



TopCashback

# How Britain Spends

A deep dive into how we're  
spending money

JANUARY 2024 EDITION

# How Britain Spends

## Welcome to the second edition of our series.

Here, we pick up where we left off in Autumn 2023 by taking a close look at our spending habits over the last three months.

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As we enter a new year and a natural period of reflection, our report also looks at the impact our personal finances have on our wellbeing, as well as the pressure we feel to try and keep up with those around us.

# Welcome

Last September, we set out to shine a spotlight on how we spend as a nation. We explored the expenditure of families in detail, and found that high mortgages, rent rises and food inflation were putting almost everyone under considerable strain. As a result, millions of adults were spending beyond their means - month in, month out.

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Encouragingly, since our last analysis, inflation has eased, energy prices have dropped and, while the price of many everyday items remains high, things are going in the right direction, or least, not getting drastically worse. Our latest research of the spending habits of 2,000 adults mirrors this.

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The figures show a small decline overall in spend on some essential items, like groceries, and while just over a third have seen their spending at supermarkets rise, the rest haven't.

Across the board, people are feeling a little more in control of their finances too, with more money left in current accounts at the end of every month.

This gives us an indication that households are slightly less stretched than in Autumn 2023, but we know that the cost of day-to-day living is still a crisis for so many.

In this report, we've also focused on spending and wellbeing. We've found that money concerns have disturbed people's sleep and their ability to relax. The research also found that most people feel the pressure to keep up with others' lifestyles, so much so that half are regularly spending money to match up.

As we start the year, at TopCashback we want to help as many people as possible save money when they spend.

We're firm believers that, while it's impossible to control the economy, it is possible to take control of your own expenditure. We're lucky to have worked with personal finance expert Sue Hayward and The Money Charity in putting together our second report, and we hope their insights and tips continue to help people spend savvily.



**Adam Bullock**  
UK Director, TopCashback



*"It's good to see more of us cutting back on non-essential spending. However, what concerns me are the number of people who constantly worry or feel stressed about money. Hardly surprising considering the drain the last year has placed on our household finances, but living under that pressure isn't good for your mental health, and three in four of us say we feel stressed keeping up with others. We need to focus on our own financial wellbeing, and not try to compete with others' spending, which can be the start of a slippery slope into debt".*

- **Sue Hayward**, personal finance expert

# Spending snapshot

Here we summarise the headline findings from the whole report, comparing these to how people were spending three months ago as well as how spending is impacting our wellbeing.

## Biggest essential expenses

in the last three months (per adult):



£230

on essential groceries (from £234) ↓



£161

on car repairs\*



£160

on car insurance\*

## Biggest increase in spending

in the last three months:

1. Essential groceries: 36% have spent more
2. Petrol: 24% have spent more
3. Toiletries: 19% have spent more

## Biggest decrease in spending

in the last three months:

1. Takeaways: 22% have spent less
2. Dinner out: 20% have spent less
3. Essential clothing: 17% have spent less

*“In the last three months, essential groceries and petrol spending have still risen for a proportion of adults. Christmas shopping, travel to see relatives over winter and inflationary price rises in this area are likely to have all played a part in this. However, our data shows that overall the average spend is slightly down, telling us that while some are still seeing spending rises, for most expenditure is either stabilising or dropping ever so slightly.”*

– Adam Bullock, UK Director at TopCashback

## Biggest seasonal & luxury expenses

in the last three months (per adult):



£206

on flights (from £215) ↓



£158

on large household furniture (from £152) ↑



£173

on hotels (from £152) ↑

We asked people to tell us when they expect the cost-of-living to ease. In the first edition of the report, the majority told us not until January 2024 onwards, however most now think it will be some point after March.



\*new for this edition

## Attitudes to spending:



### Healthier bank accounts

On average, people have more in their bank account at the end of the month compared to three months ago. Climbing considerably from £323 to £691



### Living beyond our means

Half of people are at least sometimes living beyond their means each month and 17% are frequently doing this



### Cost of living anxiety

People are still feeling almost as anxious about the cost-of-living, with 38% admitting so, compared to 41% previously

## The impact on our wellbeing:

# 30%

of people aren't able to stop thinking about money once a week or more

# 78%

of people feel stressed keeping up with others

# 40%

of people have spent more than £200 keeping up with others



## Sue Hayward shares her top tips on how to manage spending month-to-month:

- 1 Doing a budget may not sound like the most exciting task on the planet, but it's essential to help you stay on track with your finances. Do this using money apps, spreadsheets or even just pen and paper
- 2 Start by totting up incomings, such as wages, benefits or pensions along with listing monthly outgoings. Not much cash to spare? Look for ways to cut back. It can be anything from switching mobile or broadband providers to trying to reduce non-essential spending
- 3 Arrange for regular bill payments and direct debits to leave your account just after payday. This makes it easier to budget as you can instantly see how much you have left after paying essential bills
- 4 Lots of banks have a 'save the change' option which is an easy way to kick start a regular savings habit, it means debit card spending is rounded up to the nearest pound with change automatically swept into savings

# Essential spending

## Shining a spotlight on the essentials we're spending our money on

Here we take a closer look at how much we're spending on essentials, such as groceries and keeping our cars on the road, and how this differs to three months ago.

### Biggest increase in spending

in the last three months:

1. Essential groceries: 36% have spent more
2. Petrol: 24% have spent more
3. Essential toiletries: 19% have spent more
4. Pet care & pet food: 15% have spent more
5. Birthday presents & gifts: 14% have spent more

### Biggest essential expenses

in the last three months:

1. Essential groceries: £230 (previously £234) ↓
2. Car repairs: £161\*
3. Car insurance: £160\*
4. Petrol: £142 (previously £144) ↓
5. Home insurance: £138\*



Spending over the last three months (per adult)



#### Petrol

- £142 was spent on average by adults
- 63% purchased at least once a month (64% previously) ↓



#### Home insurance\*

- £138 was spent on average by adults
- 12% bought home insurance at least once in the last three months



#### Car repairs\*

- £160 was spent on average by adults
- 13% had to fix their car at least once in the last three months



#### Essential groceries

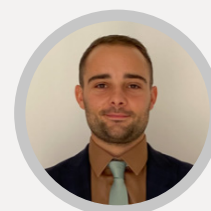
- £230 was spent on average by adults
- 22% spent over £400 (24% previously) ↓
- 76% purchased at least once a week (74% previously) ↑



#### Car insurance\*

- £160 was spent on average by adults
- 12% bought car insurance at least once in the last three months

"We try to buy a lot of home-brand foods, or make meals from scratch, to save money on essentials. We also try our best to only put the heating on when we need to. We rarely impulse buy and only tend to buy things where needed." - **Charlie Walters**, 27, TopCashback member



\*new for this edition

## Regional spending trends

Top five biggest spend increases

### Glasgow

- 41% spent more on essential groceries
- 30% spent more on petrol
- 24% spent more on Christmas presents
- 19% spent more on toiletries
- 28% spent more on Birthday presents / gifts

### Edinburgh

- 30% spent more on essential groceries
- 22% spent more on petrol
- 19% spent more on takeaways
- 19% spent more on Christmas presents
- 19% spent more on treat groceries

### Belfast

- 43% spent more on essential groceries
- 21% spent more on treat groceries
- 24% spent more on petrol
- 22% spent more on winter clothing
- 21% spent more on Christmas presents

### Manchester

- 40% spent more on essential groceries
- 31% spent more on petrol
- 27% spent more on treat groceries
- 23% spent more on toiletries
- 20% spent more on pet care / food

### Cardiff

- 41% spent more on essential groceries
- 25% spent more on treat groceries
- 24% spent more on petrol
- 21% spent more on toiletries
- 18% spent more on takeaways

### Bristol

- 43% spent more on essential groceries
- 24% spent more on petrol
- 21% spent more on takeaways
- 21% spent more on treat groceries
- 19% spent more on pet care / food

### London

- 36% spent more on essential groceries
- 24% spent more on treat groceries
- 24% spent more on petrol
- 23% spent more on toiletries
- 21% spent more on takeaways

### Birmingham

- 35% spent more on essential groceries
- 26% spent more on petrol
- 23% spent more on treat groceries
- 21% spent more on toiletries
- 19% spent more on birthday presents

# Seasonal spending & luxuries

## Highlighting the seasonal necessities and treats that we spend our money on and how this differs to three months ago

While we need to set aside budget for life's essentials, we all have different ways we treat ourselves and others, however big or small, and this section explores that.

### What we have spent more on

in the last three months:

1. Treat groceries: 20% have spent more
2. Takeaways: 15% have spent more
3. Christmas presents: 17% have spent more
4. Dinner out: 14% have spent more
5. Skincare: 14% have spent more

### Largest seasonal & luxury spends

in the last three months:

1. Flights: £206 (£215 previously) ↓
2. Hotels: £173 (£152 previously) ↑
3. Large household furniture: £158 (£152 previously) ↑
4. Christmas presents: £139\*
5. Spa breaks: £134 (£122 previously) ↑



#### Treat groceries

- £68 was spent on average by adults
- 54% spent over £50 or less ~
- 40% purchased at least once a week (38% previously) ↑



#### Dinner out

- £105 was spent on average by adults (£118 previously) ↓
- 43% purchased at least once a month (45% previously) ↓



#### Takeaways

- £85 was spent on average by adults (£84 previously) ↑
- 52% purchased at least once a month (55% previously) ↓



#### Skincare

- £63 was spent on average by adults (£118 previously) ↓
- 47% purchased at least once a month (63% previously) ↓



#### Christmas presents\*

- £139 was spent on average by adults

“Overall, we’re seeing that some people are starting to spend slightly more on treats in life. We’ve seen this most significantly on bigger ticket experiences such as spa breaks. It also shows that we still put a high proportion of our spend on holidays – even in the winter months. Of course, Christmas was an expense that can’t be ignored, with it being one of the biggest contributions to costs in the winter.”

– Adam Bullock, UK Director at TopCashback



## Spending on events

*“Despite the summer season being the time when events or festivals happen, these results prove that Brits are planning and spending money on experiences all year around and need to make sure they have budget available for that.”*

– **Adam Bullock**, UK Director at TopCashback



### Stag & Hen Dos

- 21% of people have spent money on either stag or hen dos, spending 10% more on average in the last three months (£129 vs £117 previously) ↑



### Gig Tickets

- 3% more has been spent on gig tickets in the last three months (£118 vs £114 previously) ↑



### Sports Tickets

- 10% less has been spent on sports tickets (£117 vs £130 previously) ↓



### Exhibition Tickets

- 9% less has been spent on exhibition tickets (£104 vs £114 previously) ↓



### Halloween Decorations

- On average, six in 10 (61%) spent up to £110 on Halloween decorations

### Spending on others (based on spend per adult)



£94

on birthday presents



£139

on christmas presents



£44

on birthday cards – the same as three months ago



£104

on children's toys - 6% increase on three months ago ↑



£82

on treating our furry friends to new toys - 6% increase on three months ago ↑



£74

on charity (48% of people contributed) - £13 less has been donated on average ↓

### Looking after and treating ourselves



£100

was spent on beauty treatments - 7% decrease ↓



£113

was spent on gym memberships / personal training - 5% increase ↑



£75

was spent on make up - 1% decrease ↓



£63

was spent on skincare - 10% decrease ↓

*“It’s very easy to spend more than you’ve planned on seasonal items or treating others. While this is fine to do to some degree, the key is to have a specific budget in mind and stick to it as much as you can – whether that’s buying presents for others, booking holidays or stocking up on some treats for yourself.”*

– **Michelle Highman**, at The Money Charity.

*“I spend around £1,500 on gigs and £4,000-£5,000 on holidays, paying it off each month. I missed going out and having the opportunity to experience things with friends and family during the pandemic so I’ve decided that whenever I came across a gig or holiday that I would love to go to, then I just go for it.”*

– **Kayleigh Ann Hughes**, 26, TopCashback member

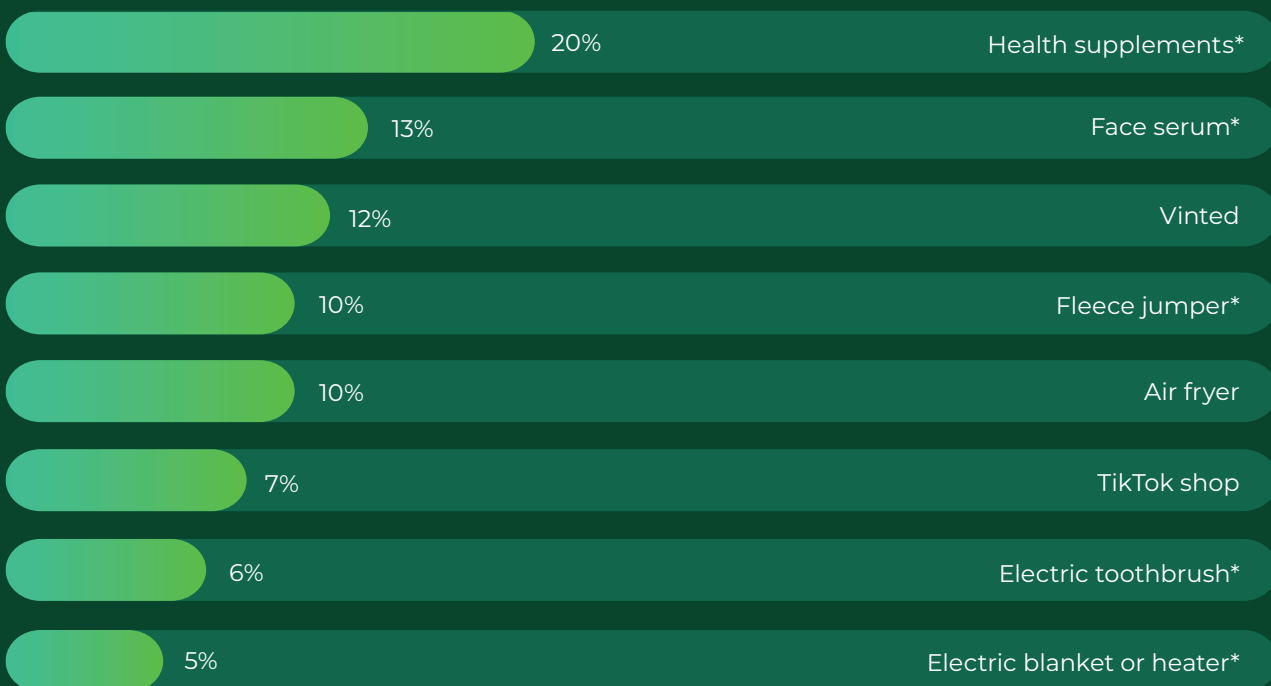


# Spending on trends

When it comes to keeping up with trending items, the focus has shifted towards self-care and items to help stay warm in the winter months.

## Most popular trending items

\*new for this edition



*"I like to buy trending items because, as a young person, you feel a need to constantly keep up with all the latest gadgets and products. I am a student and afford these by a mixture of part-time work and dipping into student loans."* - **Elliot Butler**, 21, a TopCashback member who has spent approx. £6,000 on trending items over the last year including the new iPhone, a MacBook and a GHD hairdryer

## Sue Hayward shares her top tips on getting the best deals for trending items:

- 1 There's no need to buy everything new, and that goes for big ticket items too. You can save by buying refurbished mobiles, tablets and laptops. Stores including Tesco, AO and Lakeland all have eBay outlets and Ikea has a furniture recycling scheme where you can buy ready assembled items at a discount.
- 2 Shop around when buying trending items using price comparison sites like Idealo or PriceRunner, Amazon also has its own price tracker and make sure to check cashback sites, like TopCashback, to see if you can earn as you spend.
- 3 Watch you don't get lured into splashing out on expensive items you'll only use for a couple of months. If you make purchases you regret, remember you can sell them via eBay or Vinted or hire them out through rental sites like [www.fatllama.com](http://www.fatllama.com) or [www.rentmy.com](http://www.rentmy.com) to try them in the first instance.

# Who spends the most

## A look into how our life stage, salary and parental status impact our spending habits

It's no secret that we spend more on different items at different points in our lives depending on our circumstances – sometimes we need to prioritise the essentials and at other points we have more freedom. Our research shows how our spend differs across four categories with a mix of essential and non-essential spend.

Unsurprisingly, people later in life, and those with older children, tend to treat themselves more and spend a higher amount on groceries and travel, likely due to having more disposable income. The amount spent on groceries is fairly even across all salary brackets.

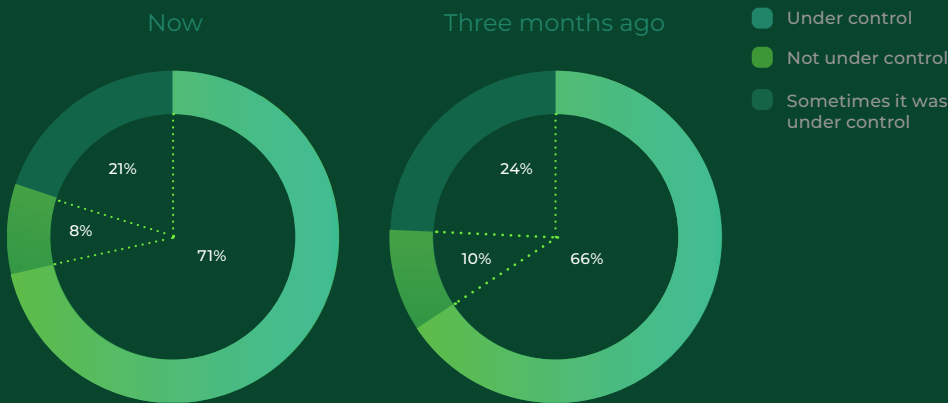


# How we feel about our spending

## How do we feel about the way we manage our money

We asked adults to tell us how in control they feel about their spending and how their bank balance looks at the end of each month. With inflation starting to drop slightly, it's promising that we're beginning to see that people feel more in control and tend to have more left in their bank at the end of the month.

### How many adults feel their spending is under control – and how does this compare to three months ago?



### The top reasons for spending feeling out of control was:

1. The cost-of-living crisis has impacted my spending
2. I am not feeling financially comfortable e.g., feeling cash strapped
3. I struggle to stick to a budget

### Insights into our monthly outgoings:



#### Living beyond our means

Half of people are at least sometimes living beyond their means each month and 17% are frequently doing this



#### Healthier bank accounts

On average, people have more in their bank account at the end of the month compared to three months ago. Climbing considerably from £323 to £691



#### Overdraft

However, 17% (the same volume as in our previous report) have £0 or are in their overdraft



#### Under 25

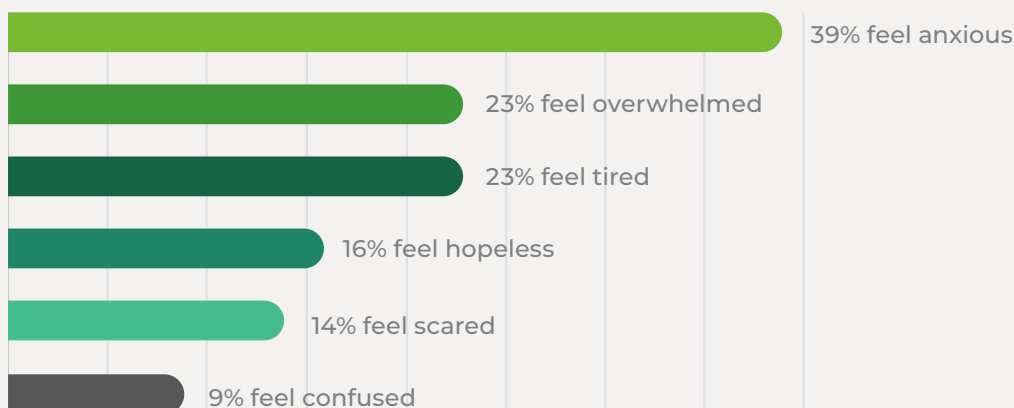
Those under 25 still have the least the day before payday at £178

*"While some people are doing a little better, and have more money in their bank account at the end of the month, our research indicates that those who have been struggling are still struggling and aren't feeling much relief despite inflation starting to drop."*

– Adam Bullock, UK Director at TopCashback

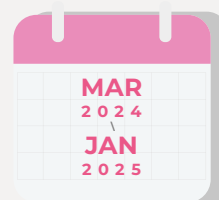
## How people feel about the cost-of-living

Overall, people still feel anxious and overwhelmed about the cost-of-living on a weekly basis but we've seen this slightly decrease:



## When do people believe the cost of living will ease?

Most adults believe they expect the cost-of-living to ease sometime after March 2024 or in 2025, pushed back slightly from January 2024 onwards which was predicted three months ago.



## What have people used to save money in the last three months?

**42%** have saved money using loyalty schemes / vouchers

**27%** haven't used anything to save money on purchases

**32%** have saved using voucher codes

**24%** have used cashback

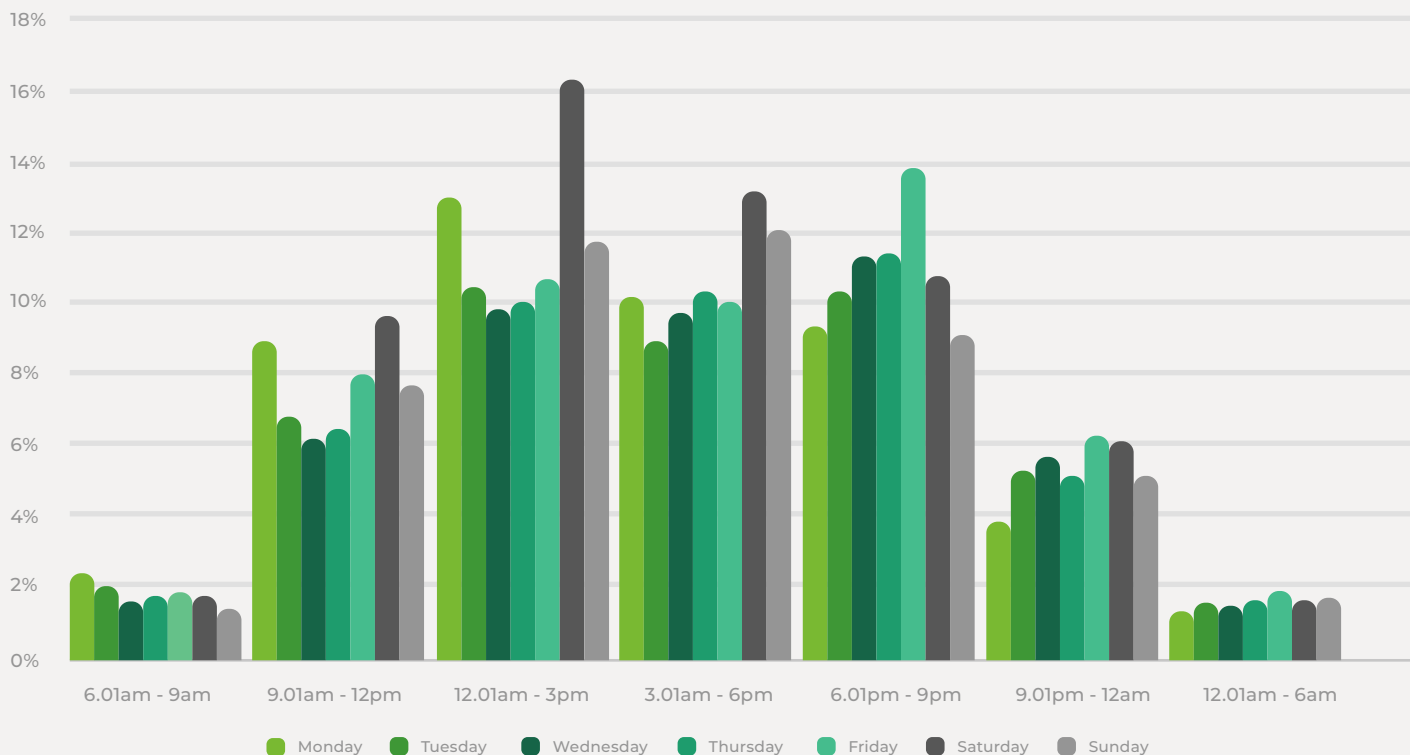
## Michelle Highman, Chief Executive of The Money Charity, explains four simple steps to being in control of your spending.

- 1** Be realistic: Jot down what you realistically spend on items – and how often you spend on them – whether that's insurance, essential toiletries or pets. The more honest you are with yourself, the better the budget will be
- 2** Break it down: Identify what you need to spend each day, week and month so you can build a true picture of your spending habits and see where you may have some extra budget to put into your savings or towards a bigger purchase
- 3** Keep it simple: put the budget into a format that works for you and will be easy to monitor and check regularly – that way it doesn't feel like an arduous task to keep it updated and on track and you'll stick with it
- 4** If you're not sure where to start, The Money Charity has a Budget Builder tool which helps you to easily set up a customised budget which you can access on your laptop or phone at all times.

# Spending habits

## A look into how and when we spend our money

We wanted to get insight into how and when people spend money on non-essential items and if there are any commonalities.



Afternoons between 12pm - 3pm are the most common time to shop for non-essential items



Almost a third (30%) admit they pay for these items with money from their overdraft at least sometimes



On Mondays, the most common time to shop is 9pm. There's a peak on Friday evenings - likely when we're relaxing on the sofa after a busy week



The most common way to pay for non-essential items is via a debit card attached to a current account, with 78% of people doing so



Saturday afternoon is the most popular time to splurge on non-essential items

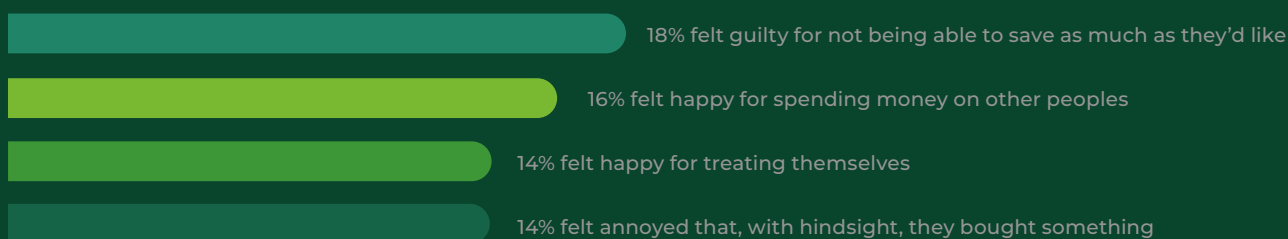
*"It's not surprising that Monday is the only time we're shopping in the evening. The start of the week can feel daunting but it's important we don't shop based on our feelings and make impulse purchases. Taking a step back to monitor the price of the item you have your eye on, watch out for deals and give yourself time to consider whether you need the item is always best. It's great to see that many people are still being savvy with their shopping and are using various methods to make their money go as far as they can."*

– Adam Bullock, UK Director at TopCashback

# Spending and our wellbeing

As a new year begins and the costly Christmas period comes to an end, we wanted to shine a light on how our spending impacts our wellbeing. We asked people how often money worries affect their sleep and ability to relax, and also looked at the toll of trying to keep up with other’s lifestyles.

## How people feel about their finances and spending habits:



## What impact do personal finances have on wellbeing:

# 25%

of people lose sleep over money worries more than once a week, of those, most are aged between 25-34 with women slightly more affected than men

# 59%

Despite this, more than half (59%) haven't sought professional help in the last three months. But for those that have, more men (32%) than women (26%) have

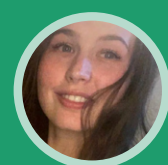
# 29%

of people struggle to relax due to money worries at least once a week affected than men

# 30%

of people aren't able to stop thinking about money worries once a week or more

*"I have lost a lot of sleep over money issues and was always exhausted working myself to my absolute limits. I would go without food so that my daughter didn't have to and withdrew myself from my friends. Recently my partner was medically discharged from the army which meant he got a payout, allowing us to clear a lot of debts and live more comfortably. We are building our mental health back up slowly, meeting friends, and not feeling guilty when we want to treat ourselves to non-essential things such as cinema trips, and takeaways." – **Chloe Hamar**, 25, TopCashback member*





## The unspoken pressure of keeping up with others\*

**78%** of people feel stressed trying to keep up with others

**76%** of people feel jealous that others can afford things they can't

**80%** of people feel confused as to how others can afford it

**66%** of people feel others' lifestyles make them feel like they should be spending more

\*Percentages based on those that admitted to feeling pressure keeping up with others

## The cost of keeping up with others



On average, adults have spent £300 keeping up with others' spending and experiences



People living in Greater London feel the most pressure, spending £421 on average



Two fifths have spent more than £200 keeping up with others



Those aged between 18-24 have spent the most on average at £416



Men spend slightly more than women, with an average of £309 vs £291

## How people cope with the pressure



**13%** have spent savings to live the lifestyle they want, with 25-34 year olds doing this most frequently



**14%** avoid social media's 'boasty' posts



**12%** have used a credit card to live the lifestyle they want

*"The social pressure of travelling, going out to eat at nice restaurants and drinking, really makes me feel like I'm not on par with friends. To keep up with them and their activities, I've needed to temporarily fall into my overdraft." - **Sebastian**, 25, TopCashback member*



*"What none of us know is how our friends, family or neighbours pay for that luxury kitchen, exotic holidays or expensive meals. We may be happy to talk about deals or discounts we've snapped up but may not admit if spending has run us into the red, or we're battling credit card debt we can't pay off. We all need to work at getting our own finances under control, not trying to aspire to match others' spending."*

- **Sue Hayward**, personal finance expert

# What we found – our conclusion

Last autumn we launched the How Britain Spends series to delve into how we spend our money and how this impacts our lives.

Our second report builds on our original study to show trends in how spending is still increasing across so many essentials, but also reveals that pressures are easing for some.

Inflation has slowed which, as we can see from our findings, means some people have more money in their pockets and a little less worry about the cost-of-living. The New Year often brings a fresh sense of optimism too, and we hope to see a further decline in the cost of essentials to help keep spending under control.

That said, we've also seen that spending overall remains high, with hundreds of pounds being spent on groceries, insurance and toiletry basics every month. The festive season creates a pressure to spend, and while Christmas feels like a distant memory, the hangover on our bank balances lasts well into the New Year.

Our focus on wellbeing also revealed some disturbing statistics, especially that so many people are kept awake at night worrying about money. This is despite the overall improvements the economy has seen. To us, this shows that, while on average a proportion of people are feeling more confident, many are still very anxious.

We've consulted with The Money Charity and personal finance expert Sue Hayward for our research, and together we agree that more still needs to be done to help people reduce their spending and the pressure they feel over their finances.

At TopCashback, we want to continue to help people make savvy spending choices with confidence. We're looking forward to building on our How Britain Spends series throughout the year – tracking changes, seasonal trends, and ebbs and flows in the nation's financial wellbeing.



**Adam Bullock**  
UK Director, TopCashback

# About TopCashback

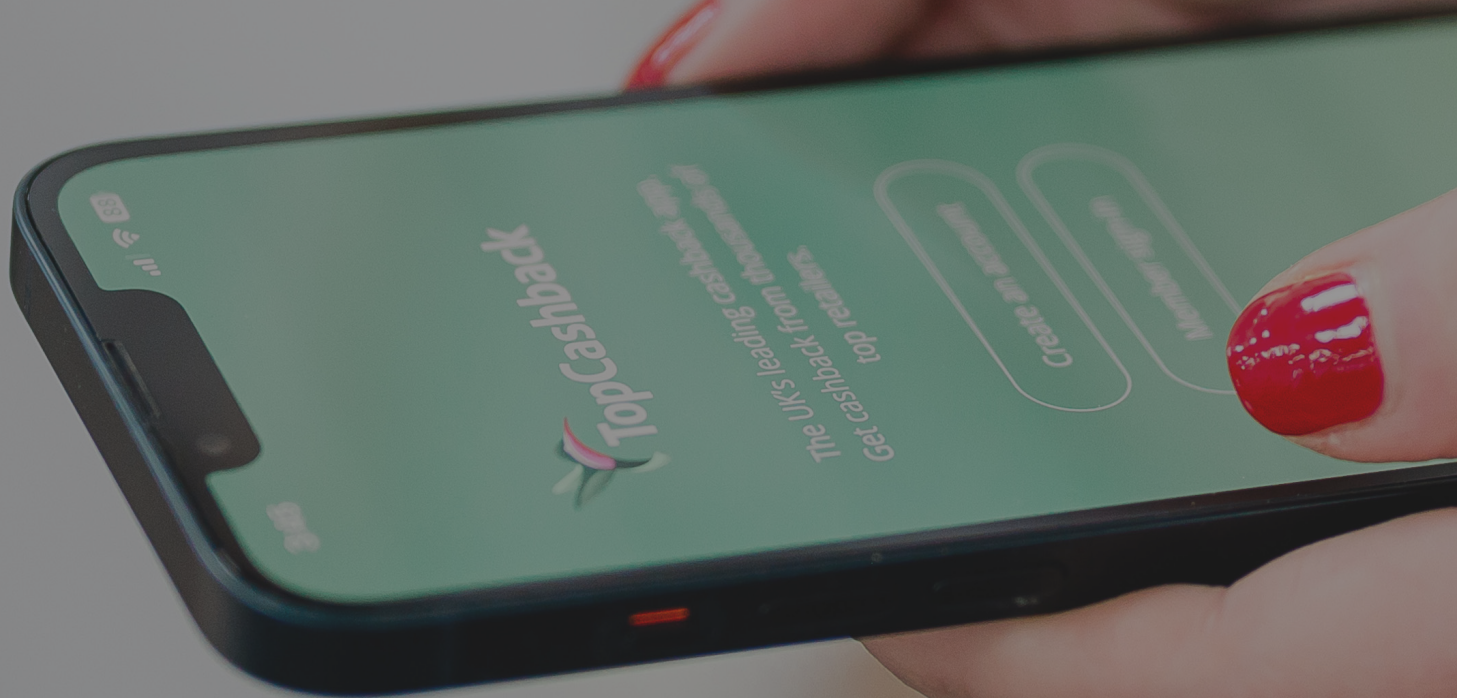
TopCashback is the UK's leading cashback and money-solution site, offering the most generous cashback rates to more than 6,000 retailers to over 20 million members. From weekly food shops and insurance to holidays and clothes, our mission is to save our members as much money as possible. On average, our members save £300 a year when shopping through TopCashback – and some save thousands!

TopCashback, Moneyfacts Cashback site of the year, is paid a commission by its 6,000 retailers for click throughs from our website or app to theirs. We pass 100% of this commission back to our members, who then make the cashback saving. It's completely free and anyone can join.

To join visit [TopCashback.co.uk](https://topcashback.co.uk) or download our app.

For support and guidance related to spending and saving money visit The Money Charity and Citizens Advice.

For information related to this report, please contact [press@topcashback.co.uk](mailto:press@topcashback.co.uk).



This report includes consumer research which was conducted by Censurwide, with 2,004 UK respondents aged 18+ between 15.11 – 21.11.2023. Censurwide abide by and employ members of the Market Research Society which is based on the ESOMAR principles and are members of the British Polling Council.



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