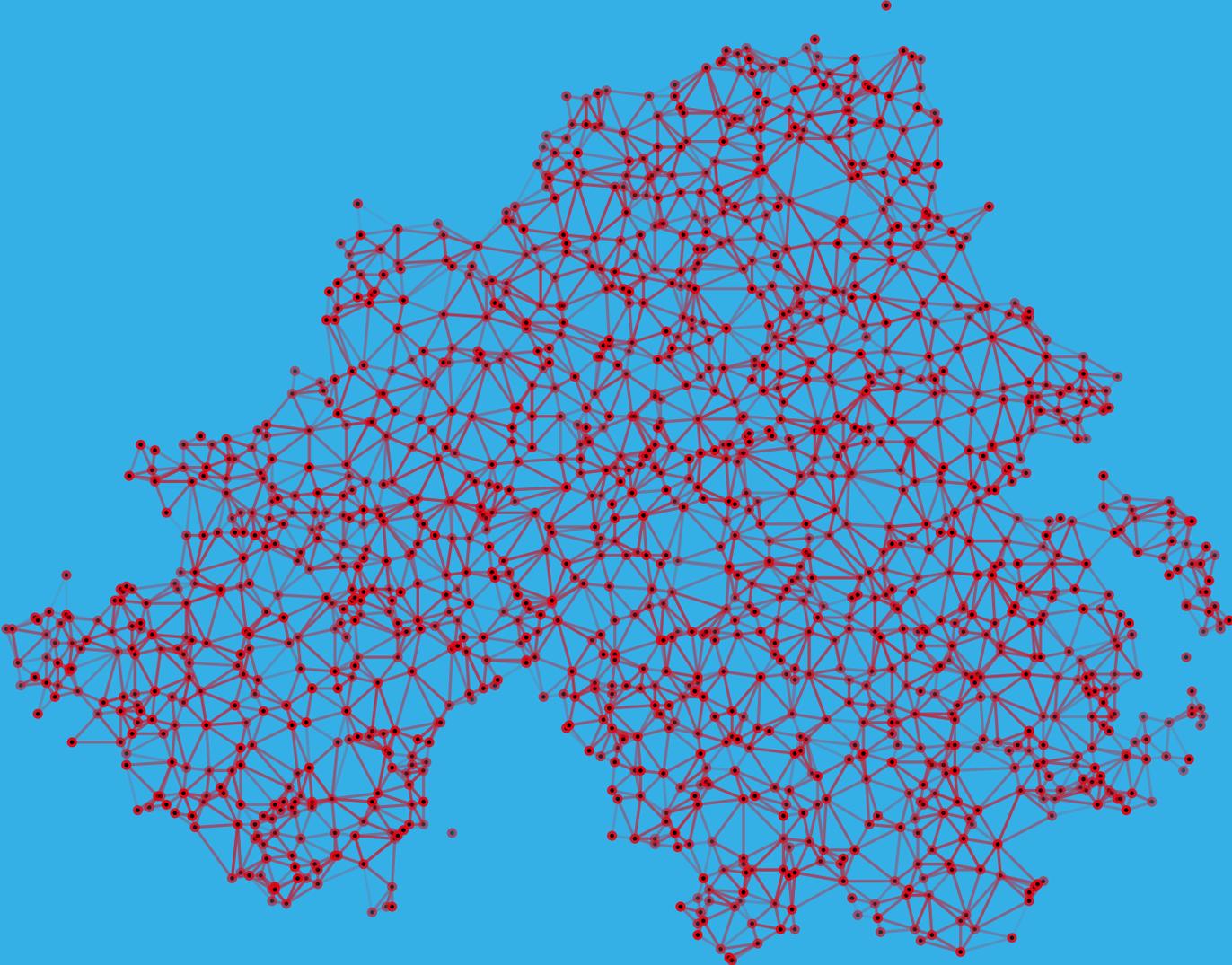


Consumers in Northern Ireland 2021



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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 Northern Irish 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 Northern Ireland, our starkest findings are around access to cash. Although cash use has fallen over the last year, a majority of consumers in Northern Ireland continue to use cash at least once a week – higher than anywhere else in the UK. But accessing cash is increasingly coming at a cost: Northern Ireland has lost more than 400 free-to-use ATMs over the last three years.

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 would help power a swift economic comeback.

Together with Northern Irish policymakers and businesses, Which? will continue to stand up for consumers, and we look forward to working together to support a consumer-led recovery right across the UK.

Anabel Houl

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 this report, Which? investigates the circumstances of Northern Irish consumers, and explores how their attitudes and behaviours have changed in the past twelve months.

The pandemic has led to acute financial difficulty for some consumers and, although the number of households in Northern Ireland cutting back on spending or taking payment holidays is lower than the UK average, many have struggled over the past year. Almost 11% of people in Northern Ireland told us they had taken a payment holiday during the crisis, while 39% had needed to make adjustments to cover essential spending, such as cutting back, borrowing from friends and family or taking out credit, in the month preceding our survey. These statistics would no doubt be worse without support measures such as payment holidays and the Coronavirus Job Retention Scheme.

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. 36% of people in Northern Ireland told us their household had been able to save more money over the course of the pandemic. The economic recovery is going to require those with greater savings to spend them. Unfortunately, consumer confidence has taken a battering over the course of the pandemic and Northern Irish consumers are particularly pessimistic about how well the economy will perform in the coming year.

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, such as Facebook. The latter is the least trusted industry of those we asked about, both in Northern Ireland and throughout 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 there are concerns that some will 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 shopping, communication with friends and family, entertainment and working from home. Further, 30% of Northern Irish 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 Northern Ireland:

- 18% 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, a greater reliance on home broadband puts the focus on the quality of connections. 42% of Northern Irish 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 although Northern Ireland has enviable rates of access to ultrafast or better connections, it also has a greater proportion of households that cannot get 'superfast' broadband than elsewhere in the UK. However, a greater problem still 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 30% of Northern Irish 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. 71% of Northern Irish 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 3% of Northern Irish consumers say they never use cash, 84% like to keep cash on them in case electronic payments are down, and 49% 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. Northern Ireland lost 22% of its free-to-use ATMs in the past three years and 22% of 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 Northern Irish 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 the attitudes of Northern Irish consumers 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 in addition to these 76% 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 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.¹

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 report having missed a payment on a bill, loan or credit, or housing cost in the last month. In our survey in December 2020, 3% of consumers in Northern Ireland reported having missed at least one payment. The rate was higher among lower income households (up to £21,000) at 4% compared to 2% in the rest of the sample. Northern Ireland had significantly lower reported rates of missed or defaulted payments than 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. 39% of consumers in Northern Ireland told us they made at least one adjustment to cover essential spending such as utility bills, housing costs, groceries, school supplies and medicines in the month prior to the survey. This figure is in line with the rest of the UK.

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.² 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 widespread increases in financial difficulty among the population as a whole.

In Northern Ireland, almost 11% of consumers reported taking a payment holiday during the crisis, with about 4% taking more than one. This is broadly in line with consumers in Scotland and Wales, but it is 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 their payments.³

Figure 1: Northern Ireland's payment holiday uptake 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. Just over a third (36%) of consumers in Northern Ireland said they were able to save more money over the course of the pandemic, while 28% 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. Households with an income of £69,000 or more have been nearly three times as likely to save more than households with an income of up to £14,000 than usual in the pandemic (59% of households compared to 13%).

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



Based on effective samples after weighting of 979 respondents in NI. Those who saved the same or were unsure are included in calculations but not in the chart.

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 it would improve over the next 12 months and 85% thinking 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 restrictions and lockdowns.

People have more confidence in their own future household finances than in the economy as a whole, and this confidence has been more stable over the past year. However, it is still the case that more people are pessimistic about their future household finances than are optimistic, and confidence remains 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 as Northern Irish and Scottish consumers are more pessimistic. Just 12% of people in Northern Ireland said they thought the UK economy would get better over the next year, while 75% thought it would get worse, giving a net confidence level of -63. This compares to -47 in England, -54 in Wales and -65 in Scotland.

Figures 3a and 3b: Outlook on the future of the UK economy is more pessimistic in Scotland and Northern Ireland

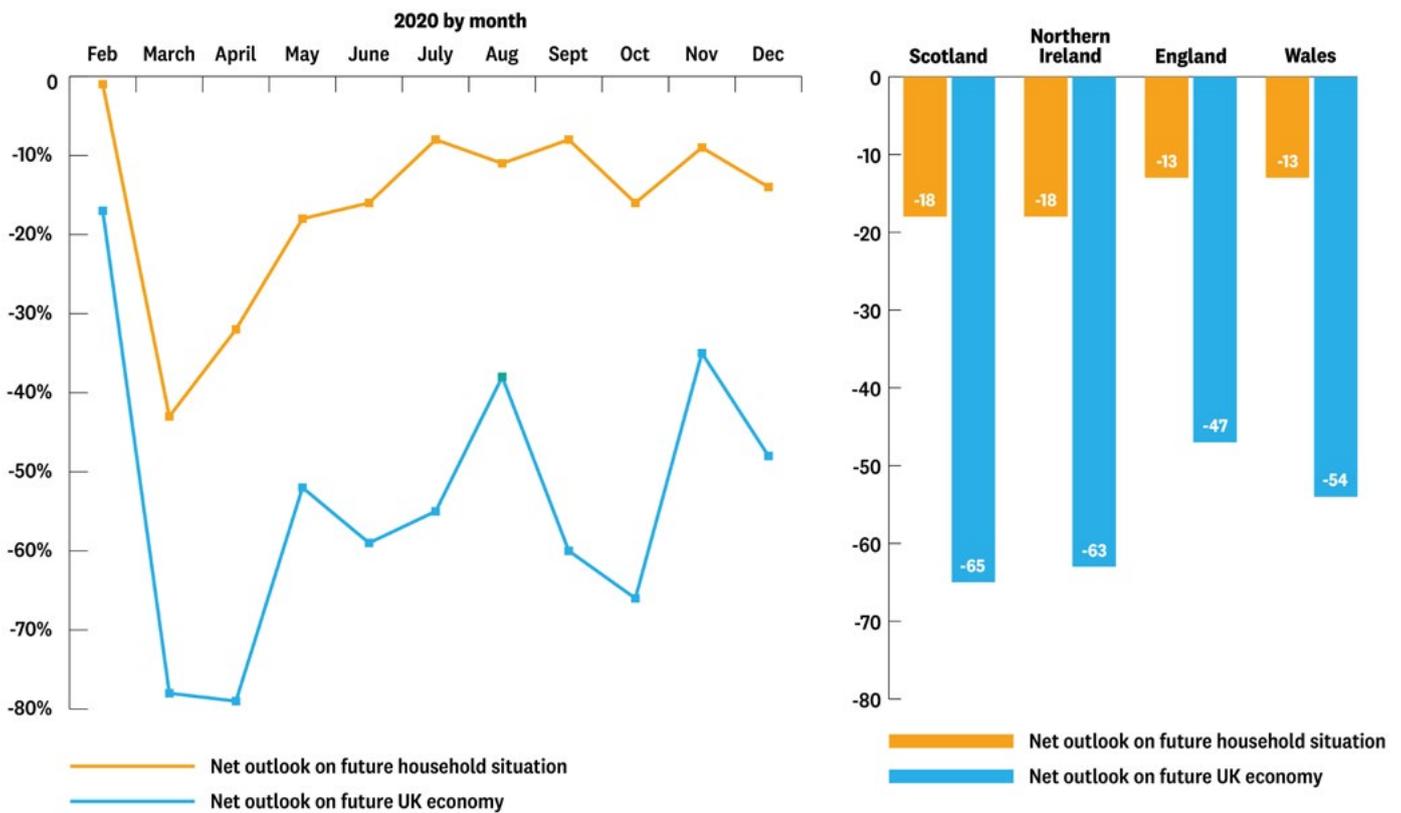


Chart 1: Which? Consumer Insight Tracker, approximately 2,000 respondents per wave. Further resources can be found on the *Which? Consumer Insight website*

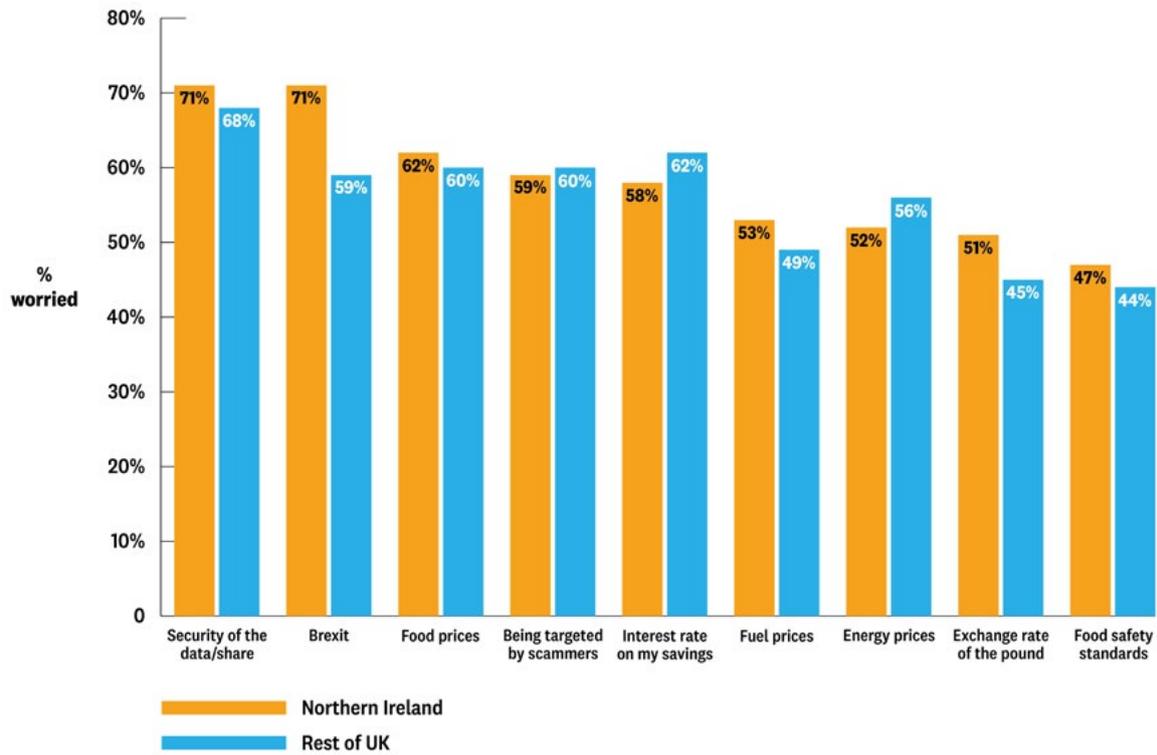
Chart 2: Based on effective samples after weighting of 770 respondents in Scotland, 1,257 in England, 744 in Wales and 979 in Northern Ireland, after weighting the responses to be representative of the relevant adult populations. Net confidence is the proportion who think things will get better minus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

This pessimistic outlook in Northern Ireland could be related to a number of factors. For example, less confidence in the public health approach, a less favourable outlook on Westminster economic policy, or greater pessimism 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 Northern Irish consumers. Unsurprisingly, given the unique situation of Northern Ireland in terms of Brexit, concern was significantly higher than the average for the rest of the UK. 71% of Northern Irish consumers said they were worried about Brexit compared to just 59% in England and 58% in Wales. Concern in Scotland was more in line with Northern Ireland, at 75%.

Differences across the nations for other consumer worries were mostly not statistically significant. Data security was the biggest worry for the UK as a whole, 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 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,⁴ and low levels of trust in some of the largest digital firms, which we explore in the next section.

Figure 4: 7 in 10 consumers in Northern Ireland were worried about Brexit, significantly higher than in the rest of the UK



Based on effective sample sizes after weighting of 979 respondents in NI, and 2,771 in the rest of the UK, after weighting the responses to be representative of the relevant adult populations.

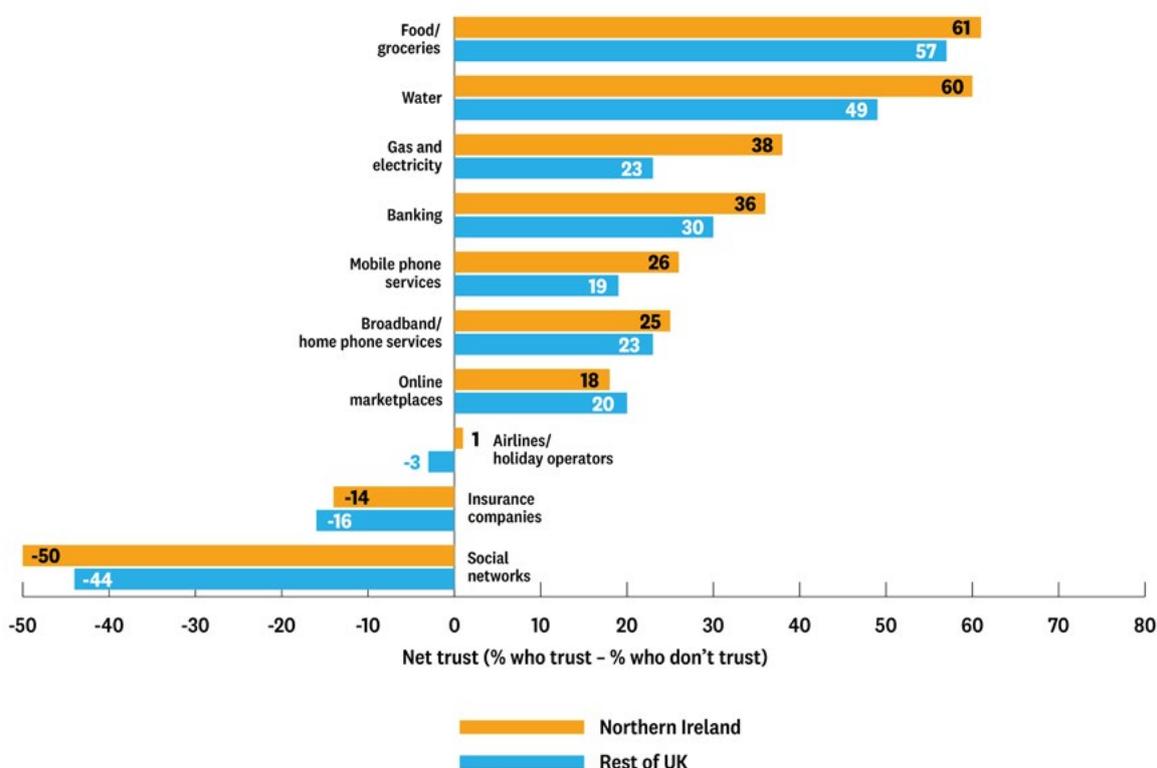
Consumer trust in business

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. At the time of the survey in December 2020, 67% of consumers in Northern Ireland said that they trust the food and groceries sector quite a lot or a great deal, whilst just 6% said they don't trust it very much or at all, giving a net trust score 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 -50. In part this might be due to deep unease about how people's personal data is collected and used,⁵ 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.⁶

Figure 5: Consumers in Northern Ireland trust the gas and electricity sector more than other nations



Based on effective sample sizes after weighting of 979 respondents in NI, and 2,771 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 different industries in Northern Ireland is broadly consistent with trust levels in the rest of the UK, as shown in Figure 5. One exception is the gas and electricity industry, where trust is higher in Northern Ireland (+38) compared to each of the other UK nations, but which may reflect the very different composition of the energy market in Northern Ireland. Trust in the water industry is also higher in Northern Ireland compared to the rest of the UK, although this difference is largely due to lower trust in England in this sector.

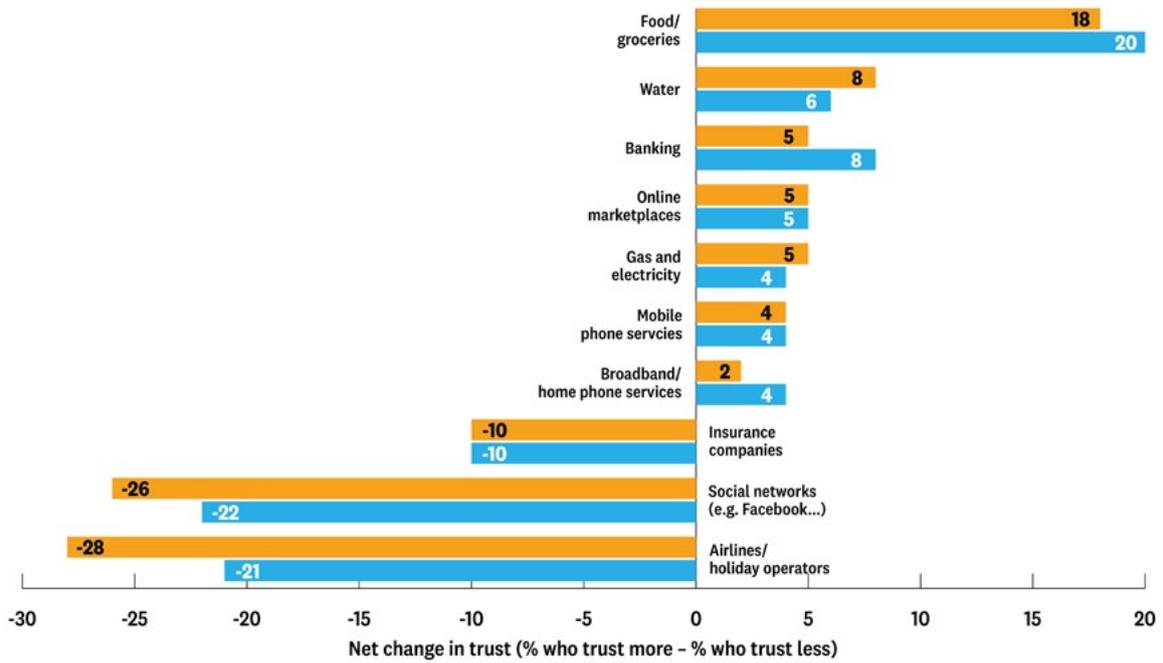
In part, current levels of trust are a consequence of the way in which businesses have reacted to the challenges presented by the coronavirus crisis, such as unexpected changes in demand or cancellations necessitated by the restrictions put in place to slow the spread of the virus. In Northern Ireland, some sectors 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 start 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 food and groceries industry has seen a boost in trust since the pandemic, with 25% saying they trust this industry more since the pandemic and just 7% saying they trust it less, giving a net of +18, see Figure 6. We should note though that while this reflects consumers' positive attitudes to how supermarkets handled the coronavirus crisis, the survey took place in December prior to any additional disruption that may have been caused by the new border regime.

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 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.⁷ 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, although the reason for this is less clear. 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.⁸ 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.

Figure 6: Airlines and holiday operators and social networks have lost most trust during the pandemic



Based on effective sample sizes after weighting of 979 respondents in NI, and 2,771 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

Whether 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 Northern Ireland, 62% of people said they often use their home broadband for communication with friends and family and 60% said they were using it often for entertainment. The type of use that has increased most as a result of the crisis is for working from home. 30% of all Northern Irish 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, although consumers in Northern Ireland are on average a little more likely to use it for entertainment and a little less to use likely to use it for administrative activities than the rest of the UK.

For some consumers, the pandemic has meant learning how to manage aspects of their life online. 30% of respondents in Northern Ireland 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 (87%) 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,⁹ while 18% 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 want to switch to completing such tasks offline as soon as possible.

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

Statement	NI	Rest of UK
I am comfortable with a shift to using my home broadband more for admin.	56%	54%
I am concerned that I am at a greater risk of being scammed	47%	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	18%	17%
I want to switch to completing such tasks offline as soon as possible	17%	19%

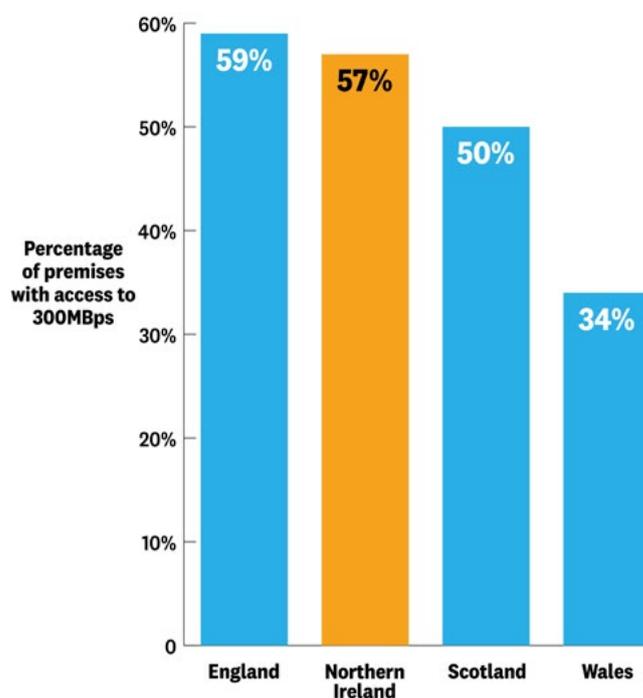
Based on effective samples of 895 respondents in NI and 2,602 in the rest of the UK after weighting the responses to be representative of the relevant adult populations. Only the difference between the percentages agreeing that they are concerned about being at greater risk of being scammed is statistically significant.

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.¹⁰

However, it is still common for people to report problems with the reliability of their home broadband. About 13% of respondents to our survey in Northern Ireland reported often having problems and 29% sometimes.

This may be in part due to lack of access to a high-quality connection. Northern Ireland has relatively high rates of household access to very good connections as 57% of connected households are able to access to ultrafast or better (download speeds of 300Mbit/s or more), and it has a much higher rate of full-fibre broadband than elsewhere in the UK. However, Northern Ireland also has a greater proportion of households that cannot get ‘superfast’ broadband, which is defined as 30Mbit/s. 11% of residential premises can’t access superfast, compared to just 6% in Scotland and Wales, and 4% in England. There also remain 19,000 premises in Northern Ireland that cannot access a decent connection (defined as a speed of at least 10Mbit/s download speed and 1Mbit/s upload speed).¹¹

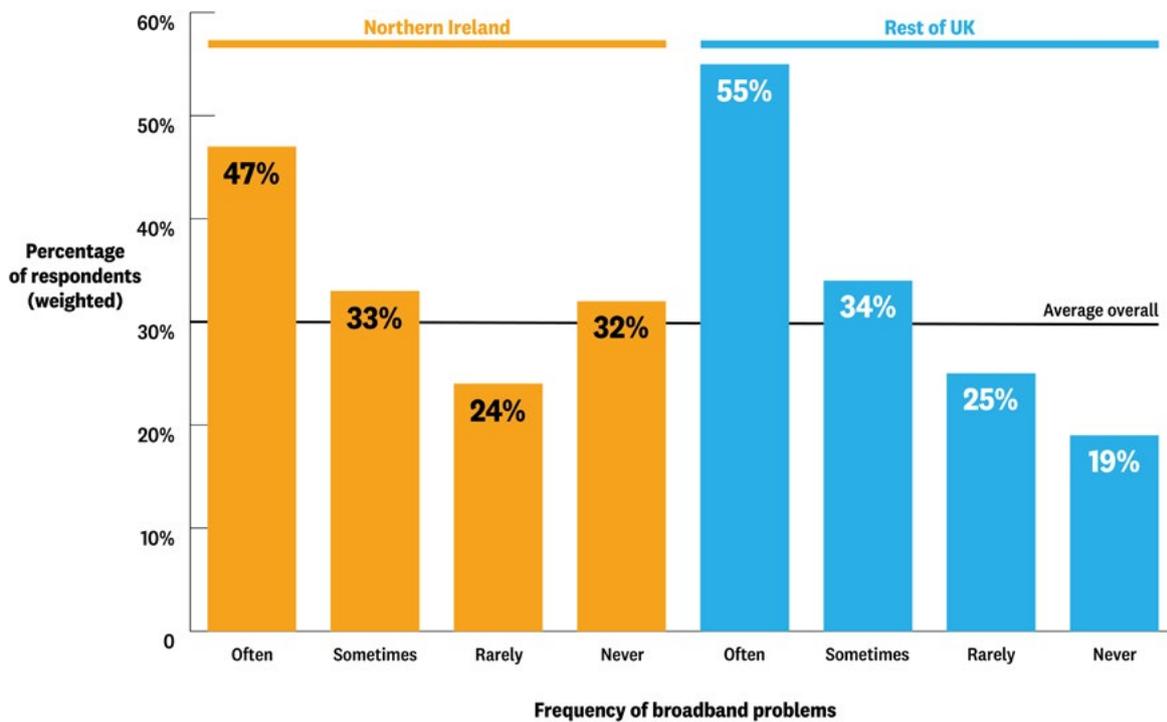
Figure 7: 57% of connected households in Northern Ireland are able to download at 300Mbit/s or more



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. 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 (30%) of Northern Irish consumers intend to switch to gigabit-capable broadband when it becomes available, although those with more frequent reliability issues are more likely to say they want to upgrade. 47% 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 126 respondents in Northern Ireland reporting often having service problems, 283 sometimes, 432 rarely and 105 never. The corresponding effective bases for the rest of the UK were 298 often, 878 sometimes, 1,242 rarely and 282 never. A small number of respondents who did not know how often they experienced broadband service problems were excluded from the analysis.

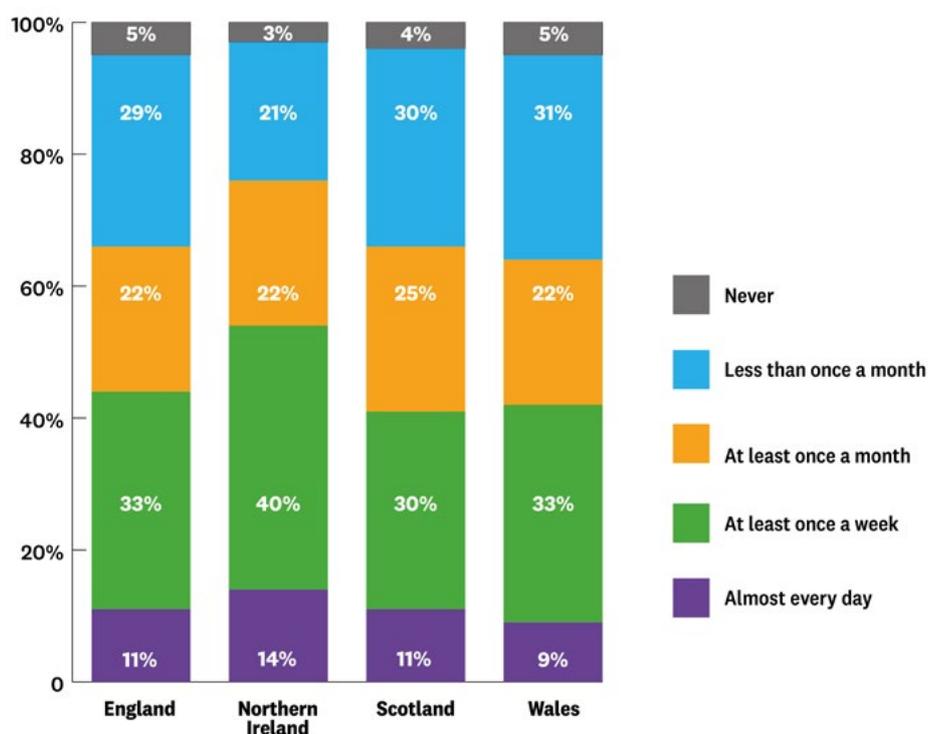
One of the largest barriers to consumer adoption is that many consumers do not perceive there to be sufficient benefit to switching to faster (gigabit-capable) broadband connections. 48% of Northern Irish consumers told us they were unclear how gigabit-capable broadband is different to their current connection while 68% 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.¹² 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.¹³

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)¹⁴ concern about the risk of banknotes transmitting the virus have all contributed to consumers using less cash. 71% of Northern Irish consumers have replaced some or all of their usual cash use with card or mobile payments, with 43% being concerned about viral transmission. This is in line with a similar trend across the whole of the UK.

Figure 9: The majority of NI consumers use cash at least once a week.



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. This is especially so in Northern Ireland, where consumers are more likely to use cash at least once a week than elsewhere in the UK. Cash use is relatively higher among less well-off consumers, but across all Northern Irish consumers only 3% of consumers say they never use cash. The reasons people gave for continued cash use include as a precautionary measure in case electronic payments are down (84% of people agreed they do this) and to be more in control of their finances (49%).

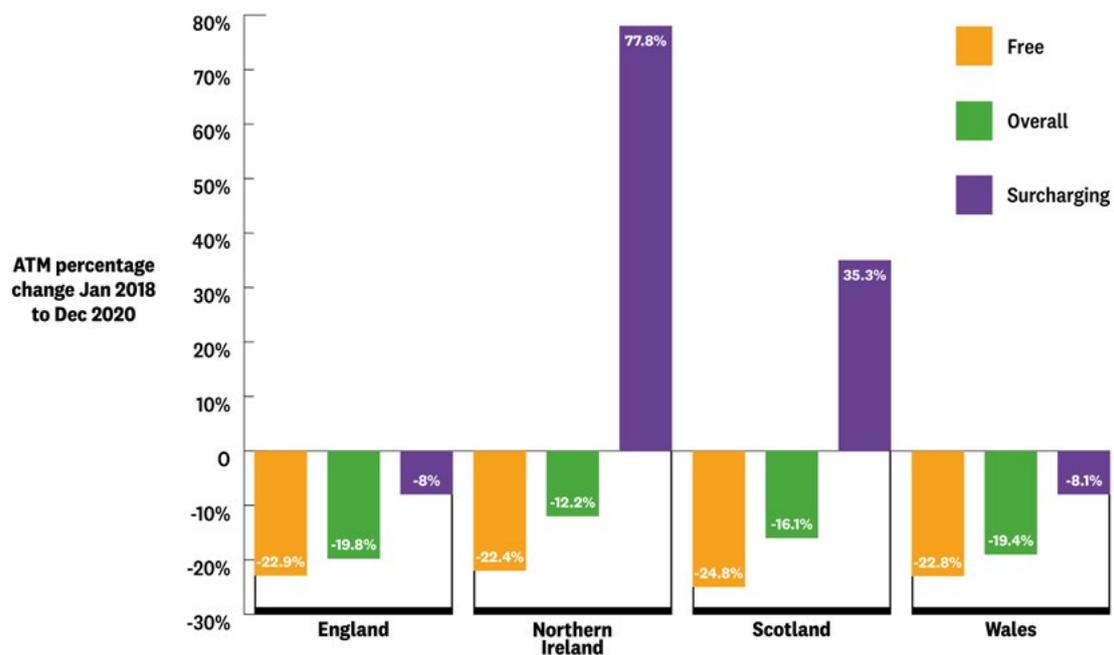
Given this, it is crucial that cash remains widely available and free to access for those who need it, but access has declined in recent years due to bank branch closures and the loss of

ATMs. Almost a quarter (23%) of Northern Irish 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 Northern Ireland was 22% as there was a net loss of more than 400 free-to-use ATMS between January 2018 to December 2020. Although about 360 new free-to-use ATMs were added to the network, this was outweighed by about 780 free-to-use ATMS either closing or being converted to pay to use.

Northern Ireland had a 78% increase in the number of surcharging or pay-to-use ATMs across the same period. Previous work by Which? has found that conversions from free-to-use to pay-to-use have been more common in areas that are more rural and areas that have greater levels of deprivation.¹⁵ This is concerning since it suggests that withdrawal charges are likely to have a regressive effect and impact more on low-income consumers.

Figure 10a: The number of surcharging ATMs in NI increased by over 75% in the past three years



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

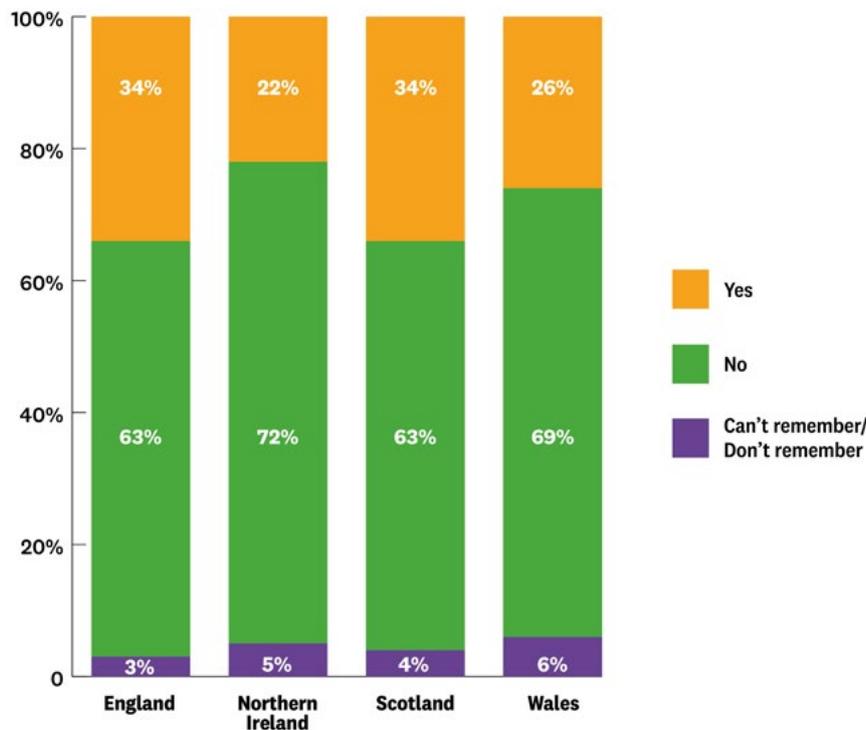
Figure 10b: Northern Ireland lost over 400 free ATMs over the last 3 years



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. This appears to have been less of an issue in Northern Ireland than other parts of the UK, but still more than a fifth (22%) of Northern Irish 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.

Figure 11: Fifth of NI consumers have experienced cash not being accepted in the last 3 months



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? have 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 UK. 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.¹⁶ Bringing together the findings from our workshops with consumers in Northern Ireland with the evidence from our survey of Northern Irish consumers, we have a rich picture of what matters most to them about future UK trade deals.

Despite Northern Ireland's future adherence to EU standards given the Northern Ireland Protocol, participants still felt strongly that UK trade deals should not compromise on existing food standards. Half (50%) of Northern Irish consumers said that maintaining existing health and safety standards for food and other products was their key consumer priority. There was a sense of relief among most participants who felt that the food on the shelves in Northern Ireland would be shielded from any future changes to food standards, at least in the short term. However, there were some concerns that consumers would have less choice in Northern Ireland compared to the rest of the UK because food suppliers may be reluctant to deliver to Northern Ireland given the complexities of the protocol.

"I think we need to avoid being at a disadvantage due to this Northern Ireland protocol, as well. We don't want to be subjected to fewer products just because we have higher food standards here. We need to ensure that there's a choice and a variety."

Ensuring trade deals do not have a detrimental effect on local industry was also a common theme in our Northern Irish discussions. Whilst participants explored the potential benefits to consumers resulting from trade deals, for example cheaper beef from New Zealand, they were also concerned about how to protect local farming from being undercut from producers in countries with lower standards of production.

"...for me, it would be protecting our home-grown produce, where possible and not putting that at a disadvantage so that we can continue to enjoy the produce of Northern Ireland and also, that the landscape and the countryside is protected."

Northern Irish participants felt strongly that the existing standards for consumer products, such as cars and toiletries, should be maintained, and they did not want to sacrifice these for more choice or cheaper products.

"The government has a massive responsibility to protect its citizens from danger; ie. some people remark about the importance of consumers having choice, however it is my strong personal view that instances like this [low safety products] are examples of when consumers shouldn't have the choice as to whether they can buy products that are unsafe or not."

In addition to this, participants also wanted the possible environmental impact of trade deals to be considered. In the discussions about food this centred on minimising the carbon footprint, whilst in the discussion of consumer goods there were some concerns that cheaper goods would mean a trade-off with quality and would encourage a ‘throw-away’ attitude amongst consumers with detrimental impacts on the environment.

People acknowledged that digital trade is growing and has an important role in future trade deals. However, there were shared concerns about the complexity of digital trade and the accompanying protections. Therefore, many participants were concerned about the potential reduction in data privacy rights.

“As digital trade is the future it seems a minefield which I can’t fully understand, I just hope that the current EU laws are updated and enhanced and not reduced so as our information is handled correctly and not sold to just anyone.”

Despite these concerns there was some recognition of the potential benefits. In Northern Ireland, there was an appreciation that digitising trade paperwork could be immensely helpful in softening the border between the North and the South, making commerce quicker and seamless. This was felt to be particularly important given concerns that maintaining equivalence with EU standards could result in lack of choice due to barriers in place for businesses exporting to Northern Ireland.

“Digital technology might help a softer border between Northern Ireland and ROI for transfer of goods and service.”

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. We identified a number of principles that underpinned their priorities which reflected these wider concerns. One principle which was particularly noticeable in Northern Ireland was the need to ensure all of the UK was considered – and specifically for Northern Ireland, that its special position was acknowledged in trade agreements and not ignored. There was also the belief that Northern Ireland lacked an adequate representation in ‘London-centric’ trade deals. Respondents to our supplementary survey in December also anticipated Northern Ireland having little representation in UK trade deals – 42% of Northern Irish respondents didn’t think Northern Ireland would be represented at all, while only 6% were confident that Northern Ireland would be “completely represented”.

“Our trade deal is going to be different than the mainland UK trade deal, no matter what way it is done going forward. We are under separate regulations and standards, so whatever trade deal the mainland UK, London-centric Government does, they can do it whatever way they want, but it’s not going to be able to be transferred to Northern Ireland.”

Linked closely to this was the desire for the frictionless border to be maintained between the North and South in order to preserve stability and peace. There were fears that added border checks, paperwork and certifications would result in increased costs for Northern Ireland businesses which could be passed on to consumers.

“[I’m worried about the] Paperwork [needed for] exporting beef across the border causing delay and bottlenecks.”

Which?'s National Trade Conversation has shown that consumers hold a range of perspectives on the UK's trade deals. They 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

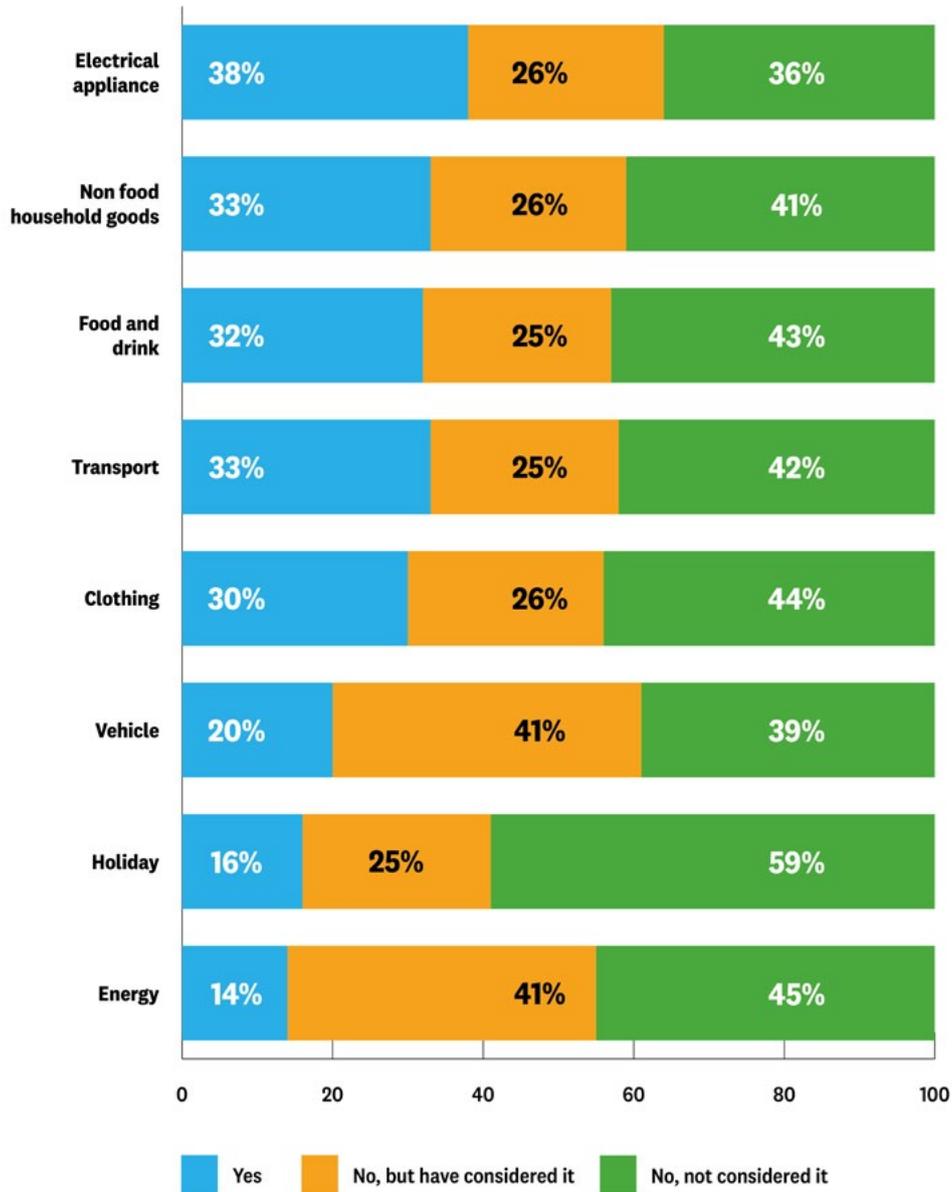
Sustainability is recognised as an increasingly important issue for consumers, and this is likely to continue as the UK aims to bring all greenhouse gas emissions to net zero by 2050. However, there is some evidence that, despite consumers' desire for more sustainable products and services, they do not always make the sustainable choice.¹⁷ 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 consumers in Northern Ireland, along with those in the rest of the UK, expressed at least some concern about sustainability issues. 59% of Northern Irish consumers said they were either fairly or very worried about climate change, while just 15% are not at all worried. A comparable proportion were worried about pollution. Whilst concern about these two issues is broadly consistent with the rest of the UK, consumers in Northern Ireland are significantly more likely to report not being at all worried about biodiversity and habitat loss.

Levels of concern about sustainability vary by age with younger consumers being more likely to be concerned. For example, a third (34%) of 18 to 29-year-olds in Northern Ireland said they were very worried about climate change, compared to a fifth (20%) of those aged over 65.

This concern does translate through to some buying behaviour. 38% of consumers in Northern Ireland said they had made a consciously sustainable choice when buying electrical appliances, which is more than any other type of product or service. Perhaps this is unsurprising since a sustainable choice for these products might mean energy efficiency and lower household bills. Consumers were less likely to have made a sustainable choice in other industries such as holidays and vehicles, where purchasing sustainably might involve a more difficult trade-off or sacrifice. Energy was the industry in which the fewest consumers in Northern Ireland had made a sustainable choice, at just 14% this is much lower than the 30% in the rest of the UK.

Figure 12: Many consumers in Northern Ireland have made environmentally conscious purchasing decisions



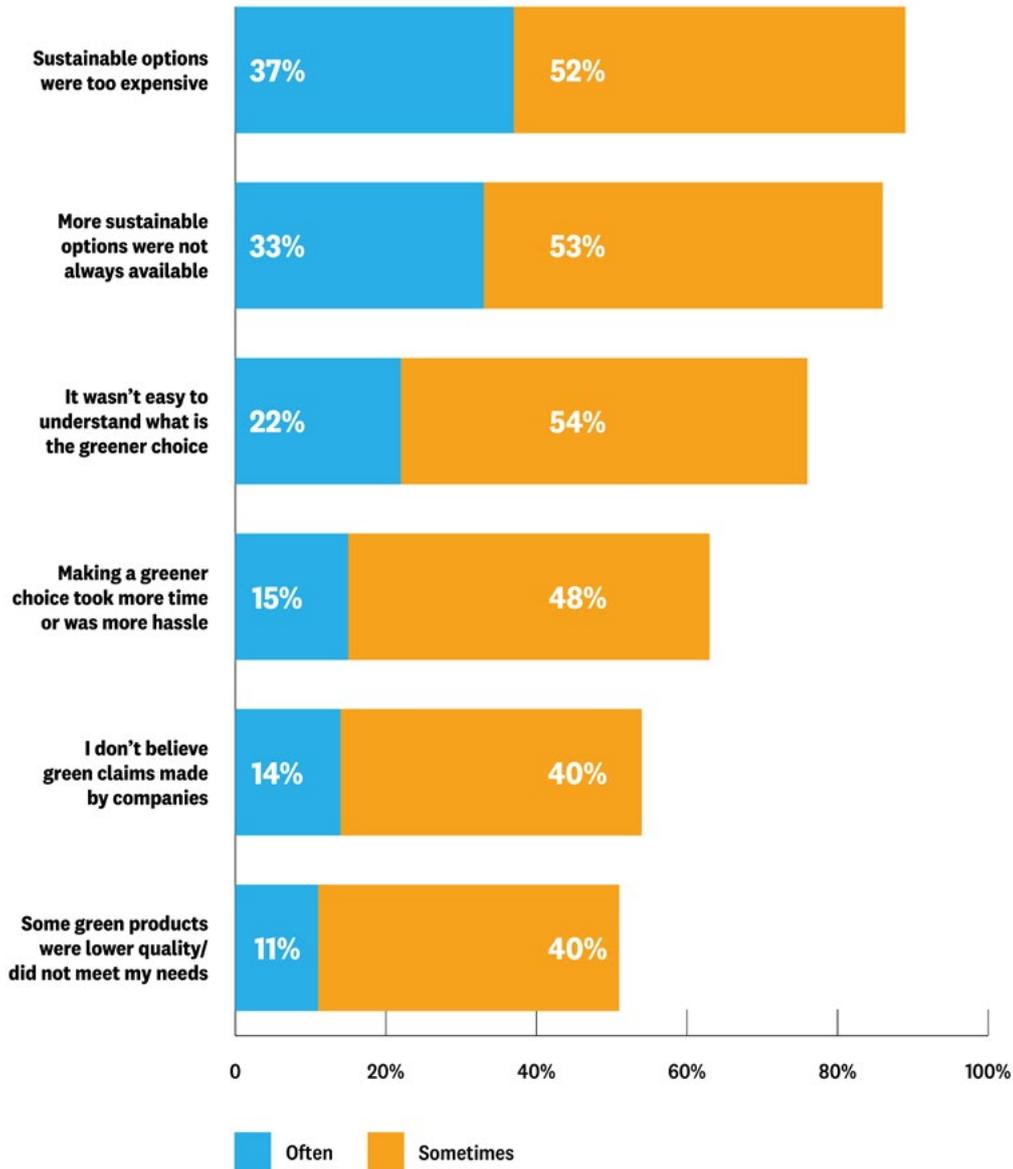
Based on effective sample after weighting of 737 in Northern Ireland. Base includes those who had considered making a more sustainable choice in at least on purchase type in the previous question.

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?

Figure 12 shows that a sizable minority of consumers do not end up making a sustainable purchase despite considering it. This is true across all the products and services, but especially so for energy and vehicles. Price and availability are the most frequently experienced barriers to buying sustainably. 89% of consumers in Northern Ireland had experienced price as a barrier at least some of the time, and 86% had experienced a lack of availability. The latter may well account for the relatively low level of green energy purchasing in Northern Ireland. Homes are more likely to be using heating oil and there is a more restricted choice in green tariffs.

A lack of clear information is also an issue as 76% 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 737 in Northern Ireland. 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. A large majority (75%) of Northern Irish respondents who are 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

people, more than 80% of over 65s compared to 71% of 18 to 29-year-olds. 67% of people reported having repaired an item or made something last longer. Less common actions were boycotting a product or business (12%) or sharing an item, for example a car or tool (21%).

Overall, these survey results indicate high levels of concern about the environment among consumers in Northern Ireland and a desire among many to buy in a more sustainable way. However, there are many barriers to buying more sustainably including price, availability, knowledge and understanding, and greenwashing.

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 and the support they need to make lower impact choices.

Methodology

Which? Quantitative survey

Yonder,¹⁸ 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% risk 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 LINK¹⁹ 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 Mbit/s broadband in each of the UK nations is based on Which? analysis of data from Ofcom's Connected Nations research.²⁰

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 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>
- 10 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>
- 11 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>
- 12 Which? (2020), *To Gb or not to Gb?* at <https://consumerinsight.which.co.uk/articles/gigabit-survey-analysis>
- 13 Gigabit Take-up Advisory Group (2020) *Interim Report* at <https://consumerinsight.which.co.uk/articles/gigatag>
- 14 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>
- 15 Which? (2019), *Cash-strapped communities: the loss of free access to cash in Britain*.
- 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>

The logo for 'Which?' is a red square with the word 'Which?' in white, bold, sans-serif font. The question mark is slightly larger and more prominent than the rest of the text.

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