



Media Release

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Home Economics: New report shows Brits caught out by costs of moving and maintaining a home

- *Squeeze on budgets sees moving and furnishing costs take families by surprise*
- *Many consider cutting back spending on food and heating to pay for furnishing a home*
- *Almost 60% say their homes have not improved in past five years*

FAMILIES are at risk of spiralling into debt due to the unexpected costs of moving into and maintaining their homes, according to a new report published today. [FRIDAY].

Home Economics, a report by national charity Family Action and Lloyds Banking Group's Money for Life Programme, reveals that some families would consider cutting back on heating and food costs or going into credit card debt to furnish their homes. Meanwhile, others are not spending any money at all on keeping their homes in good condition, and some of the UK's most vulnerable families are struggling to afford essential items such as fridges and even beds.

When it comes to the costly business of moving house, a quarter of Brits (25%) said that removal costs came as a financial shock, according to a YouGov survey of 2,338 adults. Almost a quarter (23%) said they were unprepared for the costs of buying new furniture, while 23% considered the cost of essential household items such as fridges, washing machines and cookers to be surprisingly expensive.

To pay for the cost of furnishing a new home, almost a third (29%) of Britons would consider going without new clothes, 17% would cut back on food spending and 13% would cut back on heating. Meanwhile, half of Brits polled said they would sacrifice a holiday so they could afford to furnish their new home.

The poll found that a quarter (25%) of young cash-strapped Brits (aged 23-34) admitted that when faced with the financial stress of furnishing a new home they would consider using a credit card. Others admitted to borrowing from family and friends and using rent-to-own shops, which can charge high interest rates and can result in families paying far more than the cost of the original item had they bought it outright. Lower-income families were more than twice as likely to buy goods from a rent-to-own shop and pay back in

instalments over several years than wealthier households, with 9% and 4% of these groups being willing to consider this respectively.

It's not just moving costs that are leaving people penniless, as millions of Britons admit struggling to keep their homes in good condition. In fact, in spite of the perceived home improvement boom, almost 60% of Brits claim the state of their homes had either worsened or stayed the same over the past five years, with one in 12 saying that they spent nothing at all on maintenance or household items over the past year.

Nevertheless, many Britons are still house-proud and the pressure to keep up with the Joneses remains, with 38% saying they would be embarrassed if guests spotted an essential household item was broken. Even when people do spend money on their home, many do so without the means to pay for it. Nearly a third (32%) of 24-35 year olds – and 21% of all British adults – feel they could not actually afford what they had spent on the general upkeep of their home in the last year.

The report also highlights how low-income families are suffering from a poverty penalty that forces them to pay more for essential goods and other services. It details how some vulnerable families struggle even to afford basic household goods such as beds and fridges.

In an interview for the report, a Family Action service user and mother of two told how she was forced to endure several months in temporary accommodation with a serious damp problem and broken household essentials. The cooker was faulty, the washing machine didn't work, the boiler broke down and she couldn't afford to fix or replace the items.

Lucy*, Family Action service user, said:

“It was damp behind the wardrobe, the kitchen cupboards smelt of mould, food went off a lot quicker and it was really expensive to heat the place. It affected me and my boys' health and wellbeing as they didn't want to go home. The council wasn't listening and it was heart-breaking because I felt like I was failing my children. As a parent you want to do everything right for your children. When you can't do anything about it, it's the worst feeling.”

David Holmes, Family Action Chief Executive, said:

“Moving to a new home may be a life changing experience for some but it is also one which brings with it a range of unforeseen and unexpectedly high costs for many. We know that good homes are a key building block of a good family life but with the cost of everyday essentials rising faster than income and squeezing family budgets, it is hardly surprising that many people do not consider investment in maintenance and household furniture to be a spending priority.

“This report also demonstrates the importance of providing information and budgeting support particularly to low-income families regarding credit and high interest loans and the impact they can have on families' overall expenditure.”

Sarah Porretta, Head of Lloyds Banking Group's Money for Life programme, said:

“As this report shows, for many families across Britain money management is an increasingly vital life skill with families today facing all sorts of unexpected financial pressures. Money for Life's partnership with Family Action is designed to look into the issues facing many British families and support and help them to develop the knowledge and confidence to manage their money well – in this case helping families to prepare for the unforeseen pressures of moving home and maintaining it. We are working with Family Action to deliver free, face-to-face workshops to low income and disadvantaged households around the country, and our employees are committed to helping families with issues that affect their daily lives.”

Family Action, which provides services to disadvantaged families and runs a network of children's centres across the country, has linked up with Lloyds Banking Group's Money for Life Programme to give families a number of tips for saving money at home.

1. Before you move into your new home, ask the current home owner or tenant if they are interested in giving you or selling you any of their white goods or soft furnishings. Sometimes items will not fit into their new property and they may give you a good deal on them. This way you can save money not only on the items themselves but also on delivery and installation costs.
2. Be willing to accept second hand or third hand items from friends and family. Why not have a clear out yourself and give them items that you don't want anymore. In turn, you could receive things that you need with no expense whatsoever.
3. Car boot sales, charity shops and antique shops are great places to find quality household bargains and pick up affordable furniture you can spruce up. A new coat of paint or varnish is cheap and easy to do and will give your furniture a new lease of life.
4. Shopping websites such as eBay offer the opportunity to find good bargains on furniture and many allow you to buy and sell any unwanted items that you might have lying around.
5. Use online networks such as Freecycle (www.freecycle.org) to pick up free household items that other families don't need anymore. From electrical items, white goods and even sofas you may be able to find a great piece of furniture that won't cost you a penny.
6. Buying an energy efficient appliance can save a lot of money in the long term. An energy efficient fridge-freezer can save up to £45 a year on energy bills.
7. Only buy the bare essentials when you first move into a new home as it is easy to get carried away and buy things that you don't need, regretting it later on. See if family and friends can lend you basic items until you can decide what you really want and need.

8. Try buying things out of season. For example, if you were to buy garden furniture in the autumn, companies are likely to put their leftover summer stock on sale (savings can be over 50%) to create space for new stock. You can then store it safely for next year.
9. Removal costs can come as a big surprise. Get multiple price quotes from removal firms in your area to find the best deal. It's also a good idea to visit your local supermarket and ask for free boxes and pack as much as you can yourself as removal firms usually charge extra for packing materials.
10. If money's tight and you worry about getting into debt, don't be afraid to ask for advice. Try your local Citizens Advice Bureau, or call the Money Advice Service's helpline – 0300 500 5000. Or try Lloyds Banking Group's www.moneyforlifeprogramme.org.uk for more hints and tips.

Notes to Editors

- **For more information please contact Andy Tate at Family Action on 020 7241 7632, 07867 504051, or at andy.tate@family-action.org.uk.**
- This report was produced by Family Action and supported by Lloyds Banking Group's personal money management programme, Money for Life. The findings of the report are based on national online polling provided by YouGov, a review of applications to Family Action's welfare grants scheme and secondary research. The findings and recommendations in this report are those of Family Action.
- All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,338 adults. Fieldwork was undertaken between 28-30 August 2013. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).
- * Name has been changed

About Family Action

Family Action has been a leading provider and services to disadvantaged and socially isolated families since 1869. We work with over 45,000 children and families a year by providing practical, emotional and financial support through over 100 services based in communities across England. A further 50,000 people benefit from our educational grants and information service. We tackle some of the most complex and difficult issues facing families today – including domestic abuse, mental health problems, learning disabilities and severe financial hardship.

Find out more at: www.family-action.org.uk.

About Lloyds Banking Group's Money for Life Programme

Money for Life, Lloyds Banking Group's award-winning personal money management programme, is working with Family Action to deliver a series of money management workshops to low-income and disadvantaged households around the country throughout 2013. Over 100 Lloyds Banking Group employees have committed to making a

difference in their communities by participating in Money for Life's accredited financial education training and then volunteering to deliver the free workshops, which will cover topics such as budgeting, banking, shopping around, borrowing and planning ahead. This financial inclusion activity is being complemented by Family Fortunes, a series of reports which puts the voices of families, including Family Action service users, at the heart of awareness-raising around the impact of money management skills. Family Action and Money for Life are also releasing relevant tips and guidance on topics such as budgeting, banking, shopping around, borrowing and planning ahead.

Find out more at: www.moneyforlifeprogramme.org.uk.