

## Consumers Intend To Carry On Spending Despite Credit Crunch

*In spite of growing uncertainty about the health of the economy, many British people have voiced their intentions to splashing the cash over the warmer period as extensive sales get underway.*

June 25, 2008 (FPRC) -- In a recent report by Sainsbury's Bank, it was suggested that total spending could be as high as 7.89 billion pounds on discounted items during the summer months. Whilst this figure is less than was spent during the same period last year, average spending still totalled 305 pounds and 90 pence per person, with the bank commenting that such a figure indicates that People still have a taste for bagging a bargain. Common items which participants would spend their cash on were clothes, which are expected to account for 33.5 per cent of all summer sales transactions. Home furnishings are expected to make up 18.5 per cent of spending, while electrical goods are envisaged to amount to 15.5 per cent of summer purchases.

For those seeking an efficient way to fund such purchases, making use of personal loan might be of interest. By going for this type of loan, holidaymakers may be able to bag the best deals before they vanish, leaving them with affordable levels of repayment.

Indeed, Sainsbury's Bank identifies that for a large number of people, the cost of grabbing a summer deal will have to be paid for with credit as the increasing cost of fuel, food and energy make their presence felt. The company anticipate that 42 per cent of all expenditure conducted over the next few months will be done by using credit cards. Credit card useage such as this would amount to about 3.29 billion pounds worth of purchases made using plastic.

Talking about the statistics, Donald MacLeod, head of cards at Sainsbury's Finance, said: "A growing number of credit cards now offer some sort of reward every time you use them but some of these have catches. For example, some put a limit on the financial value of their reward schemes and others can make it difficult to redeem your rewards or points. This helps explain why only around 36 per cent of people who have collected rewards linked to their cards over the past 12 months have so far. If you are going to use a credit card in the summer sales, it pays to use one that gives you attractive rewards."

In spite of a large amount of spending, the report discovered that a large number of Britons are still expecting to cut back on purchases made during the sales. Around 20 per cent of holidaymakers anticipate that they won't spend as much during the summer period when compared with their level of total spending during the same period in 2007. However, 63 per cent of holidaymakers said they will spend the same amount. Only eight per cent of people anticipated a higher level of expenditure.

During the latter part of last year, a study carried out by Unbiased indicated that many Consumers had felt the pinch of higher interest rates and had resorted to loans and other forms of credit to cover summer spending. During the third quarter of 2007, 35 pence was borrowed for every pound saved.

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