

UK Retail Sales See Modest Rebound in June

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British retail sales recorded a modest increase in June, rising by 0.9% compared to the previous month, according to the Office for National Statistics (ONS). The data, released Friday, comes after a sharp decline in May and signals a limited recovery in consumer spending amid ongoing inflation pressures.

Economists surveyed by *Reuters* had anticipated a stronger rise of 1.2%, making the actual figures slightly under expectations. Nonetheless, the increase offers a tentative sign of

resilience in the retail sector, which continues to face pressure from high living costs and fluctuating consumer confidence.

According to ONS data, the uptick was driven in part by improved performance from supermarkets and clothing retailers, supported by warmer weather. Sainsbury's, one of the U.K.'s major supermarket chains, reported better-than-expected quarterly trading results, with increased sales in both food and apparel categories during the warmer period.

However, not all retailers benefited. High-street bakery chain Greggs noted that while warmer weather typically aids sales, June's heatwave had the opposite effect, reducing footfall and prompting a profit warning. The company said high temperatures discouraged shoppers from visiting outlets, especially in typically busy urban centres.

Meanwhile, households continue to grapple with an inflation rate of 3.6%, with food prices rising at a faster pace than other sectors. This has led many consumers to prioritise savings and adjust their spending habits. A survey released Friday found that consumer confidence declined during the month, amid concerns over potential tax increases later this year.

Retail performance in the U.K. has remained uneven over recent months, as economic uncertainty, cost-of-living concerns, and seasonal weather fluctuations shape purchasing behaviour. While June's rebound is a welcome shift for retailers, analysts caution that broader challenges remain for the second half of the year.

The ONS will release further updates on retail trends and inflation later this quarter, providing a clearer picture of the U.K.'s economic trajectory heading into autumn.