Consumer confidence falls to record low - Nationwide Consumer Confidence Index

Contributed by TNS
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Wednesday 5th March 2008Consumer confidence in the UKÂ Â fellÂ toÂ aÂ record low in February,Â according to the findings o the Nationwide Consumer Confidence Index conducted by TNS.Â Â The most significant factor behind theÂ fallÂ was theÂ decreaseÂ in the proportion of consumers who felt upbeat about theÂ current economic situation in the UK,Â indicating that the effect ofÂ higher food and fuel costs is taking its toll on people's pockets.Â The top line findings forÂ FebruaryÂ show:

- ConsumersÂ confidence has hit an all time low,Â with theÂ overall ConsumerÂ Confidence Index fallingÂ three pointsÂ to 78. ThisÂ compares to 85 pointsÂ at the same time last year.Â The drop in confidence can beÂ largely attributed toÂ growing uncertainty about futureÂ economicÂ conditions, with 46% ofÂ consumersÂ feelingÂ thatÂ the economic situation in six months time will be worse than it is today.
- Consumers are unhappy with the current economic and employmentÂ situation,Â with theÂ PresentÂ SituationÂ IndexÂ falling 7 points in February alone. This is mainly due to the fact that 34% of people see the current economic situation as bad, up from 25% in January.
- Confidence aboutÂ consumerÂ spending is alsoÂ down, with theÂ Spending IndexÂ falling four points to 64.Â Only 11% of consumers are confident that now is a good time to make major purchases, and 12% believe it is a bad time to buy even smaller household goods.Â The Consumer Confidence Index uses 100 as its baseline figure - the level of consumer confidence in May 2004.Â All indice figures reflect an increase or decrease in confidence in relation to the benchmark of 100.Â