

## Consumer Pulse Study

# Consumer behaviours and attitudes about current and future household budgets, spending and debt

UK Q4 2025

TransUnion's quarterly survey explores how consumers' personal finances have changed and what changes they expect in the future. The study measures shifting consumer attitudes and behaviours based on the dynamics of income, debt and identity theft. The analyses and insights give consumers a voice and inform businesses' decision-making as they seek to create economic opportunity for consumers.

### KEY TAKEAWAYS



#### Optimism holds – even as “sticky” inflation dominates headlines

Consumer confidence rose slightly: 44% said they're optimistic about their household finances in the next 12 months, up from 42% in Q3 2025 and the all-time low of 26% in Q3 2022. However, this optimism was tempered by persistent inflation<sup>1</sup> and increasing unemployment<sup>2</sup>; factors that help explain why sentiment is improving but not surging.

There also appeared a notable divide in optimism between the haves and have nots: 74% of high earners (greater than £80,000 a year) were optimistic versus just 36% of low-income households (less than £30,000K a year). While Gen Z had the highest optimism among generations surveyed at 74%, they were also on the higher end of those with expected payment struggles; 22% expected to be unable to pay at least one of their current bills and loans in full as opposed to 7% of Baby Boomers.

Overall, inflation remained the top household financial concern by far as 84% ranked it in their top three. Even so, fewer said they're cutting back on discretionary spending: 46% stated they cut back on it in the last three months, down from 51% a year ago. The shift suggests cautious confidence but not yet a full recovery from the lowest point of optimism.



#### Credit access rises while credit demand cools

More consumers now feel they have sufficient access to credit and lending products (59%, up from 53% a year ago), but fewer plan to borrow. Less than a quarter (22%) intend to apply for or refinance credit in the next year, down from 24% in Q3 of this year. This suggests a long-awaited shift in the credit market, with an apparent greater supply of credit finally starting to put a dent in the consistently high demand from consumers.



#### Wages flatline as job concerns creep in

With unemployment on the rise and jobs vacancies waning<sup>3</sup>, the percentage of consumers who had jobs in their top three household financial concerns for the next six months now sits at 32%. In the short term, the effect appears minimal as 43% expected higher income over the next year (mostly on par with Q4 last year when it was 42%) and 23% reported their income rose in the past three months (the same as last year). Nonetheless, the effect of a soft employment market could have an impact across consumer optimism, spend and credit demand in upcoming quarters.

<sup>1</sup> Office for National Statistics, [Consumer price inflation, UK, September 2025](#)

<sup>2,3</sup> Office for National Statistics, [Labour market overview, UK, October 2025](#)

## Household income (HHI), spending and bill payment impact

UK consumers head into the end of 2025 with sentiment broadly in line with last year but slightly improved from Q3 2025. More than 4 in 10 (44%) felt optimistic about their household finances for the next 12 months, up from 42% in Q3 and equal to the same time last year. More notable, the level of consumer optimism was well above its lowest point since we began surveying when it was 26% in Q3 2022. However, generational and income optimism divides remain stark. Gen Z optimism was at the highest level among generations surveyed at 74% compared to the lowest at just 28% for Gen X. Among high earners (annual income over £80,000), optimism reached 74% versus 36% for low-income households (annual income lower than £30,000). The middle-income level (£30,000 to £79,999 annually) sat in between at 49%.

Alongside the relatively stable optimism, expectations for income growth also strengthened: 43% of all surveyed anticipated higher earnings in the year ahead, up from 40% last quarter and 42% a year ago. Actual reported income gains, however, remain muted: 23% reported an increase in the past three months, the same as 23% in Q4 2024 but down from 26% last quarter.

The share of consumers expecting to be unable to pay at least one current bill or loan payment in full remained steady with last quarter and a year ago at 19%, though lower-income households remained disproportionately exposed; 23% foresaw payment challenges versus just 15% of both middle and high earners.

Among all surveyed, inflation remained the dominant financial worry: 53% cited it as the top household financial concern over the next six months (84% had it in their top three), up from 50% a year ago. Housing costs (12%) and recession fears (10%) trailed far behind as the second and third highest top financial concern.

These concerns appear to be shaping spending behaviour – with a slight reduction (46% down from 51% a year ago) in those claiming to have cut back on discretionary spending in the past three months. Only 11% reported increasing discretionary spending, signaling households remain focused on essentials.

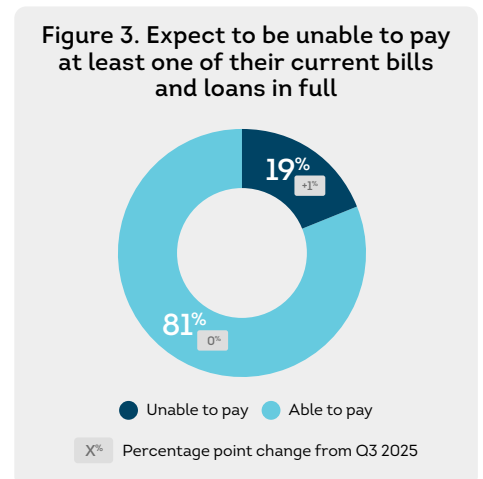
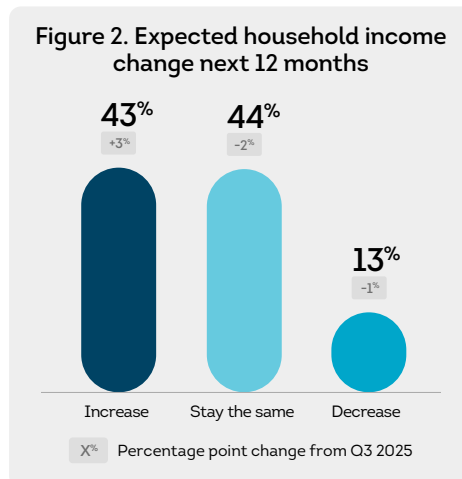
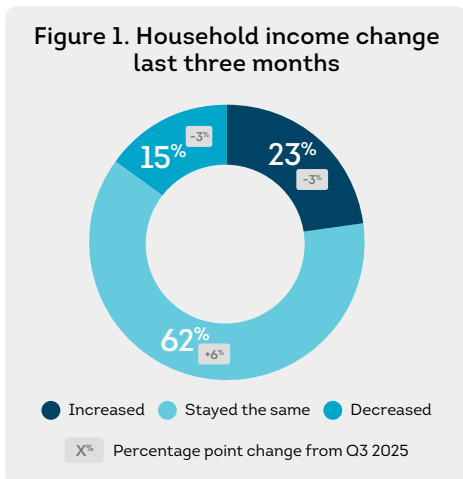


Figure 4. Optimism about household finances in next 12 months

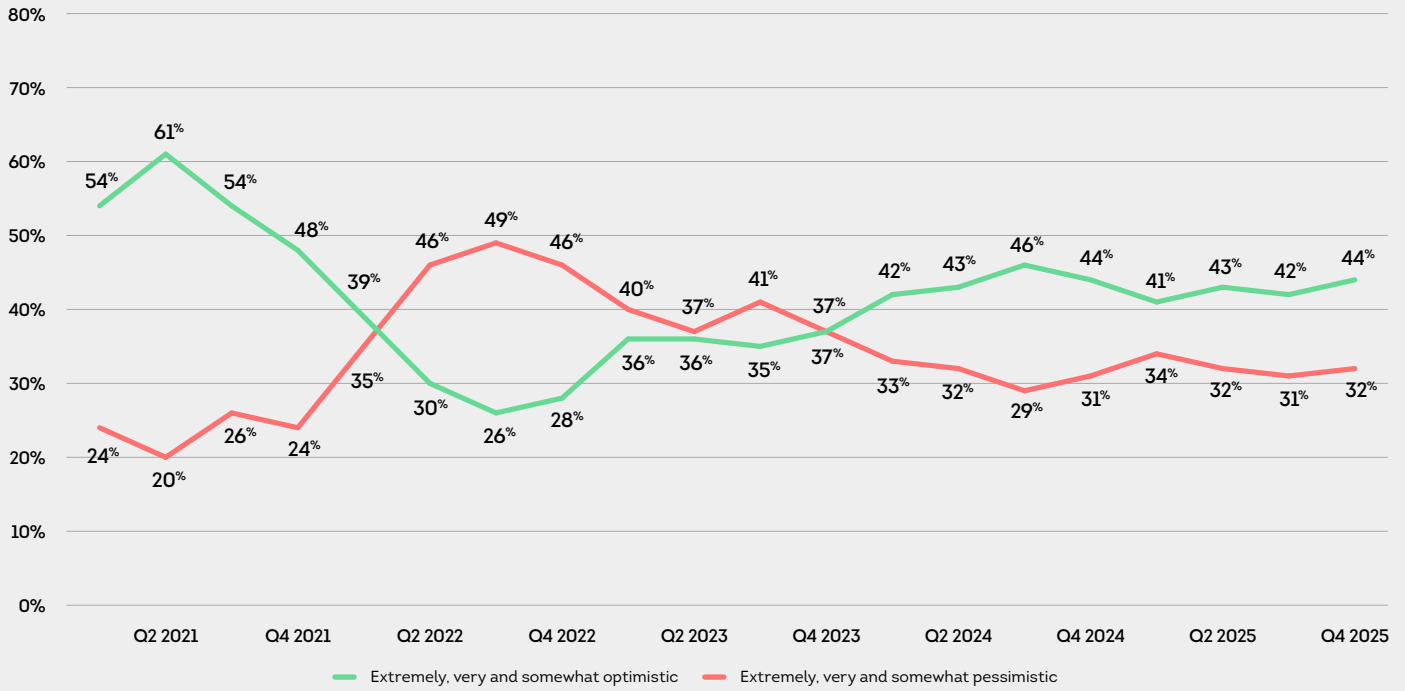


Figure 5. Biggest concerns affecting household finances in next six months

Percentage of consumers who said this concern was in their top three

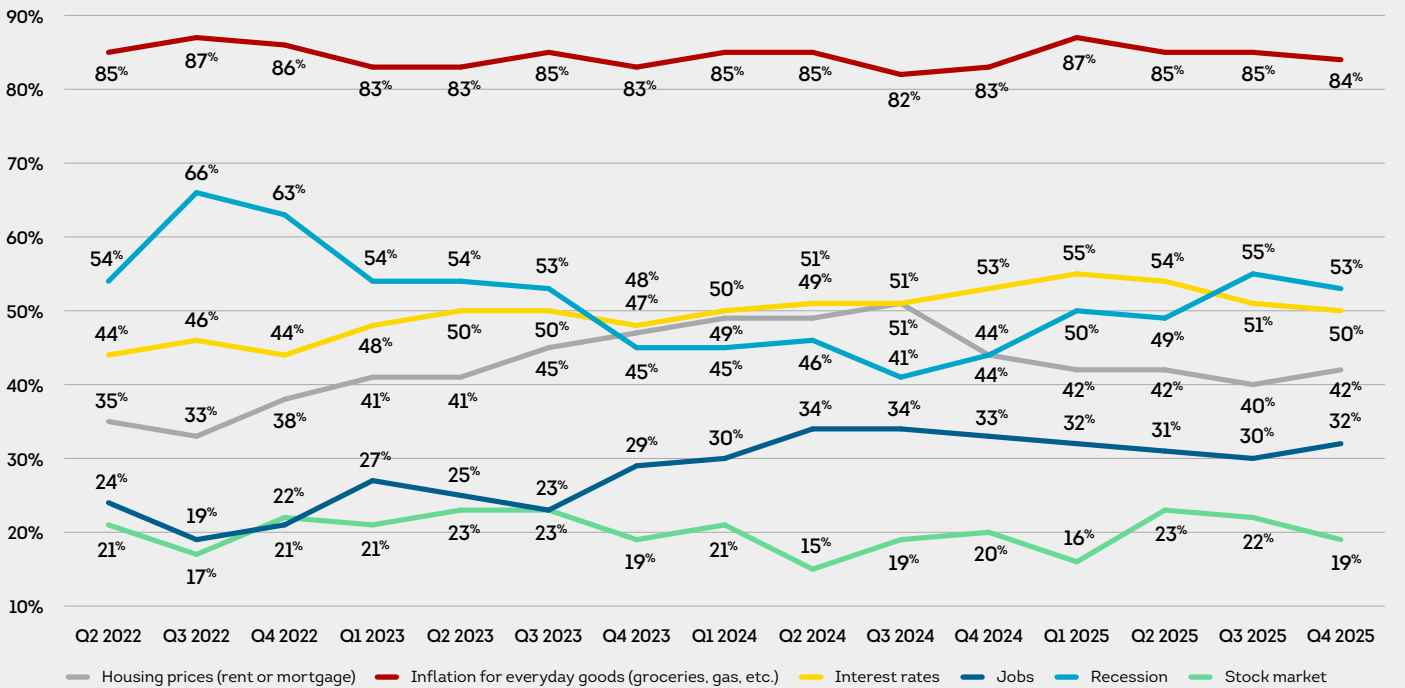


Figure 6. Changes to household budget in the last three months

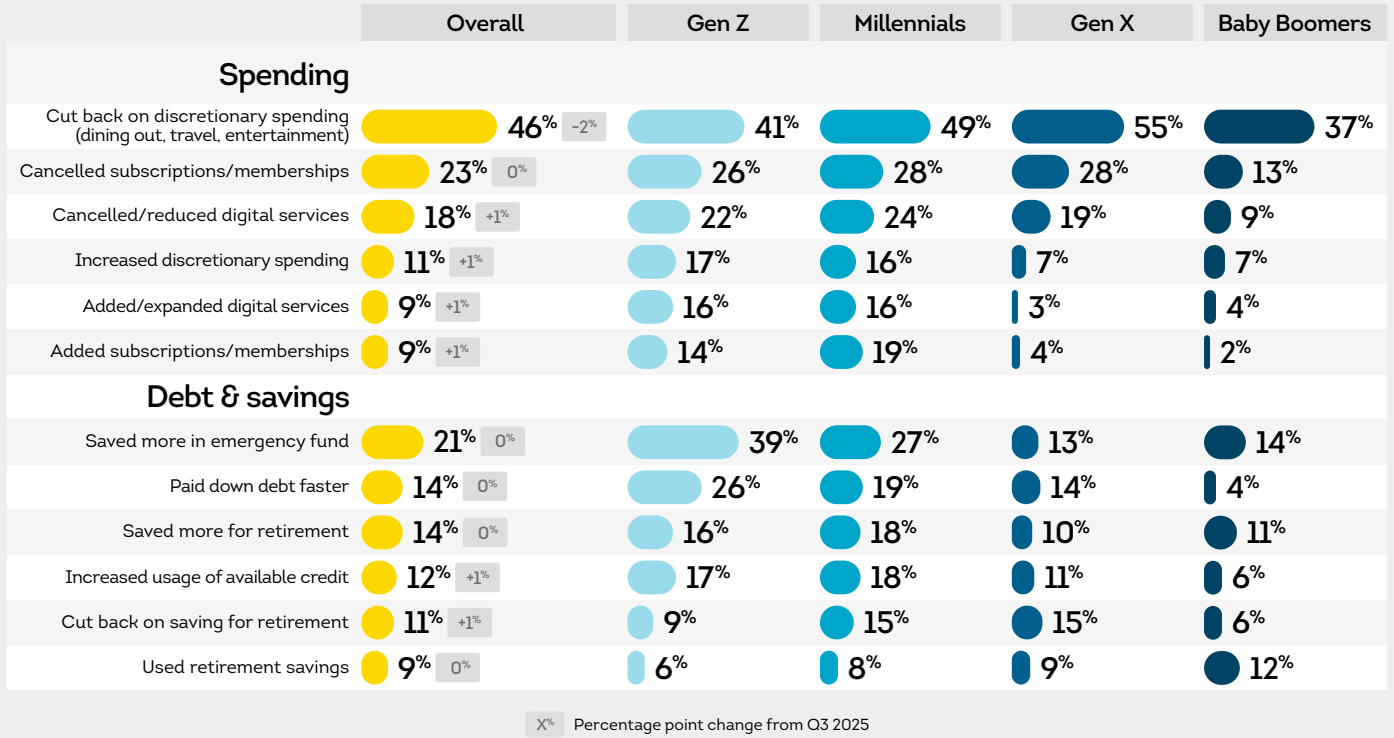
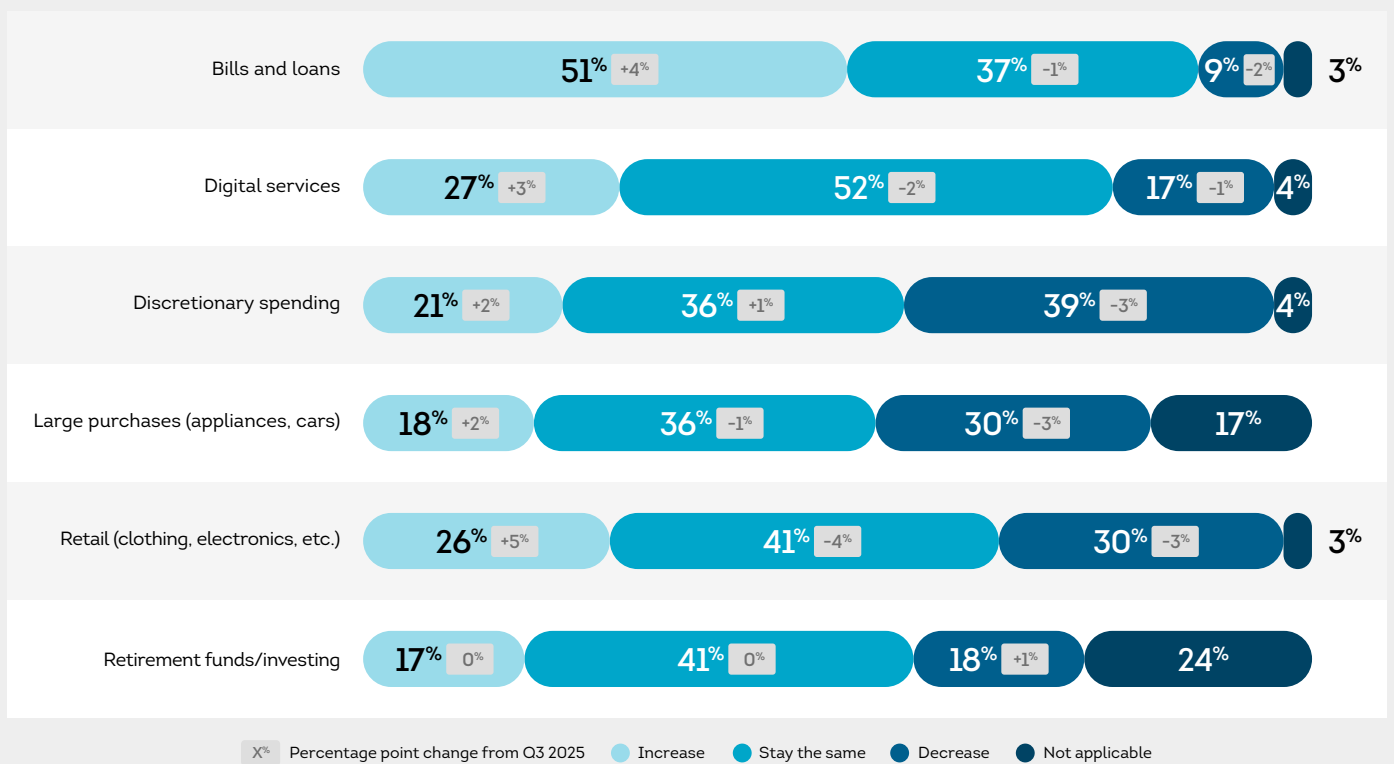


Figure 7. Expected change to household spending over next three months



## Attitudes and plans for economic participation

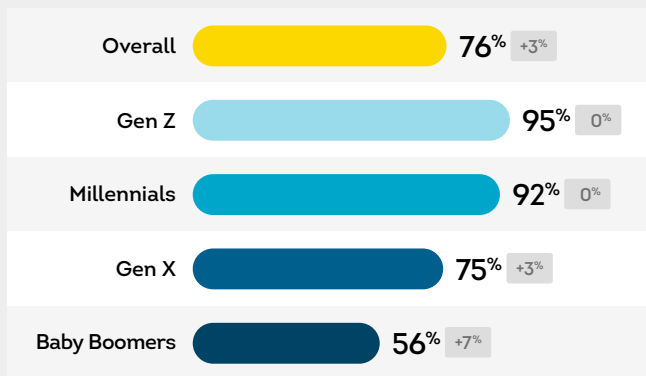
The UK credit landscape is showing signs of gradual alignment between consumer expectations and perceived access. This quarter, 76% said access to credit and lending products is important for achieving financial goals, three percentage points higher than last quarter but nearly the same as a year ago. Encouragingly, 59% now believe they have sufficient access to credit and lending products (up from 53% a year ago), suggesting lenders' risk appetites and product availability are increasing. This comes as demand cools slightly.

Just 22% said they plan to apply for new or refinance credit in the next year, down from 24% last quarter. Younger generations still dominate demand: 43% of Gen Z and 35% of Millennials intend to seek credit compared to 20% of Gen X and 5% of Baby Boomers.

Among all surveyed who planned to apply, credit cards were the leading type of credit: 49% intended to apply for a card, although that's down from 54% last quarter. Applying for buy now, pay later payment services came in second at 26%. Of interest, refinancing a mortgage ticked up slightly to 17% from 14% last quarter.

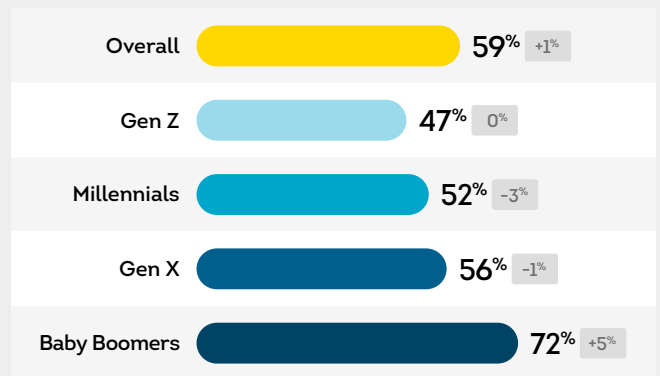
Encouragingly, fewer consumers said they're abandoning new or refinancing credit applications: 22% decided not to proceed after considering it, down from 26% a year ago. The top reason for doing so remained the same as last quarter with cost at 26%. Interestingly, fear of rejection due to credit history remains a significant factor with 19% abandoning for this reason – despite it being easily addressed through pre-qualification assessments.

**Figure 8. Believe important to have access to credit and lending products to achieve financial goals**



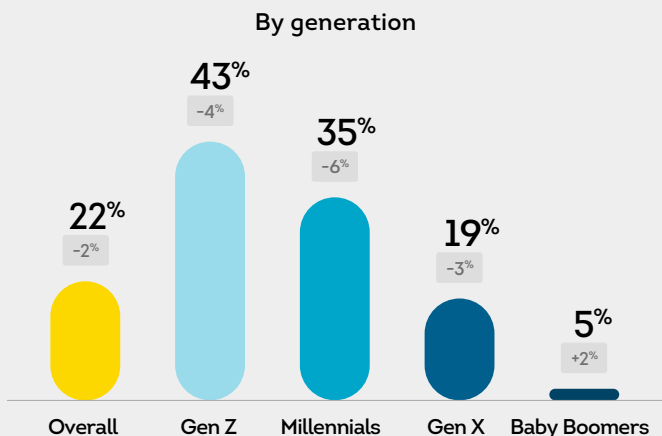
X\* Percentage point change from Q3 2025

**Figure 9. Believe have sufficient access to credit and lending products**



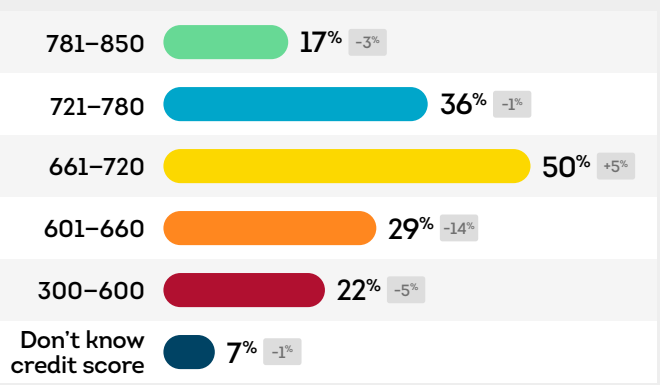
X\* Percentage point change from Q3 2025

**Figure 10. Plan to apply for new credit or refinance existing credit within the next year**



X\* Percentage point change from Q3 2025

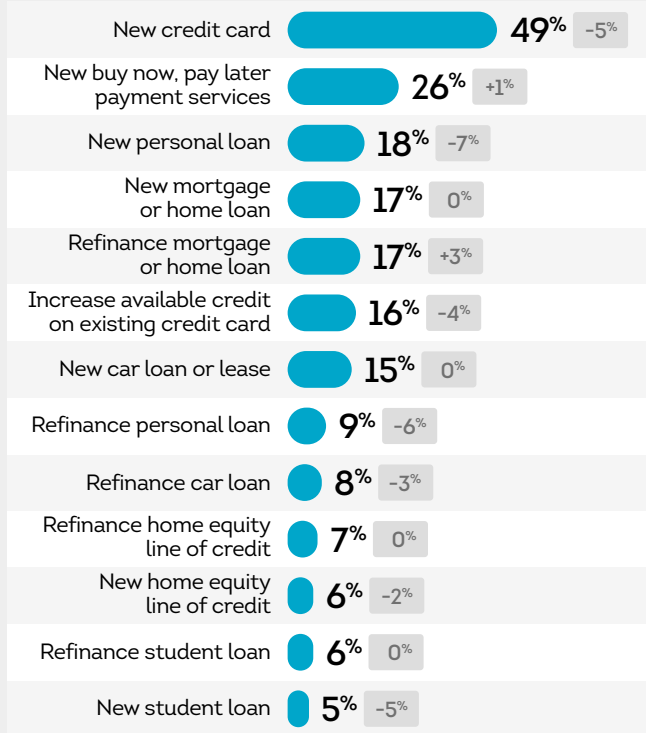
**By credit score**



Self-reported credit score ranges

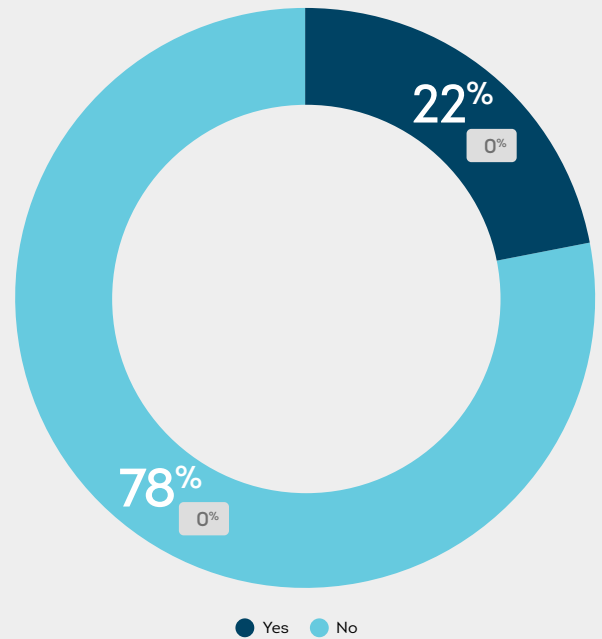
**Figure 11. Type of new credit and loan activity planned in next 12 months**

(among those who plan to apply for new or refinance existing credit)



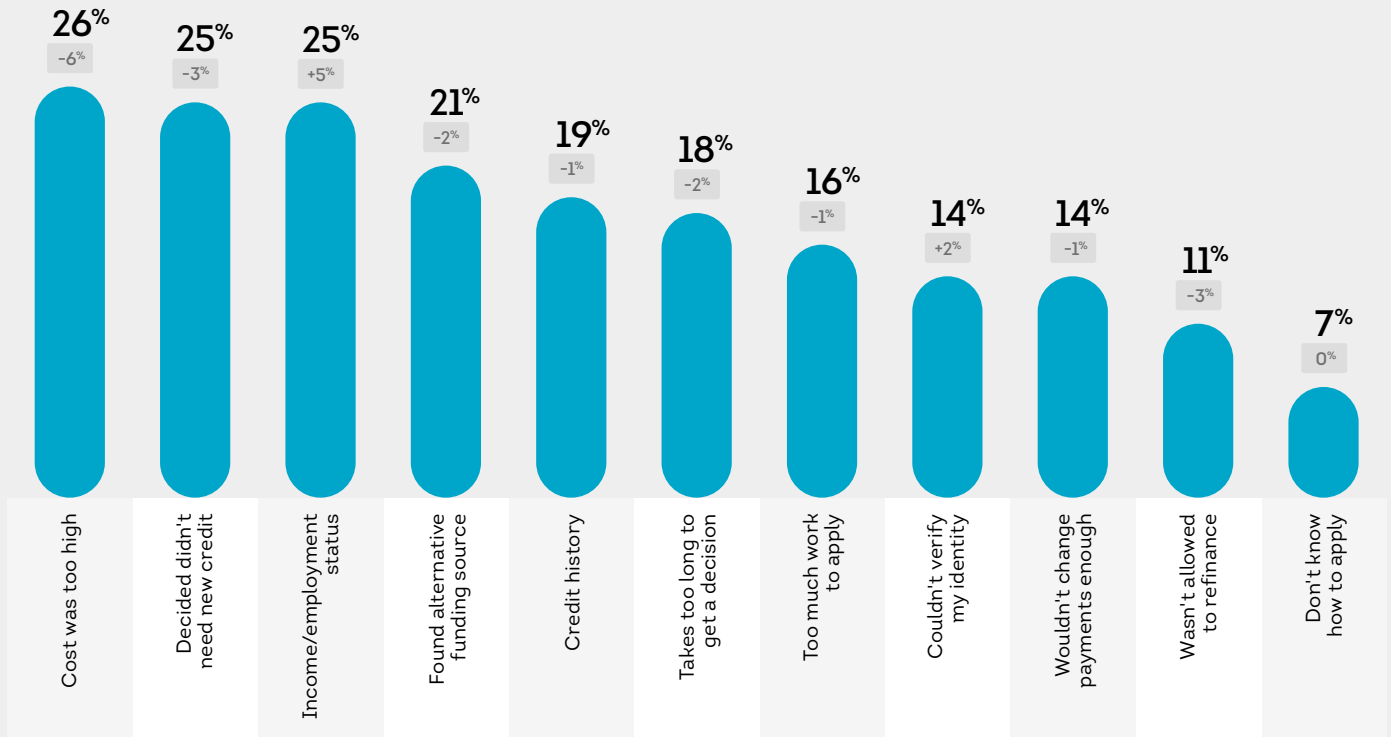
X\* Percentage point change from Q3 2025

**Figure 12. Abandoned plan to apply for new credit or refinance**



X\* Percentage point change from Q3 2025

**Figure 13. Reasons for abandoning application for new credit or refinance**



X\* Percentage point change from Q3 2025

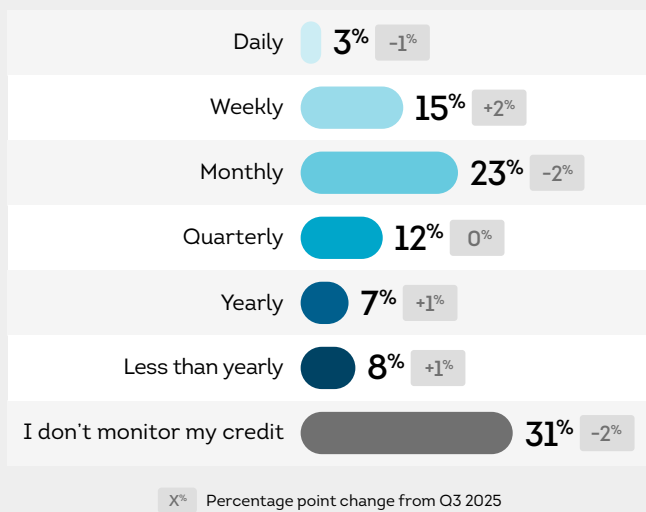
## Attitudes and behaviour to manage financial choices

Brits continue to treat their credit data like a financial hygiene check. More than three in four (78%) said it's important to monitor their credit reports and 41% reported monitoring their credit at least monthly.

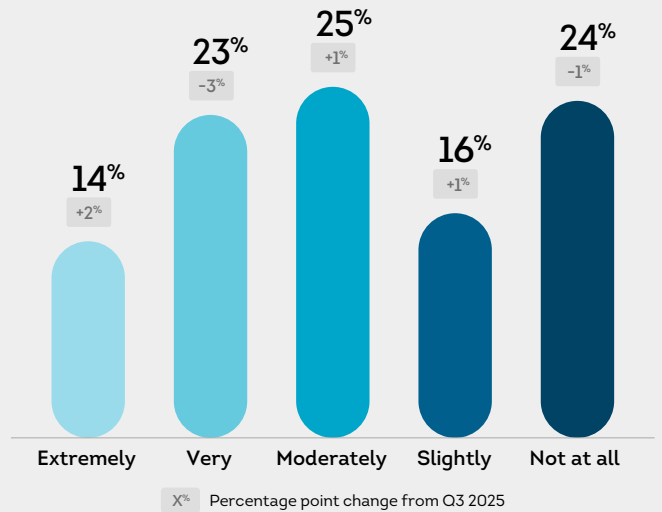
There was a definite generational and wealth divide regarding monitoring. Gen Z led all generations surveyed with 67% reporting monitoring monthly compared to just 27% of Baby Boomers who were the lowest. Higher earners outpaced all income groups with low income being the lowest (53% vs. 38%).

Among all surveyed, the top reasons for monitoring shifted. Accuracy checks (37%, up two percentage points) and fraud detection (31%, up two percentage points) rose from last quarter, while score improvement slightly dipped to 34% from 33%. This suggests consumers are increasingly prioritising protection, which is understandable given the high rates of reported fraud observed in recent quarters (see the next section of this report).

**Figure 14. Credit report monitoring frequency**

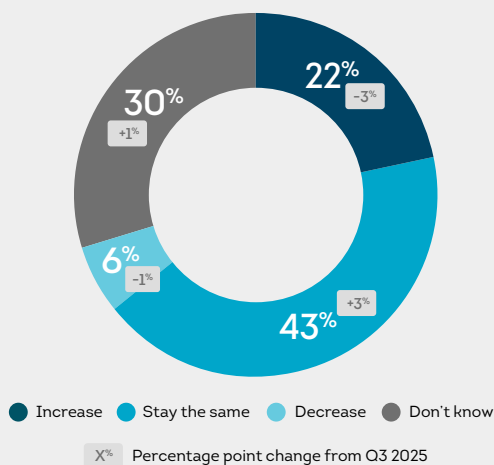


**Figure 15. Believe monitoring credit report is important**



**Figure 16. How believe credit score would change if businesses used information not on standard credit report**

Examples provided of non-standard information include: rental payments, short-term loan history and buy now, pay later loans



## Identity risks and usage

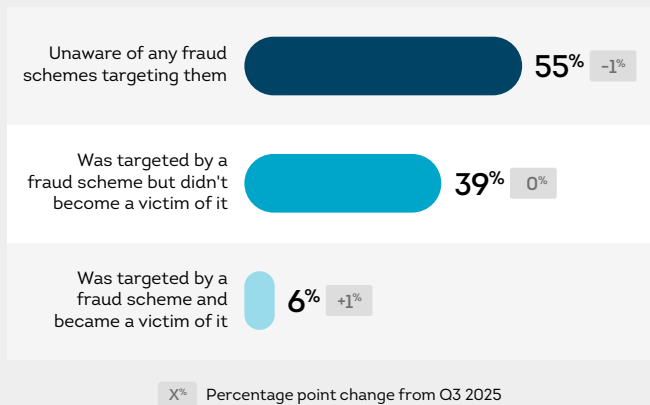
Fraud continues to cast a long shadow over UK consumers: 45% reported being targeted by online, email, phone or text messaging fraud in the last three months. Of those, 6% said they fell victim, a rise from both the previous quarter (5%) and the same time last year (4%). This growing victimisation reporting could reflect persistent social engineering tactics.

Among those reporting being targeted, phishing remained the most common scheme at 44% followed by smishing and vishing, each at 36%. These methods – which exploit trust through digital and voice channels – continue to dominate the fraud landscape, consistently ranking among the long list of fraud schemes over the past few years. Meanwhile, account takeover attempts, though less frequent at a reported 10%, represent a possibly greater threat to financial safety and security for many consumers.

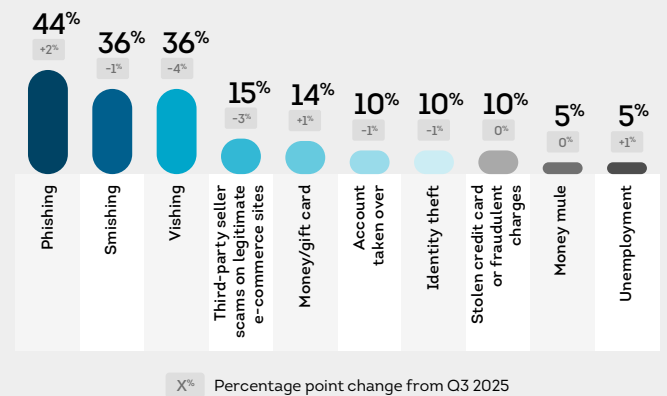
Unfortunately, data breaches remain a regular feature of the consumer experience: 17% said they were notified in the past three months their identities or account details had been stolen, up from 12% a year ago. Encouragingly, more consumers are responding to these alerts: 48% changed the password on the affected account, up from 41% last year. Furthermore, 22% placed a credit freeze – which can be one of the most effective tools for temporary impact prevention after a data breach or known fraud attempt.

There is, however, an apparent gap in consumer education when it comes to protecting identities and finances. Nearly 4 in 10 (39%) indicated they'd taken no action in the last 60 days in response to cybersecurity concerns, with the most cited reason for inaction being a lack of clarity. Among those who said they did nothing, 58% admitted they were unsure what steps to take. Cost (14%) and information overload (14%) were also factors but far less so. This signals a clear imperative for lenders and digital platforms to turn moments of risk into moments of education. Embedding simple, guided actions – such as password resets, credit checks or freeze options – directly into breach notifications or suspicious activity alerts could help close the gap between concern and protection.

**Figure 17. Personal experience with online, email, phone call or text message fraud attempts in last three months**

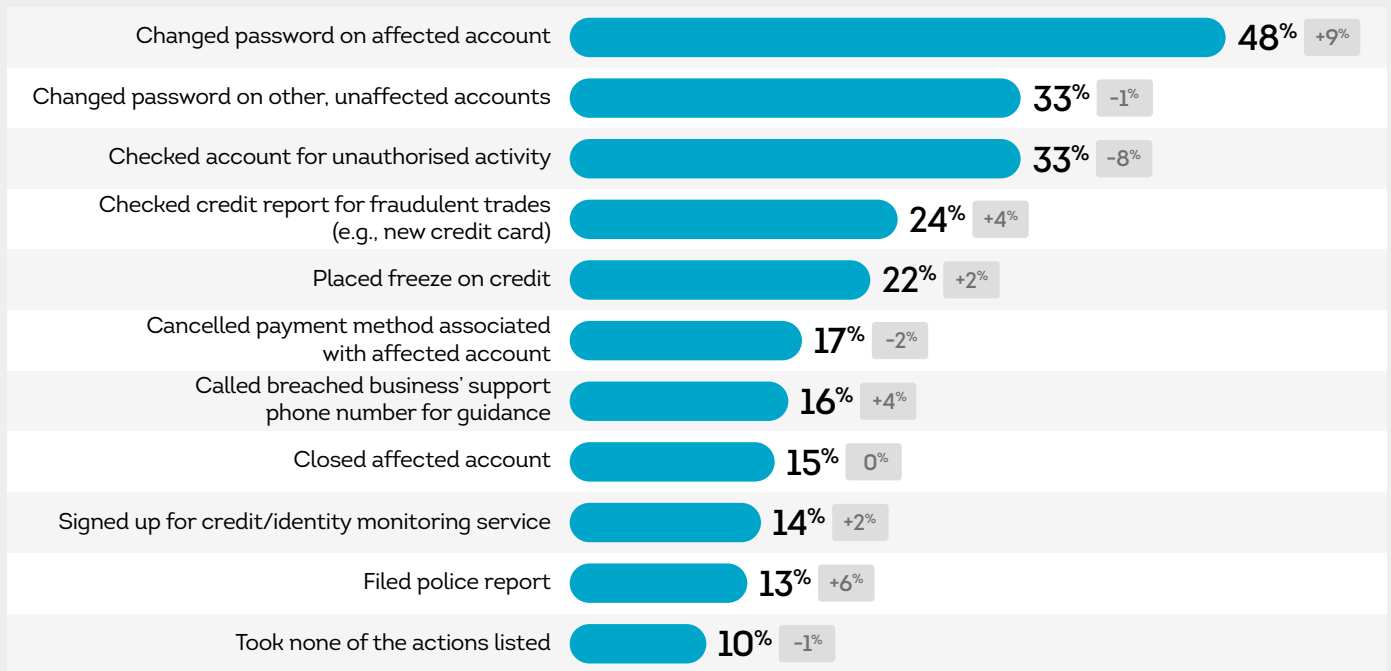


**Figure 18. Most frequent fraud schemes targeting consumers**  
(among those targeted with online, email, phone call or text message fraud in the last three months)



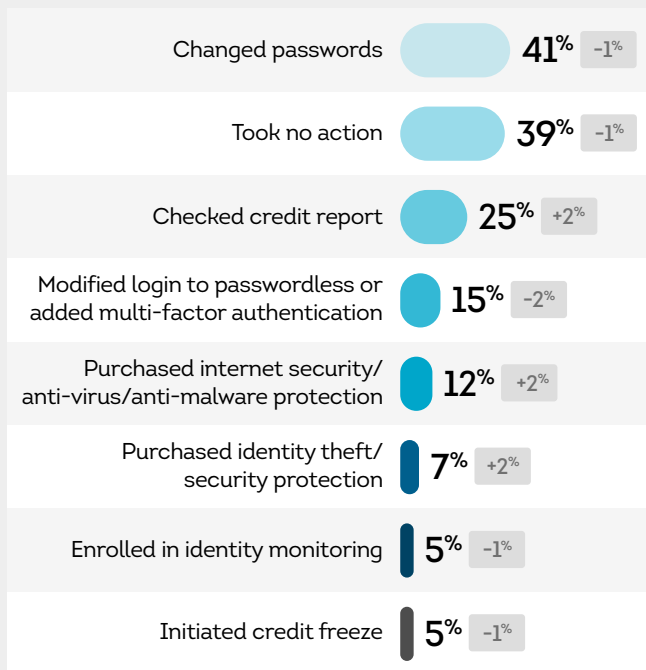
**Figure 19. Most frequent actions data breach victims took**

(among consumers notified in the last three months that details about their identities and/or online accounts were stolen)



X\* Percentage point change from Q3 2025

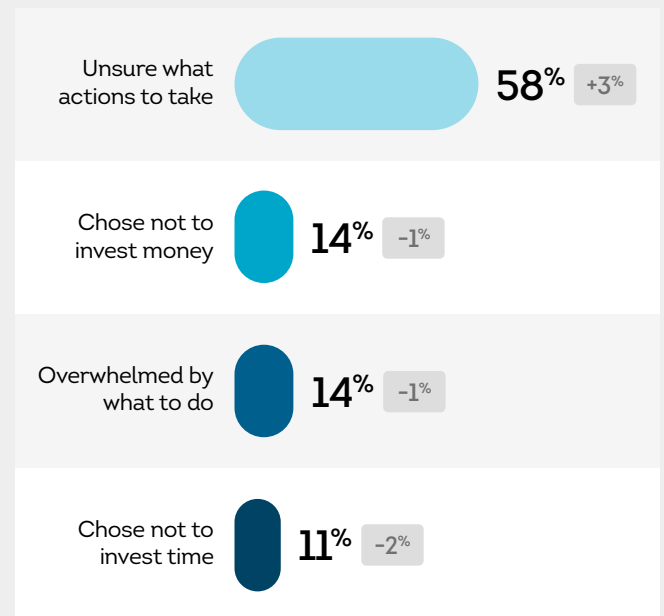
**Figure 20. Actions taken in last 60 days due to cybersecurity concerns**



X\* Percentage point change from Q3 2025

**Figure 21. Reasons did nothing about cybersecurity concerns**

(among those who took no action about cybersecurity concerns in the last 60 days)



X\* Percentage point change from Q3 2025

## Research Methodology

TransUnion's Consumer Pulse Survey of 1,000 adults was conducted 25 Sept.-7 Oct. 2025 by TransUnion in partnership with third-party research provider, Dynata. Adults 18 years of age and older residing in the UK were surveyed using an online research panel method across a combination of desktop, mobile and tablet devices. Survey questions were administered in English. To increase representativeness across resident demographics, the survey included quotas to balance responses to the census statistics dimensions of age, gender, household income and region. Generations were defined in this research as follows: Gen Z, 18-28 years old; Millennials, 29-44; Gen X, 45-60; and Baby Boomers, age 61 and above. These research results are unweighted and statistically significant at a 95% confidence level within  $\pm 3.1$  percentage points based on a calculated error margin. Please note some chart percentages may not add up to 100% due to rounding or multiple answers being accepted.

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Through our acquisitions and technology investments we have developed innovative solutions that extend beyond our strong foundation in core credit into areas such as marketing, fraud, risk and advanced analytics. As a result, consumers and businesses can transact with confidence and achieve great things. We call this Information for Good® – and it leads to economic opportunity, great experiences and personal empowerment for millions of people around the world.

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