News Release

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S&P Global UK Consumer Sentiment Index (CSI)

Consumer sentiment picks up after Bank of England rate cut

- **Headline CSI highest in ten months**
- **Perceptions of current and future finances become less downbeat**
- **Sentiment towards labour market conditions second-highest in the survey's history**

The S&P Global UK Consumer Sentiment Index (CSI) survey has been collected monthly since 2009 and is based on a panel of 1,500 UK households. The latest data were collected between 7th – 11th August, making it the earliest available indicator of consumer confidence.

All data are seasonally adjusted and expressed as diffusion indices where 50 signals no change on the prior month. Readings above 50 signal an increase or improvement; readings below 50 signal a decrease or deterioration.

The latest CSI (a combination of survey gauges tracking household financial wellbeing, labour market conditions, household spending, savings and debt) reading jumped to 47.0 in August from 45.1 in July. The figure was the highest since last October's Budget announcement, with all the subcomponents of the headline index registering a rise.

S&P Global UK Consumer Sentiment Index

As of August 18, 2025.
Index 50 = no change on prior month. All data seasonally adjusted.
Source: S&P Global Market Intelligence.
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S&P Global UK Consumer Sentiment Index Components

As of August 18, 2025.
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Source: S&P Global Market Intelligence.
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Commenting on the survey, Maryam Baluch, Economist at S&P Global Market Intelligence, said:

"August CSI data comes hot on the heels of the recent rate cut decision made by the Bank of England earlier in the month. Data collection began just a day after the central bank's announcement, providing a timely snapshot of sentiment in the wake of monetary policy easing. Encouragingly, the data reveals a slight revival in household confidence, which is a telling sign that the easing of monetary policy has been received positively by households across the country. The headline index signalled the strongest reading since last October, greatly bolstered by robust perceptions of labour market conditions, which were the second-strongest in the survey's history.

"Households reported less of a squeeze on their finances, and the year-ahead outlook was the least pessimistic in nine months. This positive shift indicates less concern among consumers regarding their financial situation. Moreover, households accumulated debt to the least marked degree in three months, despite reporting a greater availability of credit.

"Despite the recent uplift in consumer sentiment, particularly regarding perceptions of the labour market, this positive shift occurs against a backdrop of subdued UK economic performance. Lower borrowing costs could provide a further boost to consumer sentiment. Indeed, if the uptick in sentiment can be sustained, it could translate into better fortunes for the wider UK economy."
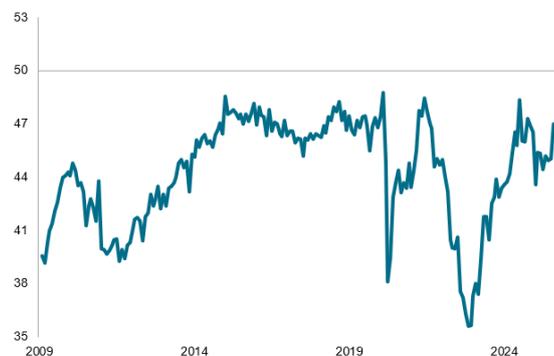
S&P Global Consumer Sentiment Index and components

50 = no change on prior month, seasonally adjusted.

	Jul	Aug	High/low
Consumer sentiment index	**45.1**	**47.0**	**10-month high**
Household Finance Index	**43.6**	**46.0**	**9-month high**
Current finances	40.7	43.0	13-month high
Expected finances in 12 months' time	46.5	48.9	9-month high
Spending Sentiment Index	**37.7**	**41.2**	**10-month high**
Cash available to spend	39.8	43.7	10-month high
Views on making major purchases	35.6	38.7	5-month high
Labour Market Sentiment Index	**52.4**	**54.7**	**13-month high**
Job security	50.3	53.4	11-month high
Activity at work	54.1	56.8	49-month high
Income from employment	52.9	53.9	8-month high
Debt Sentiment Index	**48.9**	**50.2**	**6-month high**
Level of debt*	52.1	50.7	3-month low
Need for unsecured credit*	51.5	50.6	6-month low
Availability of unsecured credit	50.1	51.8	7-month high
Savings Index	**42.7**	**43.1**	**2-month high**

* Inverted in index calculation.

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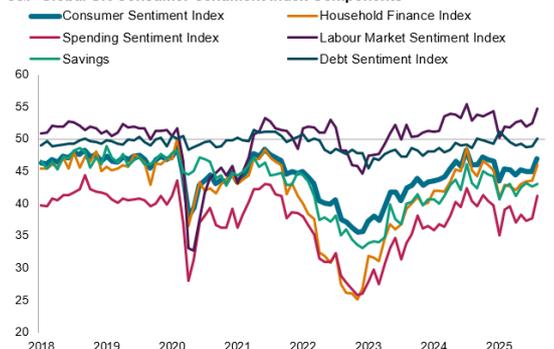
Financial pressures ease amid looser monetary policy and strong rise in workplace income

After having intensified in July, **UK households recorded reduced strain on current finances in the latest survey period.** While overall financial challenges remain, August recorded the least pronounced decline in sentiment since the post-election high in July 2024, with the respective seasonally adjusted index also above the long-run series average (40.2). Underlying data revealed that although divergences between sectors of employment persisted, the divide between the private and public sectors narrowed. Private sector workers indicated a less marked level of positivity towards their financial wellbeing, while pessimism in the public sector softened.

Adjusted for seasonal factors, the index measuring household expectations for finances in 12 months' time rose to indicate the lowest level of pessimism for nine months. The latest reading was also above the historical average. By sector, employees in the IT field expected the most significant improvement in their financial wellbeing over the coming year, and by a considerable margin. In contrast, those employed in the education sector foresaw the greatest challenges. Additionally, retail was the only other sector where employed households anticipated a decline in their financial situation. However, pessimism was at its lowest level in a year and minimal overall.

S&P Global UK CSI | Household finances
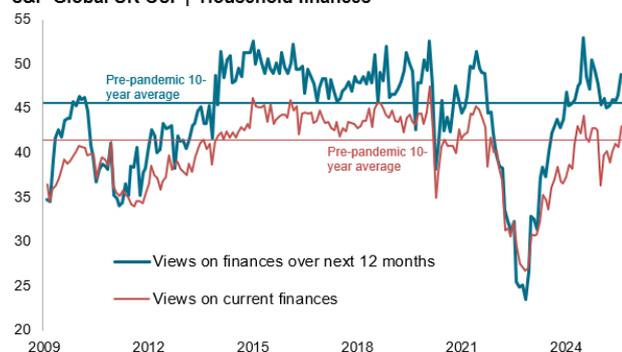
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Labour market sentiment second-highest on record

August data registered the second-highest level of the Labour Market Sentiment Index since records began in 2009. Household perceptions regarding the jobs market improved solidly, marking the most substantial level of positivity since the record-high observed following last year's election.

All sub-components relating to the labour market recorded a rise in their respective seasonally adjusted indices in August. **Moreover, the rate of growth in workplace activity was sharp and the strongest since July 2021.**

Both income from employment and job security also demonstrated solid improvements. **Employment income increased at the fastest pace since December 2024's record high.** Following a period of near stagnation in public sector salaries in July, August heralded a return to growth. Notably, the

rate of income growth in the public sector was closely aligned with that of the private sector.

Meanwhile, **households reported a growing sense of security in their employment, with sentiment the highest in almost a year.** Regional trends also emerged from the latest data, revealing that while most areas felt secure in their roles, households in the South of England and Scotland expressed concerns. However, London defied this trend. Households in the capital reported the highest level of job security among the 12 monitored areas.

Households accumulate debt more slowly in August

While UK households accumulated debt in August, the rate of increase was weaker than seen in July. The uptick in debt was the softest in three months. Underlying data signalled that those employed in the private sector managed to reduce their debt burdens. In contrast, those in the public sector recorded a rise in debt levels on the month, but at a pace which was only modest and weaker than that observed in the month prior.

UK households also indicated weaker demand for credit in August. While the need for unsecured loans continued to grow, it did so only fractionally and to the weakest degree since February. Meanwhile, **the availability of loans improved notably over the month,** with households experiencing greater ease in accessing credit. The rate of improvement was the second-fastest on record, surpassed only by that observed at the beginning of the year.

This positive trend tallies with the recent rate cut by the Bank of England, creating a more favourable lending environment. Furthermore, for the first time in nearly a year, households in the public sector recorded an improvement in credit accessibility, thereby resulting in the respective seasonally adjusted indexes for both the private and public segments posting above the neutral mark of 50.0.

Growing income and improved lending environment helps revive perceptions around spending and savings

While both spending and saving trackers continued to signal pessimism, the respective seasonally adjusted indices ticked up on the month.

Sustained growth in income from employment in part supported a softening of negative sentiment towards spending. **While cash available to spend fell, households noted the softest drop since October 2024.** Additionally, **households were less likely to shy away from major purchases.** Despite posting deep in negative territory, the respective seasonally adjusted index ticked up to a five-month high.

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S&P Global Consumer Sentiment Index (CSI) | Major Purchases vs. Retail Sales Volume
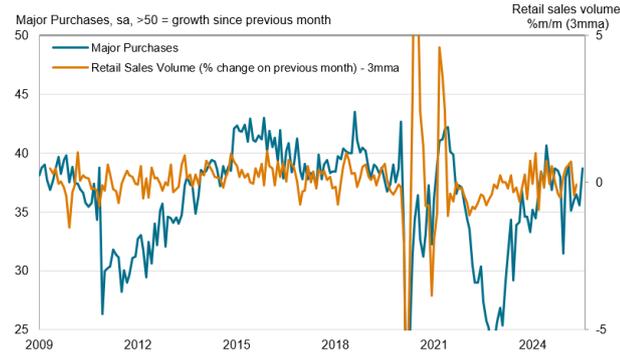
As of August 18, 2025.
Index 50 = no change on prior month.
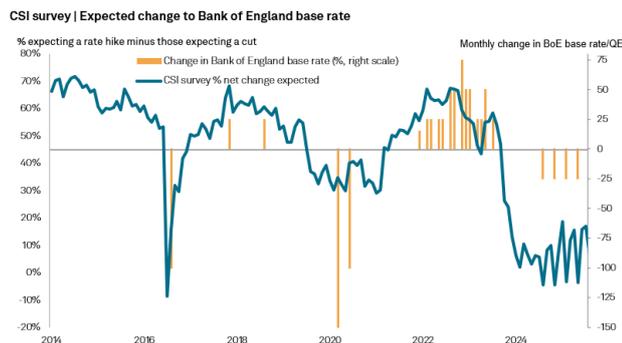Source: S&P Global Market Intelligence and ONS
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By region, London remained the only area for a second month running where households noted rising disposable incomes and increased their purchasing activity for big-ticket items. Meanwhile, contractions were noted in all other monitored UK areas.

Though households continued to eat away at their savings, the extent of the depletion was weaker than that seen in the previous survey period.

Rate hike expectations lowered across households following latest cut

Following the rate cut by the Bank of England in early August, households across the UK were less expectant of tighter monetary policy in the months to come in August. A net balance of +7% of households project a hike, down from +17% in July. The latest data signalled the smallest net balance anticipating a hike since May. Although indicating anticipations of a hike overall, the net balance was notably lower than the long-run series average of +46%.

Underlying data revealed a narrowing gap between households that expect interest rates to be raised, at 39%, verses those that anticipate a cut, at 32%.

CSI survey | Expected change to Bank of England base rate

As of August 18, 2025.
CSI based on survey of 1500 households.
Source: S&P Global Market Intelligence.
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The next CSI will be released 09:30 BST 22 September 2025

Note to Editors

Survey methodology

The Consumer Sentiment Index (CSI) is an equally weighted average of five indices: Household Finance Index, Spending Sentiment Index, Labour Market Sentiment Index, Spending Sentiment Index, Debt Sentiment Index and Savings Index. These have similarly been derived from equally weighed averages of relevant sub-components. Index values vary around the 50.0 "no-change" level, with readings above 50.0 signalling an improvement and readings below 50.0 a deterioration. Survey indices have been seasonally adjusted using the US Census Bureau X-12 programme. S&P Global do not revise underlying (unadjusted) survey data after first publication.

The CSI survey was first conducted in February 2009 and is compiled each month by S&P Global. The survey methodology has been designed by S&P Global to complement the Purchasing Managers' Index™ (PMI®) business surveys, which are closely watched due to their timeliness and accuracy in anticipating changing business conditions. The CSI is intended to accurately anticipate changing consumer behaviour.

The survey is based on monthly responses from approximately 1,500 individuals in the UK, with data collected by Ipsos MORI from its panel of respondents aged 18-64. The survey sample is structured according to gender, region and age to ensure the survey results accurately reflect the true composition of the population. Results are also weighted to further improve representativeness.

Prior to September 2010, the CSI was known as the Household Finance Index and was jointly compiled by YouGov and S&P Global based on monthly responses from over 2,000 UK households, with data collected online by YouGov plc from its representative panel of respondents aged 18 and above. The panel was structured according to income, region and age to ensure the survey results accurately reflected the true composition of the UK population. Results were also weighted to further improve representativeness.

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