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‘BIG SQUEEZE’ COULD FEEL WORSE NEXT YEAR BECAUSE OF PAY FREEZE

ONS statistics out today reveal that British households have suffered the first annual fall in real household disposable income levels since 1981. But with over 16 million Brits (56%) facing a pay freeze this year^[1], and those who are lucky enough to get a pay rise finding that it doesn't even match up to the current rate of inflation, the squeeze next year could be worse warns uSwitch.com:

- **Over 16 million workers (56%) are expecting a pay freeze - just one in ten (11%) have received a pay rise this year^[1]**
- **Of those who have had a pay rise, over three quarters (79%) have been given one less than the current rate of inflation (4.4% CPI)^[2]**
- **Consumers are also facing food inflation at 6.3%^[3], a 5.8% hike in rail fares since last year^[4] and a 5.9% hike in energy bills since November 2010^[5]**
- **41% of Brits are worried about the job security of the main breadwinner in their household^[6], while a quarter (23%) would have nothing to fall back on if they lost their job^[7]**
- **Four in ten people (39%) feel worse off than before^[8] and over 7 million people (15%) are at best breaking even each month^[9].**

Ann Robinson, Director of Consumer Policy at uSwitch.com, says: “The ONS statistics out today have merely confirmed the writing on the wall. Consumers have seen their pay frozen for the last few years while the cost of running a home and getting to work has soared. This means that we have less pounds in our pockets. But with inflation now hitting 4.4% and almost six in ten of the workforce is seeing a pay freeze, households are facing an uphill struggle that may only get tougher next year. By this time next year, the squeeze on our spending power could look a lot worse.

“With the cost of living outstripping pay, all consumers need to start paying serious attention to their spending habits. Consumers should try to offset the decline in their spending power by reducing the cost of their essential household bills.”

For more information visit www.uSwitch.com or call 0800 093 0607

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Notes to editors

ONS: <http://www.statistics.gov.uk/pdfdir/qna0311.pdf>

Research carried out for uSwitch.com by EasyInsites in March 2011 amongst a sample of 1,019 GB adults.

1. 56.2% of those working said 'No I don't think I will receive a pay rise during 2011'. This equates to 16.3 million based on a working population of 29.12 million. 11.1% said 'Yes, I have already received a pay rise'. ONS stats <http://www.statistics.gov.uk/cci/nugget.asp?id=12>
2. CPI currently 4.4% <http://www.bankofengland.co.uk/> When asked 'What percentage was your pay rise?' 19.7% said 0.5-1%; 8.2% said 1.1 – 1.5%; 32.8% said 1.6-2%; 9.8% said 2.6-3%; 4.9% said 3.1-3.5%; 3.3% said 3.6-4%. Therefore 78.7% said less than 4%. The average pay rise is 3.2%.
3. <http://www.dailymail.co.uk/news/article-1364428/Food-prices-Britain-rising-times-faster-G7-nations.html>
4. <http://www.bbc.co.uk/news/uk-12109851>
5. Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all suppliers and all regions. Average bill size 1st January, 2008 was £819 and £1,153 in January, 2009. Price cuts in 2009 and 2010 took the bill size back down to £1,069 – a £84 or 7.3% reduction.
6. When asked 'Are you concerned about the job security of the main 'breadwinner' in your household?' 41% said yes.
7. When asked 'In the event of the main 'breadwinner' in your household losing their job or other source of income, which ONE of the following would you MAINLY have to fall back on?' 23% said 'I have nothing to fall back on'.
8. When asked 'What is causing you concern?' 38.8% said 'I generally feel less financially well off than before'; 23.5% said 'job security is less certain'; 42.2% said 'VAT has gone up so things are costing more' 4.9% said 'mortgage payments have gone/going to go up'; 16.9% said 'uncertainty over whether interest rates are
9. When asked 'In total how much money do you normally have left at the end of the average month after paying all your living expenses?' 15.4% said 'nothing'. This equates to 7.35 million consumers based on an adult population of 49 million.

About us

uSwitch.com is a free, impartial, online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In 2010 uSwitch.com celebrated ten years of saving customers money.

The service is also available via fax and post. Consumers should fax 020 7233 5933 or write to Customer Services, uSwitch.com, Centro 3,19 Mandela Street, London, NW1 0DU, with their postcode and usage details.

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