

Money and Credit – April 2023

Our monthly Money and Credit statistical release is made up of three parts: broad money and credit, lending to individual and lending to businesses.

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Overview

These monthly statistics on the amount of, and interest rates on, borrowing and deposits by households and businesses are used by the Bank's policy committees to understand economic trends and developments in the UK banking system.

Key points:

- Borrowing of mortgage debt by individuals continued to decline from net zero in March to £1.4 billion of net repayments in April. This is the lowest level on record, if the period since the onset of the Covid-19 pandemic is excluded.
- Net mortgage approvals for house purchases fell from 51,500 in March to 48,700 in April, while approvals for remortgaging increased slightly from 32,200 to 32,500 during the same period.
- The 'effective' interest rate – the actual interest rate paid – on newly drawn mortgages rose by 5 basis points, to 4.46% in April.
- Net borrowing on consumer credit by individuals in April was broadly unchanged when compared to March, at £1.6 billion.
- During April, households deposited an additional £3.6 billion with banks and building societies, following net withdrawals of £3.0 billion in March. Within the household deposits measure, net withdrawals of interest-bearing sight deposits decreased significantly from £14.5 billion in March to £5.4 billion in April.
- The combined net flow of both household deposits with banks and building societies and National Savings and Investment (NS&I) accounts amounted to £5.2 billion in April. This was a substantial increase from £0.8 billion in March, and above the average monthly net flow of £4.1 billion during the previous six months.
- Private non-financial companies (PNFC) made net repayments of £3.7 billion in market finance. Non-financial businesses (PNFCs and public corporations) borrowed £0.5 billion of bank and building society loans.
- The net flow of sterling money (known as M4ex) increased to £7.3 billion in April, compared to -£16.1 billion in March. By contrast, the flow of sterling net lending to private sector companies and households (M4Lex) fell slightly to -£0.9 billion.

References in the text point to the [summary tables](#) below. For further statistics, please see our [visual summaries](#), [Effective Rates \(ER\) statistical release](#), [Capital Issuance statistical release](#), and [Bankstats tables](#).

Lending to individuals


Mortgage lending (M&C Tables D and E):

Borrowing of mortgage debt by individuals continued to decline from net zero in March to £1.4 billion of net repayments in April, the lowest level since July 2021 (£1.8 billion of net repayments). If the period since the onset of the Covid-19 pandemic is excluded, net borrowing of mortgage debt was at its lowest level on record (series beginning in April 1993). Gross lending decreased from £19.7 billion in March to £17.0 billion in April. Likewise, gross repayments fell for a third consecutive month, to £18.5 billion in April.

Net approvals (that is, net of cancellations) for house purchases, which is an indicator of future borrowing, fell from 51,500 in March to 48,700 in April (Chart 1). Approvals for remortgaging (which only capture remortgaging with a different lender) saw a very small increase of 300, from 32,200 in March to 32,500 in April.

Chart 1: Mortgage approvals

Seasonally adjusted



The 'effective' interest rate – the actual interest rate paid – on newly drawn mortgages rose by 5 basis points to 4.46% in April. The rate on the outstanding stock of mortgages also increased slightly, from 2.73% in March to 2.75% in April.

Consumer credit (M&C Tables B and C):

Net borrowing of consumer credit by individuals in April remained broadly unchanged when compared to March, at £1.6 billion (Chart 2). The additional consumer credit borrowing in April

was split between £0.7 billion of borrowing on credit cards and £0.9 billion of borrowing through other forms of consumer credit (such as car dealership finance and personal loans).

The annual growth rate for all consumer credit and for other forms of consumer credit stayed constant in April at 7.7% and 5.5%, respectively, while that of credit card borrowing fell slightly from 12.8% in March to 12.7% in April.

Chart 2: Consumer credit

Seasonally adjusted

The effective interest rate on interest-charging overdrafts rose to 21.86% in April from 21.07% the previous month, a significant 79 basis-point increase. Similarly, the effective rate on new personal loans to individuals increased by 50 basis points to 8.29%, while the effective rate on interest bearing credit cards fell from a record high of 20.29% in March to 20.13% in April.

Households' deposits (M&C Table J):

During April, households deposited an additional £3.6 billion with banks and building societies, following net withdrawals of £3.0 billion in March. Within the household deposits measure, there was a record net flow of £9.0 billion into ISAs and net flows of £3.7 billion into interest-bearing time deposits, down from £6.5 billion in March. These were partly offset by net withdrawals of interest-bearing sight deposit of £5.4 billion in April, compared to net withdrawals of £14.5 billion in March. Non-interest bearing sight deposits flows dropped to -£5.0 billion in April from -£1.5 billion in March, marking the sixth consecutive month of negative flows (withdrawals) (Chart 3).

Chart 3: Breakdown of households' deposits (Household M4)

Seasonally adjusted net flow

Households' deposits into National Savings and Investment (NS&I) accounts amounted to £1.6 billion in April, down from £3.8 billion in March. These deposits are not captured within households' deposits with banks and building societies but can act as a substitute for them. The combined net flow of both household deposits with banks and building societies and NS&I accounts was £5.2 billion, a substantial increase from £0.8 billion in March and above the average monthly net flow of £4.1 billion during the previous six months (Chart 4).

Chart 4: Household deposits

Seasonally adjusted net flow

The effective interest rate paid on households' new time deposits with banks and building societies rose by 21 basis points, to 3.83% in April. Similarly, the effective rate on the outstanding stock of time deposits and the effective rate on stock sight deposits increased by 27 and 29 basis points respectively, to 2.45% and 1.41% in April.

Lending to and deposits from businesses

Businesses' borrowing from banks (M&C Tables F-I):

UK non-financial businesses (PNFCs and public corporations) borrowed, on net, £0.5 billion of bank and building society loans (including overdrafts) in April, compared to £2.7 billion of net borrowing in March. Within this measure, net borrowing by large non-financial businesses fell from £3.3 billion in March to £1.6 billion in April. In contrast, small and medium sized non-financial businesses (SMEs) repaid, on net, £1.2 billion in April, a moderate increase from £0.6 billion of net repayments in March.

The annual growth rate of borrowing by large businesses fell slightly from 3.4% in March to 3.0% in April, while for SMEs the rate decreased slightly from -4.0% to -4.2% in April (Chart 5).

The average cost of new borrowing from banks by UK PNFCs increased by 23 basis points to an effective interest rate of 5.99% in April, following a modest decrease in March, and now sits 396 basis points above the December 2021 rate of 2.03% (when Bank Rate increases began). Likewise, the effective interest rate on new loans to SMEs rose from 6.36% in March to 6.52% in April, compared to 2.51% in December 2021.

Chart 5: Annual growth of lending to SMEs and large businesses

Seasonally adjusted

Market Finance (M&C Table F):

Private non-financial companies (PNFC) made net repayments of £3.7 billion in market finance during April, up from £2.6 billion of net repayments in March. Within this, on net, companies bought back £2.6 billion of equity, marking the nineteenth consecutive month of equity buybacks. In addition, companies redeemed on net £2.2 billion of bonds, which were partly offset by £1.1 billion of net commercial paper issuances (Chart 6).

Chart 6: Net finance raised by PNFCs

Seasonally adjusted net flow



Businesses' deposits:

Net withdrawals of deposits from banks and building societies in all currencies by UK non-financial businesses rose significantly from £1.3 billion in March to £12.0 billion in April. During the same period, the effective rate on new time deposits and the effective rate on stock sight deposits increased by 16 and 20 basis points respectively, to 3.70% and 1.90%.

Aggregate money (M4ex) and lending (M4Lex) (M&C Table J)

The net flow of sterling money (known as M4ex) increased to £7.3 billion in April, compared to -£16.1 billion in March. This was partly driven by an increase in net flows of non-intermediate other financial corporations' (NIOFCs') holdings of money from -£7.4 billion in March to £3.5 billion in April. Net flows of households' holdings of money also rose to £3.6 billion in April (compared to -

£3.0 billion in March), while net flows of PNFCs' holdings of money saw an increase to £0.2 billion in April from -£5.7 billion in March.

In contrast, the flow of sterling net lending to private sector companies and households (M4Lex) fell slightly from -£0.7 billion in March to -£0.9 billion in April. This was mainly driven by a decrease in the flow of net lending to PNFCs to -£1.0 billion in April, compared to -£0.9 billion in March.

Queries

If you have any comments or queries about this release please email [✉ DSD_MS@bankofengland.co.uk](mailto:DSD_MS@bankofengland.co.uk).

Next release date: 29 June 2023

More information

[📄 Highs and lows - April 2023 \(PDF 0.1MB\)](#)

[📄 Summary tables - April 2023 \(XLSX 0.2MB\)](#)

[> Money and credit statistics](#)

[> Further details about our data](#)