



UK Consumer Spending Report

September 2019



Consumer spending grew by a modest 1.6% in September reflecting caution about the UK economic outlook

Consumer spend need-to-know:

- Essential spending grew just 1.1%, while growth in non-essential expenditure was slightly higher at 1.8%
- There was relatively strong growth in spending on entertainment and experiences, while retail spend was subdued, particularly in the clothing category
- Online spending saw year-on-year growth of 3.6%, while in-store sales were up just 0.3%

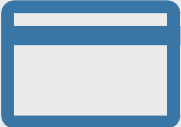
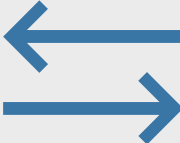
“The bright spot in September’s spending figures was consumers’ appetite for experiences and going out.”

Raj Pattni, Head of Insights Platform, Barclays

1. Big picture spend update

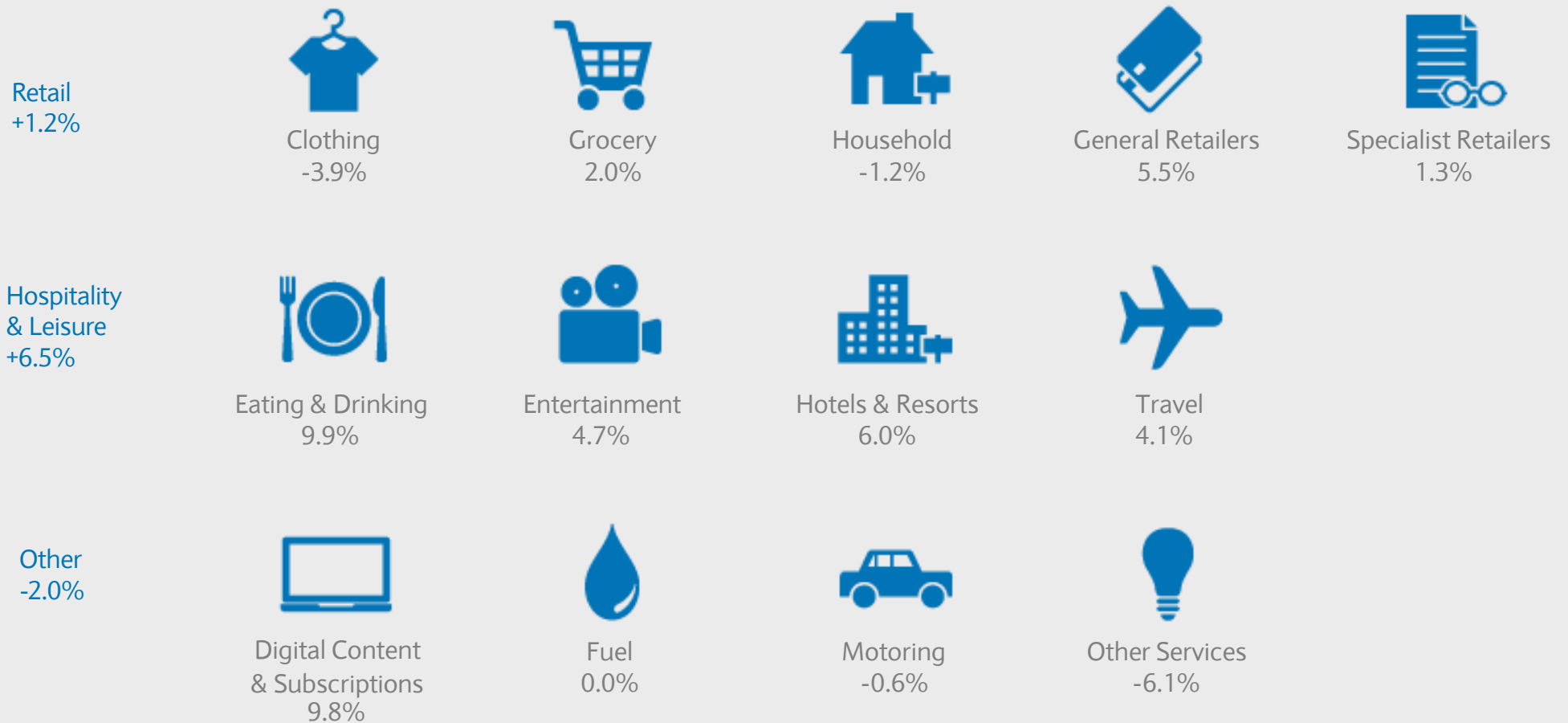
Essential spending grew by just 1.1% overall, representing a decline in real terms, with fuel spending flat and supermarkets seeing only muted growth of 1.6%.

Non-essential spending rose by 1.8% year-on-year as consumers prioritised experiences, including a 4.5% increase in restaurant spending, takeaways up 8.2%, and bars, pubs and clubs up 12.9%.

	 Spend	 Transactions
Total	▲ 1.6% YoY	▲ 7.6% YoY
	Spend Growth	Transactions Growth
Essential	1.1%	5.3%
Non Essential	1.8%	9.1%

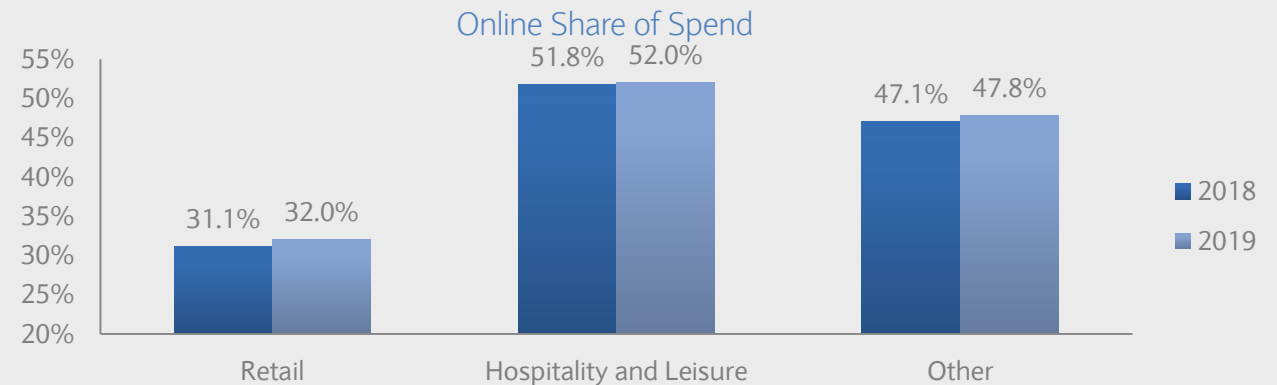
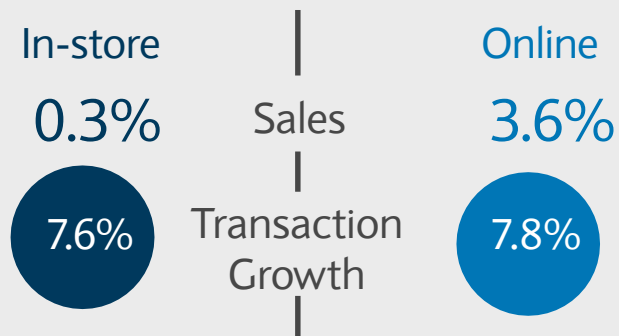
2. Category snapshot: what are UK consumers spending on?

- Overall retail spend was subdued, with clothing down 3.9%, as a third of consumers confirmed they are spending less than normal on Autumn clothes this year, possibly influenced by warm September weather. Household retailers, including DIY, electronics and furniture stores also struggled, leading to a year-on-year decline of 1.2%.
- Entertainment spending, which includes cinema, sports and theatre tickets, grew by 4.7%, as consumers preferred spending on experiences. Combined with solid spending growth on eating out and pubs, bars and clubs, this drove a 6.5% increase in hospitality and leisure expenditure.



3. Channel snapshot: how are UK consumers spending?

- The gradual upward trend in the overall share of online sales continued in September, with a 3.6% year-on-year increase, while in-store purchases were up just 0.3% compared to the same period last year. The online share of retail sales was up nearly a full percentage point at 32%.
- Spending on digital content and subscription services were a key driver of this trend, with an increase of 9.8% year-on-year reflecting the growing impact of the subscription economy and the popularity of entertainment streaming services.



Category	% Spend Online
Clothing	44.2%
Grocery	9.9%
Household	52.8%
General Retailers	56.7%
Specialist Retailers	28.2%
Eating & Drinking	13.6%
Entertainment	64.4%

Category	% Spend Online
Hotels, Resorts & Accommodation	64.3%
Travel	79.2%
Digital Content & Subscription	99.4%
Fuel	2.3%
Motoring	22.4%
Other Services	83.7%

Appendix 1

	Spend Growth	Transaction Growth
OVERALL	1.6%	7.6%
Retail	1.2%	5.3%
Clothing	-3.9%	-2.9%
Grocery	2.0%	7.5%
Supermarkets	1.6%	5.8%
Food & Drink Specialist Stores	6.2%	22.0%
Household	-1.2%	1.9%
Home Improvements & DIY	0.5%	4.0%
Electronic Stores	-2.5%	0.7%
Furniture Stores	-3.1%	-1.0%
General Retailers	5.5%	2.9%
General Retailers and Catalogues	8.4%	0.3%
Department Stores	-3.1%	2.2%
Discount Stores	8.2%	10.2%
Specialist Retailers	1.3%	5.7%
Pharmacy, Health & Beauty	4.1%	4.7%
Sports & Outdoor	-3.0%	-1.8%
Other Specialist Retailers	-0.1%	9.0%

	Spend Growth	Transaction Growth
Hospitality & Leisure	6.5%	13.3%
Eating & Drinking	9.9%	14.1%
Restaurants	4.5%	10.1%
Bars, Pubs & Clubs	12.9%	24.0%
Takeaways and Fast food	8.2%	7.2%
Other Food & Drink	11.4%	16.2%
Entertainment	4.7%	8.9%
Hotels, Resorts & Accommodation	6.0%	12.9%
Travel	4.1%	12.6%
Travel Agents	2.9%	1.5%
Airlines	5.9%	1.0%
Other Travel	4.3%	13.6%
Other	-2.0%	6.7%
Digital Content & Subscriptions	9.8%	10.2%
Fuel	0.0%	3.4%
Motoring	-0.6%	15.8%
Vehicle Sales	-3.2%	0.6%
Other Motoring	2.6%	16.7%
Other Services	-6.1%	2.3%

Data methodology

Data source:

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

Data range:

The spending data in this report relates to the period 18 August 2019 to 21 September 2019.

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 utilities, tax and gambling, as well as on banking products such as mortgages, loans and savings).

Spending growth calculation:

Percentage difference between category spend per active customer in the period 18 August 2019 to 21 September 2019 and category spend per active customer in the period 19 August 2018 to 22 September 2018. An active customer is defined as a customer with any card spend in the period (across any category) i.e. the total active Barclays/Barclaycard base.

Spending categorisation:

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

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

Other travel: rail, car hire, cruises.

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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