



# UK consumer money attitudes 2024 report



# How do people feel about their finances at the moment?



With almost a third of UK adults feeling worried about their finances, and 31% having a low credit score, it's not the easiest time for consumers right now. But on the positive side, our research reveals that 74% of those people are taking active steps to improve their credit score.

We carried out a study of 5000 people to help you learn about the UK's biggest financial mistakes and how to avoid them so that you can feel better about your money.

## Many people feel negatively about their financial situation

Our study reveals that 41% of people have negative feelings around their finances, such as anxiety, worry or stress, which isn't surprising given the tricky financial landscape the UK is currently experiencing.

Among those with a low credit score, 26% claim it causes them stress (the most common response), with many also saying they felt frustrated, anxious and concerned about the future, highlighting the challenges many face.



**74%**

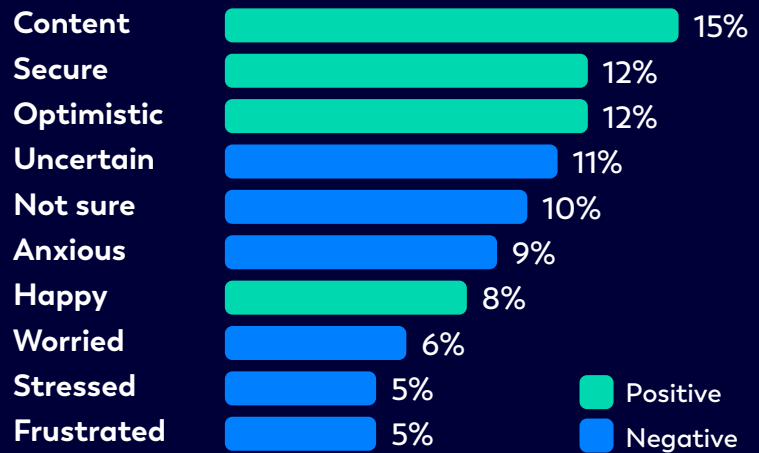
are taking active steps to improve their credit score



**23%**

report struggling to get accepted for a credit card

## How people feel about their finances



## Credit scores and the emotional impacts of having a bad credit score

Your credit score can impact many aspects of your everyday life, from the obvious, such as mortgage and loan eligibility and the interest rates you're offered, to the not-so-obvious, such as employment. Not to mention causing worry and anxiety. Read on to discover the pitfalls, how to avoid them and gain peace of mind.

### How poor credit can hold you back

As well as showing the emotional distress a low credit score can cause, the study reveals how you can also be affected financially, as 24% of people surveyed were paying higher interest rates on loans or credit cards.

Struggling to access credit is another common theme, with 23% of respondents unable to get accepted for a credit card, 21% being denied a personal loan and 18% facing challenges in securing one. From taking out a mobile phone plan to getting a mortgage, it's clear that poor credit may affect both day-to-day essentials and long-term financial goals such as home ownership.

## How people feel after improving their credit rating

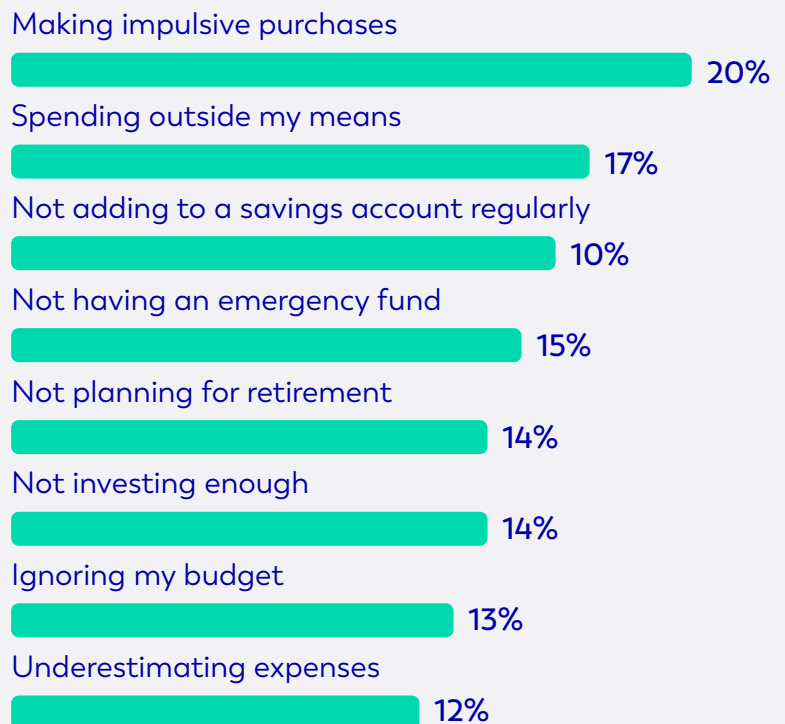


# What are the biggest financial mistakes made by UK adults?



Knowing the most common personal finance mistakes others have made can help you to avoid them. With only 21% of UK adults claiming they've never made a financial mistake, it's clear that most people face challenges at some point when managing their money.

## The UK's biggest financial mistakes



Among those who admit to making a financial error, impulse buys appear to be the most common pitfall, with one in five falling into this financial trap. This can often lead people to spend more than they can afford. And with 17% admitting to this, you're not alone if you do, too.

It's not just overspending that's highlighted – undersaving is almost as common. It's a fact that 16% of people admit their biggest mistake is not saving regularly enough. To avoid being in a similar situation – like the 15% who found themselves without an emergency fund or the 14% who didn't plan for retirement – it's essential to start saving for your future as soon as possible.

## What can we learn?

Our research shows four key areas where respondents wished they had taken action earlier.

### 1. Learn to save effectively

Just under a third of UK adults (28%) said learning how to save effectively is the biggest and most beneficial financial lesson, with creating and sticking to a budget (17%) following close behind.



#### Top tip – creating a budget



Creating a budget can initially seem overwhelming, but having one in place is the first step to saving effectively. Start by gathering your statements and receipts to understand your current monthly outgoings. Compare that against your monthly income to see if you need to cut back on non-essential spending, such as eating out.

#### Top tip - how to reduce impulse buying



With online shopping at our fingertips, it's easy to fall into the trap of impulse buying. Before each purchase, take a step back and ask yourself if the purchase is within your budget, using these two steps:

- Try waiting 48 hours before you buy. Pausing to reflect will help you decide whether you really need the item. Instead of considering its monetary value, see it as how many hours you need to work to afford it. This perspective can help you decide if the purchase is truly worth it.
- Know your disposable income. To stay within your means, it's also important to understand what money you have left after paying for essential costs, such as rent, groceries and savings.

## 2. Understand how to save for your retirement

Knowing how to invest towards your longer-term goals is essential for making informed decisions about your money, yet 20% of UK adults wish they had gained this knowledge sooner.

Among other financial lessons, 22% of UK adults wish they had learned how to save for retirement earlier.



What people wish they knew sooner about money

How to save for retirement



How to invest

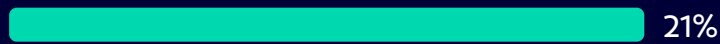


Why saving for retirement is important



What people wish they knew sooner about credit

Learned how credit scores work



Learned how to build a credit score



Learned the importance of having a good credit score for financial wellbeing



## 3. Know how credit scores work

Regarding credit scores, although many UK adults say they understand how they work, 21% wish they had found out about this earlier.

Aqua customers can check their credit score for free in the app, plus gain access to Aqua Coach – a tool that gives personalised insight into the factors driving your credit score and what you could do to help improve it.



**Representative 34.9% APR (variable) for Aqua Classic.**

## 4. Take steps to build better credit

Our study shows that increasing your credit score can have a remarkable effect on your mental and physical health and your relationship with money. In fact, 23% of people felt proud after successfully boosting their credit score. A credit card designed for building credit, like Aqua, can be a great first step on your credit journey. Staying within your credit limit and making timely repayments can create a solid foundation for your financial future.



### Top tips – building your credit score

**1. Check your financial history:** start getting your finances in order by reviewing your credit history. This will help you understand what factors may be holding you back so you know where to focus your efforts.

**2. Get a credit card:** consider taking out a credit card to build your credit history. When you stay within your credit limit and make your repayments on time, you'll build up a good credit history that can improve your credit score over time.

**3. Make your repayments on time:** late or missed payments can impact your credit score, so always make your repayments on time and stay within your credit limit.

**4. Register for the electoral roll:** this helps lenders verify your identity and can quickly add several points to your credit score.

**5. Stay on top of your household bills:** keeping up with your utility bills can help build your credit history, and when it comes to applying for a credit card, it shows lenders you're responsible.

**6. Keep your credit utilisation low:** avoid using more than 25% of your overall credit limit. Using more than this may reduce your credit score. For advice on fixing your credit score, be sure to look at:

[www.aquacard.co.uk/building-better-credit/how-to-fix-bad-credit-and-what-it-takes](http://www.aquacard.co.uk/building-better-credit/how-to-fix-bad-credit-and-what-it-takes)

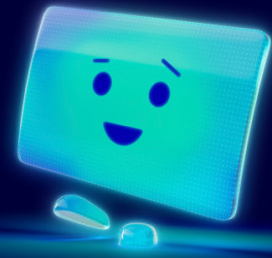


## How Aqua can help

Aqua is the smart way to build better credit, giving you the power to improve your credit score. Backed by our expert support, personalised credit limits and secure app that guides you on your credit-building journey. So you could be on your way to better credit before you know it.

### Representative 34.9% APR (variable)

Credit score could increase with responsible account management.



Hear how real Aqua customers have used Aqua card to help them along the way.

## Meet Sam

*Isle of Sheppey*

‘Having no credit history meant I struggled to get a mortgage. It was an advisor who put me in touch with Aqua. It did my credit rating a whole lot of good. I got the mortgage within a year and a half or so of having that Aqua credit card and building up my credit score. To see my credit score go up so much just made me so proud.’





## Meet Caroline

*Sutton*

As a freelancer, Caroline's financial security has always been important to her. So, it really shook her when she discovered she had a poor credit score. But then she discovered Aqua. Since getting a 'yes' from us, Caroline says Aqua has helped her manage her finances in a positive way.

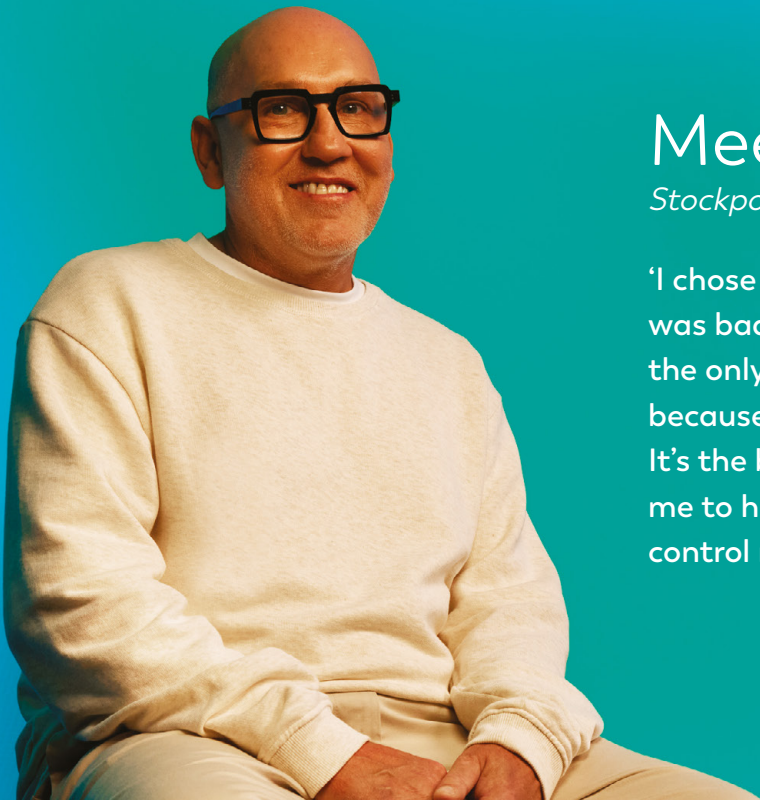
'My confidence has gone through the roof. It's a great feeling, a great place to be.'



## Meet James

*Stockport*

'I chose the Aqua card because my credit file was bad, causing me a lot of anxiety. Aqua was the only one who gave me that opportunity because everybody else had turned me down. It's the best thing I've done because it's enabled me to have that stability and know that I can control my spending.'



### Don't forget

Failure to make payments on time or to stay within your credit limit means that you'll pay additional charges, and may make it more expensive and difficult to get credit in the future.

Credit available only to UK residents aged 18 and over. Subject to status. Terms apply. The APR applicable to your account will depend on our assessment of your application.



## Methodology

To uncover how the UK currently feels about their finances and their attitudes towards credit scores, Aqua surveyed 5000 UK participants. Questions included how they felt about their current financial position, whether they had experienced bad credit and if they are actively trying to improve it, and how this has affected their lives financially, emotionally and physically. They were also asked what key financial lessons they had learned and if there were any that they wished they had known sooner.

These responses were then filtered into various demographics to determine how different regions, genders and age groups responded.

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