

Press Release

16th October 2020



For immediate release

Restaurant spending in Scotland up 14% in September as high-street showed resilience

- **Non-essential spending up 7% year on year, driven by a high-street comeback**
- **Spend on holidays now 62% behind 2019 levels as travel corridors continue to close**
- **Essential spend up 7% year on year but commuting spend falls back from August**

Covid-19 restrictions in Scotland have become tighter through-out October, but rules introduced in the previous month did not slow consumer spending, as the recovery seen since July continued, according to Bank of Scotland's Spending Power Report.

In September, non-essential spending grew 7% year on year, the largest increase in any single month since July 2019 and eclipsing the 3% increase in August.

Whilst further Covid-19 preventative measures are now in place for restaurants in Scotland, in September - where the 'Rule of Six' was in place from the 14th of the month and the 10pm curfew from the 25th - card spending increased 14% year on year. This was the biggest rise since March 2020, higher than August, which had the support of the Eat Out to Help Out scheme.

Other high-street pillars also saw a resurgence in spending in September. Department stores, hit badly by pandemic lockdown measures, saw spending surge 33% year on year, compared to a 11% increase in August. Elsewhere, home stores continued to attract significantly more money from shoppers this year, 43% above 2019 levels, as well as electrical stores (42%).

Spending at clothing retailers grew 5% year on year in September, up from 4% growth in August.

With a limited number of travel corridors in place between Scotland and the rest of the world, spending on holidays has continued to trend well below 2019 levels. In September, people spent 62% less than this time last year, remaining unchanged from the month before.

Gabby Collins, Head of Payments, Bank of Scotland, said: "*Scotland's September spending followed much of the same pattern as August, with both essential and non-essential spending above 2019 levels, boosted by strong performances across the high-street.*"

"As Scotland adapts to the new levels of restrictions across regions, including the closure of pubs and restaurants in central Scotland, we'll be able to see the impact it has on consumer

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spending. While the majority of retail stores remain open, it's unclear whether consumers will continue to spend at the same levels."

Essential spend

Food and drink spend continues to trend at levels significantly above last year (25%), making up the majority of essential spend growth.

As the government moved back to encouraging people to work from home, commuter spending was down in September by 51% year on year (from 44% in August). Fuel spend is now only 10% less than a year ago, having been as much as 60% down, in April 2020.

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Essential & Non-essential spending

Essential and Non-essential spending components are made up of identifiable transactions from debit and credit card spending, direct debits and standing orders from current account data (cash transactions are not included in this analysis) across all of our brands in Scotland. There are strong calendar effects within spending components, some of which will be accounted for using year-on-year growth rates while we attempt to adjust for irregular calendar effects. As a longer history of data becomes available, the adjustment methodology may be altered in future to better correct some of these changes. All figures presented represent a year on year comparison. The data has been weighted to be representative of the Scottish population.

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