

October 2016 Consumer Confidence Briefing

The monthly UK Consumer Confidence Barometer (CCB) undertaken by GfK on behalf of the European Commission* is down 2 points in October to -3. A year ago the measure was +2.

Confidence is down in 3 regions, up in 2 and unchanged in the North (-1). In Wales and Northern Ireland sentiment gained 2 points to -5 and -10 respectively. Biggest drop is in the Midlands and Scotland, down 3 points to -4 and -11 respectively. In the South confidence edged down 1 point to zero.

. Of the 5 measures comprising the headline measure:

- The financial situation of households over the past 12 months is up 1 point at +3 compared to September, but 1 point down on October 2015
- The expected financial situation of households over the next 12 months lost 1 point to +6 on the month; and is unchanged on 12 months ago
- The general economic situation measure over the past 12 months dropped by 3 points to -19; 14 points lower than October 2015
- The general economic situation measure in the coming 12 months shed 8 points to -17 compared to September, and is down 13 points on 12 months ago (-4)
- The measure of consumer sentiment to making major purchases in the current economic situation jumped by 5 points on the month to +14, and is up 7 points on October 2015

The survey also asks other questions about spending and saving. Expected spending on major purchases (such as furniture or electrical goods) in the next 12 months compared with the previous 12 months is unchanged on the month at -6, and 4 points up on 12 months ago (-10).

Peoples' perception of the saving climate is unchanged on the month at -9. 38% of adults regard it as a good time to save, (2 points down on September), and 9 points down on a year ago (47%).

53% of households are currently saving, unchanged on the month and down on 57% a year ago. In the next 12 months 54% of adults say they are likely to save, 1 point lower than September and down from 59% a year ago. Household's overall financial position (24) is 1 point up on September but 1 point below October 2015. It is above the long-term average (20).

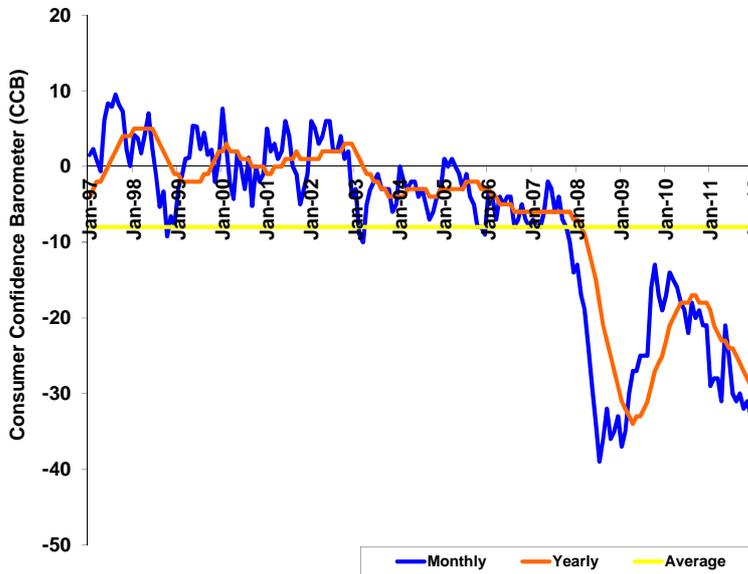
The jobs outlook weakened a little in October. The measure of unemployment expectations is 3 points worse at +14 on the month; but 5 points better than 12 months ago (+19). A higher score represents rising unemployment expectations. A net balance of 18% of adults (14% September believes unemployment will rise in the next 12 months (26% October 2015). The measure of inflation expectations (73) is 2 points weaker on the month and 12 points down on October 2015 (61).

John Gilbert, Chief Executive of JGFR commented:

"October is the fourth post-Brexit month, with sentiment slipping a little compared to September and June, but much stronger than many expected. The fall in sterling during October has had limited impact, although the rising price of fuel at the pumps and for domestic heating may start to alter the mood of consumers in the coming months. With spending confidence high retailers will seek to attract early Christmas shoppers"

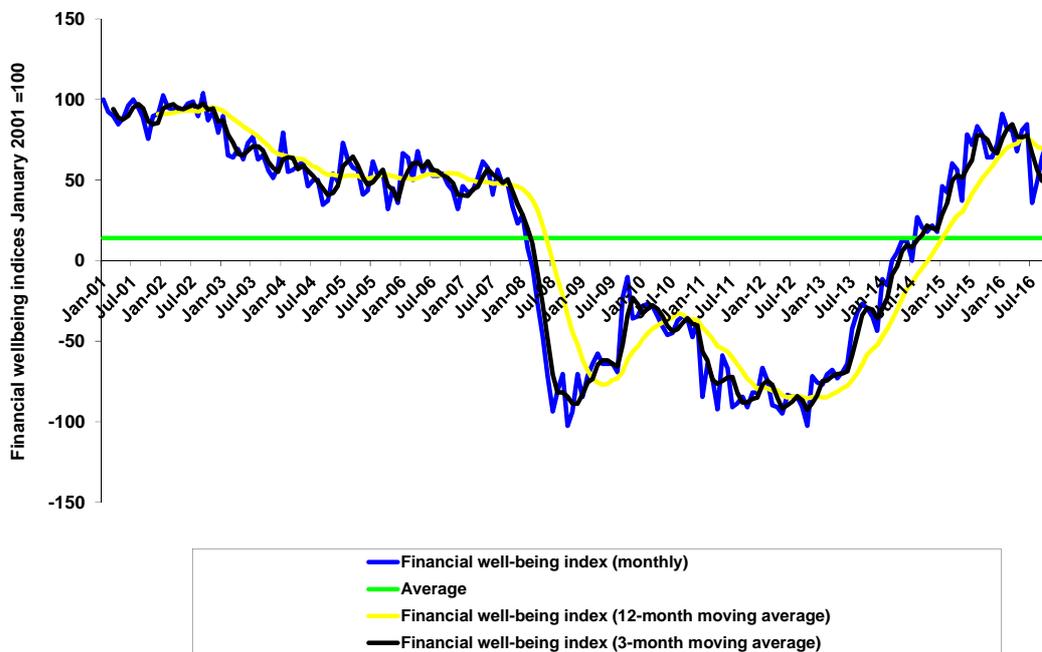
*The UK Consumer Confidence Survey was conducted by GfK NOP among a sample of 2,000 adults aged 16+, representative of the UK population, and carried out between 1-13 October 2016. The JGFR October 2016 *UK Consumer Confidence Monitor* will be published on Friday November 4th.

Chart 1: UK Consumer confidence January 1997 – October 2016



Source: GfK / European Commission / JGFR

Chart 2: JGFR Financial Wellbeing Index 2001-16



Source: GfK / European Commission / JGFR

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