Article

Regional consumer card spending, UK: 2019 to 2023

Analysis of consumer card spending trends covering what UK cardholders are spending money on and how this varies across the UK.

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1 . Main points

- Overall, average spend per cardholder rose 17% between June 2019 and June 2023.

- While spending fell during periods of national restrictions because of the coronavirus (COVID-19) pandemic, spending overall has recovered to pre-pandemic levels.

- Spending online increased during the pandemic's national restrictions and have remained higher than the pre-pandemic level.

- Changes in face-to-face spending have not been uniform across the UK; the North East, West Midlands, Wales and Yorkshire and The Humber shows spend in 2023 is the highest it has been since the start of 2019 for each month, while in the South East and London, the value of monthly spend remains at or below 2019 levels.

- Since the start of the pandemic, rural postal areas have consistently had the highest face-to-face spend relative to spend in 2019.

- This analysis covers credit and debit card spending, which is part of the UK spending landscape and is not exhaustive.

2 . Overview of spending data

The Office for National Statistics (ONS) have entered into an agreement with Visa to receive aggregated and anonymised data on UK card payments. This experimental data source offers new opportunities to understand UK consumer spending through its extensive coverage and novel breakdowns. This article will explore both national and subnational card spending habits and is the first among a series of analytical articles that provide new and granular insights for users.

Spending habits have changed significantly over the last few years. The coronavirus (COVID-19) pandemic and the rising cost of living continue to affect spending habits in the UK. This analysis covers credit and debit card spending, which is part of the UK spending landscape but is not exhaustive. Consumers may also use cash, direct debit, faster payments or standing orders.

In 2022, 59% of payment transactions in the UK were made using cards, 14% using cash and 10% using direct debit according to UK Finance's Payment markets summary (PDF, 826KB). We note that these figures reflect the number of transactions made and would differ if looking at the value of payments. The value spent on cards is a lower proportion of these types of transaction because of large value payments such as salaries, mortgages and bills usually being paid through direct debit and faster payments. Overall, UK credit and debit card holders made 2.5 billion purchase transactions in June 2023, totaling £84 billion, as explained in UK Finance's Card spending update for June 2023 (PDF, 226KB).

3 . Spending in merchant category groups

Overall, the average spend per cardholder rose by 17% from June 2019 compared with June 2023. The Consumer Prices Index including owner occupiers' housing costs (CPIH) inflation rate in the same period was 20%. Increases in card spending are not directly comparable with inflation because of the card spending data only covering part of the consumer spending picture, with the value of cash spending and the movement in habits between card or cash payments also contributing. For example, if low value cash transactions have been replaced with card transactions because of increased availability of card payment facilities, average spend per cardholder will reduce even if overall prices have increased. However, the wider economic picture is relevant to the interpretation of this data.

The proportion spent between merchant category groups (MCGs) varies over time. The most notable changes to average spend per cardholder were seen at the time of coronavirus (COVID-19) pandemic's national restrictions, where the amount spent per cardholder decreased for most MCGs. Figure 1 shows growth in average spend per cardholder in a range of important consumer spending sectors.

Figure 1: Spending on food and groceries, restaurants and quick service restaurants (QSR) remain above pre-pandemic levels

Indexed average spend per UK cardholder, January 2019 to June 2023, 2019 average = 100

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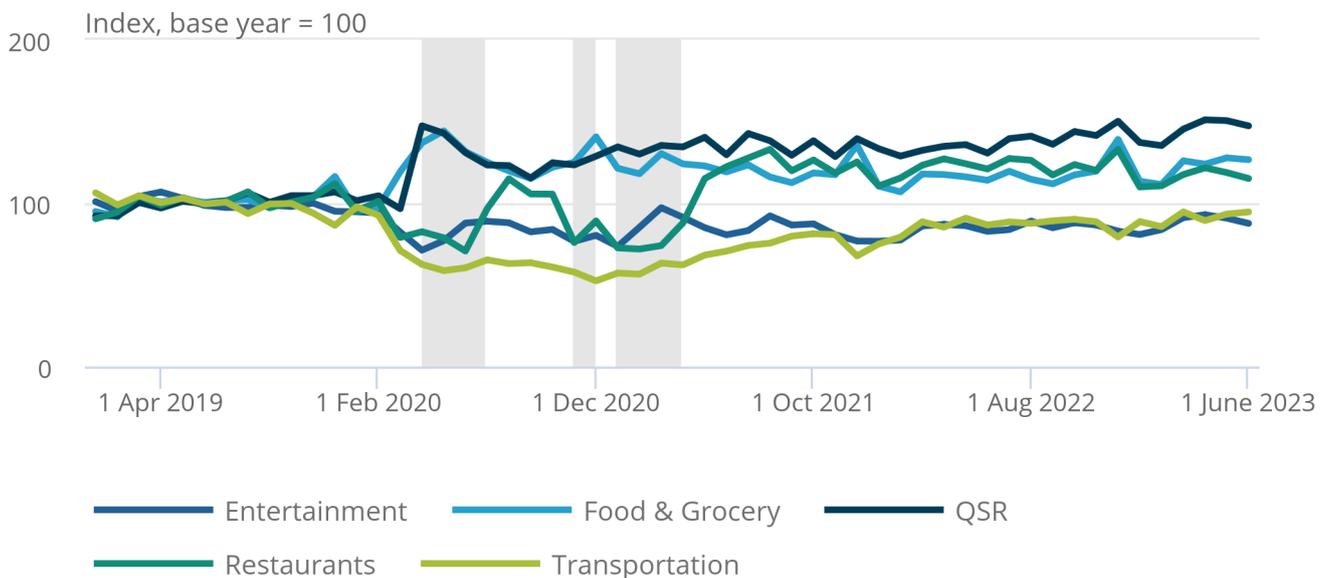
Source: Aggregated and anonymised data on UK card payments from Visa Europe Limited (2023)

Notes:

1. Merchant category groups (MCGs) indicates the primary type of trade conducted by a given merchant. More information is given in our Regional consumer card spending trends Quality and Methodology Information (QMI) report.

2. Highlighted periods of national restrictions are defined in Section 9: Data sources and quality.

Food and groceries is one of the few MCGs that experienced an increase in average cardholder spend during the pandemic. In May 2020, the food and groceries sector spiked following the introduction of national restrictions, a growth of 40% compared with the previous year (May 2019). Following the easing of restrictions, the average spend per cardholder fell. However, spending has remained higher than pre-pandemic levels. More recently, spend on food and groceries has begun to rise, increasing by 11% between June 2022 and June 2023.

The introduction of pandemic restrictions also resulted in a growth in average spend per cardholder for Quick Service Restaurants (QSR). Between April 2019 and April 2020, average spend per cardholder in QSR grew by 52%. Despite a slight decline after the easing of the first national lockdown, spend in QSR has remained high. There was a 7% increase in this sector between June 2021 to June 2023.

Restaurants were negatively affected during coronavirus pandemic national restrictions. However, during the introduction of the Eat Out to Help Out scheme (August 2020) there was a spike in spending per cardholder, a 7% growth compared with August 2019. Restaurant spending remains above pre-pandemic levels, boosted by a 23% increase between June 2019 and June 2021. However, there has been a 6% decrease in spending per cardholder between June 2021 to June 2023.

Transportation (covering a variety of services such as passenger railways, taxicabs and limousines, parking lots and local commuter transport) experienced a 5% decrease in average spend per cardholder between June 2019 and June 2023. A large decrease occurred in March 2020, just before national restrictions where introduced; this decline in average spend per cardholder continued throughout the first two restricted periods. Despite spend on transport not returning to pre-pandemic levels, over the last two years (June 2021 to June 2023) average spend per cardholder grew by 34%.

Entertainment covers a wide range of categories. The largest by spend are theatrical producers, subscription services, member clubs and recreational services. Overall, the entertainment sector experienced a decrease in average spend per cardholder of 11% between June 2019 to June 2023.

4 . Online and face-to-face spending

Consumers using a card to transact may do so either face-to-face or online. The spending habits we see in each of these types are different. Figure 2 shows average spend per cardholder by method of transaction: online and face-to-face. During the first month of each of the coronavirus (COVID-19) pandemic national lockdowns, face-to-face average spend per cardholder fell. However, following the initial decline, face-to-face average spend per cardholder soon returned to similar levels to 2019.

Online average spend per cardholder increased notably in the first national lockdown. Since the peak in July 2020, average spend per cardholder has fallen but remains above 2019 levels. Over the last two years (June 2021 to June 2023) average spend per cardholder has experienced a 3% growth for both online and face-to-face transactions. More information of the spending classed as online or face to face can be found in our [Regional consumer card spending trends Quality and Methodology Information (QMI) report](#).

Figure 2: Online and face-to-face spending has remained stable over the last two years (June 2021 to June 2023)

Indexed average spend per UK cardholder by transaction method, January 2019 to June 2023, 2019 average = 100

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Indexed average spend per UK cardholder by transaction method, January 2019 to June 2023, 2019 average = 100

Source: Aggregated and anonymised data on UK card payments from Visa Europe Limited (2023)

Notes:

1. Highlighted periods of national restrictions are defined in [Section 9: Data sources and quality](#).

The proportion spent by transaction method has varied over time. The most notable shift in transaction method was during periods of national restrictions. On average, the value of online spending accounted for 48% of all spending between January 2019 and June 2023. Online spend peaked in July 2020 to account for 53% of all spending, up from 42% in July 2019. Following the lift of pandemic restrictions, cardholders have returned to making many of their transactions face to face. However, the proportion spent online has remained greater than that of 2019. In the 12-month period to December 2019, the value of online spending accounted for 42% of all spending, in comparison with 48% in the 12-month period to June 2023.

5 . Average transaction value and number of transactions for online and face-to-face spending

Overall, the average number of transactions per cardholder has increased by 23% between June 2019 and June 2023; however, the average value of these transactions has fallen by 10%. This is likely because of the increasing prevalence of card payment options, such as contactless payment in stores, easier online checkouts and consumers moving from cash to card payments.

Figure 3: The average number of transactions increased while average transactional value fell

Indexed average transaction value and average number of transactions per cardholder, January 2019 to June 2023, 2019 average = 100

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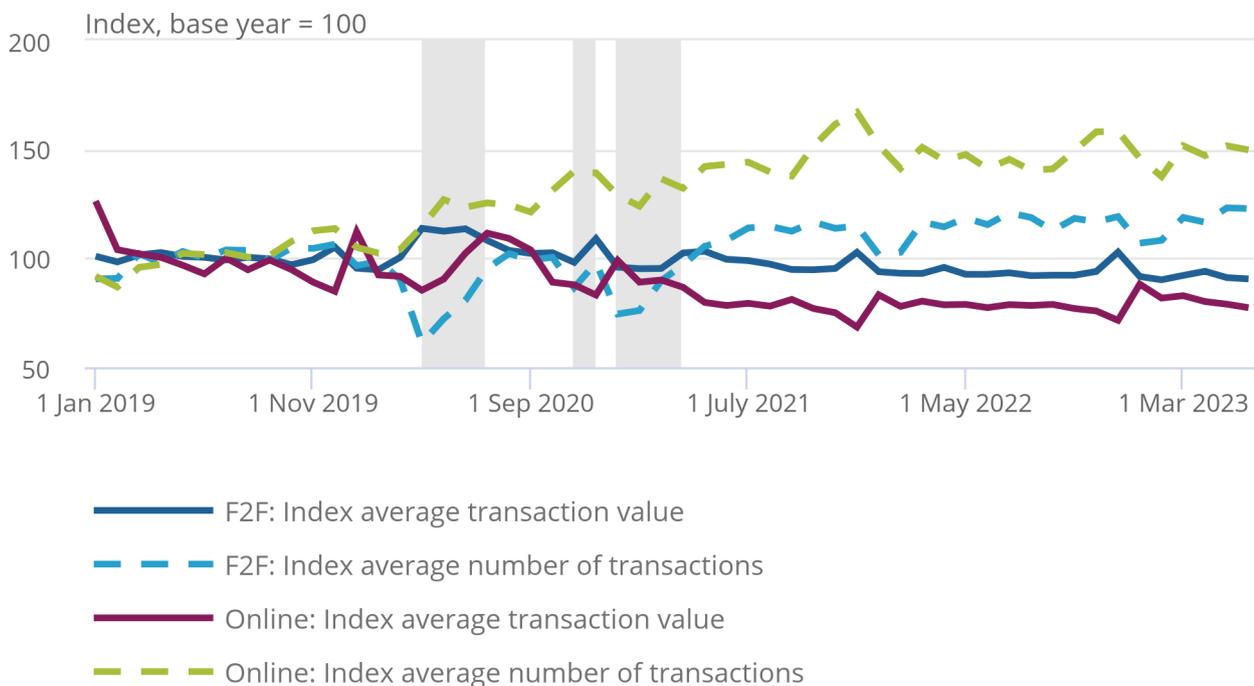
Source: Aggregated and anonymised data on UK card payments from Visa Europe Limited (2023)

Notes:

1. Highlighted periods of national restrictions are defined in Section 9: Data sources and quality.

During the coronavirus (COVID-19) pandemic, there were fewer face-to-face transactions per cardholder compared with 2019. However, of the transactions made, the value increased. The opposite was true of online transactions; the average number increased, and the average value fell.

Since the end of national pandemic restrictions (June 2021 to June 2023), the average number of face-to-face transactions per cardholder has risen by 13%. However, the average value of these transactions has fallen by 9%. Similar trends are seen in online transactions, with slightly lower growth rates for the average number of online transactions per cardholder and the average transactional value, 5% and negative 1% respectively.

More granular consumer behavioural changes can be explored by evaluating individual merchant category codes (MCCs) that are grouped to form overall merchant category groups (MCGs).

Figure 4: The average transaction value in grocery stores and eating places is similar to 2019

January 2019 to June 2023, 2019 average = 100

Notes:

1. Merchant category codes (MCCs) classify businesses dependent upon primary business categories, which can then be grouped up to higher, mutually exclusive sectoral levels. In this analysis, grocery stores represents the MCC grocery stores and supermarkets. Eating places represents the MCC eating places and restaurants.

2. Highlighted periods of national restrictions are defined in Section 9: Data sources and quality.

Download the data

.xlsx

The food and grocery MCG is the aggregation of six MCCs. The largest MCC by spend in this sector is grocery stores; this accounts for 90% of all food and grocery spend. The transactional value of purchases within grocery stores have remained similar across the last two years (June 2021 and June 2023), with a larger growth in the value of online transactions in the most recent months. Between June 2021 and June 2023, the average face-to-face transaction value per cardholder decreased by 2%, compared with an increase of 6% online. The average number of face-to-face transactions per cardholder increased by 10% and online transactions have decreased by 1%.

Eating places is an MCC within the MCG restaurants. This MCC is 92% of spend within the MCG restaurants. During the coronavirus pandemic, the average number of transactions online increased, while those made face-to-face fell. Since the lifting of restrictions, the average number of transactions per cardholder by method of payment has begun to reduce online, a decrease of 24% between June 2021 and June 2023. There has been a shift back to using face-to-face transactions, an 18% increase in face-to-face spending in eating places. In June 2023, the average online transactional value grew by 27% compared with June 2021, whereas average face-to-face transactional value decreased by 9%.

6 . Regional spend

The card payment data is available by postal area across the UK; there are 121 of these in the UK and a further three for the Crown Dependencies, which are the Island of Man, the Bailiwick of Jersey, and the Bailiwick of Guernsey. The insights shown here represent face-to-face spending based on the location of the merchant where spending occurred. Postal areas are represented by the first one or two letters at the start of a postcode. International Territorial Levels (ITLs) are used to show internationally comparable regional geographies for the UK. Postal areas do not match perfectly to ITL regions in the UK but can be used to approximate regional spend.

Table 1 details the proportion of spending in 2022 that each region of the UK contributes. London and the South East are the largest regions, and the North East and Northern Ireland the smallest.

Table 1: Relative size of UK regions in terms of card spending
Aggregated and anonymised data on UK card payments from Visa Europe Limited (2023)

Region	Proportion of total spend in 2022
London	15%
South East	13%
North West	11%
East of England	10%
South West	10%
Scotland	8%
West Midlands	8%
Yorkshire and The Humber	8%
Wales	5%
East Midlands	5%
North East	4%
Northern Ireland	2%
Crown Dependencies	0%
All	100%

Figure 5 shows indexed total face-to-face spend for Wales, Scotland, Northern Ireland and the English regions relative to average monthly spend in 2019. Spend is assigned to a location based on where the transaction takes place.

Figure 5: Since 2019, North East and West Midlands have had the highest increases in spend

Indexed change in total regional spend, January 2019 to June 2023, 2019 average = 100

Notes:

1. Spend within unknown merchant locations have been apportioned to other regions. See our [Regional consumer card spending trends Quality and Methodology Information (QMI) report](#).

2. Spend is assigned to a location based on where the transaction takes place.

3. Spend is adjusted based on the number of cardholders in the dataset in January 2019. This allows the growth or loss in spend to be shown independent of the number of cardholders in the dataset. See our [Regional consumer card spending trends Quality and Methodology Information (QMI) report](#) for more details.

4. Spend data for Northern Ireland is unavailable for January 2023 to June 2023.

5. Northampton (NN) and Wolverhampton (WV) have not been included in the regional indexes because of spend data being unavailable for January 2023 to June 2023.

Download the data

[.xlsx](#)

For all regions, face-to-face spending fell substantially during the coronavirus (COVID-19) pandemic. This was most notable during the national lockdowns. In April 2020, all regional spend fell by at least 30%, with further significant falls in November 2020 for English regions and January and February 2021 across the UK. During all three dips, spend in the South East, East of England and, particularly, London fell by the most, relative to 2019 spend in those areas.

The most recent data for the North East, West Midlands, Wales and Yorkshire and The Humber shows face-to-face spend in 2023 is the highest it has been since the start of 2019 for each month. In the South East and London, the value of monthly face-to-face spend is the highest it has been since the start of the pandemic but remains at or below 2019 levels. In the remaining English regions and Scotland, monthly spend is close to 2019 levels, but for some areas is down compared with 2022, including the North West, South West, and Scotland.

7 . Local spend

Examining the data at postal area level gives insight into local face-to-face spending. Figure 6 shows adjusted spend for each postal area, indexed to the average monthly spend for 2019.

Figure 6: Compared with 2019, face-to-face spend differs across postal areas

Indexed change in total postal area spend, January 2019 to June 2023, 2019 average = 100

Notes:

1. Spend within unknown merchant locations have been apportioned to other regions. See our [Regional consumer card spending trends Quality and Methodology Information (QMI) report](#).

2. Spend is assigned to a location based on where the transaction takes place.

3. Spend is adjusted based on the number of cardholders in the dataset in January 2019. This allows the growth or loss in spend to be shown independent of the number of cardholders in the dataset. See our [Regional consumer card spending trends Quality and Methodology Information (QMI) report](#) for more details.

4. Spend data for Northampton (NN), Wolverhampton (WV), and Belfast (BT) is unavailable for January 2023 to June 2023.

Download the data

Figure 6 shows the face-to-face spend for each postal area from January 2019 to June 2023. For the chosen postal area, the line chart shows the change in face-to-face spend across time relative to average monthly spend in 2019, which is compared with the equivalent national trend line. The map allows you to compare the relative value of spend in the postal area compared with the rest of the country.

Latest data shows the value of face-to-face spend in the UK in June 2023 is highest in Hereford (HR), Durham (DH), Llandrindod Wells (LD) and Halifax (HX), relative to spend in those places in 2019. The four regions represented by these postal areas, West Midlands, North East, Wales and Yorkshire and The Humber, respectively, are the only four regions in which spend is up compared with the average 2019 spend in all constituent postal areas.

Of the 10 postal areas with the lowest spend in June 2023 relative to 2019, five are in London, including South West London (SW), Twickenham (TW), Kingston-upon-Thames (KT), West Central London (WC) and North West London (NW). Meanwhile, three are in the East of England, but relatively close to London, including St Albans (AL), Colchester (CO), and Southend-on-Sea (SS).

There is clear seasonality within the data. Namely, spend tends to be highest in December and August and lowest in January and February. Figure 6 explores how spend in different areas changes based on specific months.

Mirroring regional trends, face-to-face spending fell across all postal areas at the start of the coronavirus (COVID-19) pandemic. However, relative to 2019, the Outer Hebrides (HS) decreased by the smallest amount in April 2020 and was the only postal area in which May 2020 spend was higher than its 2019 average monthly spend. Other postal areas with relatively high spend at the start of the pandemic include Ilford (IG) and Sutton (SM) in London, and Wolverhampton (WV) and Wigan (WN).

Postal areas with relatively low spend during the first few months of the pandemic are primarily in central London, namely West Central London (WC), West London (W), South West London (SW), East Central London (EC) and North West London (NW) as well as Manchester (M), Twickenham (TW), and Edinburgh (EH).

Figure 7: Spend between the most urban and most rural areas varied substantially following the coronavirus (COVID-19) pandemic, but has started to converge in the last year

Indexed change in total postal area spend, January 2019 to June 2023, 2019 average = 100

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Indexed change in total postal area spend, January 2019 to June 2023, 2019 average = 100
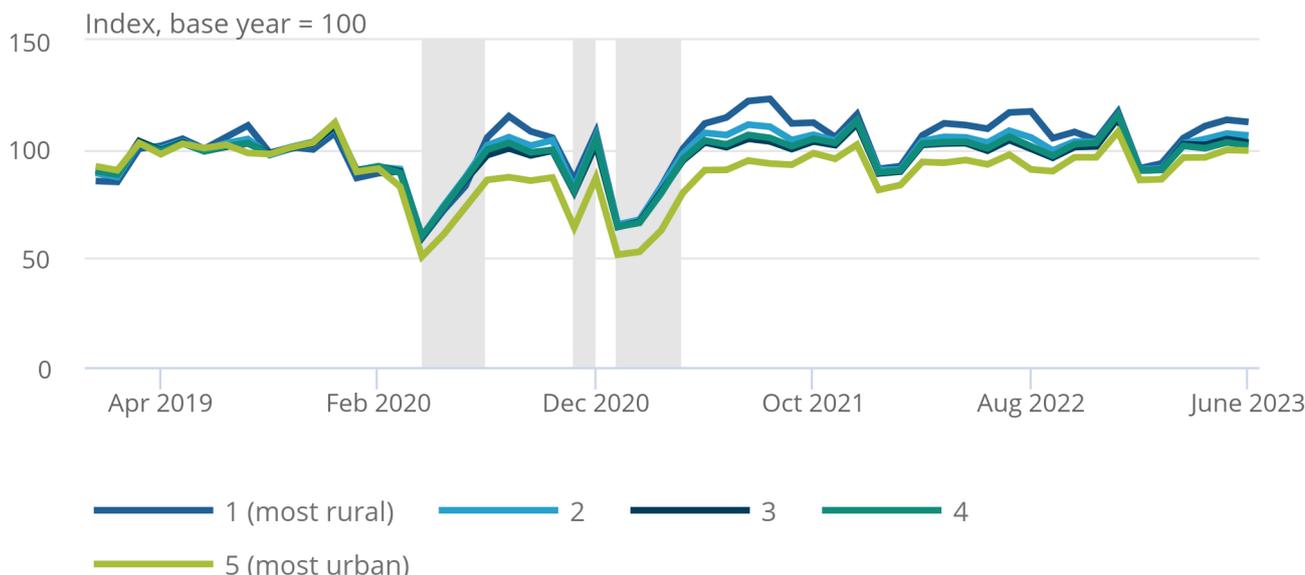
Source: Aggregated and anonymised data on UK card payments from Visa Europe Limited (2023)

Notes:

1. Spend within unknown merchant locations have been apportioned to other regions. See our Regional consumer card spending trends Quality and Methodology Information (QMI) report.

2. Spend is assigned to a location based on where the transaction takes place.

3. Spend is adjusted based on the number of cardholders in the dataset in January 2019. This allows the growth or loss in spend to be shown independent of the number of cardholders in the dataset. See our Regional consumer card spending trends Quality and Methodology Information (QMI) report.

4. Northampton (NN), Wolverhampton (WV) and Belfast (BT) have not been included in the rural urban indexes because of spend data being unavailable for January 2023 to June 2023.

Figure 7 shows the change in indexed face-to-face spend across the full time series in relation to how urban or rural an area is. Each postal area was assigned to one of five equal groups depending on how rural or urban they are. Group one contains the 20% most rural postal areas and group five the 20% most urban postal areas. This indicative classification is based on the proportion of each postal area's constituent postcodes that are part of settlements with 10,000 or more residents. More details on this measure can be found in our Regional consumer card spending trends Quality and Methodology Information (QMI) report.

From the start of the pandemic, the most urban group has consistently had the lowest face-to-face spend relative to spend in 2019. This group is made up of primarily postal areas in London and the North West, including Manchester (M), Oldham (OL), and Blackpool (FY). Conversely, the most rural group, which includes Outer Hebrides (HS), Hereford (HR), and Llandrindod Wells (LD) has consistently had relatively high face-to-face spend.

The latest June 2023 data shows the gap in relative spend compared with 2019 is narrowing between the most rural and most urban postal areas. However, while the middle three groups followed a relatively similar path following the pandemic, this has widened since the start of 2023.

8 . Glossary

Debit and credit card transactions

These cards facilitate the transfer of money for goods and services rendered without the usage of cash. These transactions occur both in-person through contactless and chip and pin, and online through mail order or e-commerce. All card data that the Office for National Statistics (ONS) receive are anonymised and aggregated to protect against disclosure of individuals' consumer data.

Financial payment system

Debit and credit cards are provided by card issuers that enables consumers to make payment transactions. Card issuers are financial institutions responsible for providing a customer with a card. Card schemes, of which Visa is one, are payment networks that provide a range of services. For consumer payments, card schemes provide secure connectivity for merchants to transact with cardholders, either face-to-face or online, and ensure those merchants safely receive their funds from the cardholder's bank.

Rural-urban classification

In England and Wales, the Rural Urban Classification is used to distinguish rural and urban areas. The rural urban classification identifies 10 categories of settlement. In Scotland, the Scottish Government Urban Rural Classification is used to distinguish rural and urban areas. The Scottish classification is different to the classification used in England and Wales; it identifies eight categories of settlement.

Neither classification is available for postal areas. Therefore, the National Statistics Postcode Lookup is used to calculate an indicative measure of relatively how urban a postal area is. Specifically, this is based on the proportion of a postal area's constituent postcodes that belong to a settlement with at least 10,000 people. In the case of England and Wales, this applies to all postcodes which are defined as urban. In the case of Scotland, this applies to postcodes which belong to a "large urban area" or "other urban area" classification.

Merchant location

Merchant location is gathered from the merchants register. The merchant acquirer (bank or financial institution that processes card payments for a merchant) is responsible for providing the card network with the correct location of each merchant outlet, as set out in the Visa standards manual (PDF, 14.74MB). For in-store transactions with a fixed location, the merchant location will be where the transaction took place. For merchants that do not have a fixed location, the location can either be where the transaction took place or the merchant's principal place of business. We have not included analysis of where spending took place for online transactions because of the difficulties in defining this consistently.

Postal areas

Postal areas are the first one or two letters at the start of a postcode. There are 121 postal areas in the UK, and one for each of the Crown Dependencies, which are the Isle of Man, the Bailiwick of Guernsey, and the Bailiwick of Jersey. Data is aggregated at this level because of the information that is provided by Visa. In the future, we aim to provide card spending breakdowns based on local authorities. However, this is not possible in this publication.

Merchant category

A merchant category code (MCC) is a four-digit number assigned to describe a merchant's primary business based on annual sales volume measured in local currency. Where a merchant is engaged in more than one type of business the merchant can either use the MCC which reflects the highest annual sales volume or use different MCCs for different lines of business. In addition, some MCCs identify a specific merchant or type of transaction. In the dataset provided by Visa card spending, data is aggregated where a specific MCC would disclose an individual business's activity. A merchant category group (MCG) is assigned to define an industry using a set of MCCs.

9 . Data sources and quality

Card spending data

Analysis in this article is based on aggregated and anonymised data on UK card payments provided by Visa Europe Limited. Visa operate a card scheme that is used by a variety of card issuers, including debit and credit card providers. Visa operates one of the world's largest payment networks, and respecting privacy is crucial. Visa has a Global Privacy Program to ensure proper safeguards be applied to personal information that they collect, use and share. Visa aggregate and anonymise data before sharing to remove information that would allow us to identify the activity of an individual or business within the data set.

Card spending covers part of UK spending habits and is not exhaustive. It will not cover cash transactions or direct debit payments. These data, although not adjusted for inflation, can be used to give an indication of spending habits. We have published Regional consumer card spending trends Quality and Methodology Information (QMI) report about the Visa data, which covers the strengths and limitations of the data.

Excluded categories

Spending in some merchant categories is deemed as sensitive by Visa for legal reasons. This spending is excluded from the data published in this article. The following types of spending are excluded:

- betting and gambling

- insurance, money, and financial institutions

- alcohol and tobacco, including bars, pubs and liquor stores

- religious and political organisations

- health services

- legal services

- funeral services

National restrictions

The grey shaded area in charts refers to periods where restrictions across the UK were in effect. While guidance varied between the nations and regions of the UK at various times, for practical purposes, we have limited restrictions to three main periods.

In order, these were:

- first national lockdown in the UK (23 March 2020) to easing of restrictions with non-essential shops reopening in England (15 June 2020)

- second lockdown in England (5 November 2020) to lockdown being replaced with three-tier system in England (2 December 2020)

- third lockdown announced in Scotland and England (4 January 2021) to "stay at home" restrictions ending in England (29 March 2021)

10 . Related links

How our spending has changed since the end of coronavirus (COVID-19) restrictions
Article | Released 11 July 2022
Online shopping, hobbies and habits — the coronavirus (COVID-19) pandemic has had a huge impact on where our money goes. As the cost-of-living increases, we look at what has happened recently to retail and the story behind our financial transactions.

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11 . Cite this article

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