

Sainsbury's warns of 'intensifying pressure on household budgets' as sales fall

Sainsbury's has reported a fall in sales as shoppers cut back on spending amid intensifying "pressure on household budgets".

The company saw a 4% drop in like-for-like sales, excluding fuel, over the 16 weeks to 25 June, compared with the same period last year.

The slump was largely driven by weakness in sales of general merchandise and clothing, which includes its Argos brand. Argos sales fell by 10.5% over the period.

Sainsbury's also saw its grocery sales dip by 2.4% when compared with last year's levels, which had benefitted from pandemic restrictions that saw fewer people eating in restaurants and cafes.

Simon Roberts, chief executive of the supermarket group, said the company is "working hard to reduce costs" across its business.

Advertisement

"We really understand how hard it is for millions of households right now and that's why we are investing £500m and doing everything we can to keep our prices low, especially on the products customers buy most often," he said.

"The pressure on household budgets will only intensify over the remainder of the year and I am very clear that doing the right thing for our customers and colleagues will remain at the very top of our agenda."

More from Business



Bank of England tells lenders to prepare for 'deteriorated economic outlook'



Royal Mail managers announce strike dates as Unite union condemns 'culture of greed'



Cost of living live updates: Disbelief as cost of Lurpak hits £9.35 in one supermarket

Podcast

Due to your consent preferences, you're not able to view this.

[Open Privacy Options](#)

Listen and subscribe to [The Ian King Business Podcast here](#).

He said some shoppers are switching from brand-name products to Sainsbury's cheaper own-brand alternatives.

Sainsbury's said around the Queen's Jubilee sales of beers,

wines and spirits were at “the highest ever outside of Christmas and Easter, with Pimm’s, sparkling wine and champagne selling particularly well”.

The company also revealed that fuel sales jumped 48.5% over the period, driven by increases in the price of petrol and diesel.

Read more:

[UK new car sales slump to worst June in 26 years](#)

[Nine tips to reduce how much petrol or diesel you use amid record fuel prices](#)

Motoring groups have criticised petrol retailers for failing to lower fuel prices despite wholesale costs dropping over the past few weeks.

Sainsbury’s said it still expected its underlying pre-tax profit for the year to be between £630m and £690m.