



Northern Ireland Consumers and Cost of Living

Pulse Survey 2 November 2022



Executive Summary

The Consumer Council commissioned Social Market Research (SMR) to undertake three surveys as part of its 'Pulse' survey series. This report presents the second of these surveys and focuses on consumer issues relating to the cost of living. The survey is based on a sample of 1050 Northern Ireland adults using an online panel methodology. The survey was conducted in accordance with the ISO20252 Standard, and fieldwork was carried out in September and October 2022.

Key Findings *(note that comparative figures from the first Pulse survey conducted in July 2022 are marked in red)*

Current Financial Position of Households

- 66% believe the financial position of their household is worse now compared with 12 months ago **(66%)**
- 17% said the financial position of their household is better now compared with 12 months ago **(20%)**
- Of those who consider themselves worse off compared with 12 months ago, 82% attribute this to increases in energy bills with 70% citing increases in the cost of food and groceries

Financial Position of Households in 12 Months' Time

- 53% believe the financial position of their household will be worse in 12 months' time **(47%)**
- 17% believe the financial position of their household will be better in 12 months' time **(20%)**

Coping with Bills and Paying for Essentials

- 52% say their household is able to cope with bills and buy the essentials they need every month **(56%)**
- 26% say their household is unable to cope with bills and buy the essentials they need every month **(24%)**
- 22% say they have £50 or less left in a typical month after paying their mortgage / rent and essentials **(19%)**
- 39% have £150 or less left in a typical month after paying their mortgage / rent and essentials **(41%)**
- 36% do without if they don't have enough money to cover an unavoidable expense **(31%)**
- 29% cut back elsewhere in their budget if they don't have enough money to cover unavoidable expenses **(32%)**

Managing Financially

- 84% say they try to stick to a budget (6% do not) **(82% and 6% respectively)**
- 52% have savings they can fall back on or use for an unexpected expense (32% do not have savings) **(50% and 34% respectively)**
- 50% find dealing with financial matters a burden (25% do not) **(52% and 25% respectively)**

Impact of Financial Situation on Mental Health

- 49% say that their mental health has been negatively affected by their financial situation (30% disagree) **(44% and 33% respectively)**

Concern about Prices, Products and Services

- 98% are concerned about home energy prices **(99%)**
- 97% are concerned about food prices **(96%)**
- 93% are concerned about petrol and diesel prices **(93%)**
- 80% are concerned about product availability / selection in shops **(80%)**
- 71% are concerned about mortgage / rent costs **(96%)**
- 64% are concerned about delivery options / charges for online products **(64%)**
- 61% are concerned about the cost of getting a loan / borrowing money **(54%)**

Recent Changes Reported by Consumers

- 76% have cut back on essentials after paying their mortgage / rent / loans / overdraft **(75%)**
- 63% have reduced their home energy use **(60%)**
- 57% have reduced the amount they spend on food **(62%)**
- 48% have reduced their car use **(51%)**
- 48% say they now cook more at home rather than getting takeaways or eating out **(50%)**

Sources of Information on Budgeting or Saving Money

- 54% get information on budgeting or saving money from websites (family and friends, 34%: social media, 27%) **(51%, 31% and 21% respectively)**

Biggest Consumer Issue in the Last 3 Months

- 16% identified increases in the cost of living as their biggest consumer issue in the last 3 months **(Increases in the cost of petrol or diesel was the most commonly cited issue, 21%)**
- Taken collectively, 37% mentioned increases in the cost of some form of energy (gas, oil, electricity, petrol, diesel etc.) **(42%)**

Conclusions

This survey provides further evidence that the current cost of living is continuing to exert significant pressure on N Ireland consumers, with increases in energy, food and grocery prices, the major causes. In comparison to the first Pulse Survey in July, even more consumers believe that they will be worse off in 12 months' time (up from 47% to 53%). Similarly, the current survey evidences a fall in the proportion of consumers who believe their household will be better off in 12 months' time (down from 20% to 17%).

The current survey also shows that less households believe that they are able to cope with bills and paying for essentials (down from 56% to 52%), with an increased percentage saying they will be unable to cope (up to 26% from 24%). Also, more consumers are saying that they have £50 or less left to live on in a typical month after paying their mortgage/rent and essentials (up from 19% to 22%). While the proportion of consumers saying they do without if they don't have enough money to cover an unavoidable expense has also gone up from 32% to 36%.

In response to the current cost of living, and in line with the previous survey, most consumers (84%) say they stick to a budget, with around half (52%) saying they have savings they can fall back on for an unexpected expense.

Another notable change from the July survey is the significant increase in the proportion of consumers who believe that their mental health has been negatively impacted by their financial situation. Almost half of consumers in this survey (49%) now agree that this is true (up from 44%). Detailed analysis shows that the particular consumer groups more likely to report that their mental health is being adversely impacted by their current financial situation include women, younger consumers, those with a disability, those living in lower income households and those households in receipt of Universal Credit.

Consumers continue to report high levels of concern about home energy prices, food prices, and petrol and diesel prices. In response to these concerns, approximately three out of four consumers (76%) report cutting back on essentials after paying their mortgage, rent, loans and overdrafts, with most also reducing their energy use (63%) and the amount they spend on food (57%). Again, this pattern of response is consistent with the July survey.

As with the previous survey, the most common sources for consumers getting information on budgeting and saving are websites (54%), family and friends (34%), and social media (27%), though these percentages have all increased since the first survey when they were 51%, 31% and 21% respectively.

The survey also shows that within the last 3 months the biggest consumer issue has been the cost of living, particularly rising energy prices.

Overall, the survey findings show that more and more N Ireland consumers are facing significant financial challenges, with the expectation that this is likely to continue for some time to come.

For more information on these findings, please contact info@consumercouncil.org.uk or call 02890 251600.