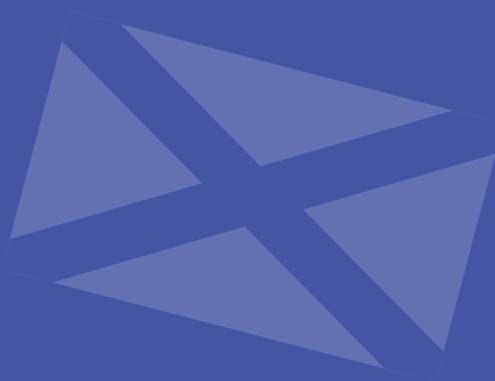


**Scottish Consumer  
Insight Report 2018**



**Which?**

## Introduction to Which?

Which? is the largest consumer organisation in the UK, with more than 1.7 million members and supporters, almost 140,000 in Scotland.

We exist to make individuals as powerful as the organisations they have to deal with in their daily lives. We achieve change by providing information and impartial advice that puts people in control, by providing services and products that put consumers' needs first to bring them better value and through running campaigns that make people's lives fairer, simpler and safer.

### Which? in Scotland

Which? has been active in Scotland for almost 20 years, working on both UK and uniquely Scottish consumer issues from our Edinburgh office. We have worked on a wide range of issues that matter to consumers, including health, housing, food and getting justice for consumers who have experienced poor quality goods and services.

We also want to ensure the best outcomes for consumers in Scotland, by ensuring the Scottish Government uses its powers and influence to shape a pro-consumer landscape.

### Methodology

Consumer Insight Tracker, a bi-monthly online poll for Which? of around 2,000 UK adults (including 200 in Scotland). The figures in this report are from our Scottish datasets, collated together over the 12 months between January and December 2017. The overall sample size was 12,569 with 1,069 in Scotland.

**Any figures in brackets show, for comparison, UK excluding Scotland.**

## Executive Summary

The consumer landscape in Scotland is complex, with a number of different bodies providing a variety of consumer services – from advice to advocacy, enforcement and redress. However, this is likely to change by the end of this Parliament, with the introduction of *Consumer Scotland*, a unified consumer body. This comes as a result of new consumer powers devolved to the Scottish Parliament in 2016. Which? supports a more coordinated approach to consumer policy in Scotland, and Consumer Scotland presents an opportunity to ensure that Scottish consumer concerns are heard, understood and represented in policy and regulatory decisions that affects them.

It is our intention with this report to provide a unique picture of the concerns and attitudes of Scottish residents in relation to some major consumer issues, a snapshot of their lives in 2017. This is part of a regular UK tracker, so where we have been able to, we have tracked trends and compared our Scottish data to the rest of the UK.

Our findings show that many Scottish consumers are anxious about the future of the UK economy, with **45% rating the current state of the UK economy as ‘fairly or very poor’, and over half saying it is likely to get worse in the next twelve months.** There is also a concern that the perceived worsening state of the UK economy will impact negatively on household finances.

This impact is clear when we asked about how people’s spending habits might change over time. **Many Scottish consumers felt they would likely increase spending on the ‘must-pay’ bills such as energy bills, groceries, running a car and paying rents or mortgage.** Conversely, many also felt that they were likely to reduce spending on the ‘luxury’ items, such as on socialising and eating out, big ticket household items and alcohol or tobacco. Also worrying is an indication that they are likely to have less money to put away for savings and investments.

When we looked at consumer trust amongst Scottish residents, there are considerable differences in the degree of trust in certain industries, **with the water industry most trusted at 69% and car dealers least trusted at 9%.** The Scottish consumer appears to trust suppliers of household goods and appliances highly, and providers of essential services – broadband, mobile, energy – less well. **When it comes to travel – train, air, car – Scottish consumers are much less trusting of these industries.**

**Scottish consumers are most worried about daily essentials such as fuel, energy and food prices.**

These broadly mirror concerns south of the border, but what is different is the extent of the worry.

**Scottish consumers demonstrate a greater level of concern about nearly all consumer issues than their southern counterparts.** For example, Brexit worries Scottish residents to a much greater extent than others in the rest of the UK.

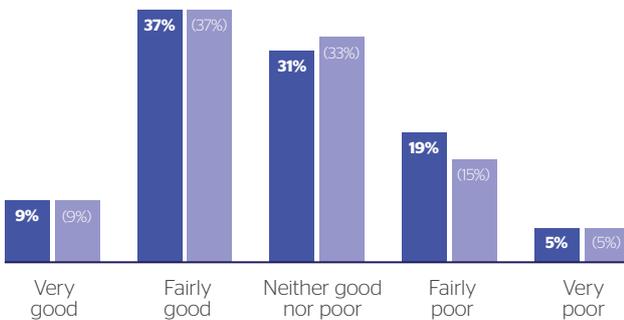
Finally, our data on financial distress shows that **many of the Scottish Parliament constituencies feeling most financial distress are urban areas,** with Glasgow constituencies featuring prominently, parts of Edinburgh and central Aberdeen. Conversely, it is rural constituencies that fare better.

## Consumers' financial outlook

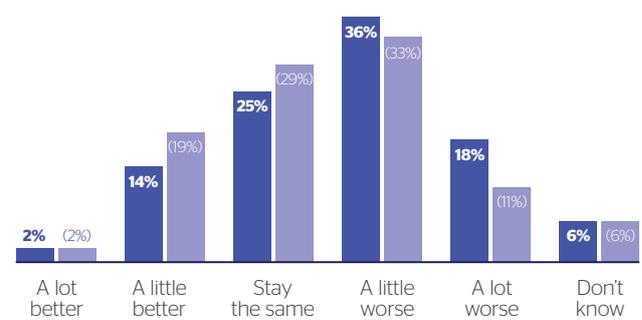
Although most people surveyed were comfortable with the state of their household finances (45% describe them as 'good' or 'fairly good'), there is a feeling of anxiety about the current state of the UK economy, with 46% describing it as fairly or very poor.

Given that many people fear the state of the UK economy will have a negative impact (49% negative compared to 11% positive) on their household finances, the outlook is not so good for Scottish households.

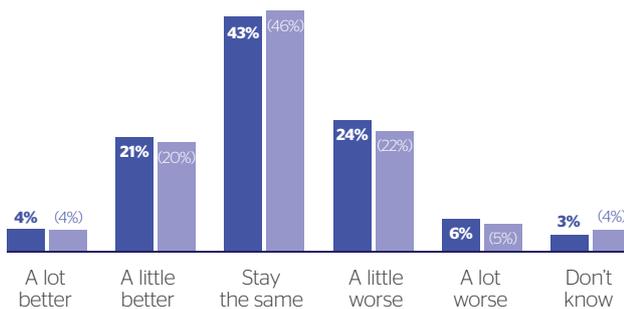
### How would you describe the financial situation of your household at the moment?



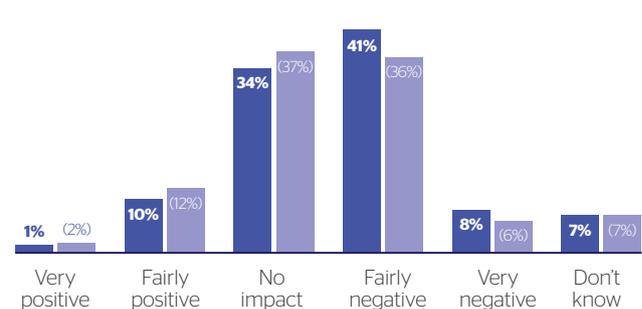
### Do you think the UK economy will get better, worse or stay the same over the next 12 months?



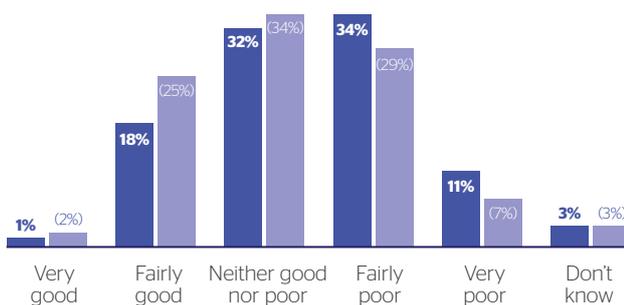
### Do you think the financial situation of your household will get better, worse or stay the same over the next 12 months?



### Do you think the state of the UK's economy has a positive or negative impact on your household's financial situation, or do you think it has no impact?



### How would you rate the state of the UK economy at the moment?



#### Chart Key

Scotland

UK excluding Scotland

## Consumers' spending habits

We asked people how likely they were to increase, or decrease their expenditure over the next few months. While the largest numbers of people said their spending habits would likely stay the same, we also calculated net increase or decrease either side of this majority.

Scottish consumers felt they would likely increase spending on the 'must-pay' bills such as energy bills (31%), groceries (31%), running a car (30%) and paying rents or mortgage (19%). Conversely, many also felt that they were likely to reduce spending on the 'luxury' items, such as on socialising and eating out (30%), big ticket household items such as TVs or washing machines (24%) and alcohol or tobacco (24%). Worryingly, consumers felt they might have to decrease the amount they could put away into savings and investments as a result of rising bills on the essentials.

### Net increase in spending

Energy (e.g. gas/electricity)

**31%** (30%)

Groceries

**31%** (27%)

Running a car (fuel, maintenance etc.)

**30%** (28%)

Housing (rent or mortgage)

**19%** (19%)

Public transport

**14%** (16%)

Broadband

**12%** (11%)

Mobile phone

**11%** (9%)

Pension contributions

**11%** (11%)

### Net decreases in spending

Socialising, eating out, takeaway food

**30%** (26%)

Big ticket household purchases  
(e.g. new television, washing machine)

**24%** (22%)

Alcohol and/or tobacco

**24%** (21%)

Clothing and footwear

**21%** (20%)

Savings/investments

**21%** (19%)

Hobbies and recreational interests

**20%** (18%)

Television/online entertainment  
subscriptions (e.g. Sky, Netflix, Amazon)

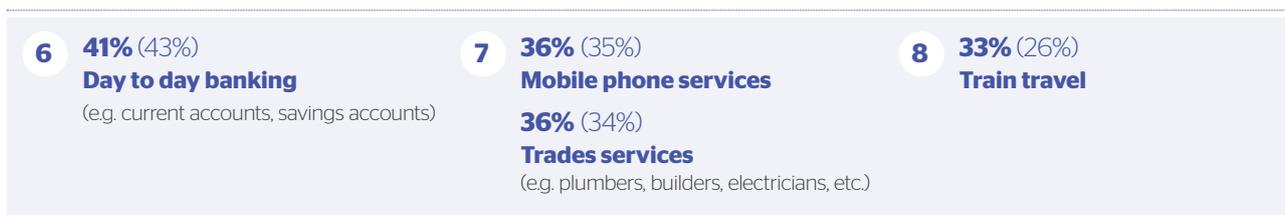
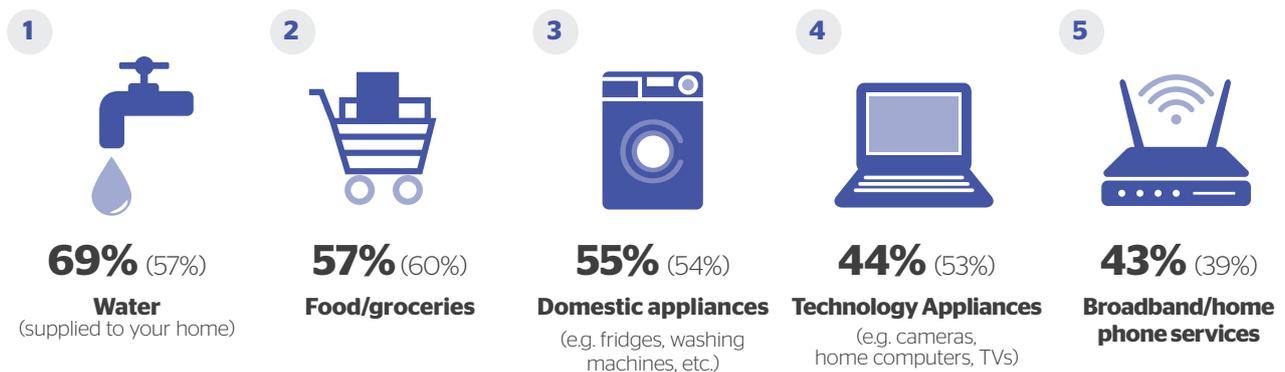
**16%** (15%)

## Consumers' trust

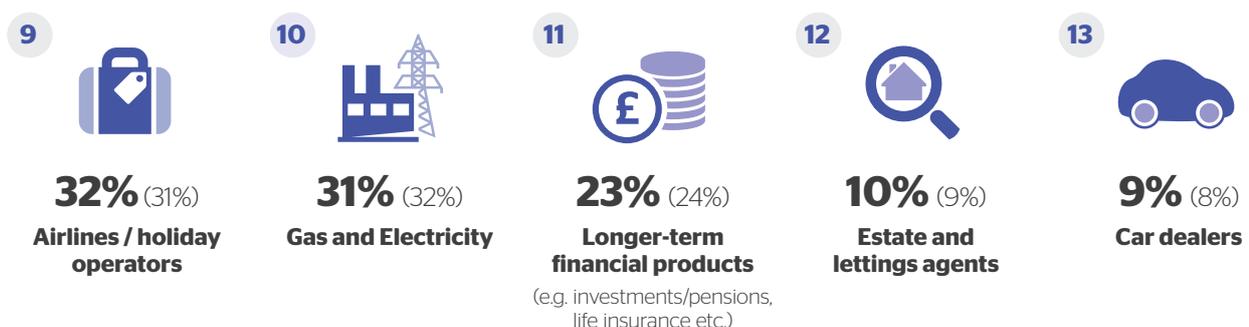
We asked people to what extent they trusted certain sectors and industries to act in their best interests. We then calculated net trust - the figure shows the proportion of people who 'trusted' a certain industry. In the rankings, levels of trust ranged from 69% for water supplied to the home to as low as 9% for car dealers.

Scottish consumers also appear to trust suppliers of household goods (55%) and appliances (44%) highly, above suppliers of essential services such as broadband (43%), banking (41%) and mobile phones (36%). When it comes to travel, Scottish consumers are much less trusting, with airline operators (32%) and car dealers (9%) both in the bottom five.

### Top 5 most trusted industries in Scotland:

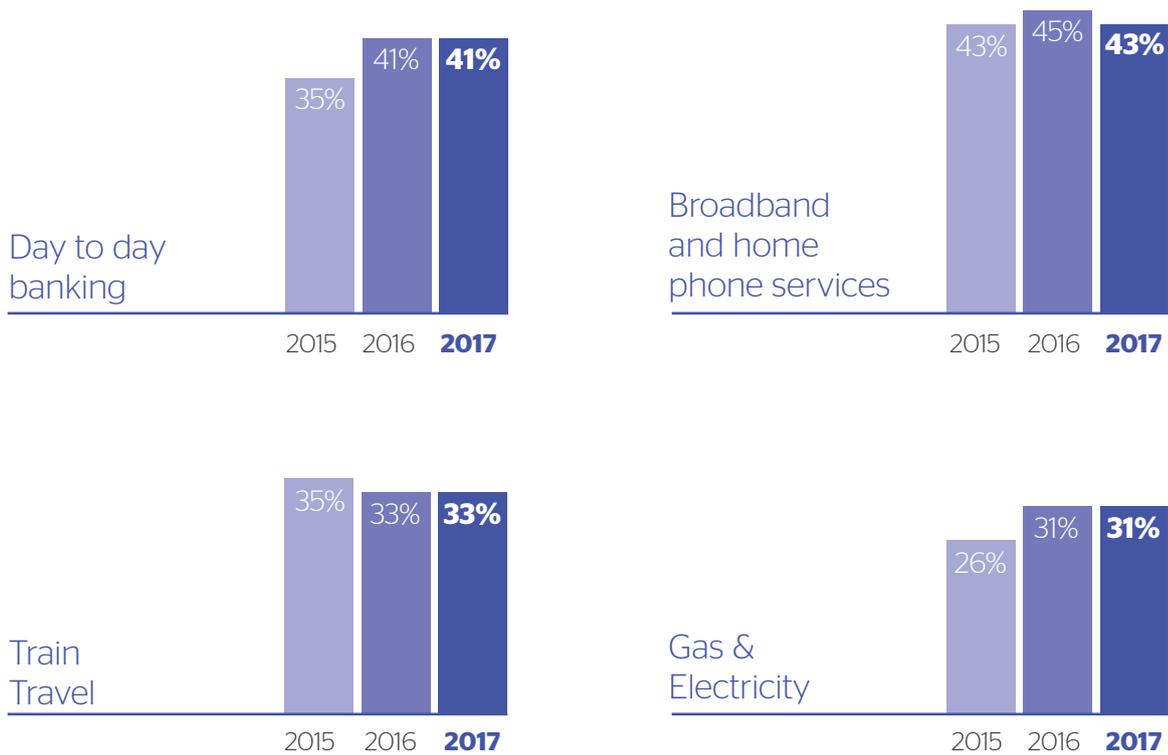


### The most distrusted industries in Scotland:



## Consumers' trust cont.

Taking a spotlight on certain essential services, we can also see the levels of trust rise and fall over the last three years in Scotland. Despite the negative media attention, trust in day to day banking has risen amongst Scottish consumers (from 35% to 41%), and we see a similar story for suppliers of gas and electricity (26% to 31%).



## Consumers' concerns

We asked people how worried, if at all, they were about key issues affecting consumers. We then calculated net worry – the figure shows the proportion of people who were worried about a certain issue. In the rankings, levels ranged from 70% about public spending cuts to 53% about the exchange rate of the pound. Daily essentials such as fuel (68%), energy (66%) and food prices (62%) all rank highly in our table.

Compared to those in the rest of the UK, Scottish consumers demonstrate a greater level of concern about all consumer issues. There are few differences between concerns in Scotland and those in the rest of the UK, but noticeably, Brexit worries Scottish consumers to a much greater extent (59%) than others in the UK (51%).

### Top 10 consumer worries in Scotland



### Top 10 consumer worries in the rest of the UK



## Financial Distress

We asked people whether their households had experienced some form of financial difficulty within the last month, from taking basic measures such as cutting back on household items to the more serious measures such as defaulting on mortgage payments.

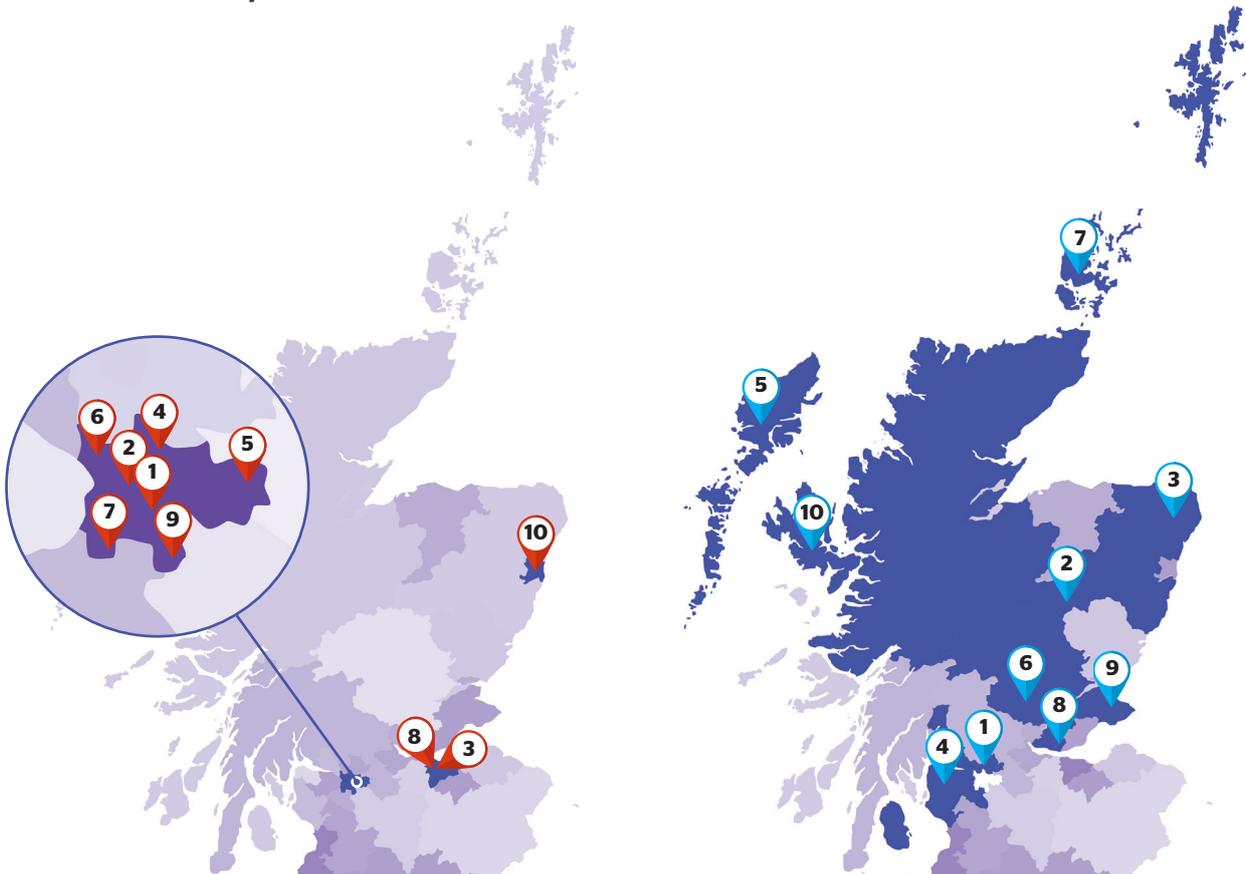
Our results show that while 72% of Scots surveyed did not take any of these actions, some were resorting to riskier methods of staying afloat, with 9% defaulting on bills or using unauthorised borrowing.

- Cutting back only **8%**
- Using savings and cutting back **3%**
- Borrowing from friends/family using authorised credit **7%**
- Risky borrowing (unauthorised overdrafts/payday loans) **3%**
- Defaulting on loans/bills/housing costs **6%**
- None of the above **72%**

## Financial Distress by constituency/region

We used the data on financial distress and together with ONS's 2011 Area Classification data, estimated the extent to which households in each Scottish constituency and region are experiencing financial difficulty relative to other areas, based on the profile of the neighbourhood. Our data shows that many of the constituencies feeling financial distress are urban areas, with Glasgow constituencies featuring prominently, parts of Edinburgh and central Aberdeen. Conversely, it is rural constituencies that fare better in terms of financial distress.

**The 10 most financially distressed constituencies are:**    **The 10 least distressed constituencies are:**



- 1 Glasgow Southside
- 2 Glasgow Kelvin
- 3 Edinburgh Northern and Leith
- 4 Glasgow Maryhill and Springburn

- 5 Glasgow Provan
- 6 Glasgow Anniesland
- 7 Glasgow Pollok
- 8 Edinburgh Central
- 9 Glasgow Cathcart
- 10 Aberdeen Central

- 1 Eastwood
- 2 Aberdeenshire West
- 3 Aberdeenshire East
- 4 Strathkelvin and Bearsden
- 5 Na h-Eileanan an Iar

- 6 Perthshire South and Kinross-shire
- 7 Orkney Islands
- 8 Dunfermline
- 9 North East Fife
- 10 Skye, Lochaber and Badenoch

**The most financially distressed regions in Scotland are:**

- 1 Glasgow
- 2 Lothian
- 3 Central Scotland

- 4 North East Scotland
- 5 West Scotland
- 6 South Scotland

- 7 Mid Scotland and Fife
- 8 Highlands and Islands

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