



Consumer confidence
drops to lowest level in two
years

The Deloitte
Consumer Tracker

Q4 2025



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Four key takeaways this quarter

The Deloitte Consumer Confidence Index dropped one percentage point from -10% in Q3 2025 to -11.1% in Q4 putting the index below its long-term average for the first time in two years.

Takeaway 1

The fall in the overall confidence was driven by a drop across five of the six measures included in the index.

Deterioration in perceptions of levels of debt, household disposable income, general health and wellbeing drove the decline in overall consumer confidence which was also impacted by negative sentiment around job security, and job opportunities and career progression. as also impacted by negative sentiment around job security, and job opportunities and career progression.

Takeaway 2

Sentiment about the state of the economy improved returning to levels last seen at the start of 2025.

The measure of confidence in the UK economy, which is separate from the main index, grew by eight percentage points to -56% in Q4 2025 from -64% in Q3, representing the biggest increase since Q2 2024 and returning to levels last seen in Q1 2025 before the budget rumours began to emerge.

Takeaway 3

Both discretionary and essential spending measures was down for a second consecutive quarter.

Despite Q4 including the crucial Christmas shopping season, a combination of consumers spending less due to falling inflation but also consumers buying less meant net spending was down across almost all categories. The only exceptions were for spending on utility bills and alcohol which grew in Q4 mainly due to seasonality, while spending on electrical equipment remained flat.

Takeaway 4

Our data indicates an increased share of consumers prioritising value and adopting more cautious spending behaviours.

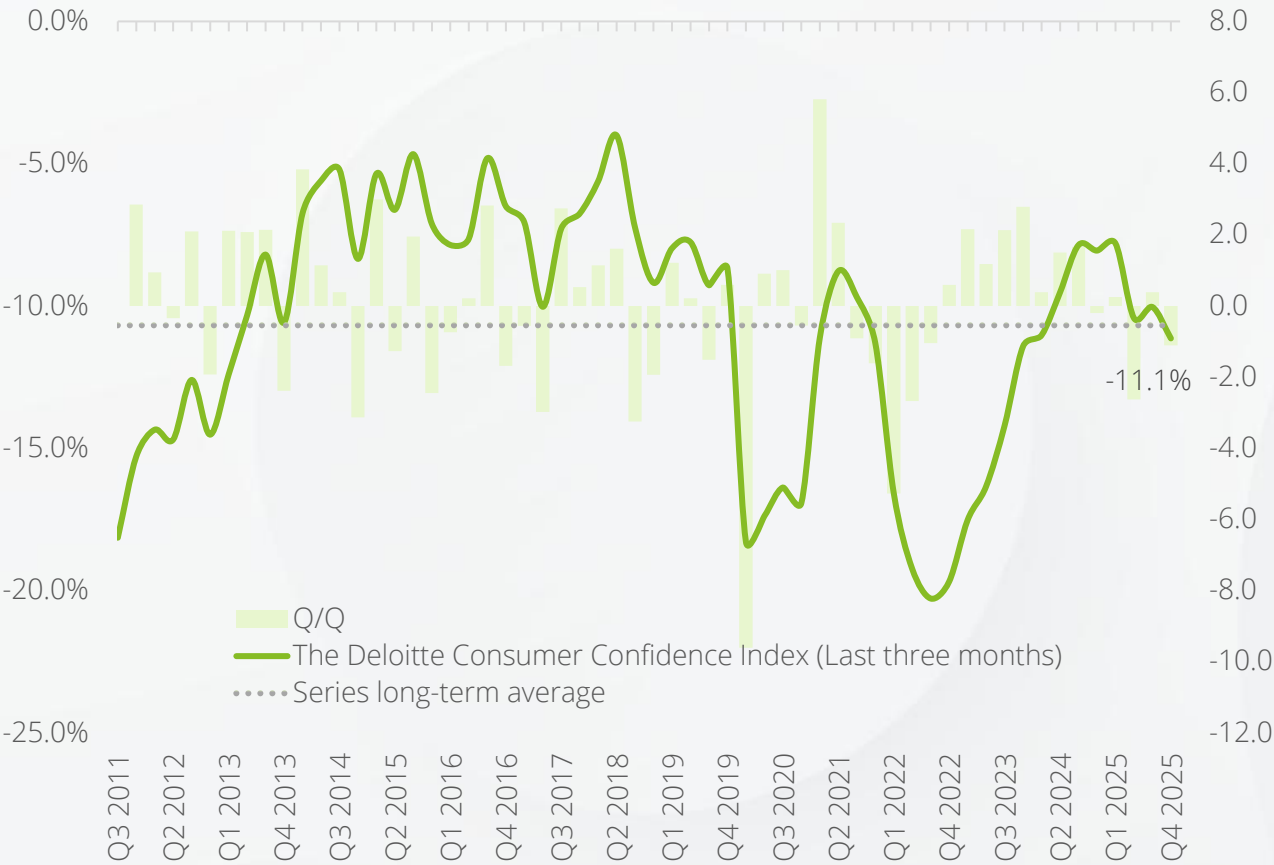
When asked about their financial situation and attitude to spending compared with the previous three months, 41% of consumers agreed they spent more because of rising prices, while a similar proportion said they were more frugal and one in three cut down on any luxuries or treats.



Consumer
confidence

Deloitte Consumer Confidence Index*

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



Overall confidence fell to its lowest level in two years in Q4 2025.

The Deloitte Consumer Confidence Index dropped one percentage point from -10% in Q3 2025 to -11.1% in Q4 putting the index below its long-term average for the first time in two years.

The [Deloitte Consumer Confidence Index](#) averages the net percentage improvement in confidence levels over the past three months for six individual measures.

The fall in the overall confidence was driven by a drop across five of the six measures included in the index (see next page). Deterioration in perceptions of levels of debt, household disposable income, general health and wellbeing drove the decline in overall consumer confidence which was also impacted by negative sentiment around job security, and job opportunities and career progression.

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	Q4 2025 net balances	% point change quarter on quarter	% point change year on year
Your children’s education and welfare	-0.5%	+0.3	-0.1
Your job opportunities/career progression	-7.4%	-0.9	-4.9
Your job security	-7.0%	-0.6	-3.3
Your level of debt	-8.0%	-2.6	-7.8
Your general health and wellbeing	-14.5%	-1.4	+1.1
Your household disposable income	-29.4%	-1.4	-3.5
Deloitte Consumer Confidence Index	-11.1%	-1.1	-3.1
The state of the economy in the UK*	-55.8%	+8.1	-4.4

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

Consumer confidence about their levels of household disposable income

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



Personal finances remain under pressure

Despite easing inflation continues to put pressure on consumer perceived levels of disposable income.

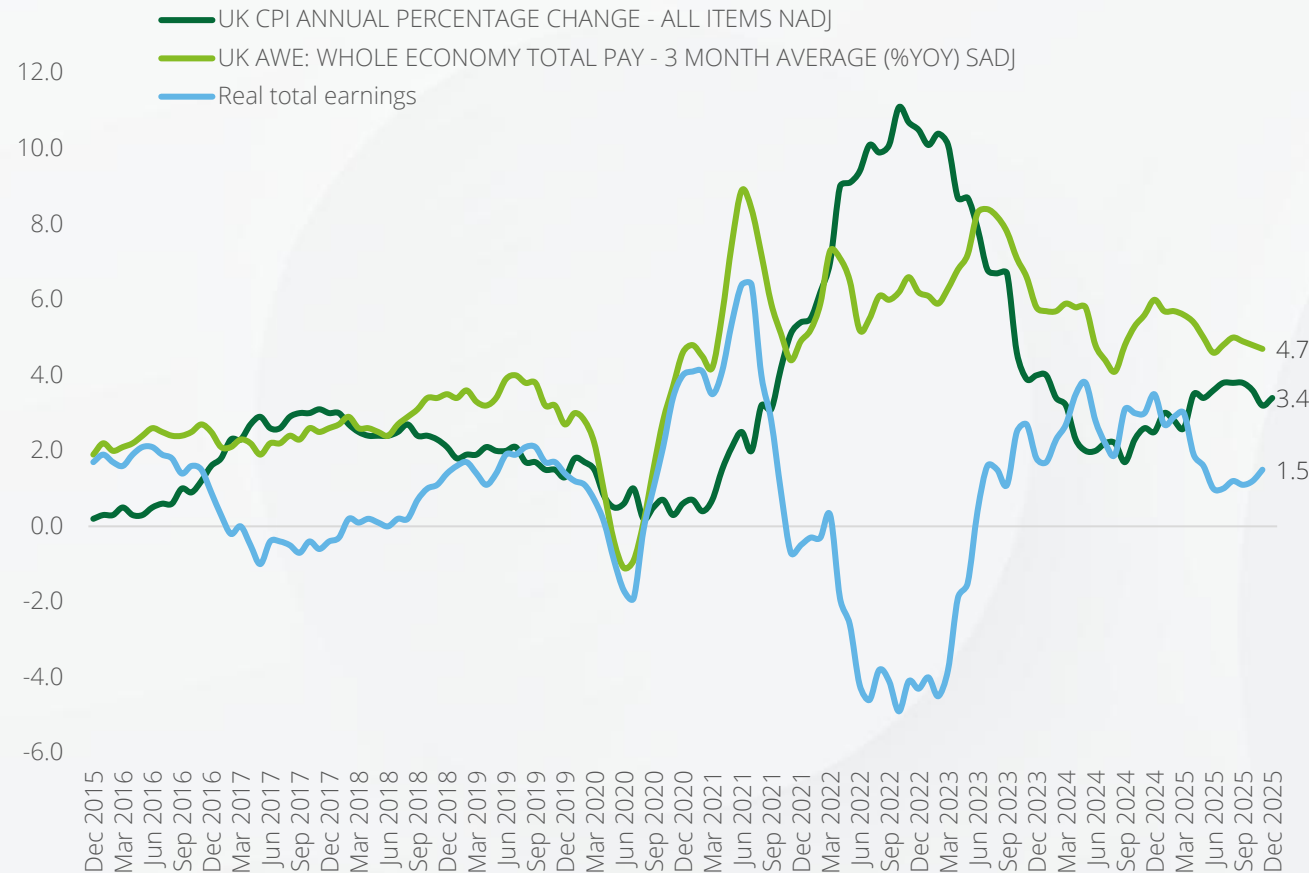
Our data shows households' confidence in levels of disposable income slowed in Q4 as high bills eat into the amount of money consumers have left to spend.

Although easing inflation and lower interest might be lifting some of the economic gloom, the price of essentials remain elevated for many households, with lower earners more likely to report concerns about their personal finances according to our data.

Source: The Deloitte Consumer Tracker

Inflation and wage growth

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



Source: Refinitiv Datastream

Inflation rose to 3.4% in December

Latest official data UK inflation rose more than expected to 3.4% in December, driven by higher tobacco prices and airfares which can swing over the Christmas holidays. But the central bank expects that lower energy bills and subdued economic growth will bear down on price pressures in the first half of the year. It has forecast that inflation will fall close to its 2 per cent target in the second quarter. Food inflation, which has hit poorest households the hardest, climbed to 4.5% in December from 4.2% in November, led by a rise in the price of bread and cereals.

At the same time, while nominal wage growth remains at 4.7%, relatively lower inflation has allowed for modest real-term income gains.

Saving ratio up and high by historic standards

UK households' savings ratio



UK household saving stay high as caution remains

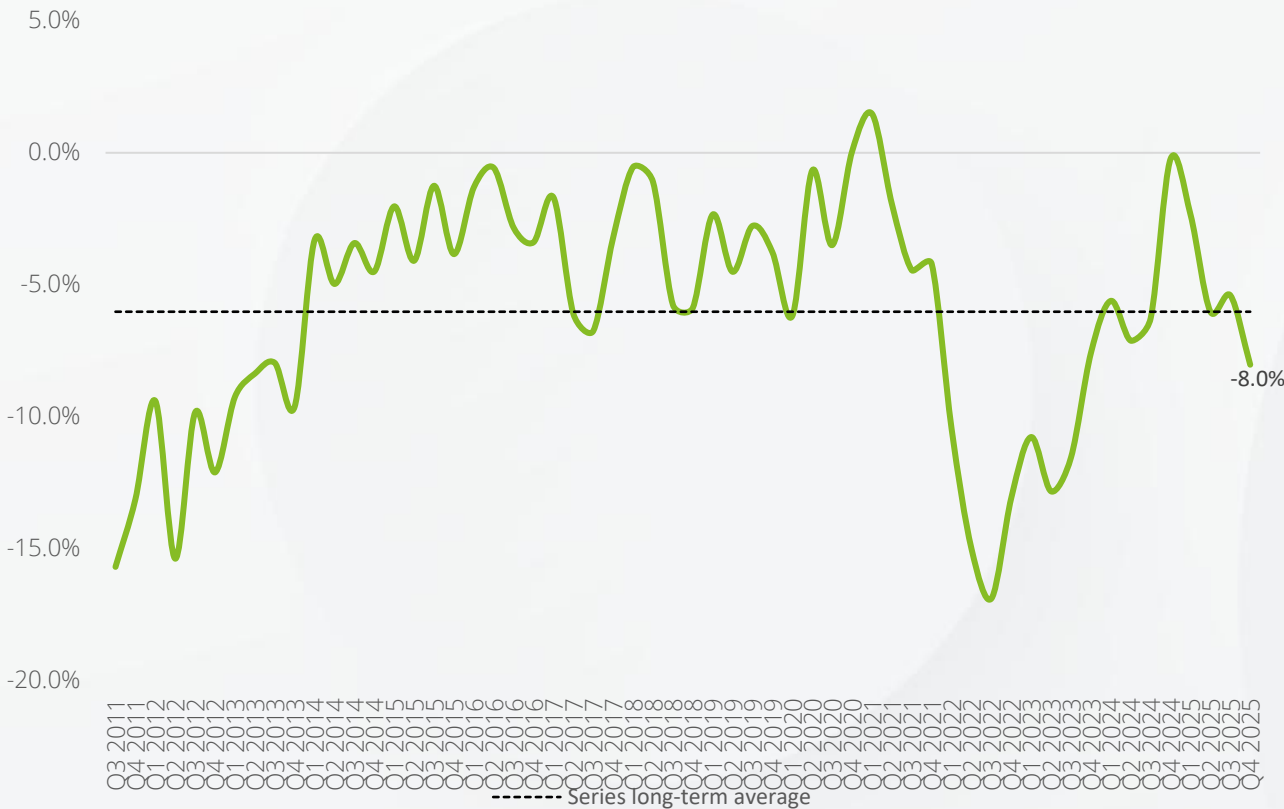
While spending growth has stagnated, real incomes have risen modestly since the pandemic, leaving the rate of household saving close to 10% late last year, a level rarely seen in the UK this century outside recessions.

This elevated saving behaviour reflects widespread consumer caution, including because of the continued impact of inflation. The question remains whether this represents a structural shift toward more precautionary consumer behaviour following recent economic shocks.

Source: Refinitiv Datastream

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 deteriorates

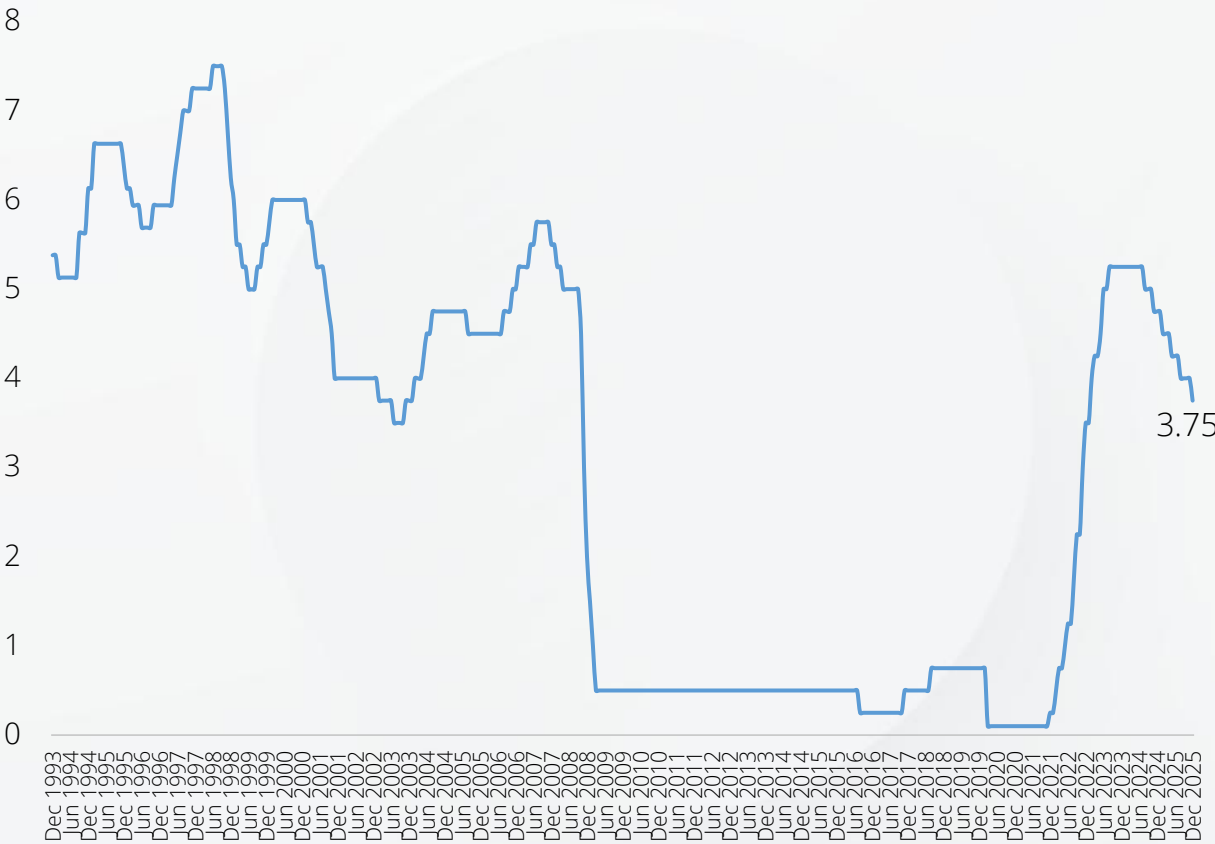
Our sentiment measure about [levels of debt](#) saw a significant 2.6 percentage points fall compared with Q3 placing the measure back below its long-term average.

Official data shows that debt levels remained high and, for many, unsustainable. While the overall growth of consumer credit started to show signs of cooling by the end of the year, debt consolidation hit record levels, indicating high financial pressure on households.

Source: The Deloitte Consumer Tracker

Interest rates kept on hold in December

Bank of England base rate



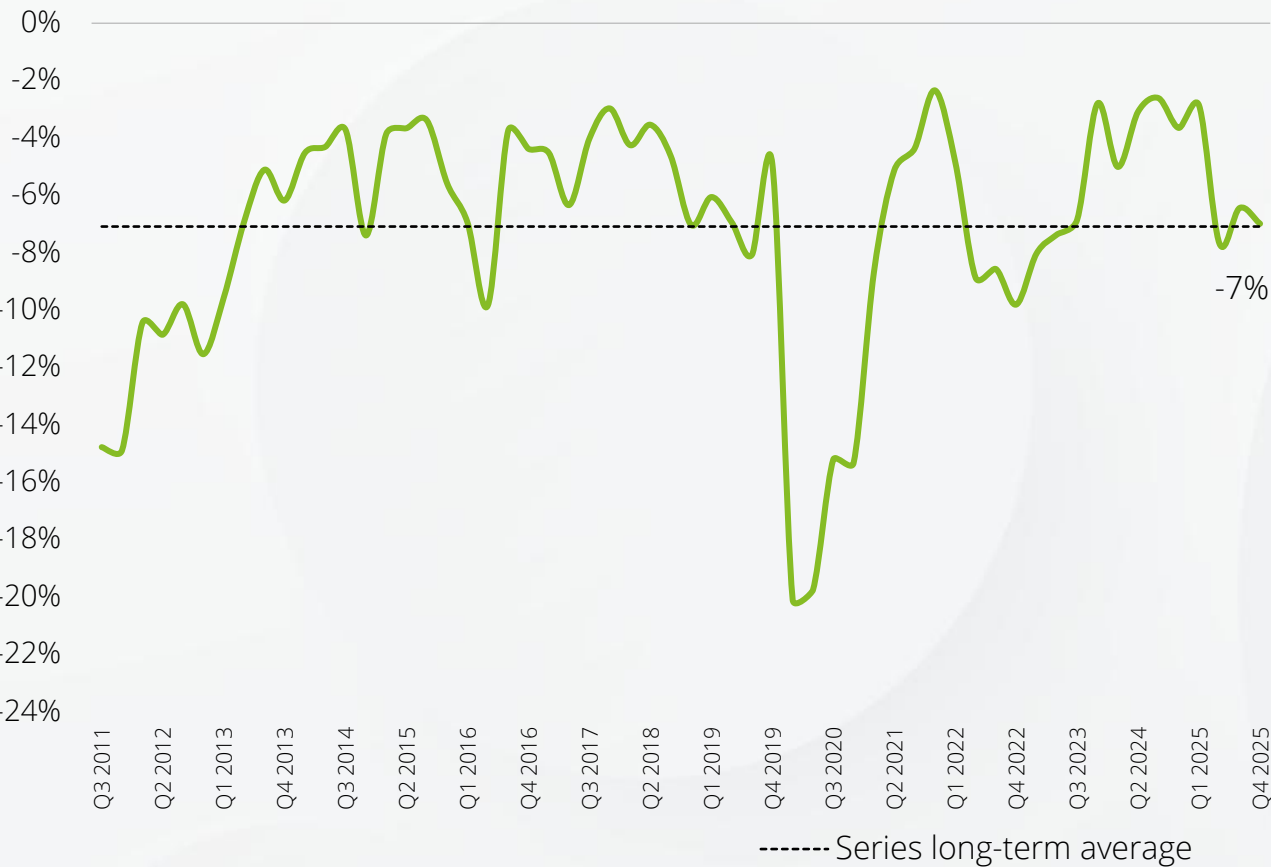
Interest rates on hold at 3.75%

The Bank of England kept borrowing costs steady at 3.75% as it signalled that a further interest rate reduction could come as soon as March.

Source: Refinitiv Datastream

Consumer confidence about job security

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



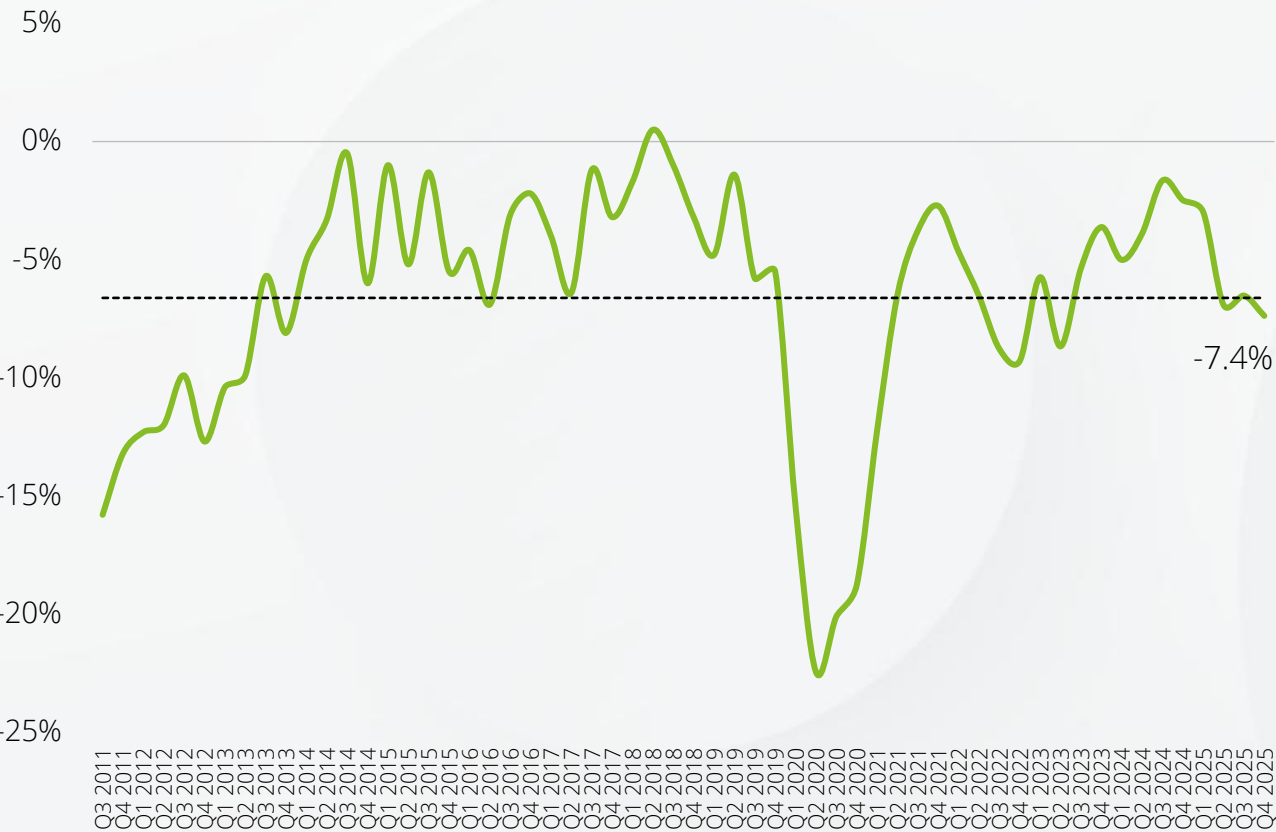
Sentiment around job down

Sentiment regarding [job security](#) fell slightly by 0.6 percentage points compared with Q3 and remains 3.3 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



Source: The Deloitte Consumer Tracker

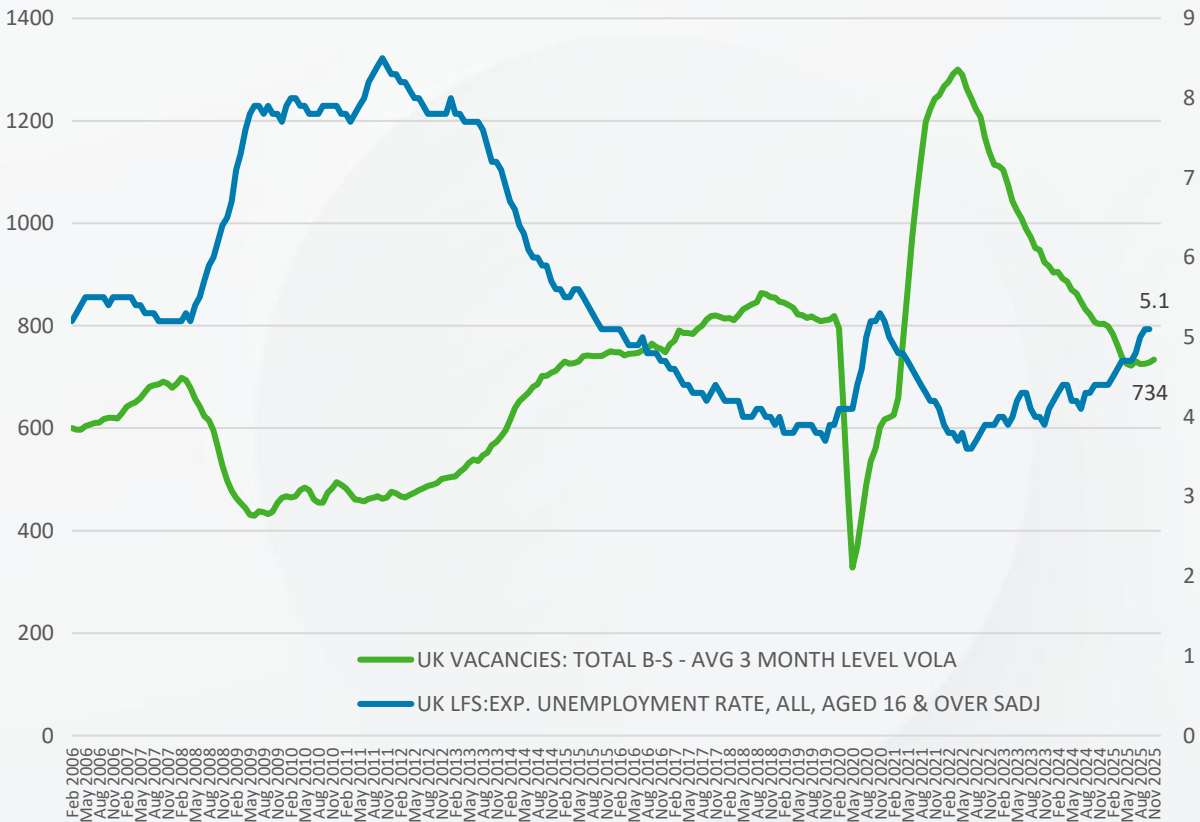
----- Series long-term average

Sentiment about job prospects drops

Similarly to job security, consumer sentiment in [job opportunities and career progression](#) was down marginally in Q4 bringing the measure just below its long-term average.

Persistent underlying challenges remain in the labour market

UK unemployment rate (all aged 16 and over)



The UK labour market continues to cool down

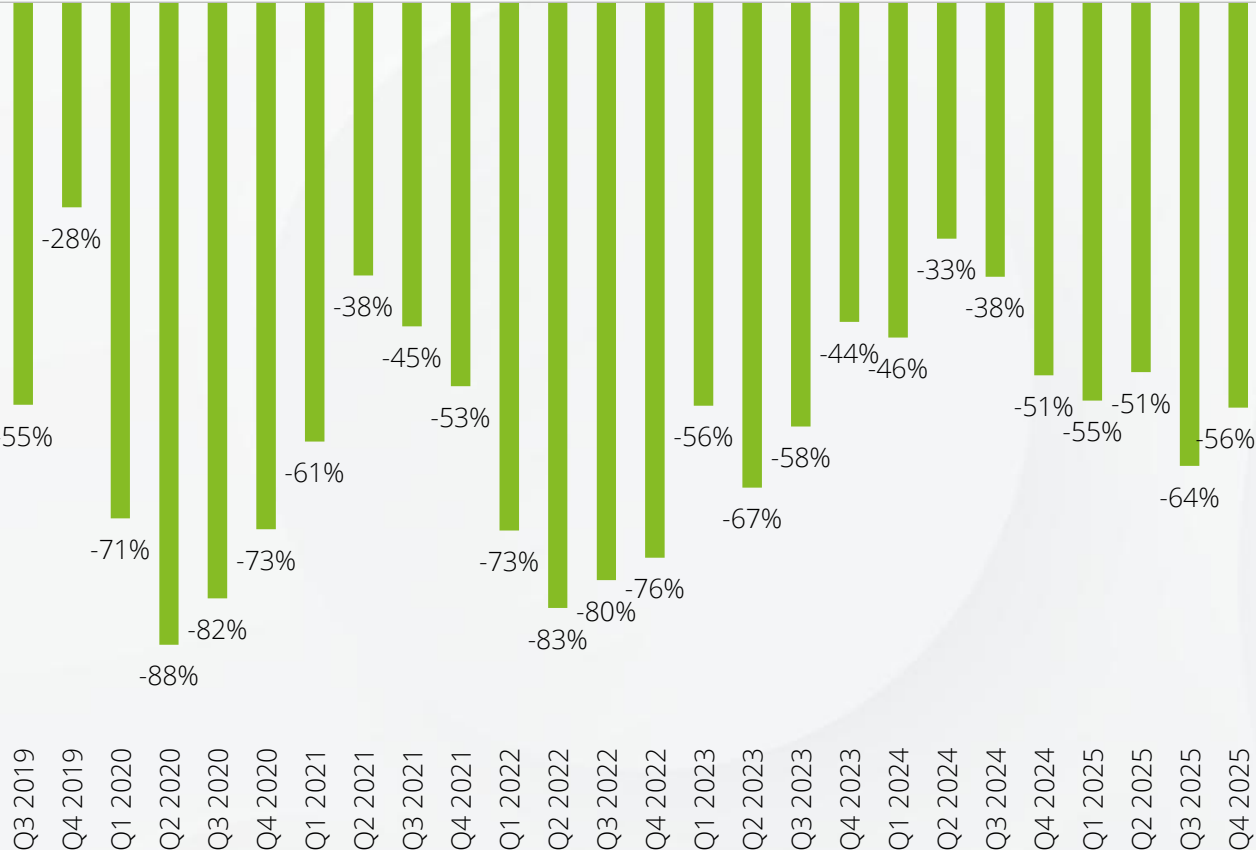
UK unemployment has risen to 5.1% as of November 2025, representing its highest level since early 2021 and remaining unchanged from the previous month.

However, regarding job vacancies, there has been a notable improvement after a prolonged decline. The number of job openings rose by 10,000 in the three months to December compared with the previous quarter, representing a levelling out of what had been a long-running decline

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



Source: The Deloitte Consumer Tracker

Consumer sentiment about the state of the UK economy improves

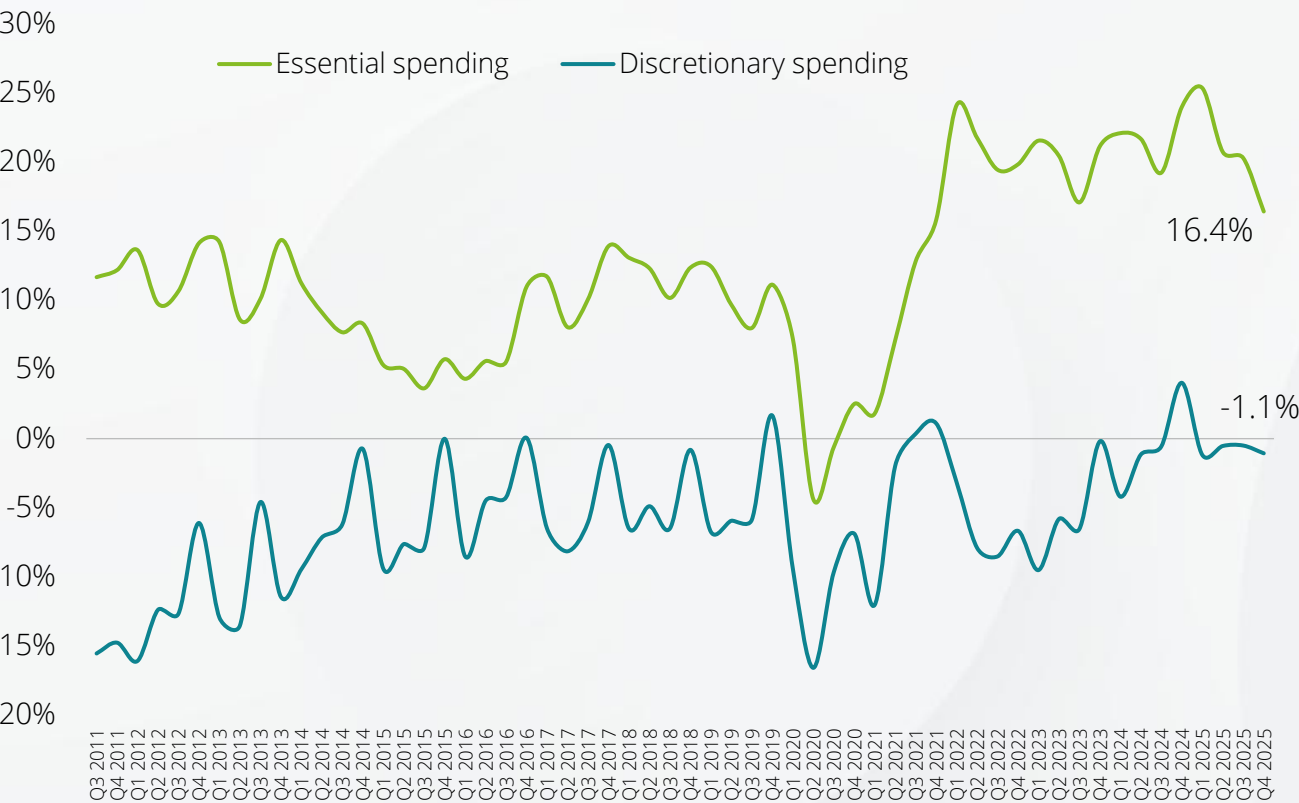
The measure of [confidence in the UK economy](#), which is separate from the main Deloitte Consumer Confidence Index, grew by eight percentage points to -56% in Q4 2025 from -64% in Q3, representing the biggest increase since Q2 2024 and returning to levels last seen in Q1 2025 before the budget rumours began to emerge.



Consumer spending

Consumer spending in the last three months by category

Net % spending more by category



Given the mixed outlook, consumers remain cautious about spending

The latest Deloitte Consumer Tracker data shows that compared with Q3 net spending was down in Q4 across both [day-to-day](#) and [non-essential spending](#) for the second consecutive quarter.

Despite Q4 including the crucial Christmas shopping season, net spending was down across almost all categories (next two pages). The only exceptions were for spending on utility bills and alcohol which grew in Q4 mainly due to seasonality, while spending on electrical equipment remained flat.

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	Q4 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q4 2019
Essential	16.4%	↓ -3.9	↓ -7.6	↑ +5.3
Grocery	47.5%	↓ -1.0	↓ -6.4	↑ +20.2
Utility bills	47.8%	↑ +7.1	↓ -9.4	↑ +18.4
Everyday household items	24.6%	↓ -9.1	↓ -7.0	NA
Housing	13.7%	↓ -4.8	↓ -9.2	↑ +6.7
Transport	10.1%	↓ -10.0	↓ -10.7	↓ -1.1
Landline/mobile phone, internet and cable/TV	6.8%	↓ -9.2	↓ -9.7	↑ +1.7
Pensions and insurance	6.9%	↓ -4.0	↓ -7.7	↑ +2.6
Health	9.4%	↓ -1.2	↓ -3.9	↑ +5.3
Education	3.4%	↓ -2.3	↓ -4.0	↑ +2.7
Beauty and personal care products	-5.8%	↓ -4.1	↓ -7.5	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	Q4 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q4 2019
Discretionary	-1.1%	 -0.6	 -5.1	 -2.7
Clothing and footwear	-1.5%	 -4.4	 -7.8	 -4.3
Major household appliances	0.9%	 -1.0	 -4.5	 -0.0
Electrical equipment	0.6%	 +0.0	 -4.4	 -1.8
Furniture and homeware	-6.7%	 -1.8	 -4.4	 -2.6
Alcoholic beverages and tobacco	1.4%	 +4.4	 -4.5	 -5.0

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... Which, if any, of the following do you agree with?

% agreeing



Consumers said they spent more because of higher prices

To understand spending sentiment better, our survey has been measuring consumer attitudes to spending. The data shows that 41% of UK consumers agree that they spent more because of higher prices in Q4. At the same time, over a third (39%) agree they were more frugal and one in three were either consciously cutting down on luxury or treats (32%) or bought more food and drinks on discounts (31%). The data also shows that one in four only spent on essentials (25%). By contrast, only one in ten consumers said that they spent more on experiences (12%) or on luxuries (10%) in Q4.

The findings illustrate how higher levels of inflation since the pandemic have changed consumers' view of what is a fair price and what is good value. This shift in value perception is driving more value-seeking behaviours including more cost-conscious, deal-driven, or 'doing without' shopping behaviours and is also damaging loyalty.

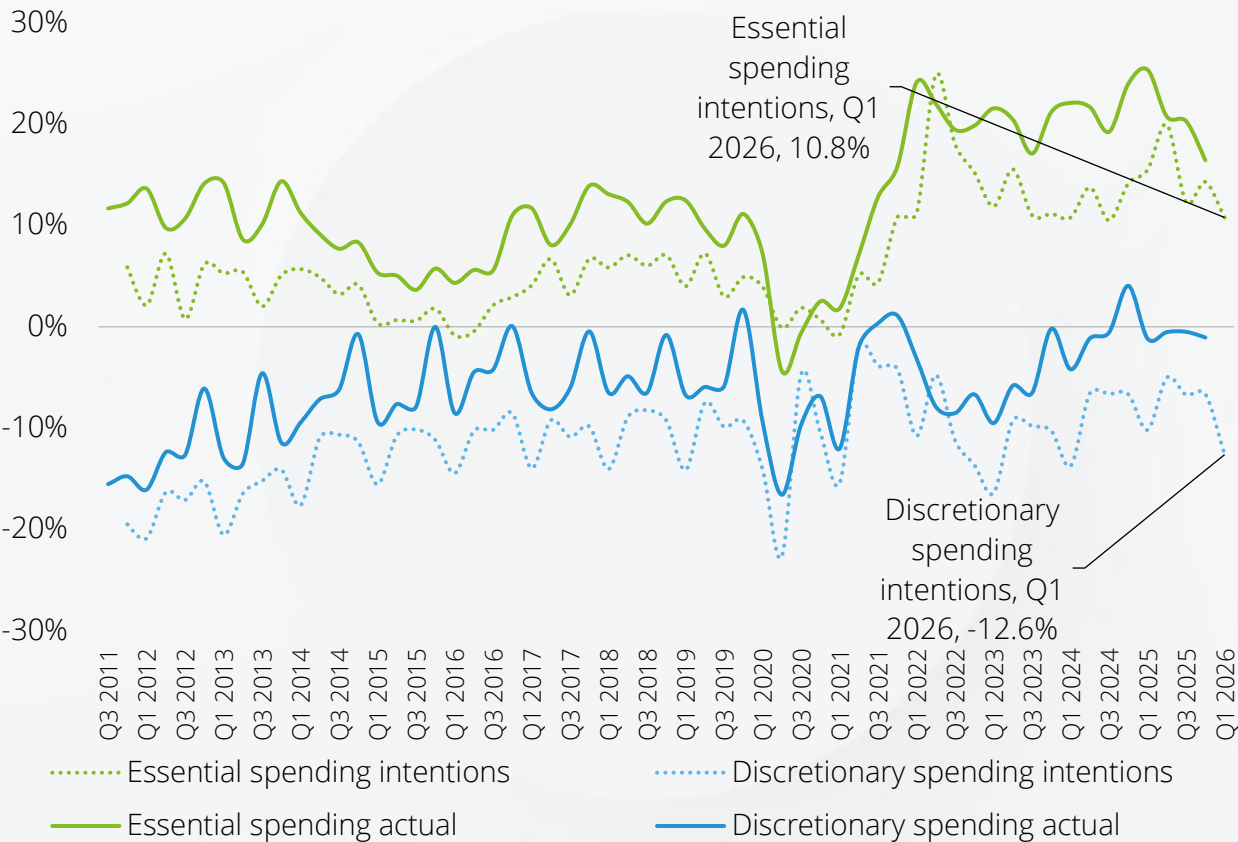
Outlook





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 on both day-to-day and discretionary categories


































Consumers expect to spend less on both day-to-day expenditure and non-essential categories in Q1 2026. The recent easing in the rate of inflation is expected to drive lower prices across many essential goods and service categories from food prices to the cost of energy.

Our data (next two pages) shows that consumers intend to spend significantly less on groceries, everyday household items, transport and utility bills. Consumers also expect to spend less on most discretionary goods including clothing and footwear and larger discretionary purchases such as furniture or electricals. An exception is major appliances where there is a small uptick in consumer spending intention for Q1 2026 compared with Q4 2025.

The outlook for the consumer sector in 2026 remains a mixed bag. Overall, a broader improvement in consumer confidence will require a more significant change in perceptions of affordability and job prospects.

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	Q4 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q4 2019
Essential	10.8%	 -3.5	 -4.7	 +6.8
Grocery	21.1%	 -15.9	 -4.2	 +23.2
Utility bills	41.9%	 -4.7	 -10.1	 +26.1
Everyday household items	14.6%	 -4.8	 -2.4	 NA
Housing	13.7%	 -0.1	 -3.7	 +6.6
Transport	7.4%	 -4.4	 -6.6	 +2.6
Landline/mobile phone, internet and cable/TV	6.4%	 -1.2	 -5.8	 +6.3
Pensions and insurance	6.6%	 +0.3	 -4.1	 +3.1
Health	4.5%	 -0.1	 -4.3	 +2.1
Education	2.7%	 +0.3	 -2.8	 +2.7
Beauty and personal care products	-11.0%	 -4.0	 -3.5	 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	Q4 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q4 2019
Discretionary	-12.6%	<div><div></div><div>-6.0</div></div>	<div><div></div><div>-2.4</div></div>	<div><div></div><div>+1.5</div></div>
Electrical equipment	-10.1%	<div><div></div><div>-3.5</div></div>	<div><div></div><div>-4.4</div></div>	<div><div></div><div>+1.8</div></div>
Clothing and footwear	-13.7%	<div><div></div><div>-11.2</div></div>	<div><div></div><div>-2.1</div></div>	<div><div></div><div>+2.7</div></div>
Major household appliances	-6.3%	<div><div></div><div>+0.9</div></div>	<div><div></div><div>-1.7</div></div>	<div><div></div><div>+3.7</div></div>
Furniture and homeware	-9.8%	<div><div></div><div>-0.2</div></div>	<div><div></div><div>-2.9</div></div>	<div><div></div><div>-1.0</div></div>
Alcoholic beverages and tobacco	-23.2%	<div><div></div><div>-16.0</div></div>	<div><div></div><div>-1.0</div></div>	<div><div></div><div>+0.2</div></div>

Source: The Deloitte Consumer Tracker

Sector updates

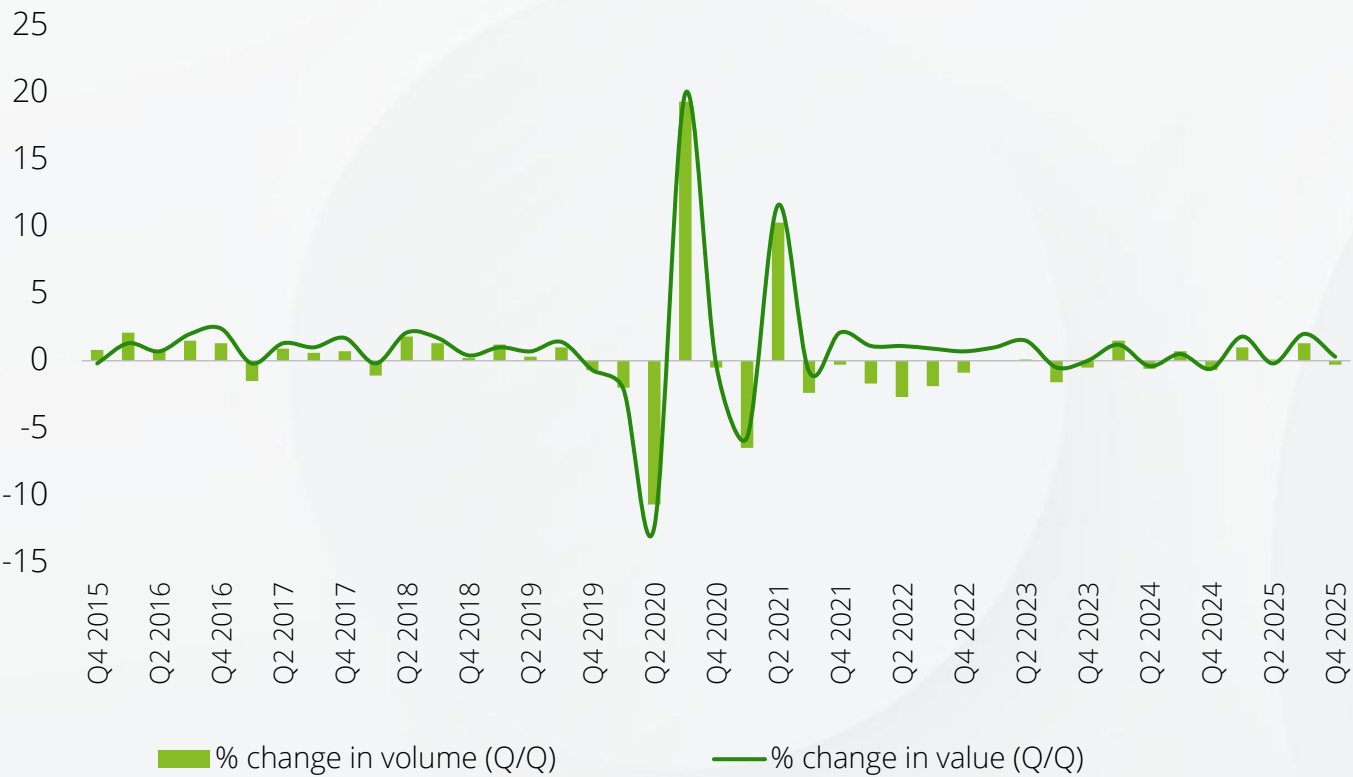




Retail

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

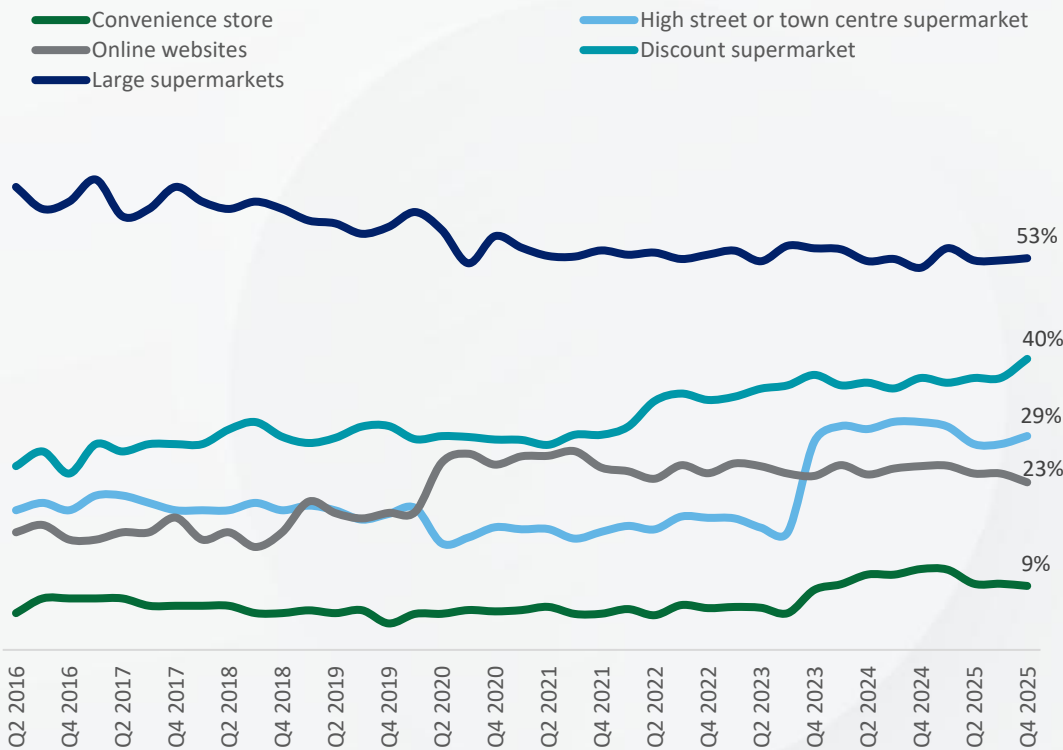
Declining volume sales in Q4 2025 closed out a mixed year for retail

The UK retail sector experienced a challenging 'Golden Quarter' in Q4 2025, with overall sales volumes declining despite a modest uplift in December. This performance was likely shaped by persistent inflation, a weakening job market and cautious consumer sentiment.

Data from the Office for National Statistics (ONS) indicates that retail sales volumes fell by 0.3% in Q4 2025 compared with Q3 2025, marking the seventh consecutive quarterly decline for the crucial festive period. Retail sales were better than expected in the final month of the year, capturing the height of Christmas trading. Some consumers allocated more budget towards spending on gifts and festive treats, with jewellers reporting that precious metals continue to drive demand. Uncertainty around the Autumn Budget likely had a role to play in subdued consumer spending during this period as shoppers held back on Black Friday purchases in the run up to the chancellor's Budget statement.

Channel usage for main grocery shop

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



Source: The Deloitte Consumer Tracker

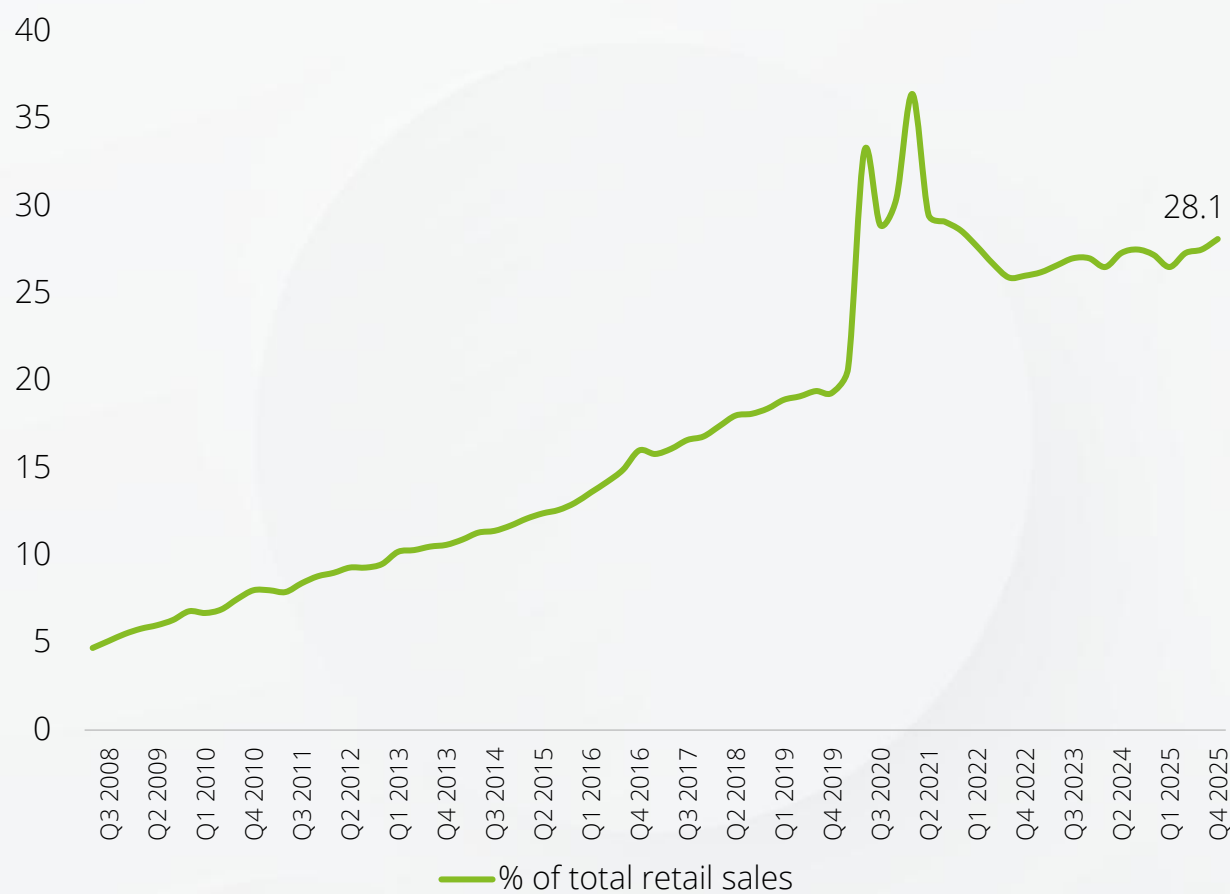
More consumers seeking value channels

The UK grocery retail sector continues to grapple with persistent food inflation and significant cost pressures, leading to intensified price competition and aggressive price-cutting strategies. Food inflation is still having a significant impact on consumer budgets and purchasing decisions. Indeed, food and non-alcoholic beverages prices rose by 4.5% in the 12 months to December 2025. This persistent, albeit fluctuating, food inflation meant consumers continued to divert spending from discretionary categories towards essentials. And although inflation is predicted to fall towards the Bank of England's target rate of 2.0% in 2026, the cumulative effect of persistently high inflation means that consumers are still paying more for their groceries and often taking home fewer items.

As a result, Q4 2025 saw an uptick in the proportion of people seeking out better value, with the proportion of consumers doing their main grocery shop at a discounter rising from 37% in Q3 to 40% in Q4. As a result, the major discounters achieved their biggest share of Britain's Christmas grocery market to date.

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

UK online retail sales continued to demonstrate robust growth in Q4 2025, solidifying its position as a critical channel for consumer spending. Data from the Office for National Statistics (ONS) shows that online sales values rose by 2.1% in Q4 2025 compared with the previous quarter and were up 8.4% year on year. This lifted the proportion of sales made online as a share of total retail sales to 28.1% in Q4, up from 27.5% in Q3 2025.

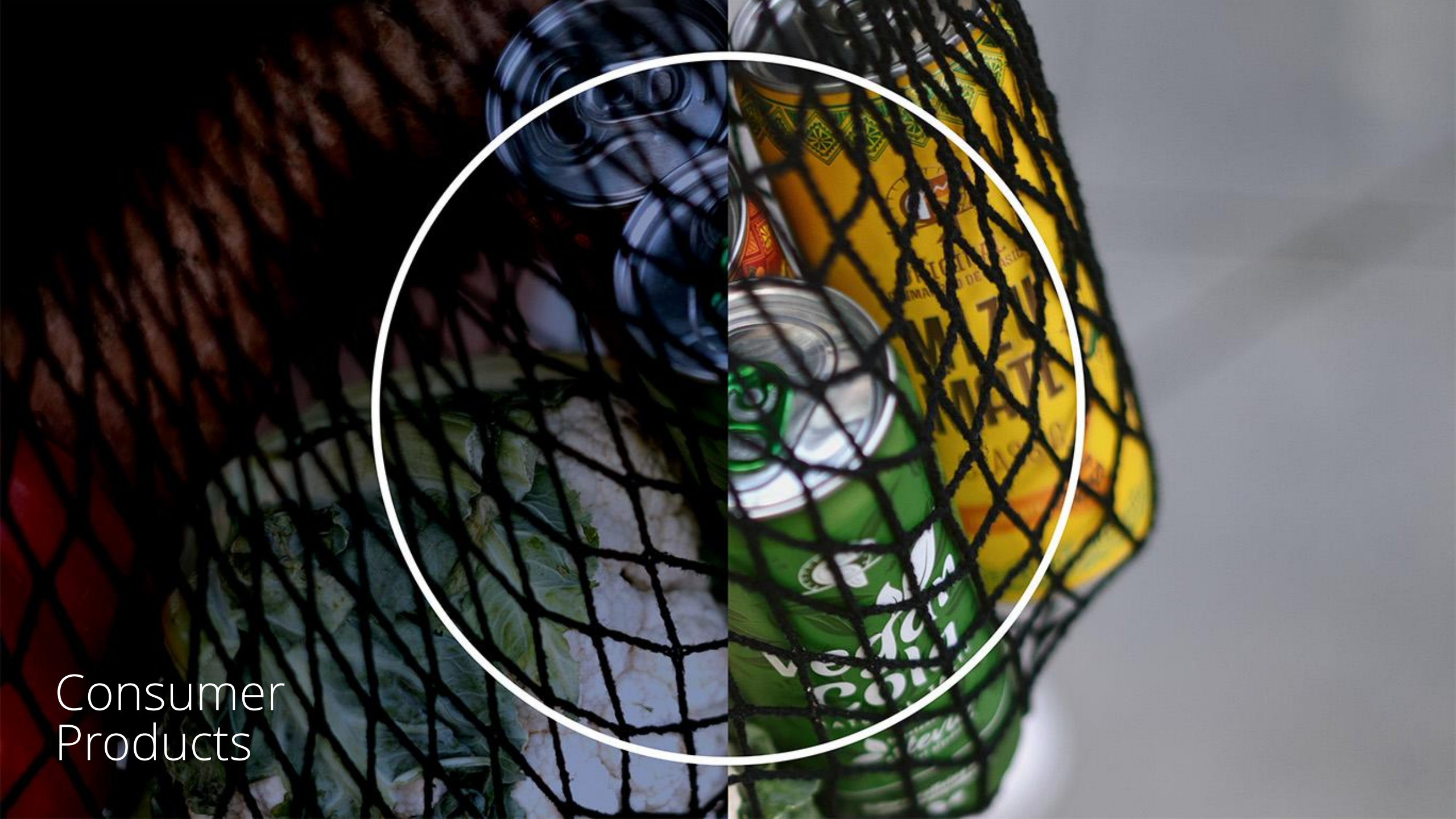
Looking at the year ahead, the increasing integration of Artificial Intelligence (AI) into online shopping is expected to have a discernible impact on internet shopping in the UK, particularly through the increased frequency of AI search referrals. These referrals encompass instances where AI tools, chatbots and personal shopping assistants guide consumers to products and facilitate purchases, potentially altering traditional online retail pathways. Referral traffic from ChatGPT and other AI chats already accounts for 15% to 20% of total referrals for some retailers.

Retail sector outlook

Despite the modest annual growth in UK retail sales volumes in 2025, the sector enters 2026 facing a complex landscape of persistent economic challenges and challenging consumer behaviours.

- Interest rates continuing to ease as well as signs that consumers are adapting to higher prices offer glimmers of hope but the lingering effects of persistent inflation and a weakening job market mean consumers are likely to remain highly discerning with their spending.
- The financial strain on retailers will continue, including the difficulty in balancing rising operational costs with price-sensitive consumers. The shift towards value, own-brand products and promotions, which characterised much of 2025, is likely to persist, although there are signs that the urgency to cut grocery spend might be waning, potentially allowing for some reallocation of funds within household budgets.
- There are also opportunities for retailers including the continued growth of online sales, bolstered by the increasing integration of AI into shopping enhancing the customer experience and driving efficiency but also the growing consumer interest in health and wellness, and weight loss allowing retailers to experiment with new product ranges and services.

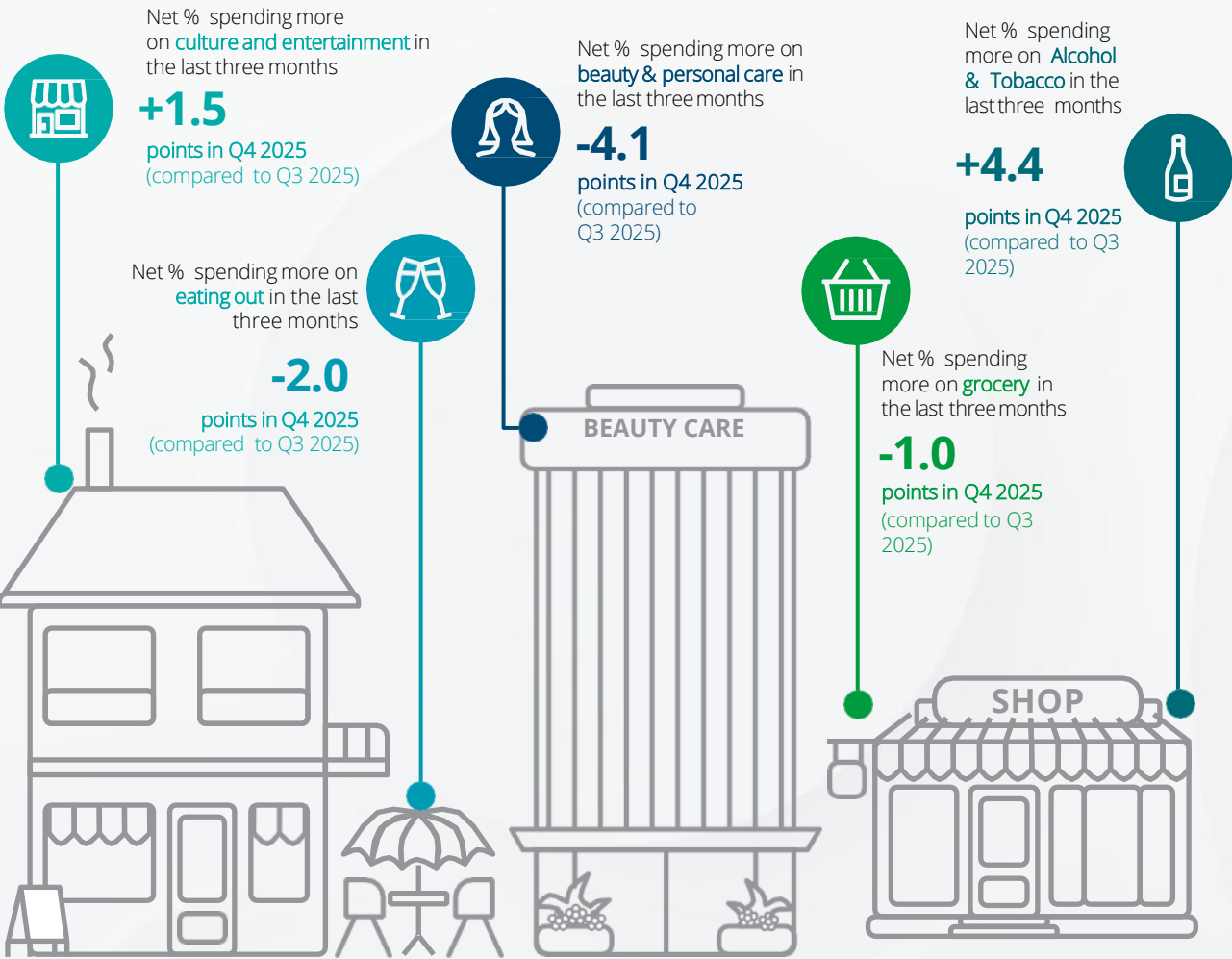




Consumer
Products

Consumer spending in the last three months

Net % spending more over the last three months



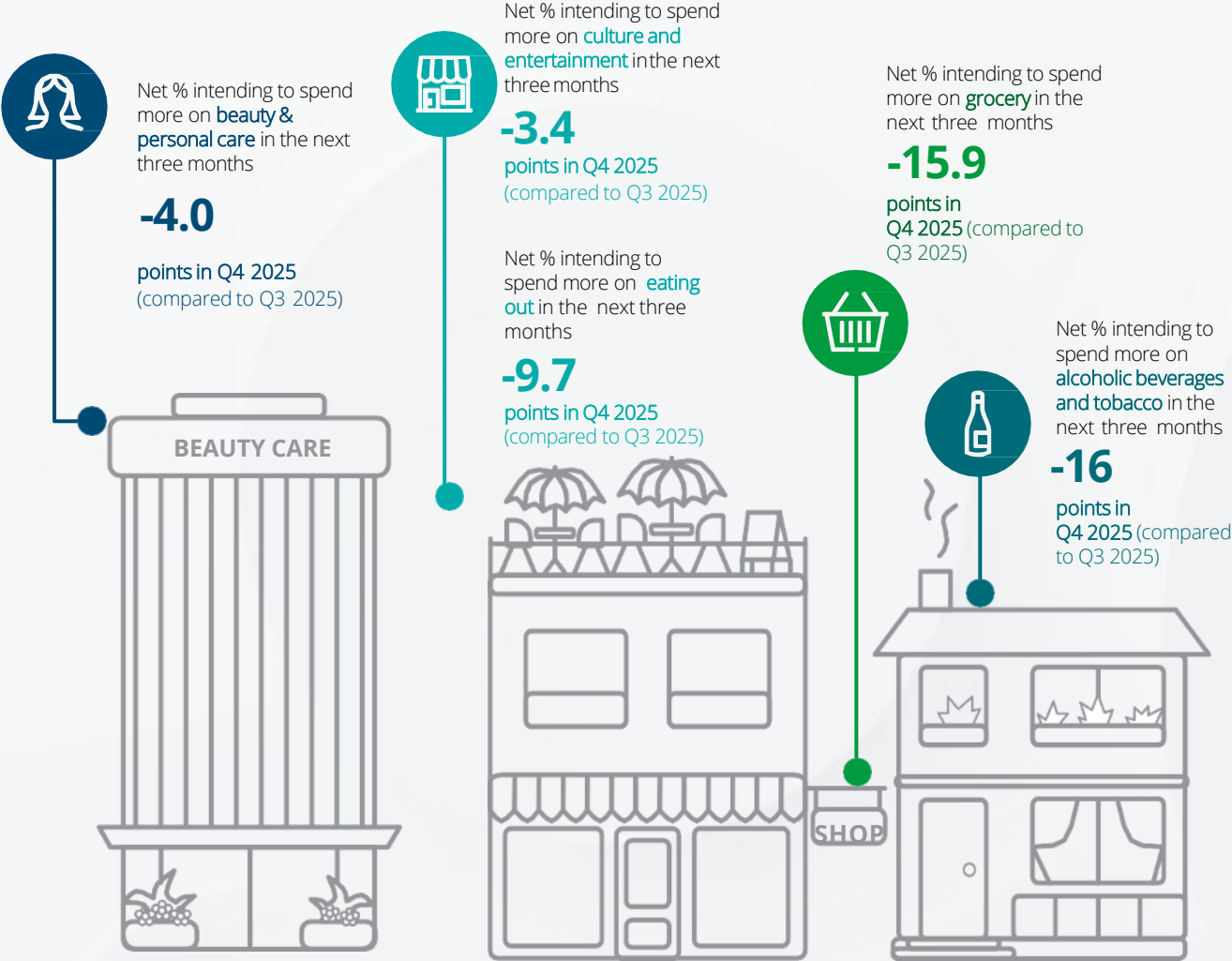
Experience and alcohol lead the way

Despite Q4 including the crucial Christmas shopping season net spending was down across almost all categories. The only exceptions were for spending on culture and entertainment and alcohol which grew in Q4 mainly due to seasonality.

Given the increased price sensitivity of consumers, brands that get the pricing right and boost consumer perceptions of their value, including offering tangible benefits around quality and service, will be well positioned to attract consumers, increase their margins and build longer-term loyalty.

Consumer spending in the next three months

Net % intending to spend more in the next three months



Consumers plan to spend less overall in Q1

Our Tracker data on spending intentions for Q1 2026 shows that consumers expect to spend less on both day-to-day expenditure and non-essential categories in Q1.

The recent easing in the rate of inflation is expected to drive lower prices across many essential goods including food prices. Our data shows that consumers intend to spend significantly less on groceries and alcoholic beverages potentially releasing funds for other more discretionary category over the rest of the year.

Consumer products sector outlook

Mixed outlook ahead for the consumer products sector

- Some consumers are feeling buoyed by steadying interest rates and inflation, while others continue to adopt more cautious behaviours when making purchasing decisions. The question remains whether the more value-seeking behaviours points to a more structural shift.
- Overall, a broader improvement in consumer confidence will require a more significant change in perceptions of affordability. For now, consumers remain hesitant about the economic outlook and until they can be persuaded otherwise, they will continue to hold off parting with their savings and hard-earned cash.
- For businesses in the consumer products industry, over the last year key drivers of change including deglobalisation and artificial intelligence, hit the industry at speed. Accepted truths, like the imperative for breadth and scale are being challenged by the need for more portfolio focus, and speed and agility in decision-making.
- In a recent [report](#) on the global outlook for the consumer products industry, Deloitte highlights seven priorities for the industry in 2026 including the need for increased focus, simplicity, nimbleness, collaboration and, of course, more value for consumers. Businesses that use these priorities to initiate tough conversations – and make the difficult choices they demand – may be better positioned for the year ahead.

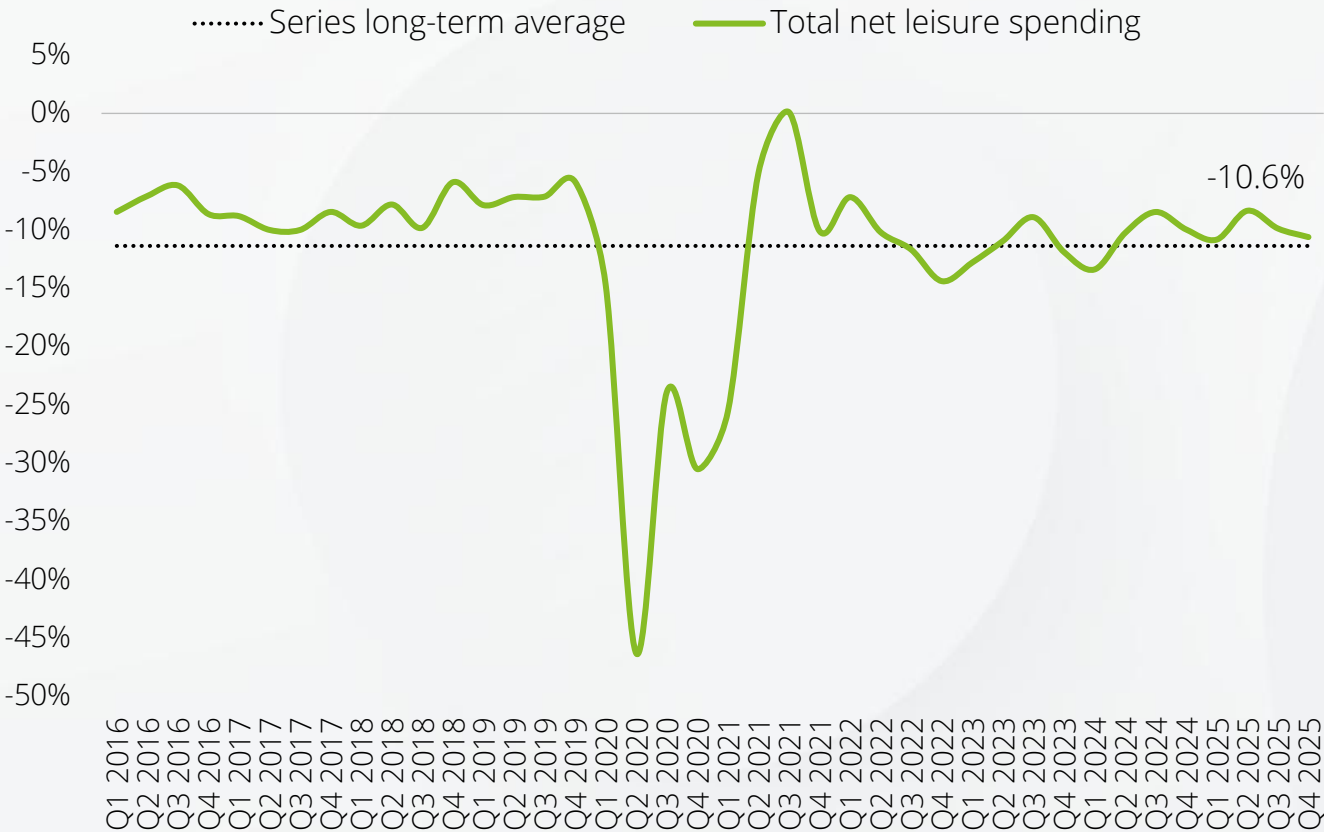




Leisure

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 in Q4

Our Tracker data reveals that overall net spending on leisure activities declined for the second consecutive quarter in Q4 2025 from -9.9% to -10.6%.

The most notable declines were in the holiday categories and can be attributed to seasonality. Meanwhile spending on eating out dropped compared with both the previous quarter and the same period a year ago as consumers chose to eat at home with our data showing a significant increase in takeaway purchases.

Other categories that received a spending boost in Q4 included betting and gaming, in-home leisure activity, culture and entertainment and going to the gym. The uptick in consumer spending on visiting the gym points to the growing interest for health and wellness related activities. This also shows consumers shifting priorities as they continue to favour experiences over goods.


































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	Q4 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q4 2019
Long Holidays	-8.7%	↓ -8.1	↓ -0.4	↓ -2.2
Short Holidays	-8.0%	↓ -6.3	↑ +0.7	↓ -2.4
Culture and entertainment	-13.9%	↑ +1.5	↓ -0.6	↓ -7.5
Other leisure activities	-12.4%	↑ +1.5	↑ +0.1	↓ -4.8
Betting and gaming	-8.5%	↑ +2.0	↓ -0.6	↓ -3.3
Going to the gym or playing sport	-5.2%	↑ +1.2	↑ +1.3	↓ -1.7
Attending live sports events	-7.8%	↓ -0.6	↑ +0.3	↓ -2.9
Eating out	-10.5%	↓ -2.0	↓ -4.0	↓ -8.0
Drinking in coffee shops/sandwich shops	-17.3%	↓ -1.5	↓ -2.2	↓ -6.7
In home leisure activity	-12.6%	↑ +1.6	↓ -3.4	↓ -7.2
Drinking in pubs/bars	-11.9%	↑ +2.5	↑ +1.5	↓ -5.6

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	Q4 2025 net balances	% point change quarter on quarter	% point change year on year	% point change vs Q4 2019
Long holidays	-9.1%	 +2.4	 -5.4	 -5.8
Short holidays	-9.3%	 +1.0	 -2.7	 -3.8
Going to the gym or playing sport	-2.2%	 +2.5	 +1.2	 -0.6
Culture and entertainment	-18.2%	 -3.4	 -2.6	 -8.6
Other leisure activities	-15.7%	 -1.8	 -0.9	 -6.9
Attending live sports events	-8.5%	 -0.3	 +0.8	 -4.1
Drinking in coffee shops/sandwich shops	-24.2%	 -5.1	 -1.6	 -5.3
Betting and gaming	-14.4%	 -2.6	 +0.5	 -5.6
In home leisure activity	-24.3%	 -7.7	 -2.7	 -10.4
Eating Out	-26.8%	 -9.7	 -4.2	 -8.1
Drinking in pubs/bars	-25.1%	 -9.6	 -0.7	 -6.8

Leisure sector outlook

Challenges remain for Q1 2026

- Leisure spending intentions for the start of 2026 paint a mixed picture with demand for travel expected to increase while other categories, especially around socialising and eating out, are expected to experience further reduction in consumer spending. While seasonality plays a part in the higher proportion of consumers intending to travel or to spend more on going to the gym it also indicates not only the ring fencing of the travel budget despite economic circumstances but also the continued increased focus on health and wellness.
- This sustained cautious outlook highlights how consumer leisure spending remains resilient but selective. Leisure and hospitality businesses need to remain focused on their social value proposition while also offering economic value and exceptional customer service to attract and retain an increasingly price-conscious and planning-focused consumer.
- We are pleased to announce the launch of the [Travel Weekly Insight Report 2026](#), in collaboration with Deloitte. In the report we discuss how the sector will need to focus on value, the right level of AI transformation, adapting to changing regulations, diversifying, managing workforce challenges, cyber threats, and extracting value from becoming more sustainable.





Automotive

UK car registrations

Yearly UK car registrations

	2025	2024	% change	Mkt share 2025	Mkt share 2024
BEV	473,348	381,970	23.9%	23.4%	19.6%
HEV	280,185	261,398	7.2%	13.9%	13.4%
PHEV	225,143	167,178	34.7%	11.1%	8.6%
PETROL	937,938	1,019,128	-8.0%	46.4%	52.2%
DIESEL	103,906	123,104	-15.6%	5.1%	6.3%
TOTAL	2,020,520	1,952,778	3.5%		

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

Sales increase significantly in Q4 2025

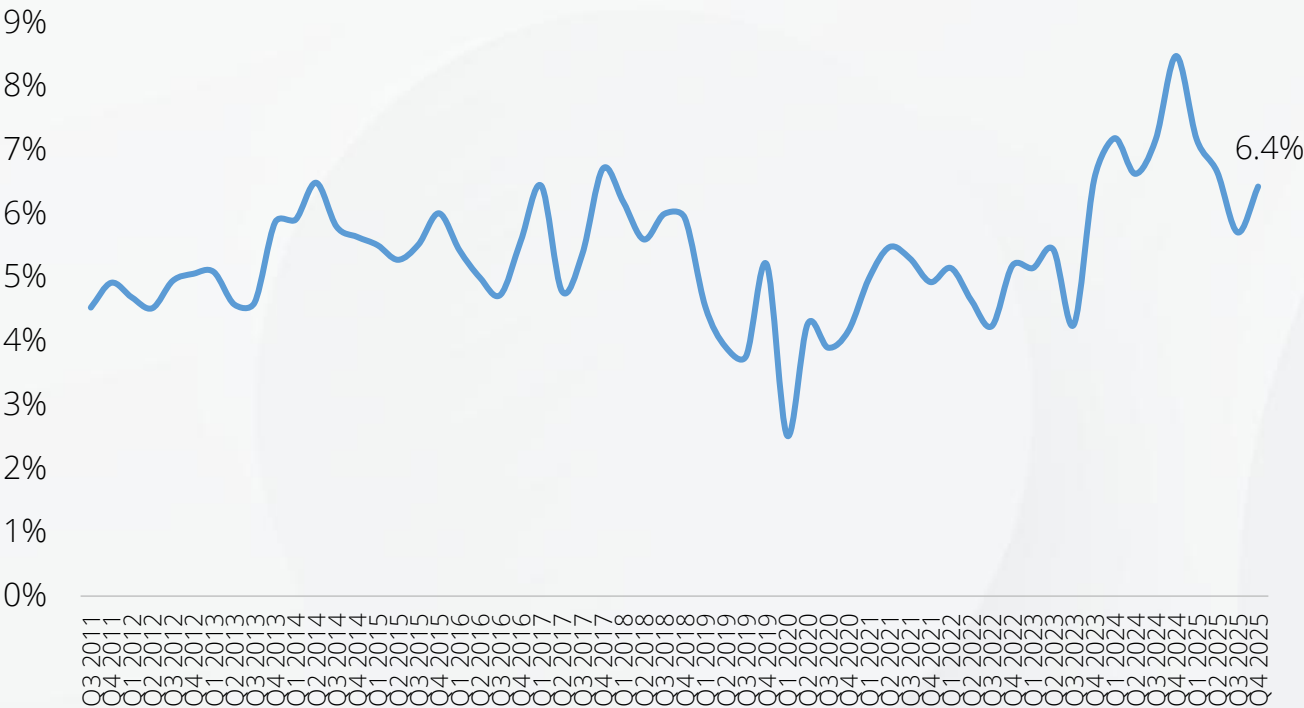
Performance across Q4 was mixed. October sales were flat (+0.5%) and November sales fell by 1.6%, while December sales picked up and achieved growth of 3.9% compared with the previous year. The fluctuation in performance across Q4 was likely linked to uncertainty among consumers in the run up to the 2025 Autumn Budget. Noticeably, demand among private buyers in November fell by a substantial 5.5% as individuals held back on major purchases ahead of the Budget.

New car registrations topped two million across the full year – the first time this milestone has been reached since the pandemic. This is the third consecutive year of growth for the sector, with final, full-year sales 3.5% higher than the year before. Despite this growth, overall sales of 2.02 million still remain below the 2.3 million figure achieved in 2019 and lag even further behind the record high of 2.69 million achieved just under a decade ago in 2016.

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 increase in Q1 2026

Our data shows that the percentage of consumers planning to buy a new car in Q1 2026 rose by 0.7 percentage points to 6.4%.

This slight uptick presents a counter narrative to wider consumer attitudes towards major purchases. However, there may be an element of seasonality, with March regularly driving the highest new car sales of the year due to the introduction of new plates.

Note: This question was changed in Q2 2020

Source: The Deloitte Consumer Tracker

Automotive sector outlook

Electric vehicle outlook

- Despite growth in the electric vehicle market in the last year, albeit still behind the government mandate, there is uncertainty among manufacturers regarding the regulation of EVs, and potential changes to the Zero Emission Vehicle target. Differing messages to consumers around affordability, and changes to EV legislation, will also play a part in more cautious adoption of plug-ins. Indeed, [Deloitte's 2026 Global Automotive Consumer Study](#) found that only one in ten (11%) UK consumers would choose to go fully electric with a battery electric vehicle (BEV), up from 8% in 2025. However, among consumers planning to buy a new vehicle, this rises to 19%, compared to 5% targeting the used market.
- Despite ongoing uncertainty around the transition to electric, it is expected that BEV sales as a proportion of the total market will continue to grow in 2026. New electric brands are entering the UK market, and at pace. The UK consumer is showing less loyalty than those across many other geographies, creating an opportunity for challenger brands to enter the market and capture a share for themselves. This should encourage all players to look at how they can differentiate and target consumer priorities to capture and retain a longer-term, loyal customer base.



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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 2nd January 2026 to 6th January 2026.

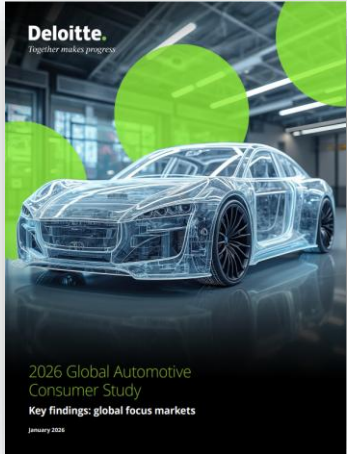
A note on the methodology

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.

European Hotel Industry & Investment Survey 2025



2026 Global Automotive Consumer Study



The Future of the Consumer Industry



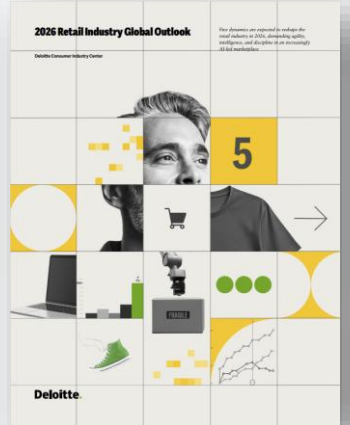
The Sustainable Consumer



2026 Consumer Products Industry Outlook



2026 Retail Industry Outlook





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