

PRESS RELEASE

22/09/2020



LLOYDS BANK

FOR IMMEDIATE RELEASE

Non-essential spend returns to growth for the first time since the pandemic struck

- **Non-essential spending up 4% year on year, the first period of growth, since February 2020**
- **Eat Out to Help Out gets diners spending, up 5% in August, compared to last year**
- **Essential spend up 2% year on year as more people return to work**

Non-essential spend saw its biggest yearly increase since July 2019, as the Eat Out to Help Out scheme tempted youngsters back into restaurants and pubs, the latest Lloyds Bank Spending Power Report has found.

In August, non-essential spend was 4% higher than a year ago, the first increase since February 2020 and a height not reached since July 2019, when scorching hot weather brought Brits out en masse.

Key to the month's bumper figures was the Eat Out to Help Out scheme which resulted in a surge in demand for eating out in restaurants. Even though the offer was only available three days a week, total spending was up 5% on August 2019, a sharp improvement from July's position where spending was down 19% on the year before.

By far the biggest increase in spend came from the youngest in society, with those aged 18-24 dishing out 17% more in August year on year, and people aged between 25 and 34 spending 6% more. In stark comparison, over 65s spent 8% less than a year ago, an apparent demonstration of the cautious approach older people have taken.

In fact, total non-essential spending soared in 18-24 year olds in August, up 10% from the year before. The next steepest increase came from both 25-34 year olds, and 45-54 year olds, who spent 5% more compared to last year.

MEDIA CONTACTS

James.birch@lloydsbanking.com, 07786 074 642

PRESS RELEASE

22/09/2020



LLOYDS BANK

High-street welcomed shoppers back to stores

The scheme also appeared to give a boost to other areas of the high-street eager to get customers through the doors. Clothing retailers took 5% more in August, compared to a year ago, and jewelers took 10% more.

Department stores, hit hard by the pandemic, experienced a welcome shift back to near pre-Covid levels of spending (1% down year on year), having been 14% down in July, compared to a year ago.

Despite this, other areas of the economy continued to suffer in August, with some restrictions still in place. Recreational spend, which includes outings to cinemas and theatres, fell 17% year on year, and spending on holidays remained 57% behind August 2019. Even so, both categories saw an improvement from July.

Gabby Collins, Head of Payments at Lloyds Bank, said: “*The Eat Out to Help Out scheme not only had a positive impact on restaurants and pubs in August and into September, but we’ve seen a real boost in high-street spending, which is now almost back up to pre lockdown levels.*”

“Summer has helped boost people’s confidence in getting back to pubs, restaurants and the high-street, but it may be harder to sustain these levels throughout Autumn.”

Essential spend

Increasing numbers of commuters continued to support essential spend growth in August, up 2% year on year. Fuel spend is now only 15% less than a year ago, having been as much as 57% down, in April 2020. Similarly, spending on the commute was down 43% in August, having previously been down by as much as 86% in April.

Food and drink spend continues to trend at levels significantly above last year (20%).

ENDS

For further information: James Birch, james.birch@lloydsbanking.com, 07786 074642

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).

MEDIA CONTACTS

James.birch@lloydsbanking.com, 07786 074 642

PRESS RELEASE

22/09/2020



LLOYDS BANK

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 UK population.

This report is prepared from information that we believe is collated with care, however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance. © Lloyds Bank plc all rights reserved 2020.

This information is intended for the sole use of journalists and media professionals.

MEDIA CONTACTS

James.birch@lloydsbanking.com, 07786 074 642