

'Pointless' Spending Could Pressurise Finances

Billions of pounds are being wasted by Britain through 'pointless' purchasing, a new survey conducted by Abbey has revealed.

July 22, 2007 (FPRC) -- Figures released by the financial services provider show that Britons have spent more than $\pounds 169$ billion on items that they rarely, if at all, use. Overall the average consumer has paid out some $\pounds 3,685$ through unnecessary objects, which could consequently impact upon their ability to handle their day-to-day finances and repayments on the very source of the money used to purchase the items, namely credit cards and low cost loans.

Reza Attar-Zadeh, head of savings for Abbey, suggested that such expenditure could result in Britons struggling to manage their debts in later life. He said: "It seems that the majority of Brits aren't making their assets work hard enough for them. With 64 per cent of UK adults having bought a big ticket 'pointless purchase', we'd recommend that people consider carefully where they are investing their hard earned cash."

Figures from the financial services company also revealed that half of all consumers own an expensive item of clothing that they do not wear often, with just over a third (35 per cent) having unworn shoes. However, women were reported to be driving pointless fashion spending. Some 58 per cent of females were said to have unused garments, with this figure falling to 45 per cent for footwear. Meanwhile, spending on such products accounted for 45 and 23 per cent respectively among men.

Males, however, were said to be more likely to buy electronic goods only to leave them to gather dust. It was reported that 28 per cent of men own a computer game console or video camera which is rarely used. However, this proportion dropped to 25 per cent among women. Statistics from the company also revealed that 18 million people use fine china on an average of four times per year, with 19 per cent said to buy cooking equipment that they hardly use.

Meanwhile, about one in four (24 per cent) borrowers have bought exercise equipment which they have hardly used, while eight per cent of Britons are members of a gym they do not go to often. Some 23 per cent of consumers are said to own a health or beauty gadget that they only make use of about six times a year. However, financial problems could be particularly increased for those 288,000 people who have bought a second home in Britain which they claim to make little use of, which as a result may see them to struggle to make repayments on secured loans.

Earlier this year, a study also carried out by Abbey showed that consumers have had to pay some $\pounds 48.7$ billion in unexpected bills and charges over the past year. Overall, 79 per cent of Britons were said to have spent money on something they had not budgeted for at an average cost of $\pounds 1,375$. Mr Attar-Zadeh suggested that to combat such spending adults should save about three months' salary to offset any unexpected debt management problems. Those living in the south-east of England were said to have the worst problems managing their day-to-day finances with 83 per cent of people in the area making unforeseen payments. However, only two-thirds in the south-west and Wales are said to have dealt with unexpected expenses in the past year.

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