

House of Pain - Brits Regret Spending on Property

10% of British homeowners claim buying their house was the worst financial decision they have made, new research shows.

The study of 2,000 British adults details the most unfortunate spending decisions that leave us feeling out of pocket, with cars, gambling and stock-market risk also featuring highly.

Findings show that despite the initial excitement when stepping foot on the property ladder, many people end up being disappointed with their choice of purchase a couple of years down the line.

Shockingly, since buying their house, two thirds of people also say they have LOST more than £20,000 and the house is now in negative equity.

Similarly, one in 20 people say they regret spending around £12,700 on DIY and house renovations to date, as despite forking out such a large sum of money, much of the work carried out had no effect on the value of the house.

Andrew Barker, managing director of Skipton Financial Services, the mutually-owned financial adviser which conducted the study said:

"It is unfortunate that many people are finding themselves short of cash because of ill-advised decisions they have made in the short term.

"It is incredibly depressing to think that many people have spent their hard earned money on something which they hoped would benefit them long term, only to find they were wrong.

"This makes it even more important that people think carefully before they commit their cash.

"The uncertainty in the UK economy at present makes it harder for even the most savvy folk to make clever decisions about spending money.

"Changes in economic growth, unemployment, house prices and inflation all mean that what could be a good decision one minute, can change the next."

Findings also show that, since buying their beloved motor, one in six people can no longer afford to run the car.

The rising cost of petrol, general maintenance costs and unreliability are also key reasons why the family car has turned out to be such an expensive investment.

Gambling, putting money in stocks and shares and holidays also appear as some of the biggest financial regrets; over half of all respondents said they wished they had saved the money they had spent on the frivolous items featured.

Perhaps most surprisingly, more than one in 20 people even regret the money they wasted on their wedding day, claiming they should have put the money towards buying a house or saving for the future.

Other more bizarre financial purchases buyers went on to regret include:

- All designer wear – including shoes, dresses, sunglasses and handbags;
- Interestingly, breast enlargements- 3% of people polled regret their decision;
- Teeth whitening- another 3% regret paying for the costly procedure.

University fees, event tickets, and expensive jewellery also appear in the top 20 list of financial regrets.

The study also shows that as a consequence, 35% of British people find it hard to save money now because of money they have wasted in the past.

One in five people have no spare cash to pay into a pension or investment, and 18% aren't even able to enjoy the odd spending spree or go on holiday due to their previous financial decisions.

In fact, nearly half of those polled have absolutely no money set aside for the future whatsoever, and the average person reckons they have wasted just under £32,000 on ill-judged purchases to date.

Andrew Barker continues:

“The important thing is for people to learn from the mistakes they have made in the past so that future decisions work out for them.

“The worst thing would be to not do things in the future just to avoid repeating past mistakes.

“Aside from gambling, which is almost certainly going to be a disappointment for most people, the rest of the top five biggest regrets – cars, investing, houses and holidays – are all things that everyone needs to do in their life.

“The key thing therefore is for people to take their time and not rush into big purchases, otherwise they may come back to bite them down the line. If you're not totally sure about a decision, sleep on it.”

TOP 20 SPENDING REGRETS

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|----------------------------------|-----------------------------------|
| 1. The car | 11. Investing money in a business |
| 2. Gambling | 12. Designer dress |
| 3. Stock and shares investment | 13. Motorbike |
| 4. The house | 14. DIY |
| 5. A holiday | 15. Renovating the house |
| 6. Music / sport / event tickets | 16. Designer sunglasses |
| 7. Wedding day | 17. Designer handbag |
| 8. Expensive jewellery | 18. University fees |
| 9. Rental fees | 19. Teeth whitening |
| 10. Designer shoes | 20. Breast enlargement |

Link: <http://digitalhub.72point.com/2012/07/costly-decisions/>