

# Consumers in **NORTHERN IRELAND**

**A COST OF LIVING CRISIS BRIEFING**

# Introduction

In 2022 the UK experienced the largest increases in prices in forty years. After rising throughout the year, inflation peaked in October with the Consumer Prices Index increasing by 11.1%. The ONS estimate this is the highest rate since 1981.

Price rises have been particularly dramatic for essential products such as energy and food, and this has resulted in a prolonged cost of living crisis as household budgets have been brutally squeezed. [Which?'s research](#) has shown the major impact this is having for consumers across the UK, and in December 2022 we surveyed a nationally-representative sample of consumers in Northern Ireland in order to understand their specific experience of the cost of living crisis.

In this briefing we show the level of pressure that rising prices have placed on household budgets in Northern Ireland and demonstrate the financial and emotional toll this is taking on people. We also explore how the economic environment is damaging consumer trust in the businesses they deal with.

## **Our key findings are:**

- The cost of living dominates consumers' concerns in Northern Ireland. Worry about energy, food and housing costs has increased significantly compared to last year. Worry about fuel prices (88%) was higher in Northern Ireland than in the other UK nations.
- Financial difficulty is rising, with 63% of consumers in Northern Ireland saying their household had to make an adjustment to cover essential spending in the last month. This compares to 46% last year and is higher than the adjustment rate in the other UK nations.
- Parents in particular are feeling the squeeze, being more likely to have made a financial adjustment (77%) or missed a payment than other types of households.
- Consumers in Northern Ireland are suffering emotional and even physical harm from rising prices, with many reporting skipping meals and just over a fifth (25%) losing sleep over the cost of living.
- Rising prices are damaging trust in business, with trust in the energy, food, broadband and mobile sectors having dropped compared to last year. The energy sector had the lowest level of trust, at -21.

## Food, energy, fuel and housing costs put pressure on households in Northern Ireland

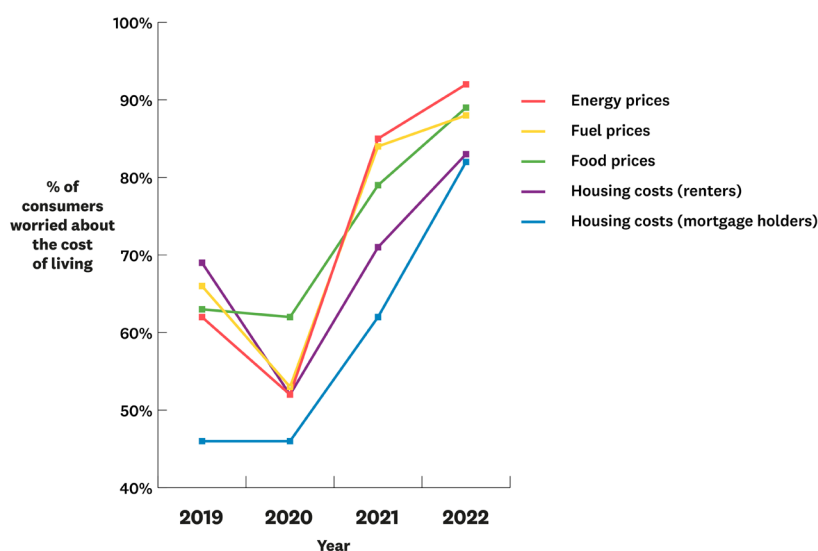
Inevitably, prices are the foremost worry for consumers in Northern Ireland. More than nine in ten consumers are worried about energy prices (92%), an increase on last year and more than in England and Scotland.

Concern around food prices has also increased sharply compared to the previous year. The proportion of people worried about food prices increased by 11 percentage points to 89% in December 2022, compared to 79% in 2021 and 62% in 2020. This is unsurprising, with [food inflation having hit 13.3% in December 2022](#) and [Which?'s research showing particularly high increases of up to 30%](#) for some groceries.

Concern about fuel prices was already very high in Northern Ireland last year but increased by four percentage points to 88%. This is a significantly higher proportion than in any of the other nations of the UK. Consumers in Northern Ireland also expressed more intense feelings of worry, with 54% saying they are 'very' worried about fuel prices, compared to 40% in each of the other nations.

Meanwhile, the proportion worried about housing costs has also risen. Both mortgage holders and renters had high levels of worry about housing costs, at 82% and 83% respectively. Worry about housing costs has historically been lower among mortgage holders than renters, but this difference narrowed significantly this year as rising interest rates have sharply increased worry among mortgage holders.

**Figure 1: Concerns about price rises continue to grow**

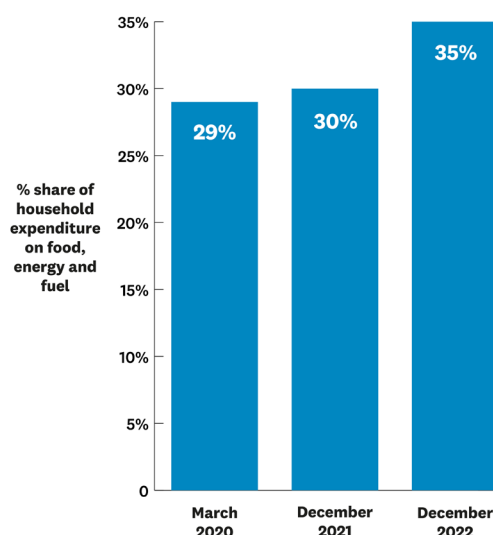


Source: Yonder, on behalf of Which?, surveyed at least 1,000 consumers in Northern Ireland in November-December each year – data are weighted to be nationally representative of the adult population of Northern Ireland. Figures for sample subgroups (renters and mortgage holders) are unweighted.

Our calculations on the impact of inflation on household budgets in Northern Ireland show why consumers are so concerned about price rises. Using ONS data on UK inflation and household spending in Northern Ireland from 2019/20, we estimate that

if consumers tried to maintain their same spending habits they would need to spend more than £42 per week extra – or about £2,190 a year – on food, energy and fuel in December 2022 compared with December 2021. That would mean 35% of their household expenditure would now be spent on just these essential goods, which is an increase of 5 percentage points compared to the previous year.

**Figure 2: Food, energy and fuels make up an increasing share of household expenditure**

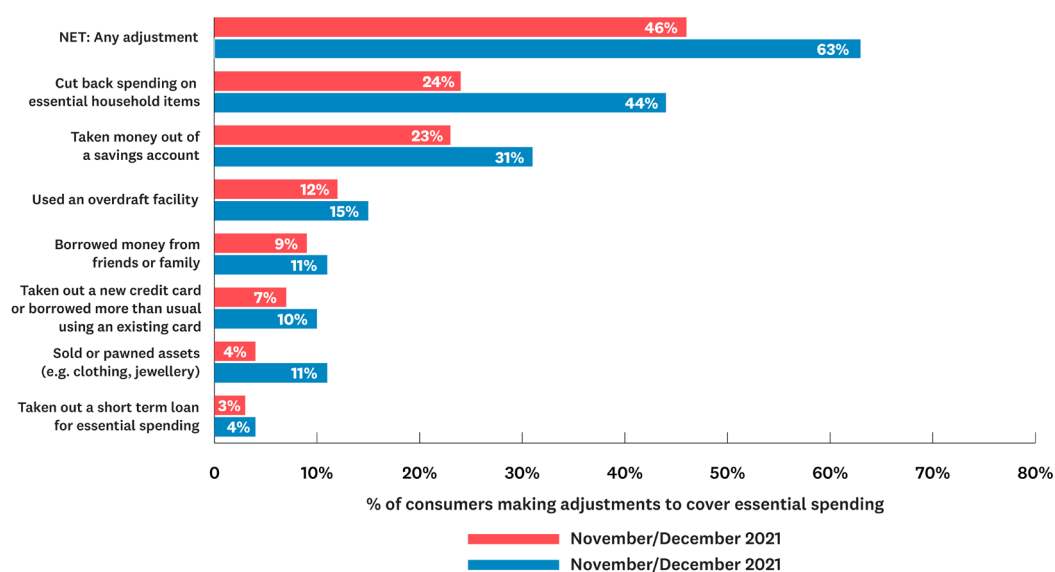


Source: Calculated using spending data taken from ONS Living Costs and Food Survey 2019/2020 wave (i.e. pre-pandemic wave) and inflation figures from the ONS. December 2021 and December 2022 are estimated expenditure proportions.

Clearly, these are amounts beyond many households and as a result we have seen a large increase in the proportion of households who are making adjustments to be able to afford their essential spending. More than six in ten (63%) consumers in Northern Ireland said that their household had made at least one adjustment to cover essential spending in the last month, up from 46% last year and 39% the year before.

By far the most common adjustment was cutting back on essentials (44%), and this increased from 24% in 2021. There has been a more modest increase of eight percentage points in the proportion taking money out of savings and an increase of seven percentage points in the proportion selling or pawning belongings, bringing this to one in ten. Consumers in Northern Ireland were more likely to report that their household had made an adjustment, and the largest difference was in cutting back (44% in Northern Ireland compared to 39% in Scotland and 38% in Wales).

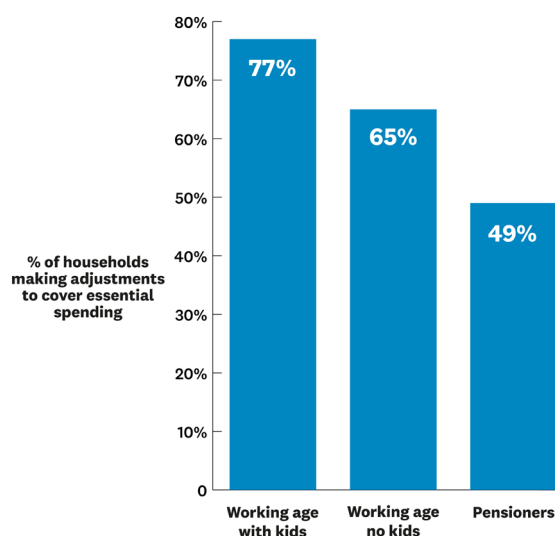
**Figure 3: More than six in ten consumers in Northern Ireland said their household had made at least one adjustment to cover essential spending in the last month**



Source: Yonder, on behalf of Which?, surveyed 1,007 consumers in Northern Ireland from 25 November–6 December 2022 – data are weighted to be nationally representative of the adult population of Northern Ireland by age and gender (effective base 882).

The cost of living crisis is impacting some types of households more than others though and some are more likely to be making adjustments to cover essential spending. Nearly three-quarters (77%) of parents in Northern Ireland surveyed had to make at least one of these adjustments, compared to half (49%) of pensioners.

**Figure 4: Parents surveyed in Northern Ireland were more likely to have made an adjustment to cover essential spending**



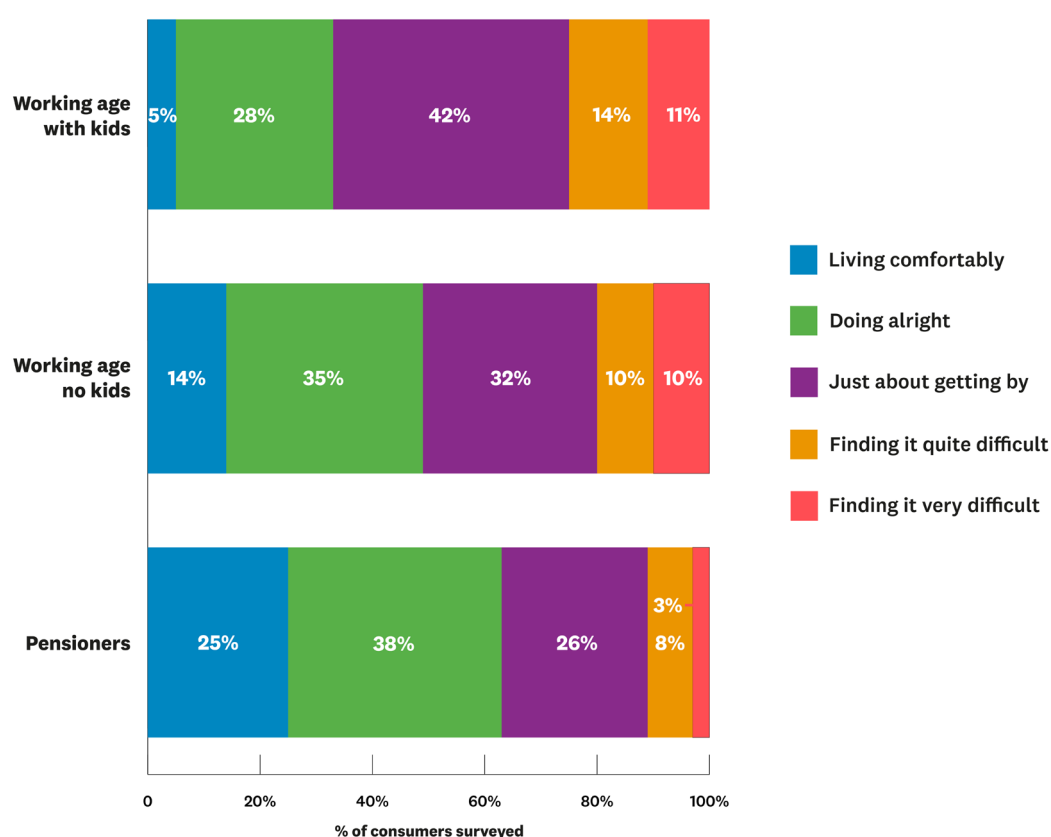
Source: Yonder, on behalf of Which?, surveyed 1,007 consumers in Northern Ireland from 25 November–6 December 2022 – data are weighted to be nationally representative of the adult population of Northern Ireland by age and gender (effective base 882). Base sizes for household types are as follows: working age with kids (377), working age no kids (488), pensioners (131).

## The cost of living crisis is causing financial, emotional and potentially physical harm

Elevated levels of financial difficulty are the most obvious consequence of high inflation. One in six (18%) consumers in Northern Ireland said their household is finding it quite or very difficult to manage financially. A further third (34%) said they were just about getting by and just 14% said they are living comfortably. This is broadly in line with the other nations.

Again, there is evidence that families with children are more likely to be struggling. Only 33% of working-age parents surveyed in Northern Ireland said that they are living comfortably or doing alright, compared to 49% of non-parents of working age and 63% of pensioners.

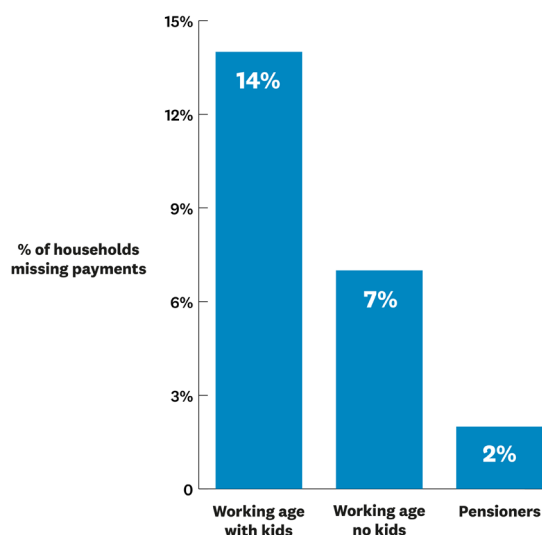
**Figure 5: Parents are more likely to say they are struggling financially**



Source: Yonder, on behalf of Which?, surveyed 1,007 consumers in Northern Ireland from 25 November–6 December 2022 - data are weighted to be nationally representative of the adult population of Northern Ireland by age and gender (effective base 882). Base sizes for household types are as follows: working age with kids (377), working age no kids (488), pensioners (131).

This difference is reflected in who reported having missed a housing, bill or credit payment in the last month. Overall 8% of consumers in Northern Ireland said they had missed a payment, but this increased to 14% among working-age parents.

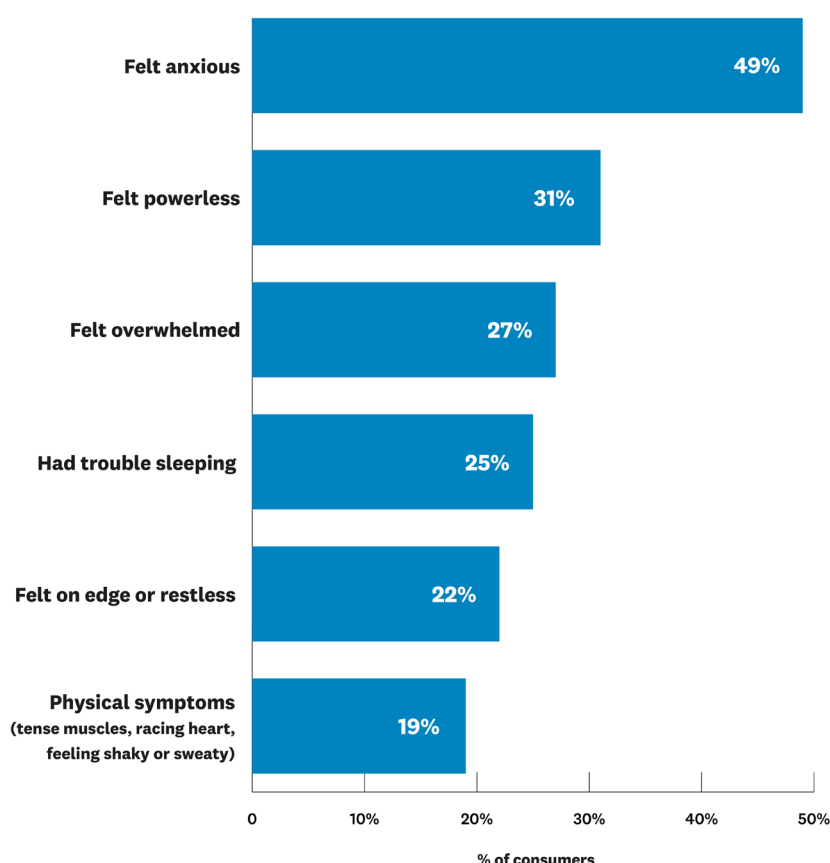
**Figure 6: Parents surveyed were twice as likely to have missed a payment**



Source: Yonder, on behalf of Which?, surveyed 1,007 consumers in Northern Ireland from 25 November–6 December 2022 – data are weighted to be nationally representative of the adult population of Northern Ireland by age and gender (effective base 882). Base sizes for household types are as follows: working age with kids (377), working age no kids (488), pensioners (131).

Financial pressures are causing widespread emotional harm. Two-fifths (49%) of consumers in Northern Ireland said that concerns around the cost of living have left them feeling anxious, more than in the other UK nations. Meanwhile, 31% have felt powerless, just over a quarter (27%) have felt overwhelmed and a quarter (25%) have had trouble sleeping.

**Figure 7: A quarter of consumers in Northern Ireland have had trouble sleeping due to thoughts about the rising cost of living**



Source: Yonder, on behalf of Which?, surveyed 1,007 consumers in Northern Ireland from 25 November–6 December 2022 – data are weighted to be nationally representative of the adult population of Northern Ireland by age and gender (effective base 882).

Those who were struggling financially told us about the emotional impact this was having on them, with many describing sleepless nights and ongoing anxiety over their household finances.

***“I lose sleep worrying about the cost increases of absolutely everything at the moment. I try to think about what we can cut out or sell in order to bring in more money so my children won’t notice we are struggling.”***

Male, 53

***“I worry a lot about money – being able to afford a social life, electricity and gas. It’s a depressing time. Money is on my mind everyday.”***

Female, 37

***“Stressed thinking about where I am going to get money for oil and feed my children. Worrying and feeling down.”***

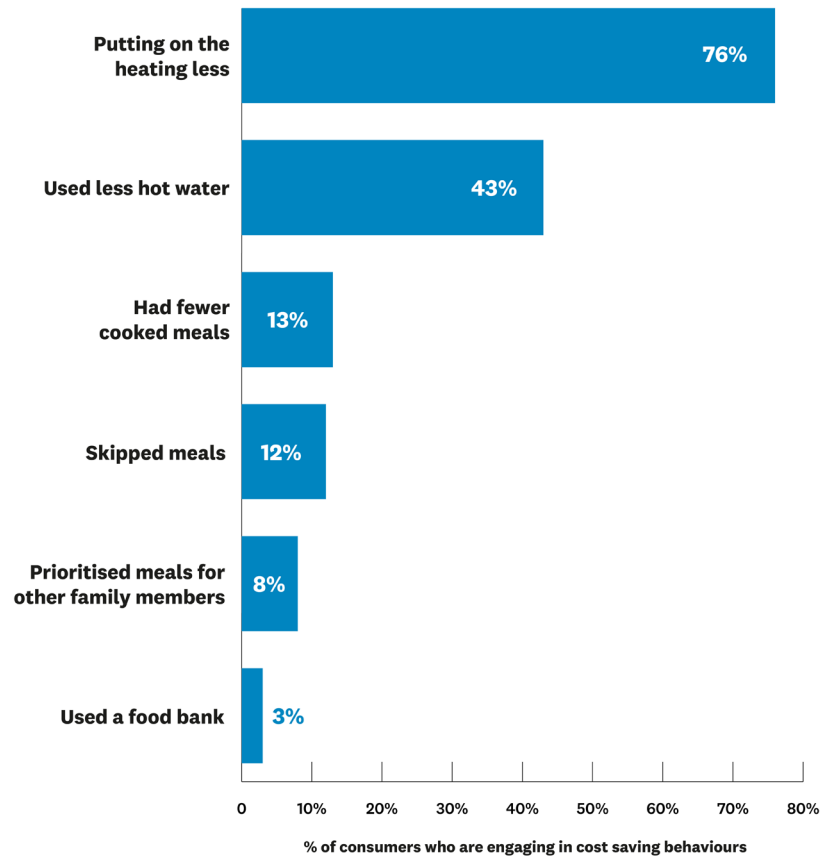
Female, 50

Financial pressures are also leading consumers in Northern Ireland to engage in behaviours that could be potentially harmful to their physical health. Three quarters (76%) of consumers in Northern Ireland said they had been putting the heating on less due to energy price rises, compared to just under half (48%) last year. 18% had been



eating fewer cooked meals to save on energy costs, whilst more than one in ten (13%) had skipped meals due to rising food costs, 8% had prioritised providing meals for other family members and 3% had used a food bank. Parents were much more likely to have prioritised meals for other family members, at 21%.

**Figure 8: Consumers in Northern Ireland are engaging in cost saving behaviours, which in some cases could be harmful to their physical health**



Source: Yonder, on behalf of Which? surveyed 1,007 consumers in Northern Ireland from 25 November–6 December 2022 – data are weighted to be nationally representative of the adult population of Northern Ireland by age and gender (effective base 882).

***“The prices of gas and electricity are unbelievable.  
Its heat or eat sometimes.”***

Female, 47

***“I am unable to buy enough oil to keep my home heated and feed myself. I use as little electricity as possible, for instance, I don’t use my lights, only boil the kettle with enough water for one cup. When it gets too cold and dark I go to bed, it’s warmer.”***

Female, 59

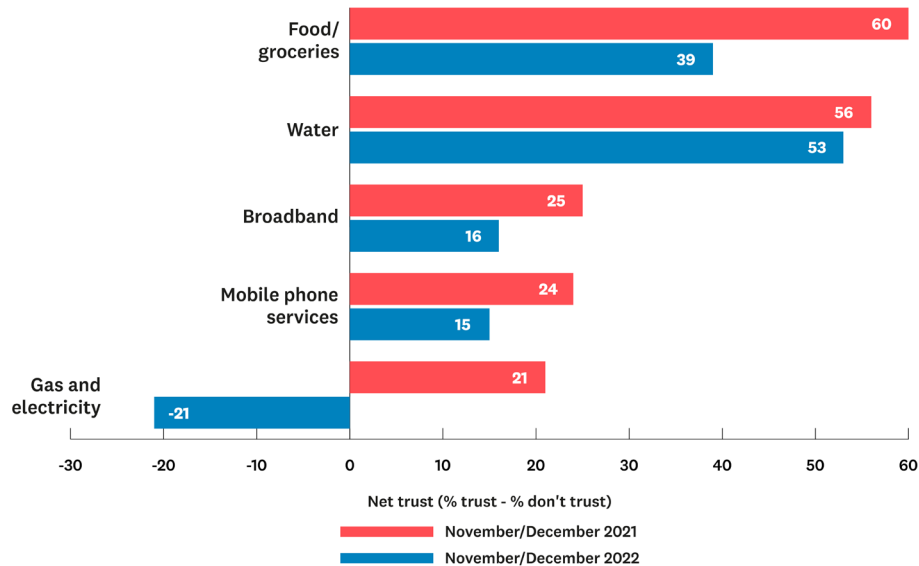
***“I am cutting back on everything I can which means sometimes  
I have to skip meal or stay in bed to save on heating.”***

Male, 71

## Price rises are damaging trust in business

As consumers in Northern Ireland struggle with the effects of price rises, it is clear that this is damaging their perception of the businesses they deal with day-to-day for essential goods and services. Our data shows a substantial drop in trust in sectors providing essential services as prices rise.

**Figure 9: Trust in sectors providing essential goods and services is declining amid price rises, particularly in the gas and electricity industry**



Source: Yonder, on behalf of Which? surveyed 1,007 consumers in Northern Ireland from 25 November–6 December 2022 – data are weighted to be nationally representative of the adult population of Northern Ireland by age and gender (effective base 882). Net trust is the proportion who trust a sector minus the proportion who do not trust it. Question text: To what extent do you trust or not trust the following sectors to act in your best interest?.

The gas and electricity industry has had the largest loss of consumer trust over the past year. At the end of 2022, only 23% said they trust the sector and 44% said they do not, giving a net trust score of -21. This compares to +21 at the end of 2021. This loss in trust is seen across the nations of the UK, although trust in the sector is relatively higher in Northern Ireland.

The perception of prioritising profits was a key driving factor among consumers in Northern Ireland who do not trust the energy sector. Many respondents referred to large profits made by energy companies at a time when consumers are struggling to pay their bills.

***“They seem to hike prices whenever it suits and gain profit from bad situations.”***

Male, 32

***“They are increasing profits at a time when people are struggling.”***

Male, 30

***“I've seen people in my area switch energy to gas suppliers and the company has hiked prices over and over. These price rises were already on the horizon and I feel like these companies have conned people on really low incomes. Also the level of bonuses to shareholders is obscene in a cost of living crisis.”***

Female, 48

Trust also dropped among providers of other essential service providers. Trust in broadband and mobile phone service providers fell. Trust in Northern Ireland Water, however, remained steady.

The food/groceries sector has historically been an industry that enjoys high levels of consumer trust, but it dropped substantially in the last year. At the end of 2022, net trust had fallen to +39, compared to +60 at the end of 2021. Although it has dropped, trust in the food/groceries sector is higher in Northern Ireland than in the other UK nations. Those who said they trust the food/groceries industry cited strong competition and strict food safety regulations as reasons why they trust the industry. Among those who said they don't trust the sector, however, there was a perception that supermarkets prioritise profits over their customers and that their prices are not necessarily reduced when their costs reduce.

***“The supermarkets want to maximise profit - for example when the oil price fell they didn't reduce their prices as quickly as independent retailers.”***

Male, 56

***“They offer ‘bargains’ to suck people in, but they aren't bargains at all. Cheap goods from around the world with the prices hiked up .”***

Female, 69

***“The big companies are making huge profits and are not prepared to take a cut in them to reduce prices for their customers .”***

Female, 62

The crisis offers companies a chance to boost consumer trust by treating consumers fairly and offering them support when they most need it. Which? 's cost of living campaign is calling on businesses to do more to support consumers in these difficult economic times. We have identified a range of actions essential businesses can take to support consumers with specific calls for supermarkets, telecoms firms and energy companies.

# Conclusion

Rising prices created a substantial economic shock throughout 2022 and our research clearly shows that consumers in Northern Ireland have been severely impacted by this cost of living crisis. A majority of households are taking action to reduce their bills and cutting back on their spending, but some households are finding it more difficult than others, with families with children most likely to be struggling.

The harm from this crisis is manifesting itself in multiple ways. While some households are finding their financial situation is deteriorating and they are becoming more likely to miss payments, others are suffering emotional harm with financial worries causing anxiety.

However, while the impacts are already far-reaching, this is an ongoing crisis, with the [Bank of England expecting](#) that inflation will remain at very high levels at the beginning of 2023, and only fall to around 5% towards the end of 2023, still considerably higher than the target rate of 2% and the levels we have become accustomed to over recent decades. With such a prolonged crisis facing consumers in Northern Ireland and across the UK, the already massive impacts on households will continue and likely increase, and consumers will need support from both government and business to protect their financial security and emotional and physical health.

# Methodology

Yonder, on behalf of Which?, conducted a survey of consumers in each of the UK nations from 25 November–6 December 2022. 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 adult age and gender profiles (updated this year using the [ONS mid-2021 population estimates](#)). Sample sizes and question text are noted below the relevant charts throughout the reports.

Quotes on trust in business are taken from responses from consumers in Northern Ireland to our [May 2022](#) and [August 2022](#) Consumer Insight Tracker surveys.

We have included estimates of the proportional spend of consumers in Northern Ireland on energy, fuel and food, as well as the increase in monetary terms. This is based on Which? analysis of ONS data on household spending from the [Living Costs and Food Survey](#) (LCFS) combined with [ONS data on inflation](#).



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