

Press release

UK Consumer Confidence drops two points to -9 in April

Now 28 consecutive months without a positive Overall Index Score.

April 27th 2018

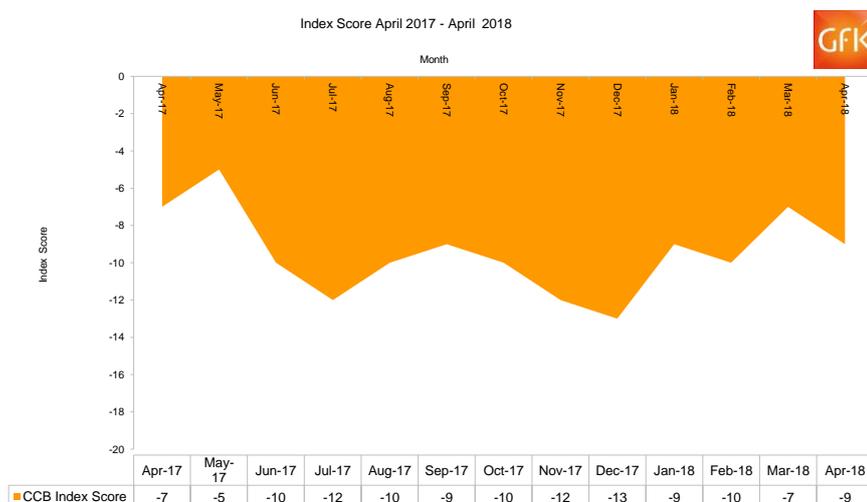
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GfK's long-running Consumer Confidence Index decreased two points in April 2018. Four of the five measures were lower, with the remaining measure increasing.



Joe Staton, Client Strategy Director at GfK, says:

“We now have 28 consecutive months without a positive Overall Index Score. The last positive was in January 2016. Hope springs eternal for better numbers for the UK Consumer Confidence Index but the continued uncertain economic forecast means that the sun is not yet shining brightly for UK consumers. Despite the headline news proclaiming that UK wages rose faster than inflation, no imminent interest rate rise on the horizon, and record high levels of employment, the Index continues to bump along stubbornly in negative territory with a two-point slide to -9 this April. As consumers, we need to see clear evidence with our own eyes – in our bank balances and pay packets – that balmier economic climes have returned. Yet our view of the general economic situation for the UK remains low. More worryingly, there is a steep decline this month in the numbers concerning our personal financial situation – for both the past 12 months and the year ahead. This is the measure relating to security in our day-to-day finances and propensity to shop, spend and plan for their future. But there’s little evidence of optimism in that respect. Consumer confidence is stuck in the doldrums.”

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UK Consumer Confidence Measures – April 2018

The Overall Index Score in April 2018 is -9. Four of the five measures decreased in April, with the remaining measure increasing.

Measure	↑↔↓	Apr 2018	Mar 2018	Feb 2018	Apr 2017
Overall Index Score	↓2	-9	-7	-10	-7
Personal Financial Situation over last 12 months	↓4	-1	3	0	1
Personal Financial Situation over next 12 months	↓6	4	10	5	2
General Economic Situation over last 12 months	↓3	-29	-26	-29	-23
General Economic Situation over next 12 months	↓2	-24	-22	-26	-21
Major Purchase Index	↑1	3	2	0	7
Savings Index (commented on but not used in Overall Index Score)	↓3	10	13	12	1

Personal Financial Situation

The index measuring changes in personal finances during the last 12 months has decreased four points this month to -1; this is two points lower than this time last year.

The forecast for personal finances over the next 12 months has decreased six points to +4 this month; this is two points higher than April 2017.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has decreased three points to -29; this is six points lower than April 2017.

Expectations for the General Economic Situation over the next 12 months have decreased two points to -24; this is three points lower than this time last year.

Major Purchase Index

The Major Purchase Index has increased one point this month to +3; this is four points lower than April 2017.

Savings Index

The Savings Index has decreased three points to +10 in April; this is nine points higher than this time last year.

- ENDS -

EDITOR'S NOTE: Please source all information to GfK.

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About the survey

- The UK Consumer Confidence Barometer is conducted by GfK on behalf of the EU, with similar surveys being conducted in each European country. In producing its own reports on the whole of Europe, the EU applies a seasonal adjustment to the data, to smooth out any changes that are functions, at least in part, of the time of year.
- Historically, the UK data **have not** been seasonally adjusted in this way, and to maintain comparability, GfK continues **not** to apply this adjustment. This can lead to situations where the EU figures show different movements in a particular month from those produced by GfK. Individual months may be affected, but the long-term trend is not.
- The UK Consumer Confidence Survey from GfK was conducted among a sample of 2,006 individuals aged 16+ on behalf of the European Commission.
- Quotas are imposed on age, sex, region and social class to ensure the final sample is representative of the UK population.
- Interviewing was carried out during April 1st – 15th 2018.
- The figures contained within the Consumer Confidence Barometer have an estimated margin of error of +/-2%.
- Results for the Consumer Confidence Barometer are normally available on the last working day of each month at 00.01am (unless the final working day of a month is a Monday, in which case the results are published on the Friday preceding the final working day). The release date for May 2018 is Thursday 31st May 2018.
- **Any published material requires a reference to both GfK and the European Commission e.g. 'Research carried out by GfK on behalf of the European Commission'.**
- This study has been running since 1974. Back data is available from 1996.
- The table below provides an overview of the questions asked to obtain the individual index measures:

Personal Financial Situation (Q1/Q2)	<p>This index is based on the following questions to consumers: 'How has the financial situation of your household changed over the last 12 months?'</p> <p>'How do you expect the financial position of your household to change over the next 12 months?' (a lot better – a little better – stay(ed) the same – a little worse – a lot worse)</p>
General Economic Situation (Q3/Q4)	<p>This index is based on the following questions to consumers: 'How do you think the general economic situation in this country has changed over the last 12 months?'</p> <p>'How do you expect the general economic situation in this country to develop over the next 12 months?'</p> <p>(a lot better – a little better – stay(ed) the same – a little worse - a lot worse)</p>
Major Purchase Index (Q8)	<p>This index is based on the following question to consumers: 'In view of the general economic situation, do you think now is the right time for people to make major purchases such as furniture or electrical goods?'</p> <p>(right time – neither right nor wrong time – wrong time)</p>
Savings Index (Q10)	<p>This index is based on the following question to consumers: 'In view of the general economic situation do you think now is?' (a very good time to save – a fairly good time to save – not a good time to save – a very bad time to save)</p> <p>(Commented on but not included in the Index Score)</p>

About GfK

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