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CONSUMER CONFIDENCE: 2012 WILL BE ANOTHER BLEAK YEAR FOR BRITS

- **Gloomy outlook: less than half of Brits (47%) are feeling confident about the new year and what it holds for them – just 3% are feeling very confident^[1]**
- **No reason to celebrate: nearly four in ten people (39%) will be financially worse off next year – for over a quarter of people (27%) things will remain tough in 2012^[2]**
- **Disappearing act: almost half (49%) will see their disposable income reduce – a further one in ten (10%) will see it disappear completely in 2012^[3]**
- **Long list of woes: more than three quarters of consumers (76%) are worried about the rising cost of living while 63% are concerned about household bills - half (50%) feel less financially well off than before^[4]**
- **Last of the big spenders: the main priorities for consumers in 2012 will be saving money (45%) and clearing debt (42%)^[5].**

Consumers are expecting a tough 2012 as the reality of another year of price hikes, pay freezes and austerity measures bites deep, according to new research from uSwitch.com, the independent price comparison and switching service. Less than half of Brits (47%) are feeling confident about what the new year holds for them personally^[1], and they aren't expecting things to be any better for the country - just 15% feel confident about the UK's outlook^[6].

After seeing the cost of living soar this year, over a quarter (27%) feel that things will remain tough in 2012 – a further four in ten (39%) face the new year knowing that they will be financially worse off^[2]. Almost half (49%) will see their disposable income reduce – 17% say it will be cut dramatically. A further 13% will have no disposable income for another year while one in ten (10%) will see their disposable income disappear completely in 2012^[3].

With a long list of concerns, there will be little to celebrate on 31st December for many consumers. More than three quarters (76%) are worried about the rising cost of living, while almost two thirds (63%) are concerned about household bills^[4]. The financial squeeze of the last year has taken its toll with half of consumers (50%) feeling less financially well off than before^[4].

People are also worried about the unknown as they head into the New Year. Almost a quarter are worried about the uncertainty over interest rates (24%) while job security is a worry for 25% and 23% are concerned about their current level of debt^[4].

With consumers already struggling to make ends meet, it's likely 2012 will be a very frugal year as consumers prioritise clearing debt (42%) and saving money (45%)^[5]. Few will be splashing the cash next year on big ticket items such as a car (5%) or a house (6%). Less than three in ten (29%) are putting a holiday at the top of their list for the next year. And in a further show of lack of confidence, just 2% of people will be looking to borrow more against their home to improve it^[5].

Michael Ossei, personal finance expert at uSwitch.com, says: "2012 looks set to be another difficult year with consumers already geared up to cut back, curtail spending and try to clear outstanding debt. Instead of the fresh start many were hoping for, 1st January may just signal the start of yet another tough and frugal year.

"With disposable income being squeezed, the New Year is a great time to get household finances in order to try to start the next year in the best financial shape possible. Taking control of your budget, stripping down living costs and making sure you're not paying too much for your household bills will free up more disposable income and potentially allow you to save for the future too."

For more information visit www.uSwitch.com or call 0800 093 06 07

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Notes to editors:

Research carried out online with the uSwitch.com Consumer Opinion Panel in November 2011 amongst a sample of 1,193 GB adults.

1. When asked "How confident do you feel about your own situation in 2012?" 3.3% said 'very confident'; 44% said 'fairly confident'; 40.3% said 'not very confident'; 12.4% said 'not at all confident'.
2. When asked "Do you think 2012 will be a better year financially for you than 2011?" 26.9% said 'unchanged – it will still be difficult'; 23.7% said 'no, I will be slightly worse off'; 14.8% said 'no, I will be substantially worse off'.
3. When asked "Do you think your household will have more or less disposable income in 2012? (this is income left after taxes and paying all essential bills)" 31.9% said 'Our disposable income will be reduced slightly'; 16.8% said 'our disposable income will reduce dramatically'; 9.7% said 'We will no longer have any disposable income'; 13% said 'our disposable income won't change – we still won't have any'.
4. When asked "Which, if any, of the following are currently causing you concern?" 14.2% said 'my mortgage repayments'; 24.4% said 'uncertainty over interest rates'; 25.2% said 'job security'; 50% said 'I generally feel less financially worse off than before'; 76.4% said 'the rising cost of living'; 62.8% said 'household bills'.
5. When asked "Which of the following will you be your main priorities in 2012?" 2.1% said 'buy my first house'; 4.3% said 'buy a new house'; 2.2% said 'borrow more against my home for major improvements'; 5.2% said 'buy a car'; 41.6% said 'clear debt'; 45.2% said 'save money'; 28.7% said 'take a holiday'.
6. When asked "How confident do you feel about the UK's outlook for 2012?" 0.6% said 'very confident'; 14.6% said 'fairly confident'; 60.6% said 'not very confident'; 24.2% said 'not at all confident'.

About us:

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uSwitch.com is dedicated to helping consumers save money whether they have internet access or not. It offers a dedicated call centre, manned by uSwitch customer service representatives, as well as a freepost 'Send us your bill' service, whereby customers can post their latest energy bills with their telephone number to FREEPOST USWITCH, to get a free call back from a dedicated customer services representative. The service is also available via fax, email and post. Consumers should fax 0203 214 8417, email CustomerServices@uswitch.com or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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