

# Consumers in Wales 2021



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# Foreword

Which? is the UK's consumer champion, a powerful force for good, here to make life simpler, fairer and safer for everyone. To achieve this, and to truly represent consumers' interests, we need to get to the heart of the issues that people are facing; what they are experiencing, how they are behaving, and what they are thinking. Only by understanding the challenges that consumers face, can we seek to develop policy solutions that will make their lives better.

Across the UK, consumers' lives are changing rapidly. What we can buy, how we buy it and how we pay have all been transformed in the past decade by digitisation, as have the ways we connect with each other, bringing huge benefits. Our lives have evolved even more radically in the past year as we adjusted to life under lockdown, including a growing consumer interest in sustainability. Markets move fast and policymakers need insight that can keep pace.

We also know that these issues and these experiences vary across the country, and between nations. In this report, we explore the specific experiences of Welsh consumers in detail, offering brand new insights into the biggest issues they face today. This is particularly valuable as we seek to understand how the unprecedented turbulence of 2020 has affected consumers across the UK, and where we need to focus our efforts to support them.

In Wales, our starkest findings are around access to high-quality broadband. Wales seriously lags behind the other nations of the UK, with only 34% of connected households in Wales able to access ultrafast broadband. With consumers relying more than ever on the internet over the last year, improving connectivity could play an important role in driving recovery.

Consumer spending accounted for 60% of UK GDP prior to the pandemic, and while many households have suffered financially over the last year, others have made substantial savings. Unlocking this spending, including through better broadband access, would help power a swift economic comeback.

Which? is working hard to ensure the benefits of improved infrastructure reach consumers in all corners of the UK through our leadership of the Gigabit Take-up Advisory Group. Through this, and our broader work, together with Welsh policymakers and businesses, Which? will continue to stand up for consumers. We look forward to working together to support a consumer-led recovery right across the UK.

**Anabel Hoult**

Chief Executive, Which?

## Executive summary

The COVID-19 pandemic has affected how we work, how we socialise and, especially, how we act as consumers. The income we have to spend, what we can buy, and the way in which we make our purchases have all been radically transformed in the past twelve months. In this report, Which? investigates the circumstances of Welsh consumers, and explores how their attitudes and behaviours have changed.

The pandemic has led to acute financial difficulty for some consumers and, although the number of households in Wales cutting back on spending or taking payment holidays is lower than the UK average, many have struggled over the past year. 6% of Welsh consumers told us they had missed at least one bill, loan or housing payment in the preceding month, while 37% had needed to make adjustments to cover essential spending, such as cutting back, borrowing from friends and family or taking out credit. These statistics would no doubt be worse without support measures introduced by the UK Government and regulators as 9% of Welsh consumers told us they had taken a payment holiday during the crisis, with around a third of these taking multiple payment holidays.

By contrast, other households are likely to come out of the pandemic with stronger finances as they have benefited from reduced costs, such as commuting. 34% of Welsh consumers told us they'd been able to save more money over the course of the pandemic. Before the crisis, consumer spending accounted for 60% of the UK's GDP and economic recovery is going to require those with greater savings to spend them. Unfortunately, consumer confidence in the economy has taken a battering over the course of the pandemic.

Consumers also need to trust the businesses they deal with and how industries have responded to the pandemic has affected this. For some businesses it has been an opportunity to strengthen their relationships with consumers. For example, consumer trust in the food and groceries industry has risen as people seem to be broadly happy with the sector's response to the crisis. However, trust has fallen substantially in airlines and holiday operators and in social networks. The latter is the least trusted industry of those we asked about, both in Wales and the rest of the UK.

Two of the most striking ways in which consumer behaviour has changed due to the pandemic are greater adoption of online services and changes in the way consumers pay for goods and services. In both cases the pandemic has accelerated existing trends that may benefit consumers, but they raise concerns about those who could suffer harm if they are left behind by the changes.

Dependence on home broadband has inevitably increased as more people have relied on this for communication with friends and family, entertainment and working from home. Further, 30% of Welsh consumers learnt to do new administrative tasks such as banking and utility management online because of the crisis. These trends mean that more people are now taking advantage of the opportunities that online services can offer, but there is also greater potential harm from issues such as online scams and fake online

reviews, and there are concerns that some consumers may lose out from the switch to conducting more of life online. For example, in Wales:

- 17% of people said they found it difficult to do administrative tasks online, which highlights that digital inclusion requires both internet access and the skills to use it.
- 17% of people want to switch to completing such tasks offline as soon as possible, but may be unable to do so if the pandemic leads to a loss of supply of physical services, such as bank branches.

At the same time, an increased reliance on home broadband puts the focus on the quality of connections and 41% of Welsh consumers told us they sometimes or often have reliability problems with their broadband. This may be related to the availability of high-quality connections as Wales lags behind the rest of the UK in the proportion of premises that can receive ultrafast or better. However, a greater problem may be the slow adoption of higher-quality connections by consumers. Gigabit-capable broadband would deliver faster speeds and a more reliable service, but only 32% of Welsh consumers intend to switch to this as they either don't understand how it is different or don't believe it will bring them sufficient benefit. More needs to be done to encourage demand to ensure the benefit of gigabit-capable broadband is fully realised by consumers.

The other trend that has been accelerated by the pandemic is the switch away from cash to digital payments. 73% of Welsh consumers have replaced some or all of their usual cash use with card or mobile payments. However, cash remains a vital payment method for many. Only 5% of Welsh consumers say they never use cash, 81% like to keep cash on them in case electronic payments are down, and 42% say they are more in control of their finances when they use cash.

It is therefore essential that the cash network is protected during the crisis. However, it is suffering from the twin threat of reduced access to cash and reduced acceptance by retailers. Wales lost 23% of its free-to-use ATMs in the past three years and 26% of Welsh consumers told us they had been in a situation in the last three months in which they would have liked to pay with cash but couldn't. The loss of widespread access and acceptability of cash will cause extensive harm for those who rely on it.

Of course, beyond the pandemic there are other events that are affecting consumers and we explore two of the most prominent of these. First, we examine consumer attitudes to international trade deals. Drawing on local insights from Which?'s 'National Trade Conversation' we find that the top priority for Welsh consumers in UK trade deals is to maintain health and safety standards for food and other consumer goods. Although consumers would value wider choice and cheaper prices, they are clear that this should not come at the expense of lower standards.

Second, as sustainable consumption becomes an increasing concern, we examine Welsh consumers' attitudes to the issue. Most are worried about sustainability, but they often encounter barriers when trying to buy sustainably. The biggest barriers are price and availability, but 74% of people who've tried to buy sustainably say they couldn't always understand what the sustainable choice would be and 54% didn't always believe green claims made by companies. This implies a need for clearer and more trustworthy information about the sustainability of goods and services.

This report sheds light on a wide range of consumer issues, but the main conclusion is that the coronavirus crisis will leave a lasting impact on our lives as consumers, be that through the financial impact or changed consumption habits. There is pressure on public policy in 2021 to ensure that this impact does not also result in lasting harm to some consumers.

## About Which?

Which? is the UK's consumer champion. As an organisation we're not for profit – a powerful force for good, here to make life simpler, fairer and safer for everyone. We're the independent consumer voice that provides impartial advice, investigates, holds businesses to account and works with policymakers to make change happen. We fund our work mainly through member subscriptions, we're not influenced by third parties and we buy all the products that we test.

## Financial wellbeing and consumer confidence

The pandemic has greatly affected household incomes and expenditure, but the impact of this has been felt unevenly across households. Since some sectors of the economy, such as retail, hospitality and recreation and culture, have been hit particularly hard by the crisis then workers in these sectors have been more likely to lose income. Further, some households have reduced their spending due to restrictions or because they have felt less safe outside of home, while others have spent more because of the crisis. For example, families on a low income are more likely to have had greater expenditure.<sup>1</sup>

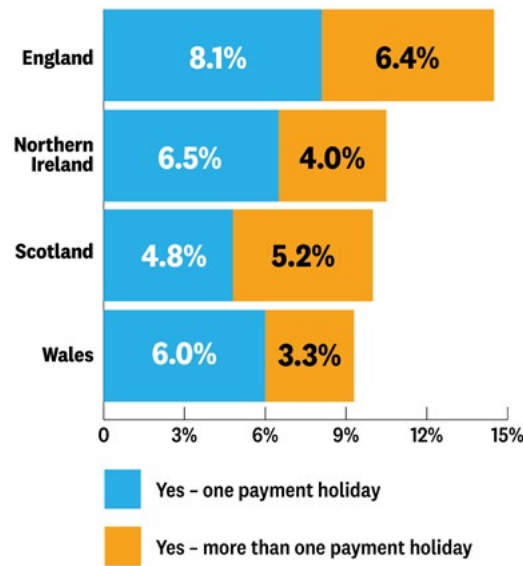
To examine the overall impact of these income and spending changes on consumer finances, we use various measures of the incidence of financial difficulty. The first is the proportion of people who have missed a payment on a bill, loan or housing cost in the last month. In our survey in December 2020, 6% of Welsh consumers reported having missed at least one payment. The rate is higher among those who are furloughed, on reduced hours or enforced leave due to the coronavirus crisis and among lower income households (up to £21,000 per annum). Overall, the proportion of consumers missing a payment in Wales is not significantly different than in the rest of the UK.

A measure of less severe financial difficulty is whether households need to make adjustments to cover essential spending, such as cutting back, borrowing or using savings. 37% of Welsh consumers had made at least one adjustment to cover essential spending in the month prior to the survey. This figure is in line with Scotland and Northern Ireland, but lower than in England, where 44% reported having made such an adjustment.

There are obvious concerns that the crisis will result in substantially greater levels of financial difficulty. The circumstances of those in financial difficulty are likely to have become more acute as the crisis has continued and qualitative research has found that households feeling the effect of job losses are increasingly worried about keeping up with bills.<sup>2</sup> However, our measures of financial difficulty in the UK nations in December 2020 are similar to the levels found across the UK as a whole before the pandemic. This indicates that while some households have been worse affected by the pandemic than others, the government support measures such as payment holidays and the job retention scheme have so far succeeded in preventing large spikes in financial difficulty levels among the population as a whole.

In Wales, about 9% of consumers reported taking a payment holiday during the crisis, with about a third of these taking more than one. This is broadly in line with consumers in the Scotland and Northern Ireland, but significantly less than the 14.5% in England who took a payment holiday. It is unclear what the reason behind this is as rates of furlough are similar across the nations and so is spending on mortgages as a proportion of household income. In any case, it is clear that these payment holidays have provided vital support for many families as we have previously found that 40% of people who took a payment holiday would have been otherwise unable to make all of their payments.<sup>3</sup>

**Figure 1: Uptake of payment holidays in Wales has been lower than that of England**



Based on effective samples after weighting of 770 respondents in Scotland, 1,257 in England, 744 in Wales and 979 in Northern Ireland, after weighting the responses to be representative of the relevant adult populations.

In general, there are greater differences in the financial impact of the coronavirus crisis on households within countries than between them. This uneven impact is demonstrated by the change in household savings in the past year. A third (34%) of Welsh consumers said they were able to save more money over the course of the pandemic, whilst a quarter (26%) saved less than usual. Differences between households are seen at all levels of income, although it has been more common for higher income households to be able to save more. 17% of households with an income of up to £14,000 have been able to save more since the pandemic, compared to 52% of households with an income of £69,000 or more.



**Figure 2: Those on a higher income are more likely to have saved more than usual during the crisis**



Based on effective samples after weighting of 744 in Wales.

Question text: The coronavirus crisis has resulted in changes to both income and spending for many households across the UK. Overall, has this caused your household to save more or less money since March than you would under normal circumstances?

Consumer spending drives the economy and for economic growth to recover quickly those consumers who now have more savings will need to have the confidence to spend them. Inevitably though, the pandemic has shaken consumer confidence. Across the whole of the UK, confidence in the future of the UK economy, which had been recovering from Brexit uncertainty before the pandemic, dropped drastically in March. At the outset of the crisis just 7% thought the economy would improve over the next 12 months and 85% thought it would get worse, giving a net confidence score of -78 points. This compared to -17 just a month earlier in February. Since then, it has seen a bumpy recovery, with improvements corresponding to the decline in infection rates over the summer and announcements of vaccine approvals, but falling following increases in cases and fresh restriction and lockdowns.

People have more confidence in their future household finances and this has been more stable than their confidence in the economy as a whole. However, it is still the case that more people are pessimistic about their future household finances than are optimistic, and that the level of confidence is some way below its pre-pandemic level.

Focussing on the nations of the UK, individuals' confidence in their future household finances does not differ significantly between the nations, but confidence in the UK economy does. Whilst consumers in every nation are pessimistic about the future of the economy, they are less so in Wales and England. 15% of consumers in Wales thought the UK economy would get better over the next year, whilst 69% thought it would worsen, giving a net of -54 points. This compares to -47 in England, -65 in Scotland and -63 in Northern Ireland.

**Figures 3a and 3b: Welsh consumers' confidence in the future of the economy is higher than Scotland and Northern Ireland, but still very pessimistic**

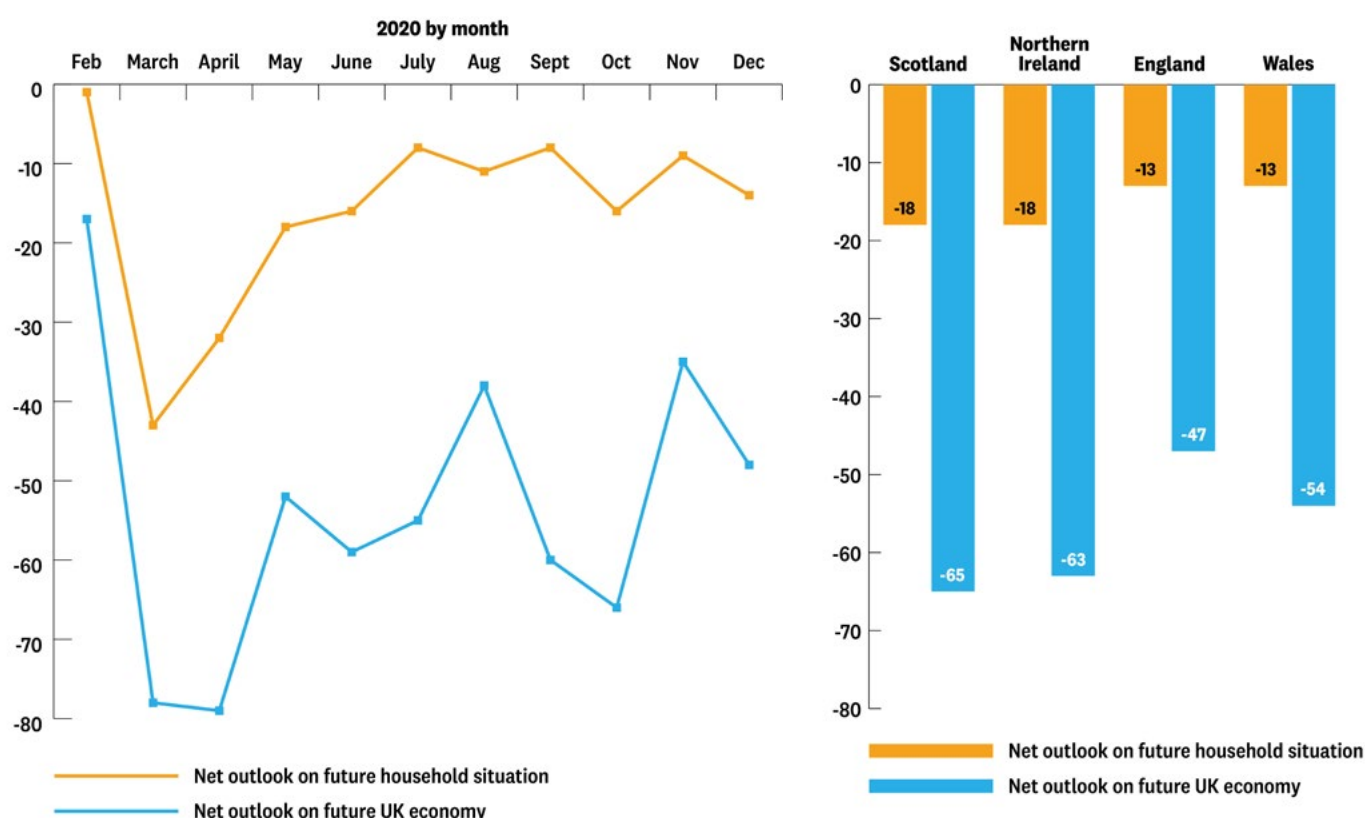


Chart 1: Which? Consumer Insight Tracker, approximately 2,000 respondents per wave. Further resources can be found on the *Which? Consumer Insight website*

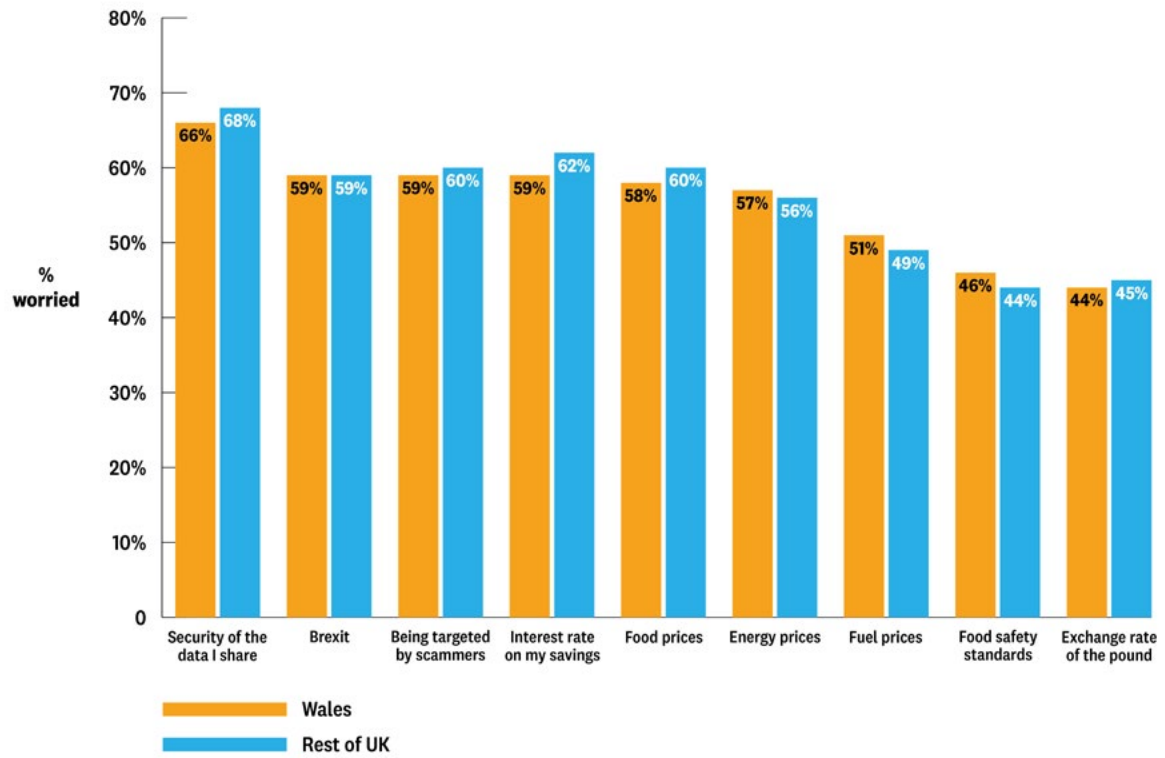
Chart 2: Based on effective samples after weighting of 770 respondents in Scotland, 1,257 in England, 744 in Wales and 979 in Northern Ireland, after weighting the responses to be representative of the relevant adult populations. Net confidence is the proportion who think things will get better minus the proportion who think things will get worse.

The somewhat less pessimistic outlook in Wales and England could be related to a number of factors. These could include different levels of confidence in the public health approach during the pandemic, a different outlook on Westminster economic policy, or different expectations about the impact of Brexit on the economy.

With regard to the latter, the long-term effects of Brexit are the biggest (non-Covid) worry of Scottish and Northern Irish consumers, whereas this is not the case for Wales and England.

In Wales, data security is the biggest consumer worry, while relative to previous years more people are worried about the interest rate on their savings and fewer are worried about prices of food, energy and fuel, although these concerns have fallen most for fuel and least for food. This is likely to be a consequence of changing household expenditure as a result of the crisis and the resulting increase in savings for some households. The high levels of worry about data security may well reflect the widespread disempowerment and lack of control that consumers feel about their personal data,<sup>4</sup> and low levels of trust in some of the largest digital firms, which we explore in the next section.

**Figure 4: Data security is the most common concern for Welsh consumers**



Based on effective samples of 744 respondents in Wales, and 3,006 in the rest of the UK, after weighting the responses to be representative of the relevant adult populations.

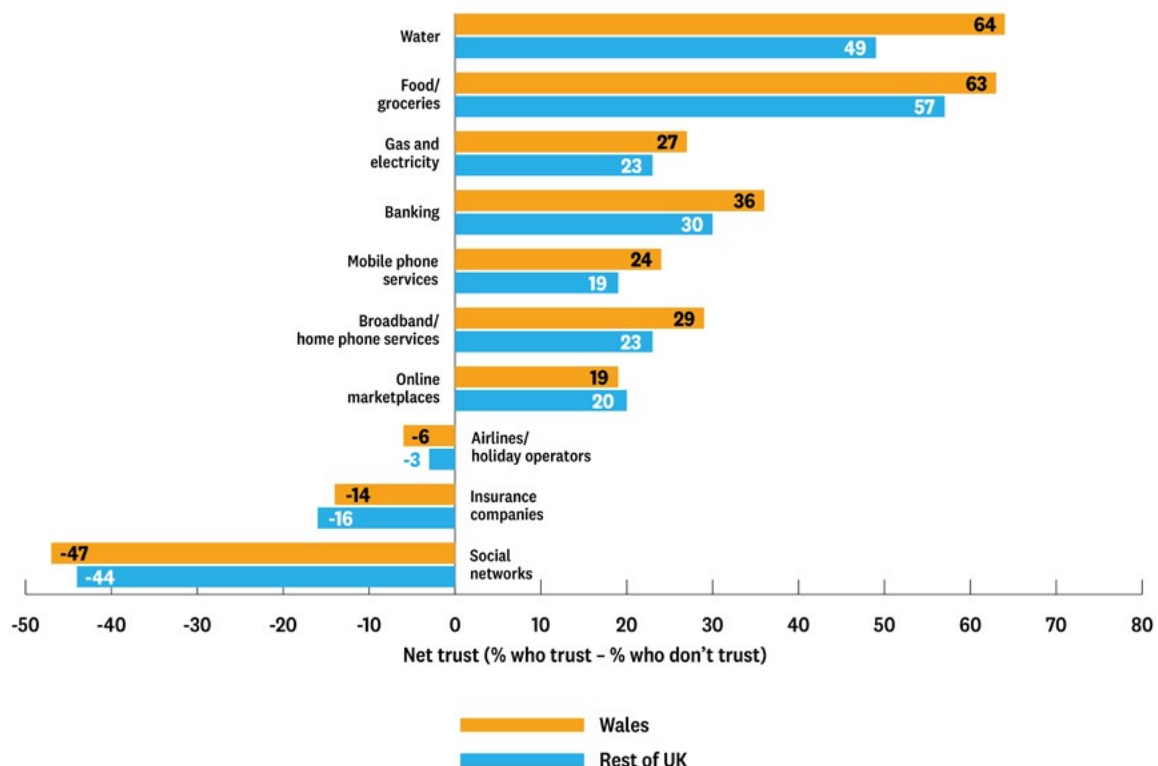
## Consumer trust in business

It is important for consumers to feel they can trust the industries that provide them with goods and services, especially at a time when consumption habits have changed rapidly as a result of the coronavirus pandemic.

We asked consumers how much they trust ten of the largest industries that they interact with regularly and found that levels of trust vary dramatically across industries. 67% of consumers in Wales said that they trust the food and groceries sector quite a lot or a great deal, whilst just 6% said they don't trust them very much or at all, giving a net trust value of +61. Trust in the water industry is similarly high.

At the opposite end of the scale there is deep mistrust in social networks, such as Facebook and Twitter, with a rating of -47. In part this might be due to deep unease about how people's personal data is collected and used,<sup>5</sup> but it may also reflect a failure to protect users from exposure to online harms. For example, in previous research nearly one in ten people told us they had fallen victim to a scam advert on social media.<sup>6</sup>

**Figure 5: Trust in sectors in Wales matches the rest of the UK, with social networks being the least trusted sector**



Based on effective samples of 744 respondents in Wales, and 3,006 in the rest of the UK, after weighting the responses to be representative of the relevant adult populations. Net trust is the who trust a sector minus the proportion who do not trust.

Question text: To what extent do you trust or not trust the following sectors to act in your best interest?

Trust in Wales is not significantly different from the rest of the UK in any sector, see Figure 5, but with one exception. Trust in the water industry is higher in Wales compared to the rest of the UK, but this is entirely driven by lower trust in the water sector in England. It is known that one factor associated with greater levels of trustworthiness is benevolence, which means wanting to do good for the consumer aside from being motivated by profit. It may be that the not-for-profit status of Welsh Water has led to greater consumer trust.

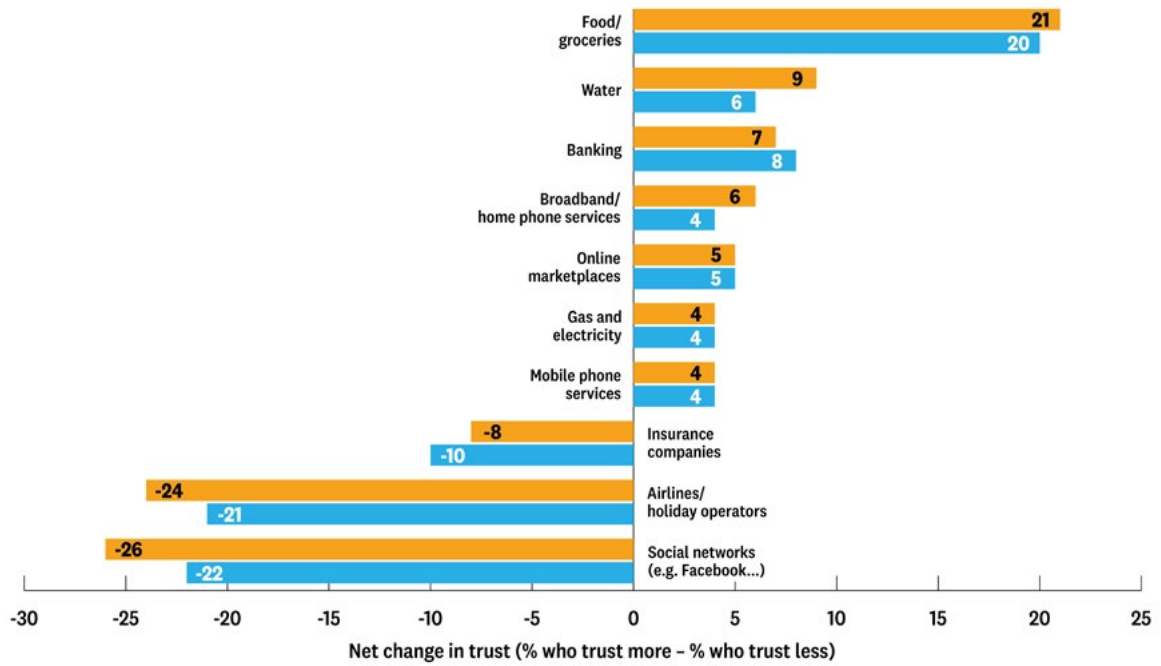
In part, current levels of trust are a consequence of the way in which businesses have reacted to the challenges presented by the coronavirus crisis, such as unexpected changes in demand or cancellations necessitated by the restrictions put in place to slow the spread of the virus. In Wales, some sectors appear to have gained trust since the pandemic started whilst others have lost it. We asked consumers if they trusted industries more, less, or about the same since the emergence of the coronavirus pandemic and calculated a net of the proportion who trust the industry more minus the proportion who trust it less, providing a single figure that summarises change in trust since the pandemic started.

The biggest gainer has been the food and groceries industry. 28% said they trust this industry more since the pandemic and just 7% said they trust it less, giving a net of +21, see Figure 6. This boost in trust exists despite initial supply issues and news of empty supermarket shelves. Other sectors providing essential services have had modest gains in trust.

The industries that have lost trust are insurance companies, airlines and holiday operators and social networks. Our analysis of the holiday industry indicated that lost trust in airlines and holiday companies is likely linked to travellers' difficulties in obtaining refunds for cancelled holidays, as levels of trust were higher among consumers who had received swift refunds.<sup>7</sup> This highlights the need for better protections for holidaymakers' money, while the Civil Aviation Authority – which has been unable to take meaningful action against airlines holding up the refund process by withholding money from holiday companies – must be given stronger powers.

The loss of trust in social networks is of a similar magnitude. The reason for this is less clear, although it could be related to misinformation that is perceived to be spread via social media platforms with concerns about this becoming particularly acute during the pandemic.<sup>8</sup> To regain trust it will be necessary for social media platforms to do more to protect their users from harm. For example, Which? have called for online platforms to have a legal responsibility to prevent fraudulent content from appearing on their sites.<sup>9</sup>

**Figure 6: Trust in the food and groceries sector has increased most during the pandemic**



Based on effective samples after weighting of 744 respondents in Wales, and 3,006 in the rest of the UK, after weighting the responses to be representative of the relevant adult populations. Net change in trust is the who trust the sector more minus the proportion who trust it less since the crisis.

Question text: What impact, if any, has the coronavirus crisis had on your trust in the following sectors to act in your best interest?

## Home broadband

Be it by compulsion because of restrictions or choice due to safety fears, the pandemic has hugely increased our dependence on home broadband to manage our daily lives. In Wales, 64% of people said they often use their home broadband for communication with friends and family and 53% said they were using it often for entertainment, although this was the lowest frequency of use of any of the four UK nations. The type of use that has increased most as a result of the crisis is for working from home. 27% of all Welsh consumers reported often using their home broadband for working from home, although this varied strongly by social grade as those in higher social grades are considerably more likely to be doing this. Similar levels of usage of home broadband for these activities can be seen across the UK.

For some consumers, the pandemic has meant learning how to manage aspects of their life online. 30% of respondents in Wales said the crisis had pushed them to learn to do new administrative tasks such as banking and utility management online. The consequence of this is that most (85%) of our (online) panel now do these tasks online at least sometimes. This means that more people are now taking advantage of the opportunities that online services can offer. However, it might raise safety concerns as users of digital banking are twice as likely to have been defrauded than those who bank offline,<sup>10</sup> while 17% of people said they found these tasks difficult, which highlights that digital inclusion requires both access to the internet and the skills to use it.

There may also be harm if the pandemic leads to a permanent reduction in the demand for physical services, such as bank branches, and a resultant cut in the provision of these as there remain a number of consumers who would prefer to manage their affairs offline. 17% of people told us they want to switch to completing such tasks offline as soon as possible.

**Table 1: Proportion of respondents in Wales agreeing with statements about their use of home broadband for administration**

Statement	Wales	Rest of UK
I am comfortable with a shift to using my home broadband more for admin.	52%	54%
I am concerned that I am at a greater risk of being scammed	39%	42%
The crisis has pushed me to learn to do new administrative tasks online	30%	27%
I have found some of the administrative tasks I have had to do online difficult	17%	19%
I want to switch to completing such tasks offline as soon as possible	17%	17%

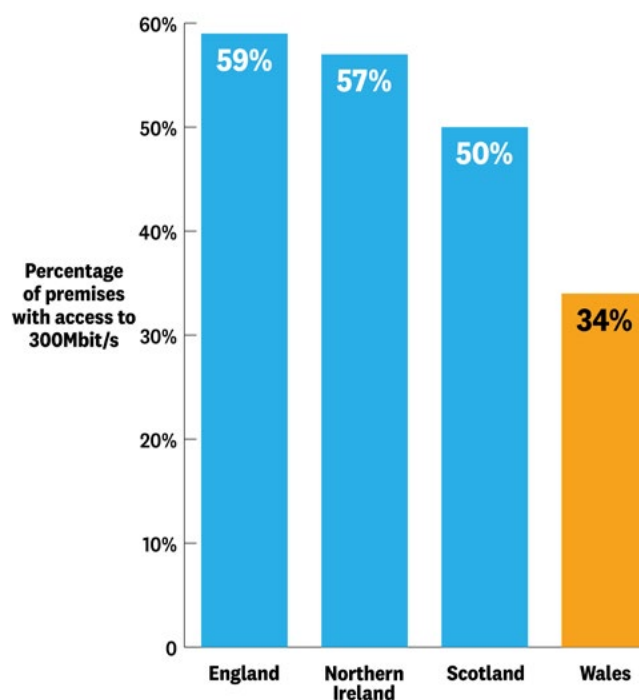
Based on effective samples of 696 respondents in Wales and 2,801 in the rest of the UK after weighting the responses to be representative of the relevant adult populations.

The increased importance of online services puts the focus on the quality of broadband connections. Home broadband networks have largely coped well with increased demand, in part because this has occurred during the day and peak demand remains in the evening.<sup>11</sup> However, it is still common for people to report problems with the reliability

of their home broadband. About 12% of respondents to our survey in Wales reported often having problems and 29% sometimes.

This may be in part due to lack of access to a high-quality connection. Only 34% of connected households in Wales are able to access ultrafast or better broadband (download speeds of 300Mbit/s or more), which is far less than the proportion in the other UK nations, while there remain 18,000 premises in Wales that cannot access a decent connection (defined as a speed of at least 10Mbit/s download speed and 1Mbit/s upload speed).<sup>12</sup>

**Figure 7: Only a third of connected households in Wales are able to download at 300Mbit/s or more**

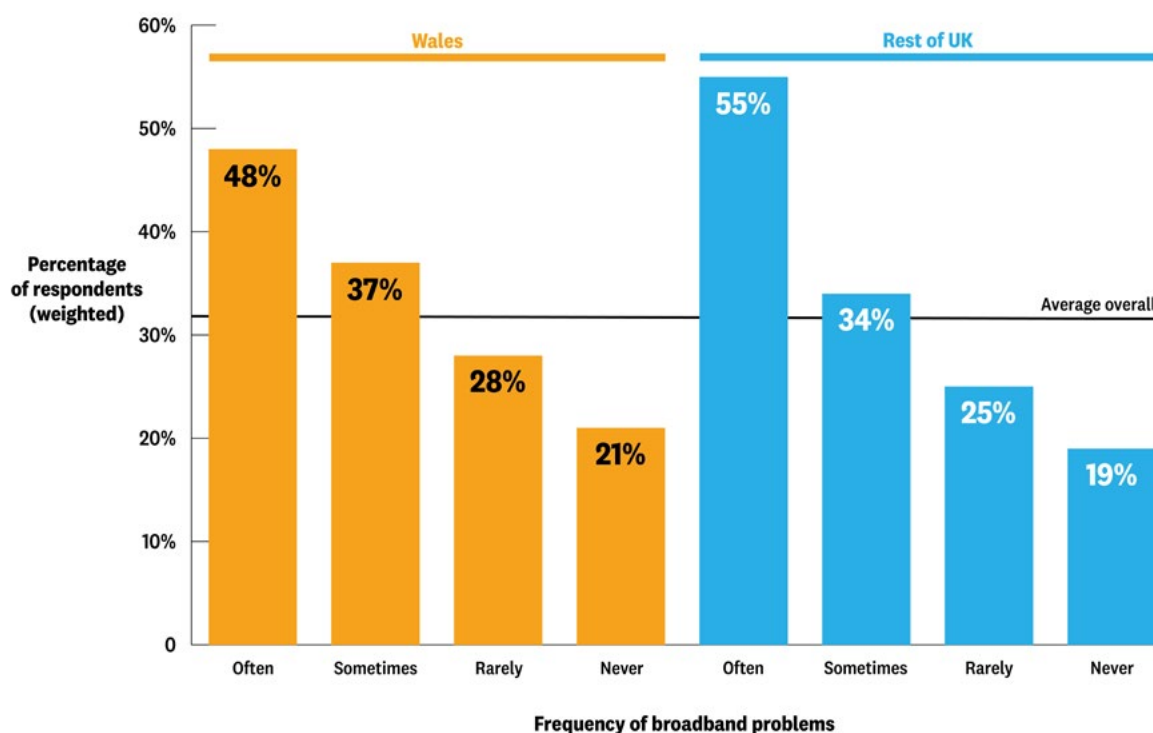


Source: Which? analysis of Ofcom Connected Nations data as at May 2020, downloaded from [www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-update-summer-2020](http://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-update-summer-2020). Percentages are of all connected residential premises.

However, it may be that a greater problem is the slow adoption of better-quality connections by consumers. Gigabit-capable broadband would deliver faster speeds and a more reliable service and the UK government wants at least 85% of the UK to have access to this by 2025. However, there must also be sufficient demand for the benefits of this technology to be experienced across the economy and society. Currently, only a third (32%) of Welsh consumers intend to switch to gigabit broadband when it becomes available, although those with more frequent reliability issues are more likely to say they want to upgrade. 48% of those who report often experiencing broadband service problems agree that they intend to upgrade to gigabit-capable broadband.



**Figure 8: Likelihood of adopting gigabit-capable broadband increases with frequency of problems with existing broadband**



Based on effective samples after weighting of 90 respondents in Wales reporting often having service problems, 223 sometimes, 352 rarely and 96 never, after weighting the responses to be representative of the adult population of Wales. The corresponding effective bases for the rest of the UK were 322 often, 922 sometimes, 1,332 rarely and 284 never. A small number of respondents who did not know how often they experienced broadband service problems were excluded from the analysis.

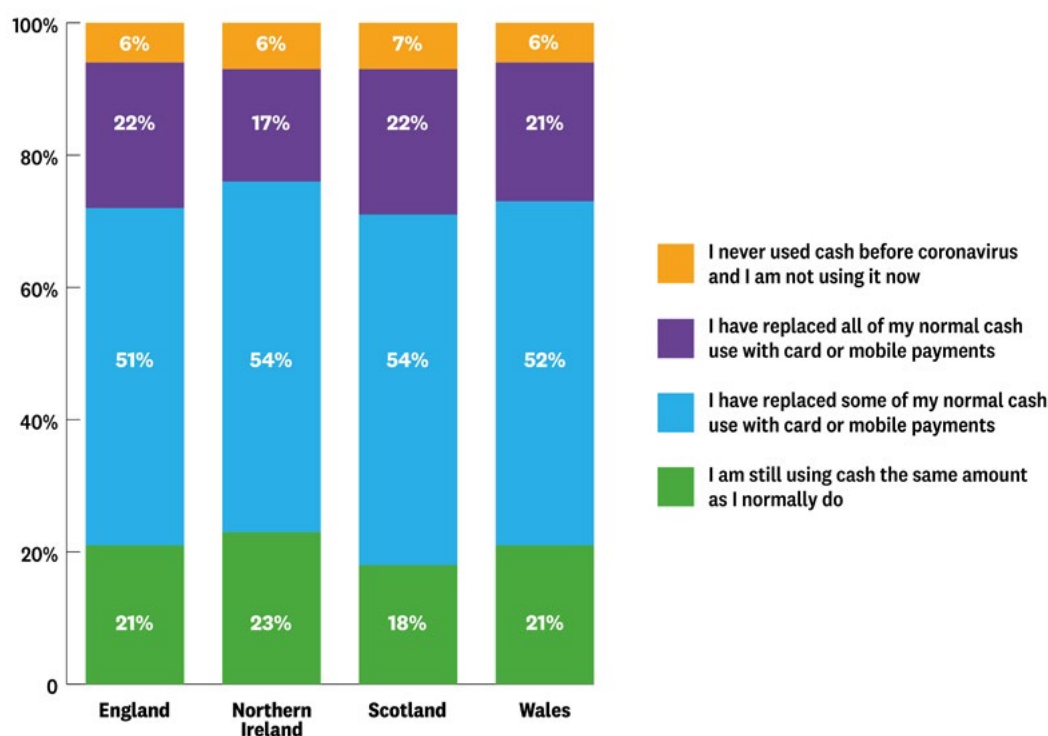
One of the largest barriers to consumer adoption is that many consumers do not perceive there to be sufficient benefit to switching to faster (gigabit-capable) broadband connections. 42% of Welsh consumers told us they were unclear how gigabit-capable broadband is different to their current connection while 64% said that their current broadband met their needs.

Our previous analysis has shown that people who currently have the slowest speeds are least likely to intend to take up gigabit-capable broadband.<sup>13</sup> This is concerning as it implies that, without intervention, there will be greater inequality of internet speed and quality. This could create a digital divide, with those with standard broadband lagging behind. For that reason, the government asked Which? to chair the Gigabit Take-up Advisory Group to propose ways to stimulate demand among consumers and businesses for gigabit-capable broadband. This will mean that the significant resources being invested in developing new infrastructure are more likely to lead to social and economic benefits that are spread wider across the economy.<sup>14</sup>

## Cash payments

Of the many impacts of the pandemic on consumer behaviour, one of the most notable has been the way in which it has accelerated the transition from cash to digital payments. Switching purchases online, not being able to buy some goods that would usually be paid for with cash, and (largely unfounded)<sup>15</sup> concern about the risk of banknotes transmitting the virus have all contributed to consumers using less cash. 73% of Welsh consumers have replaced some or all of their usual cash use with card or mobile payments, with 41% being concerned about viral transmission. This is in line with a similar trend across the whole of the UK.

**Figure 9: Nearly three-quarters of Welsh consumers have replaced some or all of their normal cash use with card or mobile payments.**



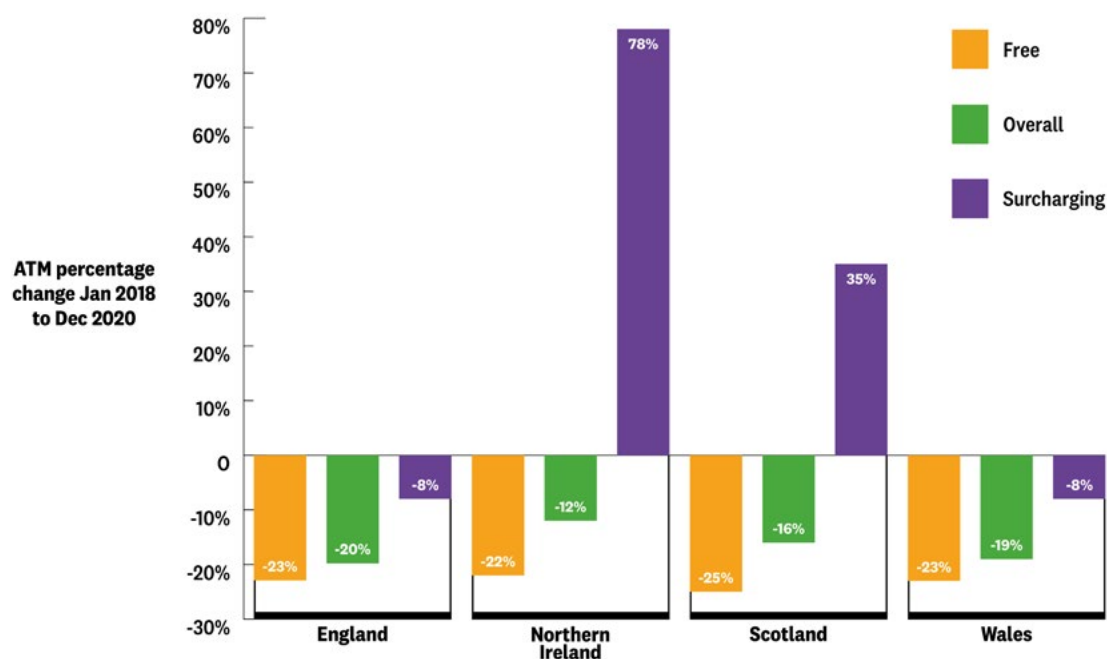
Based on the following effective sample sizes after weighting and removing 'Don't Know' and NA responses: England 1221, Northern Ireland 964, Scotland, 765 and Wales 733.

Despite this, most people still want the flexibility of using cash and it remains a vital payment method for many. For example, only 5% of Welsh consumers say they never use cash, 81% like to keep cash on them in case electronic payments are down, and 42% say they are more in control of their finances when they use cash.

Given this, it is crucial that cash remains widely available and free to access for those who need it, but access has declined in recent years due to bank branch closures and the loss of ATMs. And more than a sixth (17%) of Welsh consumers told us they had experienced difficulties in accessing cash.

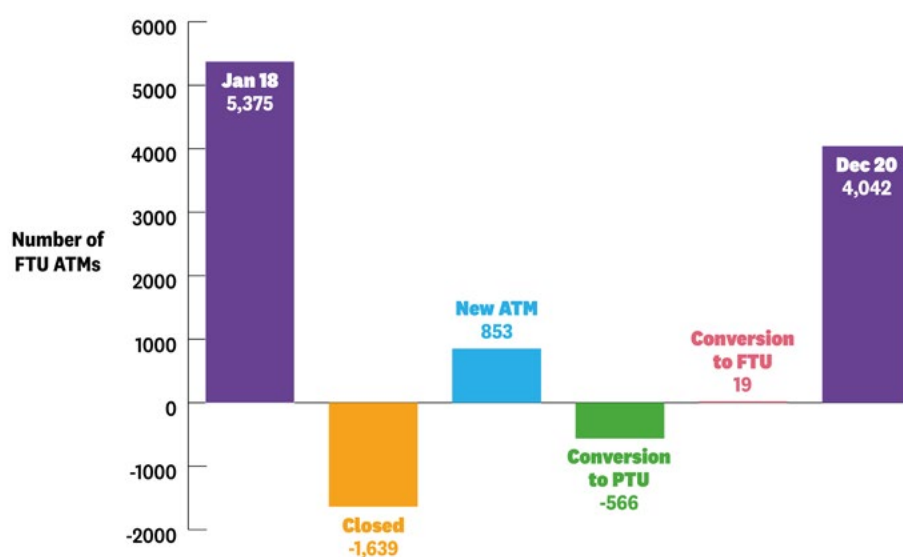
Using data provided by LINK, the network which processes almost all UK ATM withdrawals, we have calculated the change in provision of ATMs over the last three years. We found that the number of free-to-use ATMs has fallen across the UK, and the fall in Wales was 23% as there was a net loss of more than 500 free-to-use ATMs between January 2018 to December 2020. Although almost 370 new free-to-use ATMs were added to the network, this was outweighed by the 940 free-to-use ATMs that were either closed or converted to pay-to-use. Unlike Scotland and Northern Ireland, Wales has also experienced a decrease in the number of pay-to-use ATMs.

**Figure 10a: Wales has lost both free- and pay-to-use ATMs**



Source: Which? analysis of LINK, data for January 2018 and December 2020.

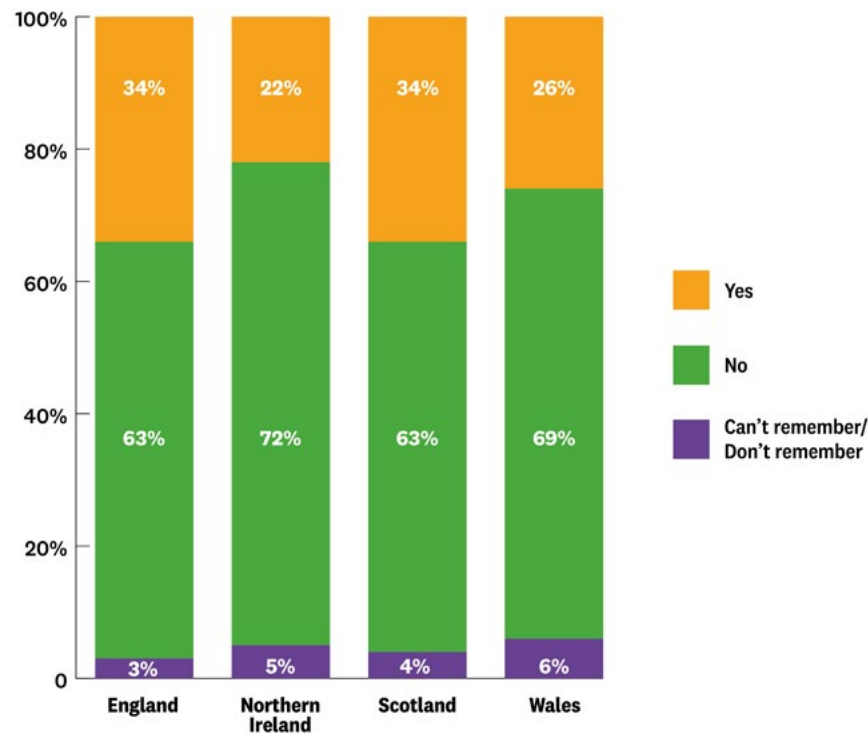
**Figure 10b: Wales lost over 500 free ATMs over the last 3 years**



Source: Which? analysis of LINK, data for January 2018 and December 2020.

A further issue is that there has been an increase during the pandemic in the number of businesses that have decided not to accept cash. Just over a quarter (26%) of Welsh consumers told us they had been in a situation in the last three months where they would have liked to pay in cash but couldn't, although this proportion was significantly lower than the 34% in England and Scotland.

**Figure 11: A quarter of Welsh consumers have experienced being unable to pay with cash**



Based on effective sample sizes of 868 in England, 741 in Northern Ireland, 522 in Scotland and 541 in Wales.

Question text: Have you been in a situation in the last 3 months where you would have liked to pay in cash but couldn't because the business had stopped accepting cash due to the risk of coronavirus infection?

Cash remains important to the lives of millions of consumers and the loss of widespread access and acceptability of cash will cause extensive harm. Which? has campaigned extensively for cash to be protected for those that need it and we welcomed the government's Budget 2020 announcement that it will legislate to do so. We have called for this legislation to be introduced urgently and for the FCA to be made responsible for tracking cash acceptance levels. In the meantime, it is important that the largest retail banks do their bit to protect the cash network by continuing to support the LINK and Post Office networks.

# Attitudes to international trade

The pandemic is not the only current event that is likely to impact on consumers for years to come. Following our exit from the EU, the UK is developing trade policy as an individual country for the first time in over 40 years and the result of this will impact on consumers across the country. It's therefore essential that the consumer voice is heard when the government negotiates trade deals.

To make sure this happens, Which? carried out The National Trade Conversation, a large programme of qualitative research with consumers from around the UK.<sup>16</sup> Bringing together the findings from our workshops with consumers in South Wales with the evidence from our survey of Welsh consumers, we have a rich picture of what matters most to them about future UK trade deals.

Maintaining health and safety standards for food and other consumer goods will be key as half (50%) of Welsh consumers in the survey ranked this as their top priority for trade deals. In the National Trade Conversation, people told us they did not want to see food produced to lower standards imported into the UK - even if there was the potential for lower prices. They were concerned that lower priced, but lower quality imported food could cause harm both in the UK and in other trading nations by:

- Impacting on the health or safety of consumers
- undercutting UK farmers and food producers
- causing environmental harms
- encouraging poor labour standards
- undermining fair trade.

*“A race to the top instead of a race to the bottom.  
That’s what I would like to see, in terms of standards.”*

There was a strong sense that any potential benefits from increasing choice as a result of accepting food produced to lower standards were greatly outweighed by these disadvantages. Welsh participants did not feel that cheaper food would actually benefit those on the lowest incomes, as they felt lower quality food would have a range of health and environmental implications.

*“I would never want to compromise on food standards. I understand the issue of price and that some low income workers may struggle if the price increases as a result of these higher standards but I believe the government should then look at the minimum wage and compensate for this.”*

Participants in Wales were also keen to see the safety standards of non-food products maintained in future trade deals. After learning about how standards can differ across countries, they thought trade deals should only improve standards and negotiators certainly shouldn't risk a reduction in the UK's current standards. Although participants wanted reasonable prices, they weren't prepared to sacrifice quality in order to achieve this, and felt there was little need for more choice of consumer goods in the UK.

*“The overall consensus is most definitely safety standards and ensuring that whatever deals are agreed still continue to meet the same safety standards that UK consumers have come to rely upon.”*

Welsh consumers also want to see other standards maintained. While people had low awareness of the full spectrum of ways in which data is collected about them, and how that data may affect their consumer lives, they were acutely aware of the value of data to businesses across the globe. Participants wanted to see existing consumer protections maintained and not compromised for the sake of a trade deal. This was true both of their proprietary data and also their rights relating to cross border online shopping and services.

*“The most important thing to me as a consumer is data protection and sharing of personal data – this should not be compromised and the regulation should be maintained to keep consumer privacy.”*

Throughout the National Trade Conversation, it was clear that whilst we asked people to answer as a consumer, being a consumer is interwoven with wider views as citizens of the UK. We identified a number of principles that underpinned their priorities which reflected these wider concerns.

One principle was that trade deals should have fairness at their heart and should be beneficial for all involved. Many of the Welsh participants were concerned that benefits from future trade deals may be skewed towards London and the South East of England and they wanted the government to help those who would need to re-skill if their industry loses out.

*“The decisions taken now about what we trade with other countries on preferential terms will have a massive impact on which industries have optimum conditions for growth and which industries may possibly die out. This has particular implications for education and training and on prospects in certain regions – the example of Tata Steel in Port Talbot springs to mind.”*

Another facet of the fairness principle was the desire for trade deals to reflect the whole of the UK. A prominent theme of our discussions was that trade deals were England-centric and lacked appropriate representation from the devolved nations. This scepticism is less prevalent than in the other devolved nations, but even so more than a quarter (28%) of respondents to our December survey believe Wales will not be represented at all in trade negotiations.

*“I find it interesting that Wales, Scotland and Northern Ireland are probably some of the only countries in the world that can’t strike their own trade deals. It’s the country next door instead.”*

Protecting the environment was another principle that guided people’s discussions about what they wanted trade deals to deliver. Participants wanted trade deals to help, not hinder, the UK’s ability to deliver its climate change targets. They were keen for trade deals to be ‘green’ and to promote sustainability.

*“We’ve got to either accept that we’re going to have a bigger carbon footprint to have cheaper prices or a smaller carbon footprint to have a little bit more moral, ethical values of the British people if that’s what we want to stick by.”*



Which?'s National Trade Conversation has shown that consumers hold a range of perspectives on the UK's trade deals. They do value choice and low prices and their priorities take these into account, but in the context of how these choices affect the environment, health, employment and fair trade. It is essential that trade deals deliver meaningful benefits for consumers in their everyday lives and Which? will continue to press the government to make sure that the consumer voice is heard in negotiations.



## Consumers and sustainability

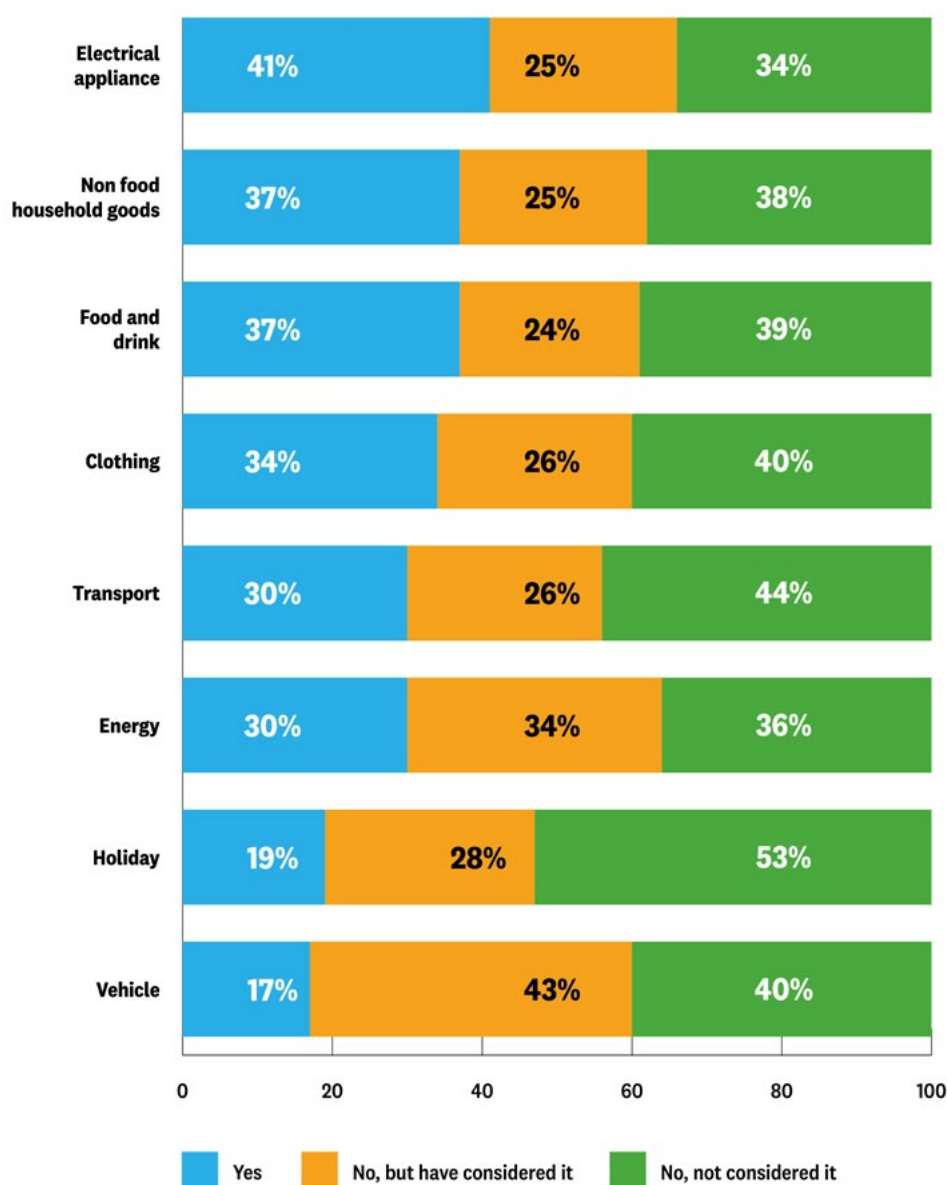
Sustainability is recognised as an increasingly important issue for consumers, and this is likely to continue as the UK aims to bring all greenhouse gas emissions to net zero by 2050. However, there is some evidence that, despite consumers' desire for more sustainable products and services, they do not always make the sustainable choice.<sup>17</sup> We've explored this paradox by investigating consumer levels of concern about sustainability, the actions they say they've taken as a result of sustainability concerns, and what barriers they face to making more sustainable choices.

Most Welsh consumers, along with those in the rest of the UK, expressed at least some concern about sustainability issues. Almost two thirds of Welsh consumers said they were either fairly or very worried about climate change, while just 13% said they were not at all worried. A comparable proportion were worried about pollution and biodiversity and habitat loss too. Levels of concern do vary by age though as younger people are more likely to express concern. Welsh students expressed particularly high concern with 47% reporting being very worried about climate change, compared to just 29% of students in the UK as a whole.

This environmental concern does translate through to buying behaviour, with many consumers in Wales having made a purchasing decision influenced by sustainability concerns, or at least having considered doing so. Consumers in Wales were most likely to have actually made a decision influenced by environmental concerns when buying electrical appliances (41%). Perhaps this is unsurprising since a sustainable choice for these products might mean energy efficiency and lower household bills. Fewer people make sustainable choices for products when it might require a harder trade-off or sacrifice, but even for some of these like food and drink and household goods almost two-fifths of people said they have made a sustainable choice. In general, similar proportions of people in Wales said they had made sustainable purchases as elsewhere in the UK.



**Figure 12: Many Welsh consumers have made environmentally conscious purchasing decisions, but others have not despite considering the issue**



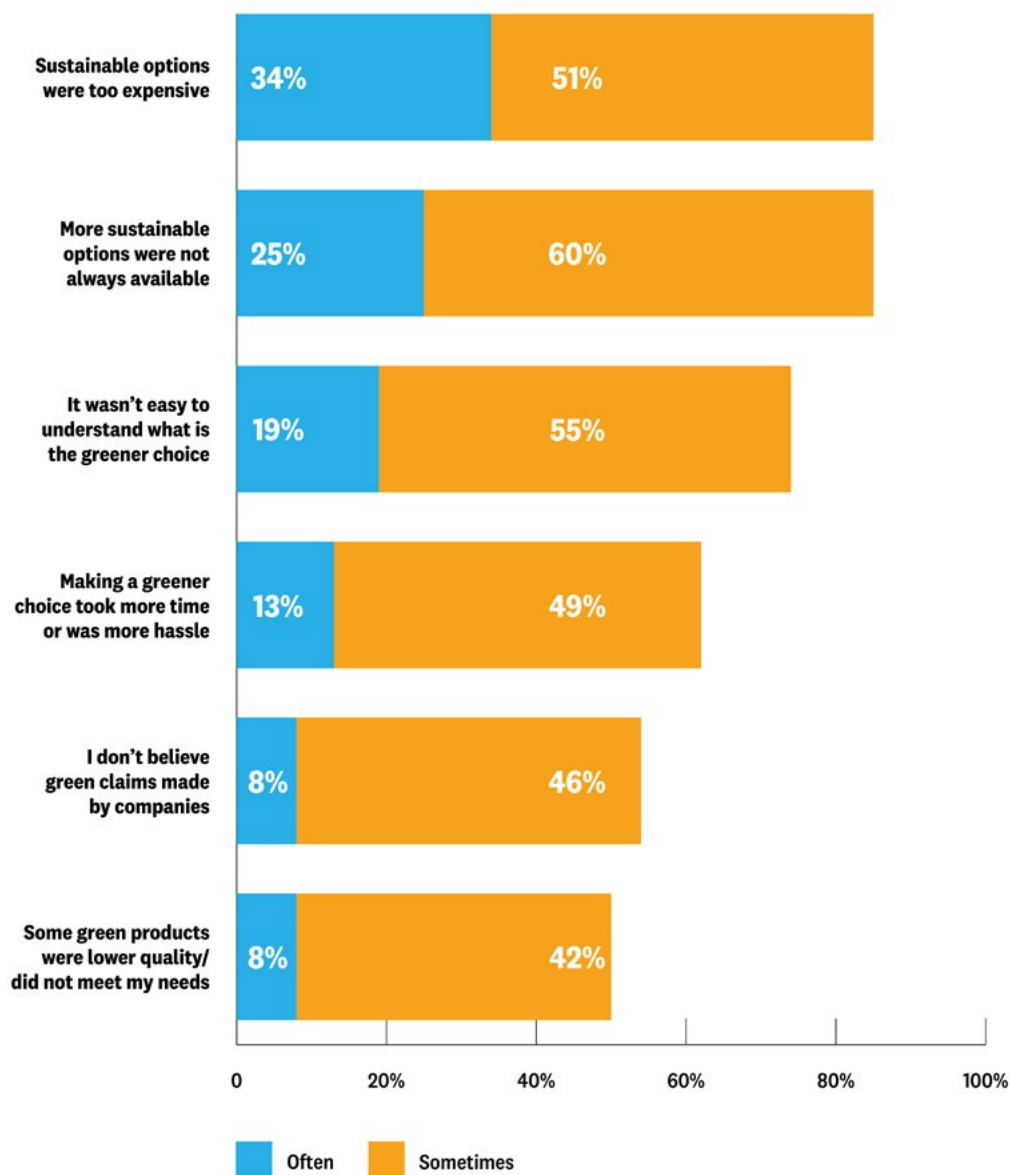
Based on effective sample after weighting of 587 in Wales. Excluded if not at all worried about environmental issues in previous question or if don't make this type of purchase.

Question text: In the past few years, have you made a purchasing decision that was influenced by sustainability concerns for any of the following product/service types?

The figures indicate that a sizable minority of consumers do not end up making the sustainable choice despite considering it. This was especially the case for energy and vehicle purchases, for which fewer than half of those who considered buying sustainably actually did so. Price and availability were the most frequently experienced as barriers to buying sustainably. In both cases, 85% of Welsh consumers said they have experienced this at least sometimes. A lack of clear information is also an issue as 74% of people said they couldn't always understand what the greenest choice would be.

The Competition and Markets Authority is currently examining whether green claims can be misleading. Our survey indicates that this is an important issue for consumers as more than half (54%) said that not believing the green claims of companies was a barrier at least some of the time.

**Figure 13: Cost and availability were the most commonly cited barriers to buying more sustainably**



Based on effective sample after weighting of 587 in Wales. Base includes those who had considered making a more sustainable choice in at least on purchase type in the previous question.

Question text: When thinking about making a more sustainable purchasing decision, how often have you come across the following barriers?

We also asked respondents about their general consumption habits, and any actions they take as a result of environmental concerns. The great majority (76%) of Welsh respondents who were at least a little worried about environmental issues reported having recycled or donated an item to avoid waste, although this was more common in older age groups (78% of over 50s) compared to younger groups (67% of 18–29 year olds).

69% reported having repaired or made something last longer. Less common actions were boycotting a product or business (17% of people had done this) or sharing an item, for example a car share or tool share (19%).

Overall, these survey results indicate high levels of concern among Welsh consumers regarding the environment, and a desire among many to buy in a more sustainable way. However, many barriers to more sustainable buying exist, whether that be price, greenwashing, availability or understanding.

Which? is committed to giving consumers who want to reduce their environmental impact greater confidence. We have introduced an Eco Buy label to help consumers make sustainable choices and will work with manufacturers and policymakers to ensure consumers have reliable information, a wide range of sustainable products available and the support they need to make lower impact choices.

# Methodology

## Which? Quantitative survey

Yonder,<sup>18</sup> on behalf of Which? conducted a survey of consumers in each of the UK nations from 4th-18th December 2020. A minimum of 1,000 respondents were recruited for each of the four nations, with quotas and response weighting used to obtain a nationally representative sample for each nation according to their known age and gender profiles. The survey covered consumer sentiment and financial wellbeing, trust, broadband, cash, trade and sustainability.

Sample sizes and question text are noted below the relevant charts throughout the reports. Sample sizes are based on the effective sample sizes after weighting the responses to be representative of the relevant adult populations. Data for all charts is based on this survey unless otherwise stated. Differences between nations mentioned as significant have been tested at the 1% statistical significance level.

Yonder, on behalf of Which? also conducts a quarterly tracker survey with a UK nationally representative sample of around 2,000 consumers per wave. Since the first UK lockdown in March 2020, this has been run monthly to keep track of a rapidly changing consumer landscape. Articles based on tracker data are referenced throughout the report, and it is used to show consumer confidence over time in the first section.

## National Trade Conversation

The international trade section of this report is based on data from the National Trade Conversation, a large programme of qualitative research conducted by Which? across the UK in 2020.

Findings covered in this report are based on virtual workshops held in 5 locations across the UK, with a total of 97 consumers taking part. Each location had 18-21 participants. Each workshop consisted of 10 hours of deliberation, with participation in an online community taking place in between.

## External data sources

In this report, we use data provided to us by LINK<sup>19</sup> to analyse the entire population of ATMs in the UK at two points in time, January 2018 and December 2020. The data comprises the full ATM address, the operator, whether it is free to use or paid for and if paid for, the withdrawal charge.

Data on the proportions of households with access to 300 Mbps broadband in each of the UK nations is based on Which? analysis of data from Ofcom's Connected Nations research.<sup>20</sup>

## Endnotes

- 1 Resolution Foundation (2020) *Pandemic pressures* available at <https://www.resolutionfoundation.org/publications/pandemic-pressures/>
- 2 Blue Marble Research, on behalf of Which? and others, followed 25 British households between May and October 2020. Each household was interviewed three times. The households reflect a broad spectrum of the UK population and socio-economic grade.
- 3 Which? (2020) *Uptake of payment holidays during the coronavirus crisis* at <https://consumerinsight.which.co.uk/articles/payment-holidays>
- 4 Which? (2020) *Are you following me?* Available at <https://www.which.co.uk/policy/digital/6090/areyoufollowingme>
- 5 Which? (2020) *Are you following me?* Available at <https://www.which.co.uk/policy/digital/6090/areyoufollowingme>
- 6 See <https://www.which.co.uk/news/2020/11/nearly-one-in-ten-scammed-by-adverts-on-social-media-or-search-engines/>
- 7 Which? (2020) *Coronavirus and consumer trust* at <https://consumerinsight.which.co.uk/articles/consumer-trust-may-2020>
- 8 See for example, Wardle and Singerman (2021) *Too little, too late: social media companies' failure to tackle vaccine misinformation poses a real threat*, BMJ at <https://www.bmj.com/content/372/bmj.n26>
- 9 See for example, Wardle and Singerman (2021) *Too little, too late: social media companies' failure to tackle vaccine misinformation poses a real threat*, BMJ at <https://www.bmj.com/content/372/bmj.n26>
- 10 Which? (2020) *Late adopters: Digital banking may double their risk of being defrauded* at <https://consumerinsight.which.co.uk/articles/digital-banking-and-fraud#take-up-of-digital-banking>
- 11 Ofcom (2020) *Connected Nations 2020: UK report* available at <https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2020/main-report>
- 12 Ofcom (2020) *Connected Nations 2020: Wales report* available at <https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2020/nations-reports>
- 13 Which? (2020), *To Gb or not to Gb?* at <https://consumerinsight.which.co.uk/articles/gigabit-survey-analysis>
- 14 Gigabit Take-up Advisory Group (2020) *Interim Report* at <https://consumerinsight.which.co.uk/articles/gigatag>
- 15 Bank of England (2020) *Cash in the time of Covid* in Quarterly Bulletin 2020 Q4 at <https://www.bankofengland.co.uk/quarterly-bulletin/2020/2020-q4>
- 16 Which? and Hopkins Van Mil (2020) *National Trade Conversation: What really matters to consumers about future trade deals* at <https://campaigns.which.co.uk/trade-deals/>
- 17 White, Hardisty and Habib (2019) *The Elusive Green Consumer* in Harvard Business Review at <https://hbr.org/2019/07/the-elusive-green-consumer>

- 18 <https://yonderconsulting.com/>
- 19 <https://www.link.co.uk/>
- 20 <https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2020>



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