**Press Release – The Money Charity – For Immediate Release**

(BEGINS)

**Consumer Spending Patterns In Upheaval**

**The Money Statistics August 2022**

**Soaring inflation, driven by the increasing costs of many of the most essential, day-to-day expenditure items for UK households, is causing significant shifts for consumer spending patterns, according to the August 2022 Money Statistics, produced by The Money Charity.**

The cost of living crisis continues, with many more UK adults reporting that their everyday costs have increased and they are having to make tougher choices around which essentials they put their money towards. One recent survey found that **89%**[[1]](#footnote-1)of the UK, or around **46 million** people, reported an increase in their living costs. This compares to only **62%** reporting the same back in November 2021.

In the year to July 2022, the CPI (Consumer Prices Index) increased by **10.1%**[[2]](#footnote-2), **0.7%** higher than the year to June 2022, with the highest rates for housing, water, electricity, gas and other fuels (**20.0%**), transport (**14.8%**) and food and non-alcoholic beverages (**12.6%**). The impact of these high rates is closely reflected by what consumers are saying, with **94%**[[3]](#footnote-3) of UK adults reporting an increase in the price of their food shop, **82%** an increase in energy bills and **77%** an increase in fuel. Citizen’s Advice are estimating that the next energy price cap review in October 2022 will leave **1 in 4**[[4]](#footnote-4) adults unable to pay their energy bills and **1 in 3** following the January 2023 review.

These significant rising bills are causing consumers to cut back on their more typical spending patterns. In Q1 2022, UK households spent **£4.31**[[5]](#footnote-5) per household per day on water, electricity and gas, where in Q4 2021, this was **£4.15**. This relatively small increase for midwinter energy usage indicates that UK consumers were undoubtedly already experiencing steep cost increases, with many sacrificing energy use to prioritise other bills, such as food, rent etc. Similarly, the inflation on food prices has seen supermarket sales of their own-label value products increase by almost a fifth (**19.7%**[[6]](#footnote-6)), as consumers look in multiple directions in order to bring down the costs of their weekly outgoings.

**Michelle Highman, Chief Executive of The Money Charity says:**

“Having a well-balanced, robust and thought-through budget is one of the key skills we engage people of all ages with through our Financial Wellbeing and Financial Education sessions. Looking honestly and carefully at your income and expenditure is a vital step in that process, but when prices grow rapidly and/or unpredictably, finding that all-important balance becomes a real challenge and a significant worry for many people.

“It is absolutely imperative that everything that can be done must be done to avoid the predicted numbers of people who will, effectively, be ‘priced out’ of affording energy. Inaction from government simply cannot happen and unfortunately, each measure already announced has quickly been outstripped and rendered obsolete by the increasing scale of the crisis. Politics and ideology need to be put aside and bold, far-reaching solutions embraced. Meanwhile, for anyone already finding themselves in difficulties, or seeing it coming, we’d urge them to seek out the many free advice and support sources available sooner, rather than later.”

**Other Striking Numbers from the August Money Statistics:**

* **1 in 10** UK parents are expected to rely on foodbanks in the coming months.*(P4.1.)*
* Net lending to individuals and housing associations in the UK grew by **£224.6 million** a day in June 2022. (*P6.)*
* **18%** of people living in deprived areas report using credit, compared to **8%** in the least deprived areas. The average proportion for all England is **13%** *(P4.1.)*

**Get the full picture and many more fascinating facts about money in the UK in our monthly** [**Money Statistics**](https://themoneycharity.org.uk/money-statistics/)**.**

Notes to Editors

* For over 25 years, The Money Charity has been the UK’s Financial Capability charity. We proactively provide education, information, advice and guidance to people of all ages, to reach our vision of seeing everyone achieving Financial Wellbeing by managing their money well. We empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives. Find out more at <https://themoneycharity.org.uk/>
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* You may use any of the statistics quoted in this release, or within The Money Statistics, as long as:
	+ You don’t make any commercial or financial gain from their use;
	+ You clearly acknowledge The Money Charity as the providers of the information and point your audience towards signing up themselves for the monthly report; and
	+ You do not make substantive adjustments to the presentation of the statistics, such as amending the statistic phrasing, or for example, repurposing the statistics into a format they are not appropriate for, such as an editorial/’opinion piece’ from the charity.
* If you’d like The Money Statistics emailed to you every month as soon as they’re published, please sign up at: <https://themoneycharity.org.uk/money-statistics/>
* If you’ve any questions, comments, or want any information about the source of these statistics, please contact us through hello@themoneycharity.org.uk
* Any media or press enquiries should be directed to our Communications & Marketing Manager, James Yelland, on james@themoneycharity.org.uk

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1. (The Money Statistics August 2022 Full Report, P4.1) [↑](#footnote-ref-1)
2. (The Money Statistics August 2022 Full Report, P19) [↑](#footnote-ref-2)
3. (The Money Statistics August 2022 Full Report, P4.1) [↑](#footnote-ref-3)
4. (The Money Statistics August 2022 Full Report, P4.1) [↑](#footnote-ref-4)
5. (The Money Statistics August 2022 Full Report, P14) [↑](#footnote-ref-5)
6. (The Money Statistics August 2022 Full Report, P4.1) [↑](#footnote-ref-6)