

Around half of consumers plan to cut back on festive spending, figures show

Almost half of consumers say they plan to cut back on festive spending this year as an estimated 2.2 million households defaulted on a vital payment.

Some 46% of consumers are cutting back this Christmas due to the rising cost of living, [Which?](#) found, with 41% planning to buy fewer gifts, 30% saying they will buy cheaper or less food and drink and 23% planning to stay at home more to save money.

Even among the 8% of people who said they would be spending more, this was driven in many cases by price increases.

[Which?](#)'s consumer insight tracker also showed an estimated 2.2 million households missed or defaulted on a vital payment such as a mortgage, rent, credit card or bill payment in the last month, up from 1.8 million last November.

With prices only predicted to keep rising in 2023, [Which?](#) is calling on businesses to do all they can to support their customers through this extraordinary cost of living crisis

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Just under six in 10 people (57%) made at least one financial adjustment such as cutting back on essentials, selling items or dipping into savings in the last month to cover essential spending.

This is a significant increase from the almost half (46%) making financial adjustments this time last year but lower than the peak of 65% in September.

Some 90% are worried about energy prices and 86% are worried about food prices, 84% are concerned about fuel costs and 66% about housing costs.

For each concern, the proportion worried has increased by more than 10 percentage points compared with this time last year.

Rocio Concha, Which? director of policy and advocacy, said: "With prices only predicted to keep rising in 2023, Which? is calling on businesses to do all they can to support their customers through this extraordinary cost of living crisis. While government intervention is necessary, we also believe businesses across essential services can and should do more to help.

"In the lead up to Christmas, supermarkets in particular can play their part in helping their customers navigate the tough months ahead. Budget lines for healthy and affordable essential items need to be widely available across their stores and supermarkets should ensure shoppers can easily compare the price of products to get the best value. Promotions should be targeted at supporting those most in need."

Separate figures from analysts Mintel found that 54% of Britons say financial concerns mean they plan to keep a stricter budget this year compared to 2021. Some 22% plan to

make use of credit, including buy-now-pay-later schemes, this festive season, rising to 40% of 16 to 24-year-olds.

Nick Carroll, category director of Mintel Retail Insights, said: “We’ve long held the view that the festive retail performance is governed more by how consumers presently feel about their finances than how they view the coming year – with consumers willing to make sacrifices to have a good Christmas.

“However, the uncertainty felt by many at present, and for what the coming year may bring, means the wider economic picture will be hard to ignore this Christmas and will govern the spending decisions of most consumers.

“For lower income households, these concerns are likely to be founded in the here and now, with cutting back not a choice but a reality of the present environment. However, promotional activity and the wider proliferation of credit and buy-now-pay-later will help many shoppers manage their Christmas spending.

“While higher income households may find their present situation to be more manageable, their concerns will be focused on 2023 and the pressures the future holds. Regardless of the motivating force, it’s inevitable that a significant number of shoppers will be cutting back this Christmas.”

Yonder surveys around 2,000 respondents for the [Which? Consumer](#) Insight Tracker every month.