

Consumer Confidence Index Takes Tumble

The optimism which Britons hold in regards to the countrys - and their own - financial situation has taken a turn for the worst, new research shows.

October 9, 2008 (FPRC) -- In the latest Consumer Confidence Index conducted by Nationwide, it was revealed that following a period of stability the public's fiscal outlook declined over the course of last month. The financial services firms overall consumer confidence chart showed a three point drop during September, with the index now standing at 50. Such a figure represents a drop from the 53 noted in August, a number that was also recorded in July.

Nationwide reveals that the main drop in the nations financial confidence has resulted from a fall in the present situation index, which declined seven points over the course of September to stand at 39. Two of the other indices making up the consumer confidence index - which tracks expectations and spending - remained static from August levels standing at 58 and 52 respectively. Meanwhile, some 53 per cent of people were shown to believe that the economy will worsen over the next six months, while just 14 per cent think it will be in a better condition.

Following on from such a decline in consumer confidence over recent weeks, people could find that their ability to get to grips with various areas of their finances comes under more strain. Such areas could well include secured loans repayments, credit cards and utility bills.

In addition, the financial services provider reported that the continued uncertainty in the financial markets, higher food and utility costs and declining house prices could be contributing factors behind the decline.

Research from Nationwide also revealed that just under two-thirds (64 per cent) of people think that now is a bad time to make a major purchase, such as a car or a house. On the other hand, 18 per cent of respondents believe it is currently an ideal opportunity for such buying. While this percentage is in the minority, it represents an increase from the 14 per cent of those who were looking towards such retail activity in August.

For those consumers who are looking to fund such a purchase, however, applying for cheap loans could be advised.

Commenting on the figures, Fionnuala Earley, chief economist for Nationwide, said: "Consumers have been adjusting the way they feel about the current economic and employment situation since July and this continues to be the main driver behind the drop in overall confidence in September. While consumers recognise that there are some good deals available, rising unemployment, falling house prices and the continued turmoil in the financial markets are likely to mean that confidence will take some time to recover."

People with concerns about their capacity to manage money over the coming months may wish to consider applying for a debt consolidation loan. By taking out this sort of loan, borrowers could find that they can merge numerous spending commitments into a single low-cost monthly repayment. This could prove to be of particular assistance after Debt Advisers Direct recently reported that the typical annual energy bill is set to exceed 1,400 pounds in 2009.

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