

Sales tumble 10% for small firms as cost crunch hits shoppers

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[ritish](#) small businesses have seen sales plunge by a tenth as customers tighten their belts in response to the cost-of-living crisis, according to figures.

The [Office for National Statistics](#) (ONS) said sales values slid by 10% at small firms in July compared with the previous month, representing the heaviest fall since the onset of the coronavirus pandemic in April 2020.

Shoppers have reassessed their spending patterns in recent months as they face the prospect of continued surges in energy bills.

Meanwhile, small firms have also warned they could face closure due to energy cost rises.

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Pub owners reported earlier this week that they had seen

energy bills rise as much as 400%, with the bosses of six of the UK's biggest pub firms demanding new financial support from government.

On Thursday, the ONS added that the System Average Price (SAP) of gas rose 30% over the week to August 28, marking a new peak for the year.

Around 21% of surveyed businesses with 10 or more employees said they were on a variable rate for electricity and therefore vulnerable to further increases.

Meanwhile, 10% of companies reported their fixed prices would expire by the end of the year.

The latest weekly ONS survey of UK economic activity also revealed an increase in the number of firms proposing redundancies.

It said the number lifted by 4% over the week to August 21 compared with the previous week.

This was a 33% rise against the same period last year, but remained significantly below levels from the start of the pandemic.