

Date issued: 9 February 2009

No embargo

NATIONWIDE CALLS ON CONSUMERS TO START SAVING
More than half of consumers think now is a bad time to save

Nationwide Building Society today calls on consumers to start saving. Its latest savings research reveals just over half (54%) of people think now is a bad time to save with just under a quarter (23%) of those questioned admitting they do not save anything at all. It could be argued there has never been a more important time to put money aside to help people prepare for an uncertain future which is why these results are a particular concern.

Nationwide's latest savings research also shows:

- Less than half (46%) of consumers save regularly, 31% save occasionally and nearly as many as one in four (23%) save nothing at all;
- Just 26% of consumers think they save what they need to, with nearly two thirds (60%) admitting a short-fall;
- Half (50%) of consumers are confident that in six months time they'll be saving about the right amount with only a third (30%) thinking they'll be saving less than they do now;
- More than half (51%) of consumers think government policy discourages them from saving.

Andy McQueen, savings director at Nationwide, says: "We are concerned about the number of consumers who are not saving at the moment, as a proportion think that now is a bad time to save. We understand that as household finances are stretched, saving can be a challenge but it's never been more important to build up savings to act as a buffer in uncertain times.

"We think consumers may find it easier to save if they first considered the type of saver they think they are so they can create a savings plan that works for them and choose an account that's right for their needs. Interest rates are lower than we have seen in the last few years, but it's still just as important for people to regularly put money aside for a rainy day."

The different types of saver:

- The pay day depositor who puts money aside as soon as they've been paid;
- The end-of-the-month sweeper who saves anything that is left in their current account before the next pay day;
- The mortgage saver who's saving what they were spending on their mortgage before rates were cut;
- The tax-efficient saver who makes use of their ISA allowances;
- The drip-feeder who saves little but often;

- The internet saver who logs on daily to see their money grow;
- The regular saver who uses a standing order to top up their savings account;
- The bond-holder who can afford to tie their money up for either a few months or even a few years;
- The planner who saves in notice accounts and plans their withdrawals months in advance to maximise their interest payments;
- The low-risk investor who has stocks and shares accounts such as guaranteed equity bonds that provide a guaranteed return linked to the performance of the stock market.

For people hoping to start their savings habit, Nationwide would recommend they look at either regular savings accounts, ISAs or online accounts. Regular savings accounts reward regular monthly deposits, which do not have to break the bank, with higher interest rates helping to optimise and stimulate savings. Investing in an ISA is tax-efficient and consumers have the choice of either cash or stocks and shares products. Online accounts, such as Nationwide's e-Savings or e-Savings plus, which are linked to the Society's FlexAccount, have added convenience as they are managed solely online at the convenience of the customer. Online access also allows people to monitor their accounts daily to see their money grow.

For the seasoned saver looking to tie their money up for a set period of time, the Society has a variety of fixed rate bonds with terms from six months to four years, offering flexibility for consumers. Because the money cannot be accessed without a penalty during the life of the bond, the interest rate payable is often significantly higher than base rate.

Customers are able to find out about all of Nationwide's savings products, including its Fixed Rate Bonds, ISAs and Regular Savings account, by visiting their local branch, calling 08457 302010 or accessing www.nationwide.co.uk/savings .

-ends-

For media information:

Charlotte Sjoberg, 01793 655189, charlotte.sjoberg@nationwide.co.uk

Zoe Stevens, 01793 655423, zoe.stevens@nationwide.co.uk

Notes to editors:

Data was collected between 15 December 2008 and 18 January 2009, by TNS, a global market information and insight group. 1,000 people were questioned. Research is collected on a monthly basis and this is the tenth such release using the data collated.

Previous releases are available via the following links:

December data release issued 14 January 2009:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1328

November data release issued 8 December 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1314

October data release issued 12 November 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1299

September data release issued 15 October 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1279

August data release issued 8 September 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1262

July data release issued 11 August 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1247

June data release issued 14 July 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1230

May data release issued 18 June 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1219

April data release issued 27 May 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1210

December data was collected between 17 November and 14 December 2008 – 1,000 people were questioned.

November data was collected between 20 October and 16 November 2008 – 1,000 people were questioned.

October data was collected between 22 September-19 October 2008 – 1,000 people were questioned.

September data was collected between 18 August-21 September 2008 – 1,000 people were questioned.

August data was collected between 21 July-17 August 2008– 1,000 people were questioned.

July data was collected between 23 June-20 July 2008 – 1,000 people were questioned.

June data was collected between 19 May-22 June 2008 – 1,000 people were questioned.

May data was collected between 30 May-1 June 2008 – 1,010 people were questioned.

April data was collected between 18-20 April 2008 – 1,005 people were questioned.