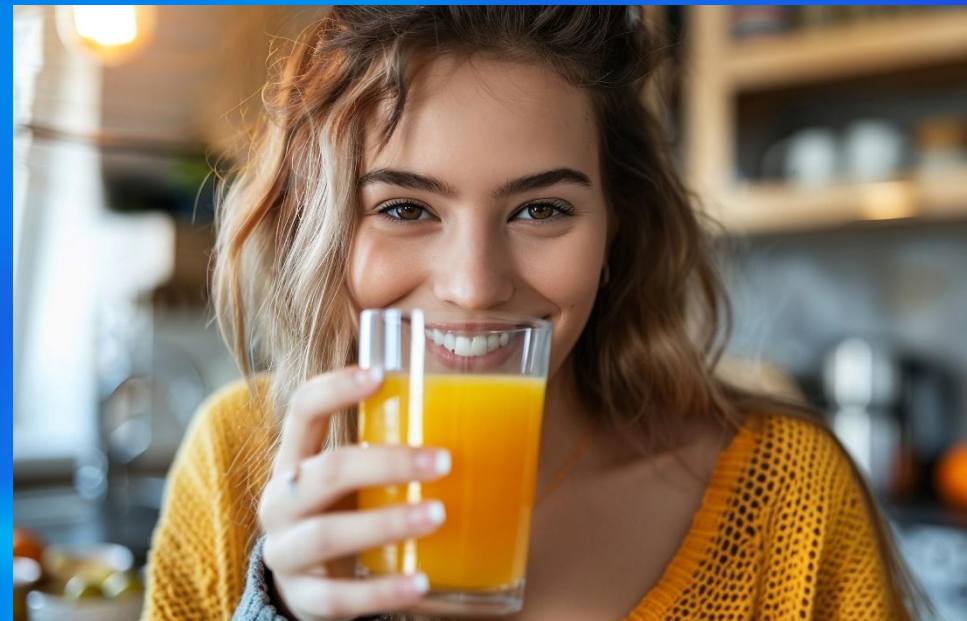




UK Consumer Spending

Q3 2026 Analysis



Executive summary – consumers are still spending, but growth is increasingly concentrated

UK consumer spending remained resilient in Q3'26, but demand became increasingly selective. Total spending grew 4.9% year-on-year, ahead of 3.0% inflation, supported by higher activity and value, with transactions per customer up 1.9% and spend per transaction up 1.5%. Growth was strongest in Entertainment & Leisure at 8.5% and Non-Grocery Retail at 6.0%, despite Fashion declining 4.4%.

Confidence remains subdued despite a recent recovery. 55% believe the UK economy is worsening, with grocery and utility costs the main concerns. Yet 49% describe themselves as confident or comfortable financially, and 80% retain some discretionary spending after essentials. Consumers therefore remain cautious, but continue to protect selected experiences, health spending, holidays and practical investment in their homes.

Winning propositions combined scale, convenience and clear differentiation, but growth came through different routes: higher basket values, broader customer reach, increased frequency or specialist offerings. For leaders, the priority is to identify the occasions consumers continue to protect, make value tangible across price, quality and convenience, and use data and loyalty to capture a greater share of increasingly concentrated household budgets.



Growth is increasingly concentrated

Spending grew ahead of inflation, but gains were uneven. Consumers directed more of their wallets towards experiences, digital services and targeted health spending, while Fashion contracted and everyday categories grew more slowly.



Different growth engines are winning

There was no single formula for success. Some businesses grew by reaching more customers, others through greater purchase frequency or higher transaction values. Leaders aligned their proposition to the specific way consumers were choosing to spend.



Digital growth is widening beyond commerce

Digital demand now extends beyond online retail and marketplaces into paid AI, resale, travel platforms and delivery. However, digital reach alone did not guarantee growth, with consumers concentrating spend on clear convenience offering or differentiated experiences.



Big-ticket priorities are shifting

Compared with the previous quarter, consumers are planning to direct more spending towards home improvements and mobile phones for Q4, while holiday intentions remain stable. Appetite for cars, moving home and other major commitments remains subdued.

55%

of consumers believe the UK economy is worsening, down from 61% in June

8.5%

growth in Entertainment & Leisure, the strongest discretionary category in Q3

80%

retain some discretionary spending after covering essentials

42%

of consumers plan no big-ticket purchase between September and November

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Q3'26 trading overview.



Category deep dives for Q3'26 spending.



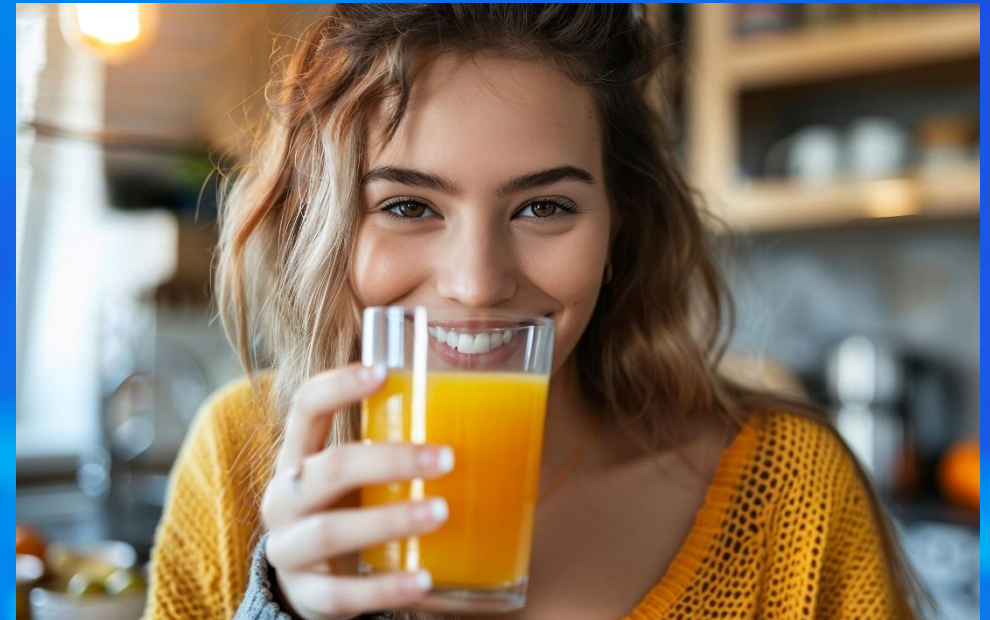
Outlook for the rest of 2026.

How we can help you.



01

The world around us



The backdrop to Consumer & Retail is evolving rapidly



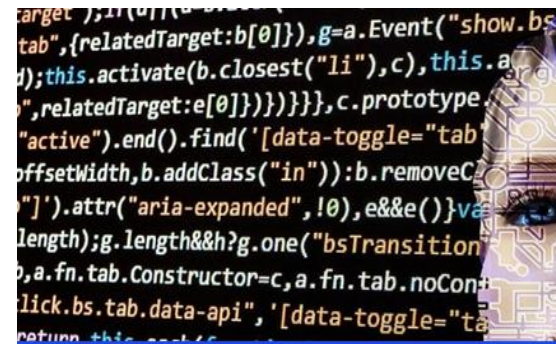
Macroeconomic and geopolitical environment

UK consumers face renewed pressure from higher energy and borrowing costs. Ongoing conflict in the Middle East has disrupted energy and aviation markets, adding to inflation and supply-chain risks. At the same time, gilt yields have reached multi-decade highs, raising financing costs and reducing fiscal headroom ahead of the Autumn Budget. US tariffs add further uncertainty for trade and supply chains.



Consumer behaviour

Consumers remain cautious and increasingly selective. 55% believe the UK economy is worsening, with grocery and utility costs the main concerns, yet 80% retain some discretionary spending after essentials. Demand is concentrating around protected experiences, practical home investments and propositions that combine competitive pricing with clear quality and convenience.



Disruptive technologies including GenAI

AI is moving from experimentation into consumer propositions and core operations, supporting personalisation, customer service, forecasting and supply-chain productivity. Paid AI services are also emerging as a consumer-spending category. However, value depends on trusted data, robust controls and operational resilience as cyber, outage and capability risks increase.



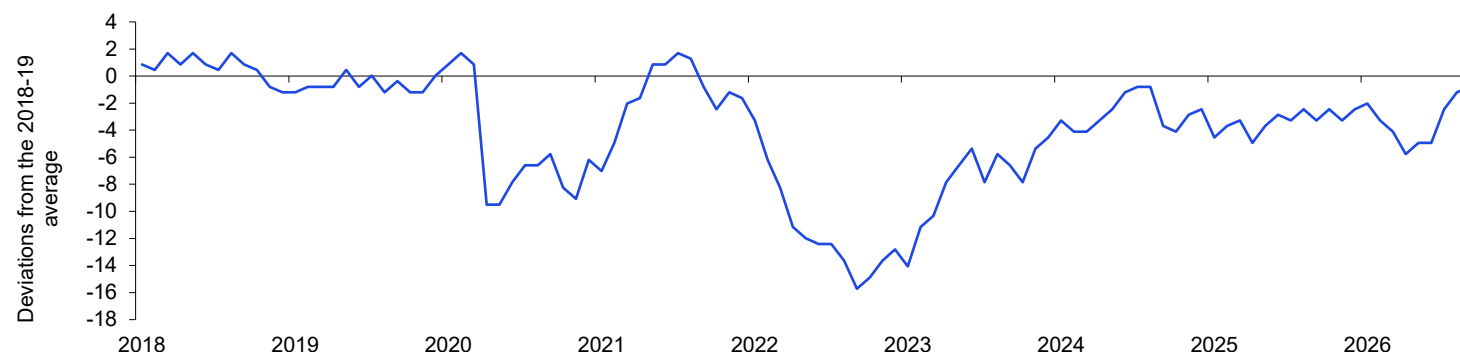
Do Good Be Good

Sustainability is becoming more closely linked to operational resilience and cost management. Supply-chain traceability, resource efficiency and lower-energy logistics can reduce exposure to disruption and volatile input costs, while credible delivery remains important to brand trust. Businesses should focus investment where environmental progress and commercial value reinforce each other.

Consumer confidence is recovering, but still below pre-2020 levels as household finances show limited change

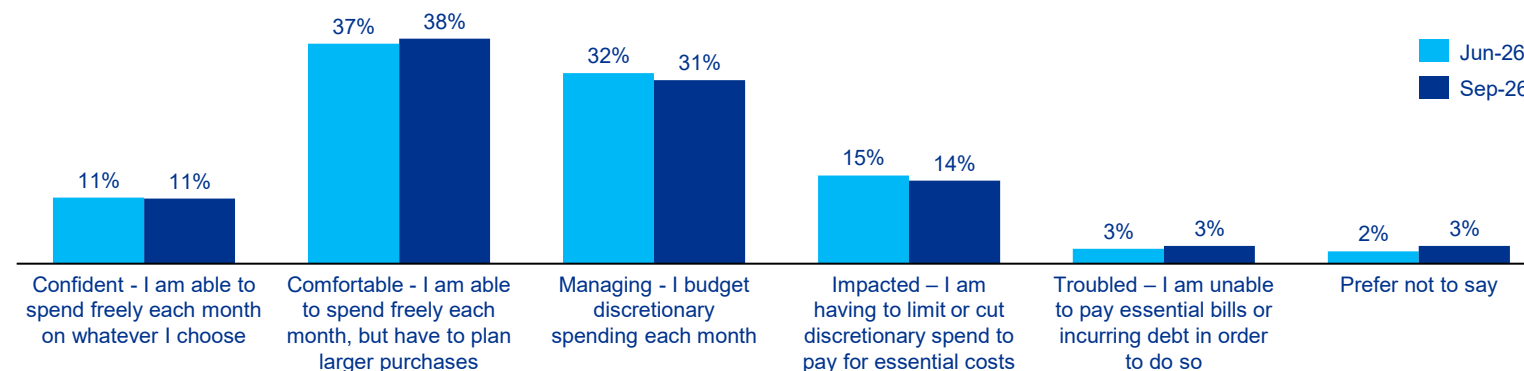
UK consumer sentiment has faltered in 2026 after a period of recovery^(a)

GfK consumer confidence index, 2018 – 2026.



Consumers are feeling more confident about their finances^(b)

"Which, if any, of the following best describes your current financial situation?"



Source: (a) UK GfK Consumer Index, KPMG analysis; (b) KPMG September Consumer Pulse Survey (n = 3000)

Consumer confidence has recovered from a recent low earlier in 2026, but remains below the 2018–19 average. The improvement therefore represents a partial recovery in sentiment, rather than a return to pre-2020 levels.

Consumers' assessments of their own finances have changed little since June. 49% describe themselves as confident or comfortable, while 31% are managing their discretionary spending through a monthly budget.

Financial pressure has eased slightly, but remains highest among middle-aged and younger consumers

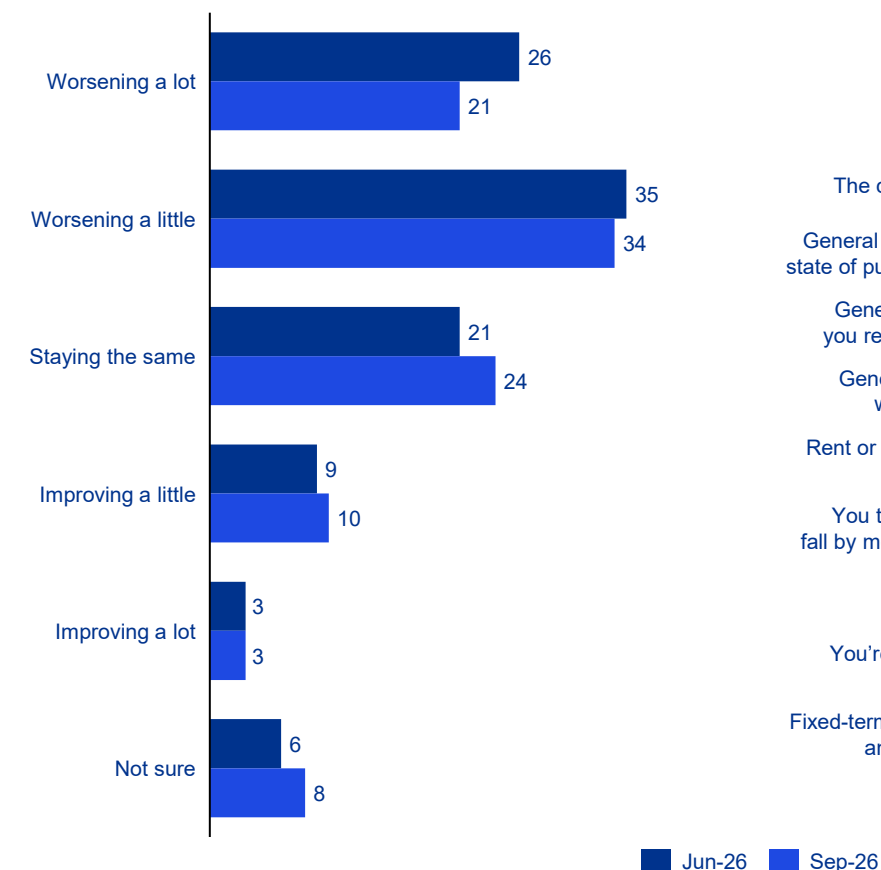
However, a meaningful minority remain constrained in how they can spend. **14% are cutting discretionary spending** to meet essential costs, only slightly below 15% in June. Pressure is highest among 45–64-year-olds, with around one in five cutting discretionary spend.

But this 14% average hides a significant variation by income: 29% of consumers earning £5,001 - £10,000 are cutting discretionary spending to cover essentials, twice as many as the average. This shows how discretionary spending is becoming increasingly reliant on households with greater financial flexibility.

Economic pessimism eased in Q3, but persistent cost pressures continue to constrain consumer spending

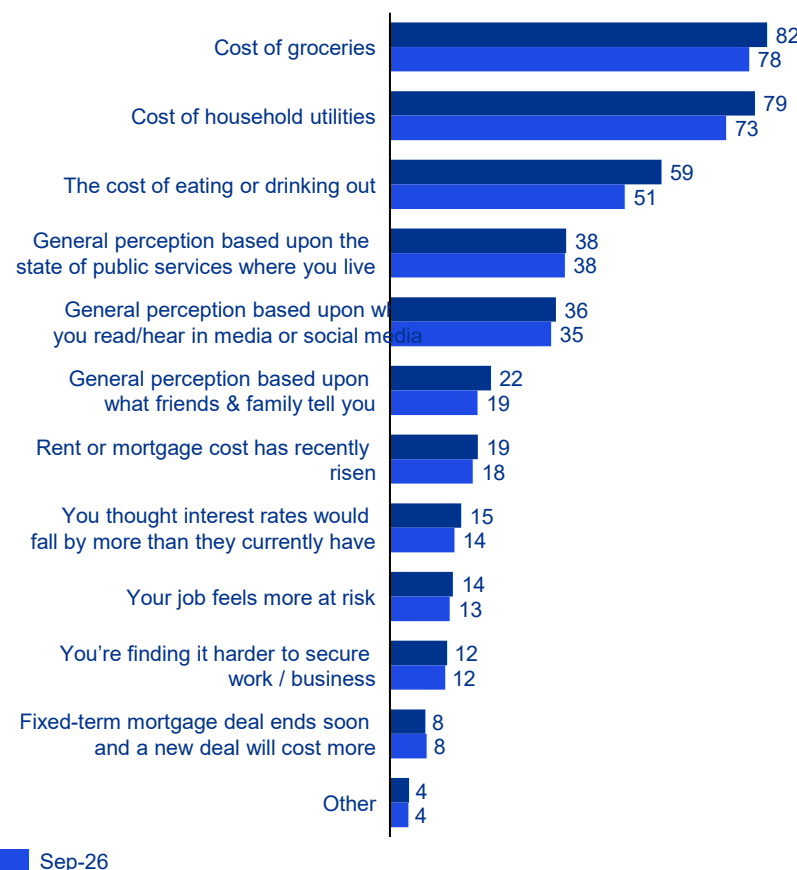
Consumers are pessimistic on the UK economy^(a)

“Is the health of the UK economy improving or worsening?”



Consumers are wary of rising cost of essentials^(a)

“What is making you feel that the UK economy is worsening?”



Consumers remain downbeat about the UK economy, although sentiment improved in Sept. with 55% believing it is worsening, down from 60% in Q2, while 24% think conditions are unchanged.

However, the RTT^{(1)(b)} anticipates tougher conditions into 2027. The RTT also warns that consumers may delay purchases for longer as promotional events such as Black Friday increasingly extend across the month.

The cost of essentials remains the main concern, led by grocery prices at 78% and household utilities at 73%, followed by eating and drinking out at 51%. Employment concerns are also emerging: the survey shows 23% of 45–54-year-olds say their job feels more at risk, compared with 13% overall.

79% of consumers feel the economic situation is either deteriorating or stagnant, down from 82% in Q2 2026

Economic concerns continue to shape consumer behaviour: 51% are reducing monthly spending on everyday items and 33% are putting off big-ticket purchases, suggesting that the improvement in sentiment has not yet translated into greater willingness to spend.

Notes: (1) RTT = Retail Think Tank

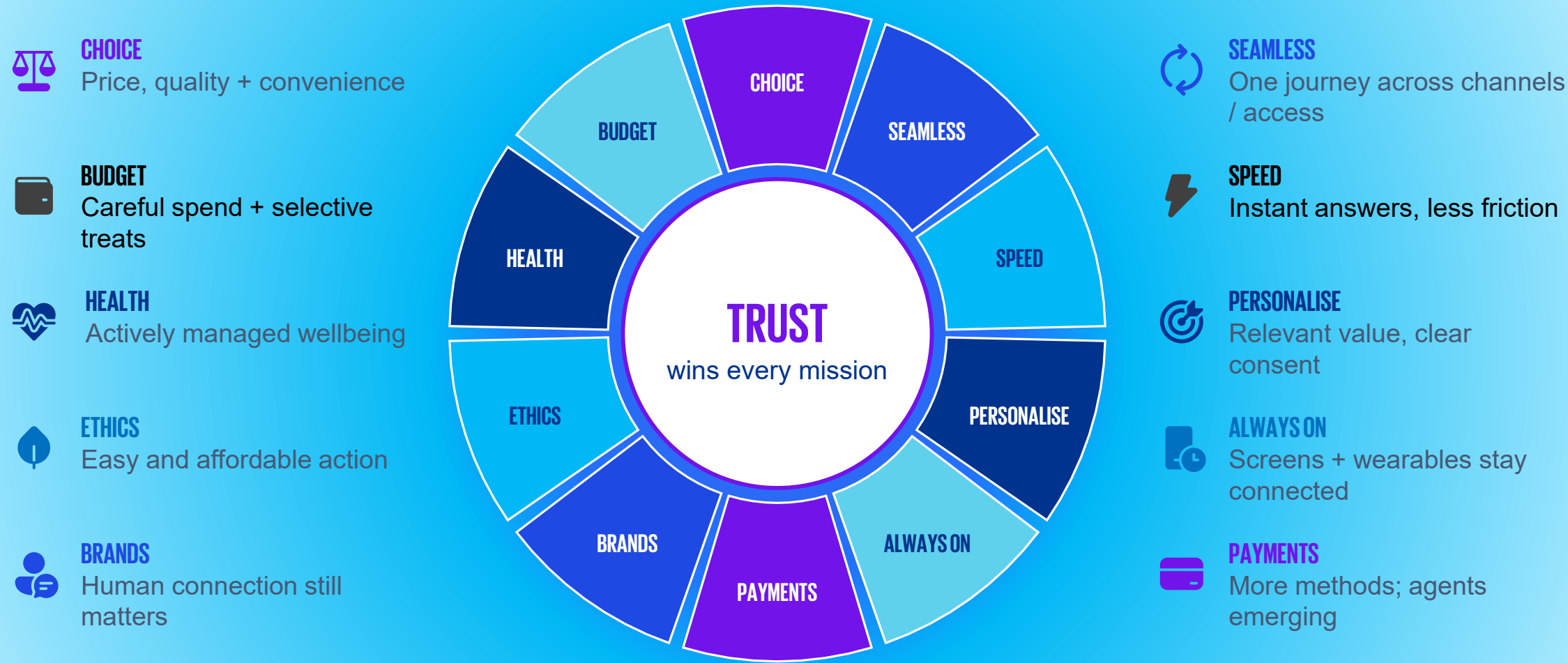
Source: (a) KPMG September Consumer Pulse Survey (n = 3,000) (b) KPMG Think Tank October Release

02

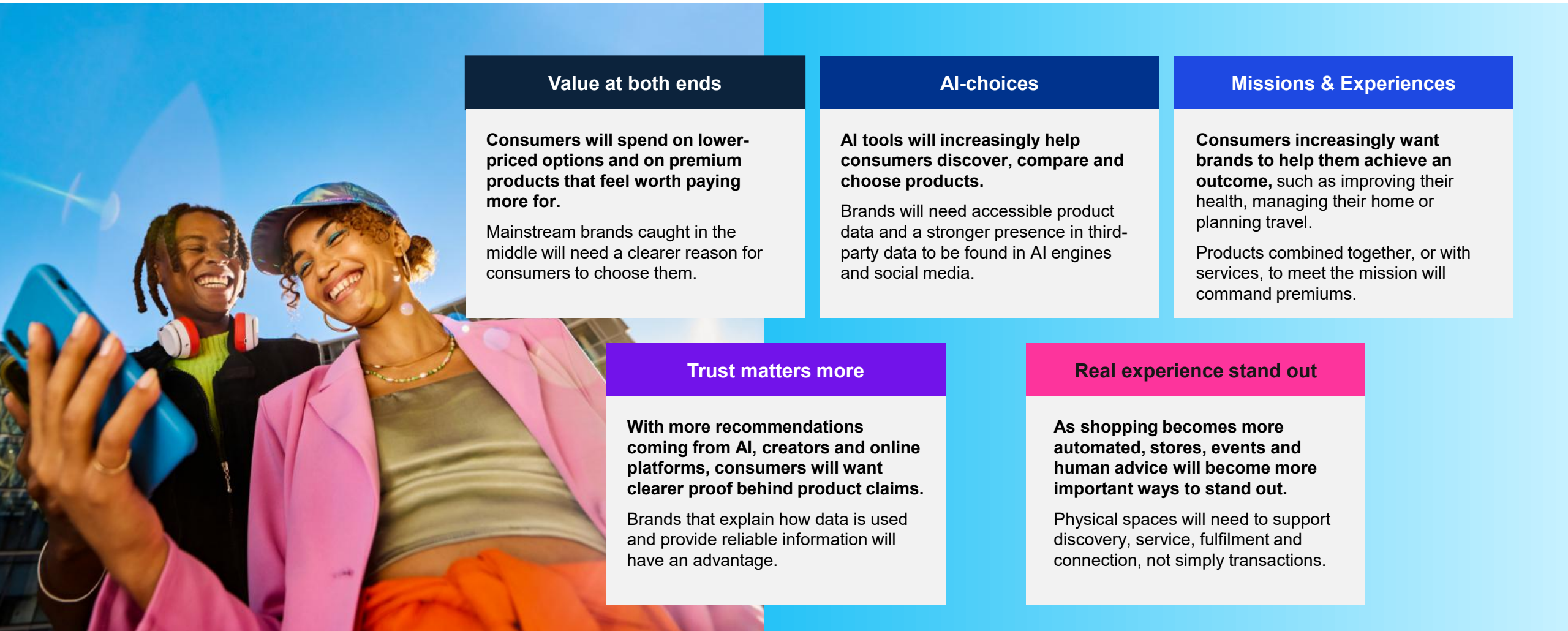
Outlook for the rest of 2026



As technology changes, the underlying consumer desires and behaviours prevail



But watch how these show up in 2027



Value at both ends

Consumers will spend on lower-priced options and on premium products that feel worth paying more for.

Mainstream brands caught in the middle will need a clearer reason for consumers to choose them.

AI-choices

AI tools will increasingly help consumers discover, compare and choose products.

Brands will need accessible product data and a stronger presence in third-party data to be found in AI engines and social media.

Missions & Experiences

Consumers increasingly want brands to help them achieve an outcome, such as improving their health, managing their home or planning travel.

Products combined together, or with services, to meet the mission will command premiums.

Trust matters more

With more recommendations coming from AI, creators and online platforms, consumers will want clearer proof behind product claims.

Brands that explain how data is used and provide reliable information will have an advantage.

Real experience stand out

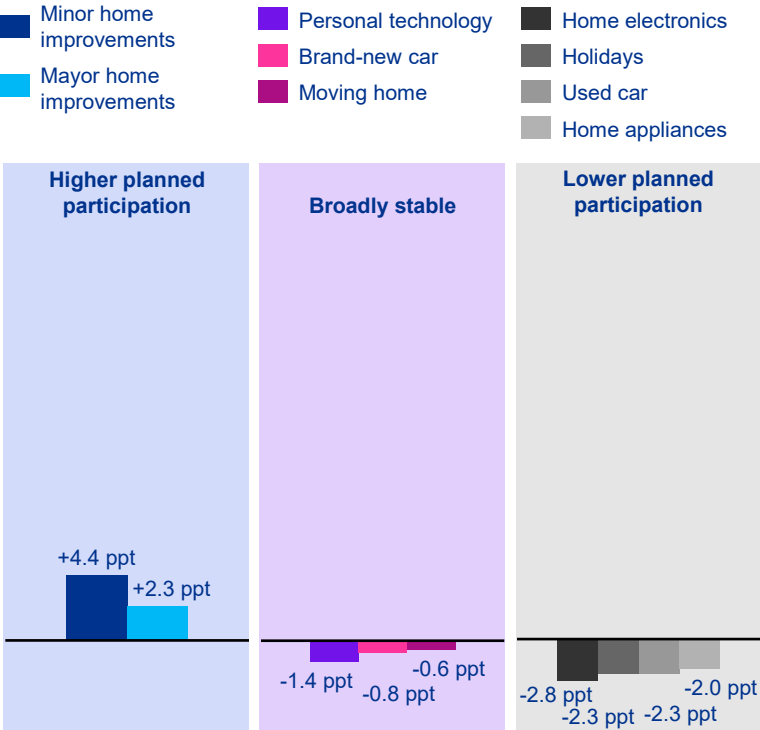
As shopping becomes more automated, stores, events and human advice will become more important ways to stand out.

Physical spaces will need to support discovery, service, fulfilment and connection, not simply transactions.

Consumers are reallocating big-ticket spending, while price and quality continue to shape purchase decisions

Home improvements gain priority as consumers reduce plans to spend on durable goods^{(1)(a)}

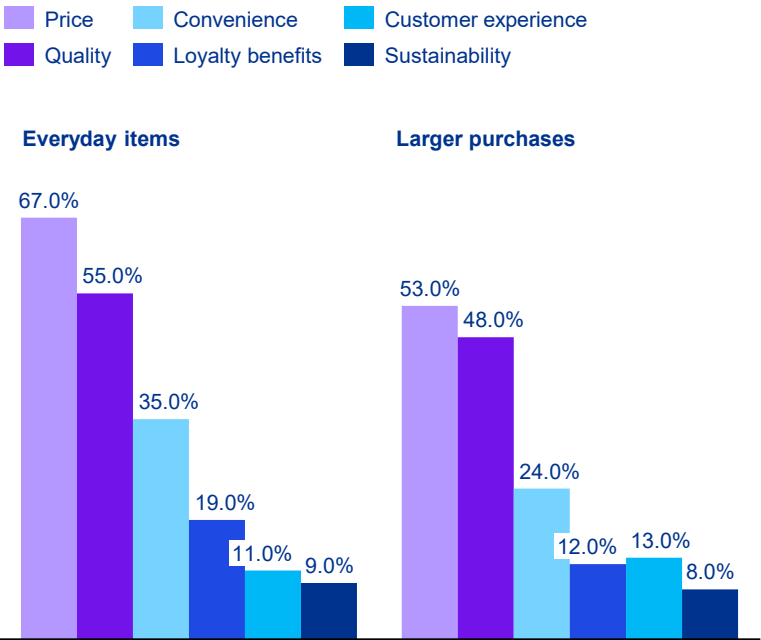
How does planned big-ticket spending for September to November compare with reported spending in June-Aug 2026?



Note: (1) Percentage-point difference between the proportion of consumers planning to spend on each category in September to November 2026 and the proportion reporting spending in June to August 2026.
Source: (a) KPMG September Consumer Pulse Survey (n = 3,000)

Price and quality dominate purchasing decisions, particularly for everyday spending^(a)

“Which factors were consumers’ top purchasing drivers for everyday items and one-off larger purchases in June-Aug 2026?” (Select up to three)



Consumers are not cutting every category equally. Home improvements is the only clear area of stronger planned participation, rising by 4.4 percentage points for minor projects and 2.3 points for major projects. Intentions are lower across home electronics, appliances, cars and holidays.

This points to **reprioritisation rather than a broad retreat from spending**. Consumers appear more willing to fund improvements to assets they already own, while purchases that can be delayed or substituted are losing ground.

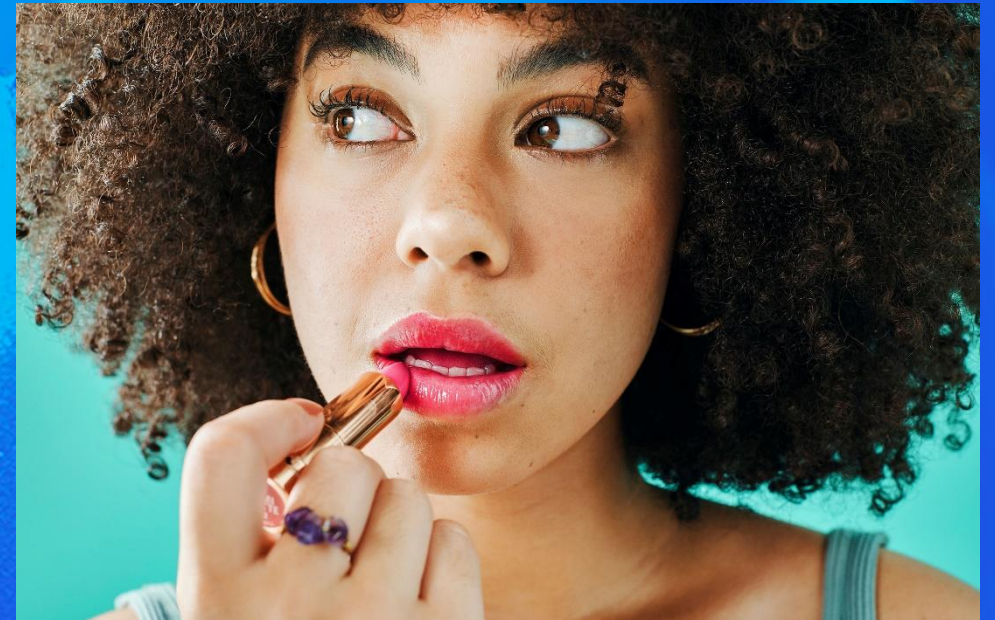
Consumers are concentrating spend where the benefit is tangible and lasting

For **larger purchases**, quality remains relatively close to price at 48% versus 53%, while convenience falls to 24%, suggesting a competitive price alone is unlikely to overcome caution around a larger commitment.

This selectivity is likely to persist, with consumer spending growth moderating from 1.1% in 2026 to 1.0% in 2027. Retailers will therefore be **competing for a more tightly prioritised share of household budgets**.

03

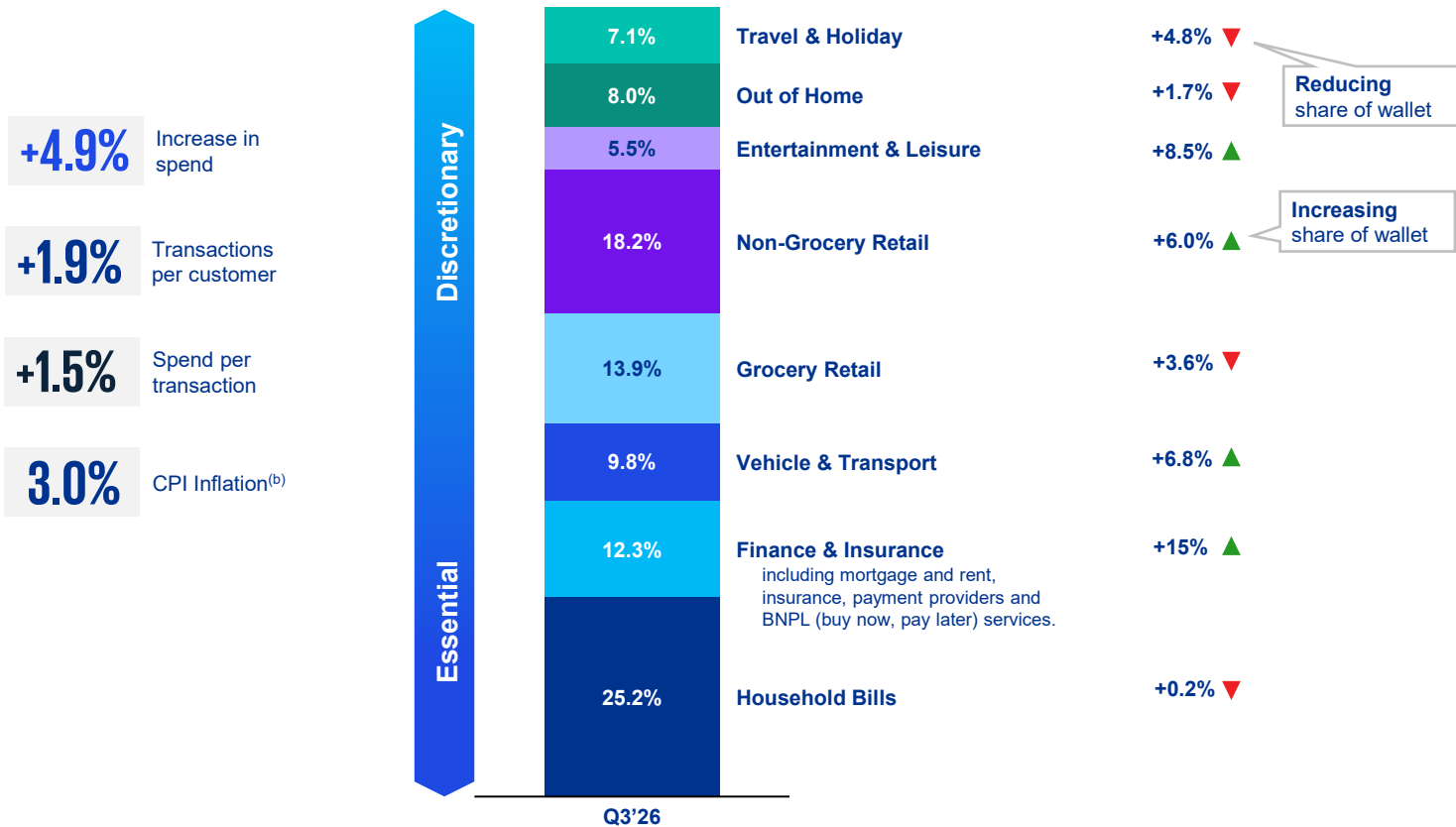
Q3'26 trading overview



Q3 performance: Spending growth remained ahead of inflation, but shifted towards finance and leisure

Change in consumer spend across primary categories

Proportion of spend on Primary Categories, Q3'25 vs Q3'26 and breakdown of growth drivers Q3'25 vs Q3'26^{(1)(a)}



Note: (1) Quarterly basis: refers to values from the months of July, August and September
Source: (a) KPMG analysis, Customer card transaction data (n = 151,460); (b) Office for National Statistics

Consumer spending increased by 4.9% year-on-year in Q3'26, ahead of CPI inflation of 3.0%. Growth was supported by consumers making more transactions and spending more per purchase, with transactions per customer up 1.9% and spend per transaction up 1.5%.

Performance varied significantly by category. Finance & Insurance grew fastest, with Mortgage & Rent, which accounts for almost half of the category, growing by 14.2%, while General Insurance declined slightly and BNPL grew 8.2%.

4.9% year-on-year spending growth, ahead of 3.0% inflation

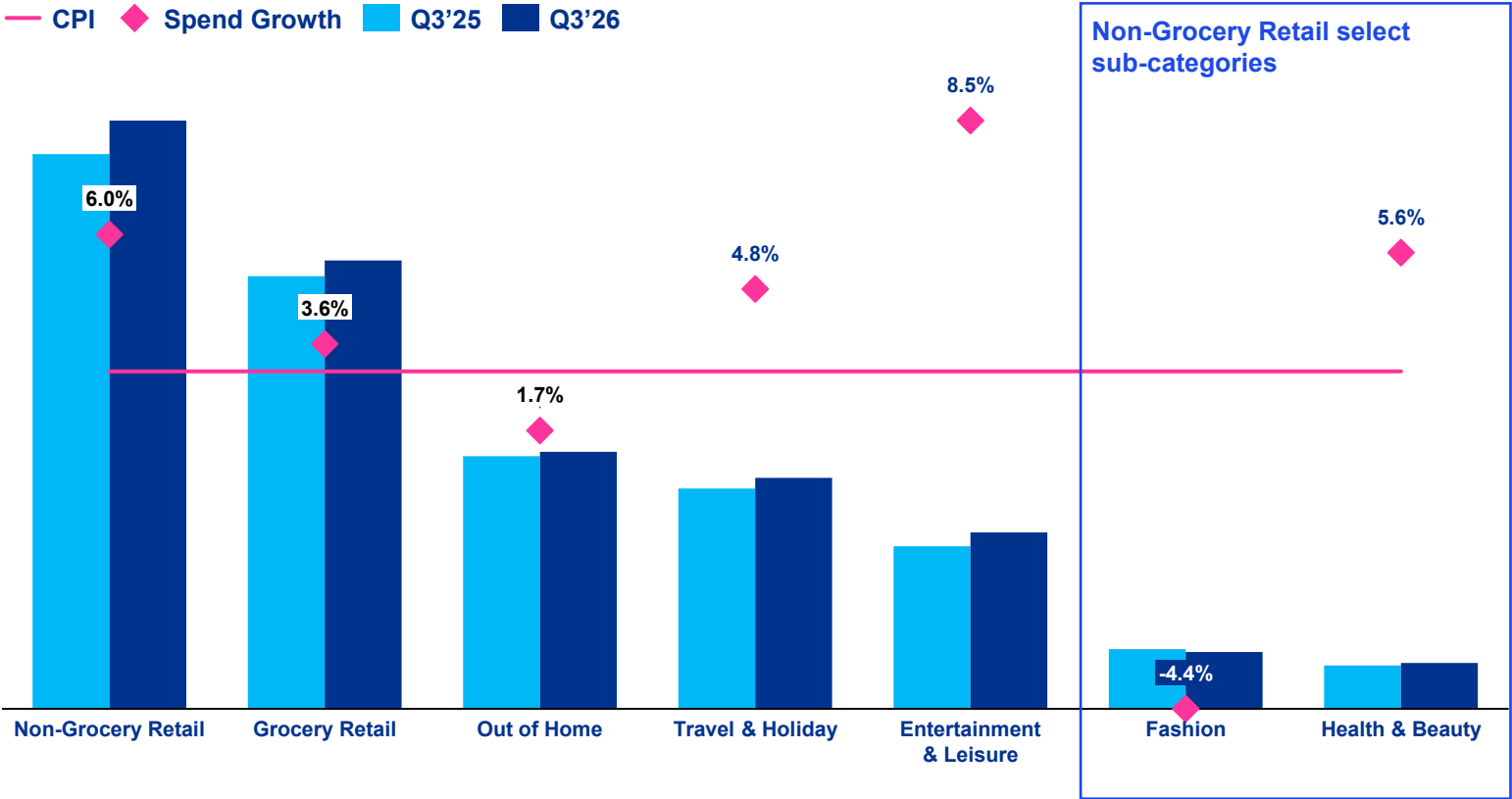
By contrast, Household Bills grew by only 0.2%, while Grocery Retail and Out of Home also lost wallet share. Travel & Holiday grew by 4.8%, but was outpaced by faster-growing categories.

Overall, consumers spent more in Q3 but redirected a greater share of their wallets towards financial services (especially mortgages) and selected discretionary categories.

Q3 performance: Growth was led by Entertainment & Leisure while Fashion lost ground

Growth in consumer spending varied significantly by category⁽¹⁾

Absolute value and growth rate of Q3'25 vs Q3'26^{(2)(a)}, selected categories and sub-categories shown.



Note: (1) The spend values for "Health & Beauty" and "Fashion" sub sectors form part of the overall Non-Grocery Retail number; (2) Quarterly basis: refers to values from the months of July, August and September; (3) Consumer Price Inflation

Source: (a) KPMG analysis, Customer card transaction data (n = 151,460); (b) Office for National Statistics

Building on the 4.9% overall spending growth shown (see page 12), **Entertainment & Leisure was the strongest consumer category, growing 8.5%** as consumers continued to protect spending on experiences.

Non-Grocery Retail grew 6.0%, but not all categories benefited. **Health & Beauty increased by 5.6%**, while **Fashion declined by 4.4%**, showing consumers prioritised personal care over clothing.

Consumers continued to spend on leisure and health and beauty, while cutting back on fashion

Growth was more limited in **Grocery Retail at 3.6%** and **Out of Home at 1.7%**, perhaps an indication of consumers cutting back on food. **Travel & Holiday** grew by 4.8%, broadly in line with overall consumer spending growth.

The result is a clear pattern of selective discretionary growth, with **consumers increasing spend in leisure and health and beauty while reducing spend on fashion.**

Four winning themes continue to stand out across categories:

 **Scaled players**

Example winners:

Tesco	AirBnB
Amazon	Boots

- Scaled players continued to capture growth in categories such as Travel & Holiday, Grocery and Health & Beauty.
- A common theme among successful scaled players was the deployment of loyalty schemes, promotions and discounts to help attract price conscious consumers.
- This strategy works for scaled players as they are well positioned to utilise data gained from these loyalty schemes and invest in effective personalised promotions. Smaller retailers, or those with less frequent purchasing, found this harder as friction of sign-up discourages consumers.

 **Clear value proposition**

Example winners:

Lidl	Costco
JD Wetherspoons	Farmfoods

- Value is always important to consumers. For some categories, and some consumers, value means price.
- Depending on the spending mission, the majority of consumers are able and willing to pay for other definitions of value. Typically, a decision is made on preferred quality and convenience, and at that point the consumer wants to feel like they've got a good price, or a deal.
- All this played into the hands of those players with a clear value proposition. Companies with a business model and operating model aligned to their customer proposition on Value, Quality and Convenience were well positioned to take advantage of increasing consumer wallets.

 **Online platforms**

Example winners:

Bet365	Booking.com
Vinted	Deliveroo

- Online penetration continues to grow across retail and has held up growth through much of 2025 and 2026 as some in-store purchasing declines.
- This is seen across multiple categories, including Food Retail partnering with delivery providers, Travel & Holiday platforms, or in Entertainment & Leisure.
- Marketplaces are proving successful business models for some, with traditional retailers launching their own platforms to both leverage and capture broader customer data.
- Key to platform success is the supply chain and the delivery of the promise to the customer, in line with the brand.

 **Industry disruptors**

Example winners:

Med-Express	Soho House
Simmer Eats	Claude.ai

- Disruptors are creating new spending occasions and reshaping established categories through specialist, technology-enabled or differentiated models.
- Rapid growth often comes from addressing unmet needs or improving access, convenience and personalisation.
- As these businesses scale, sustainable growth will depend on trust, repeat demand, operational resilience and disciplined economics.

04

Category deep dives for Q3'26 spending

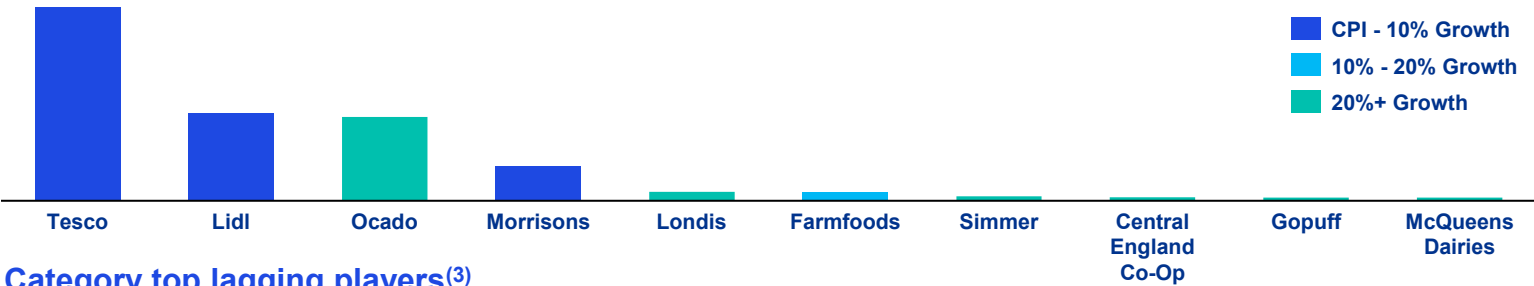


Grocery Retail: Growth concentrated among scale leaders and digital challengers

	Total spend	=	Number of customers	x	Ave. transactions per customer	x	Ave. transaction value
Q3'26 Vs Q3'25	+3.6%		+1.4%		+0.6%		+1.5%

Category top winning players⁽³⁾

Absolute increase and growth rate of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Category top lagging players⁽³⁾

Absolute decrease of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Note: (1) Total spend = Customer Participation x Average transactions per customer x Average transaction value; (2) Quarterly basis: refers to values from the months of July, August and September (3) Top winning and lagging players defined by highest increase/decrease in absolute spend in the category/channel; (4) See Consumer Pulse survey for more detail
Source: (a) KPMG analysis, Customer card transaction data (n = 151,460); (b) KPMG June Consumer Pulse Survey

Grocery spending grew 3.6% year-on-year in Q3'26, supported by a 1.4% increase in customers, 0.6% growth in transactions per customer and a 1.5% rise in average transaction value. These drivers indicate broad-based category growth, with retailers attracting more customers, encouraging slightly more frequent visits and securing modestly larger baskets.

Growth concentrated around three distinct propositions. **Tesco** captured the largest absolute increase in spend, **Lidl** translated its value positioning into further gains, and **Ocado** combined growth above 20% with the third-largest absolute increase. **Londis** also grew above 20%, despite the convenience channel struggling relative to wider grocery.

Tesco led on scale, while Ocado combined strong momentum with meaningful spend growth

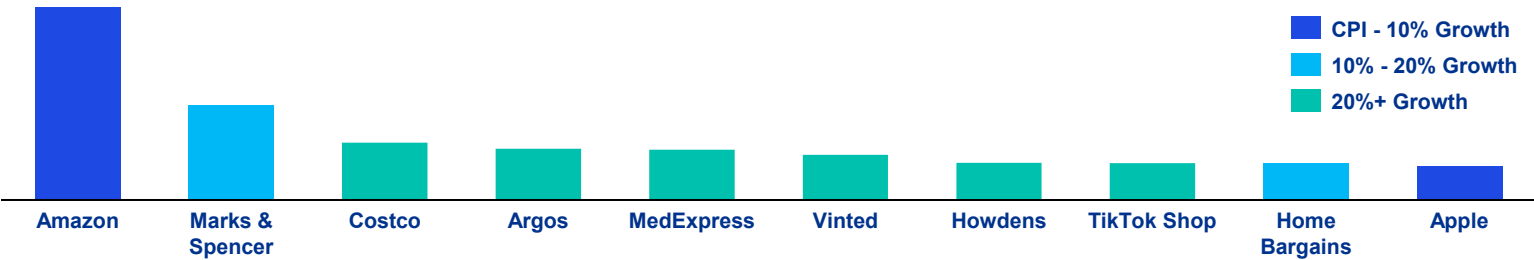
Asda's decline is consistent with a turnaround that has yet to fully convert investment in price, range and availability into sustained sales growth, amid intense competition from scale leaders and discounters. Co-op's performance, however, reflects a slow recovery in convenience-store traffic following operational disruption.

Non-Grocery Retail: Purchase frequency powered growth across scaled and digital retailers

Total spend		=	Number of customers	x	Ave. transactions per customer	x	Ave. transaction value
Q3'26 Vs Q3'25	+6.0%		+1.0%		+3.4%		+1.6%

Category top winning players⁽³⁾

Absolute increase and growth rate of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Category top lagging players⁽³⁾

Absolute decrease of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



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Source: (a) KPMG analysis, Customer card transaction data (n = 151,460)

Non-Grocery Retail spending grew 6.0% in Q3'26, driven primarily by a **3.4% increase in transactions per customer**. Existing shoppers bought more often, although growth was uneven across the sub-category, with **Footwear** down 8.6% and **Jewellery & Accessories** down 24.3%

Amazon delivered the largest absolute increase in spend, while Marks & Spencer also added material growth. **Momentum extended across different retail models:** Costco and Argos, health platform MedExpress, resale marketplace Vinted and TikTok Shop all shown 20%+ growth, showing a wider **shift towards marketplaces, specialist platforms and discovery-led shopping**.

Digital channels continue to reshape how consumer discover, buy and sell

Digital commerce is now embedded across the **shopping journey**, with 57% bought goods online, while **one in five purchased second-hand clothing**, supporting growth across marketplaces and resale platforms.

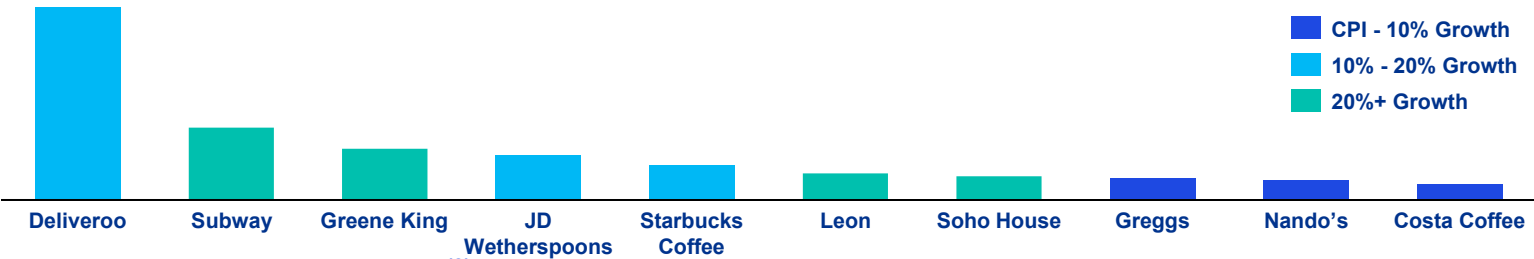
However, declines across H&M, Temu, eBay and AliExpress show that **reach alone did not secure spend, with consumers concentrating purchases among fewer platforms**.

Out of Home: Summer demand favoured selected delivery, value-led and social occasions

	Total spend	=	Number of customers	x	Ave. transactions per customer	x	Ave. transaction value
Q3'26 Vs Q3'25	+1.7%		-1.0%		+1.5%		+1.2%

Category top winning players⁽³⁾

Absolute increase and growth rate of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Category top lagging players⁽³⁾

Absolute decrease of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Note: (1) Total spend = Customer Participation x Average transactions per customer x Average transaction value; (2) Quarterly basis: refers to values from the months of July, August and September; (3) Top winning and lagging players defined by highest increase/decrease in absolute spend in the category/channel
Source: (a) KPMG analysis, Customer card transaction data (n = 151,460)

Out-of-Home spending grew 1.7% in Q3'26, despite a 1.0% decline in customer numbers. Higher frequency and spend per occasion offset lower participation, showing that **consumers concentrated more spend into fewer outings and orders.**

Summer demand favoured convenient, habitual and social occasions. Deliveroo gained as delivery spend shifted between aggregators, while Subway and Leon outperformed several pizza and burger chains. **Bars & Pubs led sub-category growth at 13.3%**, while **Coffee & Bakery grew 5.8%** likely benefiting from the World Cup and warm weather over July and August.

Convenience, value and occasion-led propositions captured Q3 growth

The picture was weaker for more expensive and traditional dining occasions. **High-end restaurant spending fell 10.8%**, while several established casual-dining brands (i.e. Pizza Hut, Beefeater and Brewers Fayre) lost spend.

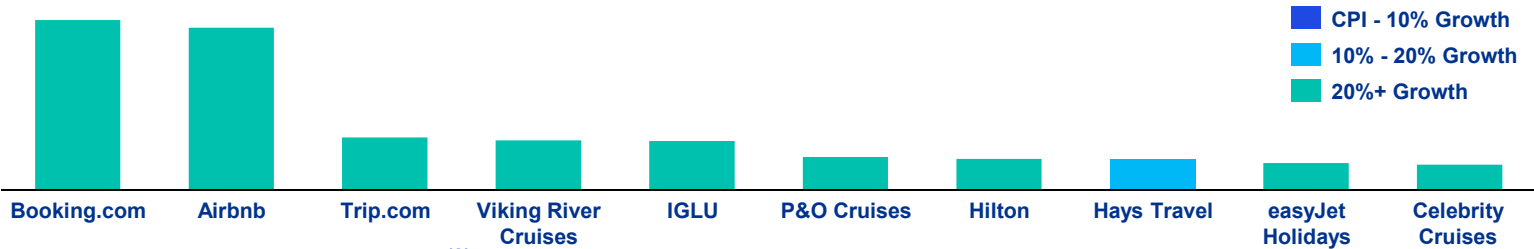
For some operators, estate closures and restructuring compounded softer demand, concentrating growth around more accessible and frequently used formats.

Travel & Holiday: Demand remained resilience as consumers sought flexibility and value

Total spend		=	Number of customers	x	Ave. transactions per customer	x	Ave. transaction value
Q3'26 Vs Q3'25			+4.8%		+2.5%		+6.6%
							-4.1%

Category top winning players⁽³⁾

Absolute increase and growth rate of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Category top lagging players⁽³⁾

Absolute decrease of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



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Source: (a) KPMG analysis, Customer card transaction data (n = 151,460); (b) KPMG September Consumer Pulse Survey

Travel & Holiday spending **grew 4.8% in Q3'26**, driven by **2.5%** more customers and a **6.6%** increase in transactions per customer. However, average transaction value fell 4.1%, suggesting **consumers made more, lower-value bookings as shorter booking windows and competitive pricing shaped the summer market.**

Growth favoured flexible and alternative travel models: while **airline spending fell 1.2%**, **cruises grew rapidly**, as consumers altered their holiday choices amid higher fuel costs and disruption to air travel.

Travel remained a priority during summertime, but consumers managed the cost of each booking

Holiday intentions remain resilient, with **30%^(b)** having spent on a holiday between June and August and **28%^(b)** planning to do so between September and November.

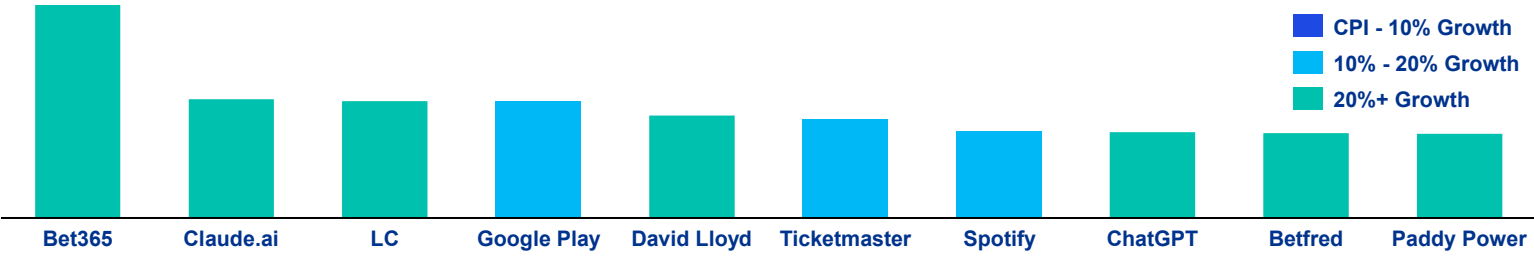
Long-haul airlines lost spend, reflecting the impact of **Middle East disruption and higher fuel costs.**

Entertainment & Leisure: Digital services and fitness continue to fuel growth

Total spend		=	Number of customers	x	Ave. transactions per customer	x	Ave. transaction value
Q3'26 Vs Q3'25	+8.5%		+3.3%		+1.3%		+3.7%

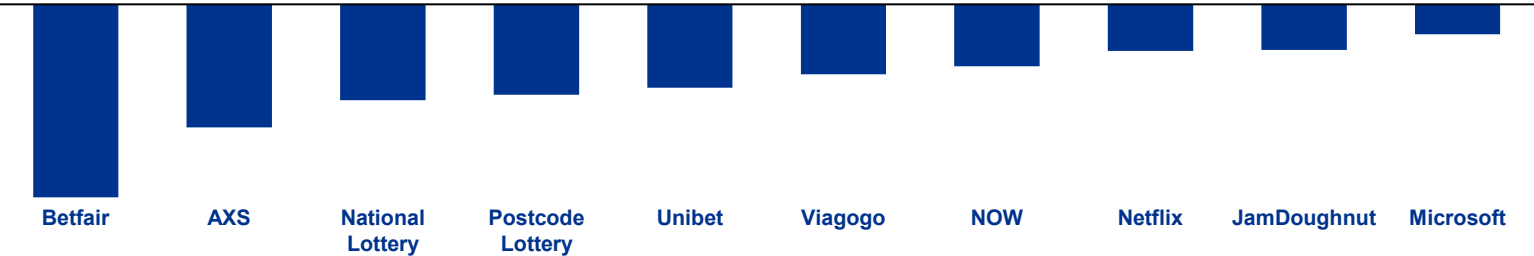
Category top winning players⁽³⁾

Absolute increase and growth rate of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Category top lagging players⁽³⁾

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Source: (a) KPMG analysis, Customer card transaction data (n = 151,460)

Entertainment & Leisure spending grew 8.5% in Q3'26, supported by 3.3% more customers, 1.3% higher transaction frequency and a 3.7% increase in average transaction value. **Growth across all three drivers shows consumers both expanded participation and spent more.**

The mix of growth is changing. Claude.ai and ChatGPT joined Google Play and Spotify among the leaders, showing **paid AI services emerging alongside established digital subscriptions.** **Fitness spending grew 19%,** with David Lloyd among the leading players, while growth at Ticketmaster showed continued demand for live events in Q3.

AI services emerged as a new growth engine alongside subscriptions and fitness

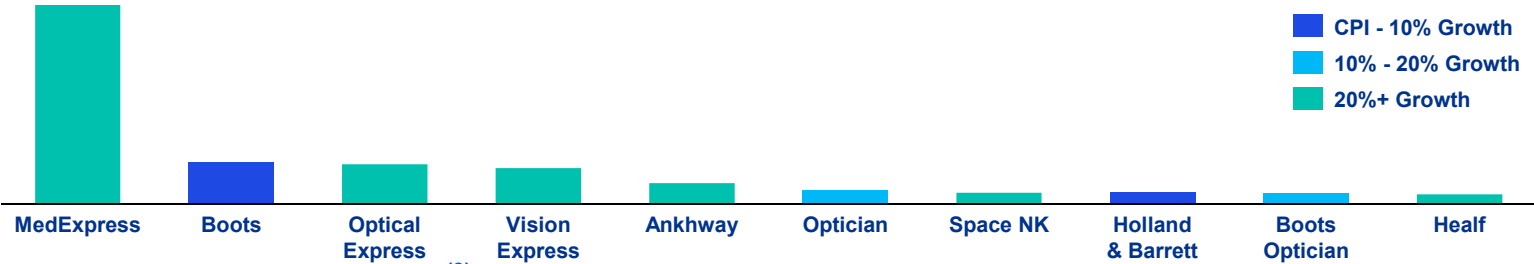
The declining players span betting, lotteries, ticket resale and streaming, including Betfair, the National Lottery, Viagogo, NOW and Netflix. This points to **spend moving between providers and formats within a growing category,** as newer digital services compete for consumers' entertainment budgets.

Health & Beauty: Targeted treatments drove growth as routine spending softened

	Total spend	=	Number of customers	x	Ave. transactions per customer	x	Ave. transaction value
Q3'26 Vs Q3'25	+5.6%		-1.3%		-0.8%		+7.9%

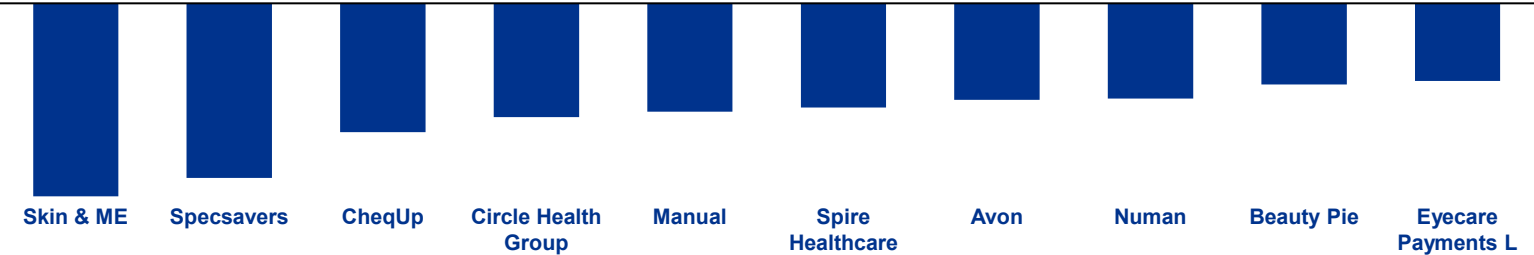
Category top winning players⁽³⁾

Absolute increase and growth rate of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Category top lagging players⁽³⁾

Absolute decrease of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Note: (1) Total spend = Customer Participation x Average transactions per customer x Average transaction value; (2) Quarterly basis: refers to values from the months of July, August and September; (3) Top winning and lagging players defined by highest increase/decrease in absolute spend in the category/channel
Source: (a) KPMG analysis, Customer card transaction data (n = 151,460); (b) Health and Beauty market reports

Health & Beauty spending grew 5.6% in Q3'26, despite 1.3% fewer customers and 0.8% lower transaction frequency. A 7.9% increase in average transaction value more than offset both declines, showing that consumers made fewer but significantly higher-value purchases.

Growth concentrated in targeted treatments and specialist care. MedExpress led the category, while Optical Express and Vision Express also gained. Boots, Holland & Barrett and Healf added growth through broader access to health, nutrition and wellbeing products.

Consumers prioritised targeted health outcomes over routine beauty spending

GLP-1 adoption is accelerating treatment-led spending, with an estimated 1.9 million^(b) UK adults using weight-loss medication in 2026, extending demand into supporting products such as supplements and skincare.

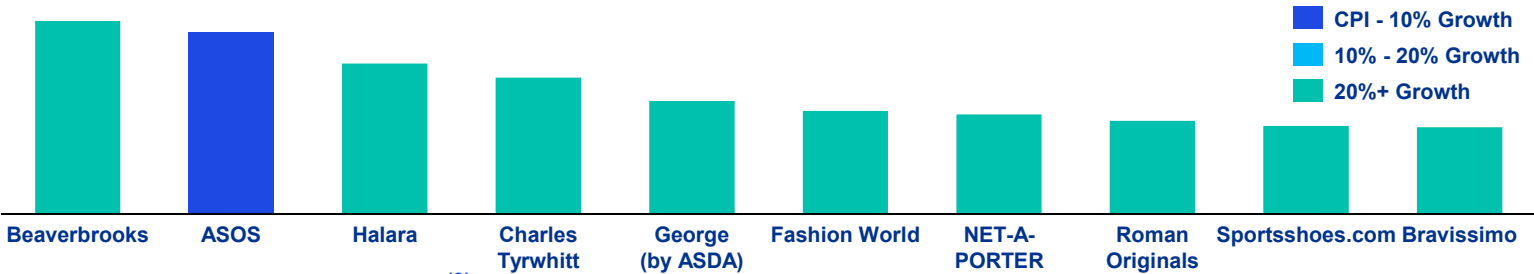
Meanwhile, declines across Skin + Me, Manual, Numan and Beauty Pie suggest consumers are prioritising defined health outcomes over less differentiated subscription offers.

Fashion: Lower participation and basket values deepened the category decline

	Total spend	=	Number of customers	x	Ave. transactions per customer	x	Ave. transaction value
Q3'26 Vs Q3'25	-4.4%		-3.1%		+0.2%		-1.5%

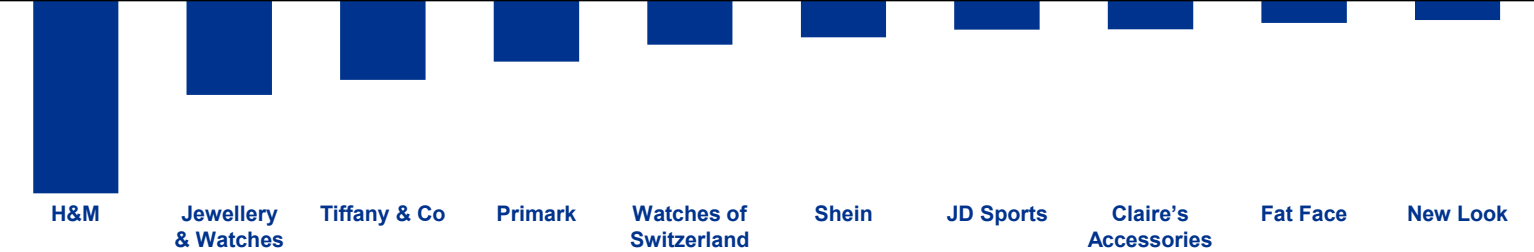
Category top winning players⁽³⁾

Absolute increase and growth rate of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Category top lagging players⁽³⁾

Absolute decrease of sales, Q3'25 vs Q3'26^{(2)(a)} (scale not comparable between charts).



Note: (1) Total spend = Customer Participation x Average transactions per customer x Average transaction value; (2) Quarterly basis: refers to values from the months of July, August and September; (3) Top winning and lagging players defined by highest increase/decrease in absolute spend in the category/channel
Source: (a) KPMG analysis, Customer card transaction data (n = 151,460)

Fashion spending fell 4.4% in Q3'26, as customer numbers declined 3.1% and average transaction value fell 1.5%. **Stable purchase frequency** suggests shoppers who remained active continued buying, but the **category attracted fewer consumers and captured less value per purchase**.

Growth was fragmented. **Gains ranged from jewellery and occasion-led menswear to online womenswear and specialist sportswear**, with Beaverbrooks, ASOS, Halara and Charles Tyrwhitt among the leaders. No single price point, channel or proposition consistently outperformed.

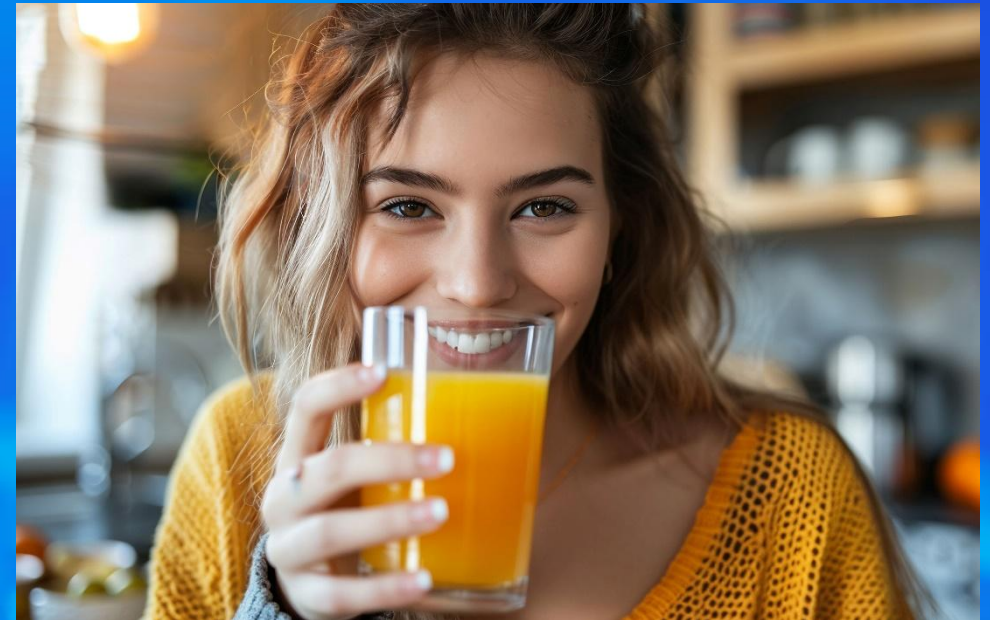
Selected brands gained, but mainstream fashion continued to lose customers

H&M, Primark, Shein, JD Sports and New Look all lost spend, showing that **pressure extended across value, digital and store-led models**. Q3 therefore points to a **category-wide demand challenge**, with isolated brand gains unable to offset declining participation and shrinking basket values.

05

Looking for further insights?

We can help



We have used this data set on a number of projects recently to help our clients answer key strategic questions that their businesses are facing

Customer segmentation



Example: Identifying different purchasing preferences and behaviours across different consumer demographic dimensions to create distinct consumer segments.

Category strategy



Example: Highlighting categories your consumer base has an affinity to and strategising how to leverage this (e.g. Marketplace and Retail Media).

Channel strategy

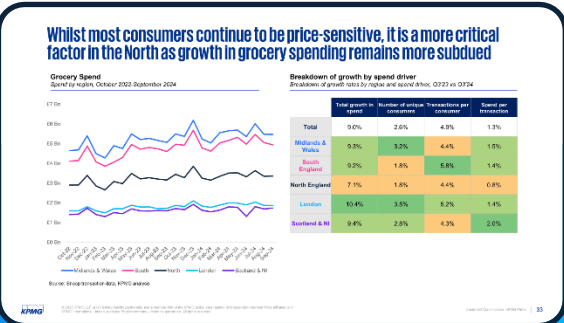
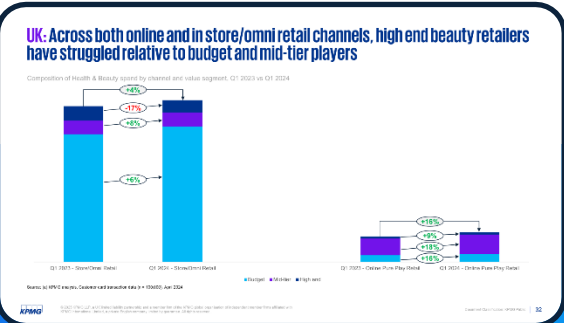
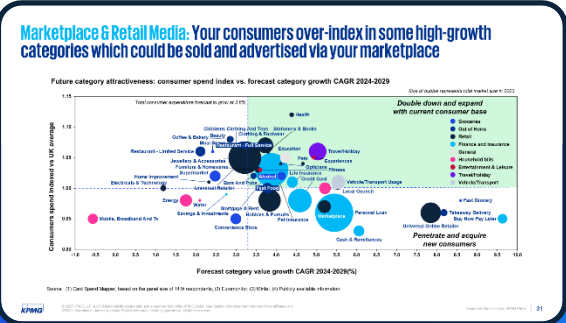
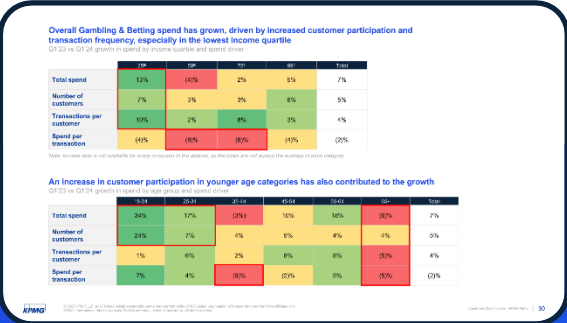


Example: Assessing different channel dynamics and consumer behaviour across omni-channel players, digital natives and D2C players.

Location strategy



Example: Exploring how regional purchasing behaviours vary within and across categories, and translating this into business / operating model implications.



Our analysts can use our detailed data sets to help answer your key strategic questions

Insights on the consumer and your customer base

We can use our **extensive data sets** to help you break down your customers into **demographic dynamics by sub-sector**, including by age, income, and regions.

This level of detail allows you to understand the **unique characteristics and preferences of different customer groups** to determine potential growth opportunities.

Our **data-driven insights** can help you gain a **deeper understanding of consumer behaviour, identify emerging trends, and anticipate changes** in the market.

Insights on you and your competitors

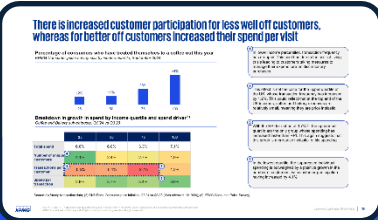
Staying ahead of the competition requires a thorough understanding of the competitive landscape. Our analysts can offer **insights into your competitors' performance, strengths, and weaknesses**.

This information can help you **identify opportunities for differentiation and areas where you can improve** your own offerings.

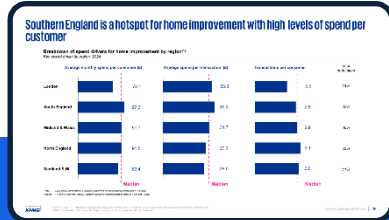
By **analysing market trends and competitor performance**, you can make strategic decisions that **enhance your competitive advantage** and drive business growth.



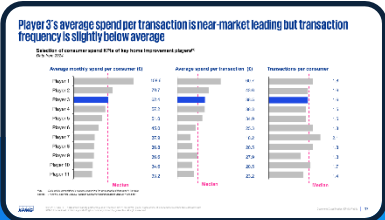
Age



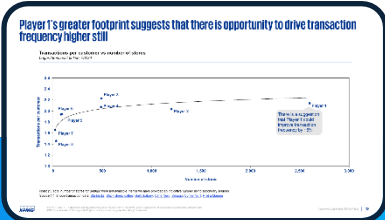
Income



Region



Opportunities vs your competitors



Spend drivers

06

Methodology and additional insights

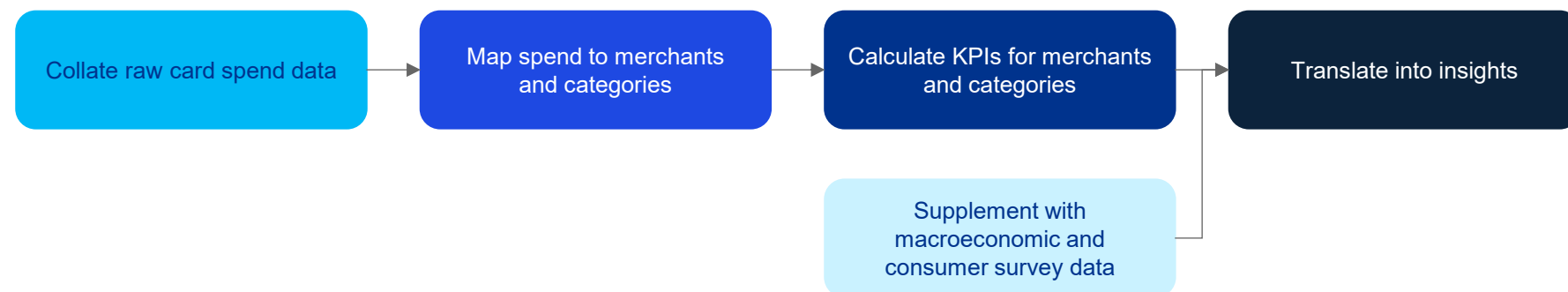


UK consumer spending insights

snoop

- Sample of 151k UK consumer transactions from Q4'24 to Q3'26, scaled to be representative across age, income and region.
- Consumer spending, number of transactions and unique consumers for top 5,000 retailers/merchants (by spend).
- Categorized, tracked and evaluated.
- Supplemented by KPMG Consumer Polling data: quarterly survey of representative sample of 3k UK consumers.
- Consumer spending habits and sentiment in various categories.
- Data version: September 2026.

Methodology: Our approach to understanding consumer behaviour



151,460 UK users to create a **nationally representative⁽¹⁾** data set, tracking spend across all their credit/debit cards.



Data can be analysed by **region, age and income quartile**.



Tracking of top 5,000 merchants who can be analysed individually.



Trading **results focus on sales and not margins**, given the nature of the data set.



Category mapping is **inferred by type of merchant**, and isn't as effective for merchants selling a wide variety of categories (e.g. marketplaces).



Smaller and more premium merchants, and some demographics sometimes have **small sample sizes**.

Note: (1) Base data is scaled up from the sample to be nationally representative. This is done across age, income and regional demographics.

More insights for you

01

Owning the Unknowns and no regret decisions for Consumer leaders

Date released: March 2026.

02

Retail Sales Monitor with the BRC

Monthly update.

03

Retail Think Tank – Q3 edition

Date released: October 2026.

04

KPMG X The Grocer: Leaning into loyalty - driving growth through supermarket programmes

Date released: July 2026.

05

KPMG X The Grocer: How grocery businesses can turn cost cutting into a competitive advantage

Date released: June 2026.



Want to hear more? Contact our consumer, retail & leisure specialists:

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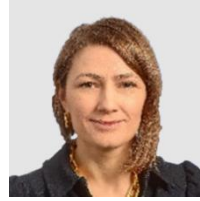
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