UK consumer confidence improves but caution remains

The Deloitte Consumer Tracker

Q3 2025

MAKING AN IMPACT THAT MATTERS since 1845

Contents

Four key takeaways this quarter

The Deloitte Consumer Confidence Index saw a marginal uptick from -10.4% to -10% in Q3 2025 after falling significantly last quarter.

Takeaway 1

Improvements in perceptions of job security, levels of debt, and general health and wellbeing drove the uptick in overall consumer confidence

Sentiment regarding job security increased the most growing 1.2 percentage points compared with Q2, however it remains 3.8 percentage points lower than a year ago.

Takeaway 2

Sentiment about the state of the economy falls to a two-year low.

The measure of confidence in the UK economy, which is separate from the main index, fell to -64% in the third quarter, reaching levels last seen in the summer of 2023, when concerns about persistent price pressures drove sharp rises in interest rate expectations.

Takeaway 3

Overall spending was down in Q3 but there are signs of easing on some big-ticket purchases

Consumers remain cautious about spending especially in the more non-essential categories as the increasing cost of groceries and utilities puts pressure on their budget.

While overall discretionary spending is down, the category level data signals some possible easing across some of the big-ticket purchases including on major household appliances, and furniture and homeware.

Takeaway 4

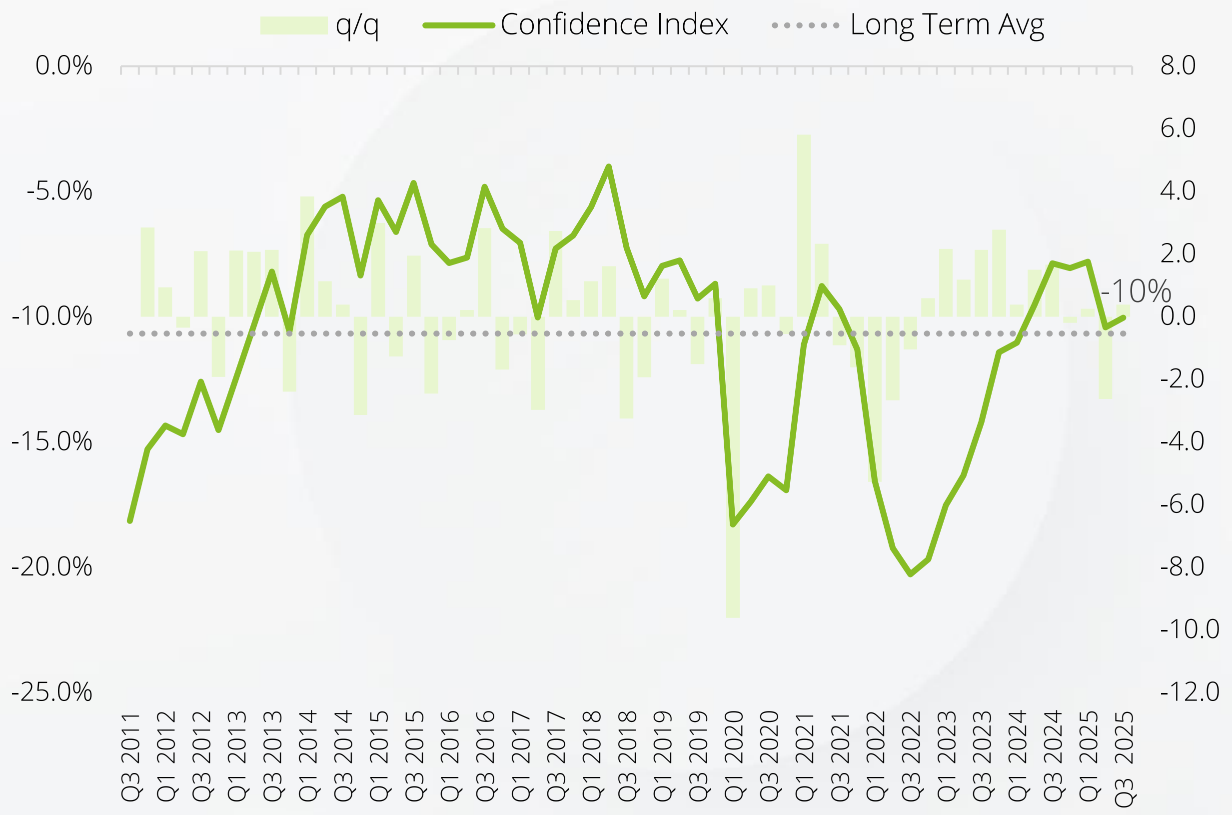
The overall picture remains one of caution

Consumers are making tactical choices in the face of persistent inflation, which coupled with economic uncertainty, suggests that a sustained recovery in consumer confidence may take more time. For now, the outlook for the final quarter of 2025 could be one of restraint and frugality.

Consumer confidence

Deloitte Consumer Confidence Index*

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



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).

Overall confidence grew by a modest 0.4 percentage point in Q3 2025.

The Deloitte Consumer Confidence Index saw a marginal uptick from -10.4% to -10% in Q3 2025 after falling significantly last quarter.

The Deloitte Consumer Confidence Index averages the net percentage improvement in confidence levels over the past three months for six individual measures. The marginal rise in the overall confidence index in Q3 was driven by small increases across four of the six measures included in the index. Improvements in perceptions of job security, levels of debt, and general health and wellbeing drove the uptick in overall consumer confidence.

Individual measures of consumer confidence

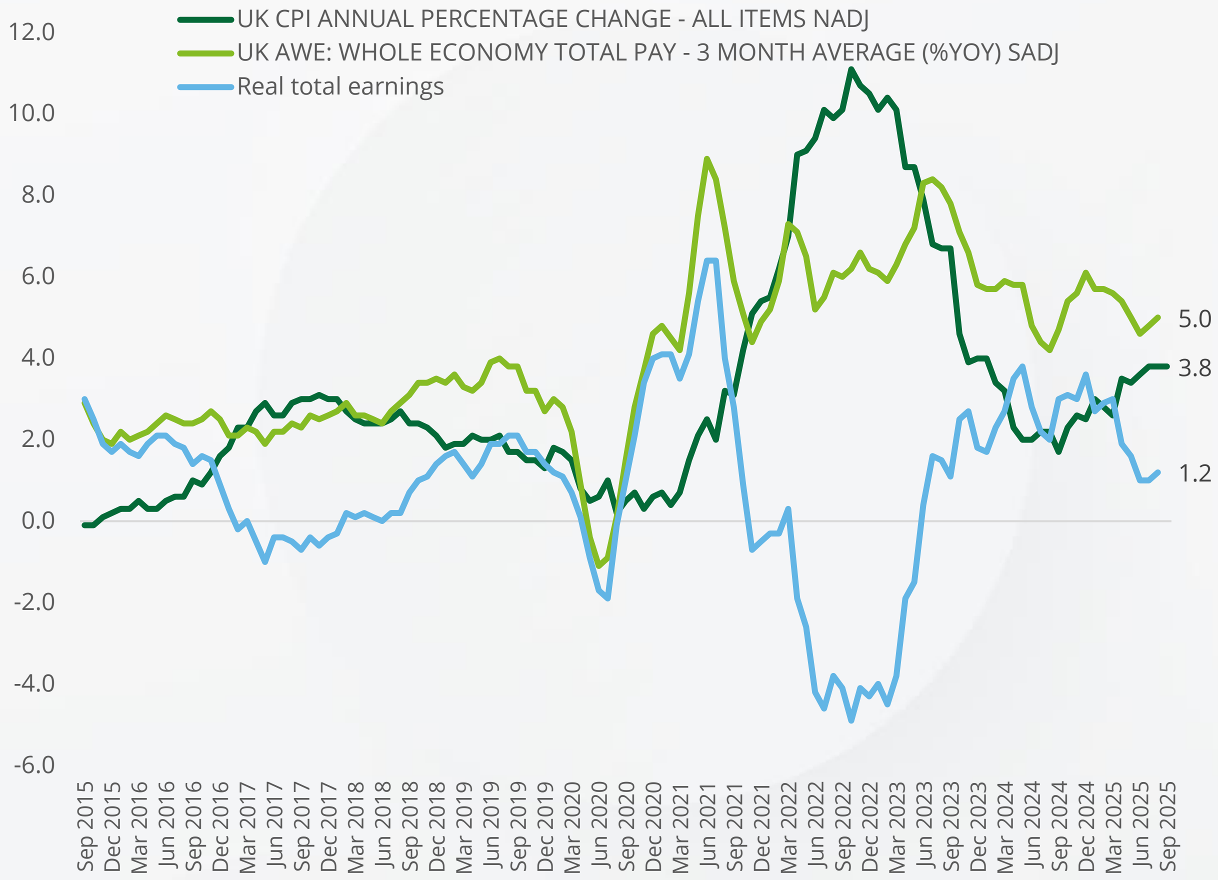
Net % improvement in level of confidence in the past three months

Individual measures of consumer confidence	**Q3 2025** net balances	% point change quarter on quarter	% point change year on year
Your children's education and welfare	-0.7%	-0.1	-2.6
Your job opportunities/career progression	-6.5%	+0.4	-4.9
Your job security	-6.4%	+1.2	-3.8
Your level of debt	-5.4%	+0.6	+0.9
Your general health and wellbeing	-13.1%	+0.6	+3.1
Your household disposable income	-28.0%	-0.5	-5.7
Deloitte Consumer Confidence Index	-10.0%	+0.4	-2.2
The state of the economy in the UK*	-63.9%	-12.9	-26.1

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

Inflation peaking and wage growth back up

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



Source: Refinitiv Datastream

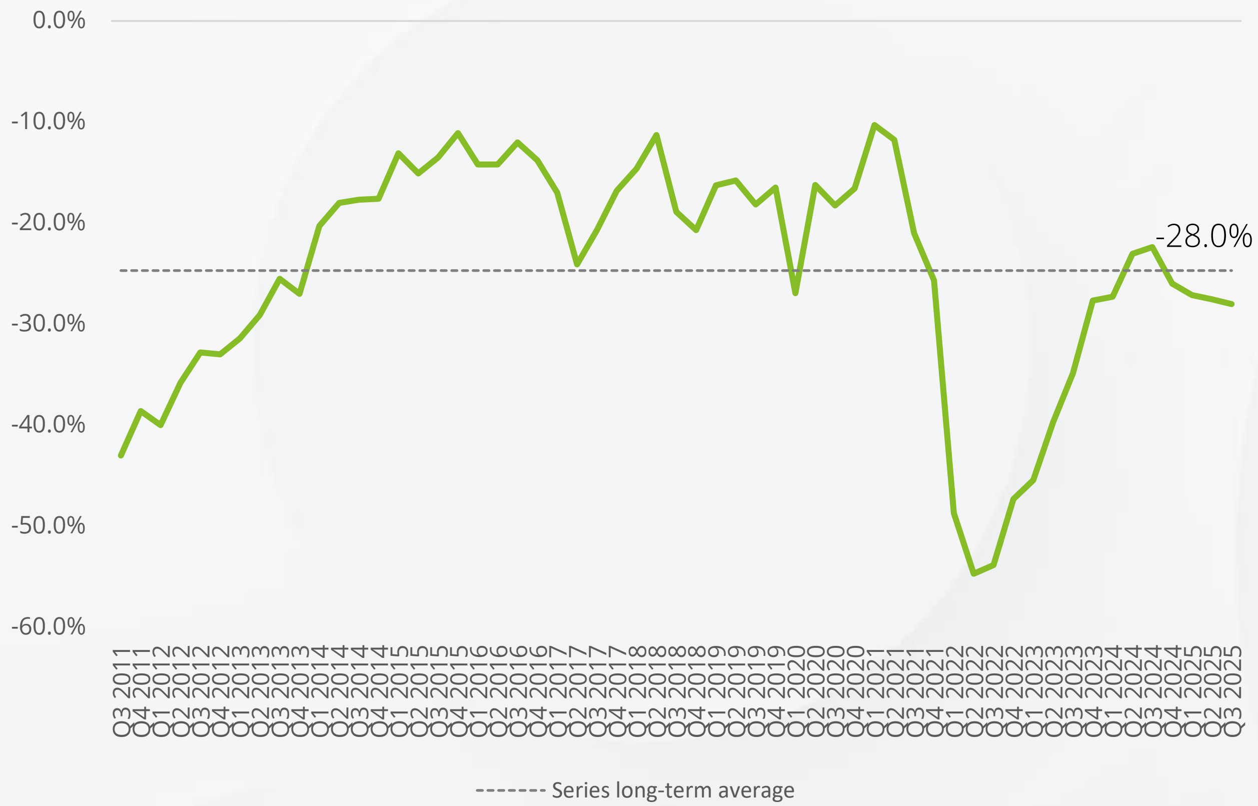
Inflation remains at 3.8% in September unexpectedly

Latest official data is showing inflation remained at 3.8% in September which was better than expected and was driven by both the level of food inflation and cost of services easing. These results could signal food inflation having peaked. They also raise the chance of a possible interest rate cut in the months ahead.

At the same time, wage growth has remained high, with private sector earnings growth at 4.4 per cent in the three months to August, the lowest since December 2021 but still elevated.

Consumer confidence about their levels of household disposable income

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



Source: The Deloitte Consumer Tracker

Personal finances remain under pressure

Despite official data showing solid income growth, our data points to pressures the high level of inflation has put on consumer perceived levels of disposable income.

In a sign of persistent inflation hitting purchasing power, consumers' confidence in their household disposable income fell by 0.5 percentage points to -28% and continues to track below its long-term average.

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

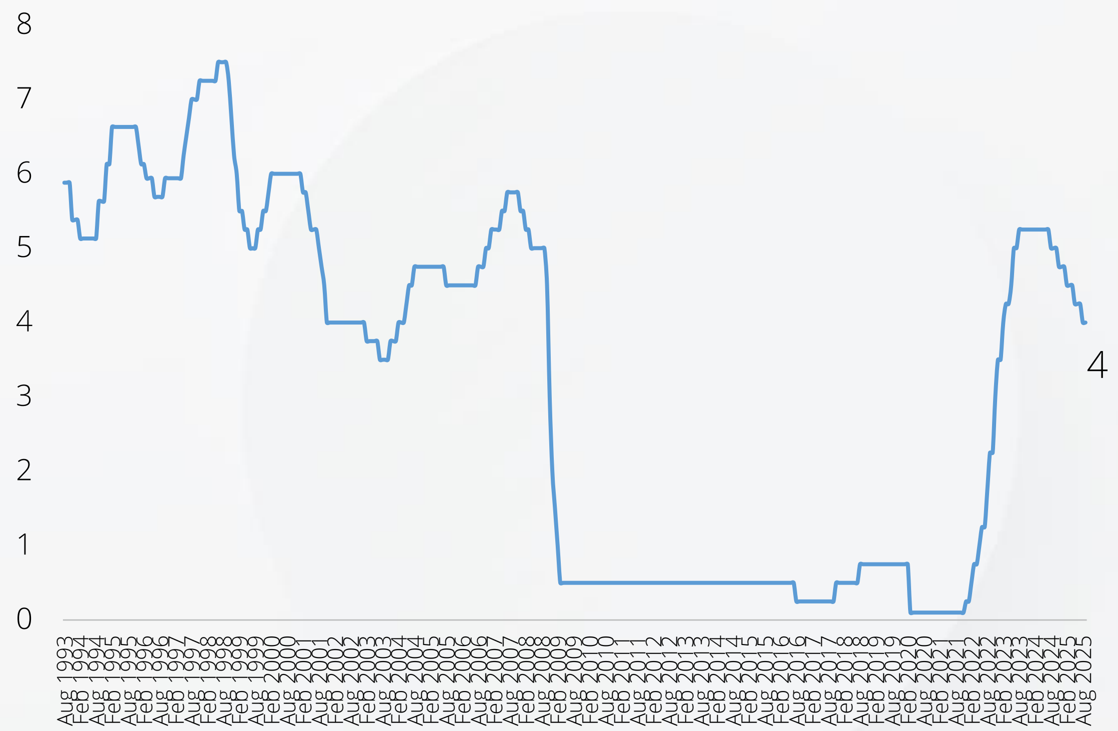
Confidence in levels of debt improves slightly

Our sentiment measure about levels of debt saw a modest 0.6 percentage points rise placing the measure back above its long-term average.

Official data shows that debt levels have reduced, albeit marginally, indicating that households are managing their debt obligations more effectively, partly helped by the declining borrowing costs.

Interest rates kept on hold in September

Bank of England base rate



Source: Refinitiv Datastream

Interest rates on hold at 4%

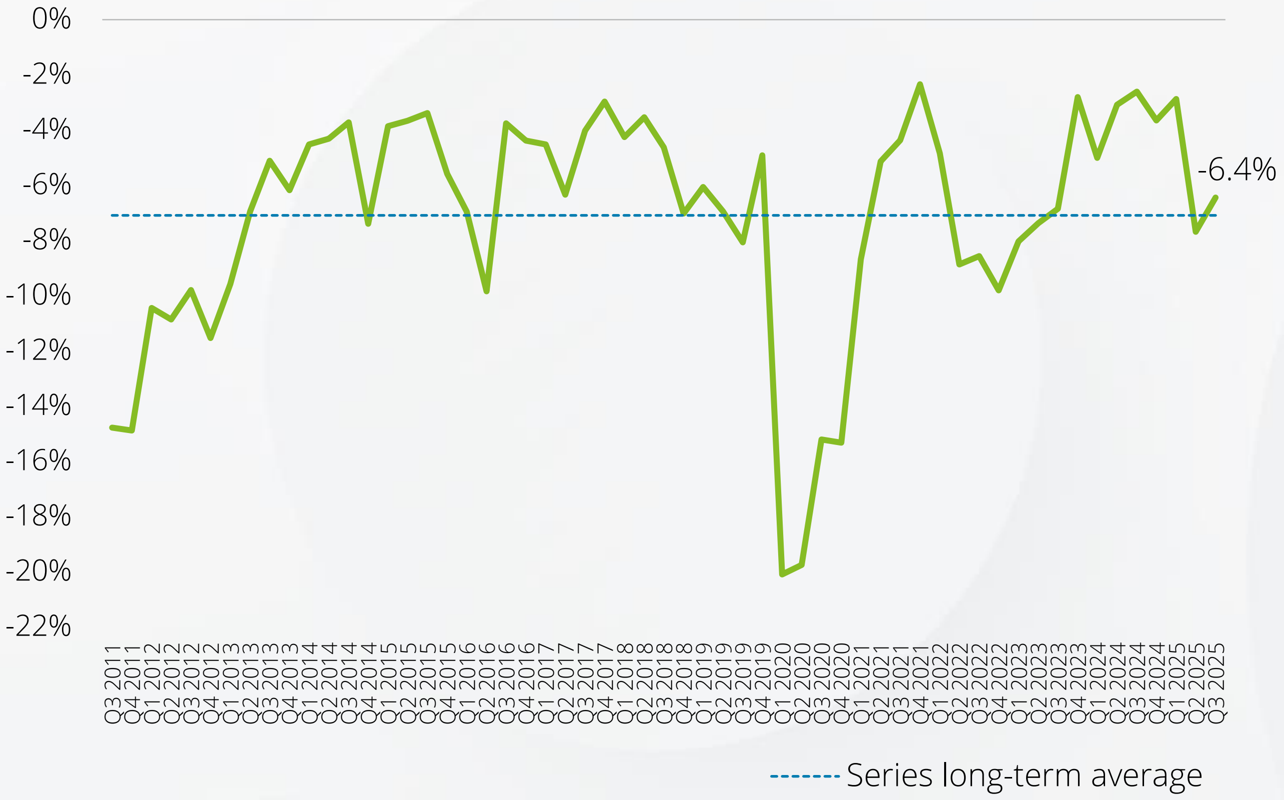
Indeed, a key possible reason why consumer sentiment around debt has improved is that households found it easier to access credit.

The Bank of England has made several rate cuts since August 2024 with the current base rate at 4% kept on hold in September. However, recent inflation data showing prices held steady at 3.8% in September has prompted talks of a possible quarter-point rate cut before the end of the year.

Source: Refinitiv Datastream

Consumer confidence about job security

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



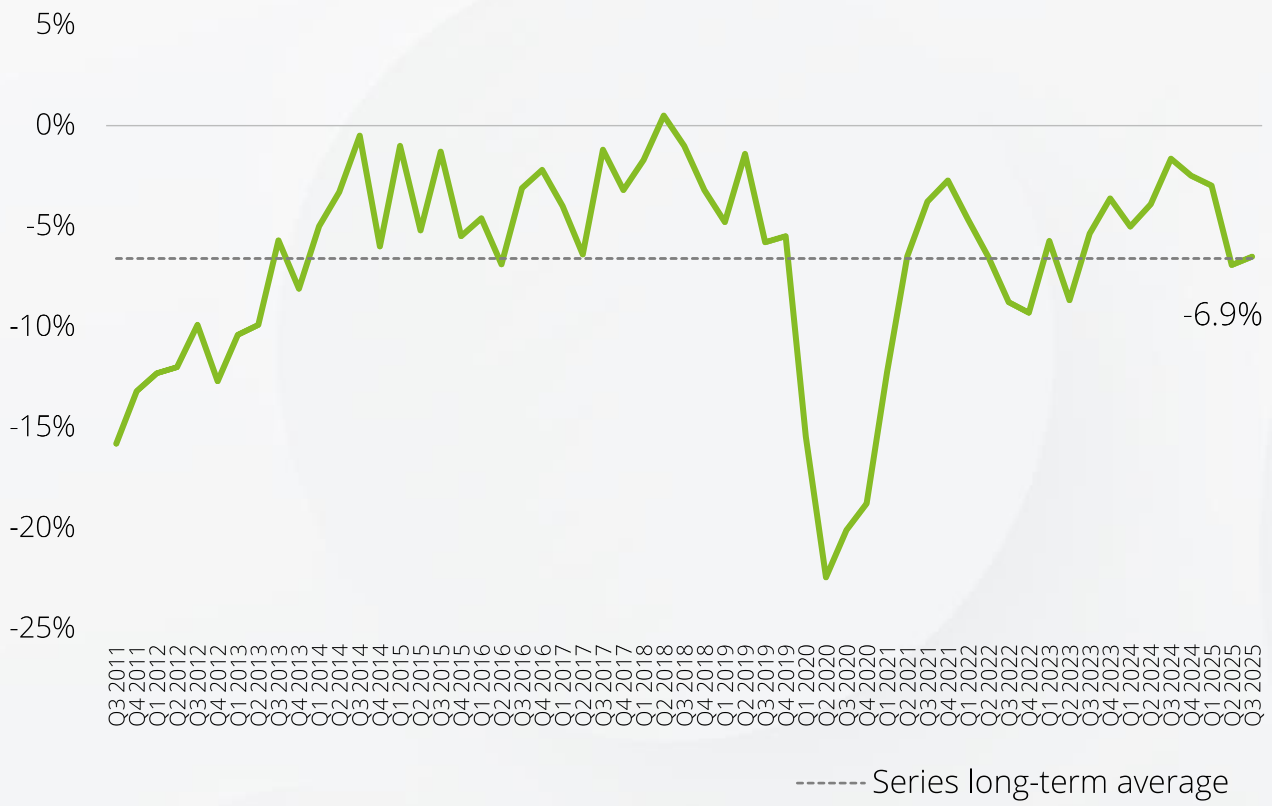
Sentiment around job security improves

After falling significantly in the previous quarter, sentiment regarding job security increased by 1.2 percentage points compared with Q2. However, it remains 3.8 percentage points lower than a year ago.

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



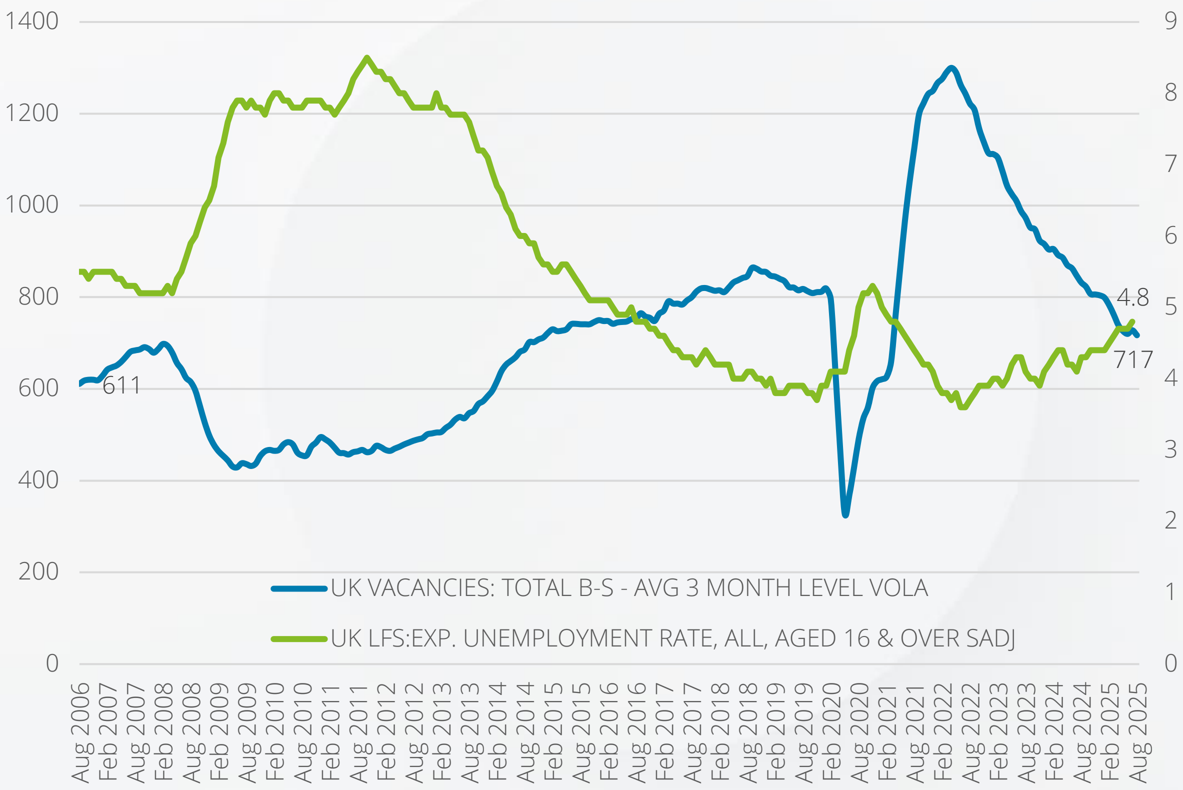
Sentiment about job prospects eases

Similarly to job security, consumer sentiment in job opportunities and career progression was up marginally in Q3 bringing the measure just above its long-term average.

Source: The Deloitte Consumer Tracker

Labour market shows signs of steadying, but challenges remain

UK unemployment rate (all aged 16 and over)



Source: Refinitiv Datastream

Deterioration of the UK labour market over the past year showing signs of steadying

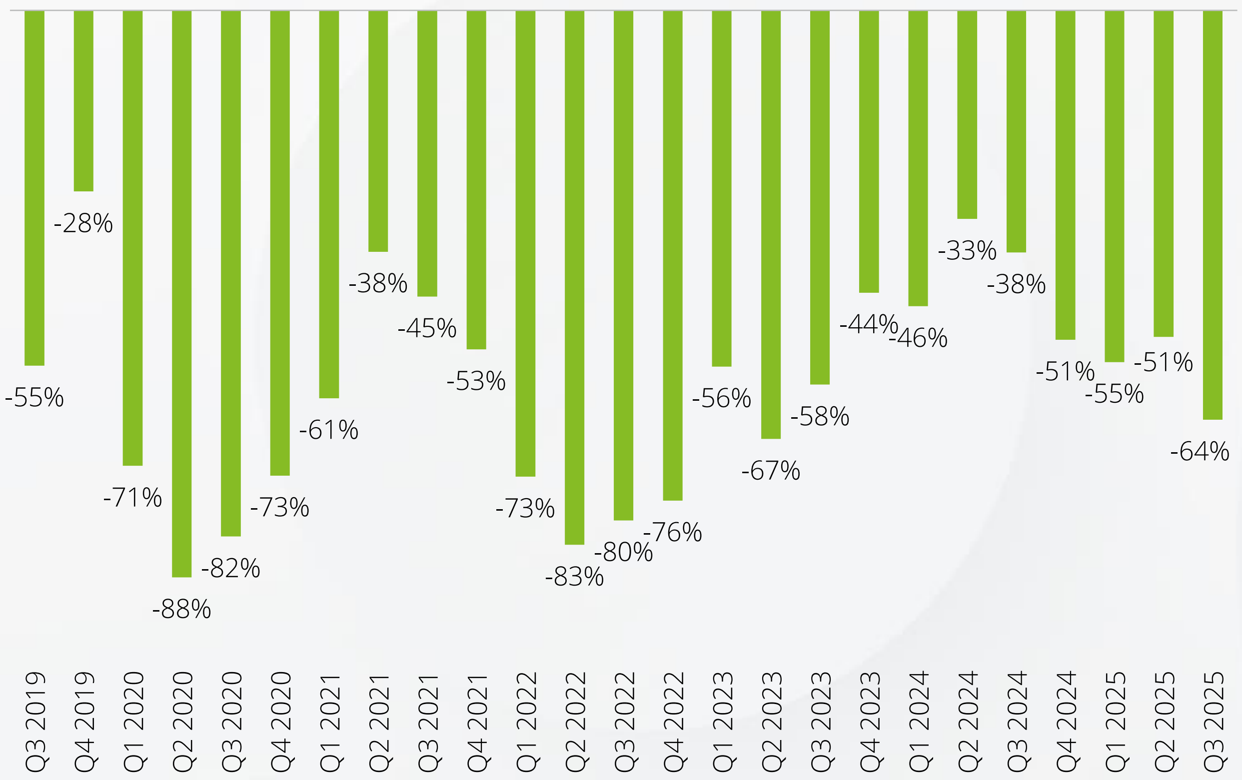
Recent ONS data shows that the slowdown in the jobs market was steadying compared to some steeper declines earlier this year following tax increases since April.

However, persistent underlying challenges remain. Unemployment has risen to 4.8% in the three months to August 2025, driven by higher joblessness among younger workers.

Also, there are concerns about a weakening of demand for labour among corporates. Deloitte's latest survey of CFOs for Q3 2025 showed that CFOs projections for hiring have dropped, with hiring expectations now close to their post-pandemic lows.

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



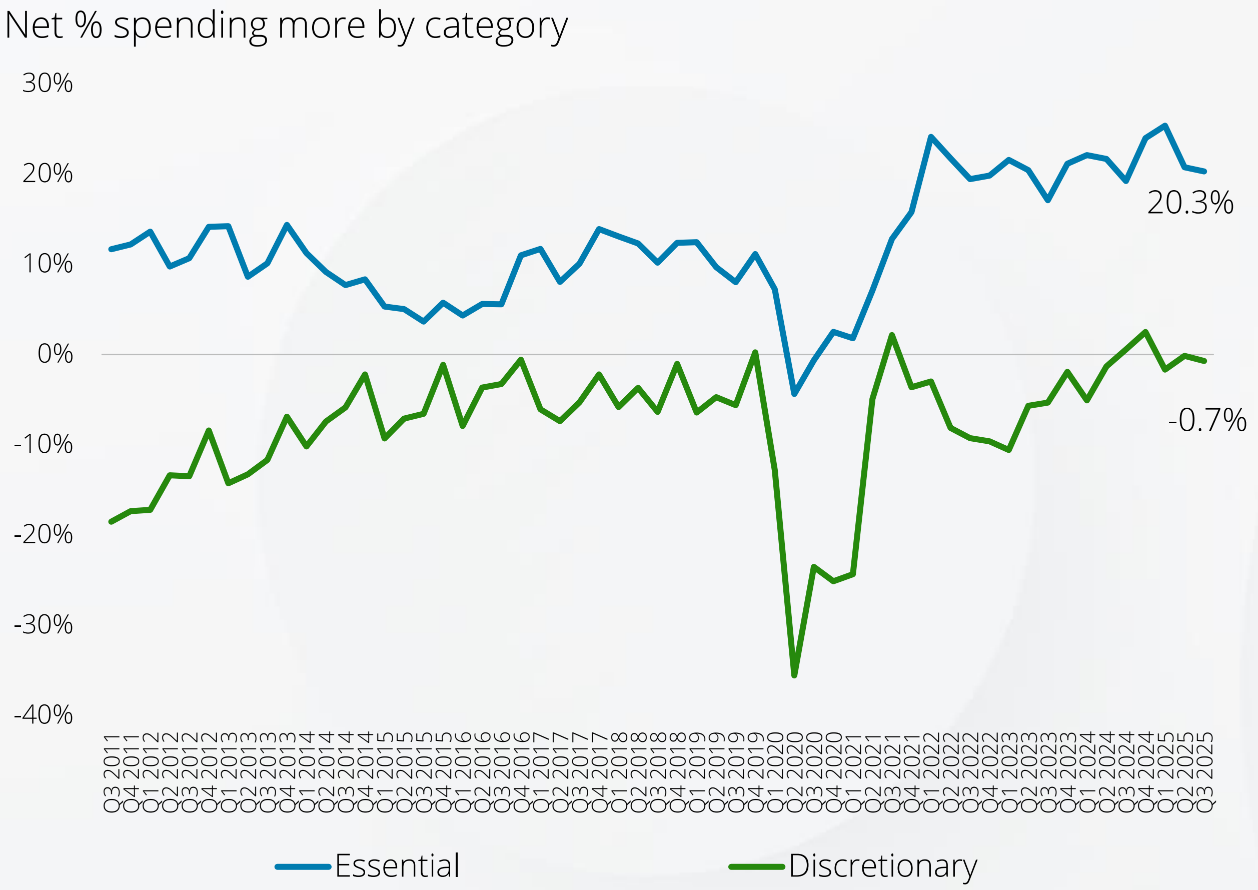
Source: The Deloitte Consumer Tracker

Consumer sentiment about the state of the UK economy at a two-year low

Confidence in the UK economy fell by 13 percentage points to -64% reaching levels last seen in the summer of 2023, when concerns about persistent price pressures drove sharp rises in interest rate expectations. It is also much lower than the same period a year ago before the government announced its Autumn Budget.

Consumer spending

Consumer spending in the last three months by category



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

Source: The Deloitte Consumer Tracker

Given the mixed outlook, consumers remain cautious about spending

Overall spending on both day-to-day and non-essentials fell this quarter in part due to the post-summer easing in spending but also by consumers making a conscious effort to reduce their expenditure where possible to manage higher everyday rising costs.

However, the data is more mixed when looking at the category level (next slide). While consumers spent more on groceries due to rising food inflation they spent less on housing as lower interest rates feed through to mortgages and rent. At the same time, there are signs of possible easing across some big-ticket purchases including on major household appliances, electricals and, furniture and homeware. Despite Q3 coinciding with the high season for the hospitality and leisure sectors, consumers in our survey also reported lower levels of spending on restaurants and going out.

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 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Essential	20.3%	-0.4	+1.1	+12.3
Grocery	48.6%	+2.4	+5.6	+32.0
Utility bills	40.7%	-2.0	+6.4	+25.7
Everyday household items	33.6%	+2.1	+5.3	NA
Housing	18.5%	-3.8	-4.4	+11.6
Transport	20.1%	+1.1	+2.0	+10.5
Landline/mobile phone, internet and cable/TV	16.0%	-3.8	-0.8	+11.2
Pensions and insurance	10.9%	-0.3	-3.2	+6.1
Health	10.6%	+0.6	-0.9	+6.8
Education	5.7%	+1.3	-0.3	+3.0
Beauty and personal care products	-1.7%	-2.1	+0.9	NA

Source: The Deloitte Consumer Tracker

Spending in discretionary categories in the last three months

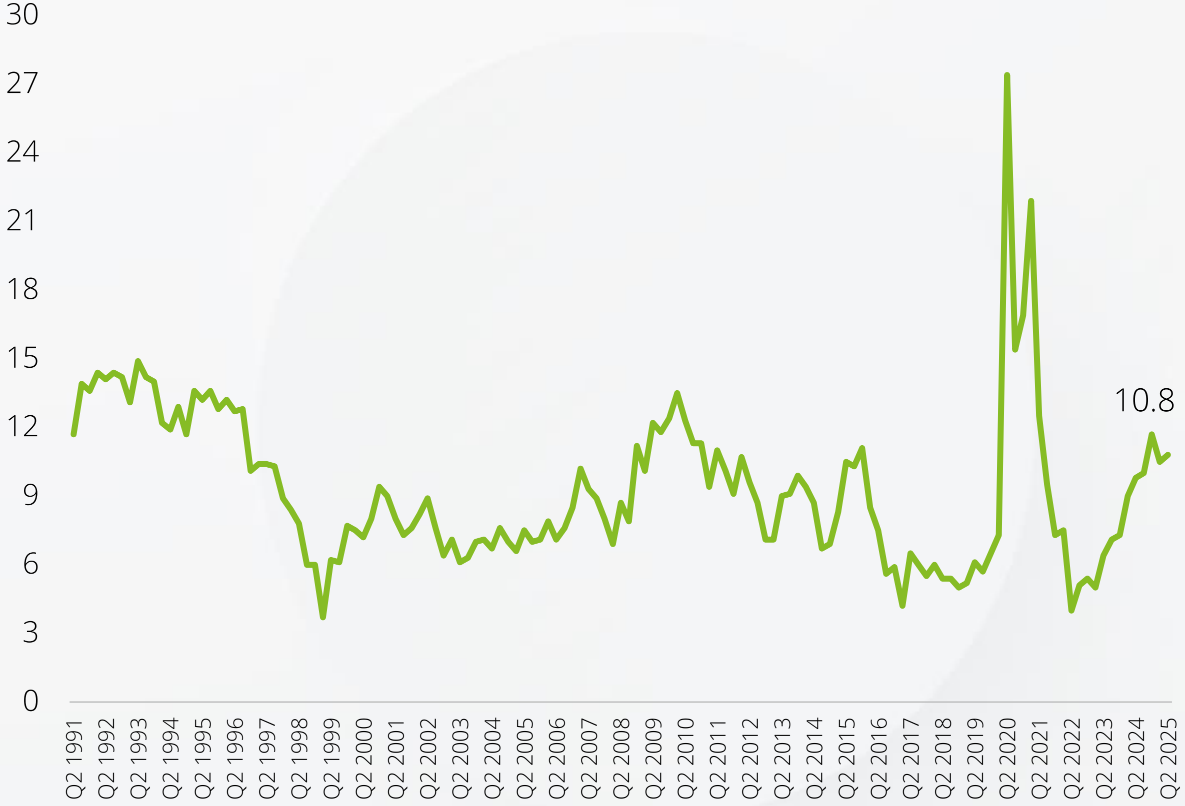
Net % spending more by category over the last three months

Consumer spending in the last three months by category	Q3 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Discretionary	-0.7%	-0.6	-1.3	+4.9
Holidays and hotels	8.9%	-0.7	-2.6	+5.9
Clothing and footwear	2.9%	-1.3	-1.8	+8.8
Major household appliances	1.9%	+0.5	+0.8	+5.4
Electrical equipment	0.6%	+0.2	+0.2	+6.0
Restaurants	-3.1%	-2.0	-5.0	+4.7
Alcoholic beverages and tobacco	-3.0%	+0.4	+0.9	+5.0
Furniture and homeware	-4.9%	+0.3	+0.1	+1.7
Going out	-9.0%	-1.8	-2.9	+1.9

Source: The Deloitte Consumer Tracker

Saving ratio up and high by historic standards

UK households' savings ratio



UK household saving stay high as caution remains

In a sign that consumers are remaining cautious, the UK household saving ratio – the proportion of disposable income that is not spent on consumption – has remained elevated in recent months. The ration rose to 10.7% in the second quarter of 2025, well above the 5.6% average in the three years before the pandemic.

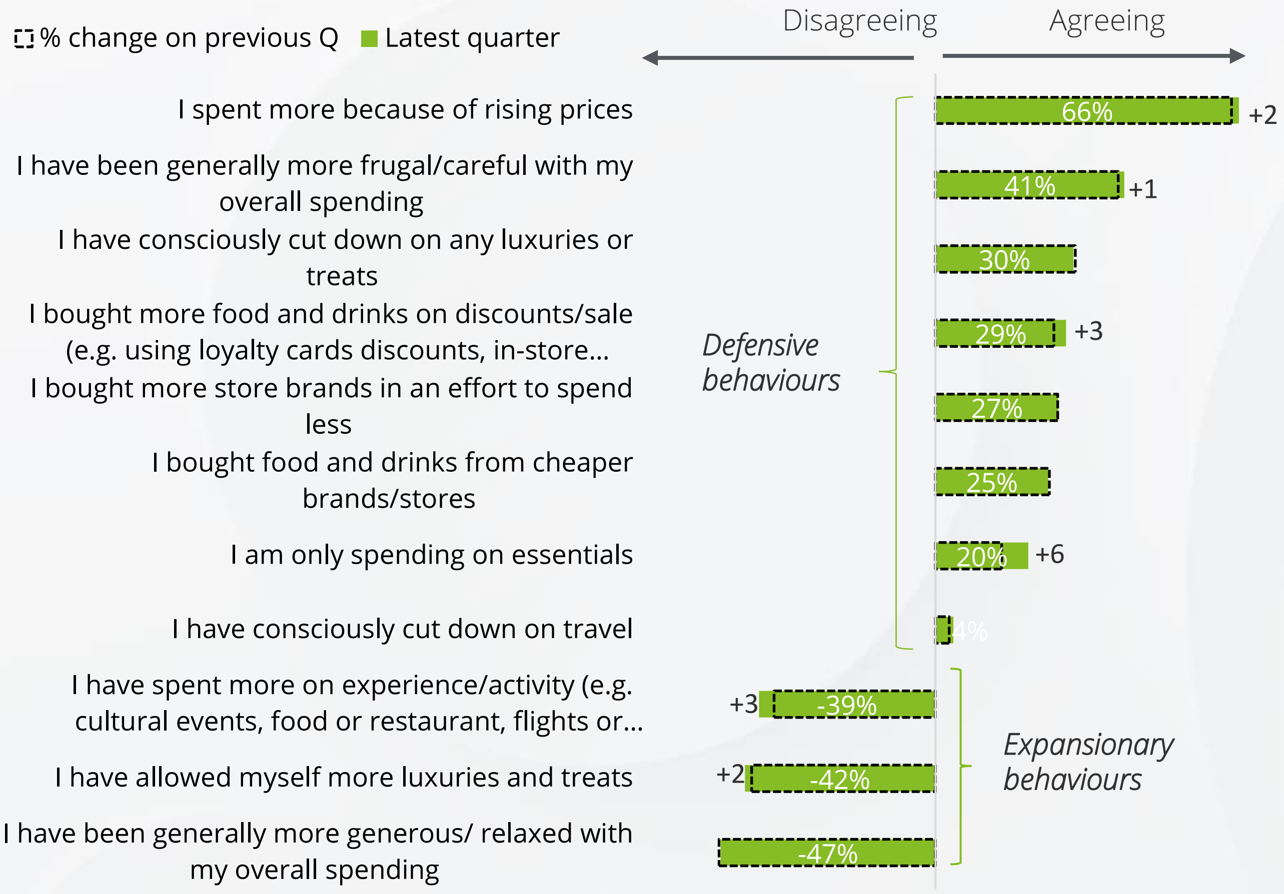
This elevated saving behaviour reflects widespread consumer caution including concerns about potential tax rises in the Autumn Budget, continued impact of inflation, and what may be a structural shift toward more precautionary consumer behaviour following recent economic shocks.

Source: Refinitiv Datastream

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

To understand spending sentiment better, our survey has been measuring consumer attitudes to spending in terms of expansionary and defensive behaviours. The results show that in Q3 there was a higher proportion of consumers agreeing they have adopted more defensive behaviours such as only spending on essentials or buying more food and drinks on discounts compared with the previous quarter.

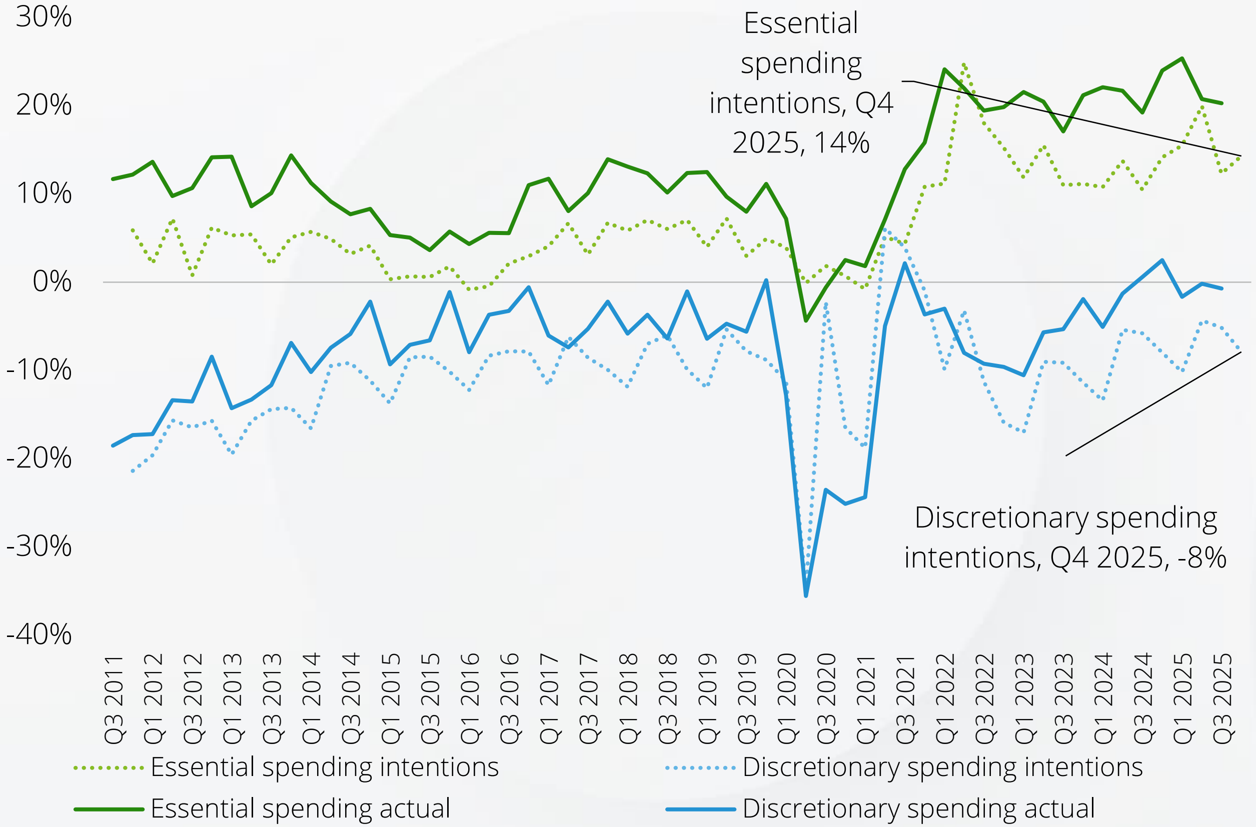
At the same time, the net proportion of consumers saying they have adopted expansionary behaviours such as spending more on experiences or spending more on luxuries and treat has dropped. Overall, our data continues to suggest that consumer spending faces significant headwinds.

Source: The Deloitte Consumer Tracker

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 more on day-to-day and less in the discretionary categories

According to our Tracker data, consumers expect to spend more on day-to-day expenditure and significantly less on discretionary categories in Q4.

With end of year festivities around the corner, these results even if only intentional on the part of consumers will be worrying for consumer businesses especially for those in the more discretionary sectors or services industry including those in the hospitality and entertainment sectors.

Value seeking behaviours and tactical spending are now more embedded meaning the outlook ahead of the golden quarter is one of restraint and frugality.

Overall, the best prospects of a consumer recovery in the months ahead will depend on an easing of inflation and further interest rate cuts.

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 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Essential	14.3%	+2.0	+0.2	+9.4
Grocery	37.0%	+7.3	+7.8	+23.8
Utility bills	46.6%	+18.2	-2.9	+28.2
Everyday household items	19.4%	+2.6	+5.1	NA
Housing	13.7%	-1.1	-1.5	+10.6
Transport	11.8%	-2.0	-1.0	+7.8
Landline/mobile phone, internet and cable/TV	7.6%	-2.0	-1.0	+8.3
Pensions and insurance	6.4%	-1.7	-3.1	+5.7
Health	4.6%	-0.3	-0.9	+3.5
Education	2.5%	+0.6	-1.7	+3.1
Beauty and personal care products	-7.0%	-2.2	+0.2	NA

Source: The Deloitte Consumer Tracker

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 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Discretionary	-7.9%	-2.8	+0.1	+1.1
Holidays and hotels	6.1%	-12.1	-0.4	+1.0
Clothing and footwear	-2.6%	+1.6	+3.2	+8.1
Major household appliances	-7.2%	-1.6	-1.9	+1.7
Restaurants	-12.5%	-6.3	+0.1	-1.3
Electrical equipment	-6.6%	+0.4	-1.0	+3.4
Going Out	-11.4%	-4.2	+0.7	-4.2
Alcoholic beverages and tobacco	-7.3%	+0.5	+0.2	+1.0
Furniture and homeware	-9.6%	-0.5	-0.4	-1.0

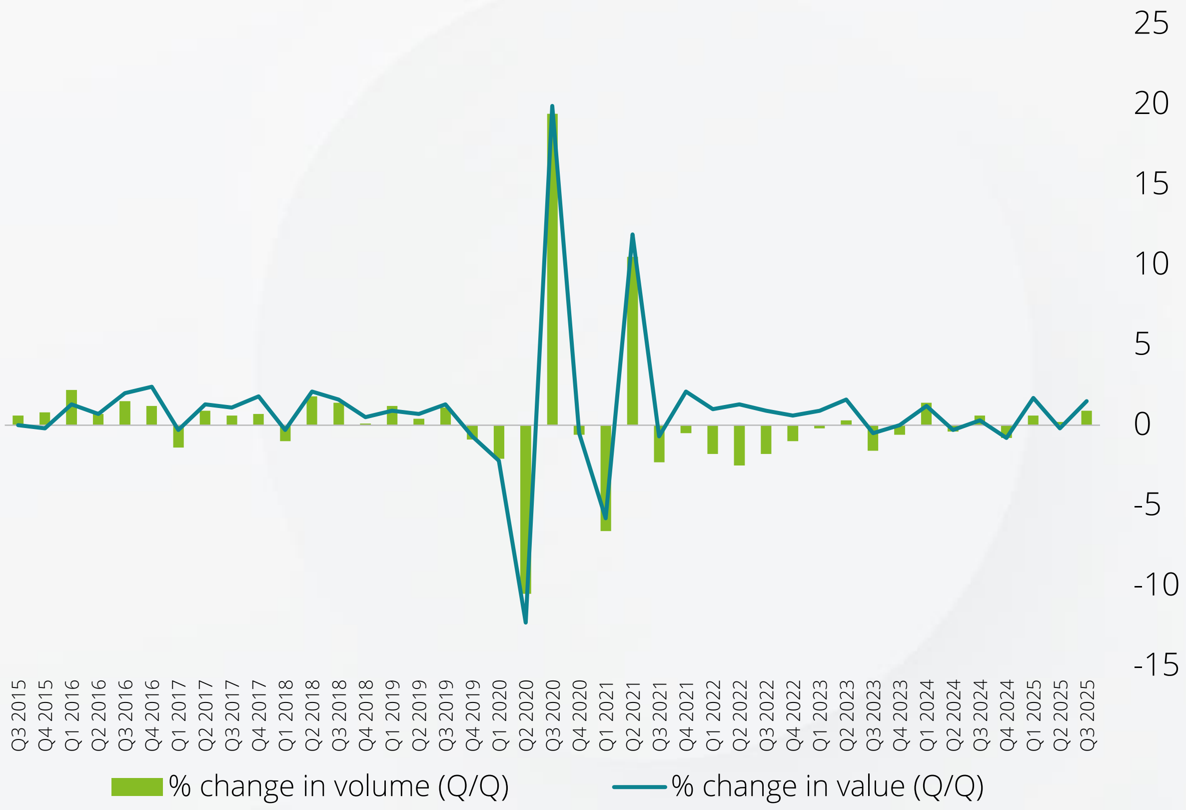
Source: The Deloitte Consumer Tracker

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

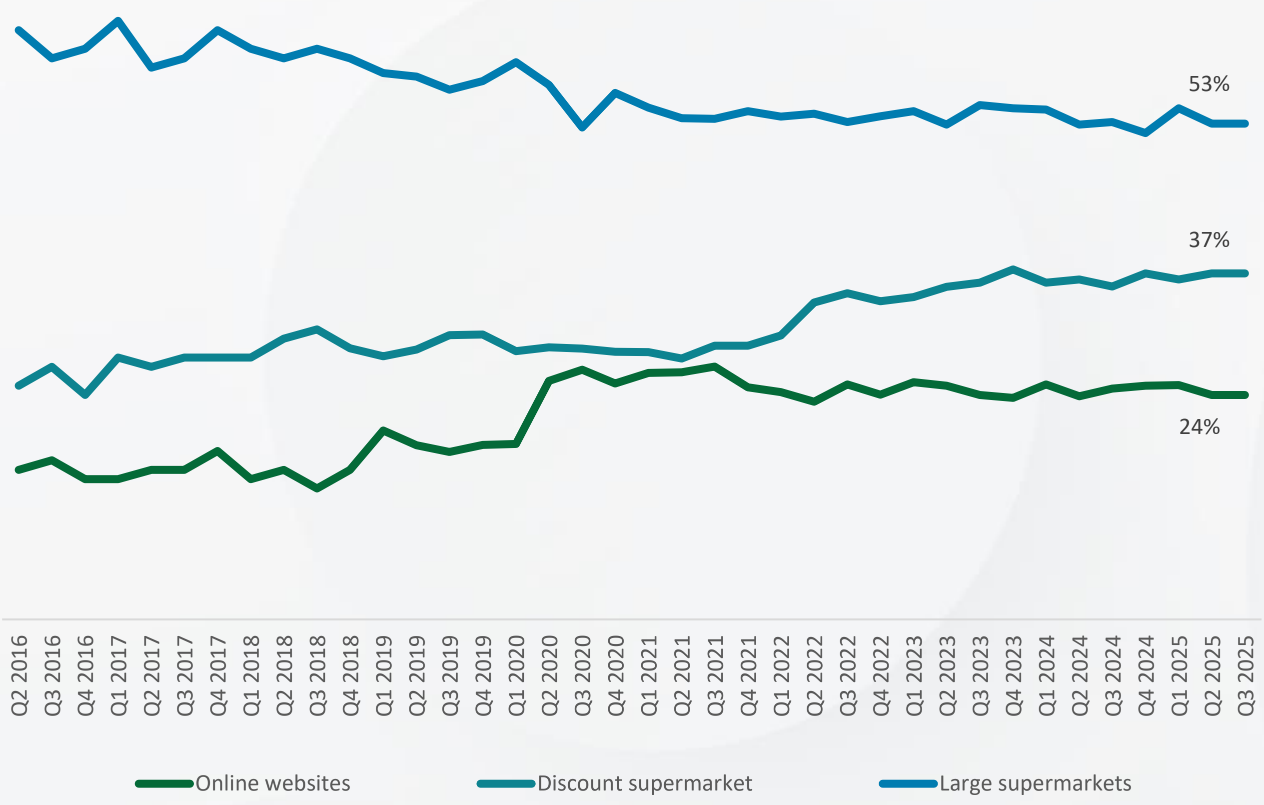
UK retail sector has been characterised by stronger than expected volume sales growth

Data from the Office for National Statistics (ONS) shows that retail sales grew 0.9% in Q3 compared with Q2 2025. The performance of the retail sector was broad based with good weather this summer helping sales of clothing, while consumers rushing to acquire the latest iPhone model delivered strong sales for computers and mobile devices retailers. Our data for Q3 also showed signs of easing on big-ticket purchases with a modest quarterly growth in purchases of major household appliances, electricals, and furniture and homeware.

Several factors could have contributed to consumers feeling less reluctant to spend on larger purchases: first the recent months deterioration in the employment market potentially stabilising, next total pay growth remaining strong, finally households getting easier access to credit with the borrowing environment improving due to lower interest rates.

Channel usage for main grocery shop

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



Source: The Deloitte Consumer Tracker

More volatile food sales in Q3

Food store sales volume showed very modest growth of 0.1% over the quarter. ONS data shows food sales volumes have been volatile in recent months, recovering in the summer following a slump in the spring they recently fell again.

The figures reflect the squeeze on household spending from higher food prices. Consumers have responded by buying fewer items and switching to cheaper brands. Inflation has also heightened consumers focus on value driving intensified price competition among retailers including more aggressive price-cutting strategies. In addition, the sector is defined by the continued rise of discounters and the evolving omnichannel strategies of major players. The demand for hybrid shopping models, including online ordering and in-store pick-up, continues to grow. Consumers are increasingly using multiple channels to shop for food.

Online sales

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

Source: Refinitiv Datastream

UK online retail sales continue to experience sustained steady growth

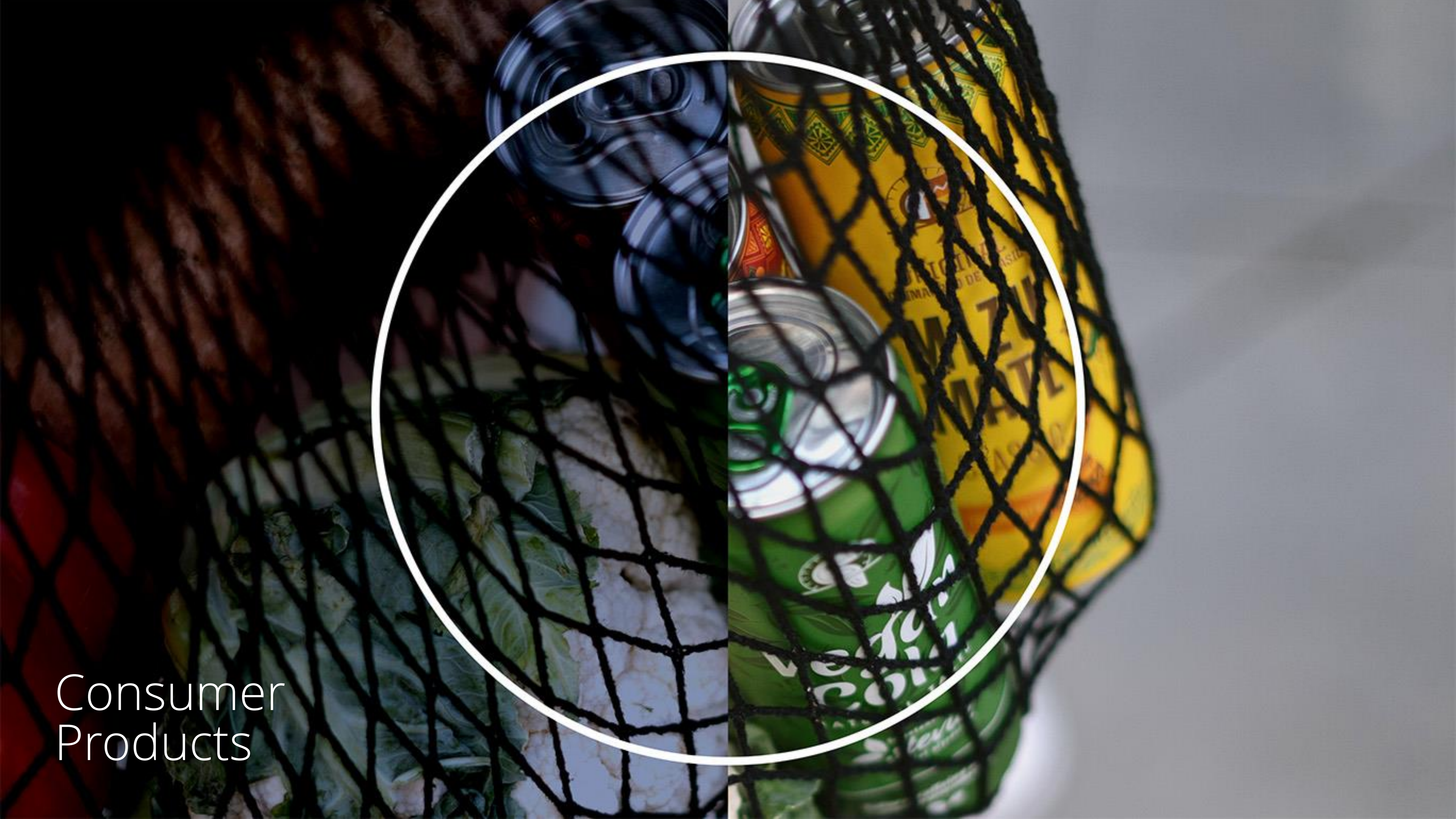
ONS data shows the amount spent online rose by 3.5% in Q3 2025 compared with the previous quarter. The proportion of sales made online as a share of total retail sales increased to 27.9%, representing the highest penetration of online retail since the end of the pandemic.

The growing use of artificial intelligence (AI) when shopping has also played a part in the continued increase in online sales. According to our research, 18% of consumers have used AI tools as a source of information when choosing what product or service to buy, a higher proportion compared with the previous quarter (15%). As the technology expands it has the potential to change the way people shop online including moving away from the traditional search engines. Retailers and brands need to prepare for a world where transactions occur on chatbots, rather than their own websites.

Retail sector outlook

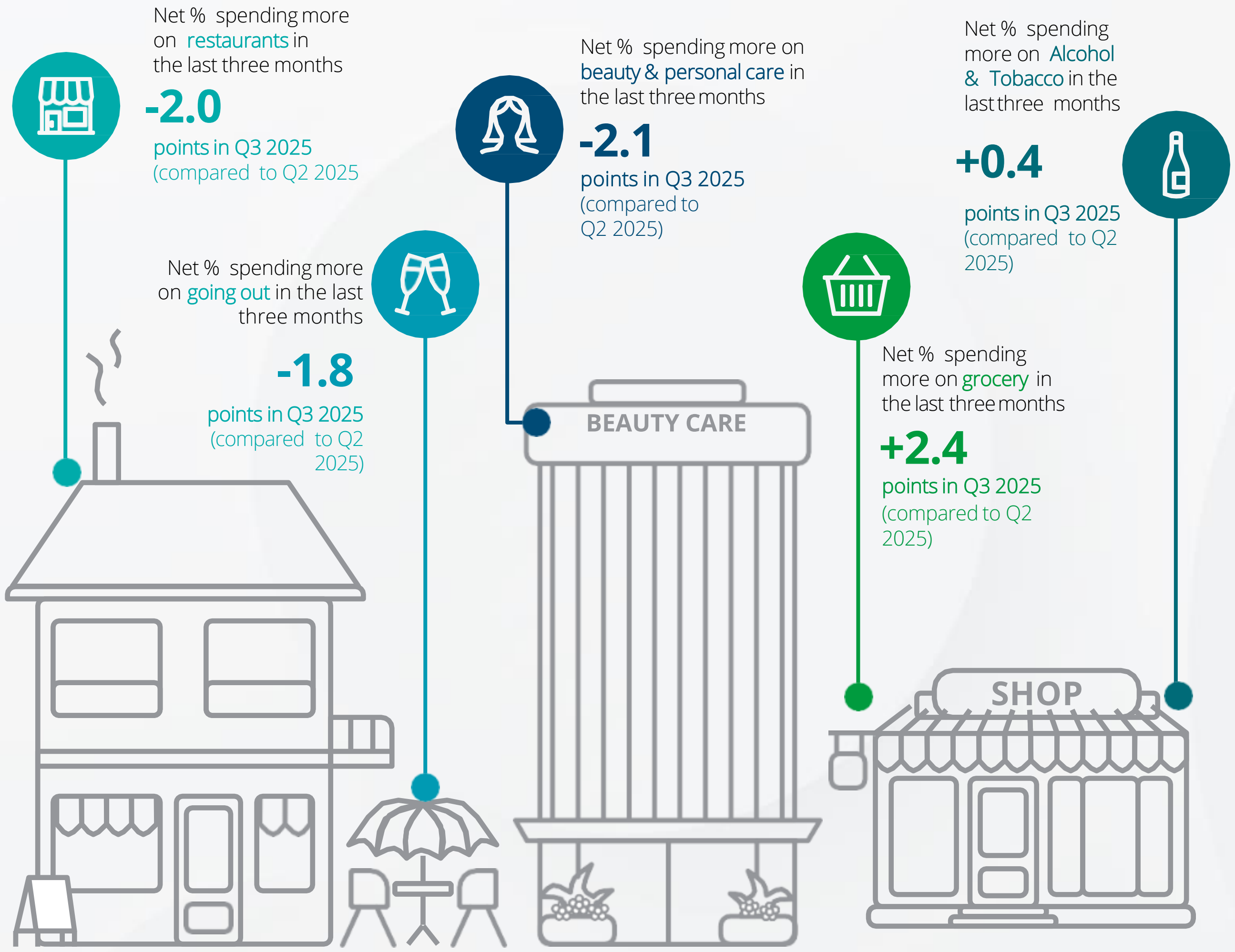
Despite the recent unexpected resilience of the retail sector and growing consumer confidence over the last quarter, retailers face several headwinds in Q4.

- The main challenges for the sector are linked to increased costs and consumers remaining cautious due to persistent economic uncertainty including the possibility of further tax rises following the November Budget.
- Our data shows that while consumers expect to spend more on day-to-day expenditures, they also intend to spend significantly less on discretionary categories in the final quarter of 2025.
- Essential categories impacted by persistent inflation are expected to drive the increase in consumer spending including on groceries and utilities.
- As a result, spending in most discretionary categories including those related to socialising is expected to fall in the final quarter of the year.
- Despite consumers' lower expectations for Q4, retailers will be hoping that the momentum in consumer spending seen in Q3 can be maintained in the final quarter of the year.


Consumer
Products

Consumer spending in the last three months

Net % spending more over the last three months



Mixed results across categories

Our data also points to consumers trying to reduce their everyday expenditure to manage the increasing costs of food and energy for the home.

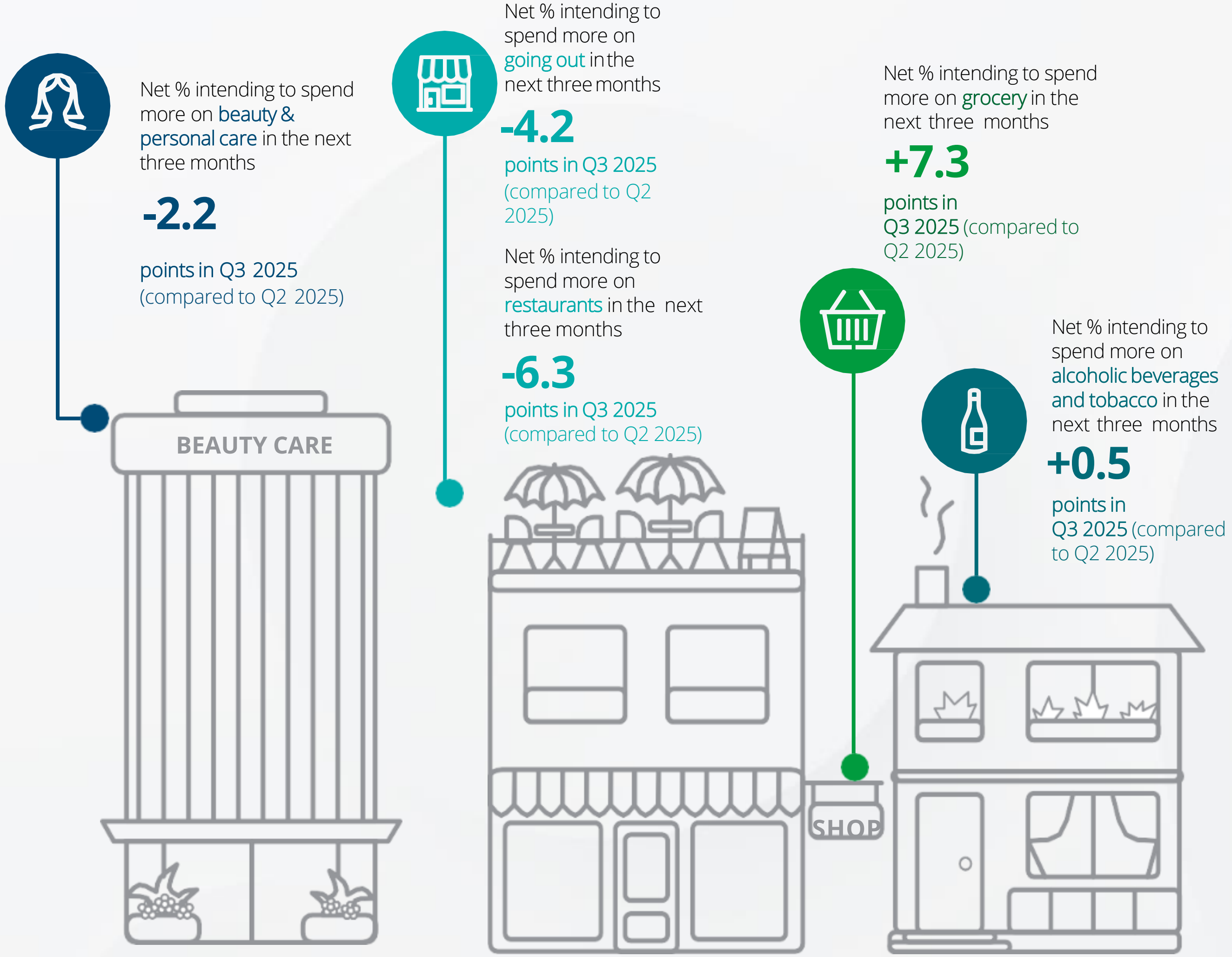
There was mixed results across categories, while consumers spent more on groceries due to rising food inflation they spent less on beauty and personal care this quarter.

At the same time, despite Q3 coinciding with the high season for the hospitality and leisure sectors, consumers in our survey reported lower levels of spending on restaurants and going out compared with both the previous quarter and the same period a year ago.

Source: The Deloitte Consumer Tracker

Consumer spending in the next three months

Net % intending to spend more in the next three months



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

Essential categories impacted by persistent inflation are expected to drive an increase in consumer spending including in groceries and utilities. Subsequently spending in most discretionary categories including those related to socialising is expected to fall in the final quarter of the year, with consumers cutting their non-essential spending to afford day-to-day living expenditure.

Higher levels of inflation since the pandemic have affected consumer views of what is a fair price and what is good value. These shifts in value perceptions have led to higher levels of value-seeking behaviours including more cost-conscious, deal-driven, or convenience-sacrificing behaviours, with higher proportions of consumers across all demographics expecting more value for the asking price.

Source: The Deloitte Consumer Tracker

Consumer products sector outlook

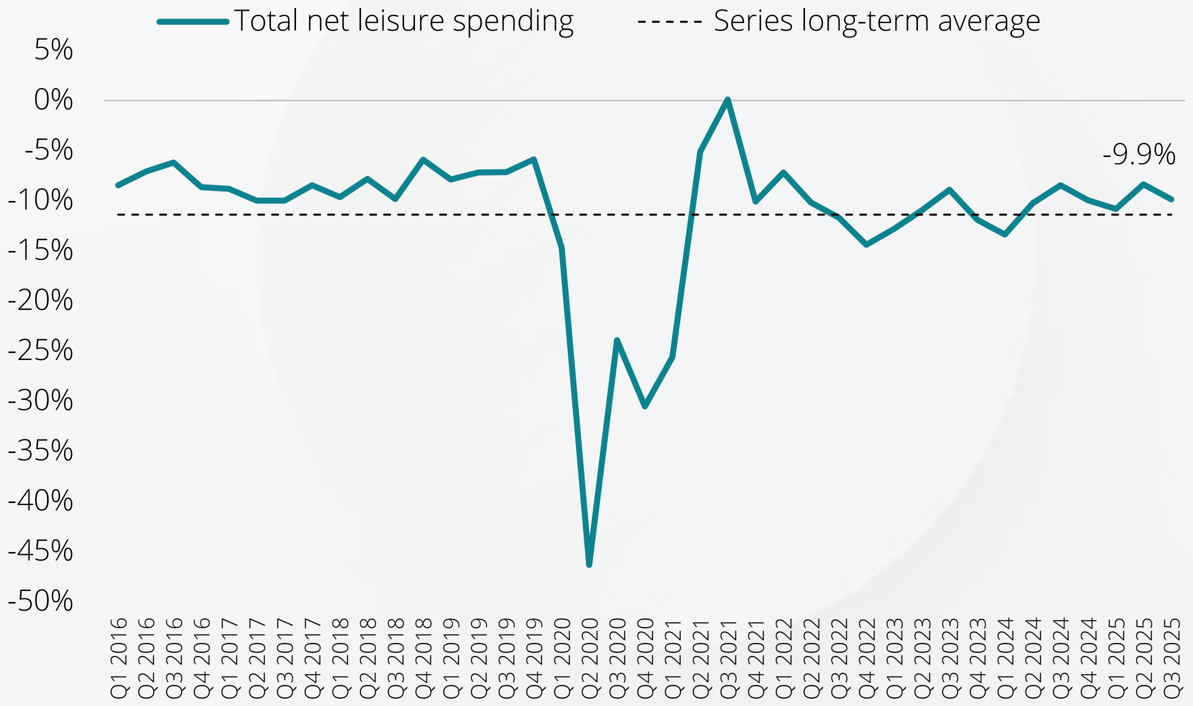
Challenging outlook for the consumer products sector in the coming months

- Given the increased price sensitivity of consumers, brands that get the pricing right and boost consumer perceptions of their value will be well positioned to attract consumers, increase their margins and build long-term loyalty.
- 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

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



Source: The Deloitte Consumer Tracker

Leisure spending slows in Q3

After showing modest signs of recovery in Q2 2025, our data shows that overall net spending on leisure activities declined in Q3 2025 from -8.3% to -9.9%. The drop reflects renewed pressure on budgets and greater caution in discretionary categories as households try to deal with high bills including for energy and groceries.

This reverses the improvement seen earlier in the year when net spending rose from -10.8% in Q1 to -8.3% in Q2 2025. When benchmarked against pre-pandemic levels, the Q3 2025 figure remains 2.7 percentage points lower than Q3 2019 (-7.1%). However, it is worth noting that current spending sentiment is still 1.5 percentage points above the long-term average of -11.4 %, suggesting that while consumers are tightening their belts, the situation is not as severe as some previous periods.

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 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Long Holidays	0.6%	-1.1	-1.8	-0.1
Short Holidays	-1.8%	-0.4	-3.3	-0.7
Culture and entertainment	-15.4%	-1.5	-2.2	-5.1
Other leisure activities	-14.0%	-1.4	-2.2	-5.6
Betting and gaming	-10.5%	-4.3	-1.6	-4.9
Going to the gym or playing sport	-6.4%	-2.9	-0.2	-3.1
Attending live sports events	-7.2%	-0.8	+0.1	-3.8
Eating out	-8.6%	-1.2	-2.8	+0.8
Drinking in coffee shops/sandwich shops	-15.9%	-0.7	+0.8	-1.2
In home leisure activity	-14.1%	-1.7	-2.2	-5.1
Drinking in pubs/bars	-14.4%	-0.8	-0.3	-1.5

Source: The Deloitte Consumer Tracker

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 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q3 2019
Long holidays	-11.5%	-8.7	-2.3	-2.9
Short holidays	-10.3%	-7.8	+0.5	-2.2
Going to the gym or playing sport	-4.7%	-1.7	+0.1	-3.5
Culture and entertainment	-14.8%	-3.2	+1.0	-5.7
Other leisure activities	-13.9%	-4.0	+0.6	-4.4
Attending live sports events	-8.2%	-2.1	+0.3	-2.1
Drinking in coffee shops/sandwich shops	-19.2%	-3.3	+0.7	-4.6
Betting and gaming	-11.8%	-0.2	+0.1	-3.1
In home leisure activity	-16.6%	-0.9	+1.6	-4.6
Eating Out	-17.1%	-5.7	+1.1	-5.2
Drinking in pubs/bars	-15.5%	-1.9	+2.9	-3.0

Source: The Deloitte Consumer Tracker

Leisure sector outlook

Challenges remain for Q4 2025

- Looking ahead to Q4 2025, consumer intentions for leisure spending are anticipated to remain subdued across most categories, reflecting continued caution compared with the previous quarter. Both long and short holiday categories are expected to see a decline, reflecting a post-summer dip in travel intentions.
- The hospitality sector also faces notable challenges, with eating out, drinking in coffee shops/sandwich shops and drinking in pubs/bars categories expected to see a substantial decrease compared with the previous quarter.
- Despite Q4 being a festive season, these projected declines suggest that consumers are likely to be highly selective with their discretionary spending, even during periods of traditional uplift and might choose to socialise and dine at home rather than visiting bars and restaurants.
- Businesses should be mindful of the need to offer compelling value propositions, innovative experiences and flexible options to attract and retain consumers amid tightened budgets. For the festive period, this could mean focusing on premium yet accessible experiences, clear pricing and strong promotional strategies to capture a share of reduced discretionary spend.


Automotive

UK car registrations

Quarterly UK car registrations

	Q3 2025	Q3 2024	% change	Mkt share Q3 '25	Mkt share Q3 '24
BEV	1,24,573	1,02,835	21.1%	23.2%	20.3%
PHEV	65,600	43,421	51.1%	12.2%	8.6%
HEV	75,892	70,386	7.8%	14.2%	13.9%
PETROL	2,44,954	2,59,260	-5.5%	45.7%	51.1%
DIESEL	24,934	31,429	-20.7%	4.7%	6.2%
TOTAL	**5,35,953**	**5,07,331**	**5.6%**		

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

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

Sales increase significantly in Q3 2025

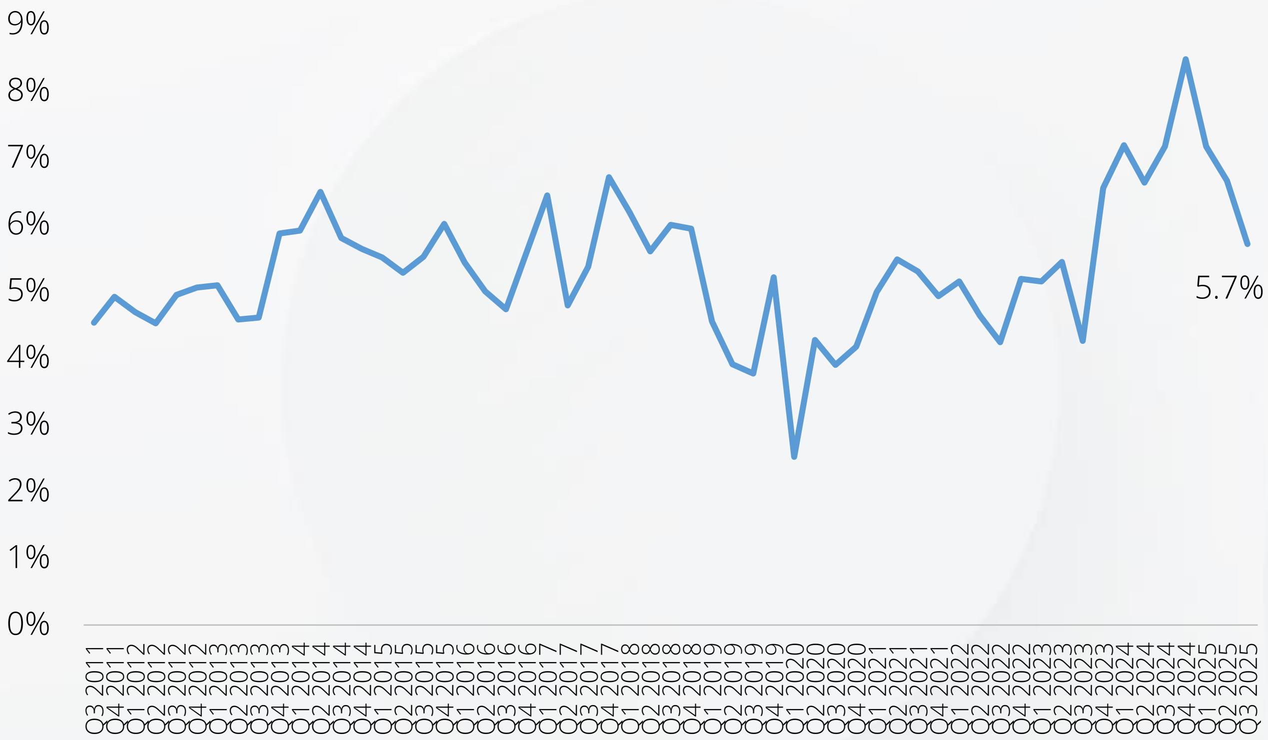
New car sales in the UK saw a substantial uptick (+5.6%) in Q3 2025, compared with the same period in 2024. As a result, year to date sales are up by 4.2% compared with the same period last year.

The launch of the new '75' plate was a major factor in the positive performance seen across the quarter. Double-digit growth in September (+13.7%) more than outweighed declines in August (-2%) and July (-5%). September is typically the second most important month in the calendar for new car sales after March, accounting for around one in seven annual registrations in the UK.

Significantly, September also saw a return to growth amongst private consumers (+8.9%). Despite ongoing economic uncertainty, consumers were enticed to make a major purchase, with ongoing manufacturer discounting and the introduction of the Electric Car Grant providing excellent deals across the sector.

Planned car purchases

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



Note: This question was changed in Q2 2020

Source: The Deloitte Consumer Tracker

Planned purchases expected to fall in Q4 2025

Data from the Deloitte Consumer Tracker shows that the percentage of consumers planning to buy a new car in the quarter ahead fell from 6.7% in Q2 2025 to 5.7% in Q3 2025.

This slight downtick is indicative of overall consumer sentiment towards the economy and their attitude to major purchases. However, as Q3 results have shown, increased choice, heavy discounting and savings available through the introduction of the Electric Car Grant can support new car sales across the final three months of the year.

Automotive sector outlook

Fragmentation in the market

- According to Deloitte analysis, the share of the top 10 brands has decreased from 60% to 55% over the past two years, which is lower than the equivalent figure in other European countries.
- Much of this market fragmentation is driven by the gradual switch to electric. Indeed, Deloitte's annual Global Automotive Consumer Study shows that, as customers switch to electric vehicles, they are also more likely to try different models, potentially reducing the existing market share of some leading brands.
- While increased choice is good for consumers, incumbent Original Equipment Manufacturers (OEMs) are facing greater competition. For those OEMs that are unable to compete on price, selling the in-car customer experience will be key.
- However, structural changes across the sector are expected to continue. For example, an increasing number of dealers are becoming multi-franchise and many new OEMs are exclusively using third-party financing. New OEMs are also having to invest in supply and repair networks to support their growing car parc. All of which will lead to a substantially different UK car market for the average consumer.

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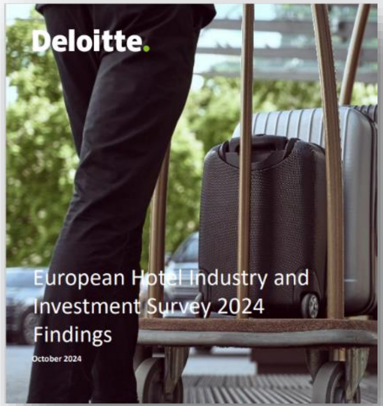
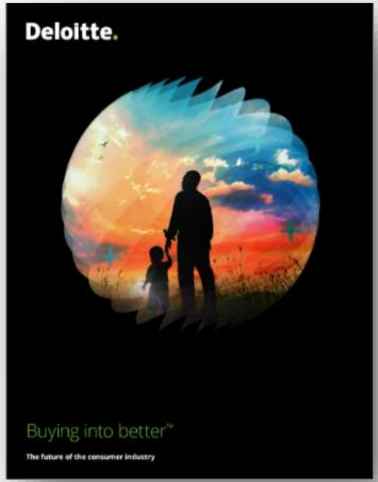
European Hotel Industry & Investment Survey 2024

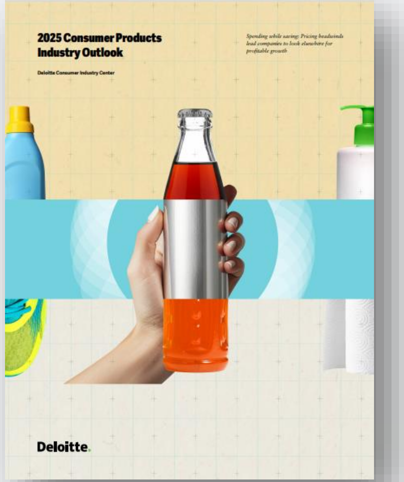


2025 Global Automotive Consumer Study

The Future of the Consumer Industry



2025 Consumer Products Industry Outlook



The Sustainable Consumer

The sustainable consumer

Retail Trends 2025

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 12th September 2025 to 16th September 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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