

S&P Global UK Consumer Sentiment Index (CSI)

UK households remain downbeat in July

- **Headline CSI remains broadly unchanged in July and still below the neutral mark of 50.0**
- **Income from employment rises at slower rate again...**
- **...while debt levels surge**

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 data were collected between 10th – 14th July, 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.

At 45.1 in July, the CSI (a combination of survey gauges tracking household financial wellbeing, labour market conditions, household spending, savings and debt), was little changed from June's reading of 45.0. Despite the index holding above the long-run average, it indicated that consumers remain pessimistic about economic conditions and their financial wellbeing.

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

"July marked another month of pessimism among UK households, with the current financial situation deteriorating further. That said, there was an easing of concerns regarding the year ahead. The labour market also offered some reassurance, with job security returning and work activity increasing at a sharper pace. However, the growth rate of income from employment slowed to a four-month low.

"Despite the overall CSI figure showing a slight month-on-month change, the underlying data highlighted significant financial pressures confronting lower-income households. Stark disparities across income brackets were evident; lower-income households experienced a steeper downturn in earnings from employment, while their higher-income counterparts saw a marked increase. Alarmingly, the gap between these groups reached one of the largest levels in the survey history. Additionally, debt levels surged, accumulating at the fastest pace since last April. Those in lower-income brackets recorded a rapid increase in debt, whereas higher earners managed to reduce their debt burdens.

"As the year progresses, external challenges are likely to contribute to ongoing uncertainty for households. Nevertheless, declining borrowing costs and sustained income growth may help alleviate some financial pressures."

S&P Global Consumer Sentiment Index and components

50 = no change on prior month, seasonally adjusted.

	Jun	Jul	High/low
Consumer sentiment index	45.0	45.1	2-month high
Household Finance Index	43.5	43.6	7-month high
Current finances	41.0	40.7	2-month low
Expected finances in 12 months' time	45.9	46.5	7-month high
Spending Sentiment Index	37.4	37.7	2-month high
Cash available to spend	38.3	39.8	2-month high
Views on making major purchases	36.5	35.6	3-month low
Labour Market Sentiment Index	52.0	52.4	2-month high
Job security	49.2	50.3	2-month high
Activity at work	53.8	54.1	2-month high
Income from employment	53.0	52.9	4-month low
Debt Sentiment Index	48.8	48.9	2-month high
Level of debt*	50.8	52.1	15-month high
Need for unsecured credit*	51.8	51.5	2-month low
Availability of unsecured credit	49.0	50.1	4-month high
Savings Index	43.2	42.7	2-month low

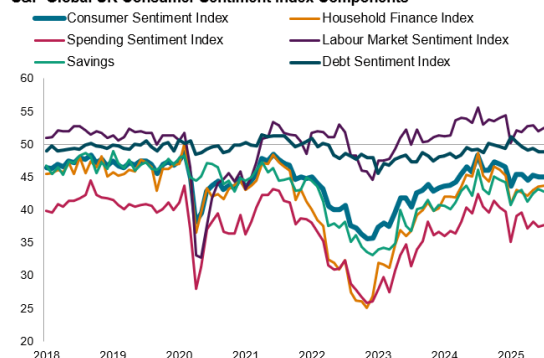
* Inverted in index calculation.

S&P Global UK Consumer Sentiment Index



As of July 21, 2025.
Index 50 = no change on prior month. All data seasonally adjusted.
Source: S&P Global Market Intelligence.
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S&P Global UK Consumer Sentiment Index Components



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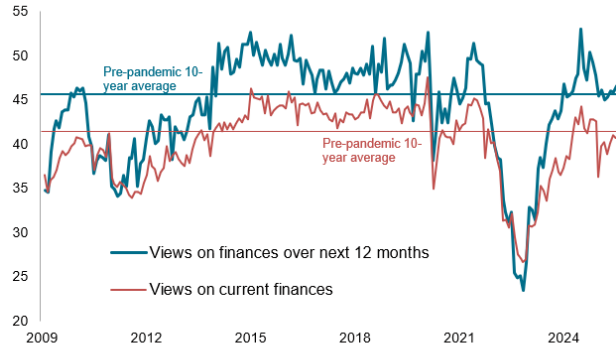
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UK households least pessimistic towards their year-ahead financial outlook in 2025 so far

While UK households anticipate their financial situation will deteriorate over the coming year, the extent to which financial wellbeing is expected to worsen was the least pronounced in seven months. As has been the case since April, underlying data revealed a notable disparity by job sector. Households in the private sector forecast an improvement in their financial outlook, in contrast to their public sector counterparts, who anticipate a decline.

Regarding current financial wellbeing, despite easing in the previous two survey periods, the degree of financial strain on UK households worsened in July. The respective seasonally adjusted index moved closer to the survey average (40.2). Of the 12 monitored regions and nations, households in Northern Ireland recorded the most severe deterioration, and the largest downwards adjustment in sentiment on the month. Conversely, households in London stood out as the only exception by recording a further improvement in their financial situation.

S&P Global UK CSI | Household finances



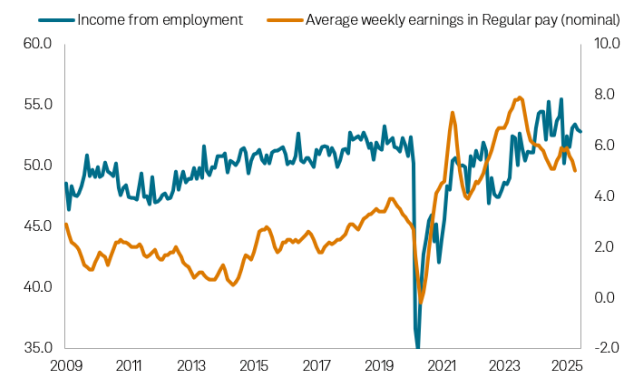
The labour market remains some source of assurance for UK households

UK households have recorded positive labour market sentiment in each month over the last two years, with July signalling a solid and stronger improvement.

Additionally, UK households regained a sense of security in their job roles, reversing the uncertainty observed in the previous month. However, the respective seasonally adjusted index printed only slightly above the neutral mark of 50.0, indicating that while confidence has returned, it remains fragile. Notably, underlying data revealed that this sense of security was primarily felt by those in the private sector.

July also marked a sharp rise in workplace activity. The rate of growth was faster than seen in June and was stronger than the series average. By sector, the strongest rise in activity was recorded by IT/Telecoms. Conversely, Media/Culture/Entertainment recorded the steepest contraction.

S&P Global Income employment and Regular pay



Despite an increase in income, households experienced a slowdown in salary inflation during July. Earnings from employment rose at the weakest rate in four months, partly due to near stagnation in public sector income. In contrast, private sector workers benefitted from a sharp and accelerated rise in their salaries.

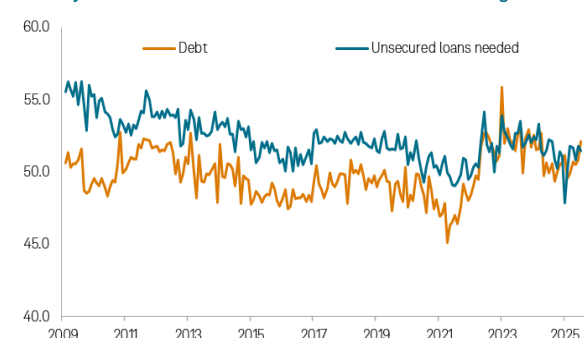
Additionally, when assessing the data by income distribution, a stark divergence emerges. Households in the lowest income tier, earning less than £15,000 annually before tax and deductions, experienced a strong decline in employment income. In notable contrast, those in the highest grouping — earning £57,751 or more — witnessed a sharp increase in their earnings from employment. This widening gulf between the highest and lowest income households reflects one of the largest disparities recorded since the series began in early-2009.

Debt levels surge

UK households amassed debt at a solid pace in July, marking the steepest accumulation in 15 months. The current economic landscape of high inflation and elevated borrowing rates has placed considerable strain on households, with those in the lower income brackets feeling the most pressure. These households experienced a notable increase in their debt levels. In contrast, households in the top two income tiers managed to achieve a slight reduction in their debt levels, albeit only modestly.

S&P Global Consumer Sentiment Index (CSI) | Debt and Unsecured loans needed

What is your debt and need for unsecured loans vs. one month ago?



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Simultaneously, **demand for unsecured loans continued to rise in July**, although the rate of increase moderated slightly from June. Again, a clear income disparity persisted. While households in all income brackets expressed a need for credit, it was those in lower-income brackets that signalled the most pronounced demand. Furthermore, these households faced significant hurdles in securing loans, in stark contrast to their higher-income counterparts, who found it increasingly easy to obtain credit. **Following three months of reporting challenges, UK households registered a broad stabilisation in their ability to access credit overall.**

Ongoing constraints on disposable income result in prudent attitude towards purchasing decisions among households

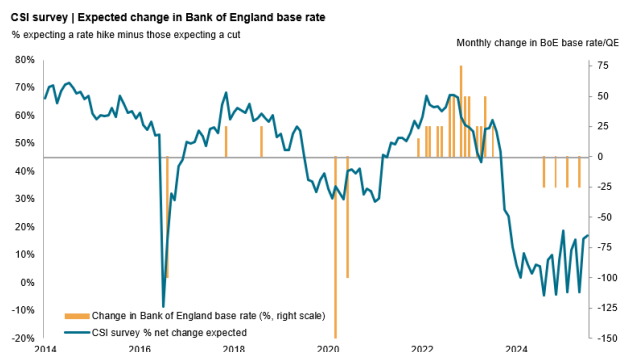
Sentiment regarding the level of disposable income and purchasing activity for major items remained largely consistent with trends observed in the first half of the year. Households continued to grapple with considerable constraints on cash availability, with **July data indicating a further decline in disposable incomes**. Although the rate of reduction was less severe than in the previous month, it nonetheless underscored ongoing financial pressures.

As a result, households across the UK remained cautious toward spending, particularly regarding big-ticket items. **Major purchasing activity was curtailed at the strongest rate in three months.**

Households expect an increase in the central bank's policy rate

At the beginning of the second half of the year, expectations regarding the Bank of England's interest rate decisions among UK households remained largely consistent with those from June. A net balance of +17% now anticipates an increase in interest rates, up from +16%.

As previously noted, although the net balance has risen to a six-month high, it continues to highlight relatively dovish sentiment among households regarding any possible increase in the policy rate in relation to data prior to late 2023.



As of July 21, 2025.
CSI based on survey of 1500 households.
Source: S&P Global Market Intelligence.
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The next CSI will be released 09:30 BST 18 August 2025

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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.

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