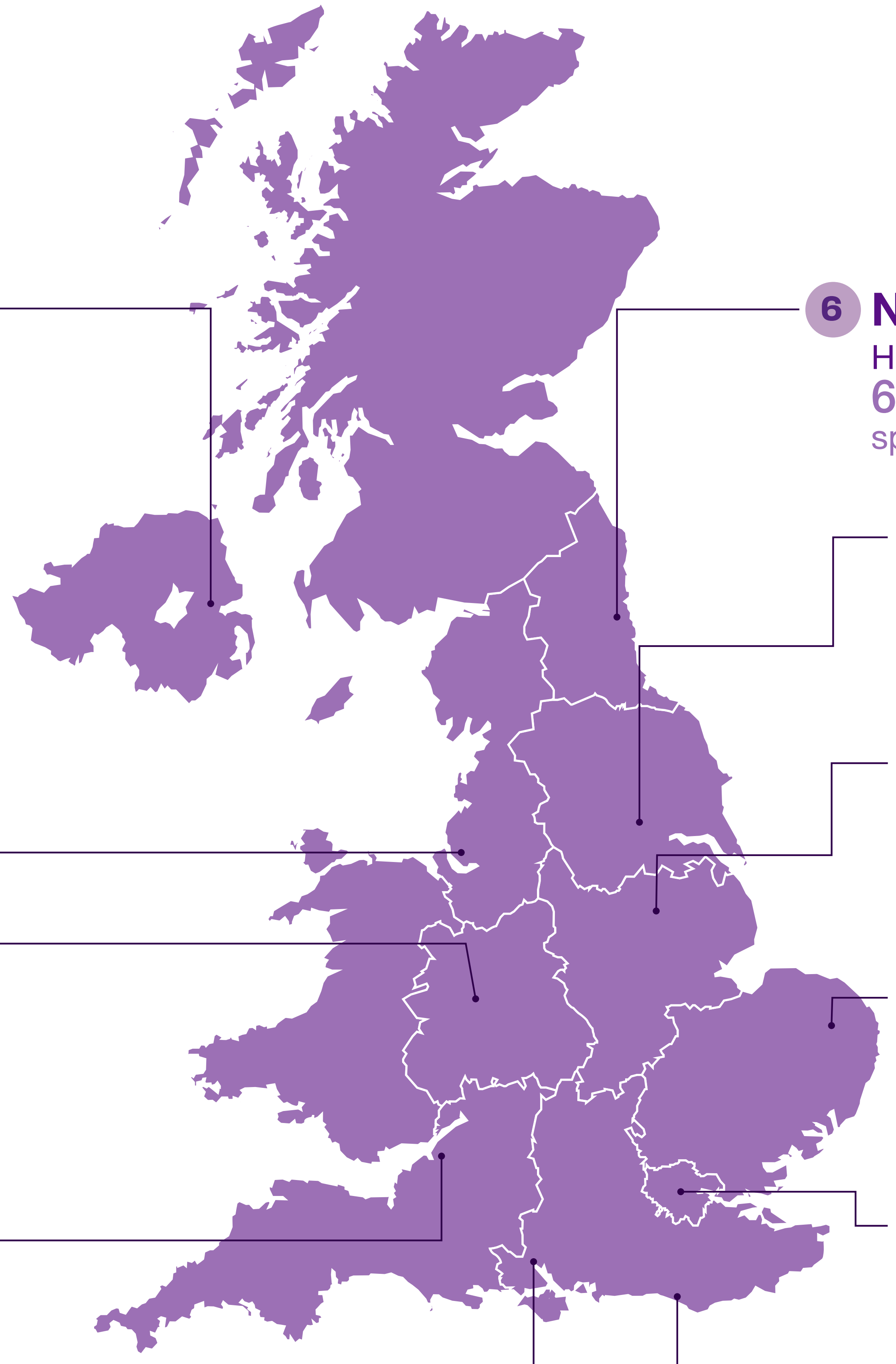
However, this varies significantly depending on where in the country you call home.

Over the last year, people in Liverpool have spent approximately 75% of their income each month on their bills and outgoings – the highest proportion of income spent in the UK and a full 25% more than in Southampton.

This means that Southampton has the highest ratio of disposable income to cost of bills and is, as far as personal finances are concerned, the place in the UK where your money will go furthest.

75%

average amount of income people in Liverpool spend each month on bills and outgoings



ANNUAL AVG	% of INCOME	HMI	DISPOSABLE INCOME
1 Liverpool	75.01%	£1,473.90	£490.93
2 Norwich	74.00%	£1,319.26	£463.49
3 Birmingham	72.48%	£1,528.24	£580.39
4 London	71.84%	£1,807.74	£708.76
5 Nottingham	71.35%	£1,310.52	£526.26
6 Newcastle	63.21%	£1,203.44	£700.43
7 Sheffield	62.58%	£1,222.78	£731.05
8 Brighton	61.08%	£1,278.54	£814.83
9 Belfast	60.28%	£1,117.38	£736.17
10 Southampton	60.03%	£1,238.40	£824.57

*This table shows the top and bottom five cities around the UK.

WHY SETTLING DOWN IN SOUTHAMPTON HAS BEEN A GAME CHANGER FOR OUR HOUSEHOLD BILLS

> “ONE OF THE REASONS WE CHOSE SOUTHAMPTON WAS THAT IT’S GREAT VALUE FOR MONEY”

Southampton local Maddy Alexander-Grout lives with her husband James, 43, and their two children, Ben, aged nine, and five-year-old Harriet.

In her early 20s, Maddy found herself in £40,000 of debt after mismanaging credit cards during her university days. Determined to turn her life around, she spent six years paying it off through careful budgeting.

Having grown up nearby in a village called Wallop, Maddy chose to settle in Southampton - drawn by the city’s affordability - and has now been living there for 16 years.

“Our bills are about £2,000 a month, which includes our mortgage, utilities, council tax, and other essential expenses. This is roughly 60% of our household’s monthly income.”

She said: “One of the reasons we chose Southampton was that it’s great value for money. Property prices here are far more reasonable than in other southern cities and there’s affordable public transport, plus plenty of free activities. It means we can enjoy more extras like TV and music streaming. It’s a great place for our family and our finances.

“We also keep an eye out for local discounts and deals, like the Southampton SO card, which offers savings on dining and experiences. We use MoneySuperMarket to find the best deals on our household bills, as well as current account switching deals.”

Passionate about saving money, Maddy shares her budgeting tips with her 66,000 TikTok followers via her platform, Mad About Money, while James works as a kitchen gardener.

LONDON VS MANCHESTER

It wasn't so long ago that Manchester – often known as the capital of the north – had a reputation for being a cheaper alternative to London. In the last decade the city's population has increased by 9.2%, as companies, especially media firms, flock up north.

While Manchester's population is still 16 times smaller than London's, the cost of bills and outgoings in the northern city are not so different to the capital's.

We can see that Londoners earn more money and spend more on bills, especially insurance, except car insurance.

Overall, daily costs for Londoners are around £6 a day more than for Mancunians, owing significantly to spending on public transport, which is 68% higher.

However, relative to income, the higher costs in London are offset by higher earnings. Both cities end up with similar amounts of disposable income at the end of the month. So, while the appeal of a London salary might be high, you'll save about the same living in Manchester.

TOTAL HMI	DAILY COST (30-DAY MONTH)	MONTHLY INCOME AFTER TAX	HMI % OF INCOME	DISPOSABLE INCOME
£1,807.74	£60.26	£2,516.50	71.67%	£708.76
£1,625.12	£54.17	£2,337.60	69.57%	£712.48
11.24%		7.65%	3.02%	-0.52%

London average

Manchester average

Difference

HOME AND CONTENTS INSURANCE

London average
£35.32

Manchester average
£33.40

Difference
5.75%
£1.92

PHONE INSURANCE

London average
£19.02

Manchester average
£14.62

Difference
30.10%
£4.40

CAR INSURANCE

London average
£45.36

Manchester average
£46.30

Difference
-2.03%
£0.94

LIFE INSURANCE

London average
£28.84

Manchester average
£21.06

Difference
36.94%
£7.78

HEALTH INSURANCE

London average
£27.86

Manchester average
£19.60

Difference
42.14%
£8.26

PET INSURANCE

London average
£22.32

Manchester average
£17.76

Difference
25.68%
£4.56

THE GREAT BILL DIVIDE – CONTINUED

NOTTINGHAM

Nottingham is a model of balance – at £1,311 it has had the median cost of bills and outgoings over the last year; its average monthly grocery spend is £176.14 against a national average of £175.98. The average monthly car repayment is £24.72 – exactly the same as the national average. Water in the city is £49.12 – compared with a national average of £49.24.

£1,311

median cost of bills and outgoings over the last year

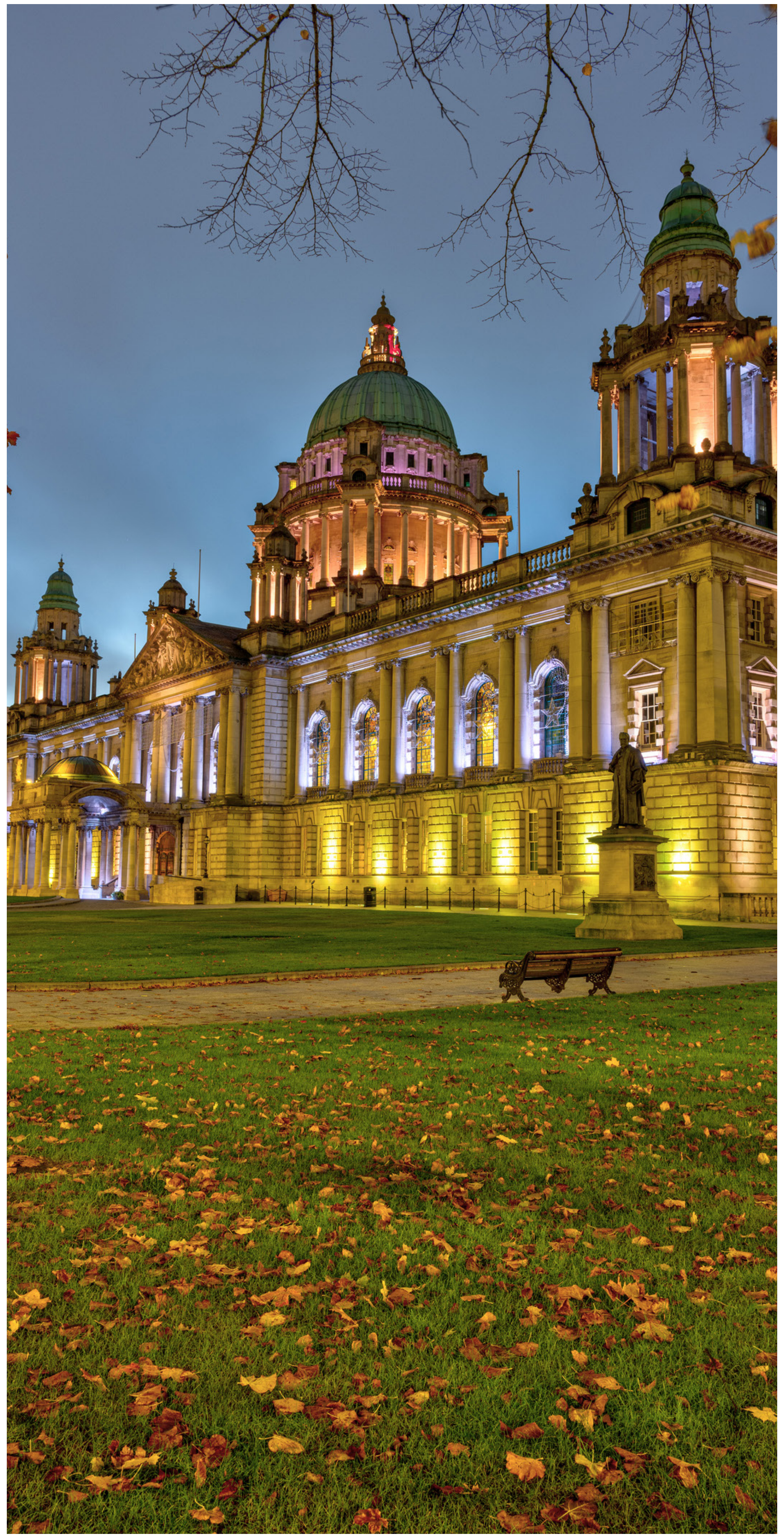
SOUTHAMPTON

This city on the south coast has the highest ratio of disposable income to cost of bills – meaning people there spend the least outgoings relative to a higher level of income.

Average monthly income after tax is £2,022, slightly higher than the national average of £1,936. However monthly bills and outgoings in the south coast city are just £1,161, compared to an average of £1,533.80, meaning your money will – in theory – go further there than anywhere else in the UK.

£2,022

average monthly income in Southampton



BELFAST

With £736.17 each month, people in Belfast report having among the most disposable income in the UK.

While they spend by far the most on fuel per month (£67.52 vs an average of £51.84), generally people in Belfast spend less across nearly every category than anywhere else in the UK. Having subsidised water helps – people report spending £12.18 a month compared to £49.12 on average. But with a total HMI of £1,117.38, compared to £1,471.86 across the UK, it costs a remarkable £354.48 less per month to live in Belfast than in the rest of the UK.

£736.17

average monthly disposable income in Belfast

LOUISE BURKE
EDITORIAL DIRECTOR, NETMUMS

FAMILIES ARE GETTING SMARTER ABOUT SPENDING. HERE'S HOW

Louise Burke
Editorial Director, Netmums

After the 'big squeeze' during the cost-of-living crisis, we now see a nation of households who are taking even more control of their finances, leading to a rise in 'smart spending'. This trend is different to standard family budgeting – smart spending is more savvy, sharp and competitive.

Whether it be on Netmums social platforms or on our forums, it is crystal clear that parents struggle with household bills and family spending needs. Of course, inflation doesn't help, but the truth is we have seen an uplift in the cost of bills and outgoings beyond the rate of 3.1% (the rate of CPI inflation during 2023-2024).

According to the latest HMI, the total monthly cost of bills and outgoings in the UK has risen to £1,533.80, equating to an increase of £79.80 per month in the last year.

The financial pinch can have broad and negative repercussions – on wellbeing, relationships and family futures – which is why smart spending support around household bills and everyday essentials (the two biggest drivers of financial hardship) is vital for all households. Many families have had to learn and adapt when it comes to spending over the last few years. They have built resilience and capability – this is not to undermine their hardship but rather to credit those in our parenting community who are doing their best to cope with a difficult situation.

Saving cash = social currency

The flipside to the difficult situation means that the stigma around talking about money (in particular, the lack of) or sharing stories of debt is diminishing. Scrolling through comments from the Netmums community on social media platforms and our forums, parents divulge details of their financial struggles, dilemmas – and wins.

In fact, I believe the rise of smart spending has also given rise to a budget pro! The golden nuggets of money-saving advice such as bank switch offers and pet insurance plans from experts like MoneySuperMarket are traded as social currency from digital platforms to the school gate.

The competitive element around smart spending isn't just about who's bagged the bargain first, but also the hunt for who's got the best bargain to be had in the marketplace. There are now hundreds of new sources of information from influencers to informal networks, but comparison sites are a brilliant go-to source of savings. The tool makes shopping around for the best price easy and puts you in control of making better choices for energy bills or TV and broadband.

Not substituting fun for frugality

People have been forced to be more inventive when it comes to saving cash (big or small) or budgeting. Online reviews determine purchases. Discounts and deals are tracked down and money-saving hacks such as 'swap and save' ideas or shopping 'dupes' are in high demand. Every penny has a purpose.

Spending extras such as entertainment or gifts are a real stretch for some. Days out for families come at a cost (with some experiences charging close to £200 for a family of four for 60-90 mins entertainment). MoneySuperMarket's customer loyalty programme, SuperSaveClub, is a lifeline for many families, offering unlimited access to free days out at thousands of attractions in the UK as well as long-term rewards. The most popular days out among SuperSaveClub members include the Hussle Swimming Pass, Treasure Trails, Go Ape and ZSL London Zoo.

The government's new cheap days out offer for families on Universal Credit was a welcome initiative this summer.

Cashback services, like Quidco, are also part of the smart-spender's plan. It is also more interactive and the rewards more tangible than pure discounts. Gaining an 8% cut of your everyday outgoings can soon build up to a decent rainy day fund for the family. The rewards are tangible so the admin feels worthwhile.

Let's not leave it to families to muddle through

There are definitely gaps in the support for families from the government. We can't ignore the growing proportion of UK families being dragged into debt, and consequently, poverty. We know that food banks have never seen such high demand and that for many who post on our Netmums budgeting and money boards looking for advice from our Parent Support Service, even smart shopping is not going to be enough.

The harsh reality is that one-time concerns have now turned into seriously stressful worries for many families. With help from brands like MoneySuperMarket and advice and tips from parenting money experts, we must aim to move away from the big squeeze towards the big ease to relieve financial burden.

GET YOURSELF CONNECTED

September 2024

£49.50

the average monthly broadband contract cost

September 2024

£37.60

the average monthly mobile phone contract cost

REGIONAL PRICE DISPARITIES: WHY DOES THIS HAPPEN?

Large urban areas like London, Birmingham and Manchester may have the latest technology and faster internet speeds – and a wealthier population who are willing to pay a premium – but the costs associated with upgrading and maintaining this infrastructure are higher, leading to more expensive broadband packages.

Local demand and usage patterns also impact pricing. Areas with higher demand for faster, more reliable connections may see higher prices, as providers cater to this demand with premium services.

Broadband

The average cost across the last year was £49.18 per month. In the below chart we can see there is a £25.70 gap between the highest and lowest monthly broadband spend in the UK.

Mobile phone contracts

We see a similar trend in mobile phone contracts, but even more pronounced: the bigger the city, the more people report spending on their phone contracts. This may be due to inner city living and the desire to be connected, which means people use more data and invest in the latest handsets.

This may also reflect population density, as everybody is trying to access the same signals in a small area simultaneously. This creates intense demand for a high-quality, reliable service and may create a more dynamic and competitive market among the companies that can provide it.

The average monthly phone bill was £37.60 between September 2023 and 2024, with Londoners spending more than double the amount than those in Southampton on their phone bill – a £32.06 difference.

BROADBAND CONTRACT

CITY	COST
London	£61.48
Birmingham	£54.90
Manchester	£54.38
Liverpool	£53.48
Glasgow	£47.40
Cardiff	£45.52
Edinburgh	£44.14
Norwich	£43.26
Newcastle	£41.58
Leeds	£40.28
Nottingham	£40.28
Bristol	£39.06
Belfast	£38.46
Plymouth	£38.24
Southampton	£36.92
Sheffield	£36.48
Brighton	£35.78

MOBILE CONTRACT

CITY	COST
London	£54.20
Manchester	£46.70
Birmingham	£42.60
Liverpool	£36.16
Edinburgh	£34.60
Cardiff	£28.82
Glasgow	£28.42
Belfast	£27.72
Sheffield	£27.64
Nottingham	£27.62
Newcastle	£27.60
Plymouth	£27.26
Leeds	£26.00
Brighton	£25.72
Bristol	£25.16
Norwich	£23.54
Southampton	£22.14

RENTING REVOLUTION

RENTING REVOLUTION IS AN OPPORTUNITY FOR INSURERS

The Household Money Index shows clearly that attitudes towards renting are changing.

It's seen less as a stepping stone towards home ownership, and more as a lifestyle choice. It can give people flexibility for work, education, or family needs, or the chance to try a new area without being tied to a mortgage.

The Build to Rent (BTR) sector is rapidly expanding in the UK to meet the growing demand for high-quality rental properties and reflecting the growing trend towards more flexible and family-friendly rental options.

The BTR sector is supported by government policies and regulations, including the Future Homes Standard, which is due to be implemented in 2025. It will require new homes to produce significantly lower carbon emissions and is part of the UK's broader strategy to reach net zero carbon emissions and improve home energy efficiency, promoting sustainability and making BTR properties more appealing to environmentally conscious tenants.

The Affordable Homes Guarantee Scheme has been expanded to £6bn. Its low-cost loans to housing providers is instrumental in building new affordable homes and upgrading existing properties to modern standards.

By facilitating access to affordable financing, the scheme encourages the development of more BTR properties, helping to alleviate the housing shortage and meet the rising demand for rental homes.

The government's proposed Renters' Rights Bill aims to improve the current system for both private renters and landlords.

However, despite the shifts in attitudes and policies, the rise in renters has not led to an equivalent increase in uptake of renters' insurance.

While taking out a building and contents policy is the default in a world of home ownership, that is not the case for tenants – and there is no obligation to be insured.

There are more renters than ever, and 45% of them told us that they have no insurance for their possessions.

Our data shows that renters who do have insurance are more likely to claim for accidents and theft than for damage caused by flooding or fire.

Yet there are increasing numbers who are going to be unable to claim as they are either under-insured or have no cover at all.

As renting becomes more common, raising awareness about the benefits of renters' insurance will be crucial. Insurance companies will perhaps pivot more resources towards renters' products, offering a wider choice of cover that can meet renters' needs, for example flexible coverage or shared household insurance.

45%

of renters have no insurance for their possessions

THE RISE OF SHARED HOUSING

A cultural shift has taken place over the last two decades with people renting later into life. In the 1990s, over 70% of properties were owner occupied. Today that figure is 59%.

Moving from living with your parents straight to a home you own is rare today. For a number of reasons many young people continue to live at home until their twenties or thirties, or move out to live with friends or flatmates in a shared property.

There are more housemates in the UK than ever before. Our research shows 4.8m people currently live in a houseshare, while a further 15m have done so previously.

Our survey found 59% of homes are owner-occupied, compared to over 70% in the 90s.

In 2024, the average person lives in a shared house for four years, between the ages of 22 and 26, usually before renting with a partner. During those four years, they will live with an average of seven people (excluding family members).

Unsurprisingly, the UK's urban centres tend to have more people living in shared houses than elsewhere, with 13% who live in Manchester doing so, the highest proportion in the UK, compared to just 1% in rural Norwich.

While 73% of house sharers say living with others means more affordable rent and utilities split between several people, living with housemates is about so much more than bringing down the costs of living.

– 57% say you have a better social life when living with housemates

– 64% say their housemate was/is someone they can trust and rely on to share bills

– 68% say finding one trusted housemate who you can live with as you move from one property to another is a good idea

Over half of people enjoy living with housemates (56%), while 57% would consider living with the same housemate until they settle down with a partner – and nearly a third (31%) would even consider living with a housemate for life.

People who have lived in shared housing tend to be higher social grade (ABC1: 42% vs C2DE: 28%), university-educated, and are far more likely to have voted Labour at the last election (Conservative: 35% Labour: 55%), according to our research.

This is contrary to renting being solely associated with financial factors.

September 2024

20m

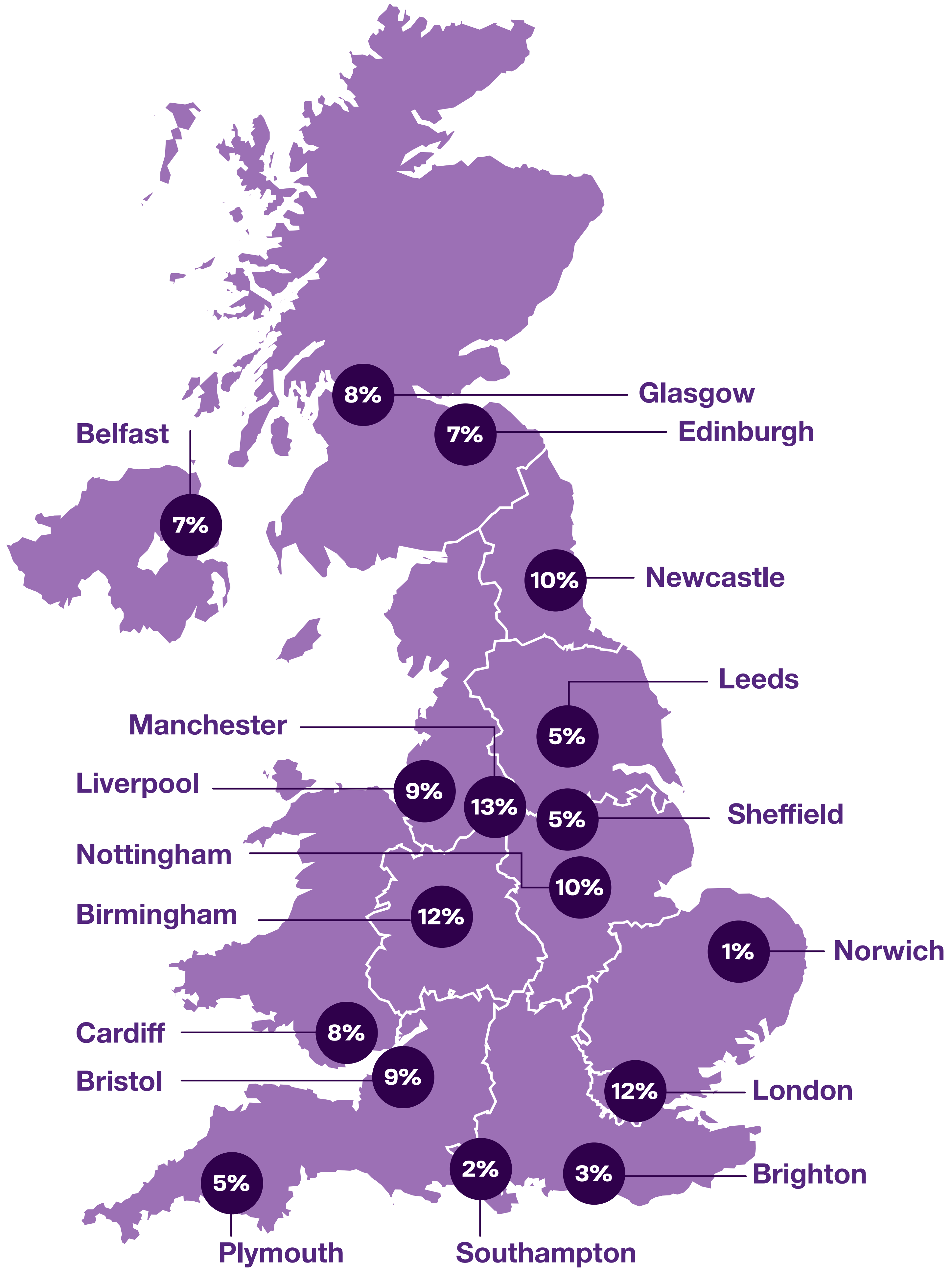
people in the UK either currently or have previously lived in a shared house

September 2024

59%

of homes are owner-occupied, compared to over 70% in the 90s

PEOPLE LIVING IN SHARED HOUSING BY LOCATION %



RENTING FOR LONGER

Renting isn't just for those living in shared properties, however.

Renting into later life is common in several developed European countries – over half of the population rents in Germany and Switzerland, for example – and the trend is expected to continue here as home ownership ceases to be the default.

If implemented, the Renters' Rights Bill would bring the UK more in line with mature rental markets on the continent and give tenants new legal protections.

Nearly six in 10 (58%) people think more will choose to rent for longer rather than stretching their finances to get on the property ladder if renters' rights improve.

Nearly seven in 10 would like to see the UK adopt a European style renting model which typically has greater protections for tenants, caps on rent rises and longer tenancies.

SHIFTING PERSPECTIVES

Our research suggests that attitudes towards renting are changing compared to even a generation ago.

69%

say renting isn't necessarily a stepping stone to home ownership – it can be a lifestyle choice

60%

say renting gives you more flexibility to explore different locations and lifestyles

45%

say as more and more people rent for longer, it feels like there's less pressure to save for a mortgage

60%

say living with housemates for longer is more common today than it was for previous generations

47%

say when it comes to what makes a home, it doesn't matter if you rent or own

RENTERS' INSURANCE GAP

When you buy a home using a mortgage, your lender will typically insist on a home insurance policy to protect their investment. Most home insurance policies also cover contents. So in generations past, most people would be insured, should the worst happen to their possessions.

Our research has found that while 80% of homeowners have home and contents insurance, less than 40% of the UK's 16m renters – around 6.1m people – have renters' insurance (10%) or contents insurance (27%).

While there is no obligation for renters to get cover for their possessions, MoneySuperMarket data shows they could stand to benefit from contents insurance just as much as homeowners, should the unthinkable happen.

In the last year, 4.78% of renters with contents insurance purchased through MoneySuperMarket made a claim, compared with 6.84% of homeowners with contents insurance.

While the total number of claims for homeowners was considerably higher, and the average settled claim for homeowners was slightly higher overall, renters who made claims still received an average of £6,210.64.

The average contents insurance for a renter costs just £8.46 per month - a small price for peace of mind in case something happens to your belongings.

45%

of renters – 7.4m people – have no insurance of any sort

80%

of homeowners have home and contents insurance

£8.46

the average price of contents insurance per month
According to MoneySuperMarket data for the last 12 months

RENTERS

TOP CLAIMS	AVERAGE SETTLED
Fire	£11,228.66
Flood	£5,697.39
Escape of water	£3,305.72
Storm damage	£2,288.48
Theft	£2,056.67
Malicious damage/vandalism	£1,000.00
Accident	£767.81

OWNERS

TOP CLAIMS	AVERAGE SETTLED
Fire	£16,102.88
Flood	£13,356.81
Escape of water	£5,830.54
Theft	£4,803.66
Storm damage	£3,174.43
Accident	£1,099.66
Freezer breakdown	£332.47

£6,210.64

Average settled claims by renters

£8,408.03

Average settled claims by homeowners

*As captured on MoneySuperMarket.com from August 2023 - August 2024.

CASE STUDY

NOT HAVING HOME INSURANCE COST US £2,000

Dan, 31, and his partner Sam faced a significant financial loss of £2,000 due to a house fire just weeks after moving into their new London flat. They are now advocating for the importance of having home insurance, which they didn't have when the fire took place.

Sam was the first to wake up to the fire alarm and quickly realised the severity of the situation.

Dan said: "We couldn't get any of our stuff from inside. Sam managed to grab his phone, but I didn't get anything.

The fire left their flat so damaged that they ended up having to move in with Sam's mum.

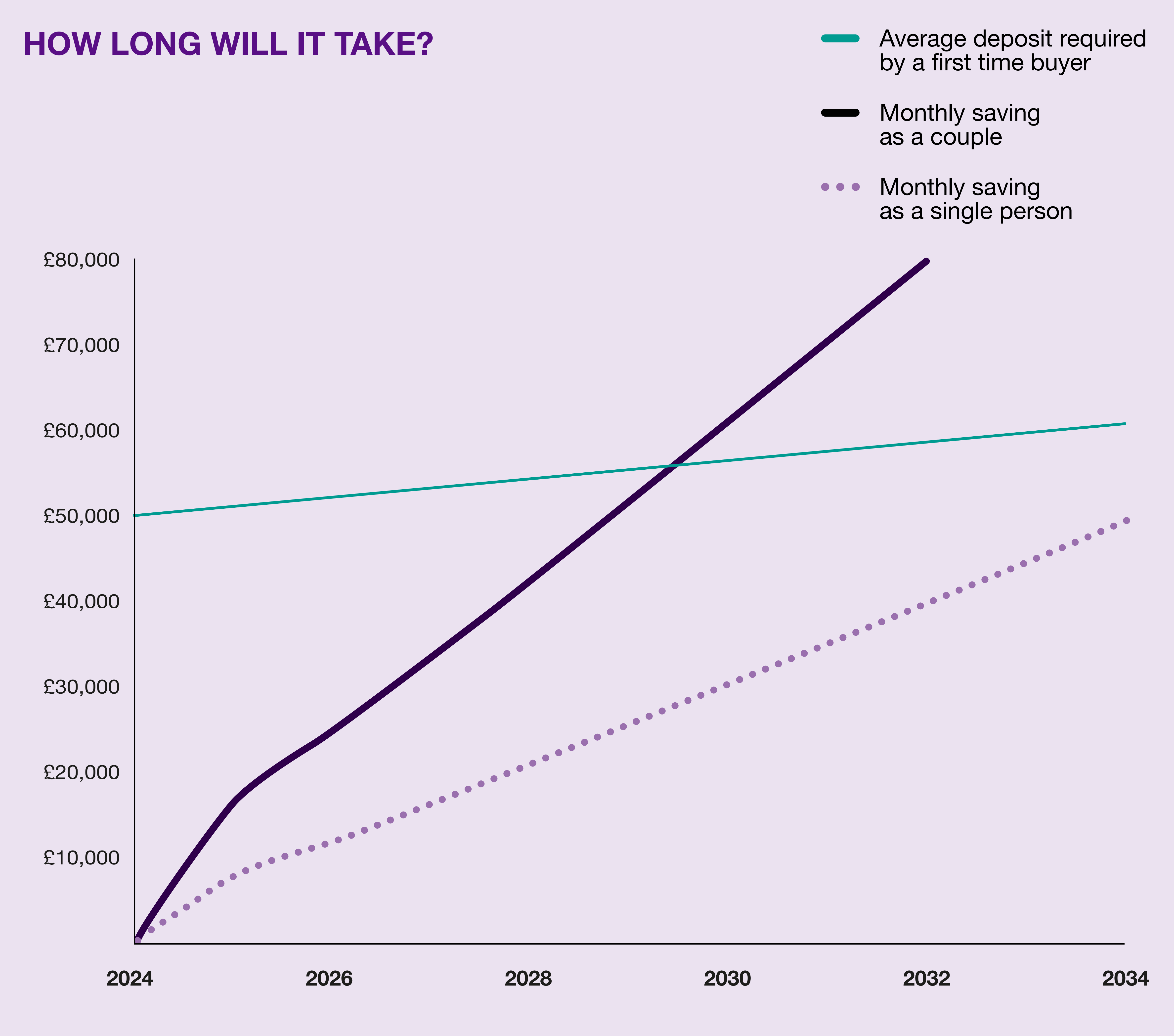
Dan described the aftermath: "I had a collection of records destroyed by smoke damage and some valuable clothes that couldn't be salvaged. My car keys melted, and the kitchen was completely ruined. Our flatmate Ollie had home insurance and received about £5,000 for his damaged belongings, while we got nothing."

"OUR FLATMATE HAD HOME INSURANCE AND RECEIVED ABOUT £5,000 FOR HIS DAMAGED BELONGINGS, WHILE WE GOT NOTHING"

Reflecting on their experience, Dan noted: "If we had insurance, I would've been able to claim for a lot of this stuff. We're talking potentially up to a couple of grand. Now, we have home and contents insurance, and it's a lesson learned the hard way."

Dan concluded, "Moving to London was supposed to be an exciting new start, but instead, we ended up living with family in a small flat. It was a tough period, but we're now covered and hope others take this lesson to heart."

SAVING FOR A HOME DEPOSIT – HOW LONG WILL IT TAKE?



Some 46% of 18 - 34 year olds told us that more people renting for longer makes it feel like there's less pressure to save for a mortgage. However, if home ownership is a personal goal, the HMI data can be a useful tool to help work out how long it could take to save for a deposit.

The government says the average deposit in the UK is currently £50,051.00.

According to our research, the average monthly disposable income – the amount you have left after paying your bills and outgoings – is £684.70.

Projecting that both the average deposit figure and average income will rise with inflation by the Bank of England's 2% target each year, we can see clearly how long it will take to save for a deposit.

Our data shows it would take an average earner, saving every penny of disposable income they have, around six years to save for a typical home deposit.

Saving all of your disposable income each and every month would be difficult – it would mean no nights out, holidays, or other treats.

For a single person on a sole, average income, saving three quarters of their disposable income every month, it would take eight years to save enough for the average deposit.

If you save half of your disposable income and you're planning to buy a property on your own, it means saving for more than 10 years before you will be able to afford to buy a property.

Most people couple-up – we can see above that having a person to share your deposit with halves the time and makes saving much more realistic. And of course, factors like financial support from parents or inheritance can be a huge help.

However, seeing the sheer, daunting time it takes to save, it's hardly surprising that so many people are choosing to rent for longer.

> Attitudes towards renting are changing, and our latest Household Money Index research shows that nearly half of people believe that when it comes to what makes a home, it doesn't matter if you rent or own.
>
> Yet with 45% of Britain's tenants having no home or contents insurance, many are at risk of being left in the lurch if their belongings are damaged or stolen.
>
> MoneySuperMarket is proud to work with a range of providers offering renters' insurance policies, making it easy for tenants at all stages of life to shop around and find the best cover to suit their needs.
>
> **Sara Newell,**
> **Director of Insurance at MONY Group**

TRY BEFORE YOU BUY

Almost two thirds (63%) of people in the UK would move to a different area to reduce their living costs. Moving somewhere more affordable, where their salary works harder – and where they can achieve a better standard of living on the same income – is increasingly appealing.

Our research shows that renting in a new area before committing to purchasing a property is a growing trend.

20%

of people have rented in an area before buying a property

This concept of "try before you buy" allows people to experience life in a new location before making a long-term financial commitment.

Renting offers the flexibility to explore an area's local environment and amenities without the immediate pressure of purchasing a home – or selling the one they already own.

- For 38% of respondents, the desire to ensure that the new area is right for them and their family is the most compelling reason to rent before buying.
- Some 17% of respondents said they would want to keep the property they already own, just in case the new area doesn't meet their expectations.
- Over a quarter of those surveyed (26%) said they would prefer to rent first to ensure they genuinely liked living there before committing to a purchase.

Moving to a new area involves much more than just finding a suitable property. It requires finding a community that aligns with your lifestyle, values, and daily needs.

TOP REASONS PEOPLE SETTLE IN AN AREA

1. **33%** The ability to walk from place to place
2. **30%** Affordable amenities (e.g. chain restaurants, bulk retailers, budget supermarkets)
3. **29%** Green space
4. **29%** Proximity to a centre of a town / city
5. **26%** Proximity to family
6. **17%** Proximity to friends
7. **17%** Good schools
8. **15%** Better sense of community for my family
9. **14%** Premium amenities (e.g. coffee shops, local businesses, premium supermarkets)
10. **11%** Being around like-minded families
11. **8%** To try living outside of a city
12. **6%** Proximity to gyms / sports clubs

TRIAL RENTING IMPLICATIONS

The practice of renting before buying also has long-term implications for housing decisions. Of those who have rented in an area to try before they buy, 37% ended up renting for longer than they initially planned, even after they could afford to buy, likely to wait for the right property, or a home on a specific road or neighbourhood, to come to the market.

On the other hand, 55% of respondents who rented first ended up buying a property in the area as soon as they could afford to. This suggests that the trial period can often confirm the suitability of the new location, leading to a more confident and timely purchase.

Additionally, the importance of family connections is evident, with 53% of respondents stating that living close to family is more important than being close to activities or amenities when renting.

37%

of people rented for longer than they initially planned after trialling an area before buying a property

55%

of respondents who rented first ended up buying a property in the area as soon as they could afford to

CASE STUDY

WE'RE TAKING OUR TIME TO FIND THE PERFECT HOME

Maria Birnie, her partner Robert, and their two-year-old daughter Emily are among the growing number of families choosing the "try before you buy" approach.

After owning a home in Glossop for eight years, they decided to sell and move to the coast of Devon. But instead of buying a property immediately, they're renting first to get a better sense of the area.

Maria, who works as a GP, said: "I've lived in Glossop all my life, and we just felt it was time for a change. The town had become too busy, and I was tired of always being stuck in traffic."

She quickly found a job in Devon, and within a few weeks, the family had listed their Glossop house for sale and moved into a two-bedroom rental with a sea view.

Maria said: "Although we've holidayed in Devon, we're not that familiar with the area. We thought renting would give us the chance to explore and find out where we'd like to settle down.

"Emily isn't in school yet, so we have time to make sure that wherever we decide to buy, it's the best environment for her to grow up in."

"It's been a big change, but a good one. I've taken up paddleboarding now that we're by the coast and it's been great meeting new people. We're excited about the future, but we're also happy to take our time and get it right."

SOURCES & METHODOLOGY

*Estimated savings from 01.09.23 to 31.08.24 based on (i) SuperSaveClub reward redemptions, and (ii) savings claims per product multiplied by the number of sales of SSC club members post joining. Products included - Car, Home, Pet and Broadband, Credit Cards, and Loans.

POLLING

All consumer polling figures unless otherwise stated are from five separate polls of 2,000 adults carried out on behalf of MONY Group by Opinium on the following dates:

- 09 August 2024 - 13th August 2024
- 19 April 2024 - 23 April 2024
- 13 February 2024 - 16 February 2024
- 03 November 2023 - 07 November 2023
- 15 August 2023 - 18 August 2023

Opinium are company partners of the MRS and abide by its code of conduct and guidelines for best practice when carrying out research for clients, ensuring results are accurate, impartial and fair to both clients and participants.

The core Household Money Index ("HMI") was calculated from the replies of 10,000 adults self-reporting how much they spend per average month on 31 different categories across five surveys carried out between August 2023 and August 2024.

The categories were determined by MONY Group experts to represent a 'basket' of common household bills and expenditures. Results have been weighted to be nationally representative.

Polling data was subjected to statistical analysis, including cross-tabulations and sentiment analysis. These analyses allowed for the identification of significant trends, preferences, and consumer sentiments pertaining to the HMI.

PROPRIETARY DATA

MoneySuperMarket.com is a price comparison site processing millions of quotes per month on over 40 financial products and services. These millions of quotes provide a rich source of data from which MoneySuperMarket has determined historic policy prices for the insights throughout this document.

EXTERNAL SOURCES

The document uses a number of external sources to calculate and compare its findings and to provide context where necessary.

ONS data: Inflation and price indices

ONS data: UK Perspectives: Housing and home ownership in the UK

Build to Rent from pbctoday: Build to Rent (BTR) developments: Transforming the UK housing market on 21 June 2024.

European renting statistics from Eurostat: House or flat – owning or renting

EXPERTISE INTEGRATION

Moneysupermarket's three decades of experience and expertise in the finance sector played a pivotal role in the analysis process. Subject matter experts with a deep understanding of financial services were actively involved in interpreting the data, providing insights, and contextualising findings.

SYNTHESIS OF FINDINGS

The insights derived from website data analysis, consumer polling, and the invaluable input of Moneysupermarket Group's seasoned experts were meticulously synthesised. This synthesis encompassed identifying key trends, challenges, opportunities, and actionable recommendations to produce the results throughout the Index and accompanying report.

FACT CHECKING

All information in the index and accompanying report has been professionally fact-checked and is correct to the best of Moneysupermarket Group's knowledge at the time of publication 25 September 2024.

MoneySuperMarket

moneysupermarket.com