



UK Consumer Spending Report

April 2020



Consumer spending fell by 36.5% in April, as social distancing measures took full effect

Key insights:

- Overall consumer spending contracted by 36.5% year-on-year in April, reflecting the impact of self-isolation, social distancing and the Covid-19 lockdown.
- Non-essential purchasing declined by 47.7% year-on-year, driven by contractions in face-to-face spend on eating out in restaurants, bars, pubs and clubs, and non-essential travel.
- Despite higher spending in supermarkets, essential spending declined by 7.5% year-on-year, primarily due to a 58.9% reduction in fuel purchasing.
- While both in-store and online spending fell year-on-year, by 53.9% and 9.8% respectively, online transactions grew by 19.0% as consumers continued to shop online in lockdown.


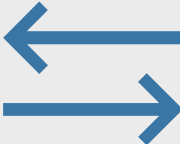
“As anti-Covid measures take effect, we’re seeing changes in consumer spending patterns – most notably a large growth in online expenditure, which now outweighs in-store purchasing and greater support for small local businesses.”

Raj Pattni, Head of Insights Platform, Barclays

1. Big picture spend update

The 58.9% fall in fuel spending, mostly due to imposed travel restrictions, made a significant contribution to the 7.5% drop in overall essential spending. However, this was partially offset by an increase in purchasing from local specialist food and drink stores and a continuing surge in supermarket sales, delivering spending growth of 14.3% as people undertook larger shopping trips and prepared more meals at home.

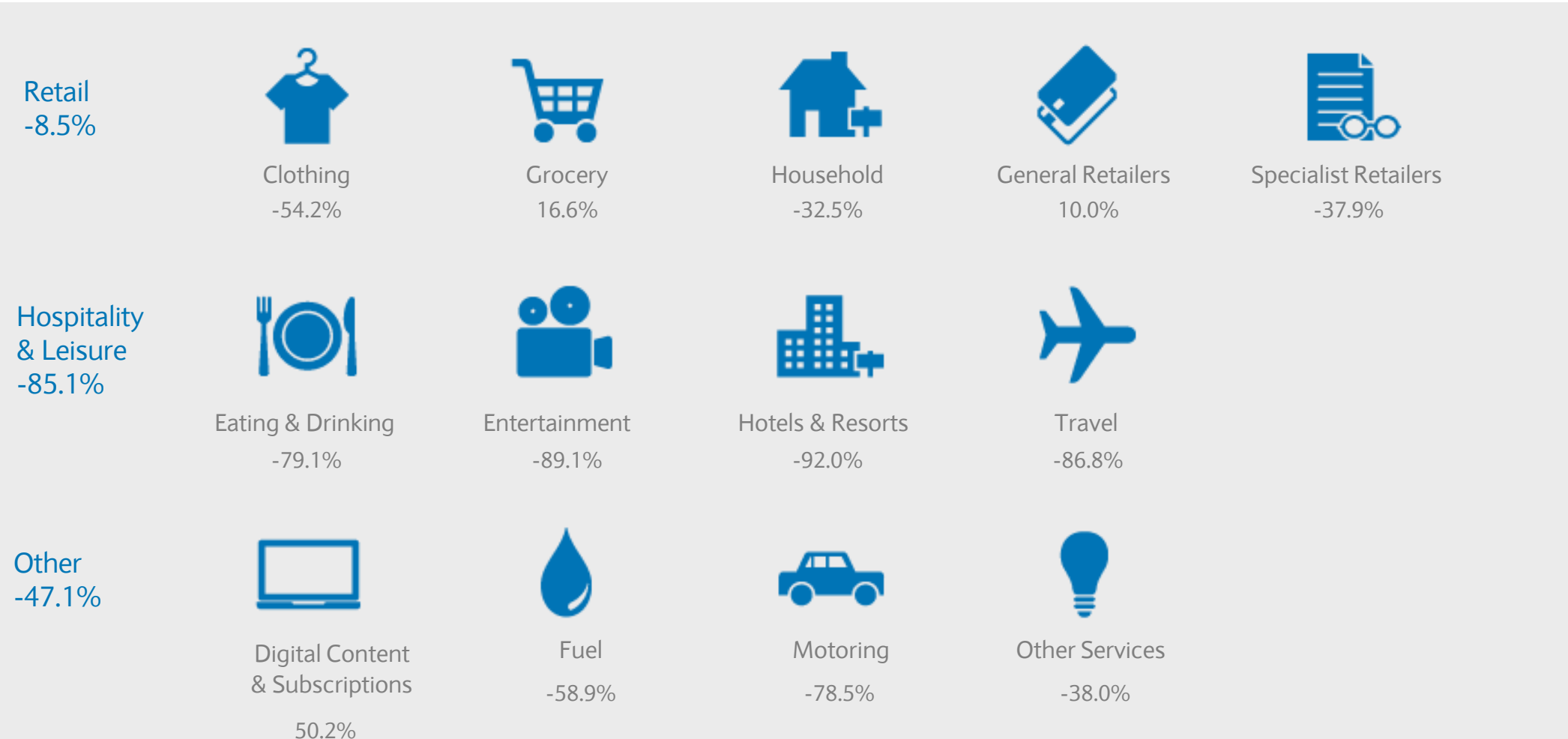
Non-essential spending fell by 47.7%, with measures taken to prevent the spread of Covid-19 particularly impacting travel, entertainment, and eating and drinking. The almost total closure of pubs, bars and clubs saw expenditure fall by 96.9% and spending in restaurants declined by 93.1%, with none able to offer dining in and only a proportion remaining open to provide takeaway and home delivery services.

	 Spend	 Transactions
Total	▼ -36.5% YoY	▼ -38.7% YoY
	Spend Growth	Transactions Growth
Essential	-7.5%	-31.9%
Non Essential	-47.7%	-42.6%

2. Category snapshot: what are UK consumers spending on?

Retail spending dipped 8.5% overall but featured some bright spots for grocery and general retailers. Supermarkets again saw growth in purchasing activity, up 14.3%, but with fewer transactions indicating consumers carried out fewer but larger shopping trips. The other success story was local food and drink specialist retailers, with 37.7% growth as people continued to show that they value their local shops.

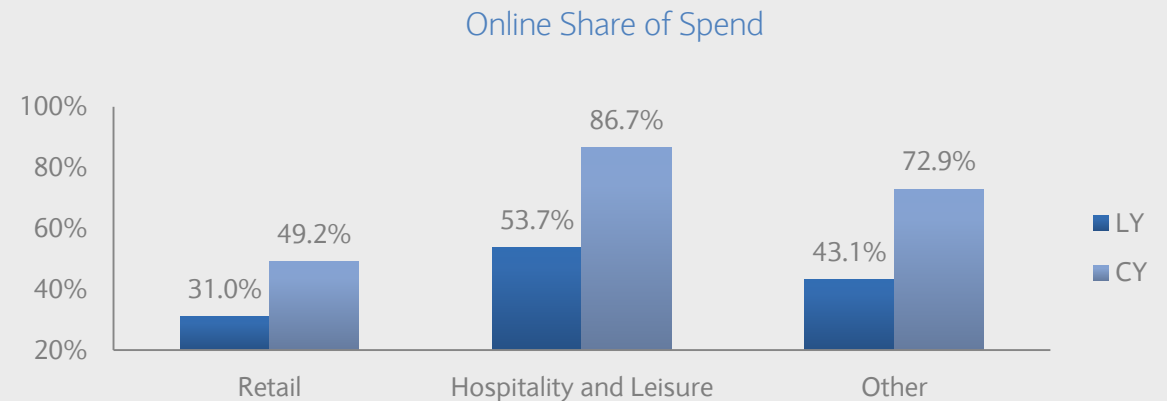
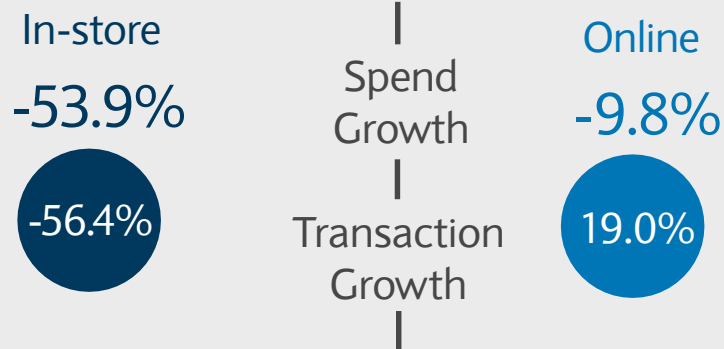
Overall, general retail grew by 10.0%, despite a 53.1% decline in department stores, with discount stores up 11.9% and other general retailers and catalogues receiving an online sales boost leading to growth of 42.0%. Clothing spending fell by 54.2% overall but a 0.8% increase in online spend was a bright spot. Hospitality and leisure spend dropped 85.1% overall, with heavy falls in all categories in line with lockdown and other anti-Covid measures. Fuel and motoring expenditure also shrank heavily.



3. Channel snapshot: how are UK consumers spending?

Both online and in-store spending fell in April, by 53.9% and 9.8% respectively. However, at 56.0%, the proportion of online spend outweighed face-to-face and the number of online transactions grew by 19.0% as those for face-to-face fell 56.4% amid store closures and entry restrictions. Online grocery showed the strongest spend growth at 81.9%, followed by specialist and general retailers, while online entertainment and travel expenditure fell heavily, reflecting anti-pandemic measures.

There was significant growth in online eating and drinking spending, up 24.6%, with consumers choosing to treat themselves and support local restaurants providing take out meals. Digital content and subscriptions surged by 50.9% as people sought to entertain themselves in lockdown. Although overall spend on home improvement and DIY declined by 42.7%, it appears consumers are electing to use their time to improve their homes and work on their gardens, as online spending in this category rose 26.5%.



Category	% Spend Online	Spend Growth Online
Clothing	99.4%	0.8%
Grocery	14.9%	81.9%
Household	93.4%	26.7%
General Retailers	76.6%	64.4%
Specialist Retailers	76.7%	69.4%
Eating & Drinking	81.3%	24.6%
Entertainment	97.2%	-84.0%

Category	% Spend Online	Spend Growth Online
Hotels, Resorts & Accommodation	92.1%	-88.7%
Travel	90.5%	-84.9%
Digital Content & Subscription	99.9%	50.9%
Fuel	6.3%	10.6%
Motoring	62.1%	-37.3%
Other Services	90.3%	-21.9%

Appendix 1

	Spend Growth	Transaction Growth
OVERALL	-36.5%	-38.7%
Retail	-8.5%	-21.2%
Clothing	-54.2%	-54.9%
Grocery	16.6%	-18.8%
Supermarkets	14.3%	-21.3%
Food & Drink Specialist	37.7%	-1.5%
Household	-32.5%	-26.0%
Home Improvements & DIY	-42.7%	-44.0%
Electronics	-0.6%	3.8%
Furniture Stores	-49.4%	-39.9%
General Retailers	10.0%	-3.2%
General Retailers & Catalogues	42.0%	30.4%
Department Stores	-53.1%	-62.9%
Discount Stores	11.9%	-25.1%
Specialist Retailers	-37.9%	-37.9%
Pharmacy, Health & Beauty	-49.9%	-46.5%
Sports & Outdoor	-36.2%	-49.9%
Other Specialist Retailers	-29.4%	-26.6%

	Spend Growth	Transaction Growth
Hospitality & Leisure	-85.1%	-86.2%
Eating & Drinking	-79.1%	-85.0%
Restaurants	-93.1%	-92.1%
Bars, Pubs & Clubs	-96.9%	-98.2%
Takeaways and Fast Food	-45.0%	-70.7%
Other Food & Drink	-87.2%	-89.0%
Entertainment	-89.1%	-92.6%
Hotels, Resorts & Accommodation	-92.0%	-95.8%
Travel	-86.8%	-86.1%
Travel Agents	-84.8%	-84.6%
Airlines	-88.0%	-90.5%
Other Travel	-88.6%	-86.0%
Other	-47.1%	-18.8%
Digital Content & Subscription	50.2%	54.6%
Fuel	-58.9%	-46.9%
Motoring	-78.5%	-75.7%
Other Services	-38.0%	-29.1%

Data methodology

Data source:

Barclays debit card and Barclaycard credit card transactions in the UK.

Data range:

The spending data in this report relates to the period 28 March 2020 to 24 April 2020.

Inclusion criteria:

- i. Customers aged at least 16 in the relevant period.
- ii. Active customers using card payments in the relevant period (excluding spending on banking products, i.e. mortgages, loans, savings, utilities, tax and gambling).

Spending growth calculation:

Percentage difference between total spend in the period 28 March 2020 to 24 April 2020 and total spend in the period 30 March 2019 to 26 April 2019.

Spending categorisation:

Essential: essential travel (i.e. public transport), fuel, insurance and supermarket spend.

Other food and drink: cafes, bakeries and other any food and drink establishments that cannot be classified.

Entertainment: gym memberships and leisure activities such as cinema, family days out, sports and theatre.

General retailers: selling a wide range of different products, e.g. department stores, catalogue shops, online marketplaces.

Specialist retailers: selling a particular category of goods, e.g. toy shops, jewellers, sports shops.

Other services: education, legal, insurance, childcare, post office / delivery, charities and personal services, e.g. hairdressers.

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