

S&P Global UK Consumer Sentiment Index (CSI)

Consumer confidence regains some of its post-election bounce in October

- Consumer Sentiment Index (CSI) lifts higher in October, moves closer to July's 37-month high
- Outlook for household finances turns positive
- Positive income growth and slower inflation bolster household confidence

The S&P Global UK Consumer Sentiment Index (CSI) survey has been collected monthly since 2009 and is based on a panel of 1,500 UK households. The latest monthly data were collected between 10th – 14th October, making it the earliest available indicator of consumer confidence.

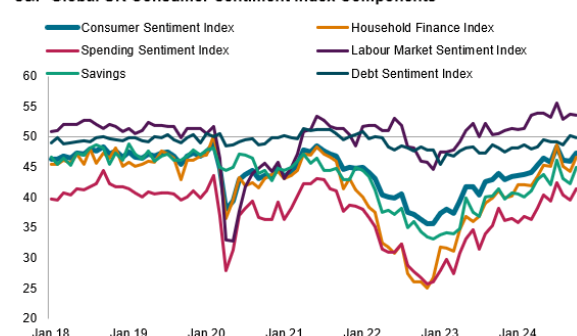
All data are seasonally adjusted and expressed as diffusion indices where 50 signals no change on the prior month. Readings above 50 signal an increase or improvement; readings below 50 signal a decrease or deterioration.

The headline CSI, a combination of survey gauges tracking consumer financial wellbeing, labour market conditions, household spending, saving and debt, rose to 47.3 in October from 46.0 in September. Despite posting below the neutral 50.0 mark, this is the second-highest reading in over three years, exceeded only by July's post-general election bounce.

S&P Global UK Consumer Sentiment Index



S&P Global UK Consumer Sentiment Index Components



As of October 21, 2024.
Index 50 = no change on prior month. All data seasonally adjusted.
Source: S&P Global Market Intelligence.
© 2024 S&P Global.

Commenting on the results, Maryam Baluch, Economist at S&P Global Market Intelligence, said:

“Consumer confidence is showing signs of reviving again after being hit by gloomy talk surrounding the Budget, which pulled sentiment off the recent post-election high seen in July.

“Confidence is being supported first and foremost by the strong labour market, with the survey showing both job security and income from employment improving at some of the fastest rates seen since data were first collected in 2009. An easing of inflation worries, combined with expectations of a further lowering of interest rates, has also helped allay worries over the cost of living.

“Households remain cautious in their spending, and report a further fall in savings to underscore how – despite both now heading lower – inflation and interest rates continue to squeeze household finances. However, attitudes towards making major purchases, such as cars or large domestic appliances, which is a good indicator of overall consumer spending, is running at one of the highest levels seen over the past three years, in a further sign of better things to come.”

S&P Global Consumer Sentiment Index and components

50 = no change on prior month, seasonally adjusted.

	Sept	Oct	High/low
Consumer sentiment index	46.0	47.3	3-month high
Household Finance Index	44.2	46.6	3-month high
Current finances	41.2	42.8	3-month high
Expected finances in 12 months' time	47.2	50.4	3-month high
Spending Sentiment Index	39.6	41.4	3-month high
Cash available to spend	42.3	44.1	3-month high
Views on making major purchases	36.9	38.7	3-month high
Labour Market Sentiment Index	53.8	53.5	2-month low
Job security	53.6	52.7	2-month low
Activity at work	55.3	54.2	8-month low
Income from employment	52.5	53.7	3-month high
Debt Sentiment Index	50.1	49.9	2-month low
Level of debt*	49.4	50.0	2-month high
Need for unsecured credit*	50.8	50.2	24-month low
Availability of unsecured credit	50.5	49.9	2-month low
Savings Index	42.3	45.0	3-month high

* Inverted in index calculation.

News Release

Embargoed until 09:30 BST (08:30 UTC) 21 October 2024

Household finances

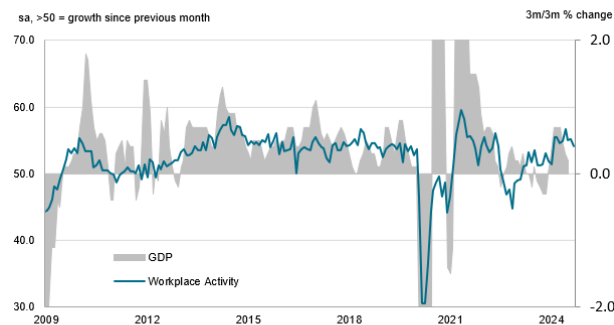
The final quarter of 2024 started on a positive note, with UK household sentiment about the **financial outlook for the year ahead climbing back towards July's three-year high**. It was only the fourth time since the pandemic that the index has signalled net optimism about future finances. While the General Election saw household financial sentiment improve to the highest for over four years, Budget worries have led to a subsequent pull-back in year-ahead confidence, albeit with October seeing those concerns moderate. That said, underlying data noted that growth expectations were primarily limited to private sector workers.

Additionally, UK households noted that the strain on their current finances eased, with the latest CSI data indicating one of the least pronounced deteriorations in over three years. Cooling inflation – as highlighted last week by September CPI numbers (1.7%) coming in below the central bank's target of 2.0% – combined with robust wage growth, continues to reduce the financial stresses of households.

Labour market

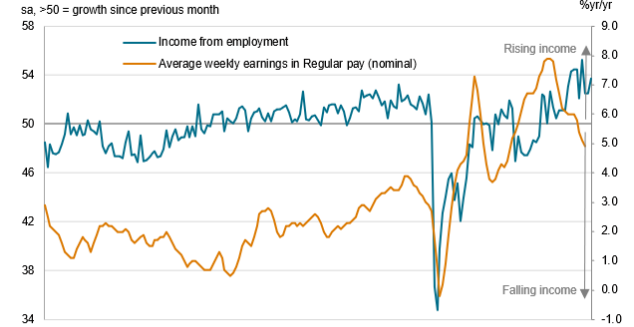
The October CSI data highlighted that labour market conditions remain positive overall for UK households. **Job security strengthened for an eighth consecutive month** and has been improving in recent months at rates that have been among the highest recorded since data were first available in 2009. Additionally, **workplace activity showed positive growth, extending the current sequence to nineteen months**, hinting at sustained robust GDP growth in the final quarter of 2024.

S&P Global Consumer Sentiment Index (CSI) | Workplace Activity v/s GDP
What is your workplace activity vs. one month ago?



The ongoing growth in workplace activity resulted in a **strong increase in income received from employment**, with the respective index reaching its highest level since July's survey record peak. Rising salaries remain therefore a key driver of overall inflation.

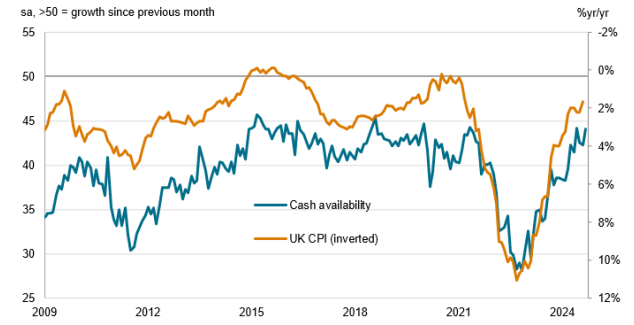
S&P Global Consumer Sentiment Index (CSI) | Income v/s Regular Pay
What is your income from employment vs. one month ago?



Spending

In October, households across the UK reported ongoing pressures on their everyday spending. However, the respective cash availability index came in only fractionally below July's 37-month high, as the continued moderation in inflation and positive income growth alleviated financial pressures and offered households slightly more leeway in their budgets.

S&P Global Consumer Sentiment Index (CSI) | Cash Availability v/s CPI
What is your cash availability vs. one month ago?



Indeed, the **easing of cash constraints resulted in less downbeat attitudes toward spending**. The survey index on consumer appetite to make major purchases was the second-highest recorded in just over three years (behind July 2024).

Saving

The October data also showed that the increased cost of living and a high-interest rate environment are still causing households to eat into their savings. However, the latest data noted that **household savings declined at one of the slowest rates in nearly three years**, thanks primarily to increasing incomes.

News Release

Embargoed until 09:30 BST (08:30 UTC) 21 October 2024

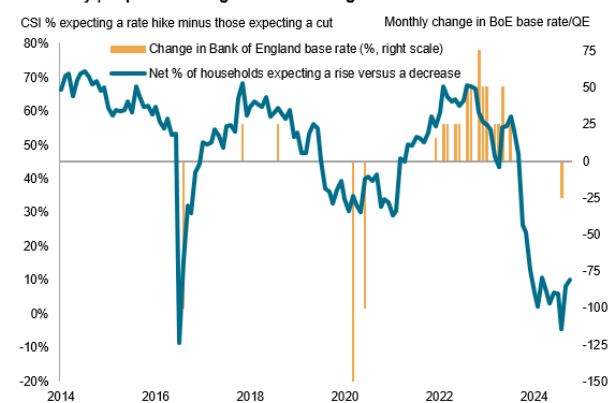
Interest rate expectations

Household expectations towards a further cut in the central policy rate have moderated since peaking back in August.

Households continue to signal a strong overall anticipation of lower interest rates by historical standards, though expectations have moderated from a recent peak back in August.

The central bank aims to maintain restrictive monetary policy to achieve a stable medium-term inflation target of 2%. However, the latest CPI annual rate, which has fallen below this target, presents opportunities for further cuts. While households' interest rate expectations have remained largely unchanged over the past two months, the recent CPI figures will be positively received. The upcoming November CSI data will provide clearer insights into how households foresee the central bank's policy rate evolving, particularly following the release of the Autumn Budget.

CSI survey | Expected change to Bank of England base rate



Note to Editors

Survey methodology

The Consumer Sentiment Index (CSI) is an equally weighted average of five indices: Household Finance Index, Spending Sentiment Index, Labour Market Sentiment Index, Spending Sentiment Index, Debt Sentiment Index and Savings Index. These have similarly been derived from equally weighed averages of relevant sub-components. Index values vary around the 50.0 "no-change" level, with readings above 50.0 signalling an improvement and readings below 50.0 a deterioration. Survey indices have been seasonally adjusted using the US Census Bureau X-12 programme. S&P Global do not revise underlying (unadjusted) survey data after first publication.

The CSI survey was first conducted in February 2009 and is compiled each month by S&P Global. The survey methodology has been designed by S&P Global to complement the Purchasing Managers' Index™ (PMI®) business surveys, which are closely watched due to their timeliness and accuracy in anticipating changing business conditions. The CSI is intended to accurately anticipate changing consumer behaviour.

The survey is based on monthly responses from approximately 1,500 individuals in the UK, with data collected by Ipsos MORI from its panel of respondents aged 18-64. The survey sample is structured according to gender, region and age to ensure the survey results accurately reflect the true composition of the population. Results are also weighted to further improve representativeness.

Prior to September 2010, the CSI was known as the Household Finance Index and was jointly compiled by YouGov and S&P Global based on monthly responses from over 2,000 UK households, with data collected online by YouGov plc from its representative panel of respondents aged 18 and above. The panel was structured according to income, region and age to ensure the survey results accurately reflected the true composition of the UK population. Results were also weighted to further improve representativeness.

For further information, please contact:

S&P Global Market Intelligence

Maryam Baluch
Economist
T: +44-12-4432-7213
maryam.baluch@spglobal.com

Sabrina Mayeen
Corporate Communications
T: +44 (0) 7967 447030
sabrina.mayeen@spglobal.com

For data, please contact

economics@spglobal.com

The next CSI will be released 08:30 GMT (08:30 UTC) 18 November 2024

If you prefer not to receive news releases from S&P Global Market Intelligence, please email katherine.smith@spglobal.com. To read our privacy policy, click [here](#).

News Release

Embargoed until 09:30 BST (08:30 UTC) 21 October 2024

About S&P Global (www.spglobal.com)

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com

S&P Global Market Intelligence

At S&P Global Market Intelligence, we understand the importance of accurate, deep and insightful information. Our team of experts delivers unrivaled insights and leading data and technology solutions, partnering with customers to expand their perspective, operate with confidence and make decisions with conviction. S&P Global Market Intelligence is a division of S&P Global (NYSE: SPGI).

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.