

British Retailers Brace for Further Price Increases as Business Costs Climb

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A new survey reveals that a majority of British retailers are preparing to raise prices again in the coming year, as increasing tax burdens and wage requirements continue to strain operating costs.

According to the British Retail Consortium (BRC), a trade body representing major retail businesses across the United Kingdom, 65% of finance leaders surveyed anticipate further

price hikes over the next 12 months. This follows significant cost pressures resulting from the government's April increase in employer National Insurance (NI) contributions and the rise in the national minimum wage. The BRC's findings are based on responses from finance chiefs representing companies operating over 9,000 stores.

The data comes as Britain faces rising inflation. Official figures released earlier this month indicate that the annual consumer price inflation rate reached 3.6% in June, marking the highest level in over a year. This trend threatens to exceed the Bank of England's projected peak inflation of approximately 3.7% expected in September.

The BRC forecasts food price inflation may climb to 6% by the end of 2025, compounding cost-of-living challenges for British households, particularly ahead of the Christmas season. These mounting pressures have already influenced business decisions; 42% of retail finance leaders reported freezing hiring, while 38% have cut back on in-store staffing and reduced investment in operations.

Retail remains a vital part of the **UK economy**, directly employing around 9% of the national workforce. However, confidence within the industry is waning. The BRC survey found that 56% of finance leaders expressed pessimism about future trading conditions, with only 11% feeling optimistic about the year ahead.

Amid this uncertainty, the BRC urged the government to avoid imposing additional financial burdens on the sector. In particular, the organisation called on Chancellor Rachel Reeves to consider the **broader economic impact of any new tax measures** in her upcoming budget.

"It is up to the Chancellor to decide whether to fan the flames of inflation, or to support the **everyday economy** by backing the high street and the local jobs they provide," said Helen Dickinson, Chief Executive Officer of the BRC.

The survey was conducted between June 19 and July 11, capturing a snapshot of the retail sector's outlook at a time of significant economic headwinds.