



Northern Ireland Consumers and Cost of Living

Pulse Survey 1 August 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 first of these surveys and focuses on consumer issues relating to cost of living issues. The survey is based on a sample of 1012 Northern Ireland adults using an online panel methodology. The survey was conducted in accordance with the ISO20252 Standard and fieldwork was carried out in July 2022.

Key Findings

Current Financial Position of Households

- 66% believe the financial position of their household is worse now compared with 12 months ago
- 20% said the financial position of their household is better now compared with 12 months ago
- Of those who consider themselves worse off compared with 12 months ago, 47% attribute this to rising food and grocery prices
- Of those who consider themselves worse off compared with 12 months ago, 45% attribute this to increases in the cost of petrol and diesel

Financial Position of Households in 12 Months' Time

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

Coping with Bills and Paying for Essentials

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

Managing Financially

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

Impact of Financial Situation on Mental Health

- 44% say that their mental health has been negatively affected by their financial situation (33% disagree)

Concern about Prices, Products and Services

- 99% are concerned about home energy prices
- 96% are concerned about food prices
- 93% are concerned about petrol and diesel prices
- 80% are concerned about product availability / selection in shops
- 66% are concerned about mortgage / rent costs
- 64% are concerned about delivery options / charges for online products
- 54% are concerned about the cost of getting a loan / borrowing money

Recent Changes Reported by Consumers

- 75% have cut back a little (27%) or a lot (48%) on essentials after paying their mortgage / rent / loans / overdraft
- 62% have reduced the amount they spend on food
- 60% have reduced their home energy use
- 51% have reduced their car use
- 50% say they now cook more at home rather than getting takeaways or eating out

Sources of Information on Budgeting or Saving Money

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

Biggest Consumer Issue in the Last 3 Months

- 42% identified increases in the price of energy as their biggest consumer issue in the last 3 months
- 21% specifically said that increases in the cost of petrol and diesel has been their biggest consumer issue

Conclusions

This survey provides strong evidence of a deterioration in the financial position of most households in Northern Ireland in the last 12 months, with increases in the price of food / groceries and petrol and diesel the main contributing factors. Consumer sentiment for the next 12 months is largely negative, with just under half of consumers believing that their household finances will be worse, and 20% believing that their household finances will be better.

Against this backdrop of significant price increases most households say they are able to cope with bills and buy the essentials they need every month. However, there is a significant minority who say they are unable to cope, with these consumers more likely to have a disability, have lower household incomes and be in receipt of Universal Credit. It is also these groups who are more likely to have £50 or less left in a typical month after paying their mortgage / rent and other essential bills. Indeed it is consumers on lower incomes who are being adversely impacted, as price rises represent a higher proportion of their income compared with other groups.

In response to the challenges associated with rising prices, most consumers say they try to stick to a budget with half saying they have savings they can fall back on should they have an unexpected expense. Approximately one in three said they don't have any savings to fall back on.

The survey also shows that the current economic climate has had a significant impact on consumer's health, with around four out of ten saying their financial situation has affected their mental health. This is borne out in other survey findings which show that more than nine out of ten consumers are concerned about home energy prices, food prices and petrol and diesel prices. It is in response to these concerns that most consumers report cutting back on essentials, reducing the amount they spend on food, and reducing their home energy use.

The survey provides some direction for policy makers in terms of how consumers can be supported with issues relating to the current cost of living, with websites, family and friends and social media, the most common sources for getting information on budgeting and saving. The survey also shows that within the last 3 months the biggest consumer issue has been the price of energy.

Taken collectively, the evidence from this survey shows very clearly that consumers are being adversely impacted by rising prices across the board, with increases in food and energy prices in particular, driving high levels of consumer concern.

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