



# UK Consumer Spending Report

February 2020



## Consumer spending up 2.2 per cent in February but winter storms hamper retail sector.

### Key insights:

- In spite of bad weather affecting the whole country, consumer spending held up well to achieve 2.2% growth in February.
- Non-essential spending grew 2.4% year-on-year, while essential expenditure saw a 1.6% rise, driven by fuel and supermarket spending.
- While both online and in-store spending again increased, there was a return to a marked difference in performance, with face-to-face growth up 0.3% compared to 4.8% for online.
- Consumer confidence is on the up, having shown improvement for the past three months in the Barclaycard Monthly Consumer Confidence Survey.

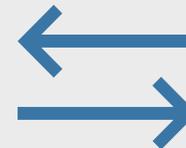
**“Consumers are showing resilience and feeling more optimistic, with spending continuing to grow in February, despite havoc-wreaking storms that kept people indoors.”**

**Raj Pattni, Head of Insights Platform, Barclays**

# 1. Big picture spend update

Reflecting an increase in consumer confidence over the past three months, consumer spending has shown resilience, rising 2.2% year-on-year in February. While lower than January's 3.9% figure, it shows a marked improvement over growth performance in the last few months of 2019. Essential spending was up 1.6%, largely driven by increases in fuel and supermarket expenditure at 1.3% and 2.5% respectively.

The 2.4% year-on-year growth of non-essential purchasing reflected mixed results in the retail sector due to consumers' reluctance to visit the high street due to stormy weather. Elsewhere, highlights included entertainment spending up by 8%, and an 8.7% uplift for fast food and take away outlets.



## Spend

## Transactions

### Total

▲ 2.2% YoY

▲ 5.8% YoY

### Spend Growth

### Transactions Growth

#### Essential

1.6%

3.3%

#### Non Essential

2.4%

7.3%

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

Retail spend showed a mixed bag of performances to achieve 1.1% year-on-year growth in February. Food price inflation helped drive up grocery expenditure by 1.4%, while general retailers, discount stores and pharmacy, health and beauty also benefited from a spending rise. On the downside, the trend for declining growth in clothing buying continued with a fall of 1.7% overall, despite an increase in online purchasing, and expenditure in department stores fell by 3.6%.

Growth in eating and drinking spend slowed to 5.4%, reaching its lowest level by far for six months. Although fast food and takeaway expenditure did well, the ongoing spending decline in restaurants was unabated. These results, taken in conjunction with the 12.4% uplift in digital content and subscription purchasing, reflect people's choice to stay at home to escape stormy weather.

### Retail +1.1%



Clothing  
-1.7%



Grocery  
1.4%



Household  
-1.5%



General Retailers  
4.9%



Specialist Retailers  
0.6%

### Hospitality & Leisure +3.1%



Eating & Drinking  
5.4%



Entertainment  
8.0%



Hotels & Resorts  
3.8%



Travel  
0.2%

### Other +3.5%



Digital Content  
& Subscriptions  
12.4%



Fuel  
2.5%



Motoring  
1.4%

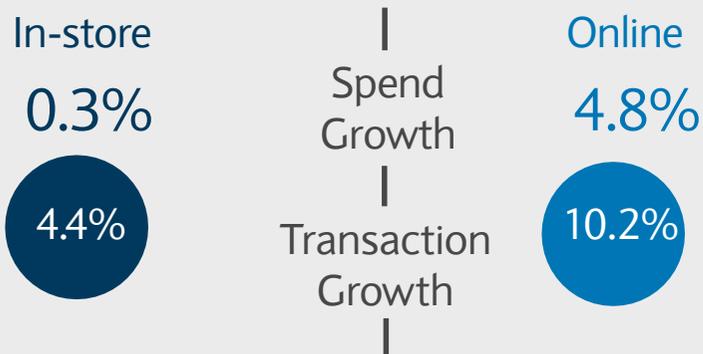


Other Services  
3.8%

### 3. Channel snapshot: how are UK consumers spending?

Although both online and in-store spending increased year-on-year in February, the difference between them was marked. While in-store spend only recorded a slight growth of 0.3%, the upward trend for overall online spending growth at the expense of face-to-face sales continued with a 4.8% increase.

Eating and drinking spend online showed a strong 16.6% growth and entertainment purchasing over the internet went up 9.1%, further indicating consumers' preference for staying in. Online clothing purchasing achieved a significant uplift, with a 5.2% year-on-year growth, despite the continuing decline in clothing spending overall.



Category	% Spend Online	Spend Growth Online
Clothing	51.5%	5.2%
Grocery	10.5%	3.8%
Household	54.4%	-1.4%
General Retailers	56.3%	9.6%
Specialist Retailers	31.0%	3.1%
Eating & Drinking	16.6%	16.1%
Entertainment	73.3%	9.1%

Category	% Spend Online	Spend Growth Online
Hotels, Resorts & Accommodation	73.1%	6.6%
Travel	81.2%	2.3%
Digital Content & Subscription	99.3%	12.1%
Fuel	3.9%	-N/A
Motoring	22.9%	3.4%
Other Services	72.3%	5.1%

# Appendix 1

	Spend Growth	Transaction Growth
<b>OVERALL</b>	<b>2.2%</b>	<b>5.8%</b>
<b>Retail</b>	<b>1.1%</b>	<b>3.4%</b>
<b>Clothing</b>	-1.7%	-1.8%
<b>Grocery</b>	1.4%	4.9%
Supermarkets	1.3%	3.6%
Food & Drink Specialist Stores	2.2%	15.1%
<b>Household</b>	<b>-1.5%</b>	<b>1.6%</b>
Home Improvements & DIY	-1.0%	3.1%
Electronic Stores	-2.4%	0.8%
Furniture Stores	-1.2%	-0.1%
<b>General Retailers</b>	<b>4.9%</b>	<b>2.0%</b>
General Retailers and Catalogues	8.8%	0.5%
Department Stores	-3.6%	2.0%
Discount Stores	5.7%	6.0%
<b>Specialist Retailers</b>	<b>0.6%</b>	<b>2.5%</b>
Pharmacy, Health & Beauty	2.6%	2.1%
Sports & Outdoor	-1.2%	-3.3%
Other Specialist Retailers	-0.2%	3.9%

	Spend Growth	Transaction Growth
<b>Hospitality &amp; Leisure</b>	<b>3.1%</b>	<b>8.2%</b>
<b>Eating &amp; Drinking</b>	<b>5.4%</b>	<b>8.0%</b>
Restaurants	-6.4%	-8.4%
Bars, Pubs & Clubs	5.6%	13.1%
Takeaways and Fast Food	8.7%	6.9%
Other Food & Drink	7.2%	10.1%
<b>Entertainment</b>	<b>8.0%</b>	<b>14.6%</b>
<b>Hotels, Resorts &amp; Accommodation</b>	<b>3.8%</b>	<b>4.5%</b>
<b>Travel</b>	<b>0.2%</b>	<b>7.5%</b>
Travel Agents	-0.3%	0.9%
Airlines	-0.7%	-4.9%
Other Travel (Rail, Hire, Cruises)	1.5%	8.4%
<b>Other</b>	<b>3.5%</b>	<b>10.1%</b>
<b>Digital Content &amp; Subscriptions</b>	<b>12.4%</b>	<b>21.5%</b>
<b>Fuel</b>	<b>2.5%</b>	<b>2.9%</b>
<b>Motoring</b>	<b>1.4%</b>	<b>13.0%</b>
<b>Other Services</b>	<b>3.8%</b>	<b>6.8%</b>

# 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 25 January 2020 to 21 February 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 average spend per active customer in the period 25 January 2020 to 21 February 2020 and average spend per active customer in the period 26 January 2019 to 22 February 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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