

Retail sales rise with online shopping most popular

Retail sales rose in January, surprising economists after a two month fall, according to official figures.

Sales were expected to fall 0.3% according to a Reuters poll of economist forecasts, but data from the Office of National Statistics (ONS) showed the numbers were better than the loss [in December](#).

But there was an overall fall in retail sales volumes by 5.7% in the three months up to last month. Compared to the pre-COVID month of February 2020, the volume of sales are down 1.4%.

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Retail sales were expected to rise in December but instead fell

Online sales, which had fallen in December amid postal worker strikes, also rose by 2%. Feedback given to the ONS suggested this could be attributed to January sales and promotions.

Shopping online is still more popular than before the pandemic, the latest figures illustrated. The proportion of retail sales online fell to 25% in January, slightly decreasing from 25.7% December, but significantly above 19.8% in February 2020.

Seasonal sales also helped increase the volume of spending in non-food stores by 0.6% over the month, following a fall of 2.5% in December. Retailers said that growth was supported by sales promotions.

Despite the pickup, sales volumes were still overall 2.9% below the February 2020 level in this sector.

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Cost of living impacts were demonstrated by the drop in food stores sales. Customers were buying less because of higher prices, the ONS said, as figures from the body showed [food inflation stood at 16.7%](#) in the month.

In the pre-Christmas month, sales were down 5.8% from December 2021 – the biggest fall since 1997.

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[Higher costs of living](#) are putting financial pressure on households as bills and goods become more expensive. According to the latest official release, [inflation stood at 10.1%](#).

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Elsewhere, closely watched data from the British Retail Consortium (BRC) and KPMG suggested consumer spending remained [broadly below inflation](#) in January but people forked out for holidays and entertainment as pent-up demand was released.

The data spending rose by 4.2% and 9.7% in value terms respectively in January compared with a year ago.