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Britons reject Christmas credit

Britons plan to spend less this Christmas and are turning their backs on credit in favour of using savings.

Consumers spent £548 per person on gifts and entertainment last year and this will fall by ten per cent to £490 this year.¹

And the one Christmas card that will be seen less this year is a plastic one, with a quarter² saying they want to avoid using credit.

The net effect of this credit aversion will be a short-term fall in savings, with the *ING Direct Consumer Savings Monitor* showing that three times as many will use their nest eggs to fund their celebrations this year (32 per cent vs. 11 per cent in 2009).

But the lack of a 'debt hangover' will give savers an opportunity to rebuild their balances quickly in the New Year. Last year's typical Christmas credit card bill was £380 and took until March to pay off.³

Commenting on the findings, **ING Direct CEO Richard Doe** said:

"It seems that Britons are determined to spend the new year re-building their savings balances, rather than paying off large credit card bills, which can only be a good thing for family finances."

Men lead the way in cutting back on Christmas spending and are planning reductions of more than £100. Women plan more modest cuts of around £30.

Ends

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To find out more about the ING Direct Consumer Savings Monitor, visit

www.consumersavingsmonitor.co.uk

Footnotes

1. When asked about Christmas spending (such as presents, travel expenses, food etc.) the average spend in 2009 was £548 compared to a predicted spend of £493 this Christmas.
2. One quarter of people spending less this year (24 per cent) said it was because they didn't want to run up such a large credit card bill
3. Last year the average debt ran up due to Christmas expenses was £380, which took 8 weeks to pay off.

Sampling methodology

A UK representative sample of 2000 was interviewed by Pure Profile in June 2010 (for spending in 2009) and November 2010 (for predicted spend in 2010). The research was managed by FDS International for ING Direct.