

Two-Thirds of Brits Struggling to Build Up a Financial Safety Net

- **Although Brits believed it was the most important financial job to do, 66% find it very difficult to build up a financial safety net**
- **Almost a quarter of Brits (22%) also struggle to manage their loan and debts, and one in ten (9%) can't keep track of their regular bills and payments**
- **Debt management company Lowell offers their top tips on how to tackle those difficult financial jobs**

Managing personal finances is one of the most important things to learn on the journey towards financial security. However, it's not always straightforward and some people can struggle with the numerous jobs and tasks that come along with it.

Debt management company [Lowell](#) has looked at the jobs people find most difficult when it comes to managing personal finances, with building up a financial safety net to fall back on coming out as the task people find the hardest.

What money management tasks do people struggle with the most?

- Building up a financial safety net to fall back on if needed - 66%
- Saving for specific long-term purchases - 60%
- Finding ways to make more money from savings and assets in the future - 59%
- Saving up for experiences and activities - 52%
- Sticking to a budget - 33%

On a positive note, 80% of Brits find it "easy" to keep track of their regular bills and payments, and 67% of people claim that they can keep track of their spending well. The research also showed that Brits believe building up a financial safety net is the most important personal finance job people should do (37%), followed by 24% who believe in finding ways to make more money from savings and assets and 22% who believe sticking to a budget is the most important.

The importance of a financial safety net

A financial safety net is a pot of money that you use for emergencies or unexpected circumstances. It's recommended that each person has one for unforeseen expenses, such as car repairs, boiler repairs, vet fees, or even the case of losing your job. It's recommended that a good safety net can cover three to six months of your expenses.

If you're already dealing with personal finances issues, this, alongside saving for a big purchase and finding ways to make more money from your assets, can seem like impossible tasks.

John Pears, Managing Director of Lowell, has offered his step-by-step advice on how to get more from your money:

- **Prioritise your debts** – paying off your excess debt is the best way to get yourself in a comfortable financial position where you can look towards saving for emergencies and getting the most from your money.
- **Start small** – although a savings pot of three to six months expenses feels quite overwhelming, this needs to be seen as your end goal. Even amounts that seem small at first will add up over time, and before you know it, you'll be much further along the line than you would have thought.
- **Prioritise needs, wants, and savings** – when looking at how much you can save, get into the habit of understanding your needs and wants. List out your absolute necessities, your wants, and your luxuries. Then you can get a real clear idea of what you can put away each month.
- **Do a financial spring clean** – look at all your incomings and outgoings, and see if you can cut any, combine payments, or reduce anything. Take a look and where most of your money is going each week and see where you need to reduce your spending.

Scott Mowbray, co-founder at money-saving app, Snoop, also commented on the findings:

"On paper, creating a budget, sticking to it, and saving regularly doesn't sound too hard to do. But, money management can be really tricky for those of us with busy schedules and stressful lives.

"However, there are things you can do to make financial management easier. Ensuring you're on the cheapest bills possible, stopping unused direct debits, and sticking to a budget are the first three steps to becoming better at financial management. As tempting as it is, don't just bury your head in the sand!"

[ENDS]

Sources:

[1] Survey conducted by 11:FS on behalf of Lowell, April 2021, with 500 respondents

About Lowell

Lowell is one of Europe's largest credit management companies with a mission to make credit work better for all. It operates in the UK, Germany, Austria, Switzerland, Denmark, Norway, Finland and Sweden. Lowell's unparalleled combination of data analytics insight and robust risk management provides clients with expert solutions in debt purchasing, third party collections and business process outsourcing. With its ethical approach to debt management, Lowell always looks for the most appropriate, sustainable and fair outcome

for each customer's specific circumstances. Lowell was formed in 2015 following the merger of the UK and German market leaders: the Lowell Group and the GFKL Group. In 2018, Lowell completed the acquisition of the Carve-out Business from Intrum, which has market leading positions in the Nordic region. It is backed by global private equity firm Permira and Ontario Teachers' Pension Plan. For more information on Lowell, please visit our customer website: <http://www.lowell.co.uk> or our investor website: <http://www.lowell.com>

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