



# The COVID-19 Pandemic's Financial Impact on UK Consumers

The COVID-19 pandemic is creating a new reality as its impact has stretched to consumers of all generations and income levels.

TransUnion is tracking the changes of this data weekly and will be sharing it with all of you.

WEEK

3

Data collected week of  
**6 APRIL**

## BACKGROUND

The current global COVID-19 pandemic is creating major economic and financial distress for consumers across the globe. Millions of jobs in the UK economy are already being impacted or at risk due to drastic demand shifts. We've conducted research to better understand consumers' perceptions and expectations for how this rapidly evolving situation is affecting their financial situation and subsequent ability to pay their bills. The insights in this report aim to help you make informed decisions at a time when information on consumer impact is still emerging. We are providing this report and additional resources to all so we can come together to support people during this trying time.

## Key Takeaways

- The financial impact of COVID-19 preventative measures continues to be significant and broadly felt as three out of five UK consumers (61%) are currently being impacted financially.
- Approximately 13% of UK consumers being impacted lost their job during this most recent week of the pulse study, which is consistent with last week. However the rate for job loss among Millennials increased most noticeably week-over-week from 12% to 19%.
- Concern over being able to pay bills and loans remains high for those being impacted, especially for Millennials and Gen Z consumers, with 79% and 73% of these generations concerned, respectively. This compared to 63% for Gen X and 39% for Baby Boomers.
- A lower number of impacted consumers indicated they don't know how they're going to pay their bills (11%) compared to last week (15%), and the week prior (23%). One in four of those impacted plan to pay a partial amount that they can afford, but not the whole balance.

## RESEARCH METHODOLOGY

This online survey of 1,057 adults in the UK was conducted 7 April 2020 by TransUnion in partnership with third-party research provider Qualtrics® Research-Services. Adults 18 years of age and older residing in the UK were surveyed using an online research panel method across a combination of computer, mobile, and tablet devices. Survey questions were administered in English. All regions are represented in the study survey responses. To ensure general population sample representativeness across UK resident demographics, the survey included quotas to balance responses to the census statistics on the dimensions of age, gender, household income and region. These research results are unweighted and statistically significant at a 95% confidence level within ±3.01 percentage points based on calculated error margin.

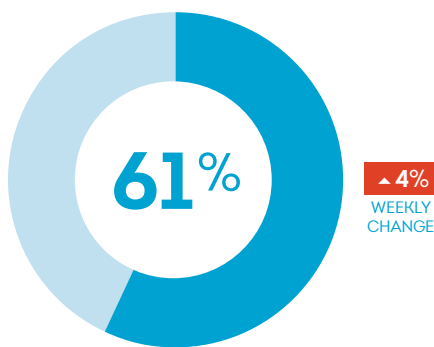
## FINANCIAL IMPACT

### WHAT IS THE SCALE AND TYPE OF IMPACT?

While 61% of UK residents said their household income was negatively affected by the pandemic, the impact was more pronounced among Millennials (74%). This generation is significantly more impacted than Gen Xers (65%) and Baby Boomers (45%).

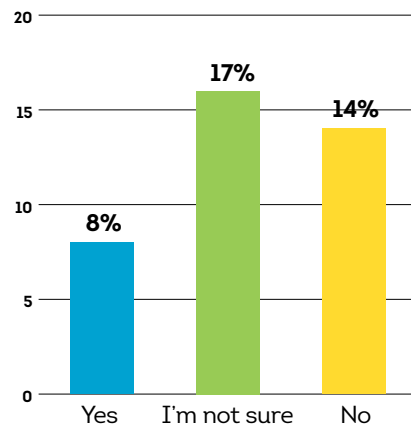
Another 8% of UK consumers expect to see their income affected in the future and an additional 17% are still not sure of the future impact on their income. Baby Boomers are particularly uncertain – 23% said they are not sure if their income will be impacted by the pandemic.

**Figure 1. Perceived impact**

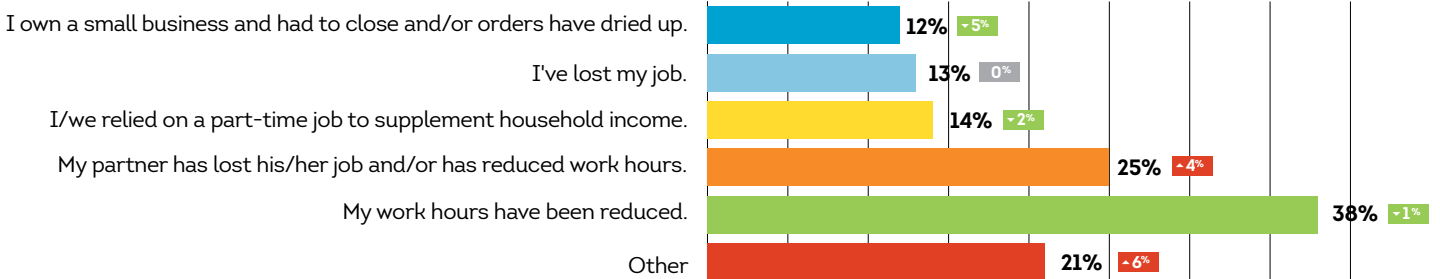


Percentage of consumers who indicated their household income has been impacted.

**Figure 2. Are you expecting to be impacted in the future?**



**Figure 3. How is your current household income being impacted?**



## BILLS AND LOANS

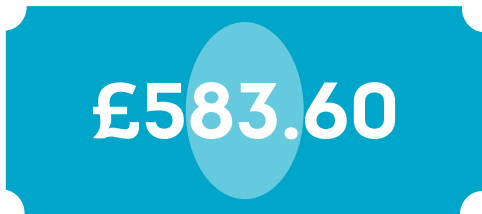
### HOW MUCH OF AN IMPACT WILL THIS HAVE ON BILLS AND LOANS?

The percentage of consumers concerned with their ability to pay bills and loans going forward dropped slightly to 65% from 70% in the first two weeks of the study. Consumers expect that they will not be able to pay their bills and loans in about six weeks, an increase from 5.3 weeks in the first week of research. The total amount they anticipate being short has remained steady at just under £600.

UK residents being impacted financially are most concerned about paying utilities, rent, and credit cards. The proportion of consumers concerned about credit card payment abilities increased to 42% this week from 33% last week, and is especially high among Gen Xers and Baby Boomers where nearly half are concerned about their ability to pay.

**Figure 4. How much is your budget shortfall?**

On average, amount consumers who were impacted expect they will be short when paying bills or loans.

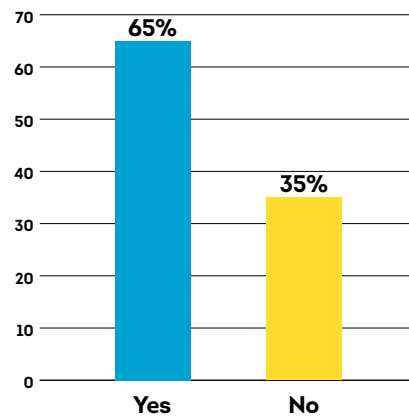


**How soon will you not be able to pay?**

Consumers who were impacted expect they will not be able to pay their bills or loans in

5.9 weeks.

**Figure 5. Are you concerned about your ability to pay your current bills and loans?**



**Figure 6. Regional level of concern regarding ability to pay bill(s)/loan(s)**

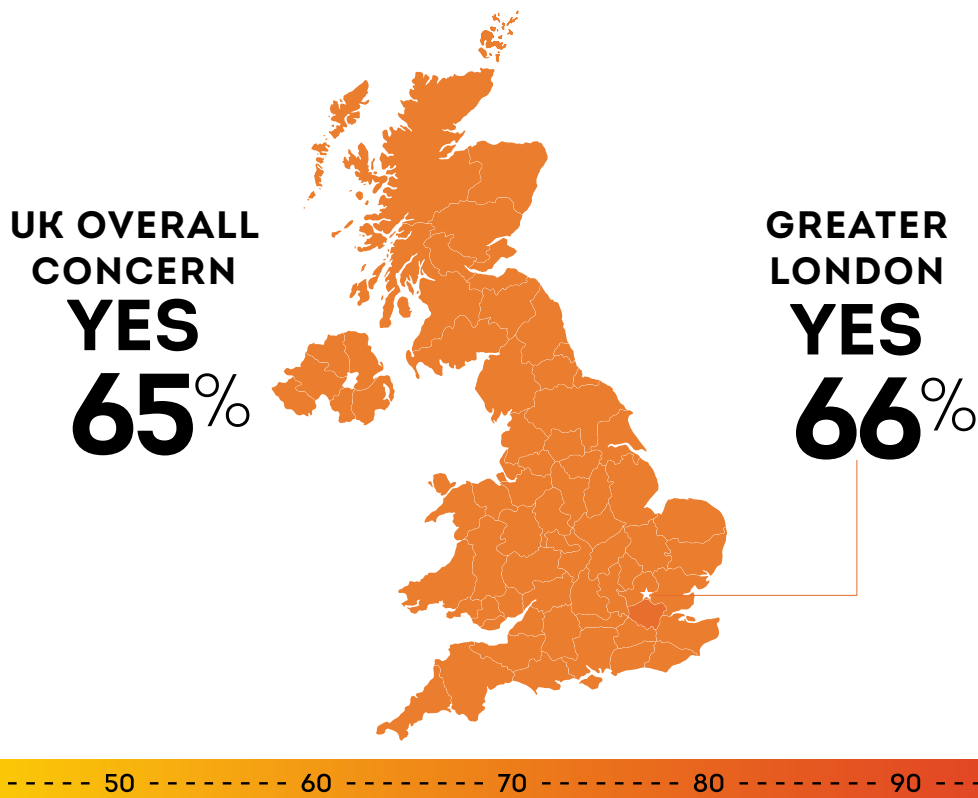
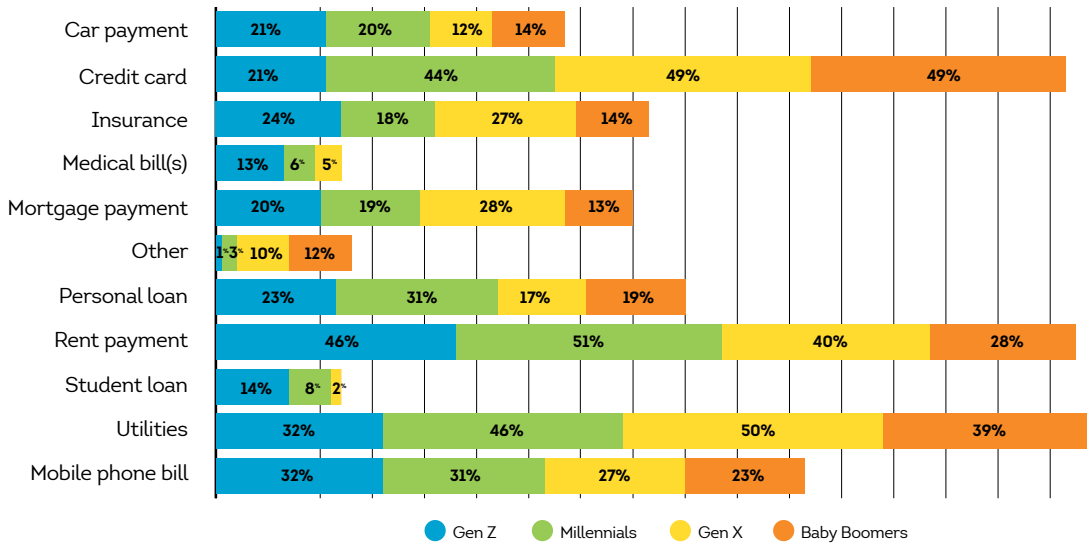


Figure 7. What bills and loans?



## NEXT ACTION

### WHAT IS YOUR GAME PLAN?

The proportion of financially impacted consumers who do not know how they are going to pay their bills has shrunk since the first week of this study, when nearly one in four (23%) said they did not know how they would pay. This week only one in ten (11%) had that sentiment. Consumers either plan to use money from savings (32%), pay a partial amount (25%), or borrow money from a friend or family member (23%) to fill the gap. Many others plan to use money from the Coronavirus Job Retention Scheme (23%) or use payment holidays provided by lenders/providers (18%).

Nearly three out of five (59%) impacted consumers have not yet contacted their lenders to discuss options, however more and more companies are providing guidance on payment options (68% this week, up from 62% in week two). All consumers, regardless of credit score, should reach out to lenders if they won't be able to make an upcoming payment. Many lenders are offering flexible repayment options to help consumers manage COVID-19 related financial difficulties, which can prevent negative items, such as missed payments, from negatively impacting consumer credit reports and scores.

Figure 8. What is your plan to help pay your current bill(s) or loans?

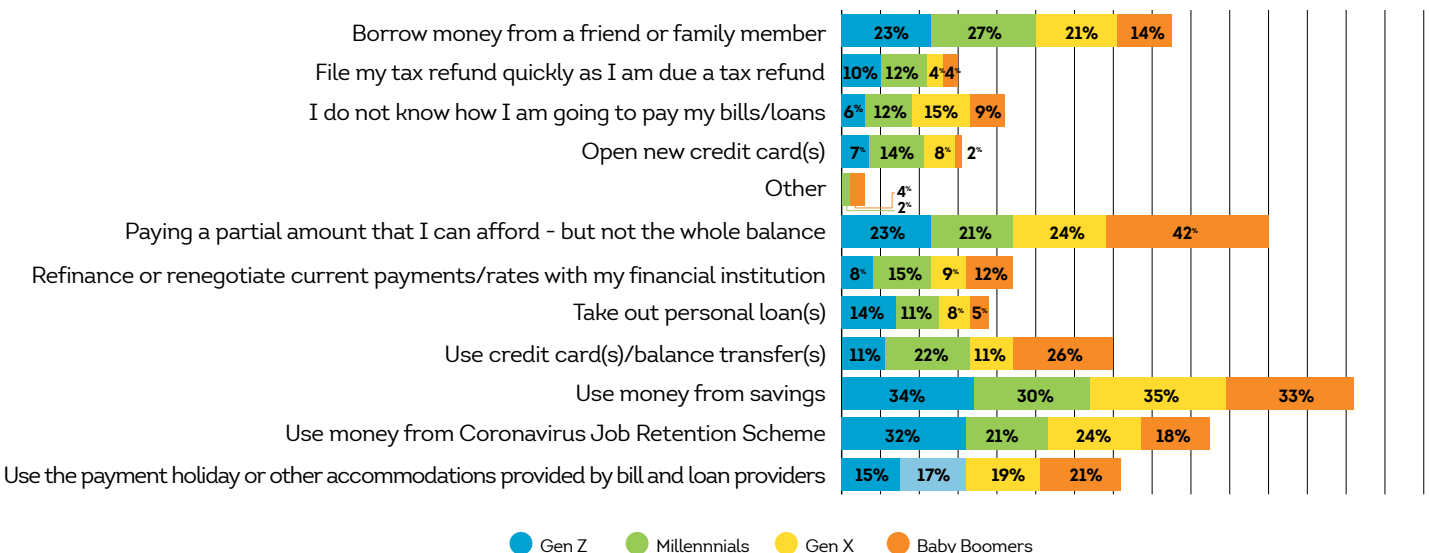


Figure 9. Have you reached out to companies you have accounts with to discuss payment options?

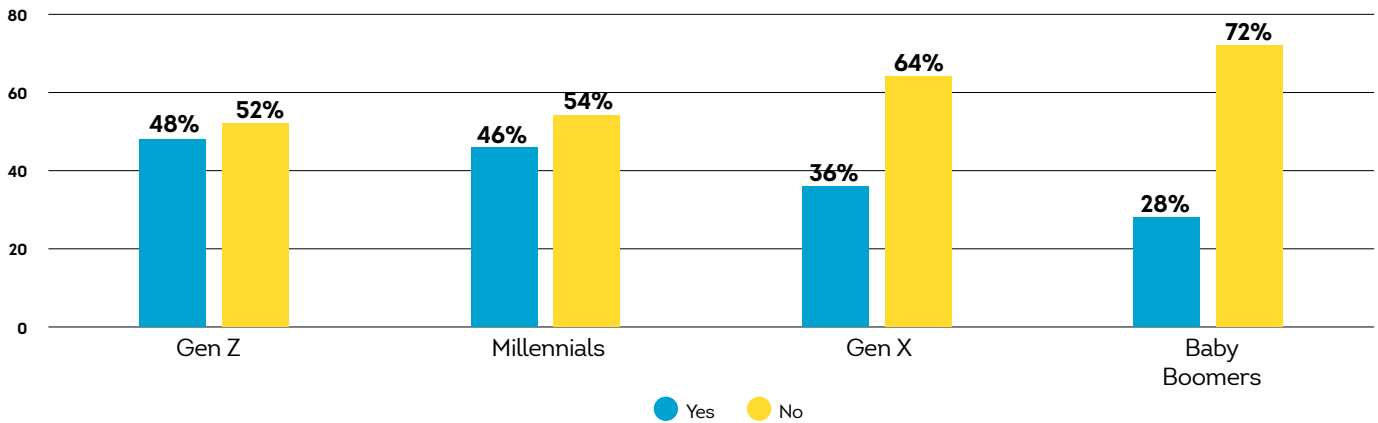
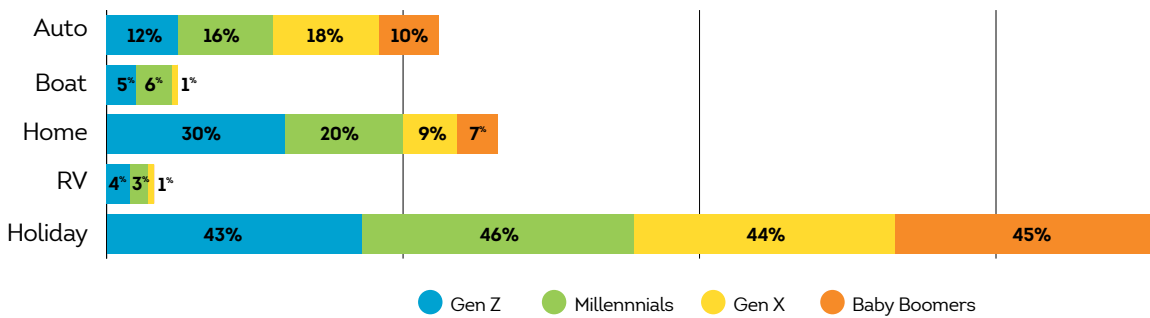


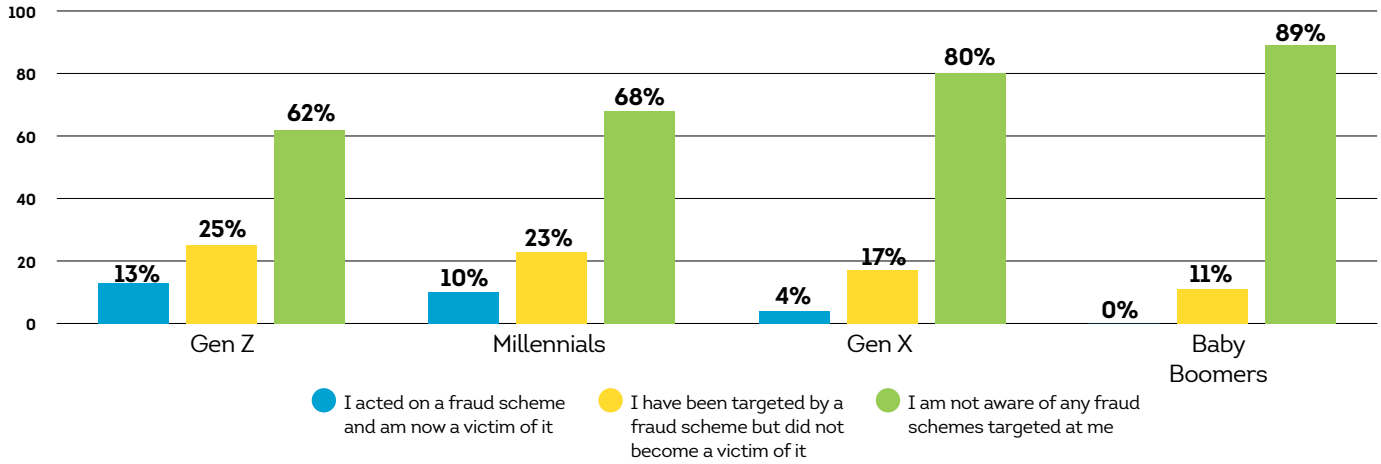
Figure 10. Are you delaying any of the following major purchases?



### Other Key Insights

- Many UK consumers are also delaying major spending. The primary purchases they're delaying are vacations (44%), followed by home (15%) and auto purchases (14%).
- Compared to last week, significantly more Gen Z consumers are delaying a home purchase (30% up from 19% in week two).
- Approximately 24% of UK consumers say they have been a target of digital fraud related to COVID-19. Gen Z consumers are more likely to be aware of the schemes - 38% report being targeted compared to only 11% of Baby Boomers.

**Figure 11. Which statement best describes your personal experience with any digital fraud attempts related to COVID-19?**



**CALL TO ACTION**

If you found this information useful and would like to learn more, please come back for next week's report and visit our [UK Consumer Financial Hardship Study website](#). We at TransUnion are committed to continuing to provide you the updates, tools and resources you need to understand this evolving situation.

If you are a member of the media and would like to learn more, please contact:

**Dee Gallagher**  
+44 7894 938279