



# £100billion opportunity for British consumers: How digital banking can transform the financial lives of UK households

- New research commissioned by Lloyds Banking Group identifies £100billion in value that digitally enabled financial empowerment could unlock over the next decade – equivalent to around £3,500 per household.
- Lower-income households could see up to £31billion in combined benefit over the next decade if digital tools are developed with accessibility in mind.
- Only half of UK adults feel financially empowered - yet 57% say access to better digital tools, information or guidance could change that.
- Jas Singh, CEO Consumer Relationships at Lloyds Banking Group: *“Advances in digital tools can be a gateway to people better understanding their money and feeling more confident about the choices they make with it.”*

Digital tools that enable financial empowerment by supporting consumers to take control of their financial lives could **unlock £100billion for households over the next decade**, according to new research commissioned and published by Lloyds Banking Group.

The research finds that a combination of tools that are available today and new advances that are close to market – from AI-powered budgeting alerts to digital investing recommendations and smarter debt management tools – could **deliver the equivalent of £3,500 per household over a 10-year period** by empowering people to manage their financial lives more effectively.

The report, *Lives empowered, a nation empowered: Helping the nation make the most of its finances*, led by Professor of Financial Economics John Gathergood of the University of Nottingham, combines academic evidence and economic modelling to identify seven key areas in which the financial empowerment of the nation can alter real-life outcomes. It examines how greater use of data-driven digital tools could **improve outcomes for UK households across investing, debt, mortgages, credit access and insurance**, while strengthening households' financial capability and enabling more informed money management.

The benefits are felt across all income groups. Those with savings and mortgages stand to make the largest absolute gains - but the largest relative gains, as a proportion of income, accrue to lower-income households.

For this group, the main benefits arise from smarter debt management, improved credit access and choice, plus better money management and financial capability. The **total benefits across all use cases are worth £31bn for this group over the decade** and could be genuinely transformative. But capturing that potential won't happen without genuine investment in accessible, inclusive digital design – and a commitment to reaching those who need it most.

New consumer research underlines the scale of unmet need. **Only half of UK adults feel financially**

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empowered, and more than four in ten don't see a clear path to getting there - even with the right support.

**Jas Singh, CEO Consumer Relationships at Lloyds Banking Group**, comments:

*“The modelling shows that accelerating the digital transformation of financial services could unlock up to £100 billion of value over the next decade – around £3,500 per household.*

*“That underlines the huge potential of digitally enabled financial empowerment: giving people the confidence, tools and knowledge to take control of their money and improve their financial wellbeing over time. Realising that potential will require collective action across sectors to ensure digital tools are accessible, inclusive and genuinely useful for everyone.”*

The research suggests that when people have access to the right digital tools, at the right moments, they could engage with those financial empowerment opportunities – being better placed to make more informed financial choices and taking greater control of their finances.

For example, mortgage payments are the largest monthly outgoing for most homeowners, yet many households are slow to switch when better deals become available. A timely switch **could save £1,600 a year on average**, and significantly more for those with larger mortgages. Digital eligibility checkers and pre-approval platforms could help homeowners identify better deals quickly and switch with far less friction.

UK households maintain cash flexibility for a variety of wise reasons. However, improved digital investment journeys and prompts could help people put some of the estimated £430-610 billion held by households over and above emergency savings towards appropriate investment products when the time is right for them. The lives empowered, a nation empowered report forecasts that if 15% of that cash was directed into balanced investments over time, the combination of higher returns and compounding effects could **unlock around £40 billion in value for consumers over the next decade.**

**Professor John Gathergood, Professor of Financial Economics, University of Nottingham**, comments:

*“I was thrilled to be asked by Lloyds Banking Group to lead this research. Understanding the true scale of financial empowerment across the nation is exactly the kind of question that matters for household prosperity. The findings suggest that increasing financial empowerment over the next decade could unlock around £100 billion in economic value for the nation.*

*“The seven use cases examined are not exhaustive, but cover some of the major areas in people's financial lives, and illustrate where digital tools can make a real difference. The realisation of this value won't happen overnight, but through steady progress as digital tools become smarter, more personalised, and more widely adopted in daily life.”*

**ENDS**

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## Notes

### About the report

*Lives empowered, a nation empowered: Helping the nation make the most of its finances*, combines academic evidence with economic modelling by Professor John Gathergood (Professor of Financial Economics, University of Nottingham).

Methodology notes: The £100bn estimate is a 10-year cumulative central estimate, modelled conservatively with graduated digital technology uptake assumptions. Calculations are derived from nationally representative household surveys provided by the FCA, ONS and UK Data Service. Use cases are non-overlapping. Full methodology available in the report.

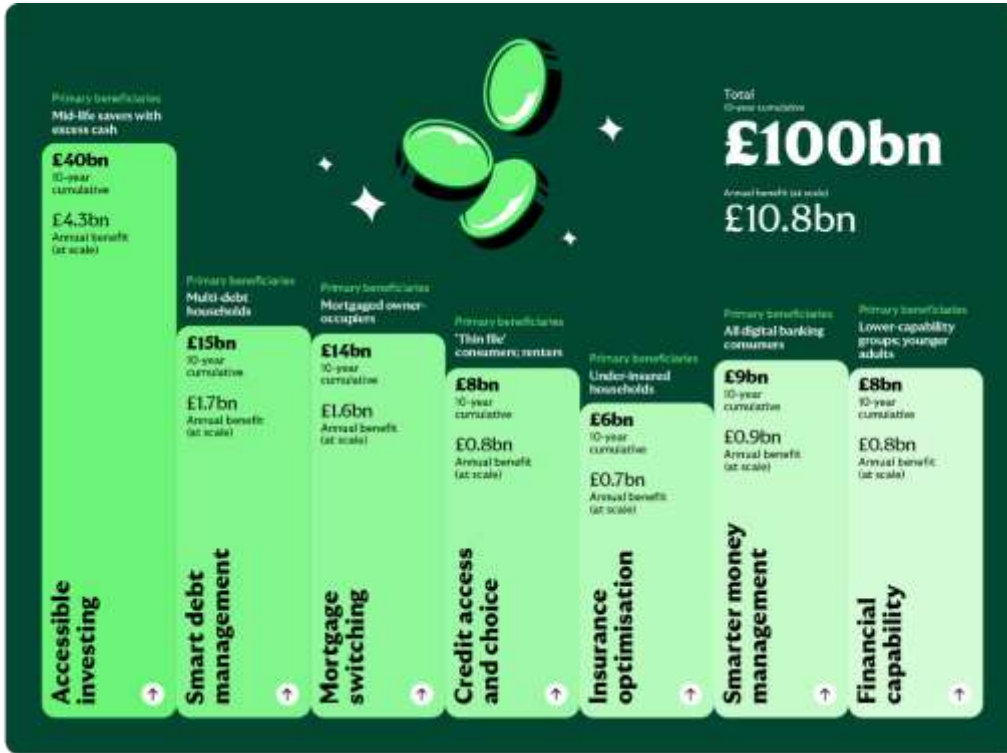
### Acknowledgment and disclaimer

This report was authored by Professor John Gathergood, Professor of Financial Economics, University of Nottingham, and commissioned by Lloyds Banking Group. The analytical framework, economic modelling, and all estimates presented are the author's own, based on published academic research, nationally representative survey data, and publicly available sources as cited.

The views and analytical judgements expressed do not necessarily represent the formal position of Lloyds Banking Group or any other organisation. This report does not constitute financial advice. Projected benefits are modelled estimates based on stated assumptions and should not be interpreted as forecasts or guarantees of future outcomes.

Use Case	Annual Benefit (at scale)	10-Year Cumulative	Primary Beneficiaries
1. Accessible Investing	£4.3bn	<b>£40bn</b>	Mid-life savers with excess cash
2. Smart Debt Management	£1.7bn	<b>£15bn</b>	Multi-debt households
3. Mortgage Switching	£1.6bn	<b>£14bn</b>	Mortgaged owner-occupiers
4. Credit Access & Choice	£0.8bn	<b>£8bn</b>	"Thin file" consumers; renters
5. Insurance Optimisation	£0.7bn	<b>£6bn</b>	Under-insured households
6. Smarter Money Management	£0.9bn	<b>£9bn</b>	All digital banking consumers
7. Financial Capability	£0.8bn	<b>£8bn</b>	Lower-capability groups; younger adults
<b>Total</b>	<b>£10.8bn</b>	<b>£100bn</b>	

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The research is accompanied by a new online hub from Lloyds Banking Group - bringing the findings to life through explainer videos, practical guidance and tools to help people make better financial decisions every day.

### About the supplementary consumer research

The research was conducted by Censurwide, among a sample of 2,000 nationally representative UK consumers. The data was collected between 9th April 2026 and 13th April 2026. Censurwide is a member of the Market Research Society (MRS) and the British Polling Council (BPC), and a signatory of the Global Data Quality Pledge. They adhere to the MRS Code of Conduct and ESOMAR principles.

### About Lloyds Banking Group

Lloyds Banking Group is the largest UK retail and commercial financial services provider with around 27 million customers and a presence in nearly every community. We are proud to support British businesses, with nearing one million UK businesses supported by our leading digital and relationship banking services. Our main business activities include retail and commercial banking, general insurance and long-term savings, provided through well recognised brands including Lloyds, Halifax, Bank of Scotland and Scottish Widows.

Our purpose is Helping Britain Prosper. We have served Britain through our products and services for more than 320 years, across every community, and millions of households. Our success is interwoven with the UK's prosperity, and we aim to help Britain prosper by operating as a responsible, sustainable and inclusive Group.

### Appendix: Supplementary Analysis by Above-Median and Below-Median Income Households

	Below-Median Income Households	Above-Median Income Households
Total 10-year benefit	£31bn	£69bn

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Average benefit per household	£2,300	£4,700
Median equivalised disposable income	£25,000	£57,000
Benefit as % median equivalised disposable income	9.2%	8.2%

Use Case	Share of Total Benefits for Below-Median Income Households	Share of Total Benefits for Above-Median Income Households
Accessible Investing	12%	51%
Smart Debt Management	23%	12%
Mortgage Switching	10%	16%
Credit Access and Choice	19%	3%
Insurance Optimisation	6%	6%
Money Management	15%	7%
Financial Capability	15%	6%
Total	100%	100%

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