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## UK Consumer Confidence Falls to Lowest Level in Two Years

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— Categories: Economics

Consumer confidence in the UK economy has fallen sharply over the past year, reaching its lowest level in two years, according to new figures from Which?.

The research, conducted through Which? 's Consumer Insight Tracker, shows that confidence in the future economy has declined significantly since last May, dropping from an average of minus nine to minus 40 between May and July this year. On average, 56 per cent of respondents believed the economy would worsen, while just 16 per cent thought it would improve.

Confidence saw a particularly steep decline last autumn and remained low between February and May, a period marked by global economic concerns including US tariff policies. Although confidence has recovered slightly since, it remains well below the levels seen 12 months ago.

Pensioners have emerged as the most pessimistic group. Their confidence in the future economy fell from minus five between May and July 2024 to minus 63 this year. Reports noted that the decline followed the government's announcement to reduce winter fuel allowances for many pensioners, though confidence levels did not show a marked improvement after the subsequent reversal of this policy.

The Which? data also highlights ongoing financial pressures on households. In the month to July 18, an estimated 2.1 million households missed at least one essential payment, such as rent or mortgage, utilities, or loan repayments. Almost half of households (49 per cent) reported adjusting their spending to manage essential costs, taking measures such as cutting back on basic necessities, dipping into savings, selling possessions, or borrowing.

Rocio Concha, Which? director of policy and advocacy, commented on the findings, stating: “Our research shows consumer confidence in the future of the UK economy has dropped alarmingly over the last year. The government has rightly focused on growing the economy and raising living standards, but further attention to consumer protections was identified as a factor that could support confidence.”

She added that protections against fraud, unfair pricing practices, and rogue trading were highlighted as measures that may help encourage consumer spending.

The figures indicate that although there has been some recovery since the peak of the cost-of-living crisis, many households continue to experience financial strain. Analysts have pointed out that trends in consumer confidence are closely watched as indicators for potential impacts on economic stability and growth.

The Which? report highlights the challenges facing UK households and has been cited in policy discussions concerning the role of consumer protection and financial resilience in the wider economy.