



Lloyds TSB

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ALMOST HALF OF BRITS 'FINANCIALLY OVERWEIGHT'

Almost half (46 per cent) of UK adults are 'financially overweight', with over ten per cent of people verging on 'financially obese' according to the new *Lloyds TSB Bank Mass Index**, developed by Professor Stephen McKay of University of Birmingham.

Based on the Body Mass Index, the *Lloyds TSB Bank Mass Index* (£BMI) calculates financial health. By answering a few simple questions about savings, investments, pensions, home ownership and levels of unsecured debt, it works out whether a person is financially fit, financially overweight or financially obese.

Find out what your *Lloyds TSB Bank Mass Index* rating is by visiting, www.needtoknowaboutbanking.com.

£BMI SCORE	RATING	% of UK adults within each group
20-25	Financially fit - appropriate levels of each financial product, with scores closer to 20 being better than those closer to 25	42 per cent
26-29	Financially overweight - amount of debt is much greater than level of savings, indicating a person could be financially over-committed	46 per cent
Over 30	Financially obese – indicates an over-reliance on debt (those individuals generally spending more than 25% of their gross monthly income on unsecured repayment)	12 per cent

A test of the nation's fiscal fitness**, revealed an average £BMI score of 28, classing the nation as 'financially overweight', with four in ten (42 per cent) people admitting that they have no savings.

Perhaps unsurprisingly, the younger generation are the most financially obese with 18-24 year olds scoring an average of 31 and those aged over fifty five scoring a much fitter 24. Women are also in poorer financial shape, scoring an average of 28 versus 27 for men.

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According to the study, the financially fittest regions in the UK are South West and Wales, with an average score of 25 and 26 respectively, whilst Scots are the most financially obese, with an average score of 33. Over half (51 per cent) of Londoners are also financially overburdened, with an average £BMI of 31 (obese).

But it is not all doom and gloom, the Lloyds TSB Bank Mass Index acted as trigger for one in five (19 per cent) who are now motivated to start sorting out their finances, with 16 per cent planning to take immediate action. Over a third (38 per cent) also said that although they are not in a position to sort out their finances immediately, they plan to take action in the near future.

But, there are still some barriers preventing people from sorting out their finances, including:

- People don't know where to start (27 per cent)
- Don't feel motivated to sort out their money (25 per cent)
- Find it too much of a challenge (22 per cent)
- Can't find the time (22 per cent)

Ian Larkin, managing director, consumer banking, Lloyds TSB said; "Our physical health is something that the nation is taking increasingly seriously. Most of us know our Body Mass Index, but our financial health seems to be less of a priority and often people have misapprehensions about the real state of their money.

"As a London 2012 Partner, physical fitness is at the forefront of our minds but financial fitness is equally important. The Lloyds TSB Bank Mass Index is a great wake up call for people who might have been neglecting their financial affairs – helping to put them on the right track. There has never been a better time to get Britain financially fit."

Top tips for your financial detox

- **Take a long hard look at your spending.** Go through your bank statements and think hard about your spending. Do you really need to eat out quite so often? Could you spend less on going out or buying new clothes? Be ruthless and see where you could make savings.

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- **Set a budget.** If you are struggling to keep your spending in check then set a budget for the month and try to stick to it. By having in mind the amount of money that you can afford to spend each day or each month you are more likely to stick to it.
- **Prioritise your repayments.** If you have debts, make sure you pay off the most expensive first. Typically, these will be debts on any store cards or high interest credit cards. If you have any savings it might be worth using these to pay off any debts as soon as you can.
- **Consolidate.** If you have large debts on credit or store cards, it might be wise to take out a loan to pay them off. Loans tend to have a much lower APR and the regular payments will ensure that your debt goes down instead of up! Just make sure you cut up your credit cards so you don't end up with two debts to pay.
- **Don't be afraid to ask.** If you need guidance, go and speak to your bank. It's more than likely that they will have some ideas to help you get your finances back in shape

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Notes to editors:

*The Bank Mass Index

- The Bank Mass index developed by Professor Stephen McKay, Institute of Applied Social Studies, University of Birmingham, is a single index indicating broad financial health. Information on your finances is turned into an overall score.
- The inspiration for this calculation is the well-known Body Mass Index, which measures how healthy a person's weight is.
- As with the Body Mass Index, the Bank Mass Index is only an indicator, not an exact prediction. If you want advice specifically tailored to your personal circumstances you should consult an adviser.
- The Bank Mass Index generally delivers values of between 20 and 25 indicating financial fitness, with answers closer to 20 being somewhat better than those closer to 25. Values of 25-29 indicate over-commitment and values over 30 signal likely problems of over-indebtedness - at least, a high risk of such problem.

**Research

- Research conducted by Ciao online with 1000 UK adults aged 18+ in February 2008.

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Lloyds TSB's sponsorship of the London 2012 Olympic and Paralympic Games

On 14th March 2007 the London Organising Committee of the Olympic Games and Paralympic Games and Lloyds TSB Group announced that Lloyds was the exclusive Banking & Insurance Partner and first domestic partner of the London 2012 Olympic and Paralympic Games.

The partnership gives the Lloyds TSB Group exclusive access and category marketing rights to Team GB and Paralympic GB for Beijing 2008 and Vancouver 2010, as well as exclusive category marketing rights for London 2012.

For further information

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