



Northern Ireland Consumers and Cost of Living

Pulse Survey 3 January 2023



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 findings from the third and final survey in the series, and focuses on consumer issues relating to the cost of living. The survey is based on a sample of 1011 Northern Ireland adults using an online panel methodology. The survey was conducted in accordance with the ISO20252 Standard and fieldwork was carried out in November 2022.

Key Findings (note that comparative figures from the first Pulse survey conducted in July 2022 and September / October 2022 are included in brackets)

Current Financial Position of Households

- 74% believe the financial position of their household is worse now compared with 12 months ago **(66% and 66%)**
- 12% said the financial position of their household is better now compared with 12 months ago **(20% and 17%)**
- Of those who consider themselves worse off compared with 12 months ago, 79% attribute this to increases in energy bills **(82% and 85%)**

Financial Position of Households in 12 Months' Time

- 53% believe the financial position of their household will be worse in 12 months' time **(53% and 47%)**
- 16% believe the financial position of their household will be better in 12 months' time **(17% and 20%)**

Coping with Bills and Paying for Essentials

- 45% say their household is able to cope with bills and buy the essentials they need every month **(52% and 56%)**
- 33% say their household is unable to cope with bills and buy the essentials they need every month **(26% and 24%)**
- 24% say they have £50 or less left in a typical month after paying their mortgage / rent and essentials **(22% and 19%)**
- 41% have £150 or less left in a typical month after paying their mortgage / rent and essentials **(39% and 41%)**
- 33% do without if they don't have enough money to cover an unavoidable expense **(36% and 31%)**
- 27% cut back elsewhere in their budget if they don't have enough money to cover unavoidable expenses **(29% and 32%)**

Managing Financially

- 83% say they try to stick to a budget **(84% and 82%)**
- 51% have savings they can fall back on or use for an unexpected expense **(52% and 50%)**
- 55% find dealing with financial matters a burden **(50% and 52%)**

Impact of Financial Situation on Mental Health

- 50% say their mental health has been negatively affected by their financial situation **(49% and 44%)**

Concern about Prices, Products and Services

- 98% are concerned about food prices **(97% and 96%)**
- 97% are concerned about home energy prices **(98% and 99%)**
- 91% are concerned about petrol and diesel prices **(93% and 93%)**
- 88% are concerned about product availability / selection in shops **(80% and 80%)**

- 67% are concerned about mortgage / rent costs **(71% and 66%)**
- 78% are concerned about delivery options / charges for online products **(64% and 64%)**
- 58% are concerned about the cost of getting a loan / borrowing money **(61% and 54%)**

Recent Changes Reported by Consumers

- 75% have cut back on essentials after paying their mortgage / rent / loans / overdraft **(76% and 75%)**
- 68% have reduced their home energy use **(63% and 60%)**
- 59% have reduced the amount they spend on food **(57% and 62%)**
- 46% say they now cook more at home rather than getting takeaways or eating out **(48% and 50%)**
- 45% have reduced their car use **(48% and 51%)**

Sources of Information on Budgeting or Saving Money

- 52% get information on budgeting or saving money from websites **(54% and 51%)**

Biggest Consumer Issue in the Last 3 Months

- 20% identified increases in the cost of living as their biggest consumer issue in the last 3 months **(In October / November 16% cited increases in the cost of living as their biggest consumer issue in the last 3 months: In September increases in the cost of petrol or diesel was the most commonly cited issue, 21%)**
- 25% specifically mentioned an increase in the cost of energy (gas, oil, electricity, petrol, diesel etc.) **(37% and 42%)**

Conclusions

This final survey in the 'Pulse Survey' series shows that N Ireland consumers continue to report significant challenges with the current cost of living. Based on the current survey evidence, the financial outlook for consumers in N Ireland is one of pessimism, with most (53%) consumers believing that their household will be worse off in 12 months' time. Moreover, the current survey also shows a significant increase on the previous surveys (up from 66% to 74%) in the proportion of consumers who believe their household is worse off now compared with 12 months ago, with this mainly attributed to increases in energy bills (79%) and an increase in the cost of food and groceries (73%).

Trend analysis across the three surveys further highlights the financial pressures being faced by N Ireland consumers with the proportion of households saying they are able to cope with bills and pay for essentials falling significantly between each survey wave (July, 56%: September / October, 52%: November, 45%). Indeed between the first survey in July and this survey in November, there has been an 11 percentage points fall on this measure. Also, more consumers in the current survey say they have £50 or less left to live on in a typical month after paying their mortgage/rent and essentials (July, 19%: September / October, 22%: November, 24%). These findings very much validate and echo the generally negative sentiment expressed by consumers in the current survey.

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

Between the July and September / October surveys, there was a significant increase (up from 44% to 49%) in the proportion of consumers who believe that their mental health has been negatively impacted by their financial situation, with the level reported in the current survey (50%) similar to that reported in the September / October survey. Again, this suggests that the mental health of a significant number of N Ireland consumers is being adversely affected by current financial pressures.

Consumers continue to report high levels of concern about home energy prices, food prices, and petrol and diesel prices. In response to these concerns, three out of four consumers (75%) report cutting back on essentials after paying their mortgage, rent, loans and overdrafts, with most also reducing their energy use (68%) and the amount they spend on food (59%). Again, this pattern of response is consistent across all three surveys.

As with the previous surveys, the most common sources for consumers to get information on budgeting and saving are websites (52%), family and friends (30%), and social media (20%). Again, this pattern of response is consistent across all three surveys.

The survey also shows that within the last 3 months the biggest consumer issue has been the cost of living, with this similar to previous survey waves. Overall, the survey findings show a deteriorating situation for N Ireland consumers with more consumers reporting that their household is unable to cope with bills and buy the essentials they need every month (up to 33% in the current survey compared with 26% in October / November and 24% in July 2022). The survey also clearly shows a lack of optimism among consumers that their financial situation will change for the better in the next 12 months.

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