



UK consumer confidence
falls for the first time since
Q3 2022

The Deloitte
Consumer Tracker

Q2 2025



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Four key takeaways this quarter

UK consumer confidence falls for the first time since Q3 2022. The latest Deloitte Consumer Tracker shows that UK consumer confidence fell to -10.4% in Q2 2025 compared with -7.8% in Q1 2025.

Takeaway 1

Deloitte's Consumer Confidence Index falls for the first time since Q3 2022 and reached its lowest level in over a year

After recovering from its lowest level on record in Q3 2022 when inflation peaked at 11.1%, confidence was relatively flat in Q4 2024 and Q1 this year. However, the Deloitte Consumer Confidence index fell by - 2.6 percentage points to -10.4% in Q2 2025 and is now at its lowest level since Q1 2024 and just above its -10.7% long-term average.

Takeaway 2

Sentiment towards job security saw the biggest decline coinciding with signs of the labour market cooling

The drop in the overall confidence index in Q2 was driven by a fall across all six measures included in the index, but the decline was more significant in sentiments around job security and debt. While the UK labour market remains robust, there are concerns corporates' demand for labour is weakening due to rises in employer national insurance and minimum wages in April.

Takeaway 3

Confidence in the UK economy, improves as consumers take comfort from rate cut and the recent UK-US trade agreement

At the same time, the measure of confidence in the UK economy, which is separate from the main index, rose by + 4 percentage points but at -51% remains much lower than the same period a year ago (-32.5%). The improvement in UK growth forecasts, following the recent UK-US trade agreement, has reduced the risk posed by the Trump administration's import tariffs. Combined with expectations that the Bank of England will lower its base rate to 3.75% over the next 12 months, down from its current rate of 4.25%, has led to improving consumer sentiment about the economic outlook.

Takeaway 4

Spending remains subdued amid persistent inflationary pressures and elevated uncertainty

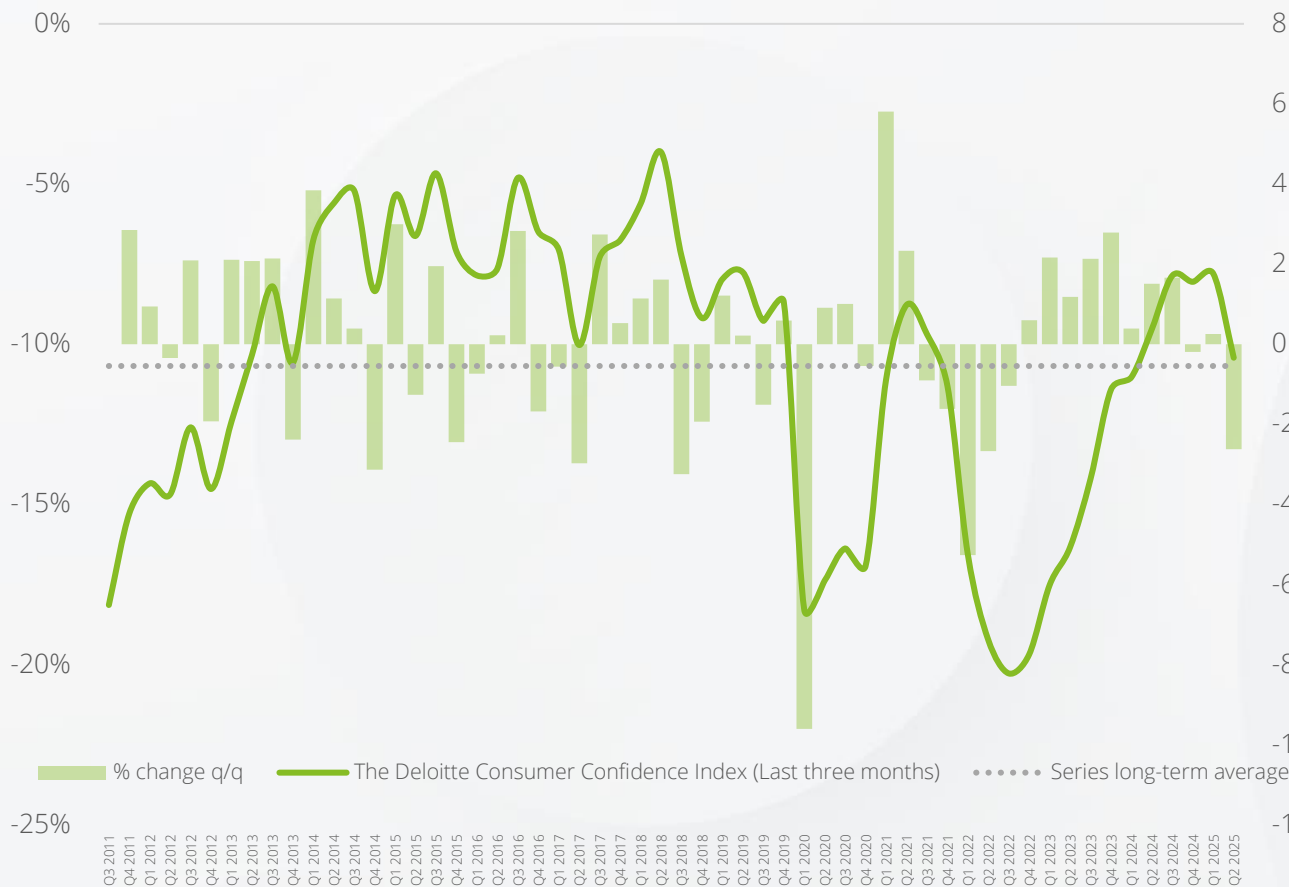
Given the mixed outlook, ongoing geopolitical uncertainty and persistent inflation in food and utilities, our data shows that consumers remain cautious about spending. Spending on essentials dropped this quarter a sign that consumers have been trying to reduce their everyday expenditure. However, consumers continue to ringfence their budget for experiences especially for spending on travel. Consumers in our survey reported increased levels of discretionary spending driven by a significant rise in spending on clothing and footwear and more spending on holidays compared with both the previous quarter and the same period a year ago.



Consumer
confidence

Deloitte Consumer Confidence Index*

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



Consumer confidence falls for the first time since Q3 2022 when inflation picked

After recovering from its lowest level on record in Q3 2022 when inflation peaked at 11.1%, confidence was relatively flat in Q4 2024 and Q1 this year. However, the Deloitte Consumer Confidence index fell by - 2.6 percentage points to - 10.4% in Q2 2025 and is now at its lowest level since Q1 2024 and just above its -10.7% long-term average.

















The Deloitte Consumer Confidence Index averages the net percentage improvement in confidence levels over the past three months for six individual measures. The drop in the overall confidence index in Q2 was driven by a fall across all six measures included in the index, but the decline was more significant in sentiments around job security and debt.

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 6).

Individual measures of consumer confidence

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

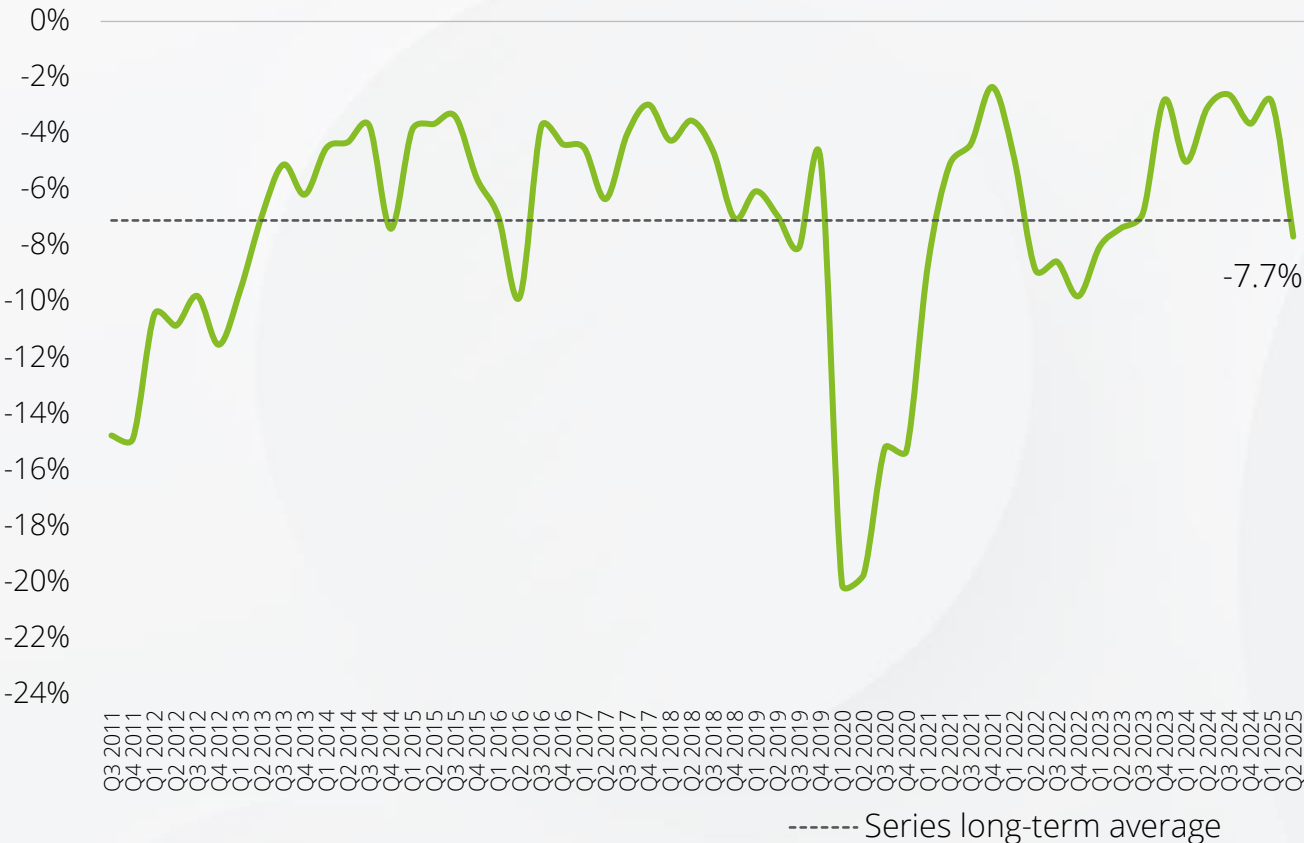
Individual measures of consumer confidence	Q2 2025 net balances	% point change quarter on quarter	% point change year on year
Your children's education and welfare	-0.7%	 -1.1	 +3.0
Your job opportunities/career progression	-6.9%	 -3.9	 -3.0
Your job security	-7.7%	 -4.8	 -4.6
Your level of debt	-6.0%	 -3.7	 +1.1
Your general health and wellbeing	-13.7%	 -1.8	 +2.6
Your household disposable income	-27.6%	 -0.4	 -4.5
Deloitte Consumer Confidence Index	-10.4%	 -2.6	 -0.9
The state of the economy in the UK*	-51.0%	 +3.9	 -18.4

Source: The Deloitte Consumer Tracker

*Please note this measure is not included in the overall index

Consumer confidence about job security

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



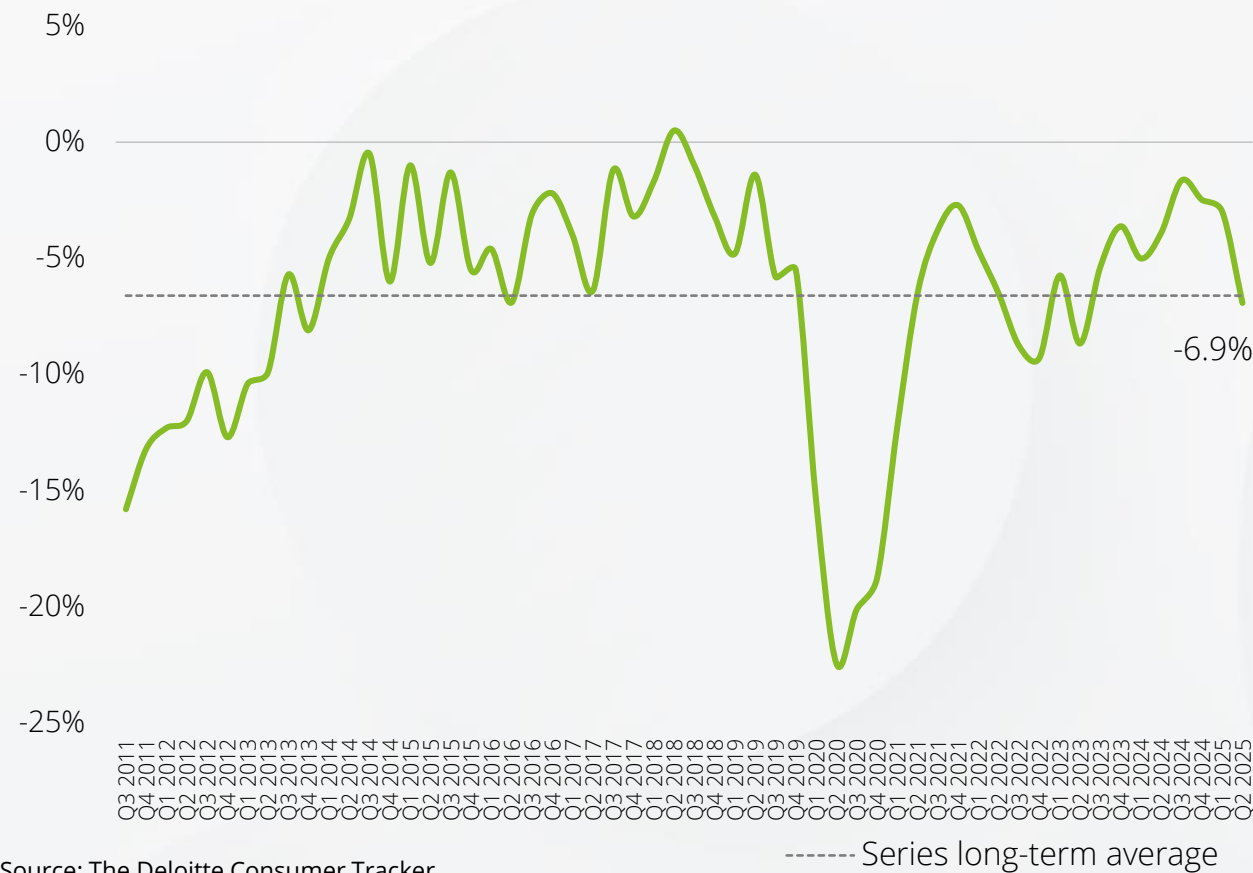
Sentiment around job security falls significantly

It is sentiment around job security that saw the most significant drop in Q2, it fell by -4.8 percentage points, its lowest level in two years and is now below its long-term average.

Source: The Deloitte Consumer Tracker

Consumer confidence about job opportunities and career progression

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



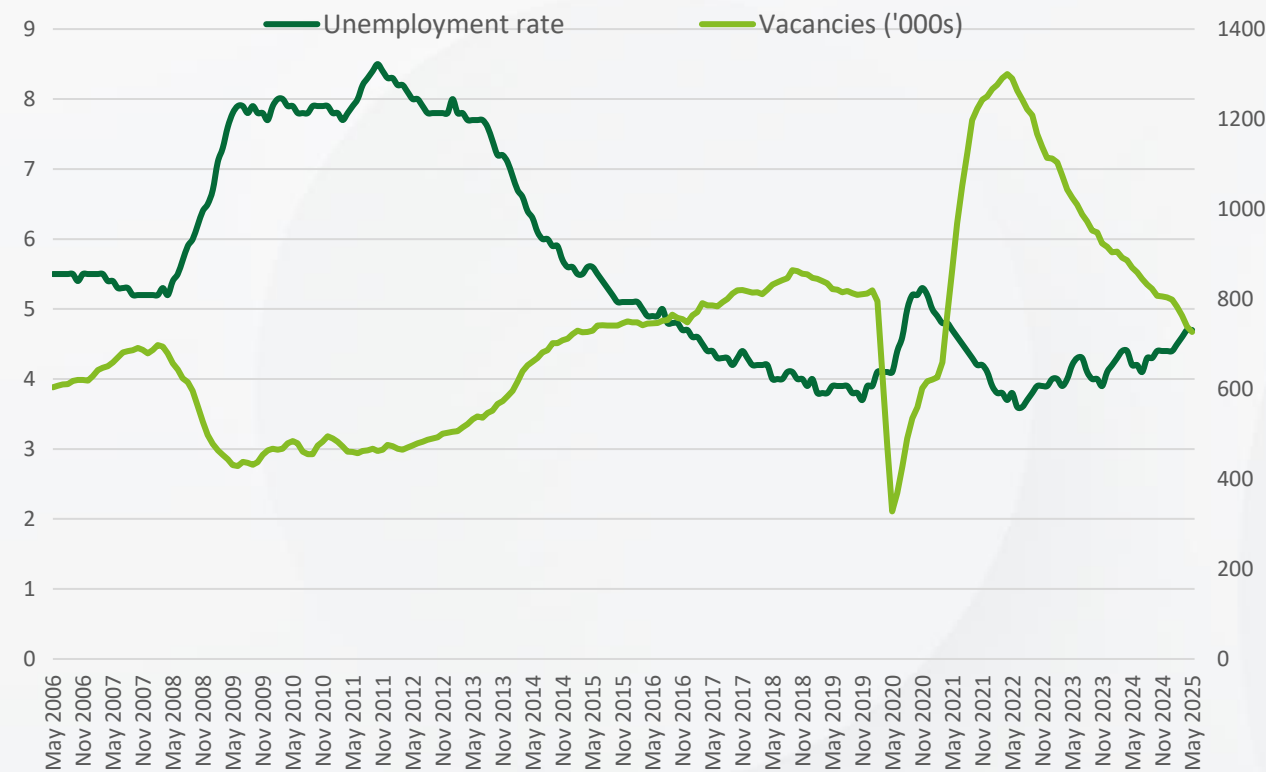
Source: The Deloitte Consumer Tracker

Sentiment about job prospects falls for the third consecutive quarter

With some concerns that corporates' demand for labour is weakening due to rises in employer national insurance and minimum wages in April, consumer sentiment in job opportunities and career progression has also fallen to its lowest level in two years dropping by -3.9percentage points and is also now running below its long-term average.

Labour market weakens

UK unemployment rate (all aged 16 and over)



Source: Refinitiv Datastream

The UK labour market showing signs of weakening

The fall in confidence came as unemployment rose to 4.7 per cent in the three months to May, up from 4.6 per cent a month earlier, according to the ONS. Vacancies also fell.

Notifications of potential redundancies from employers have also trended up in recent months, although they remain in line with levels seen before the pandemic.

Source: Refinitiv Datastream

Inflation climbs back up and wage growth slows

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



Source: Refinitiv Datastream

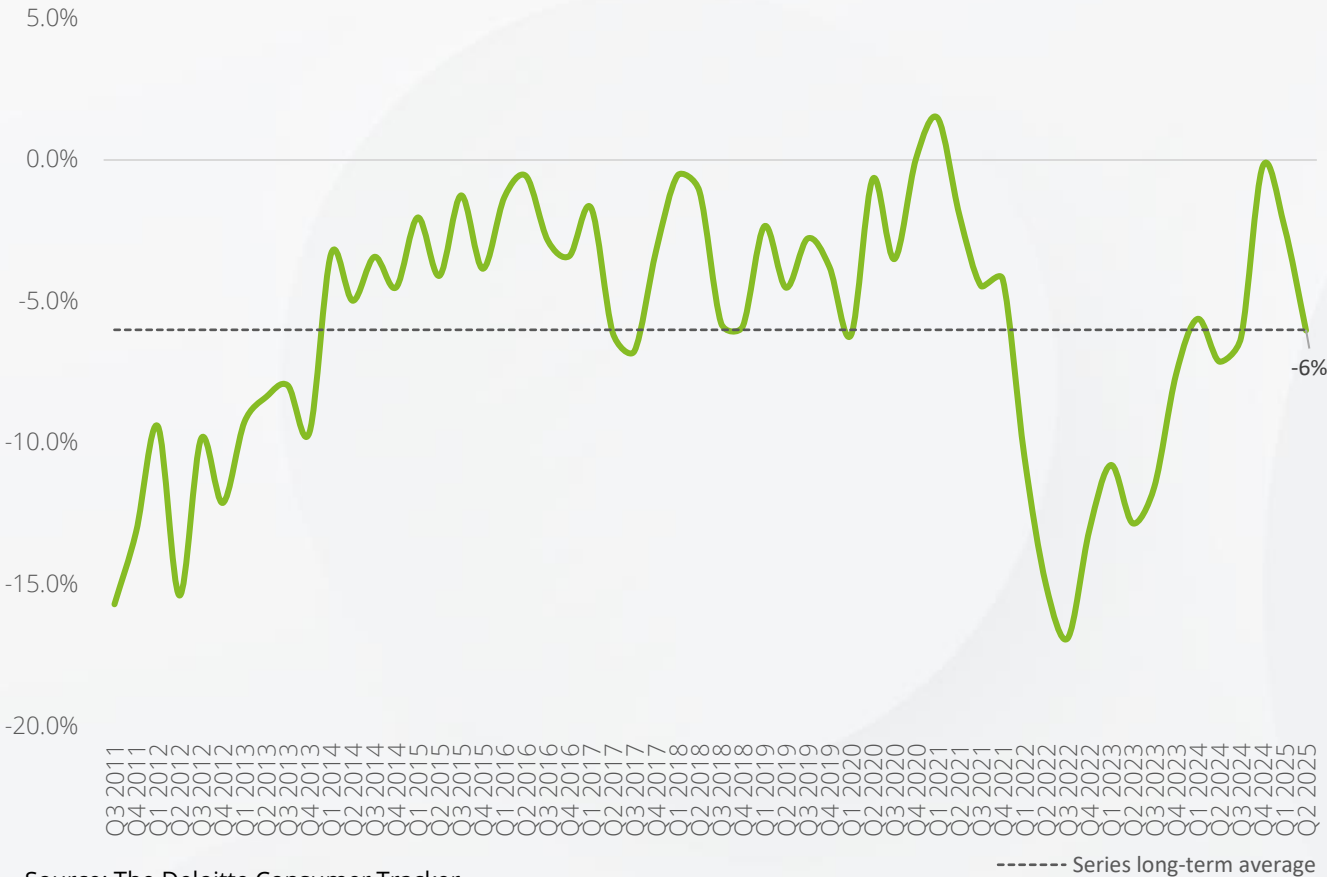
Inflation rose unexpectedly and earnings are hit by higher tax

Consumers are also grappling with a renewed acceleration in prices. Inflation rose to 3.6 per cent in June, the steepest rate in 18 months, from 3.4 per cent in the previous month. At the same time wage growth fell to 5 per cent, the weakest level since 2022. As a result, real earnings are growing at their slowest rate since July 2023.

Higher inflation coupled with a weaker jobs market is weighing on consumer sentiment. The UK is unlikely to see inflation returning to the two per cent rate that prevailed last summer until well into 2026, so the UK consumer will have to navigate several months of uncomfortably high inflation.

Consumer confidence about their levels of debt

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



Confidence in levels of debt falls significantly

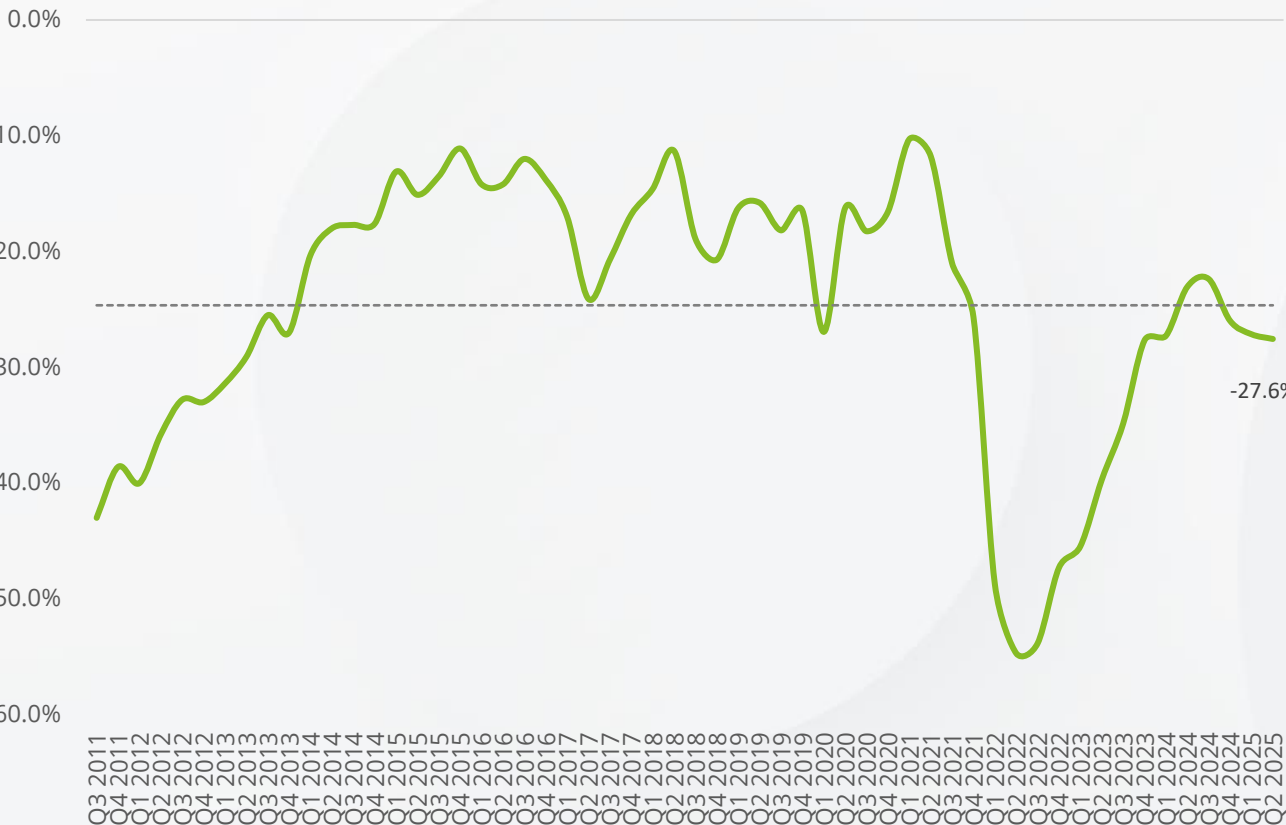
Our sentiment measure about levels of debt dropped by -3.7 percentage points while this is partly due to seasonality with the renewal of some annual utility plans in April often leading to an increase in the costs of household bills.

Q2 is also a period when many consumers are booking summer holidays or incur expenditure related to planning activities and entertainment for the summer.

Source: The Deloitte Consumer Tracker

Consumer confidence about their levels of household disposable income

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



Sentiment around disposable income drops for the third consecutive quarter

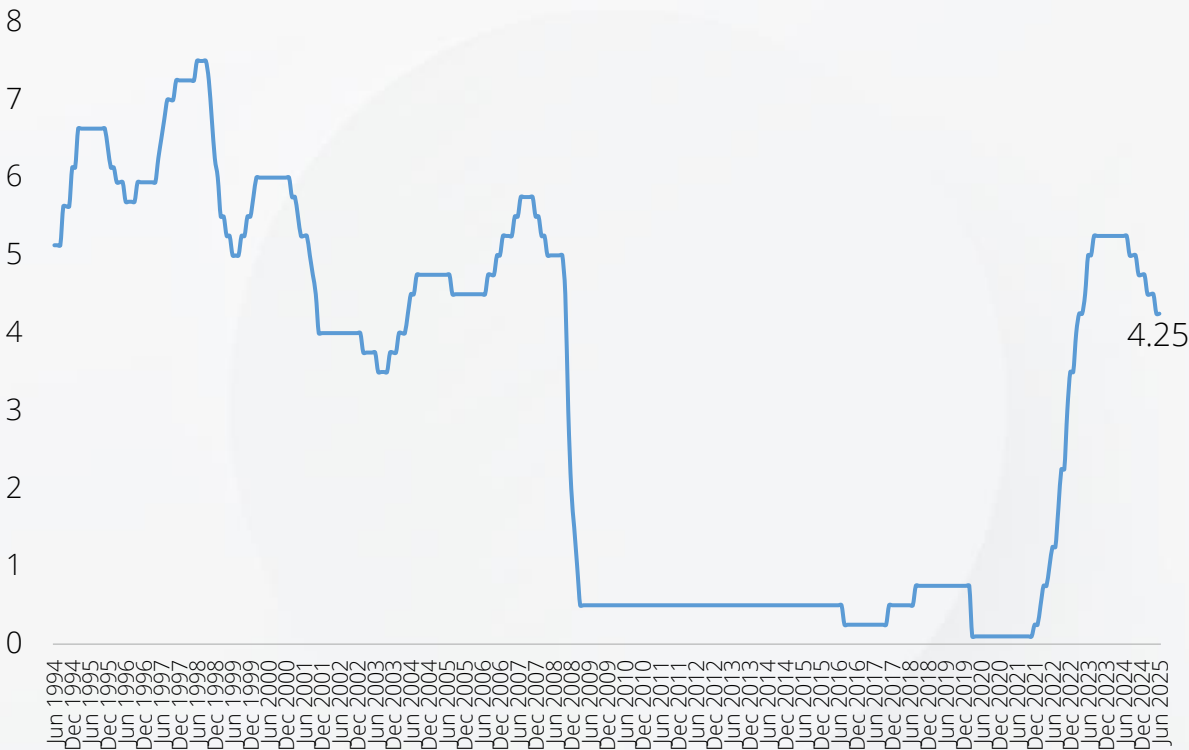
Pressures on budgets and the start of some deceleration of wage growth are being felt through our disposable income sentiment measure which also fell this quarter and is now below long-term average.

Source: The Deloitte Consumer Tracker

----- Series long-term average

Interest rates kept on hold in March

Bank of England base rate



Interest rates on hold at 4.25%

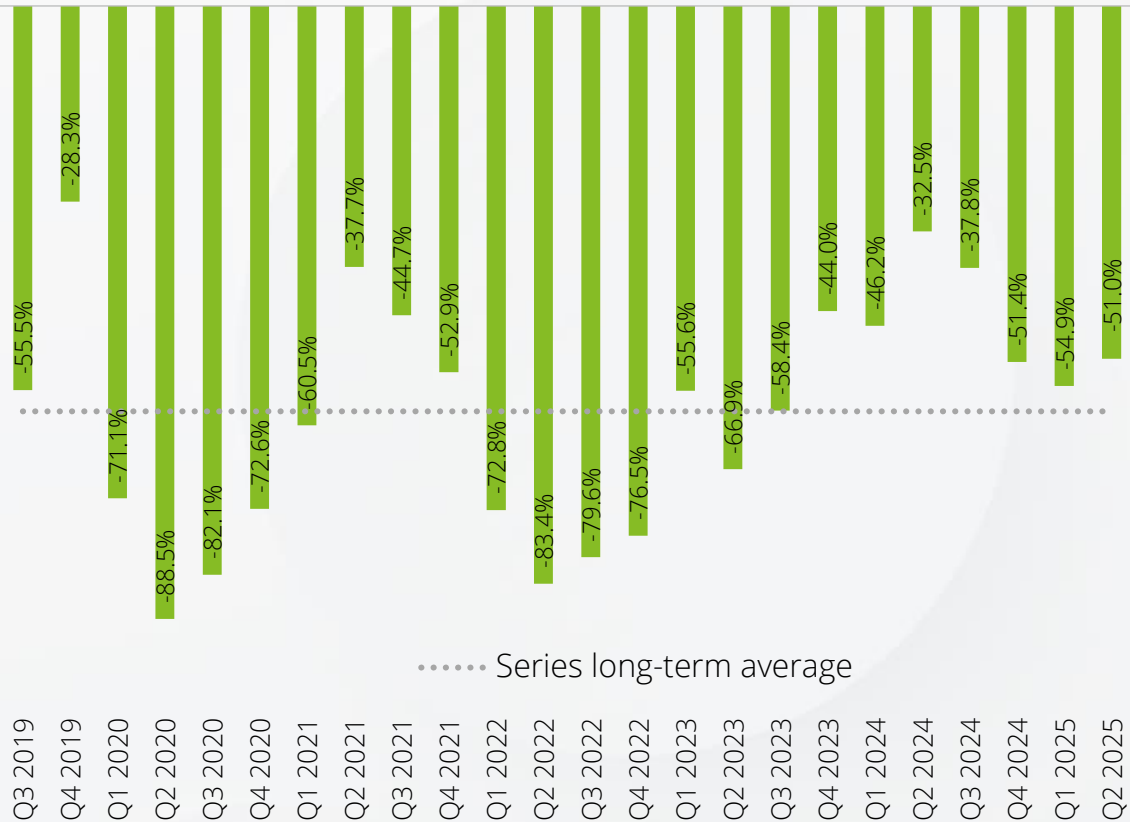
The Bank of England held interest rates at 4.25 per cent but signalled a possible cut as soon as August after recent data showed a weakening jobs market.

There are expectations from CFOs in our [recent CFO survey](#) that the Bank of England will lower its base rate to 3.75% over the next 12 months, down from its current rate of 4.25%.

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



Consumer sentiment about the state of the UK economy improves

Confidence in the UK economy, which is separate from the main index, rose by + 4 percentage points but at -51% remains much lower than the same period a year ago (-32.5%).

This improvement might be due to consumers taking comfort from the UK base rate cuts over the last year and the recent UK-US trade agreement, which has reduced the risk posed by the Trump administration's import tariffs.

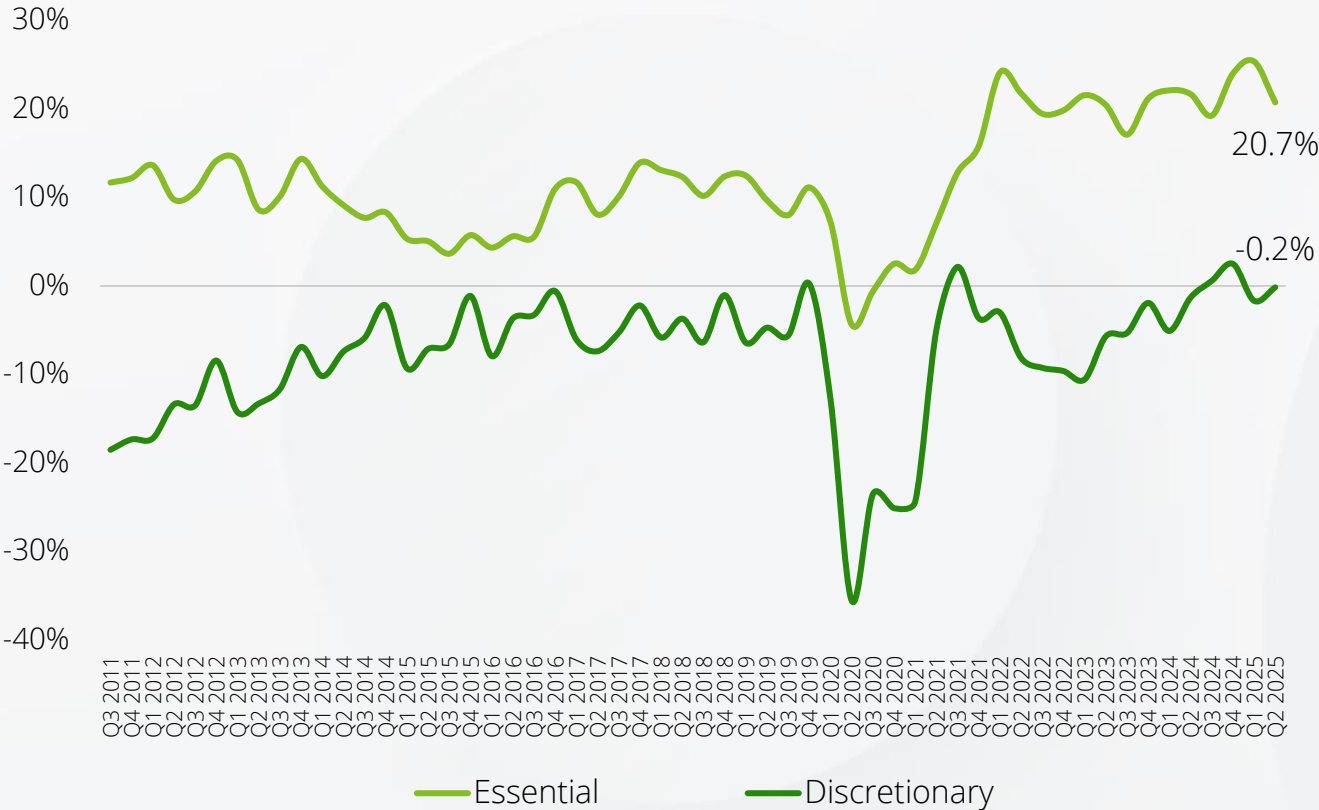
Source: The Deloitte Consumer Tracker



Consumer spending

Consumer spending in the last three months by category

Net % spending more by category



Spending remained relatively subdued in the second quarter

Spending on essentials dropped in Q2 and there was only a marginal percentage point uptick in discretionary spending. Looking at essential spending by category, the data shows that consumers reduced their spending on all essential categories except in the beauty and personal care category. While the results are partly due to seasonality, consumers are also trying to reduce their everyday expenditure in the face of persistent inflation in food and energy for the home. The most significant boosts to discretionary spending were in clothing and footwear, holidays and hotels, and eating at restaurants as consumers continue to prioritise activities and services over goods and shy away from big ticket items.

However, the data's trajectory points to demand overall gathering pace since 2023 and more meaningfully in the first four months of 2025. Indeed, the pick-up in demand has come despite subdued levels of consumer confidence amid heightened global uncertainty.

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

Source: The Deloitte Consumer Tracker




























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	Q2 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q2 2019
Essential	20.7%	↓ -4.6	↓ -0.9	↑ +11.1
Grocery	46.2%	↓ -2.9	↓ -0.7	↑ +28.6
Utility bills	42.7%	↓ -17.8	↑ +10.2	↑ +23.4
Everyday household items	31.6%	↓ -3.1	↑ +1.4	NA
Housing	22.3%	↓ -1.9	↓ -5.8	↑ +14.1
Transport	19.7%	↓ -3.7	↓ -2.7	↑ +8.0
Landline/mobile phone, internet and cable/TV	19.7%	↓ -9.3	↓ -5.4	↑ +13.2
Pensions and insurance	11.2%	↓ -3.3	↓ -4.9	↑ +3.8
Health	10.0%	↓ -1.7	↓ -1.2	↑ +3.7
Education	4.4%	↓ -2.9	↓ -1.7	↑ +4.0
Beauty and personal care products	0.4%	↑ +1.1	↑ +2.1	NA

Spending in discretionary categories in the last three months

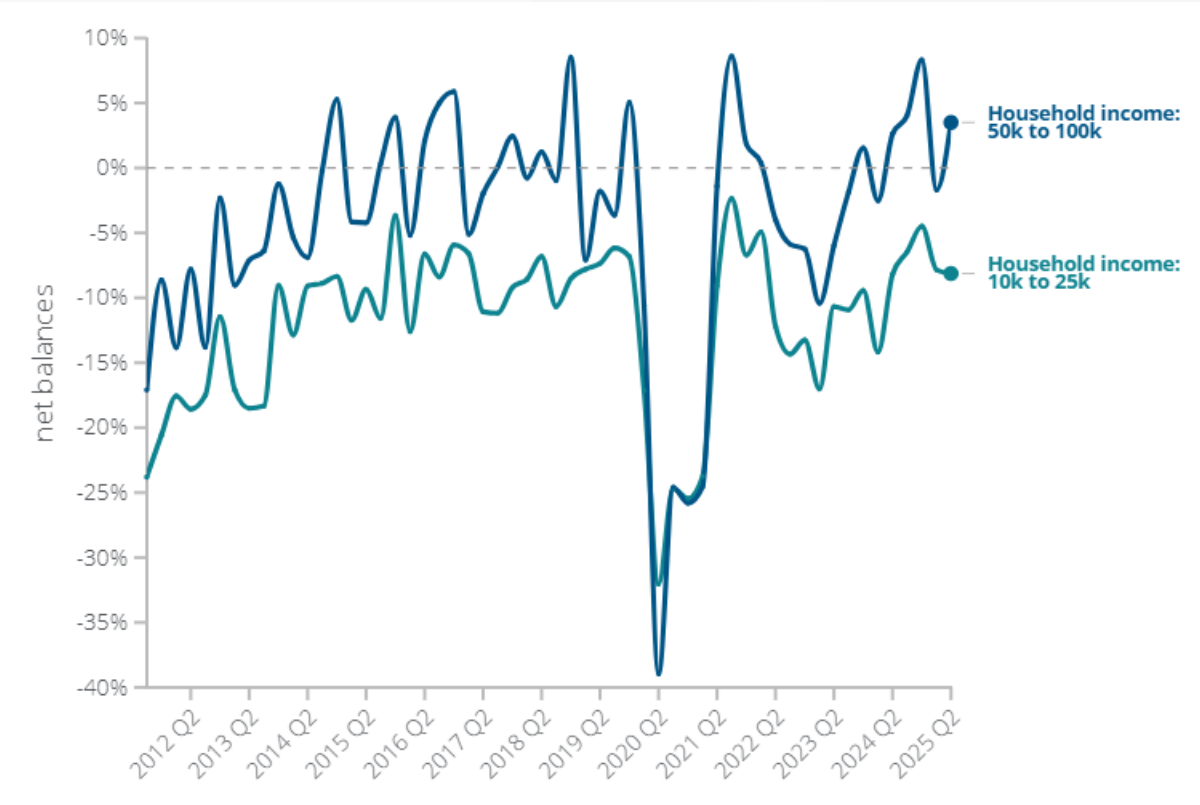
Net % spending more by category over the last three months

Consumer spending in the last three months by category	Q2 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q2 2019
Discretionary	-0.2%	 +1.5	 +1.2	 +4.6
Holidays and hotels	9.6%	 +4.7	 +1.3	 +5.7
Clothing and footwear	4.2%	 +6.6	 +2.5	 +8.5
Major household appliances	1.4%	 -2.0	 -0.1	 +4.0
Electrical equipment	0.4%	 -3.1	 -0.2	 +7.8
Restaurants	-1.1%	 +2.8	 +2.5	 +2.1
Alcoholic beverages and tobacco	-3.4%	 +2.7	 +0.4	 +4.8
Furniture and homeware	-5.3%	 -1.0	 +0.6	 +1.9
Going out	-7.1%	 +1.5	 +2.3	 +1.6

Source: The Deloitte Consumer Tracker

Consumer spending in the last three months by category and income

Net % spending more on discretionary categories in the last three months



A tale of two economies

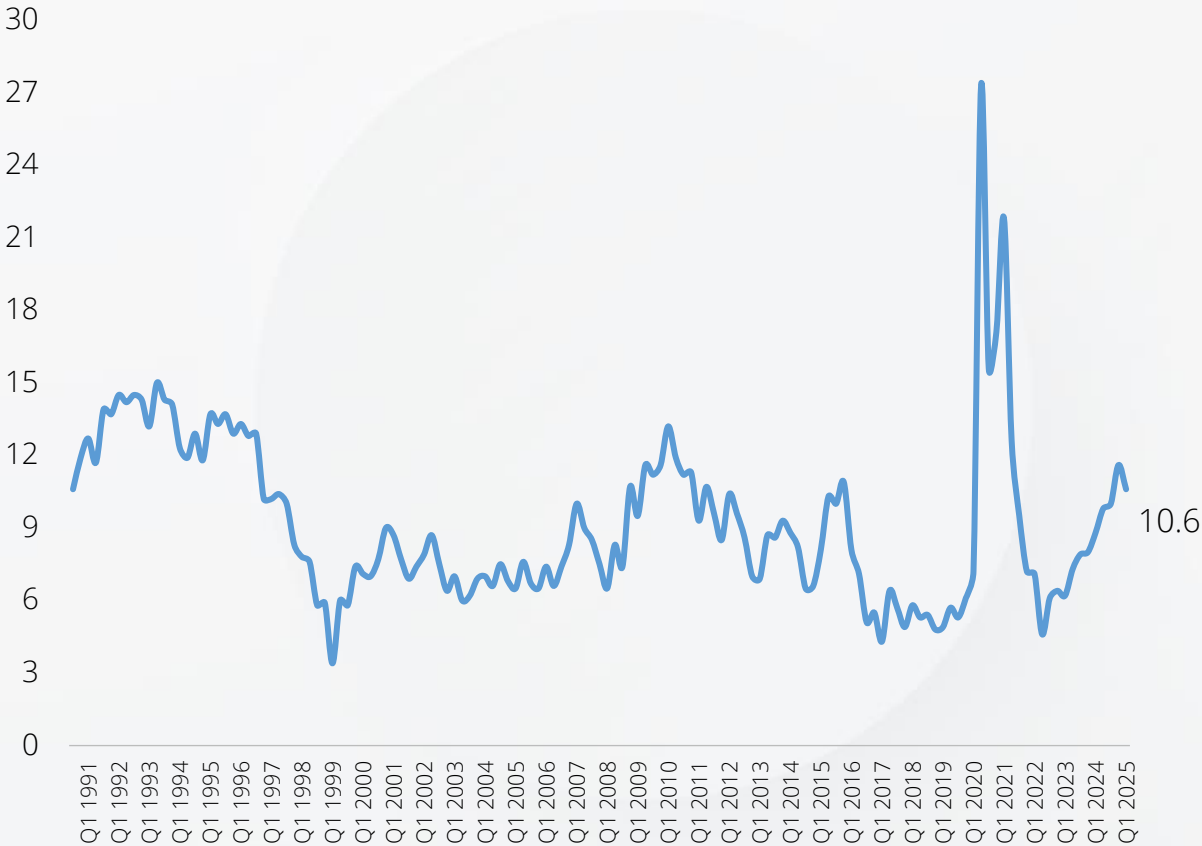
The National Institute of Economic and Social Research analysis reveals that while real personal disposable income rose 4.1% in 2024-25, this disproportionately benefitted high-income households while the poorest 30% of households have yet to see their living standards return to pre-2022 levels

As a result, higher-income households are more likely to increase their discretionary spending while lower-income households face particular pressure from higher costs of essentials including food, energy, and housing.

Source: The Deloitte Consumer Tracker

Saving ratio slows down

UK households' savings ratio



Source: Refinitiv Datastream

Consumers save at a slower rate

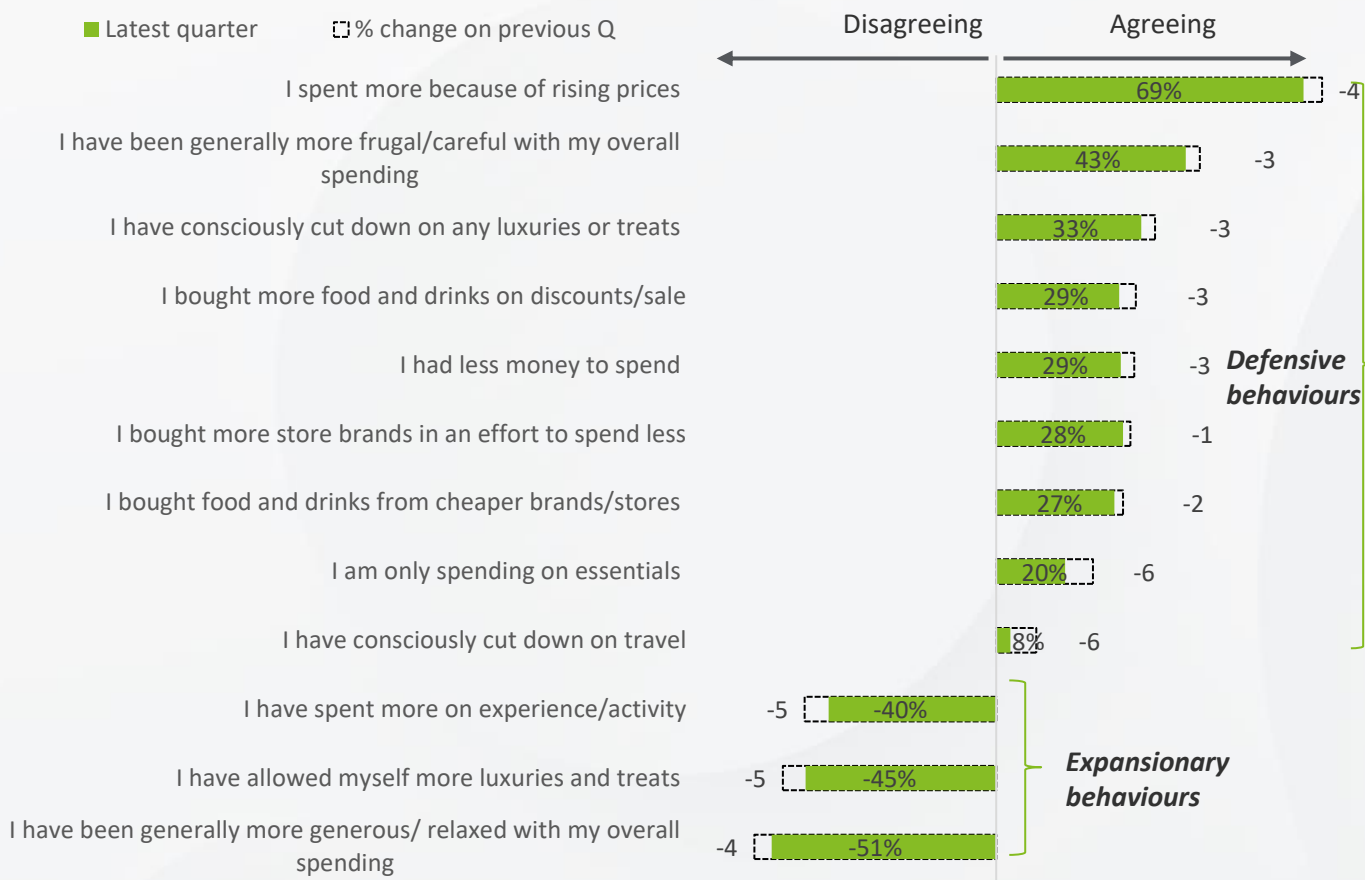
The household savings ratio stood at 10.6% in Q1 2025 a sign that consumers are easing their saving less and might be willing to spend again.

However, the savings ratio remains high by historical standards and is expected to continue to average around 10% over the next few years due to economic scarring and uncertainty.

Consumers are still resorting to tactical spending but at a slower pace

Thinking about your financial situation and spending habits over the LAST 3 months compared to the previous 3 months, to what extent do you agree or disagree with the following statements?

Net % agreeing



Majority of consumers agree they spent more because of higher prices but that proportion is easing

While on balance there is a higher proportion of consumers agreeing they have adopted more defensive behaviours, that net proportion has eased off this quarter compared with the previous quarter. Meanwhile while on balance there is a higher proportion of consumers disagreeing they have adopted more expansionary behaviours, that net proportion has eased off this quarter compared with the previous quarter.

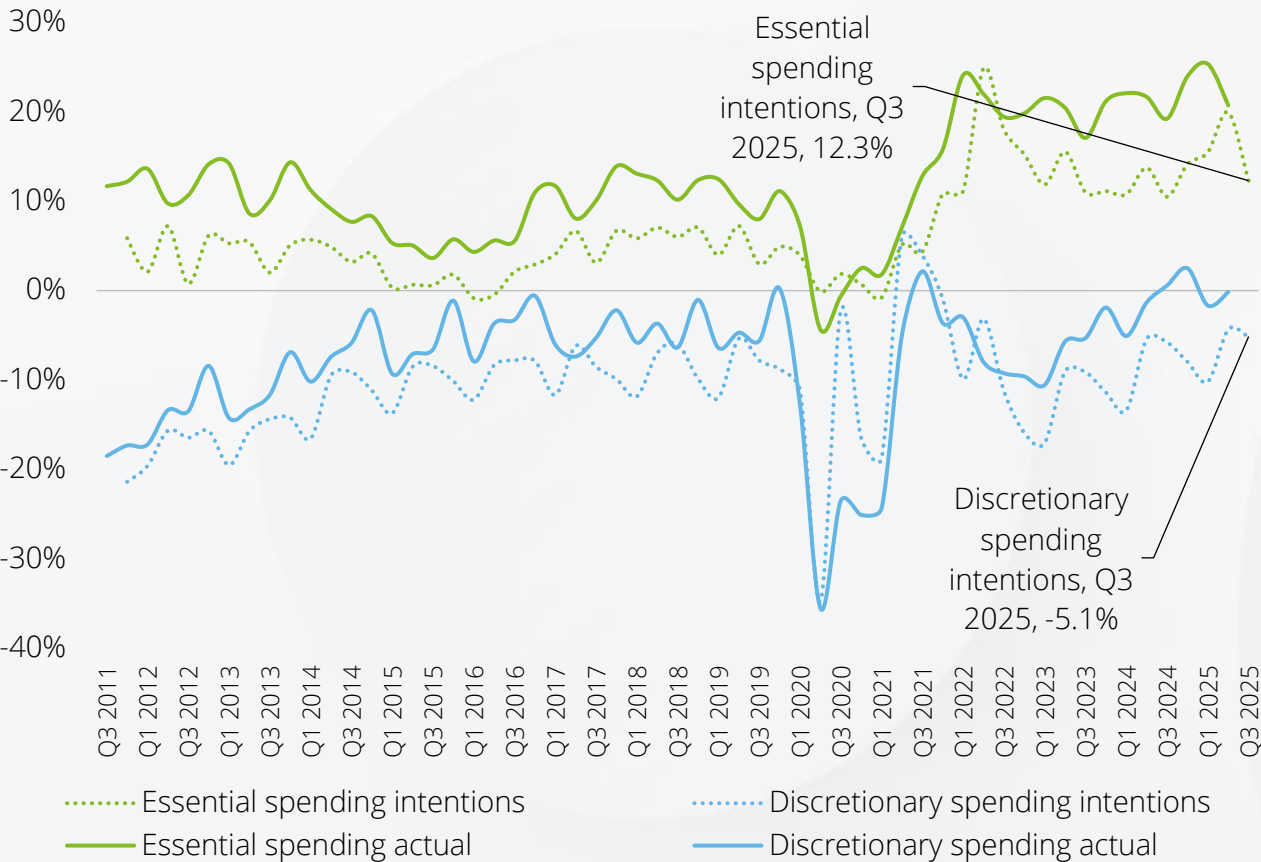
Consumers remain cautious but they are much more intentional with their spending compared to the pre 2022 period. They are driven by a desire to 'bring joy' back into their lives despite the pressures on their finances and therefore they are prepared to make some sacrifices in places to allow for more freedom in other areas.

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 expect to spend less overall on both day-to-day and discretionary categories


































Consumer demand is likely to be subdued for the rest of this year, but the picture will remain mixed with some areas doing better than others. For example, socialising remains an area where consumers expect to spend more as they continue to favour experiences over goods.

Overall, the UK consumer outlook remains fragile, with persistent cost-of-living pressures, housing affordability challenges, and economic uncertainty continuing to constrain spending.

The consumer recovery will depend on how inflationary the environment becomes and how manageable higher prices are for consumers especially in the more essential categories like food and energy.

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	Q2 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q2 2019
Essential	12.3%	 -7.7	 +1.8	 +9.3
Grocery	29.6%	 -8.9	 +3.8	 +24.1
Utility bills	28.4%	 -20.9	 +10.6	 +20.1
Everyday household items	16.8%	 -7.1	 +3.3	 NA
Housing	14.8%	 -8.2	 -2.1	 +11.6
Transport	13.7%	 -5.6	 +1.8	 +7.8
Landline/mobile phone, internet and cable/TV	9.6%	 -16.5	 -0.3	 +9.4
Pensions and insurance	8.0%	 -3.0	 -0.6	 +6.9
Health	4.9%	 -2.6	 -0.2	 +4.2
Education	1.9%	 -3.6	 -1.1	 +3.4
Beauty and personal care products	-4.8%	 -0.2	 +2.0	 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	Q2 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q2 2019
Discretionary	-5.1%	↓ -0.8	↑ +0.6	↑ +2.7
Holidays and hotels	6.0%	↓ -1.5	↑ +0.5	↑ +4.3
Clothing and footwear	-4.2%	↓ -2.0	↓ -0.1	↑ +6.1
Major household appliances	-5.6%	↓ -1.1	↑ +0.7	↑ +3.9
Restaurants	-6.2%	↑ +0.9	↑ +3.6	↓ -0.5
Electrical equipment	-7.0%	↓ -3.6	↓ -0.6	↑ +3.7
Going Out	-7.2%	↑ +2.9	↑ +1.4	↑ +2.0
Alcoholic beverages and tobacco	-7.8%	↑ +0.7	↑ +0.3	↑ +2.8
Furniture and homeware	-9.1%	↓ -2.6	↓ -0.7	↓ -0.7

Source: The Deloitte Consumer Tracker

Sector updates

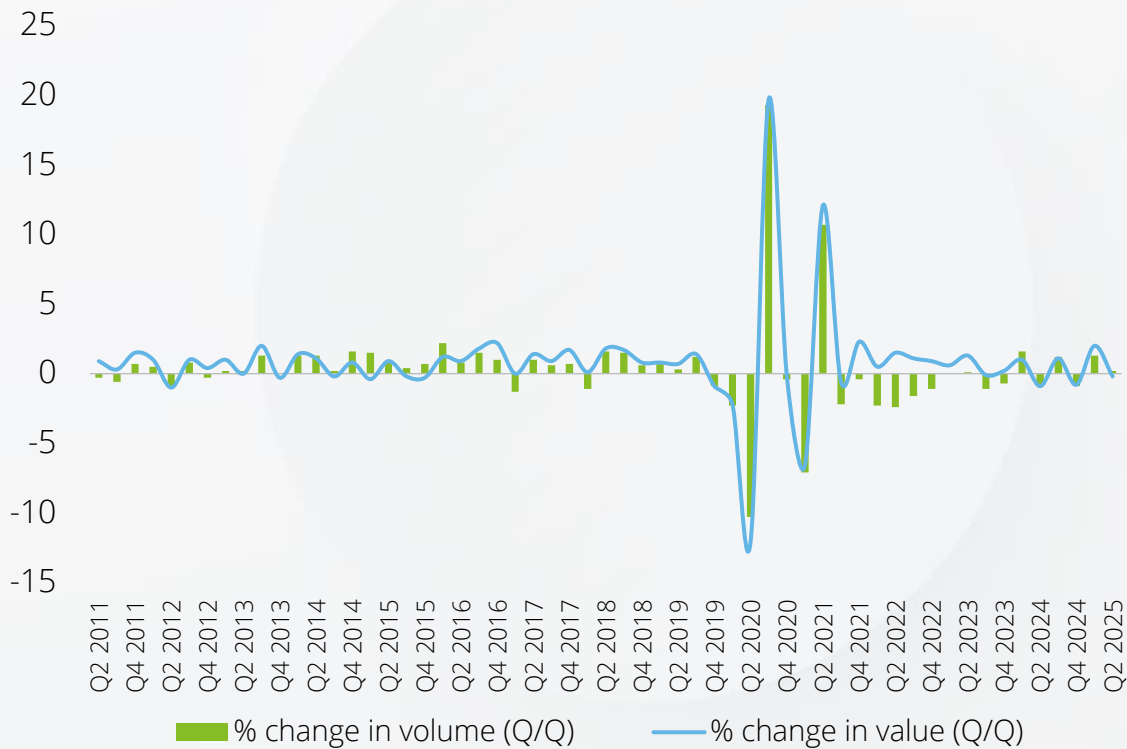




Retail

Retail sales (incl. fuel SA)

UK retail sales (incl. Fuel) seasonally adjusted (% change) Q/Q
% change in value and volume quarter on quarter



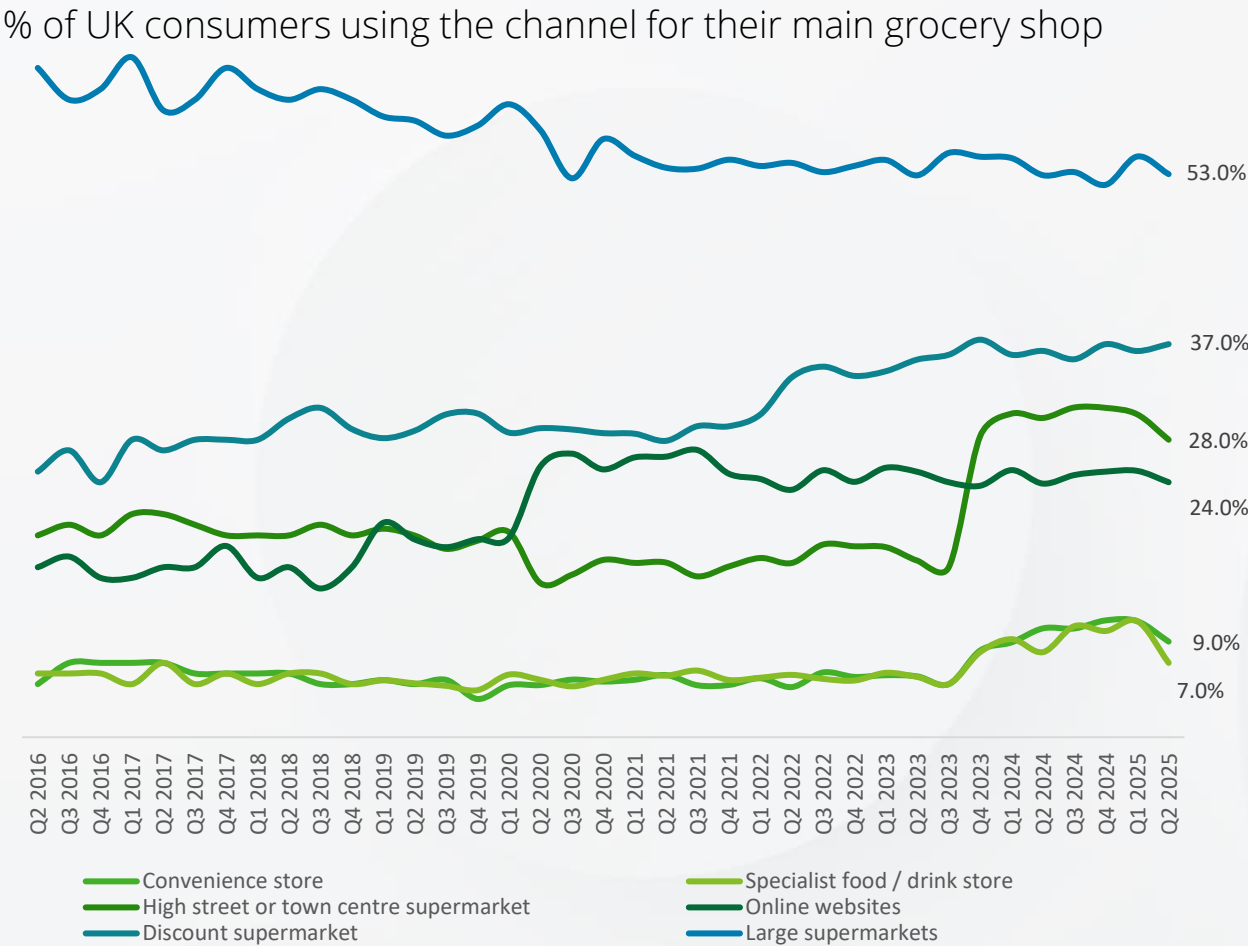
Source: Refinitiv Datastream

Retail sales continue to improve since the start of the year

Data from the Office for National Statistics (ONS) shows that the rebound of retail sales since the start of the year continued, although more slowly, with volumes estimated to have risen by a modest 0.2% in Q2 2025 following a rise of 1.3% in Q1 2025. After falling in May as the sunniest April on record brought sales forward, retail sales rebounded in June with yet another heatwave encouraging consumers to spend across all main categories.

However, with persistent inflationary pressures, consumers have remained cautious, actively seeking promotions and opting for own-label alternatives to mitigate the effects of rising prices. Combined with intense competition, rising costs and economic uncertainty retailers are still faced with a challenging environment.

Channel usage for main grocery shop



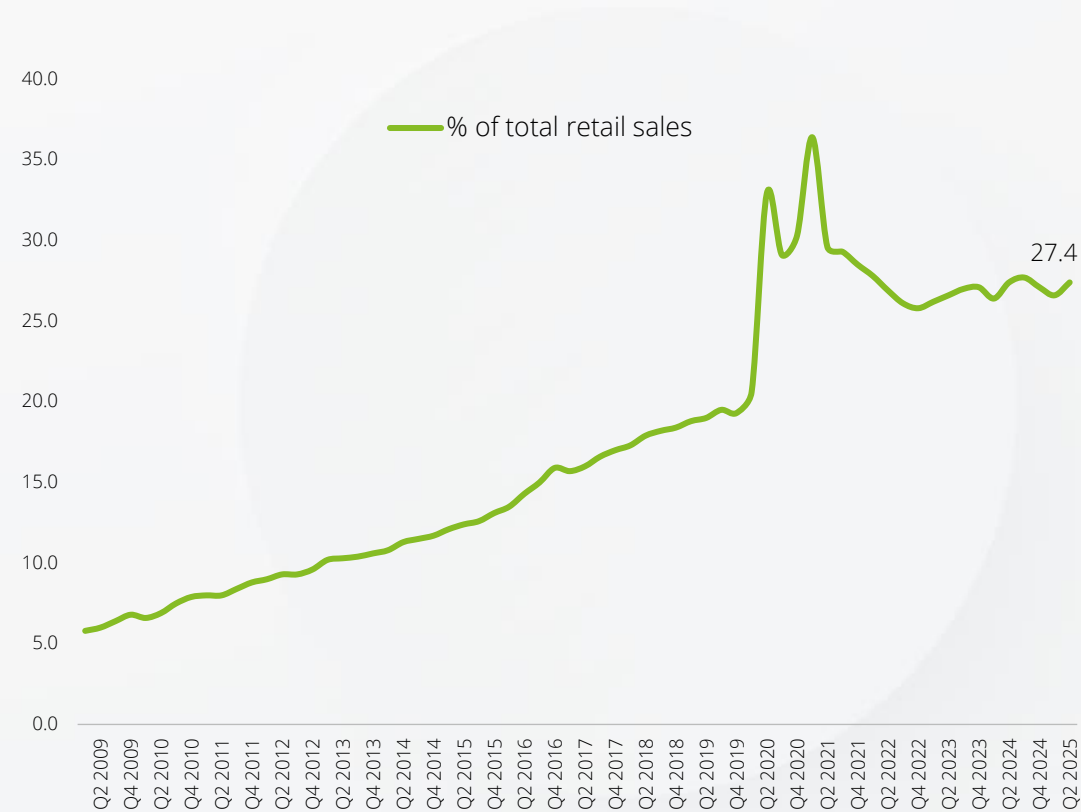
Discounters benefiting from higher food prices

With the rate of inflation in food creeping back up, grocery retailers have ramped up their promotional activity to fight for a share of consumer wallets. In this climate, we are seeing discount retailers and those with very strong digital capabilities outperforming more traditional, smaller players.

Source: The Deloitte Consumer Tracker

Online sales

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



Online sales are up

The amount spent online rose by 3.3% in Q2 2025 compared with the previous quarter. The proportion of sales made online as a share of total retail sales increased from 26.6% in Q1 to 27.4% in Q2 2025.

Online grocery retailers have reported stronger sales in recent months as consumers have chosen to socialise at home and treat themselves through the convenience of delivery of higher-end groceries. At the same time, the growing popularity of social media influencers and the use of artificial intelligence (AI) have also played a part in the continued growth of online shopping. According to our research, more than one in ten consumers (15%) said they have used AI tools as a source of information when choosing what product or service to buy.

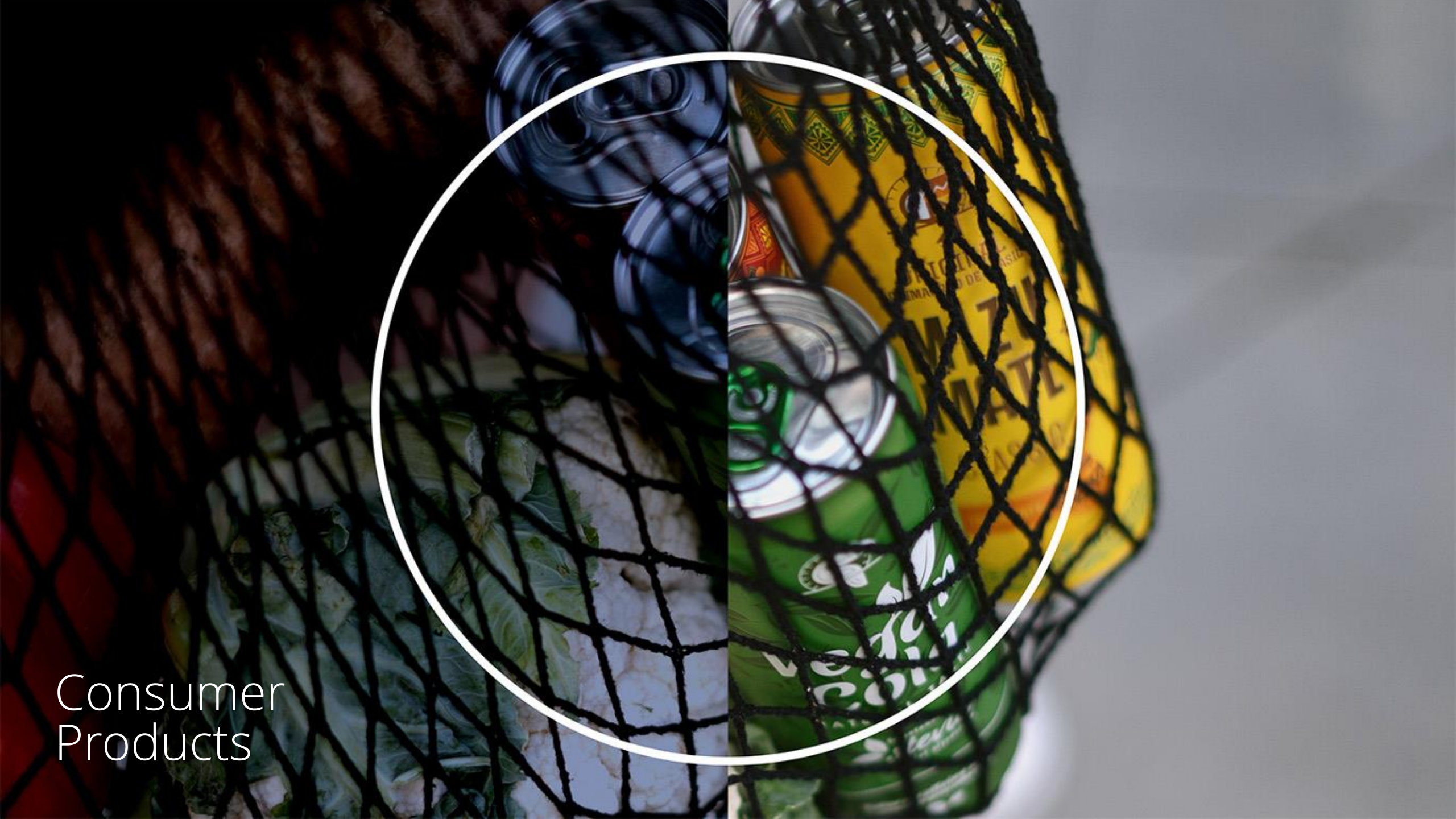
Source: Refinitiv Datastream

Retail sector outlook

Despite a challenging trading environment, recent improvements in retail sales are encouraging.

- To entice price-sensitive consumers to spend, retailers need to respond to changing customer preferences by offering competitive pricing and focusing on value offering.
- Retailers accelerating their transformation and adopting a more strategic approach to cost management is starting to pay off.
- Major investment in data and AI to personalise the customer experience, exploring new revenue streams, and streamlining operations to achieve greater efficiencies are showing in some retailers' performance data.
- Retailers should also be more deliberate where they invest. With a more discerning consumer, retailers should ensure they focus on the products and services closest to the heart of their business, where their competency lies, to support growth.
- At the same time, additional growth opportunities might be available to those retailers who can target new consumer segments and identify and scale alternative revenue streams. Capitalising on retail media, offering capabilities as services, and monetising data will create new revenue streams and improve profitability.

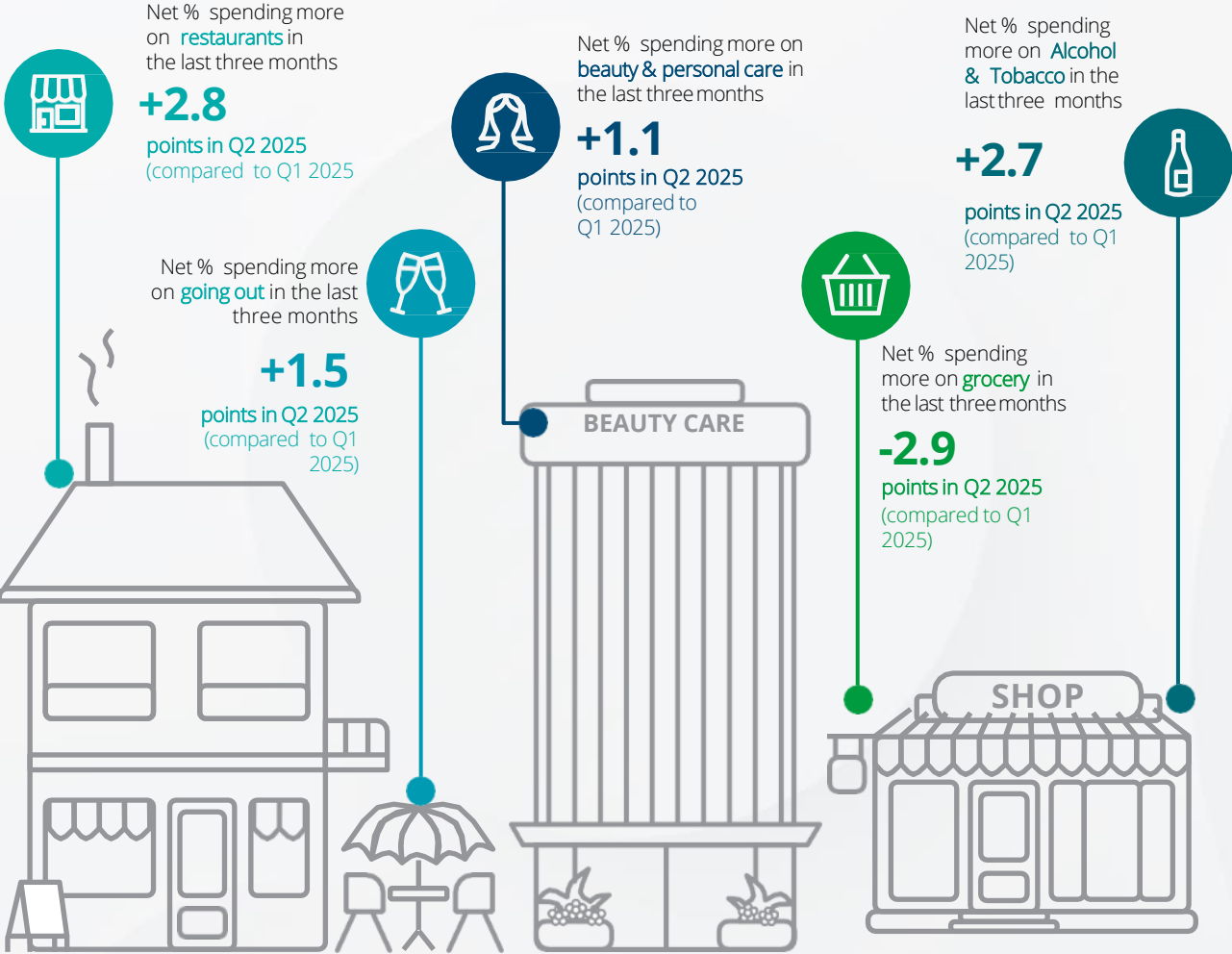




Consumer
Products

Consumer spending in the last three months

Net % spending more over the last three months



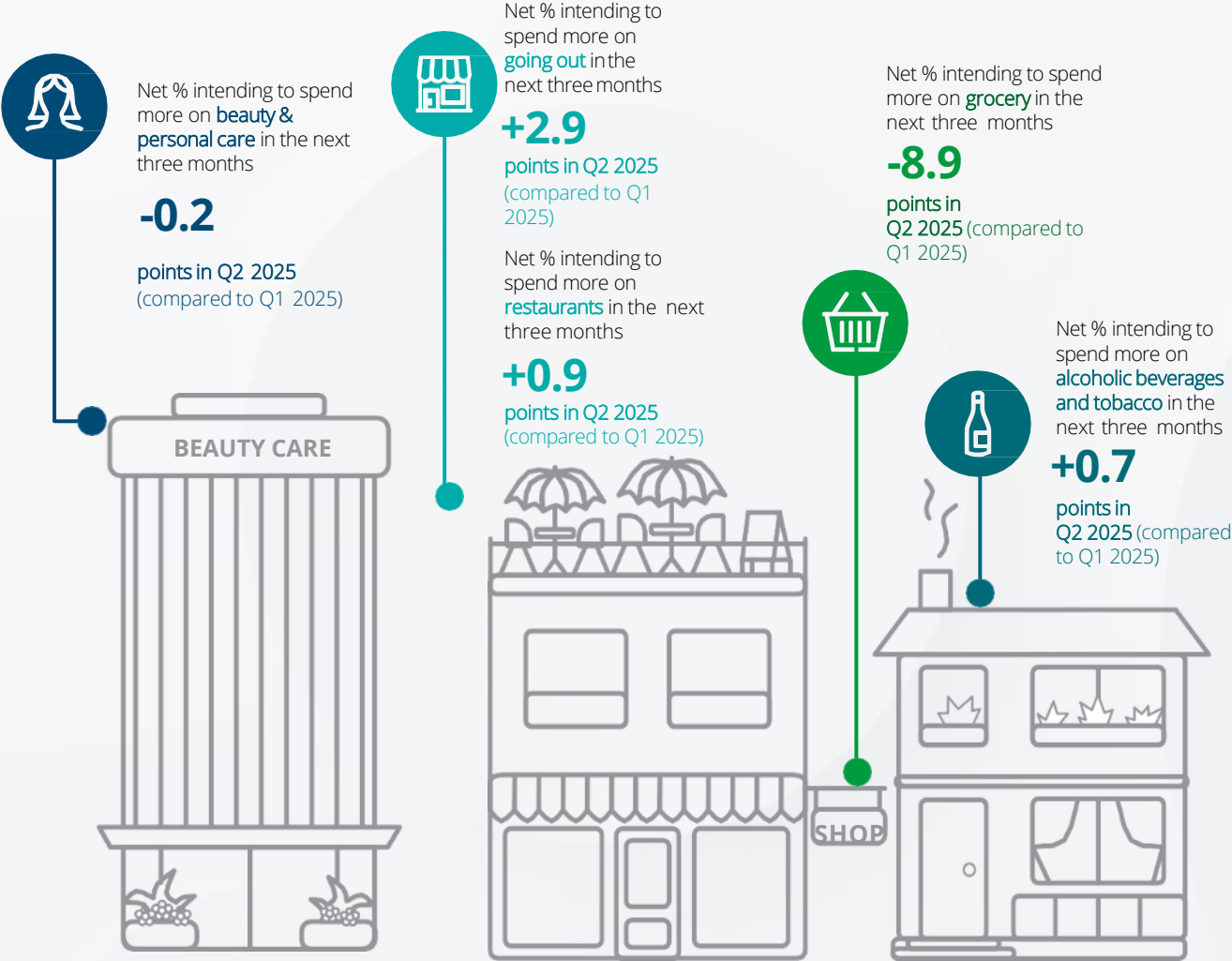
Consumers being more tactical will see brands work harder to find growth

Overall, consumer spending has been more volatile in recent months, showing both positive and negative trends. Consumers have reduced their spending on all essential categories except for the beauty and personal care category which continues to outperform all other essential categories in terms of growth. While the results are partly due to seasonality, they are also a sign that consumers are trying to reduce their everyday expenditure in the face of persistent inflation in everyday categories like food and energy for the home.

By contrast, consumers reported increased levels of discretionary spending driven by more spending on holidays and socialising compared with both the previous quarter and the same period a year ago. But demand for bigger ticket items such as appliances, electricals and furniture shy away from bigger purchases and prefer to save in the face of growing uncertainty about the job market.

Consumer spending in the next three months

Net % intending to spend more in the next three months



Consumers plan to spend less in Q3

According to our Tracker data, consumers expect to spend less overall on both day-to-day and discretionary categories in Q3. However, the picture is likely to remain mixed.

Consumer products businesses will also be among those most affected by recent geopolitical developments. Tariffs announced by the US government could increase costs, potentially squeezing profit margins or forcing businesses to raise prices, which could dampen a possible recovery in demand.

The combination of reduced consumer spending, rising costs and the potential impact of new tariffs suggests that the outlook for the consumer products sector will remain challenging in the coming months.

Consumer products sector outlook

Challenging outlook for the consumer products sector in the coming months

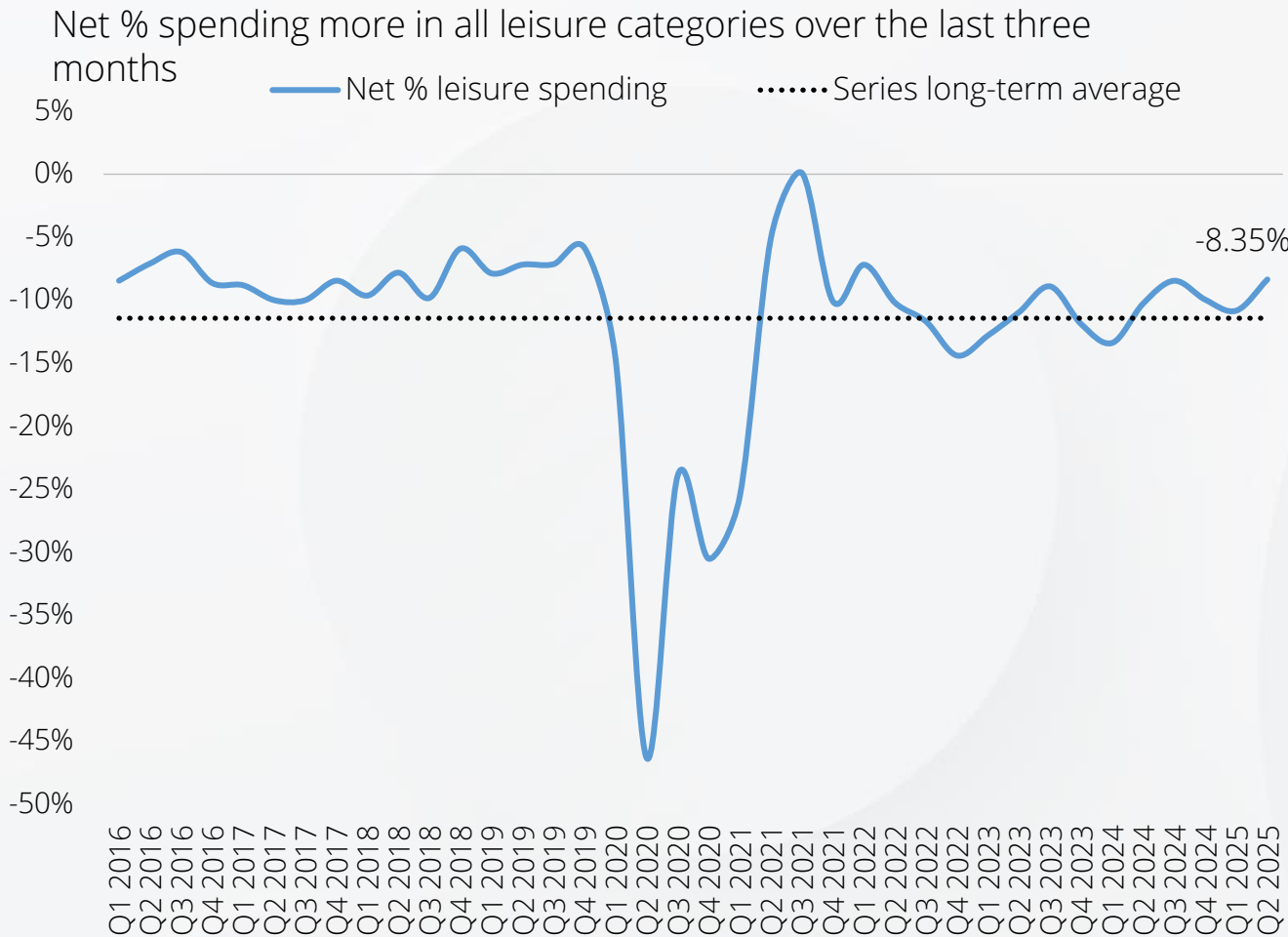
- Offer innovative products and value propositions to compete with own-label alternatives
- Mitigate increased costs from tariffs and potential price increases
- Focus on cost reduction, innovation, and strategic pricing
- Leverage hyper-personalisation and technology for customer lifetime value.
- Rationalise product portfolio for profitability and value creation
- Address supply chain, GLP-1, cyber, market volatility, and regulatory risks.
- Accelerate decision-making, develop skills, and build leadership capabilities.
- Unleash breakthrough cost and productivity improvements.





Leisure

Total net leisure spending in the last three months



Source: The Deloitte Consumer Tracker

Leisure spending rebounds


































Data from the Deloitte Consumer Tracker shows that total net spending in the leisure sector increased from -10.8% in Q1 2025 to -8.4% in Q2 2025. The increase is due to the combination of seasonal trends, as spending typically grows in the second quarter driven by holiday bookings and increased socialising with nicer weather.

The quarterly improvement was driven by an increase in spending across 10 of the 11 leisure categories with the most significant increase in net spending around the long and short holiday categories with both increasing by 5.8 percentage points in Q2.

Demand is particularly strong for all-inclusive packages and short breaks, with value for money remaining high on the list of priorities.

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	Q2 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q2 2019
Long Holidays	0.5%	 +5.8	 +1.8	 +1.1
Short Holidays	-1.3%	 +5.8	 +1.8	 -0.0
Culture and entertainment	-13.9%	 +0.3	 +3.4	 -3.4
Other leisure activities	-12.5%	 +0.7	 -0.1	 -5.0
Betting and gaming	-6.1%	 +2.5	 +3.3	 +0.9
Going to the gym or playing sport	-3.5%	 +1.1	 +1.9	 +0.9
Attending live sports events	-6.5%	 +1.5	 +1.1	 -0.7
Eating out	-7.4%	 +4.3	 +3.9	 +2.4
Drinking in coffee shops/sandwich shops	-15.2%	 +2.2	 +1.3	 -3.1
In home leisure activity	-12.5%	 -0.7	 +1.1	 -4.1
Drinking in pubs/bars	-13.6%	 +3.7	 +1.6	 -1.9

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	Q2 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q2 2019
Short holidays	-2.5%	↓ -1.3	↑ +1.9	↓ -1.5
Long holidays	-2.8%	↓ -4.5	↓ -1.7	↓ -3.1
Going to the gym or playing sport	-3.0%	↓ -0.1	↑ +2.0	↓ -0.7
Attending live sports events	-6.1%	↑ +1.1	↑ +0.5	↓ -1.6
Other leisure activities	-9.9%	↑ +2.1	↑ +0.5	↓ -3.0
Eating out	-11.4%	↑ +1.9	↑ +0.8	↓ -0.7
Culture and entertainment	-11.6%	↑ +0.3	↑ +0.2	↓ -4.0
Betting and gaming	-11.6%	↑ +0.4	↑ +1.5	↓ -2.9
Drinking in pubs/bars	-13.6%	↑ +1.6	↓ -0.7	↓ -3.6
In home leisure activity	-15.7%	↑ +1.6	↑ +1.2	↓ -3.5
Drinking in coffee shops/sandwich shops	-15.9%	↑ +1.9	↑ +1.3	↓ -1.7

Leisure sector outlook

Challenges remain for Q3 2025

- Looking ahead to Q3, the outlook remains positive, but there are some important caveats. While spending intentions are strong in many areas, particularly hospitality, the anticipated decline in long-holiday bookings will drive a seasonal dip after the summer rush.
- This highlights the importance for businesses to focus on building long-term customer loyalty and adapting to changing consumer preferences to ensure sustained growth beyond the peak summer season.
- The sector's performance for the remainder of the year will also depend on global economic conditions, geopolitical stability and the industry's ability to adapt to changing travel patterns.





Automotive

UK car registrations

Quarterly UK car registrations

	H1 2025	H2 2024	% change	Mkt share H1 '25	Mkt share H1 '24
Diesel	2,24,841	1,67,096	34.6%	21.6%	16.6%
Petrol	1,07,039	81,522	31.3%	10.3%	8.1%
BEV	1,46,777	1,34,660	9.0%	14.1%	13.4%
PHEV	5,04,840	5,57,265	-9.4%	48.4%	55.4%
HEV	58,722	66,220	-11.3%	5.6%	6.6%
TOTAL	10,42,219	10,06,763	3.5%		

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

Sales flat in Q2 2025

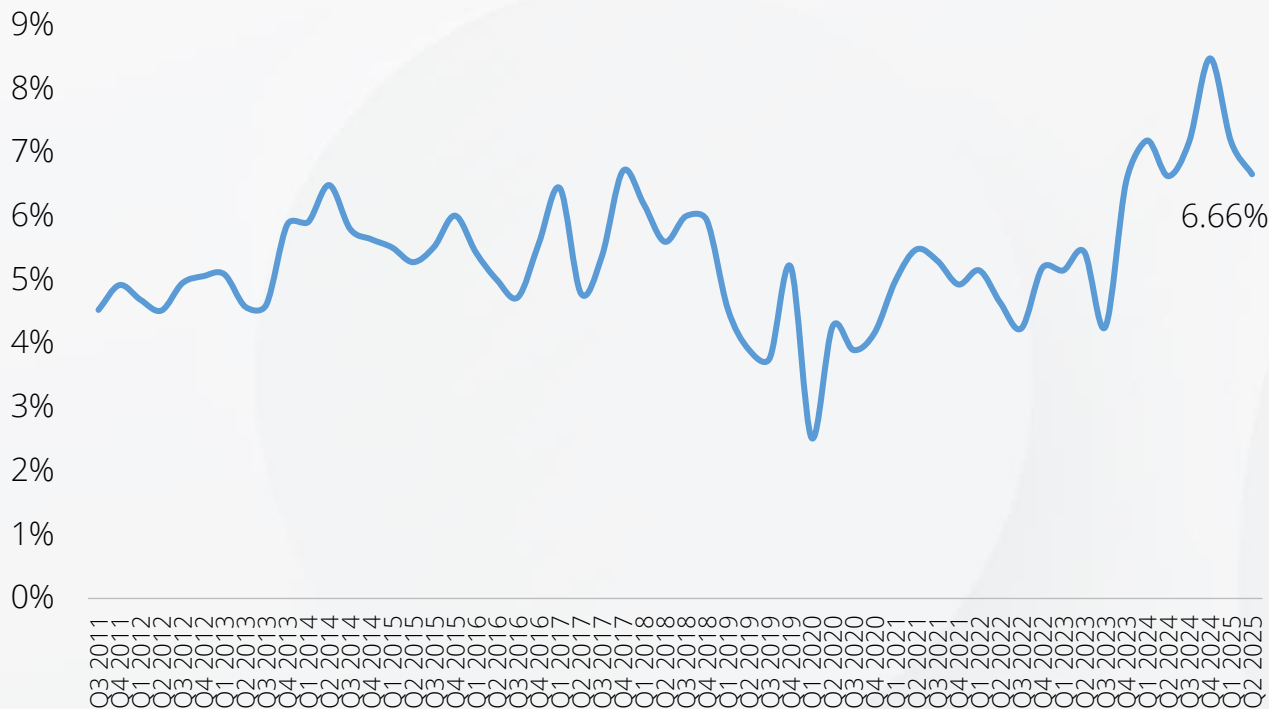
New car sales in the UK remained flat (+0.11%) in Q2 2025, compared with the same period in 2024. A substantial decline in April (-10.4%) was offset by a 1.6% and 6.7% uptick in sales in May and June, respectively. When combined with the 6.4% growth in sales recorded across Q1 2025, the industry completed the first half of the year 3.5% ahead of the same period last year.

For those observers looking for green shoots, the performance in May and June could be seen as a signal of healthy demand within the sector. Indeed, the number of new vehicles registered in June – 191,000 – was the highest number for that month since 2019. However, the more pessimistic observer would be justified in pointing towards the growth being underpinned by fleet sales and ongoing discounting of electric vehicles, which is likely to be unsustainable in the long run.

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

Planned car purchases

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



Planned purchases expected to fall in Q2

Our data shows that the percentage of consumers planning to buy a new car in the quarter ahead fell from 7.1% in Q1 2025 to 6.7% in Q2 2025.

This small downtick reflects the downturn in consumer confidence seen in Q2 2025, with many consumers unsure of their ability to complete major purchases at this time.

Despite some strong underlying economic conditions there will be justifiable concern that the second half of 2025 may struggle to maintain the momentum created in the first six months.

Note: This question was changed in Q2 2020

Source: The Deloitte Consumer Tracker

Automotive sector outlook

Improving demand for new cars remains linked to concerns over price

- Amid ongoing global trade challenges, the industry has welcomed key UK government announcements on investment and international trade deals that aim to boost growth and increase global competitiveness. Indeed, the announcement of trade deals with the US, EU and India should help boost demand for vehicles manufactured in the UK.
- At the same time, the UK's industrial strategy, published at the end of June, offers a substantial financial plan aimed at revitalising the UK manufacturing sector. The industrial strategy includes the ambition to increase the volume of vehicles made in the UK to over 1.3 million cars and commercial vehicles by 2035. This represents an increase of around 400,000 vehicles when compared with full-year production figures from 2024.
- The automotive sector will benefit from the industrial strategy's planned investment in new battery giga-factories and semiconductor production, as well as multi-billion-pound investments in R&D and skills and workforce development, a focus on regulatory reform, energy cost reduction and international partnerships.



Contacts and publications



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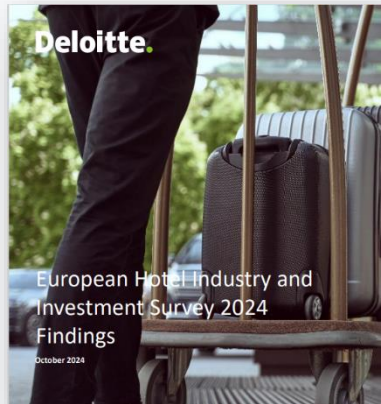
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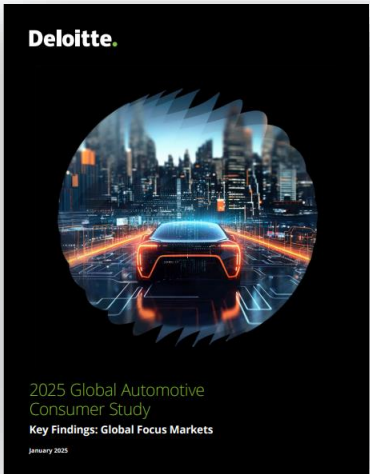
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European Hotel Industry & Investment Survey 2024



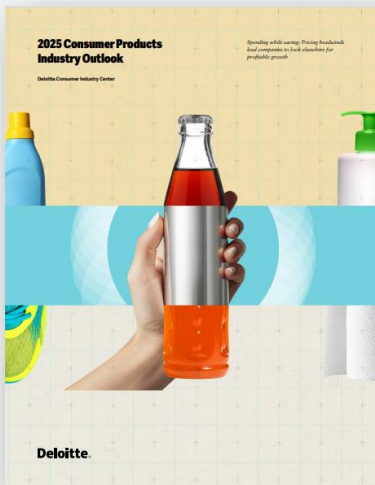
2025 Global Automotive Consumer Study



The Future of the Consumer Industry



2025 Consumer Products Industry Outlook



The Sustainable Consumer



Retail Trends 2025



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 13th June 2025 to 16th June 2025..

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.



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