



UK consumer confidence
rises to its highest level since
Q2 2019

The Deloitte
Consumer Tracker

Q3 2024



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Four key takeaways this quarter

The latest Deloitte Consumer Tracker shows that UK consumer confidence rose to -7.9 % in Q3 2024, its highest level in five years, taking the Consumer Confidence Index to a level last seen before the pandemic, in Q2 2019. This represents the eighth consecutive quarter of upward movement in the Index, and points to consumers feeling more positive about their personal and financial circumstances.

Takeaway 1

UK consumer confidence rises to its highest level since Q2 2019

Since reaching an all-time low in Q3 2022, the Deloitte Consumer Confidence Index has risen by over twelve percentage points to -7.9% in Q3 2024, according to the latest Deloitte Consumer Tracker. As a result, confidence is back to levels last seen in Q2 2019, before the pandemic, possibly a significant milestone for the UK economic recovery.

The improvement in the Index in Q3 is against a backdrop of a strong labour market, the first cut in interest rates in more than four years in August, growth in real income for over a year, and inflation now below the Bank of England's 2% target.

Takeaway 2

The overall rise in confidence was driven by quarterly improvements in all the measures included in the Index

The index's improvement is due in part to a significant increase in consumer sentiment towards children's education and welfare, up five percentage points to its highest level since Q3 2016, following the introduction of the government's offering of free childcare in September.

There was also an improvement in sentiment around job opportunities and career progression to its highest level since Q2 2019. At the same time, consumers felt slightly more positive about job security as the labour market remains strong. With wage growth still rising faster than inflation, there was also an improvement in consumer sentiment in levels of disposable income. Finally, with the Bank of England's decision to cut interest rates for the first time in four years in August consumer sentiment around level of debt also rose in Q3.

Takeaway 3

Signs of consumer spending starting to bounce back

These improving conditions should create a tailwind for a consumer recovery. Indeed, according to our research there are some signs of consumer spending bouncing back.

The data shows that net spending on non-essential goods and services rose again in Q3 and is in positive territory for the first time since Q3 2021, when consumers were emerging from the pandemic.

At the same time, lower inflation continues to remove the pressures on essential spending, with overall net spending on day-to-day items down for the second consecutive quarter in Q3 2024.

Takeaway 4

Confidence and spending continuing to improve will depend on uncertainty fading away

Despite the economy returning to normal levels of growth, UK consumer demand remains weaker than in other advanced economies, and as a result trading might remain subdued in the final quarter of the year. Overall, it is difficult to predict to what extent consumers will continue to be hesitant despite their improving finances, and whether they choose to replenish their savings and pay down their debts rather than spend.

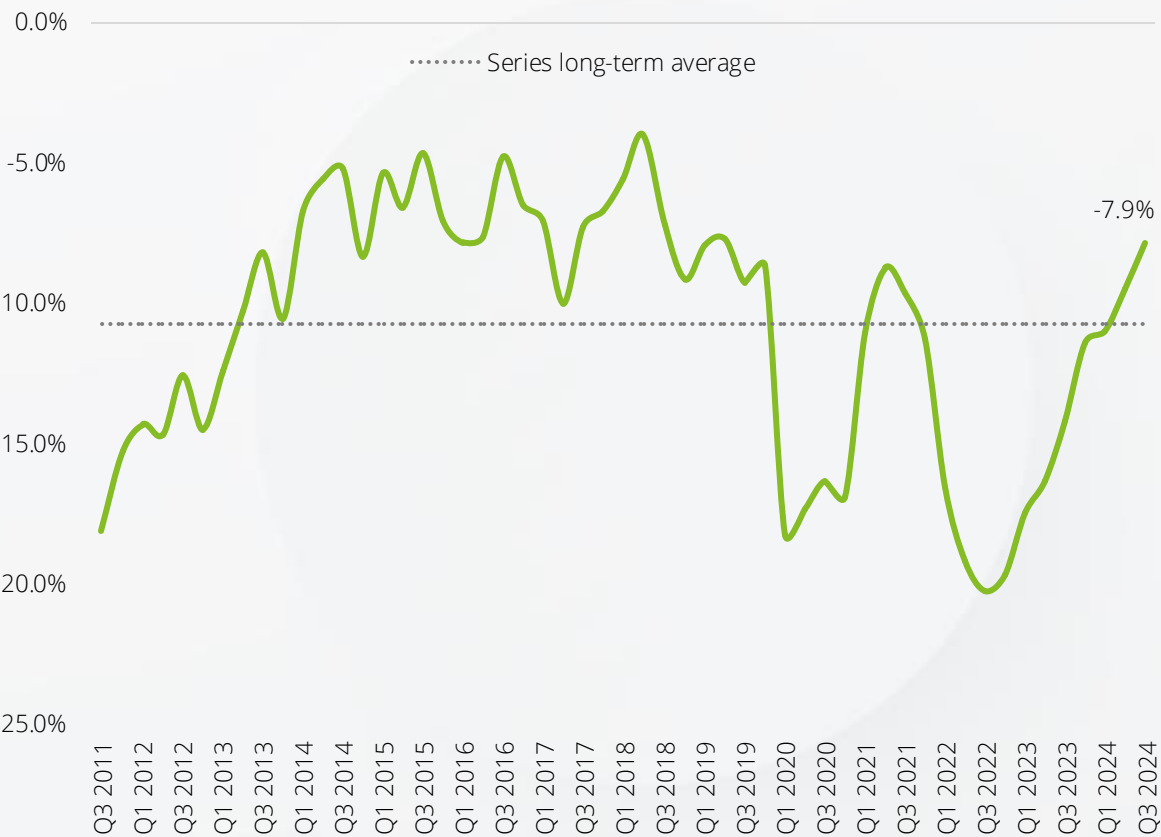
Whether consumer sentiment will continue to improve, and the prospect for business trading at Christmas, will depend on what the chancellor announces in the upcoming Budget, whether there will be another Bank of England rate cut, and the strength of the jobs market. However, there should be cautious optimism that conditions are ripe for a bounce back in consumer spending if uncertainty fades away after the Budget.



Consumer
confidence

Deloitte Consumer Confidence Index*

Net % improvement in level of confidence in the past three months



Confidence back to levels last seen before the pandemic

UK consumer confidence rose for an eighth consecutive quarter to -7.9 % in Q3 2024. Since reaching an all-time low in Q3 2022, the Deloitte Consumer Confidence Index has risen by over twelve percentage points to -7.9% in Q3 2024, according to the latest Deloitte Consumer Tracker.

As a result, confidence is back to levels last seen in Q2 2019, before the pandemic, possibly a significant milestone for the UK economic recovery.

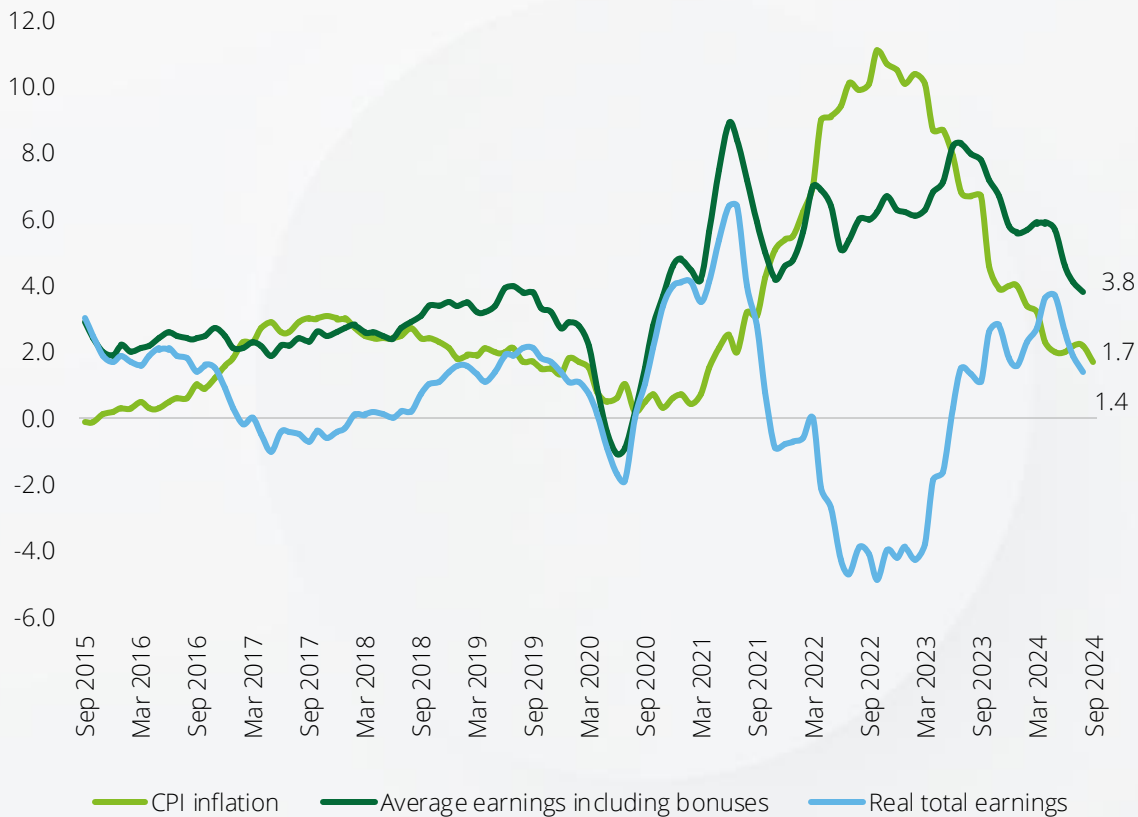
The overall rise in confidence was driven by quarter-on-quarter improvements in six out of six measures included in the Index* (See page 7).

Source: The Deloitte Consumer Tracker

* The Deloitte consumer confidence index is an average of the net % improvement in level of confidence in the past three months for six individual measures of confidence (see page 7).

The improvement in the Index in Q3 is against a backdrop of positive macroeconomic indicators

CPI inflation vs average earnings (incl. bonuses) (year-on-year % growth)



Despite slowing pay continues to grow faster than prices

The sustained improvement in the index since Q4 2022 corresponds to a period that saw economic uncertainty easing, including a fall in the rate of inflation from a peak of 11.1% in October 2022.

Despite slowing at 3.8% in the three months to August the annual wage growth including bonuses continues to outstrip the inflation rate now below target at 1.7%.










As a result, real wages have been rising since the summer of 2023 releasing the pressure on consumer purchasing power.

The data adds to evidence that pay pressures in the economy are easing and support the case for further interest rate cuts.

Source: Refinitiv Datastream

Individual measures of consumer confidence

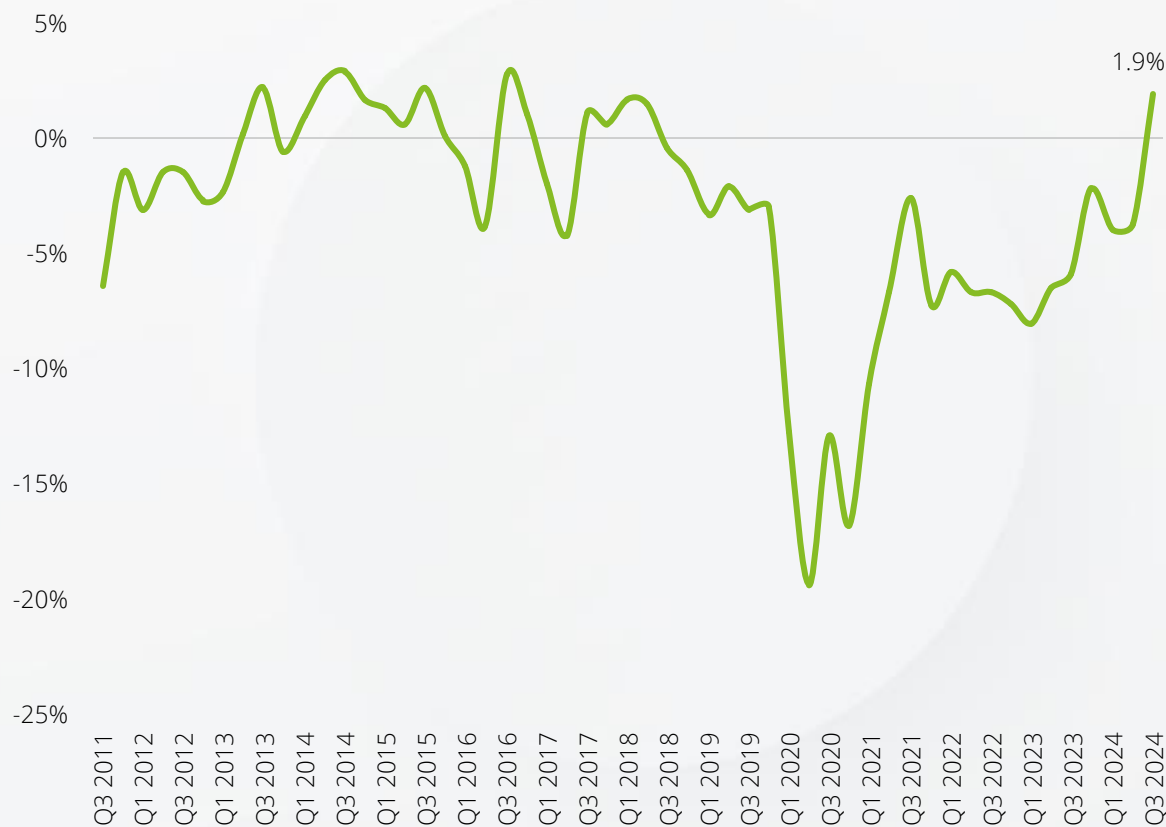
Net % improvement in level of confidence in the past three months

Individual measures of consumer confidence	Q3 2024 net balances	% point change quarter on quarter	% point change year on year
Your children’s education and welfare	-1.9%	 +5.6	 +7.7
Your job security	-2.6%	 +0.5	 +4.2
Your job opportunities/career progression	-1.7%	 +2.3	 +3.7
Your level of debt	-6.3%	 +0.8	 +5.3
Your general health and wellbeing	-16.2%	 +0.1	 +4.6
Your household disposable income	-22.4%	 +0.7	 +12.5
Deloitte Consumer Confidence Index	-7.9%	 +1.7	 +6.3
The state of the economy in the UK*	-37.8%	 -5.3	 +20.6

Source: The Deloitte Consumer Tracker
*Please note this measure is not included in the overall index

Consumer confidence about children’s education and welfare

Net % improvement in confidence children’s education and welfare in the past three months



Source: The Deloitte Consumer Tracker

Strong rise in confidence in children’s education and welfare

The overall index improvement is due in part to an increase in consumer sentiment towards children’s education and welfare.

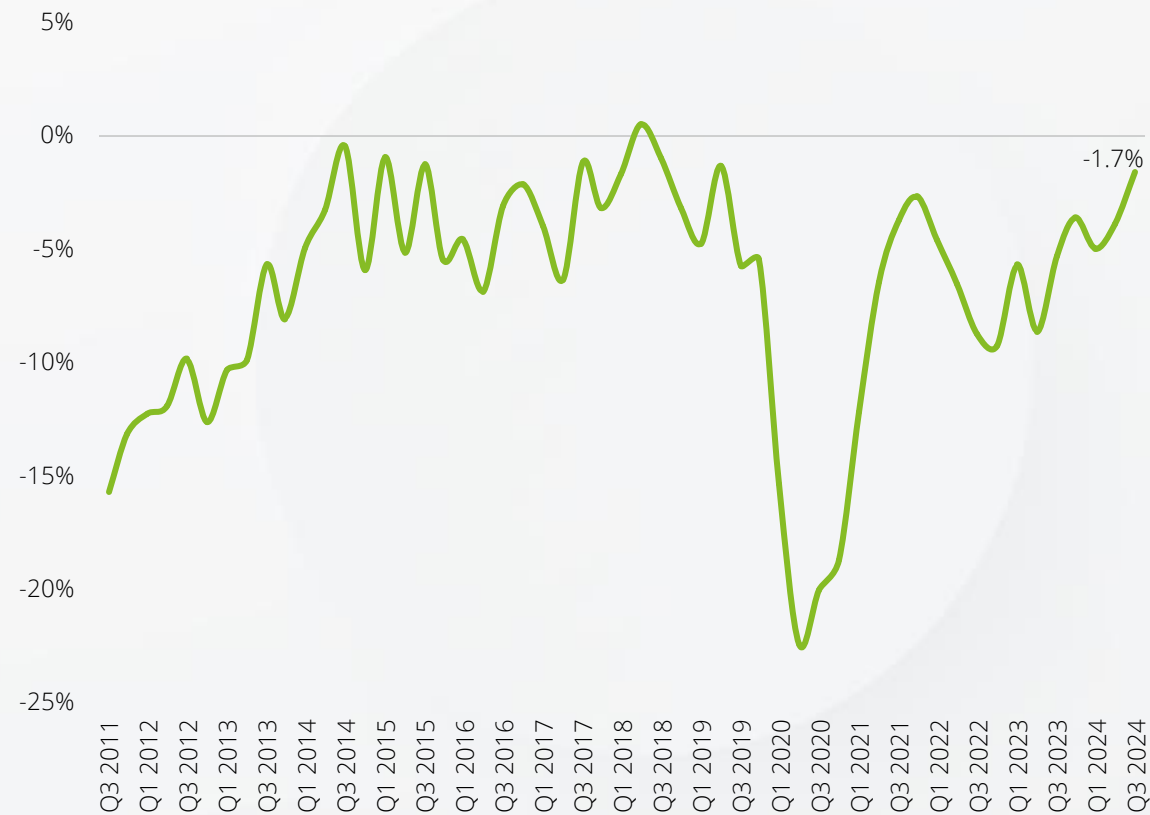
The measure was up five percentage points to its highest level since Q3 2016, following the government’s extending free childcare.

The offer of 30 hours of free care a week for three- and four-olds in England is being gradually widened to all infants over nine months.

The assistance will be available to families with two working parents earning at least the equivalent of a 16-hour a week minimum wage job and who both individually earn under £100,00 a year.

Consumer confidence about job opportunities and career progression

Net % improvement in confidence in job opportunities and career progression in the past three months



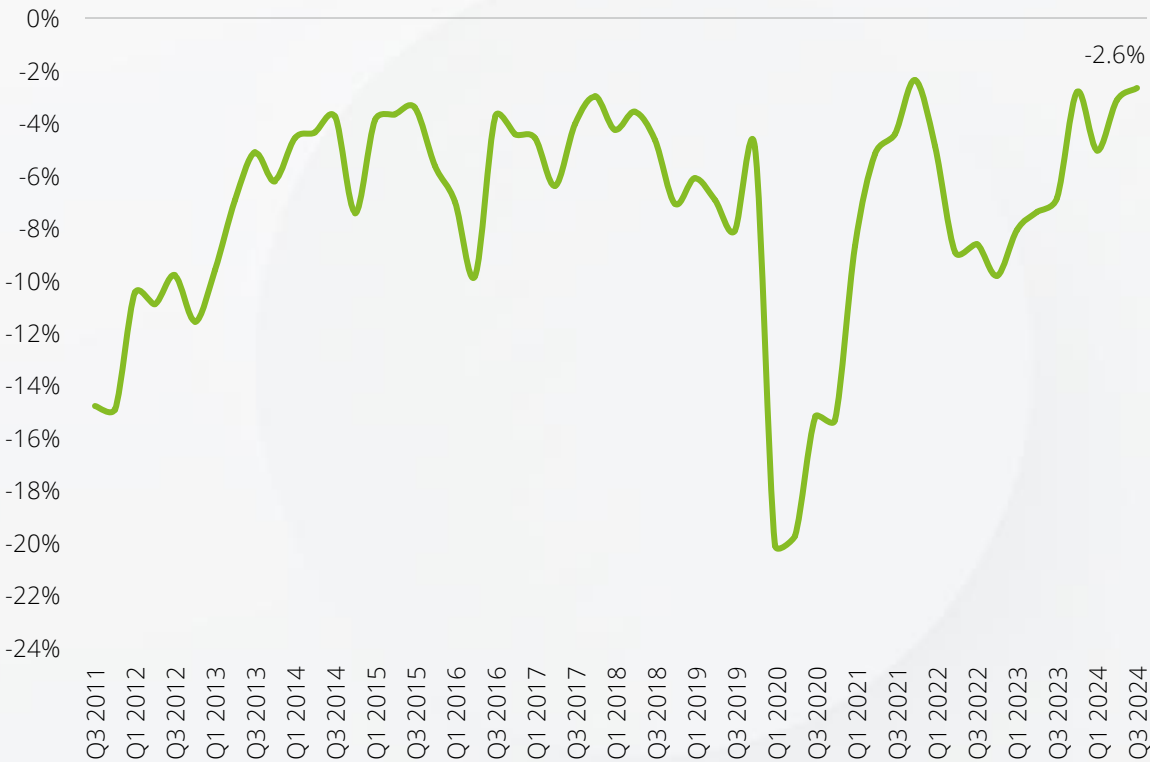
Sentiment about job prospects improves strongly

There was also an improvement in sentiment around job opportunities and career progression, up two percentage points to its highest level since Q2 2019.

Source: The Deloitte Consumer Tracker

Consumer confidence about job security

Net % improvement in confidence in job security in the past three months



Marginal improvement in sentiment around job security

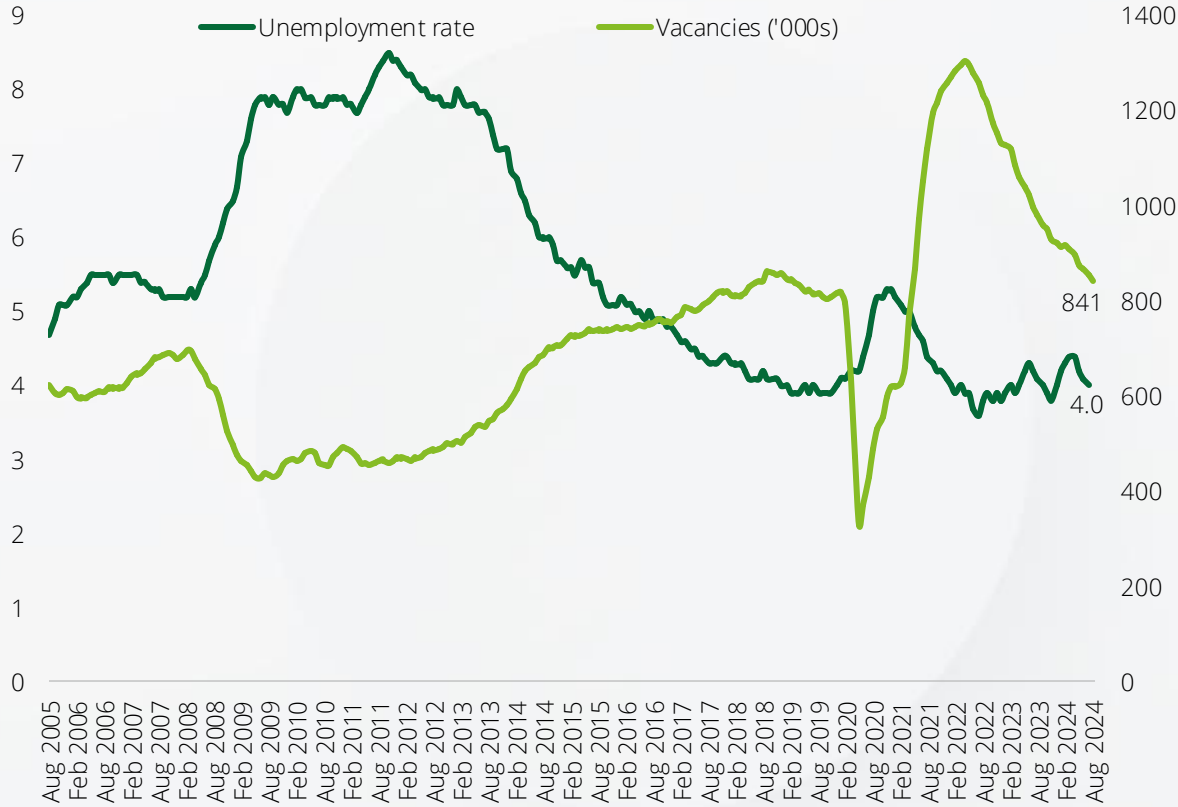
With the labour market remaining tight by historical standards, consumers were more positive about their job security in Q3 compared with the previous quarter, with the measure rising 0.5 percentage points to -2.6% in Q3.

Despite recent official data reporting an uptick in unemployment since the end of last year and fewer vacancies, strong wage growth means that those in employment have enjoyed better paid jobs.

Source: The Deloitte Consumer Tracker

Labour market cooling

UK unemployment rate (all aged 16 and over)



The UK labour market remains strong despite a slowdown

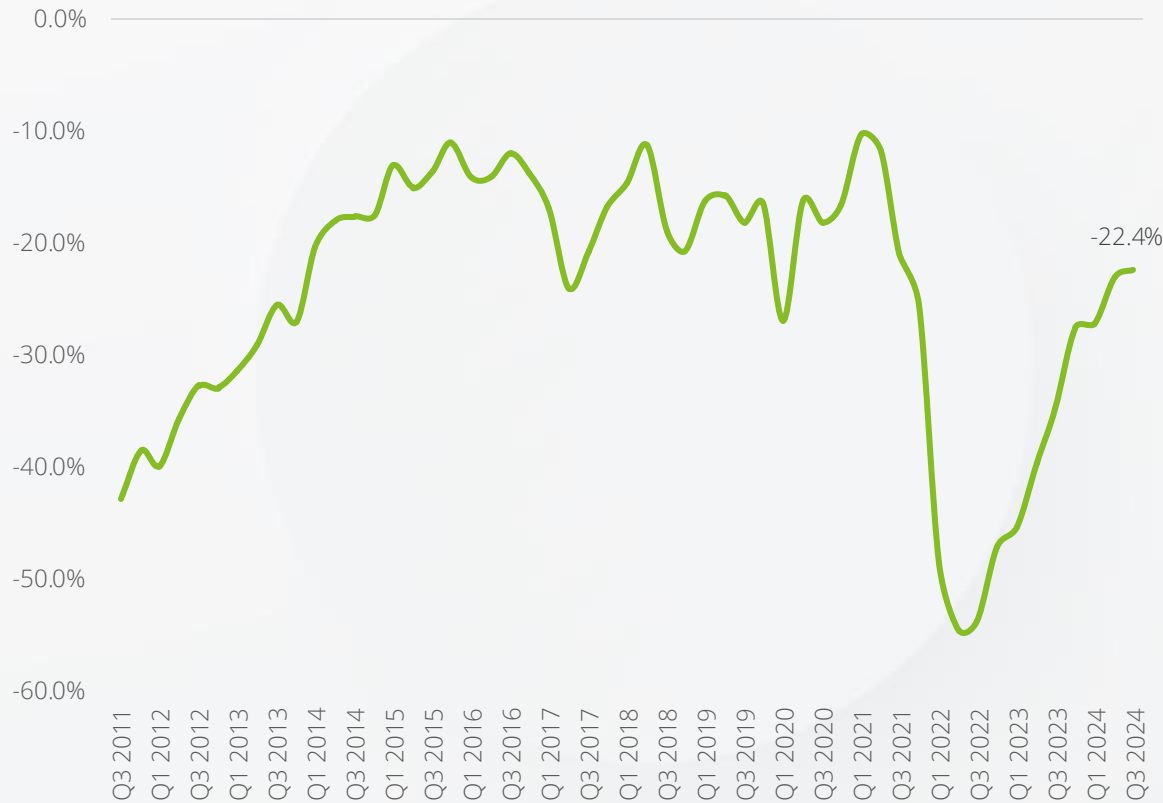
Despite the ONS' difficulties in tracking the true state of the labour market, it reported that unemployment fell from 4.1 % in June to 4% in July. Although economic inactivity has come down in recent months, it remains close to a record high, with almost a third outside the workforce due to near record levels of long-term sickness.

The ONS also pointed to an ongoing decline in vacancies, which fell over the past quarter in all industries, leaving the total number of open posts at 841,000 — just above the pre-pandemic level. This was due to the continued slowdown in hiring across the economy as employers await more certainty over government policy on tax and spending from the autumn budget.

Source: Refinitiv Datastream

Consumer confidence about their levels of household disposable income

Net % improvement in confidence in levels of household disposable income in the past three months



Recent improvements in sentiment around disposable income slows down

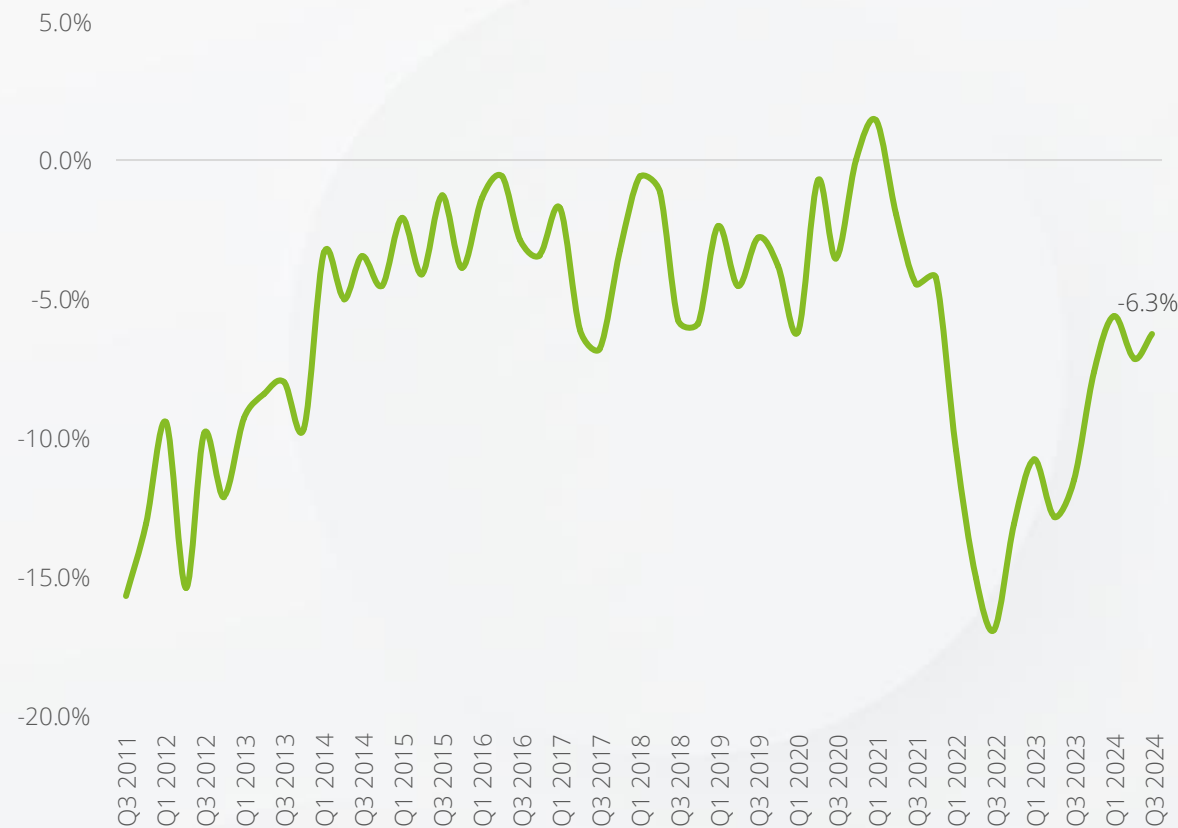
With falling inflation continuing to bolster consumer finances, the improvement in consumer sentiment in levels of disposable income reported in our Tracker since the end of 2022 continued in Q3 but as wage growth starts to ease, our data shows that the improvement was slower, growing by only 0.7 percentage points to -22.4% in Q3.

And indeed, despite the broad improvement in our Tracker, the net sentiment measure for disposable income remains significantly below where it was in Q1 2021 (-10.3%) as consumers emerged from the pandemic with record levels of savings.

Source: The Deloitte Consumer Tracker

Consumer confidence about their levels of debt

Net % improvement in confidence in levels of debt in the past three months



Source: The Deloitte Consumer Tracker

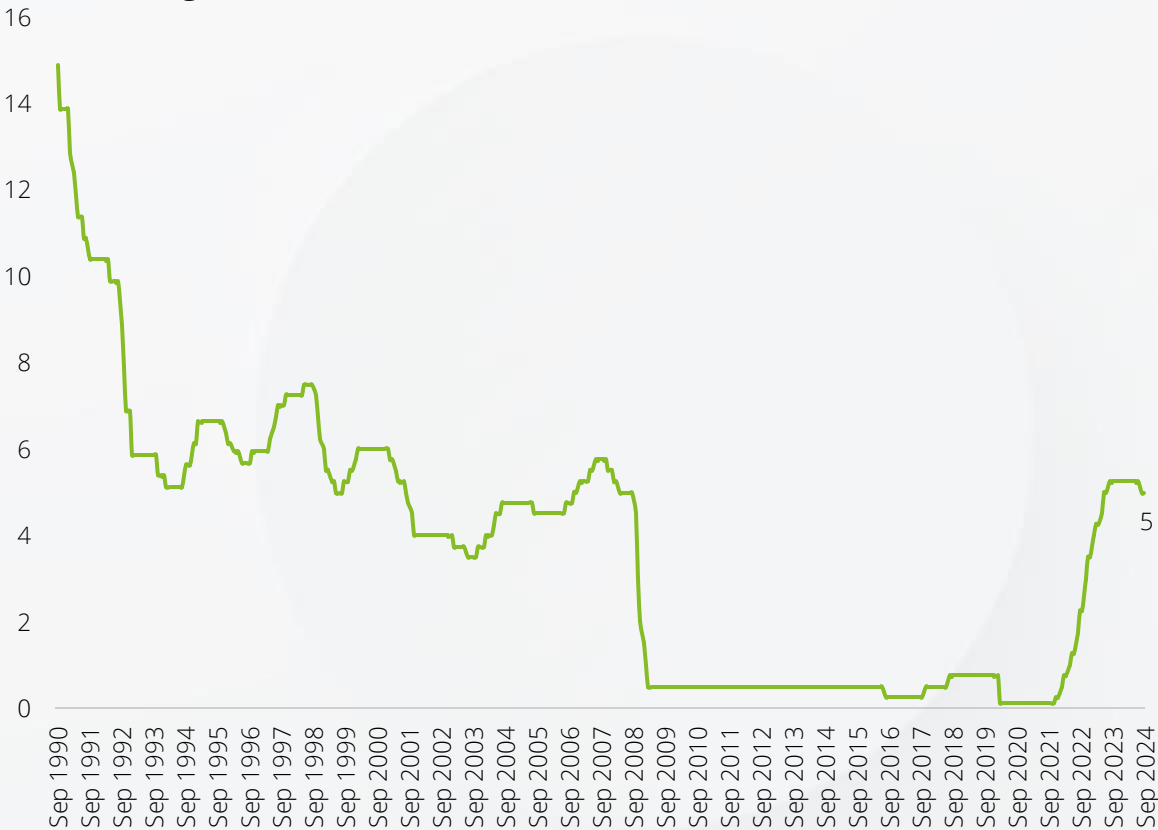
Confidence in levels of debt improves as interest rates are cut for the first time in four years

The Bank of England’s decision to cut interest rates for the first time in four years in August led to a slight improvement in consumer sentiment around their level of debt (+0.8 percentage points) in Q3.

Another reason for the improvement in sentiment around debt might be that with interest rates remaining high consumers have also focused on paying off debts. In separate data from our Tracker fewer consumers (18%) said that their debts had increased in Q3 compared with the previous quarter (21%).

First interest rates cut in four years

Bank of England base rate



Source: Refinitiv Datastream

First rates cut in four years with more to come but gradually

After cutting borrowing costs by a quarter point in August, the Bank of England (BOE) has held interest rates at 5% in September but with inflation falling below 2% in the same month, the BOE may lower borrowing costs again as soon as November.

Expectations are that as the base rate falls, precautionary savings should diminish and consumption should rebound. However, given that higher than expected consumption could see inflation rising again as companies pass on costs more easily, the BOE is likely to adopt a gradual approach to monetary easing.

As a result, market expectations on interest rates are for the cost of borrowing to remain at elevated levels for a longer period.

Household borrowing on credit card slows



High cost of credit means borrowing on credit card slows

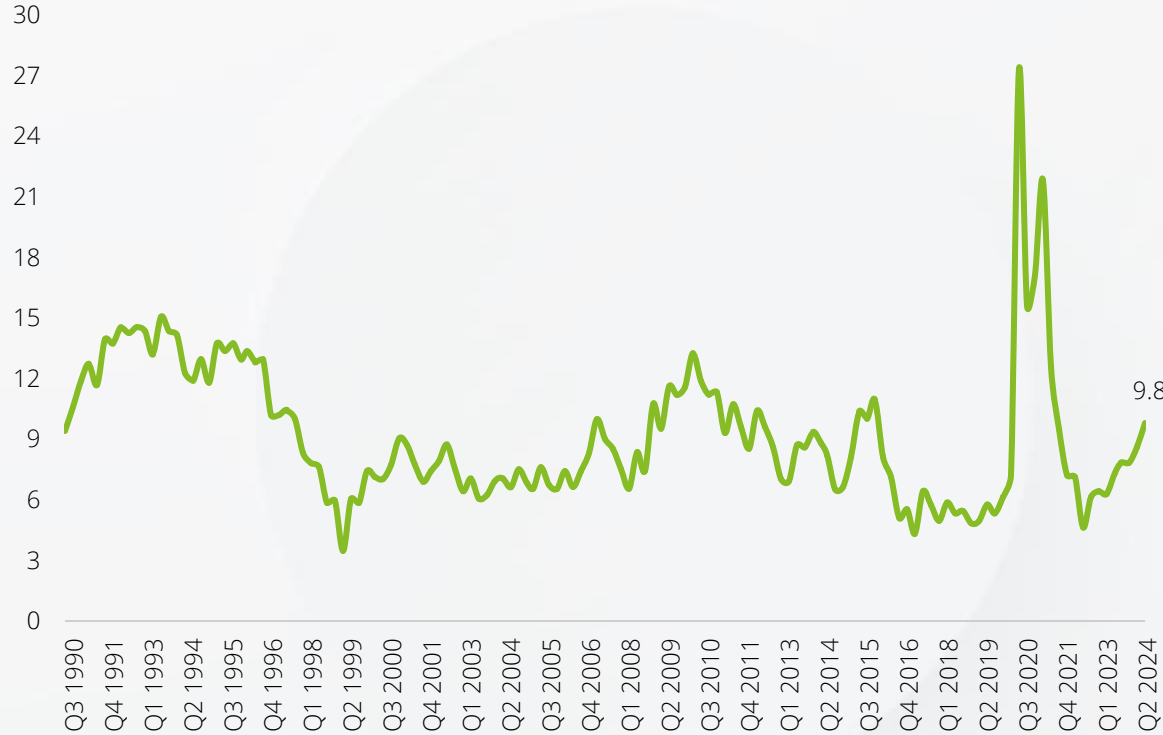
Latest data from the Bank of England shows the annual growth rate for credit card borrowing was down to 10% in August from at 10.3% in July.

The data suggests that households might be adopting a more cautious approach to borrowing.

Source: Refinitiv Datastream

Saving ratio rising points to consumers remaining prudent

UK households' savings ratio



Consumers choose to save rather than spend

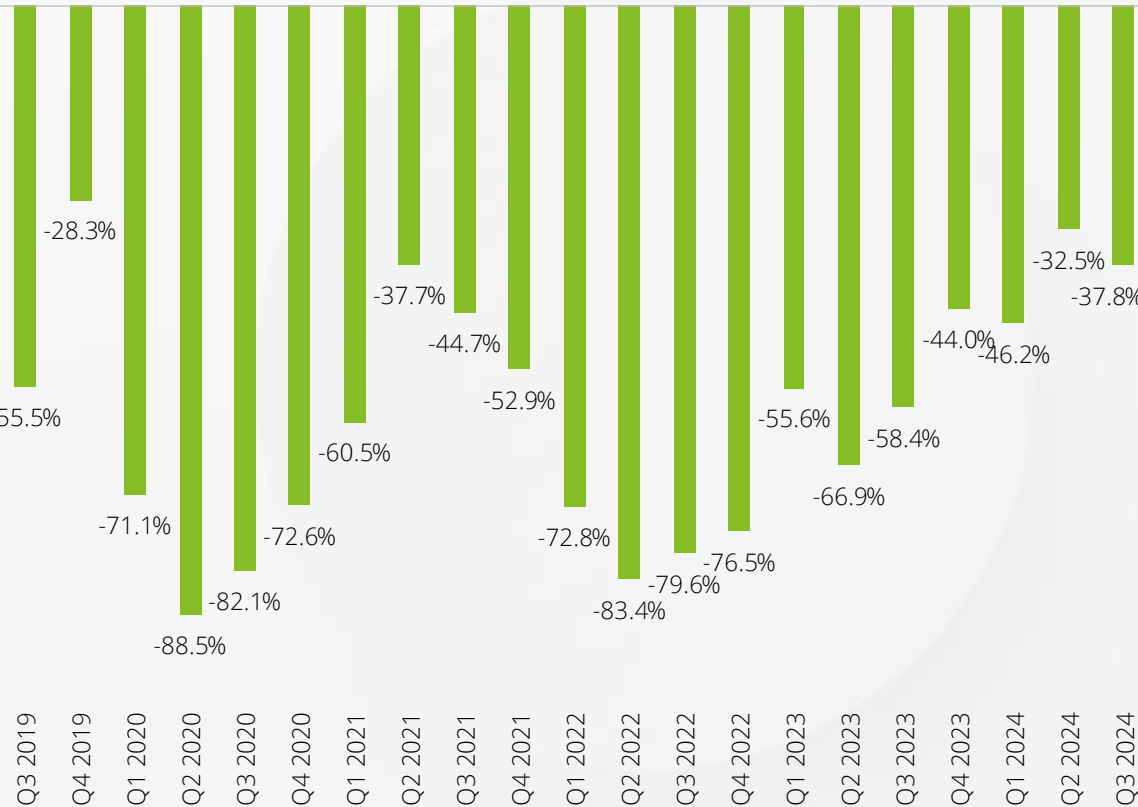
The trend of savers moving more money into saving accounts continued as higher interest rates encourage households to save more, borrow less and delay large purchases.

The household saving ratio (i.e., the proportion of disposable income that household save) rose to a three-year high of 9.8% in Q2 2024, a sign that consumers might still be apprehensive and were saving some of their additional income in Q2 and only spending part of their income increases.

Source: Refinitiv Datastream

Consumer confidence about the state of the UK economy

Net % improvement in confidence in the state of the UK economy in the past three months



Consumers sentiment about the state of the UK economy fell in Q3

Despite their improving financial circumstances, consumers' confidence towards the state of the UK economy fell by five percentage points in Q3 2024, probably as a result of consumers awaiting the details of the upcoming Autumn Budget.

However, sentiment towards the economy remains 20 percentage points higher than the same period a year ago.

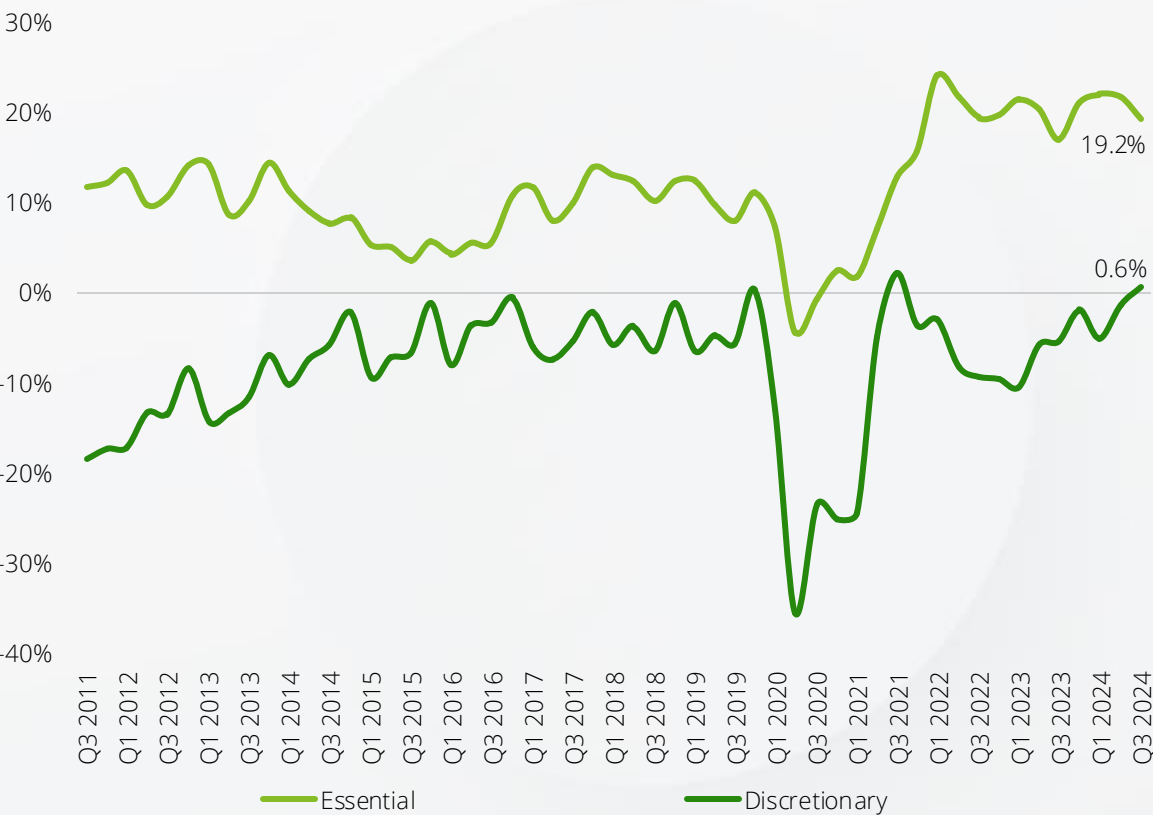
Source: The Deloitte Consumer Tracker



Consumer spending

Consumer spending in the last three months by category

Net % spending more by category



Note: New categories were added to Essential spending in Q2 2020

Source: The Deloitte Consumer Tracker


































Signs of consumer spending starting to bounce back

Net spending on non-essential goods and services rose by 1.9 percentage points to 0.6%, the first time it has been in positive territory since Q3 2021. The improvement was driven by strong growth in spending on holidays, restaurants and clothing and coincided with the summer holiday period and also with a large number of sporting and cultural events taking place.

At the same time, overall net spending on day-to-day categories was down for the second consecutive quarter in Q3 compared with Q2 2024. Slower spending growth on essentials points to easing inflationary pressures, with consumers spending less on housing, transport and groceries. However, despite the economy returning to normal levels of growth, demand for discretionary goods remains weak, as consumers still adjust to higher prices, and continue to prioritise spending on experiences over spending on goods.

Spending in essential categories in the last three months

Net % spending more by category over the last three months

Consumer spending in the last three months by category	Q3 2024 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Essential	19.2%	 -2.4	 +2.2	 +11.2
Utility bills	34.3%	 +1.7	 +2.2	 +19.3
Grocery	43.0%	 -3.8	 -1.9	 +26.5
Everyday household items	28.3%	 -1.9	 +1.0	 NA
Housing	22.9%	 -5.3	 +0.7	 +15.9
Landline/mobile phone, internet and cable/TV	16.7%	 -8.4	 +2.7	 +12.0
Transport	18.2%	 -4.3	 -2.6	 +8.6
Pensions and insurance	14.1%	 -2.0	 +3.4	 +9.3
Health	11.5%	 +0.3	 +5.1	 +7.7
Education	6.0%	 +0.0	 +4.5	 +3.4
Beauty and personal care products	-2.5%	 -2.5	 +6.3	 NA

Spending in discretionary categories in the last three months

Net % spending more by category over the last three months

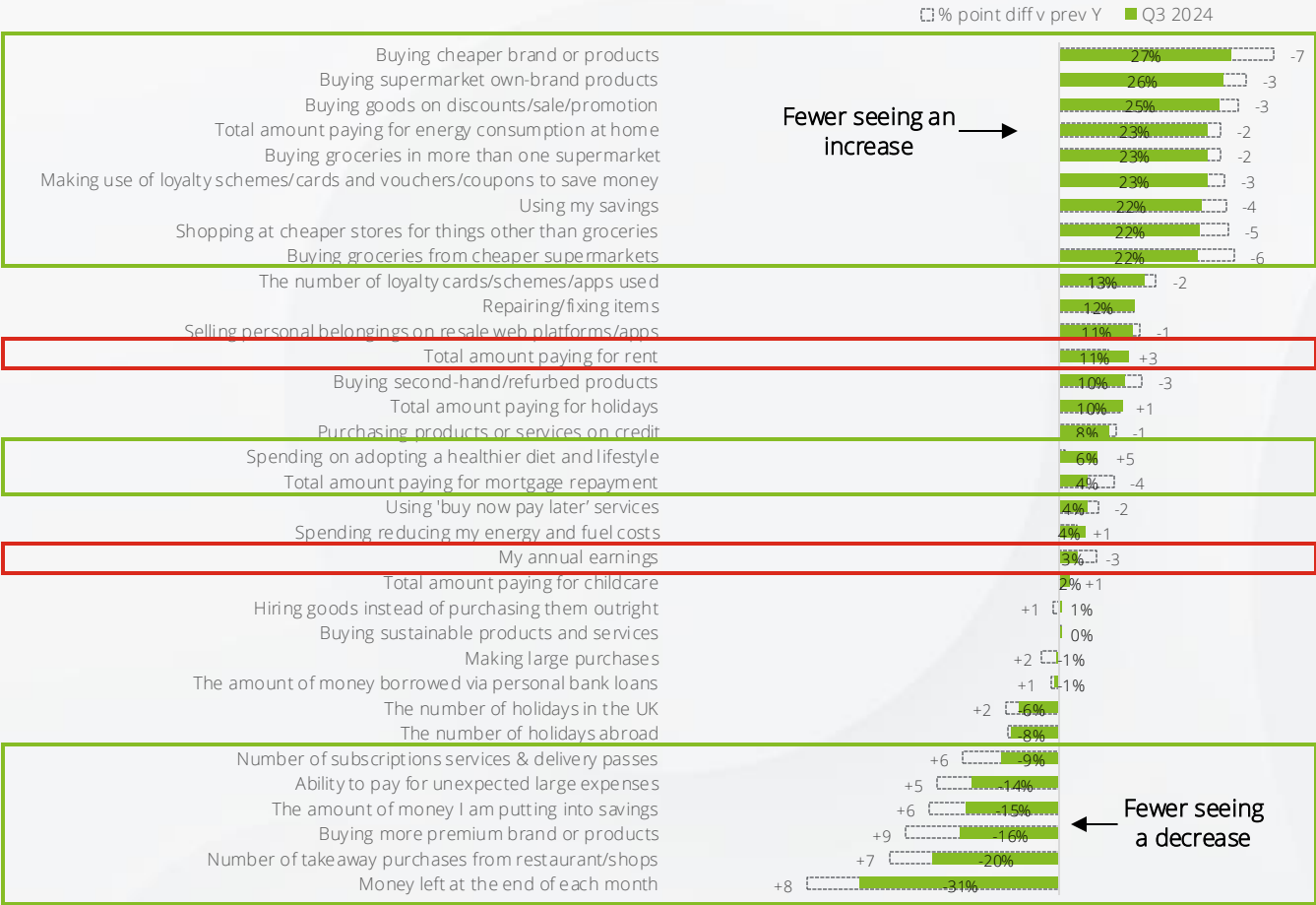
Consumer spending in the last three months by category	Q3 2024 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Discretionary	0.6%	<div>↑ +1.9</div>	<div>↑ +5.9</div>	<div>↑ +6.2</div>
Holidays and hotels	11.5%	<div>↑ +3.2</div>	<div>↑ +3.6</div>	<div>↑ +8.5</div>
Major household appliances	1.1%	<div>↓ -0.4</div>	<div>↑ +5.7</div>	<div>↑ +4.6</div>
Electrical equipment	0.4%	<div>↓ -0.2</div>	<div>↑ +6.6</div>	<div>↑ +5.8</div>
Alcoholic beverages and tobacco	-3.9%	<div>↓ -0.2</div>	<div>↑ +1.4</div>	<div>↑ +4.1</div>
Furniture and homeware	-5.0%	<div>↑ +0.8</div>	<div>↑ +5.5</div>	<div>↑ +1.6</div>
Restaurants	1.9%	<div>↑ +5.5</div>	<div>↑ +7.3</div>	<div>↑ +9.7</div>
Clothing and footwear	4.7%	<div>↑ +3.0</div>	<div>↑ +10.6</div>	<div>↑ +10.6</div>
Going out	-6.1%	<div>↑ +3.4</div>	<div>↑ +6.4</div>	<div>↑ +4.8</div>

Source: The Deloitte Consumer Tracker

Consumer attitudes to finances and spending in the last three months

Thinking about your financial situation and spending habits in the last three months compared with the previous four to six months, did you see an increase or decrease in each of the following, or did they remain about the same?

Net % seeing an increase over the last three months compared with a year ago



Although consumers remain prudent, there are signs they are easing their defensive behaviours

Our data shows that consumers continue to focus on value in Q3 2024 with many increasing trading down by buying cheaper brands or supermarkets' own brands, buying goods at discounts, or on sale or promotion, buying groceries from cheaper supermarkets, and making use of loyalty schemes or cards and coupons to save money.

However, compared to a year ago, our data indicates that consumers have significantly eased their defensive behaviours such as fewer reporting decreasing buying more premium brands as their financial circumstances improve including how much money they have left at the end of each month.

Sector updates

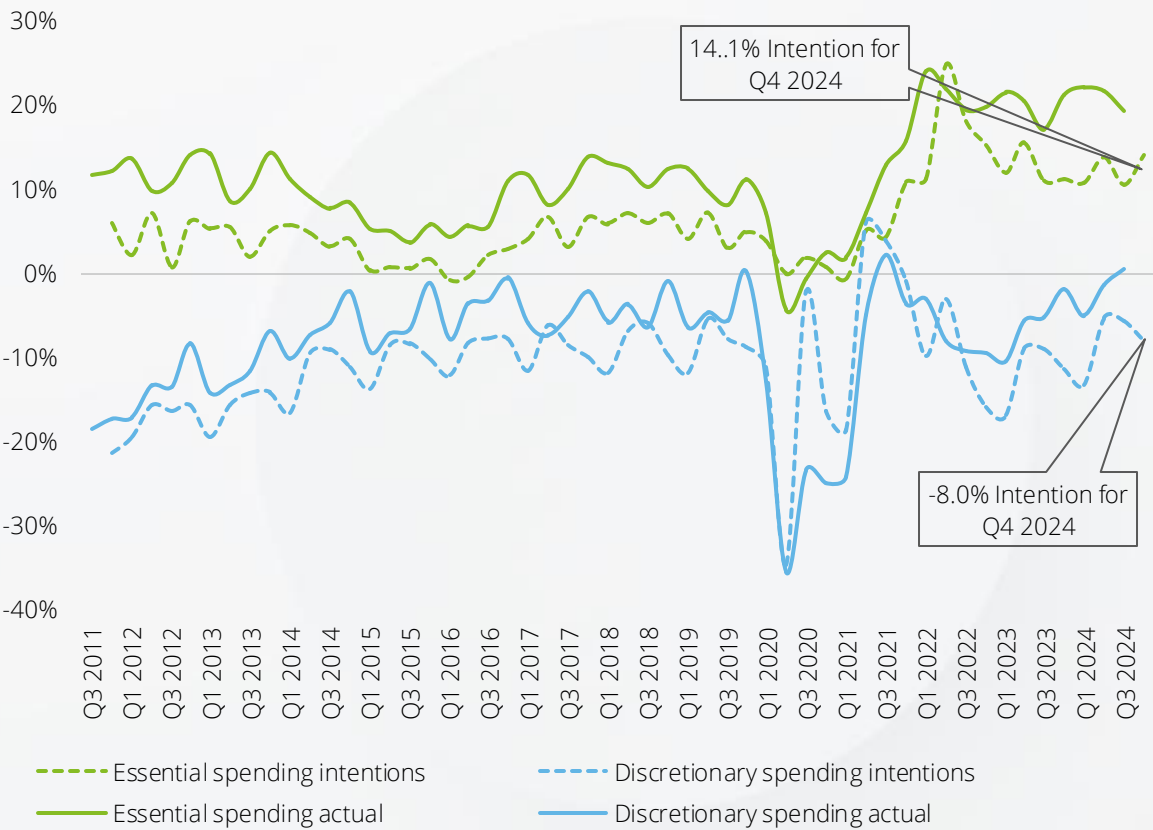


Outlook



Outlook for consumer spending

Net % intending to spend more by category over the next three months



Note: New categories were added to Essential spending in Q2 2020
Source: The Deloitte Consumer Tracker


































Consumers intend to spend more in essential categories and to spend less in discretionary categories in Q4 2024

Consumers expect to increase day-to-day spending in Q4 as plan for a rise in their gas and electricity bills this winter as the regulator Ofgem has said it will lift the energy price cap by 10% following an increase in wholesale costs. Consumers also plan to reduce their spending on non-essential items and services in Q4 2024, which does not bode well for trading over the golden quarter.

Overall, it remains difficult to predict to what extent consumers will continue to be frugal despite their improving finances. Whether consumer sentiment will continue to improve, and the prospect for trading at Christmas, will depend on what the chancellor announces in the upcoming Budget, whether there will be another Bank of England rate cut, and the strength of the jobs market. There should be cautious optimism that conditions are ripe for a bounce back in consumer spending if uncertainty fades away after the Budget.

Spending intentions in essential categories in the next three months

Net % intending to spend more by category over the next three months

Consumer spending in the next three months by category	Q3 2024 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Essential	14.1%	 +3.6	 +3.0	 +9.2
Grocery	29.1%	 +3.3	 -1.7	 +16.0
Utility bills	49.5%	 +31.7	 +12.6	 +31.1
Everyday household items	14.3%	 +0.8	 +0.1	 NA
Housing	15.3%	 -1.7	 +0.4	 +12.1
Landline/mobile phone, internet and cable/TV	8.6%	 -1.3	 +2.7	 +9.3
Transport	12.8%	 +0.9	 +1.2	 +8.8
Pensions and insurance	9.4%	 +0.8	 +3.7	 +8.8
Health	5.5%	 +0.4	 +3.8	 +4.4
Education	4.2%	 +1.2	 +4.1	 +4.8
Beauty and personal care products	-7.2%	 +0.0	 +3.3	 NA

Spending intentions in discretionary categories in the next three months

Net % intending to spend more by category over the next three months

Consumer spending in the next three months by category	Q3 2024 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Discretionary	-8.0%	<div><div></div><div>-2.2</div></div>	<div><div></div><div>+3.4</div></div>	<div><div></div><div>+1.0</div></div>
Holidays and hotels	-5.8%	<div><div></div><div>-11.2</div></div>	<div><div></div><div>+3.4</div></div>	<div><div></div><div>+1.4</div></div>
Alcoholic beverages and tobacco	-7.5%	<div><div></div><div>+0.6</div></div>	<div><div></div><div>+0.6</div></div>	<div><div></div><div>+0.7</div></div>
Major household appliances	-5.3%	<div><div></div><div>+1.0</div></div>	<div><div></div><div>+4.0</div></div>	<div><div></div><div>+3.6</div></div>
Clothing and footwear	-5.8%	<div><div></div><div>-1.7</div></div>	<div><div></div><div>+6.9</div></div>	<div><div></div><div>+4.9</div></div>
Electrical equipment	-5.6%	<div><div></div><div>+0.8</div></div>	<div><div></div><div>+4.0</div></div>	<div><div></div><div>+4.4</div></div>
Furniture and homeware	-9.2%	<div><div></div><div>-0.8</div></div>	<div><div></div><div>+2.6</div></div>	<div><div></div><div>-0.6</div></div>
Restaurants	-12.6%	<div><div></div><div>-2.8</div></div>	<div><div></div><div>+2.9</div></div>	<div><div></div><div>-1.4</div></div>
Going out	-12.1%	<div><div></div><div>-3.5</div></div>	<div><div></div><div>+2.9</div></div>	<div><div></div><div>-4.9</div></div>

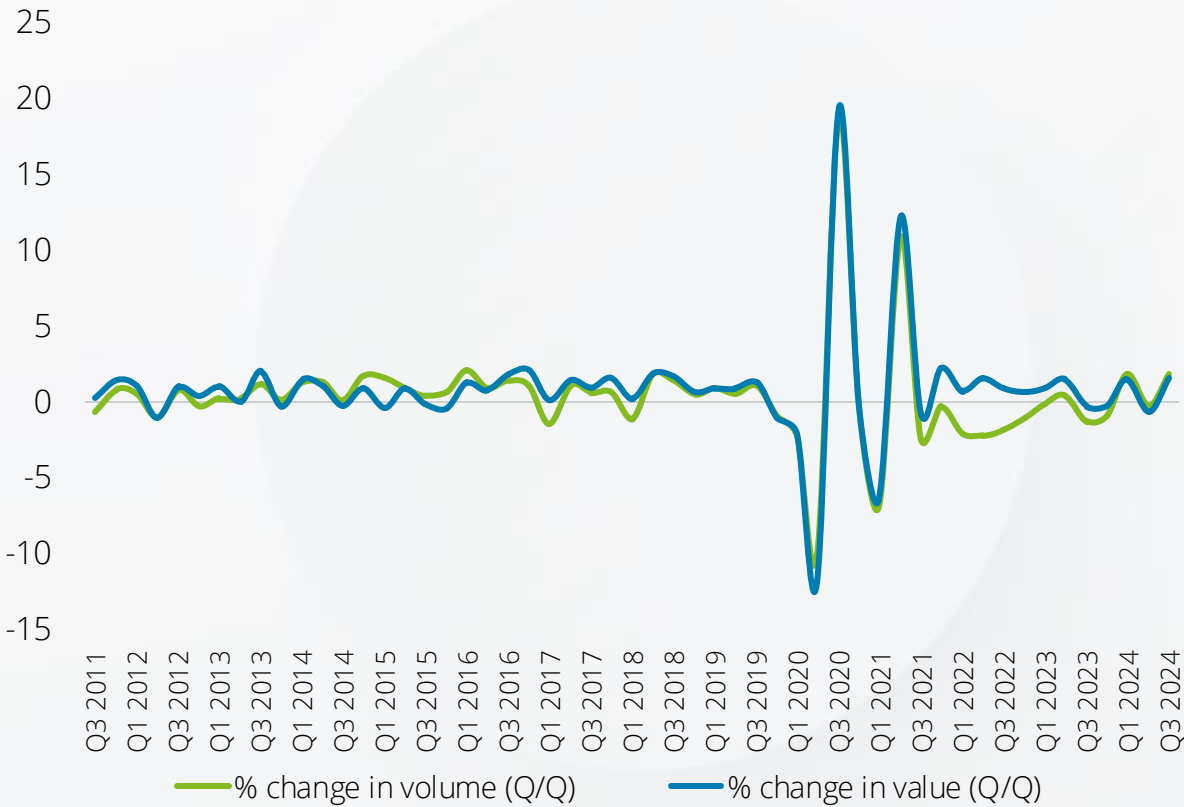
Source: The Deloitte Consumer Tracker



Retail

Retail sales (incl. fuel SA)

% change in volume and value quarter on quarter



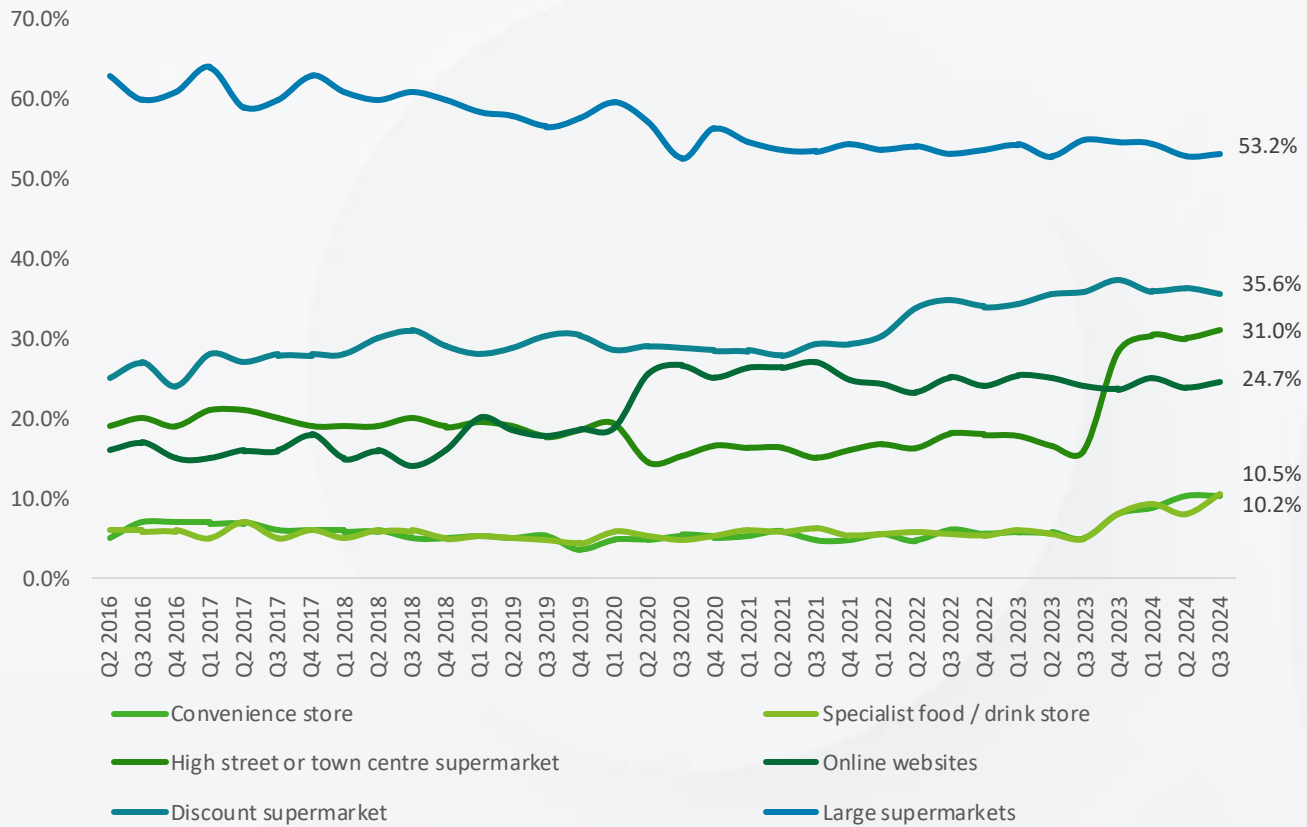
After a challenging first half of the year, retail sales are back up in Q3

The retail sector experienced a better than expected Q3 performance as retail sales volume and value grew by 2.6% and 2.4% respectively compared to the previous year. Volume (+1.9%) and value sales (+1.6%) were also up on the previous quarter as shoppers found multiple 'occasion-based' shopping opportunities to demonstrate their growing confidence. These include back-to-school shopping with sales of computers and additional clothing and footwear bolstering growth. While many consumers continue to hold back on purchasing big ticket items, the sector also saw growth in sales of small discretionary personal care items and in premium food categories, as consumers loosen their purse strings to indulge in little luxuries.

Source: Refinitiv Datastream

Channel usage for main grocery shop

% of UK consumers using the channel for their main grocery shop



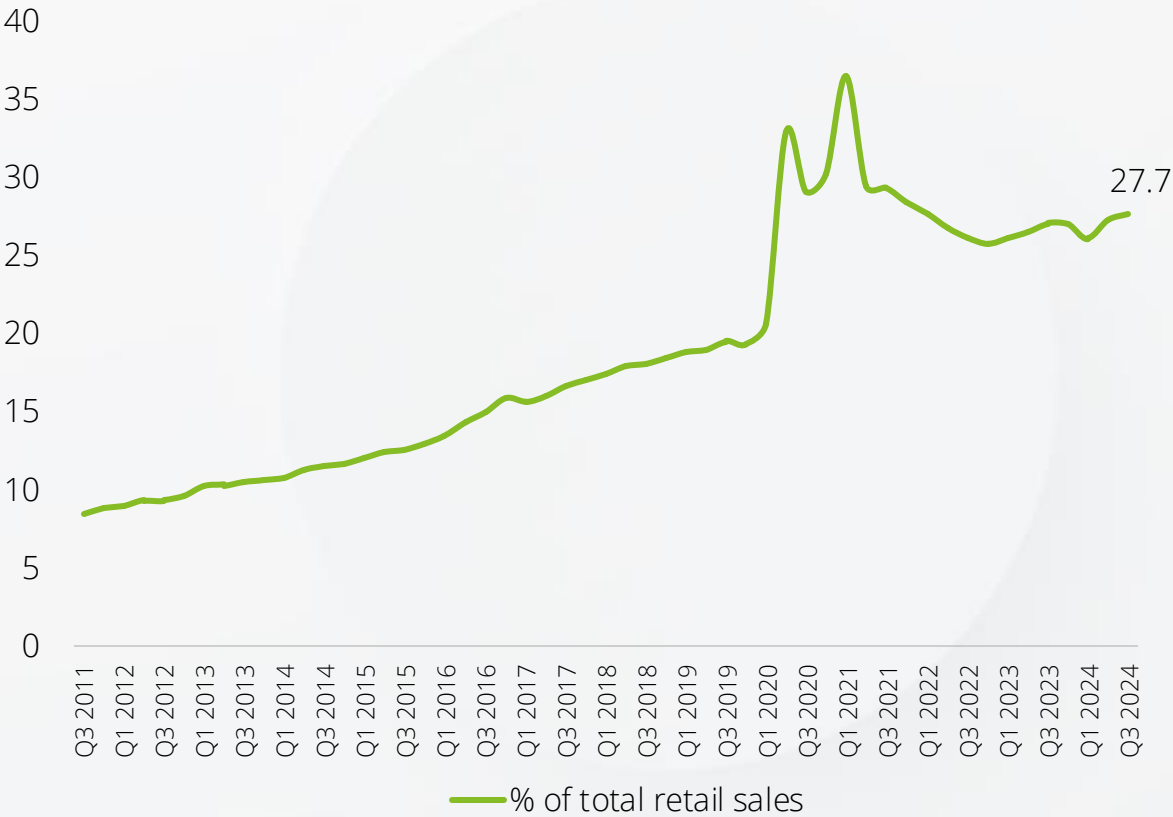
Consumers expand their shopping channels

Falling inflation has given consumers encouragement to shop for a wider range of products and across different formats without worrying about price and affordability as much as during the recent period of inflation. Most notably, the number of consumers using speciality food and drink stores for their main grocery shop has increased by two and a half percentage points from 8% in Q2 to 10.5% in Q3 a sign that consumers might be returning to the convenience of shopping close to home rather than spend on eating out.

Source: The Deloitte Consumer Tracker

Online sales

UK Internet sales as a % of total retail sales (exc. Fuel)



Online sales remains stable

The amount spent online, rose by 1.3% during September 2024, and by 6.7% compared with September 2023. The proportion of sales made online increased from 27.5% in August 2024 to 27.7% in September 2024.

Since the boom in online retail during COVID, there has been a rebalancing of the online and in-store channels, with online sales plateauing at around 26% over the past two years. That has left retailers questioning which channel will be more profitable and where to prioritise their investment. Online shopping remains an important part of the growth strategies of many retailers, despite the slow progress towards improving its profitability.

Source: Refinitiv Datastream

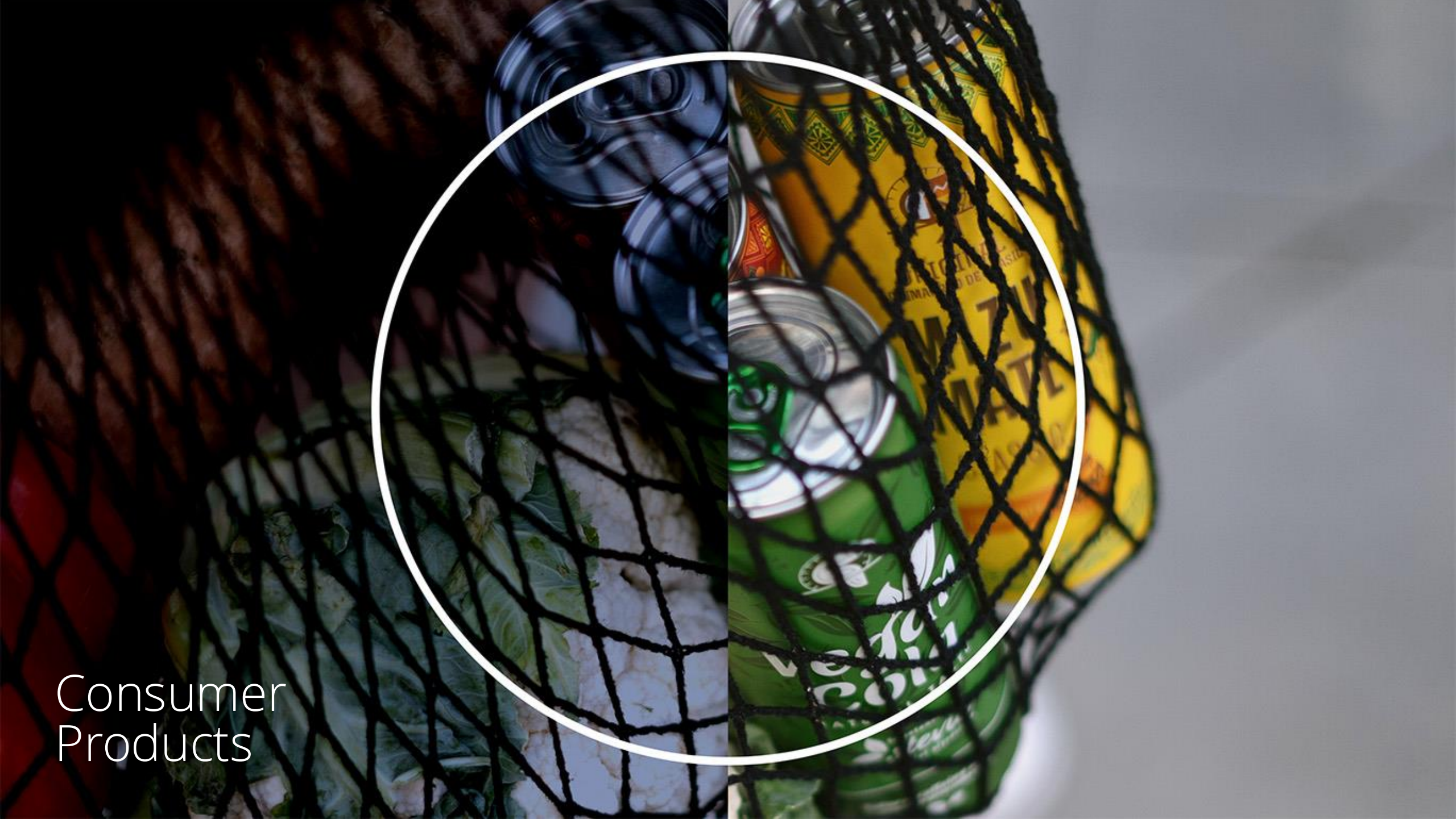
Retail sales outlook

The outlook for retailers is one of cautious optimism

- According to our data, consumers expect to spend more on essentials in Q4, but less on discretionary items. Concerns about rising energy prices and the continuing hangover from inflation mean that despite improving consumer confidence, households remain prudent preferring to take advantage of higher interest rates to put their higher earnings into savings rather than go on a shopping spree.
- However, retailers should embrace the upcoming Christmas trading period as an opportunity to entice consumers through targeted promotional activities.
- With prices much higher than two years ago, consumers are prioritising value and deals as well as spreading out purchases over a longer period leading up to peak shopping season.
- Promotional events including Black Friday could be an opportunity to re-engage with cautious consumers whose personal finances have improved, and if the Bank of England decides to cut interest rates further in November, consumption could bounce back with consumers borrowing more and saving less.



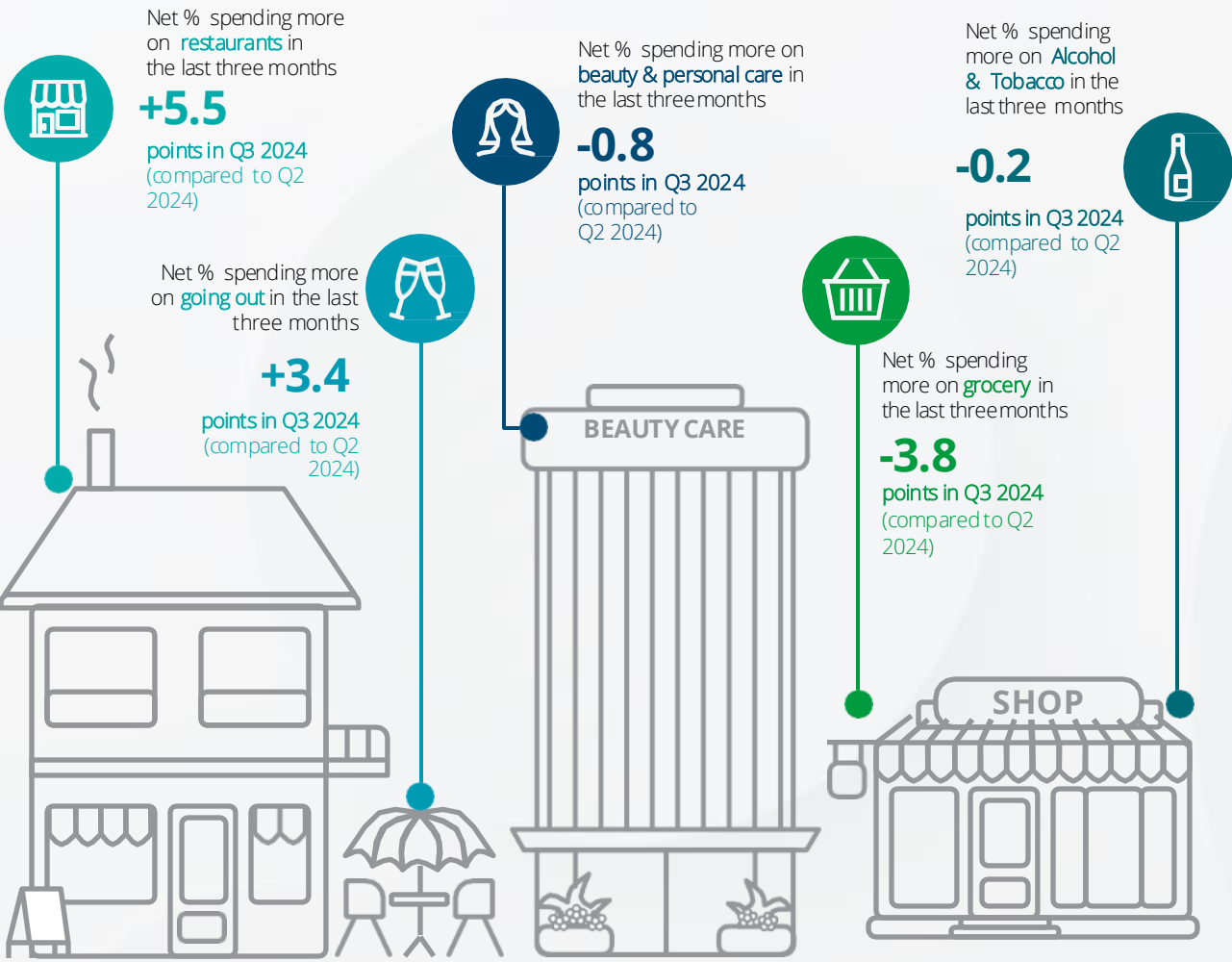
Read our full quarterly retail sector update [here](#)



Consumer
Products

Consumer spending in the last three months

Net % spending more over the last three months



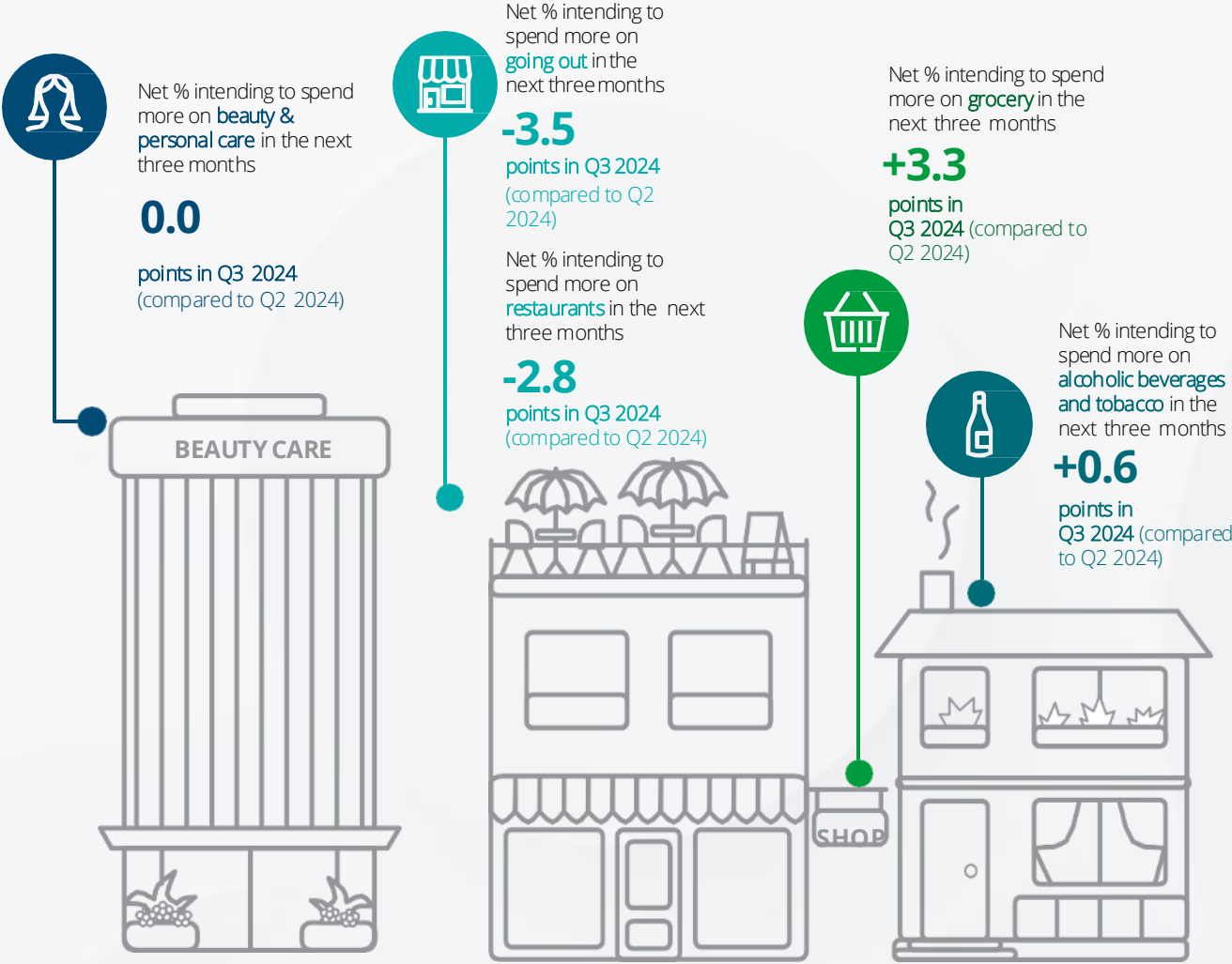
Signs of consumer spending bouncing back are emerging

Improving conditions should create a tailwind for a consumer recovery. Indeed, according to our research some signs of consumer spending bouncing back are emerging. The improvement in Q3 was driven by consumers spending more on holidays, restaurants and clothing. Some increase in discretionary spending coincided with the summer holiday period and higher levels of socialising as the weather improved, and also with a large number of sporting and cultural events taking place. At the same time, slower spending growth on essentials points to easing inflationary pressures, with consumers spending less on housing and groceries.

Consumers are also adopting more expansionary behaviours as their spending power gradually improves with fewer of those who spent more in Q3 saying it was because prices had gone up and more saying they bought more items or spent more on activities than usual.

Consumer spending in the next three months

Net % intending to spend more in the next three months



Consumers plan to spend more on essentials and less in the more discretionary categories in Q4

After a few years of economic uncertainty and consumers' purchasing power coming under sustained pressure, there are signs that market conditions are improving for consumers.

However, they remain cautious as they expect to increase their essential spending including on groceries and on higher utility bills. As a result, consumers also plan to reduce their spending in the non-essential items and services categories in Q4 2024 which is not boding well for trading over the golden quarter.

There are reasons to be optimistic as while discretionary spending remains weak, there are pockets of growth especially in the more premium food categories and in the personal care sector with people indulging in affordable treats. Overall, the recovery is likely to be patchy as consumers will continue to make some trade-offs.

Consumer products outlook

Businesses need to focus on growing volume and finding efficiencies

- Whilst a more positive picture is emerging since the start of the year, more sustained optimism is needed. Willingness to spend in discretionary categories remains subdued as consumers continue to be thrifty and look for deals.
- For the last few years, with high input costs, consumer products companies have been focused on controlling costs in order to limit passing price increases on to consumers.
- In recent months, companies have shifted their focus on increasing volumes instead, but finding the right balance between growing volumes and increasing profits will be key to the continued success of consumer products companies in the coming months.
- The hope remains that an improvement in trading conditions could free up businesses to make longer-term strategic decisions and investments – whether that is investing in product and service innovation or continuing to invest in their digital transformation to deliver efficiencies.



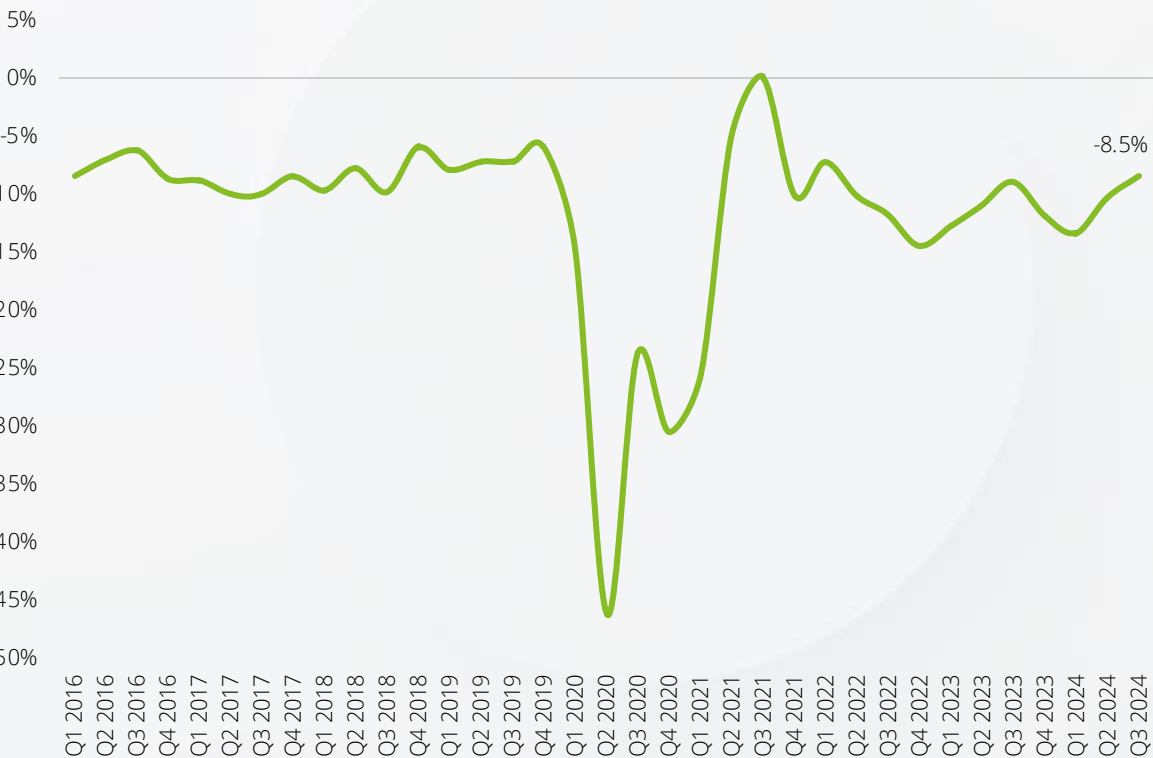
Read our full quarterly consumer products sector update [here](#)



Leisure

Total net leisure spending in the last three months

Net % spending more in all leisure categories over the last three months



Source: The Deloitte Consumer Tracker


































Spending in the leisure sector continues to grow in Q3

The leisure sector has continued its upward trajectory, with spending improving in Q3 2024 for the second consecutive quarter. Total net spending in the leisure sector rose from -10.3% in Q2 2024 to -8.5% in Q3 2024, its highest level since before the Russian invasion of Ukraine in Q1 2022.

Despite overall spending remaining sluggish, the sustained improvement in leisure spending indicates that consumers continue to prioritise leisure activities. The quarterly improvement was driven by an increase in spending sentiment across 9 of the 11 categories measured by the Deloitte Consumer Tracker. The most significant increase in net spending was in the eating out and the short holiday categories, with a 5.5 and 4.7 percentage point increases respectively.

Spending in leisure categories the last three months

Net % spending more by category over the last three months

Leisure spending in the last three months by category	Q3 2024 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Going to the gym or playing sport	-6%	 -0.8	 -1.3	 -2.9
Betting and gaming	-9%	 +0.5	 +0.4	 -3.3
Long holidays	1%	 +2.5	 -1.3	 +1.7
Attending live sports events	-7%	 +0.2	 -1.0	 -3.9
Short holidays	2%	 +4.7	 +1.5	 +2.6
Other leisure activities	-12%	 +0.6	 +0.3	 -3.4
In home leisure activity	-12%	 +1.7	 +1.8	 -2.8
Eating out	-6%	 +5.5	 +3.3	 +3.6
Culture and entertainment	-13%	 +4.1	 +1.1	 -2.9
Drinking in pubs/bars	-14%	 +1.0	 +0.8	 -1.2
Drinking in coffee shops/sandwich shops	-17%	 -0.2	 -0.5	 -2.0

Spending intentions in leisure categories in the next three months

Net % intending to spend more by category over the next three months

Leisure spending in the next three months by category	Q3 2024 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Long holidays	-9%	↓ -8.1	↑ +2.0	↓ -0.7
Short holidays	-11%	↓ -6.4	↑ +1.7	↓ -2.7
Going to the gym or playing sport	-5%	↑ +0.1	↓ -1.1	↓ -3.6
Attending live sports events	-8%	↓ -2.0	↓ -1.2	↓ -2.4
Betting and gaming	-12%	↑ +1.2	↓ -1.0	↓ -3.2
Other leisure activities	-15%	↓ -4.1	↓ -0.4	↓ -5.0
Culture and entertainment	-16%	↓ -4.0	↓ -0.3	↓ -6.7
Eating out	-18%	↓ -5.9	↓ -1.3	↓ -6.3
Drinking in pubs/bars	-18%	↓ -5.5	↓ -2.8	↓ -5.8
In home leisure activity	-18%	↓ -1.3	↑ +1.2	↓ -6.2
Drinking in coffee shops/sandwich shops	-20%	↓ -2.7	↓ -0.5	↓ -5.2

Leisure sector outlook

Spending on leisure expected to slow in Q4 2024

- The start of the festive season traditionally brings a surge in spending in the leisure and hospitality related sectors. However, our data shows that consumers remain concerned about keeping up with rising costs, as they expect to spend less in Q4 across 9 of 11 leisure categories
- Cost-conscious consumers expect to spend less on eating out and drinking in pubs and bars as they might focus on spending more on food for at home. The biggest declines in spending are expected in long and short holidays. While partly due to seasonality, there is also an underlying shift in the way consumers purchase holidays, with demand remaining strong in peak periods but at the cost of weaker demand in the off-peak periods.
- This is a difficult trading situation for the hospitality sector as whole, which is coming under significant pressure to manage cash flow, improve performance and maintain profitability. This is according to the latest European Hotel Industry and Investment survey. Deloitte's annual survey of executives in the hospitality industry. To mitigate the impact of declining consumer spending, businesses will need to be agile and innovative, and to prioritise value, experience and flexibility, to adapt to more muted consumer expenditure.

Read our full quarterly leisure sector update [here](#)





Automotive

UK car registrations

Quarterly UK car registrations

	Q3 2024	Q3 2023	% change	Market share Q3 2024	Market share Q3 2023
Diesel	31429	35614	-11.8%	6.2%	7.1%
Petrol	257544	281274	-8.4%	50.8%	56.0%
BEV	102835	85576	20.2%	20.3%	17.0%
PHEV	43421	36838	17.9%	8.6%	7.3%
HEV	72102	62886	14.7%	14.2%	12.5%
TOTAL	507331	502188	1.0%		

BEV – Battery Electric Vehicle;
HEV – Hybrid Electric Vehicle;
PHEV – Plug-in Hybrid Electric Vehicle;
MHEV – Mild Hybrid Electric Vehicle

Sales up 1% in Q3 compared to a year ago

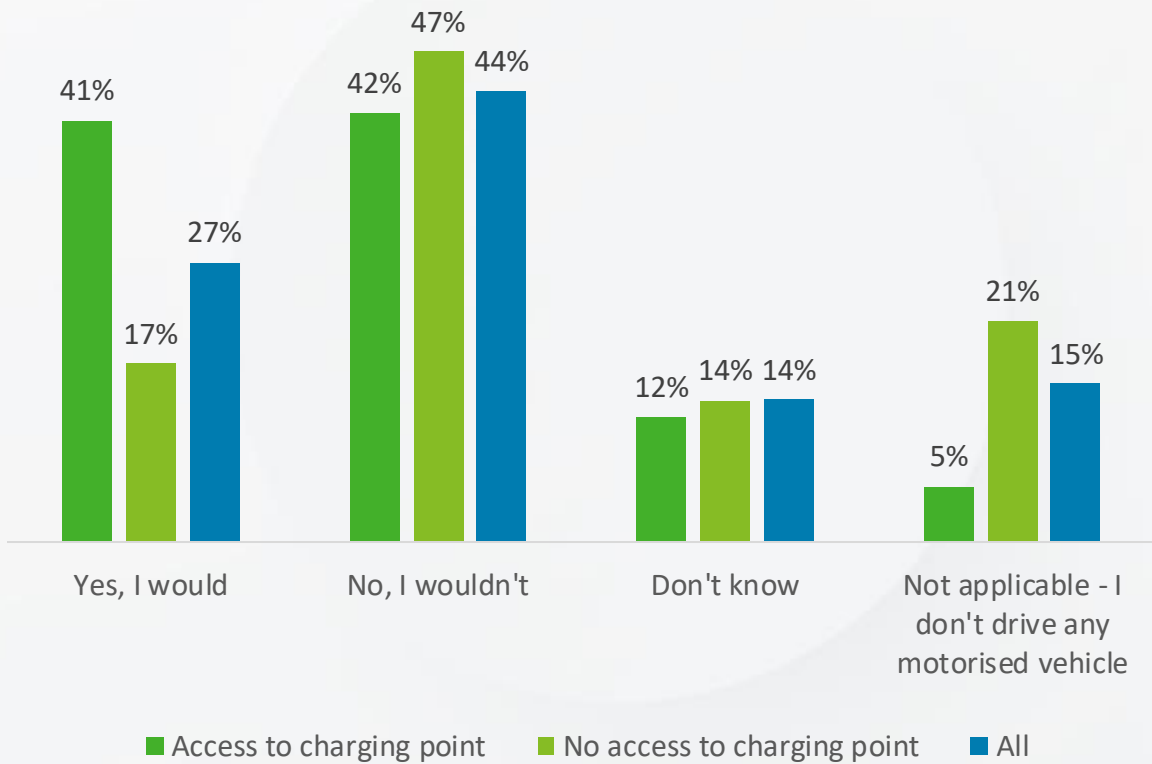
The UK’s new car market saw modest growth in Q3, with year-on-year sales up 1%. In spite of an uptick in sales in July (+ 2.5% YoY) and September (+ 1% YoY) sales were 1.3% lower in August compared with the same period a year ago. A slowdown in sales in August is common, given that it precedes the new plates becoming available in September.

The UK new car market rose by 1.0% to 275,239 units in the key ‘74’ plate change month of September, compared to 272,610 units in September 2023. The introduction of new plates means that September is traditionally the second most important month for the car industry after March, and the industry will take some comfort from the fact that September 2024 represents the best performance for September sales since 2020. However, there are some ongoing concerns in the industry about the state of the market. Sales are still significantly below their pre-pandemic levels (-19.8% in September 2024 compared to September 2019) and all the growth within the sector has come from fleet sales.

Source: The Society of Motor Manufacturers and Traders (SMMT)

EV purchasing sentiment

% of UK consumers that would consider buying a battery electric vehicle as their next vehicle, whether new or second hand – by level of access to a parking space suitable for an EV charging point



Source: The Deloitte Consumer Tracker

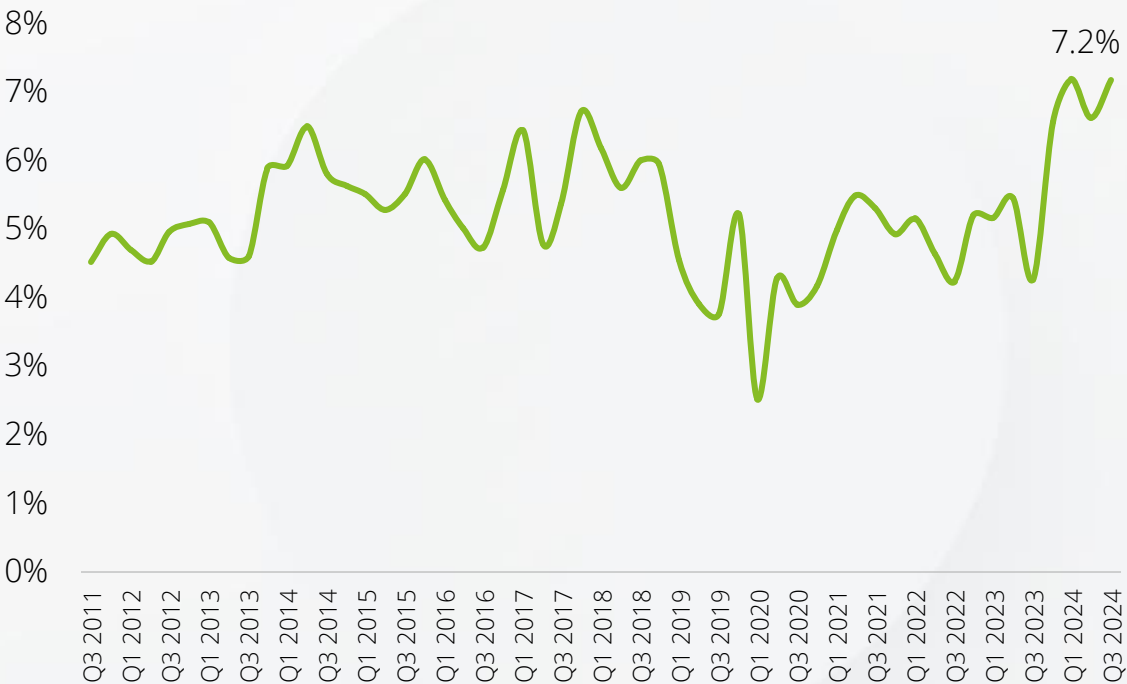
Concerns over the rate of EV adoption

Even though BEVs have become firmly established as the second most preferred type of vehicle among UK consumers, there is ongoing concern about the rate of adoption, with the SMMT forecasting that the market share for BEVs would reach just 18.5% across 2024. The major barrier to consumer adoption appears to be affordability, and sales of BEVs in September 2024 were underpinned by heavy discounting by manufacturers and dealers. Across the year as a whole, large fleets have driven the uptake in BEV sales, thanks to tax incentives, whereas similar support is not offered to private buyers.

When considering barriers to purchase, charging infrastructure also remains a top concern for consumers thinking about buying an EV as their next vehicle. According to our data, the perceived lack of access to public charging means that consumers who have access to off-street parking to charge a car at home are much more likely to contemplate buying a BEV than those who do not. . Our research also shows that overall, only one in four consumers (27%) would consider purchasing a new or used BEV as their next car.

Planned car purchases

% of UK consumers planning to purchase a car in the next three months



Planned purchases remain above their historical average

Our data shows that the percentage of consumers planning to buy a new car in the next three months rose from 6.6% in Q2 2024 to 7.2% in Q3 2024, significantly above the historical average.

Note: This question was changed in Q2 2020

Source: The Deloitte Consumer Tracker

Automotive outlook

Improving demand for new cars remains linked to the easing of the cost of credit and continued economic recovery

- Our positive data on planned purchases combined with growing consumer confidence, benign economic conditions and the prospect of further interest rate reductions, provides a relatively optimistic outlook for the sector.
- The hope is that private demand for new cars will pick up again at the end of the year and into 2025.
- However, the strong showing in September 2024 was underpinned by an increase in discounting from manufacturers and dealers, and there is no guarantee that this will continue in the long term.



Read our full quarterly automotive sector update [here](#)

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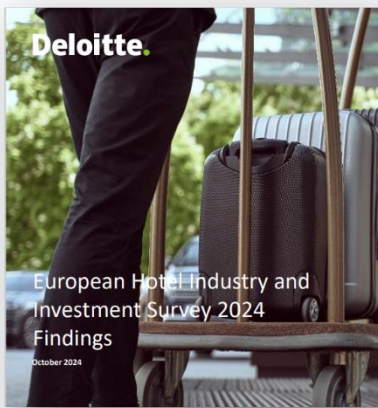
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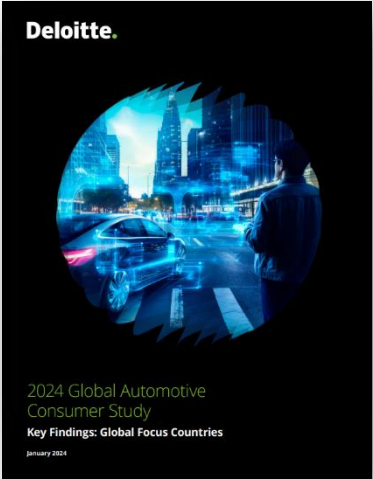
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European Hotel Industry & Investment Survey 2024



2024 Global automotive consumer study



The future of the consumer industry



2024 Consumer Products Industry Outlook



About this research

The Deloitte Consumer Tracker is based on a consumer survey carried out by independent market research agency, YouGov, on Deloitte's behalf. This survey was conducted online with a nationally representative sample of more than 3,000 UK adults aged 18+ between 6th September 2024 to 8th September 2024.

A note on the methodology

Some of the figures in this research show the results in the form of a net balance. This is calculated by subtracting the proportion of respondents that reported feeling more negative from the proportion that reported feeling more positive. For instance, assume that 30% of respondents reported they are spending more, 50% reported no change and 20% reported they are spending less. The net balance is calculated as 30% – 20% = 10%. This means that on balance, consumers reported that they spent more rather than less.

The Sustainable Consumer



Retail trends 2025





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