

Consumer Financial Resilience - UK - 2023

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This report looks at the following areas:

- Developments in consumer financial resilience.
- Analysis of savings, investment and insurance product ownership.
- Assessment of consumers' ability to withstand a financial shock and expected actions to improve their situation following this period.
- Analysis of satisfaction with financial services brands' support measures.
- Attitudes towards financial resilience.

51% of adults would rather speak to friends or family about their finances than a bank or insurer. Efforts to boost trust in finance companies have been considerable and will be further helped by the upcoming Consumer Duty regulation. However, this data shows that there is still work to be done to convince consumers that they can trust and rely upon their bank and insurer when needed.

The cost of living crisis has eroded consumer financial wellbeing and confidence. While a third of consumers are confident of their financial resilience should they lose their main source of income for six months due to illness or injury, many more display signs of vulnerability.

The cost of living crisis has also made planning for financial resilience less of a priority as short-term survival remains the primary objective. With inflation still in double digits, consumers continue to see their incomes come under severe strain, meaning that resilience planning will remain a secondary concern for some time.

Women are less likely to be financially resilient and are also more risk-averse with their finances. There are significant opportunities for finance brands to create female-centric offerings that go beyond stereotypical 'pink-labelling'. Closing the gender finance gap will be a long process, but must be a priority for brands, especially in preparing women financially should they suffer from an income shock.



"Consumers continue to endure a prolonged income squeeze and survival is a priority. Longer-term financial resilience has not been forgotten and saving for the future is engrained in consumer behaviour, but is a secondary concern for many."

- **Natasha Hayes, Senior Financial Services Analyst**

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- **Extra support required to address gender finance gap**

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