

## The upward redistribution of wealth

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Investment advisers Hargreaves Lansdown issued a press release this morning saying:

### **Debts cost an average of £406 a month - as arrears mount**

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*The average household spends £406 on monthly debt repayments, excluding the mortgage. Those with mortgages spend an average of £814 on top of this.*

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*Almost one in ten households (9%) are in arrears. Among the lowest fifth of earners this rises to 27%.*

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*One in five people are concerned about their debt position.*

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*Credit card debt is up 12.7% in a year to £68.9 billion and other consumer debt (including loans, overdrafts and car finance) is up 6.7% to £150.4 billion (Bank of England).*

The arrears data worries me, as does the increase in credit. But so too does the bigger picture.

There are about 27 million households in the UK. Around £132 billion is being paid by those households a year to service debt interest, exclusion mortgage costs. That is a staggering upward annual redistribution of wealth. And you wonder why I want interest rates to be as low as possible? That's the reason why. Those without wealth are being exploited by those with it, and that is a recipe for an unstable society, which is exactly where we are heading.