

Bank of England Money and Credit - June 2023

Synopsis: The Bank of England (BoE)'s latest Money and Credit Statistical Release to the end of June 2023.

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The Bank of England (BoE) has published its latest Money and Credit report. Some of the main highlights include...

- During June, households, deposited an additional £3.4 billion with banks and building societies, following net withdrawals of £3.1 billion in May. This was largely driven by net flows of £6.6 billion into interest-bearing time deposits, up from £5.1 billion in May. (Time deposits pay a fixed rate of interest until a given maturity date. Funds placed in a time deposit usually cannot be withdrawn prior to maturity or they can perhaps only be withdrawn with advanced notice and/or by having a penalty assessed.) Within the household deposits measure, net withdrawals of interest-bearing sight deposits reduced to £8.4 billion in June from £11.4 billion in May. Non-interest bearing sight deposits rose to £2.1 billion in June after seven months of net withdrawals. Net withdrawals were £3.3 billion in May. (Sight deposits are deposits which can be withdrawn either without notice, or after a very short notice period.)
- Net inflows into ISAs fell to £3 billion in June, continuing a decline from £3.7 billion in May and its recent peak of £9 billion in April.
- Households' deposits into National Savings and Investment (NS&I) accounts fell for the third consecutive month to net zero in June, down from £0.8 billion in May.
- The effective interest rate paid on individuals' new time deposits with banks and building societies rose from 3.95% in May to 4.29% in June. The effective rate on the outstanding stock of time deposits increased by 15 basis points, to 2.71% in June. And, the effective rate on stock sight deposits increased by 13 basis points from 1.33% in May to 1.46% in June.
- Net borrowing of mortgage debt by individuals increased to £0.1 billion in June, after individuals repaid, on net, £0.1 billion of mortgage debt in May. Gross lending rose for the second consecutive month, from £19 billion in May to £20 billion in June, while gross repayments increased from £19 billion in May to £19.8 billion in June.
- Net mortgage approvals for house purchases increased from 51,100 in May to 54,700 in June, while approvals for remortgaging (which only capture remortgaging with a different lender) saw a rise from 34,100 to 39,100 during the same period.
- The 'effective' interest rate – the actual interest rate paid – on newly drawn mortgages rose by seven basis points, from 4.56% in May to 63% in June.

- The rate on the outstanding stock of mortgages increased by ten basis points, from 2.82% in May to 2.92% in June.
- Net borrowing on consumer credit by individuals rose to £1.7 billion in June, the highest since April 2018 (£1.9 billion). It was £1.1 billion in May. The additional consumer credit borrowing in June was split between £0.6 billion of borrowing on credit cards and £1 billion of borrowing through other forms of consumer credit (such as car dealership finance and personal loans), up significantly from £0.5 billion in May. The annual growth rate for all consumer credit borrowing remained unchanged when compared to May, at 7.6%, whilst the growth rate for credit card borrowing decreased slightly from 12.5% in May to 12% in June. The annual growth rate for other forms of consumer credit increased slightly to 5.7% in June, compared to 5.5% in May.

You can read the full BoE Money and Credit Statistical Release [here](#).

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