Branches to benefit from strong savings inflows

Contributed by JGFR
Thursday, 20 April 2006
Last Updated Thursday, 20 April 2006

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UK consumers continue to prefer to save than spend according to the latest GfK NOP survey of 2,000 adults aged 16+ undertaken for financial research consultancy JGFR. In the latest quarterly survey a record 73% of the adult population intend to save or invest in the next six months compared with 70% in March 2005 and a low of 61% in June 2002.

While bank and building society branches, post offices and investment offices should record higher volumes of savings / investment business other high street businesses may find the going tougher.

Prospects at estate agents, mortgage brokers and in high street stores dependant on discretionary consumer spending look less promising. Expected mortgage demand is falling back to levels of last spring while consumer credit demand remains relatively weak although improving. Car showrooms will need to work harder than last spring to win customers. In the past two quarters fewer people have intended to put down a deposit on a propertyÂ to buy.

Commenting on the latest Financial Activity Bulletin findings, author John Gilbert commented:

â€˜In The New Year Bulletin we predicted another record quarter of activity in retail financial services driven by the recovery in savings confidence among the population. While the savings trend looks set to continue, we are reporting consumer weakness in expected housing market activity. With the dual concern of buying at the top of the market and of rising mortgage rates in prospect as inflation picks up, it is not surprising that people are less in the house buying mood this Spring. â€˜