



Beyond Money: Millennials, financial services and vulnerability



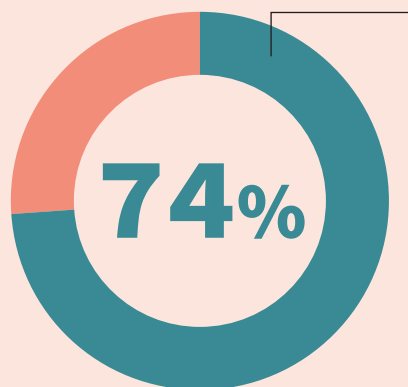
THREE-QUARTERS of young people are financially vulnerable, and are more likely to ask their parents for advice instead of a professional.

Many are stuck with financial products that don't make the most of their money.

The Current Account Switch Service surveyed 2000 18 to 36 year olds to examine their relationship with money, and to show how many show signs of being financially vulnerable.

Nearly three quarters of young people fulfil at least one of the criteria of the financially vulnerable putting them at significant risk of coming into financial difficulty should their circumstances change, even slightly.

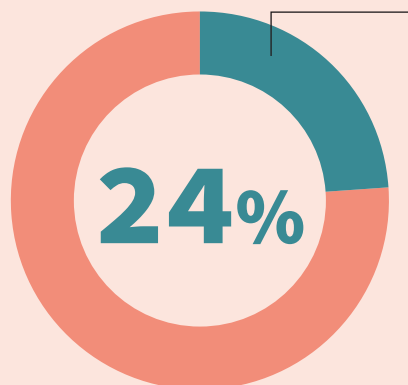
Key stats



74% of millennials have one of the characteristics associated with financial vulnerability.

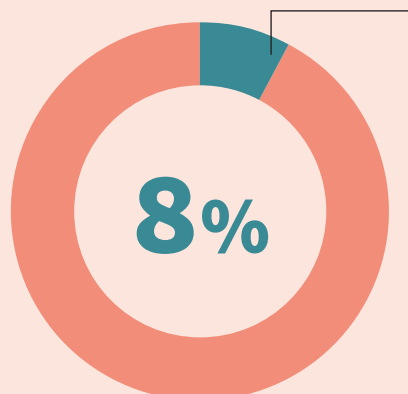
(88% of Londoners under 36 have one or more of the characteristics associated with financial vulnerability.)

- **47%** have little to no savings
- **29%** say they struggle to pay household bills
- **24%** do not have a regular source of income
- **27%** are in debt and are struggling to pay it off
- **20%** have taken out high interest payday loans
- **25%** regularly borrow money from friends or family to get through the month
- **20%** regularly use an unarranged overdraft



In the last two years, nearly a quarter (24%) of young people have changed bank account, compared to:

- **21%** who plan on changing relationship status
- **40%** plan on changing job
- **37%** plan on changing home.



In the next two years, 8% plan on changing their bank account provider compared to:

- **21%** who plan on changing relationship status
- **40%** plan on changing job
- **37%** plan on changing home.



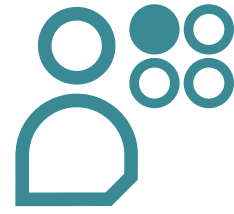
38%

38% have their current account with the same bank as their mother



41%

41% rely on their parents for financial advice compared to **12%** who ask a professional financial adviser or **18%** who turn to official advice websites.



24%

Almost one in four (**24%**) don't get financial advice from anyone.



32%

Buying a house is the top life event (**32%**) which makes millennials think about switching banks.



44%

44% of millennials regularly check for better deals on car insurance, but only **23%** for look at current account offers.



55%

A cash incentive is the top perk millennials would like banks to offer to persuade them to switch (**55%**).



55%

More than half (**55%**) of millennials rely heavily on banking apps, compared to **17%** who still say they rely on bank branches.



24%

Almost a quarter (**24%**) of millennials still use the current account their parents opened for them as a child.



29%

Millennials have had their current account for an average of 6 years, with **29%** having theirs for 11 years or longer.

About the research

Survey carried out for Current Account Switch Service by OnePoll amongst 2000 UK adults aged 18 to 36, between 28/08/2019 and 06/09/2019.

About the Current Account Switch Service:

Key features of the Current Account Switch Service include:

- The service is free to use
- The switch will be completed in seven working days – a substantial improvement on the previous process that could take between 18 and 30 working days
- The customer can choose and agree the switch date with their new current account provider
- All payments going out (e.g. Direct Debits) and those coming in (e.g. salary) will be moved from the old account to the new account
- Payments accidentally made to or requested from the old account will be automatically redirected to the new account for as long as the facility is required
- The Current Account Switch Guarantee means that the customer will receive a refund of interest and charges on their old and new current accounts if anything goes wrong with the switch.
- SMEs with a turnover of up to £6.5 million, small charities with an annual income of less than £6.5 million, and small trusts with a net asset value of less than £6.5 million can switch their current account provider using the Current Account Switch Service. This increases the reach of the service to 99% of the UK's SME market.

About Pay.UK:

Pay.UK (previously the New Payment System Operator) maintains and develops the UK retail payment systems and standards that are core to the economy being able to function on a day-to-day basis. We are the leading authority for retail payments, working in the public interest to ensure that the systems the country relies on for its banking transactions are safe, open, innovative and resilient.

Our payment systems underpin the services that enable funds to be transferred between people and institutions. In 2018, the UK's retail payment systems processed 8.8 billion transactions worth £7 trillion through Bacs Direct Credit, Direct Debit, Faster Payments, and cheques.

Every day, individuals and businesses use the services we provide to get their salaries, pay their bills and make online and mobile banking payments. Our vision for the future is to enable a vibrant economy, with Pay.UK delivering the best-in-class payment infrastructure and standards for the benefit of consumers and businesses nationwide.

