

ONS updates on Household Income and Expenditure

Developments in household income and expenditure analysis and the Living Costs and Food Survey

Lee Colvin

Household Income and Expenditure Analysis Lead

Eliza Swinn

Living Costs and Food Survey Inputs Development Lead



What we will cover today

- Overview of household finances statistics at ONS
- Highlights from ONS Family Spending publication FYE 2025
- Update on the Office for Statistics Regulation review of Family Spending Statistics
- Developments in the Living Costs and Food Survey

Household finances statistics at ONS: statistics for the public good

Lee Colvin

Household Income and Expenditure Analysis Lead, ONS

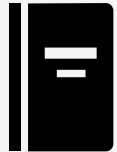


Recently at ONS...



Statistical publications

- Family Spending FYE 2025
- Family Spending reviewed by OSR



Survey developments

- Ongoing quality work to better align accredited household income and expenditure statistics



Processes and methods

- In FYE 2025, equivalisation was updated in Family Spending to use the modified OECD two-person reference household instead of a single-person approach



Stakeholder engagement

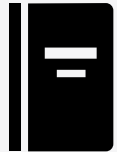
- Capturing user needs through completion of Effects of Taxes and Benefits data table review

Looking ahead..



Survey developments

- Intend to publish high level Household Finance Recovery Plan as part of the next quarterly update to ONS' Economic Statistics Plan and communicate further detail with users



Statistical publications

- Autumn – Average Household Income
- Autumn – Effects of Taxes and Benefits



Processes

- Continuing to improve production pipelines
- Improving cross-cutting insights for household income and expenditure



Stakeholder engagement

- Stakeholder Engagement Strategy Published
- Engagement mechanisms for income and expenditure under review

Household Income and Expenditure analysis

Lee Colvin

Grade 7

Household Income & Expenditure Analysis

Household Resilience Division



Highlights from ONS Family Spending publication FYE 2025

- What are households spending the most on?
- How is expenditure changing across the distribution?
- Compared with FYE 2023 how has the spending of the top and bottom fifth of households changed?

Unless otherwise stated, both absolute and relative year-on-year changes in spending presented in this bulletin are adjusted for inflation and are presented in real terms.

Achieved sample 5000 households

After adjusting for inflation, average weekly household expenditure increased by 5% during FYE 2025.

- Average weekly household expenditure increased to £676.60 in FYE 2025.
- There was a nominal increase of £53.30 (9%) from FYE 2024.
- After accounting for inflation there was a real-terms increase of £35.10 (5%).
- Weekly household expenditure in FYE 2025 remained £75.60 (10%) per week lower than FYE 2020.

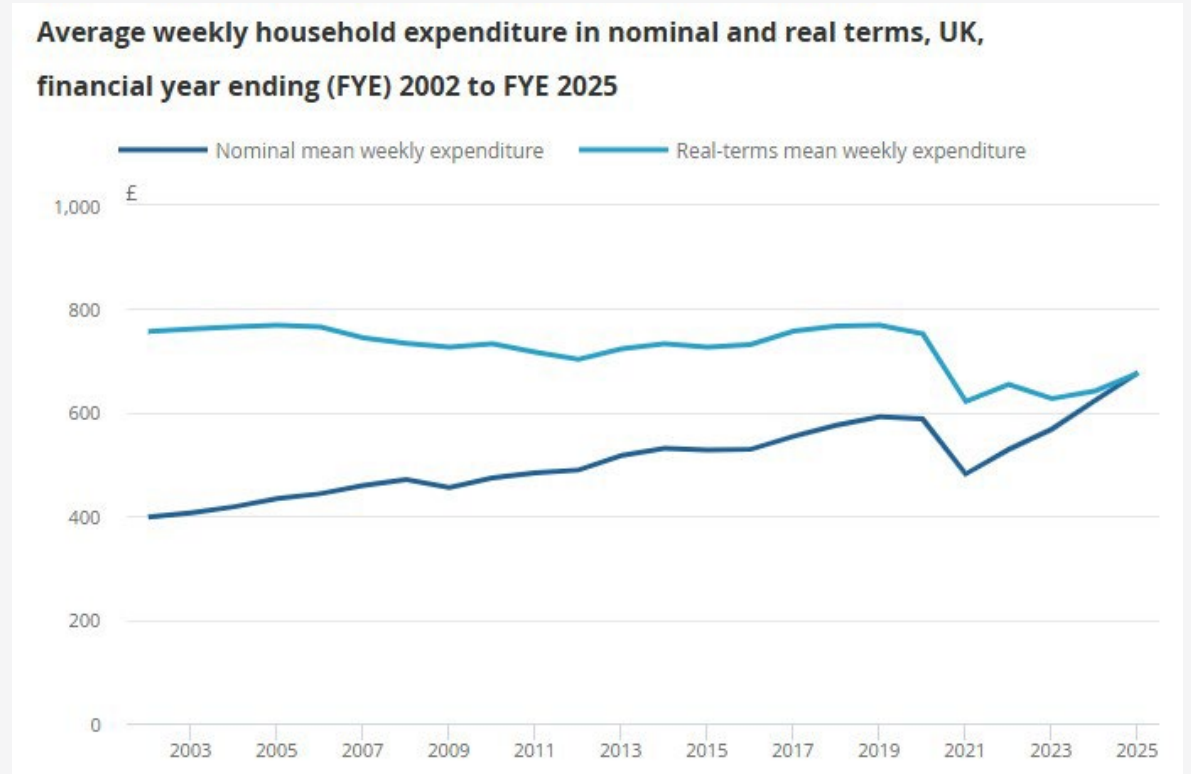


Image Source: Screenshot from ONS website, shared under Open Government Licence (OGL) v3.0

After adjusting for inflation, household spending has increased across most expenditure categories in FYE 2025.

The expenditure categories that saw the largest increases in FYE 2025 were:

- Transport £8.10, (9%)
- Recreation and culture £6.70, (9%)
- Restaurant and hotels £2.80, (6%)
- Housing (net), fuel and power £5.60, (5%)

Change in average weekly household expenditure, by COICOP categories, UK, financial year ending (FYE) 2024 to FYE 2025 in nominal and real terms

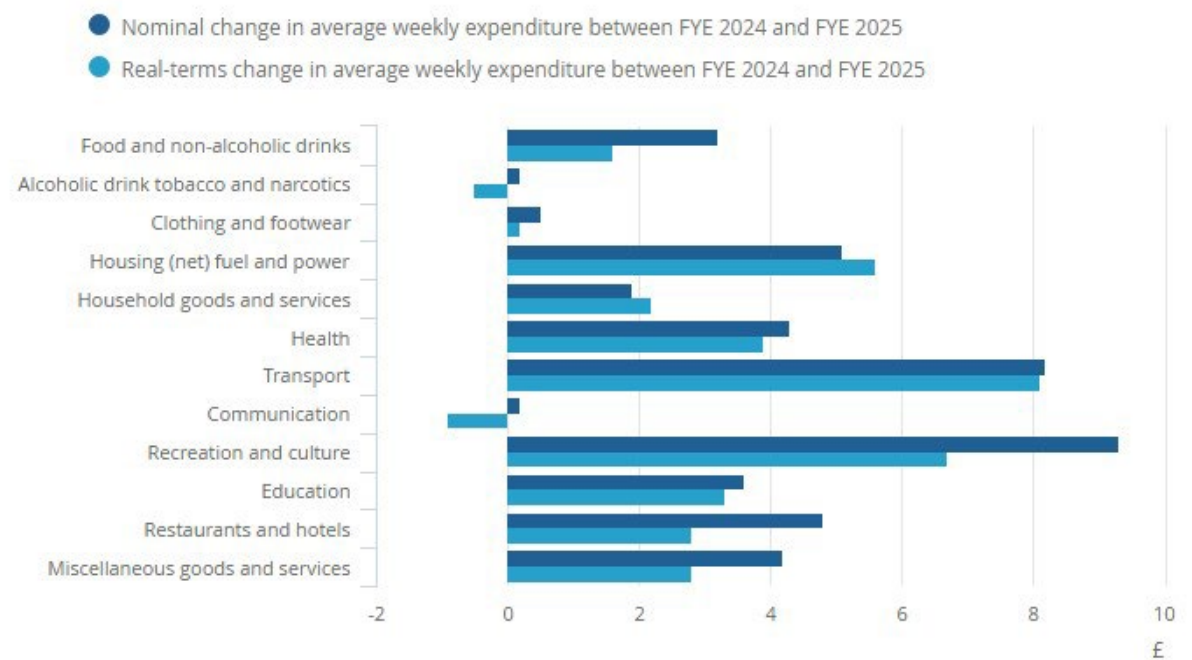


Image Source: Screenshot from ONS website, shared under Open Government Licence (OGL) v3.0

Housing (net), fuel and power, and transport continued to account for the highest household spending in FYE 2025.

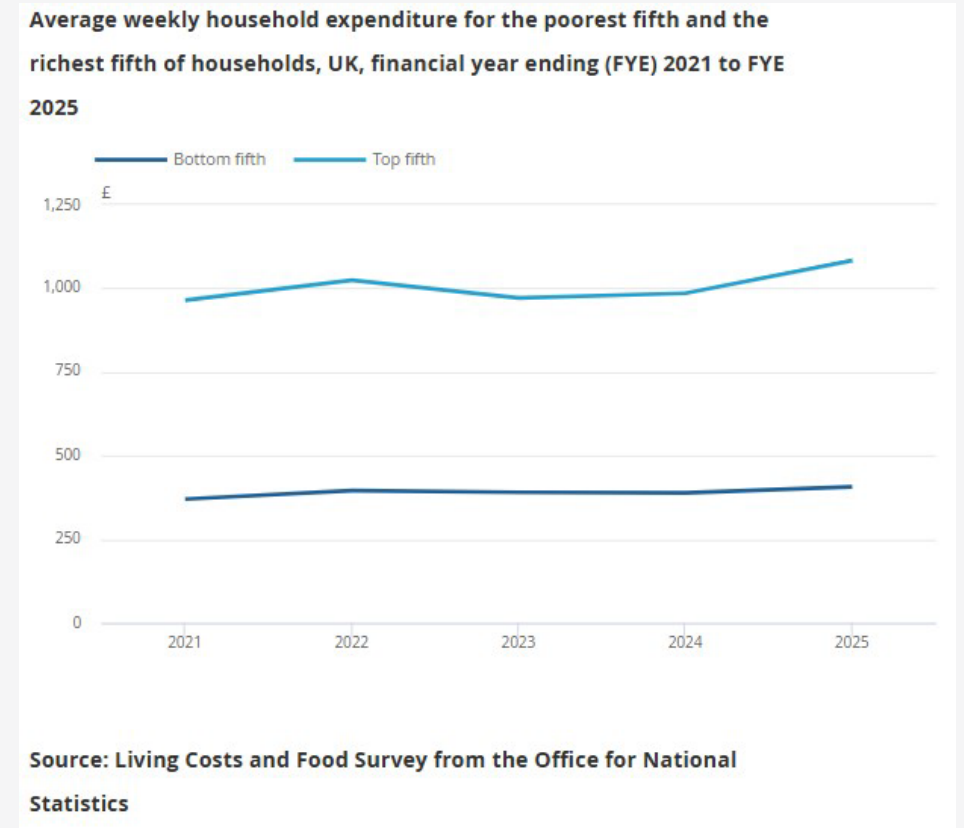
The categories had the largest share of total weekly expenditure in FYE 2025 were:

- Housing (net), fuel and power 18%, (£118.40)
- Transport 14%, (£96.40)
- Recreation and culture 12%, (£82.10)
- Food and non-alcoholic drinks 11%, (£73.70)



The difference in real term weekly expenditure between the richest and poorest fifth of households has widened in FYE 2025.

- Richest fifth spent £1,083.60 a week, 2.7× the poorest fifth (£407.30) in FYE 2025.
- The difference in spending between the poorest and richest fifth reached its widest level since FYE 2021, increasing from 2.5× to 2.7×.
- Richest spending rose £98.10 (10%), twice the poorest fifth's £18.10 (5%) in FYE 2025.



Poorer households spent proportionally more on housing (net), fuel and power than richer households in FYE 2025.

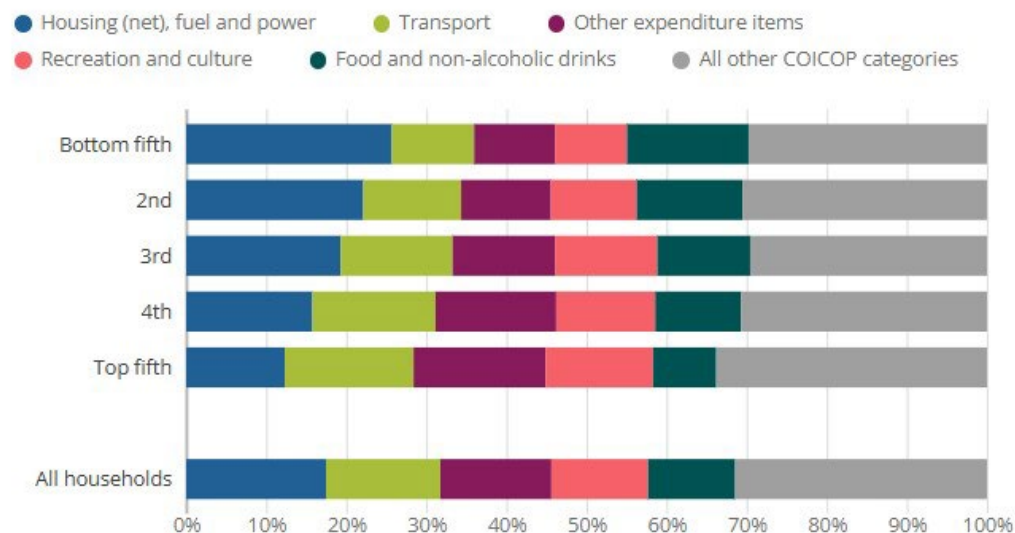
Poorest fifth:

- Housing (net), fuel and power - (£104.70, 25.7%)
- Food and non-alcoholic drinks - (£61.80, 15.2%)
- Transport - (£41.80, 10.3%)

Richest fifth:

- Other expenditure – (£178.80, 16.5%)
- Transport - (£174.60, 16.1%)
- Recreation and culture - (£145.10, 13.4%)

Average weekly household expenditure by category as a percentage of total weekly expenditure, by quintile group, UK, financial year ending (FYE) 2025



Source: Living Costs and Food Survey from the Office for National Statistics

How have spending patterns changed since FYE 2023?

- Analysis for the FYE 2025 Family spending publication, showed that household spending patterns had changed since the FYE 2023.
- Since the FYE 2023 inflation peak, spending shifted unevenly between the poorest and richest fifths.

Spending increased more for the richest fifth than the poorest fifth households across most expenditure categories since FYE 2023.

- **Poorest fifth:** largest real-terms increases
 - Housing, fuel & power - £5.90 (6%)
 - Food & non-alcoholic drink - £3.20 (5%)
 - Recreation & culture - £6.20 (20%)
- **Richest fifth:** largest real-terms increases
 - Transport - £46.20 (36%)
 - Recreation & culture - £26.20 (22%)
 - Misc. goods & services - £15.80 (24%)

Change in average weekly expenditure by COICOP category for the richest and poorest fifth of households, UK, financial year ending (FYE) 2023 to FYE 2025 in nominal and real terms



Source: Living Costs and Food Survey from the Office for National Statistics

Upcoming work

- Average household income, UK
 - Estimates of average household income in the UK, with analysis of how these measures have changed over time FYE 2025.
- Effects of taxes and benefits on UK household
 - Redistribution effects on individuals and households of direct and indirect taxation and benefits received in cash or kind FYE 2025
- Methods development and uplift
 - Improved combination of income and expenditure data
 - Coherency

Thank you for your time.

Contact details if you have any questions or queries:

Family.spending@ons.gov.uk

Office for Statistics Regulation Review

Family Spending Statistics

Eliza Swinn

LCF Inputs Development Lead, ONS

Office for Statistics Regulation Review

- [Compliance review of Family Spending statistics](#) published 10 February 2026
- Recognised the challenges we face in our data collection in the Living Costs and Food Survey (the Family Spending data source) and acknowledged the range of interventions and developments we have in place
- Conclusions:
 - “While there have been growing issues around achieved sample size and timeliness, considering the positive user feedback, and the current and planned improvements to the survey, these statistics remain of sufficient value and quality to meet users’ needs.”*
- Confirmed Family Spending statistics continue to comply with the Code of Practice for Statistics and can continue to be published as accredited official statistics.
- Three recommendations made on variable continuity information, timeliness and quality reporting.

OSR Review: recommendations and progress

Recommendation 1

Variable continuity information

To help users mitigate data quality issues, ONS should provide more-accessible explanations of data changes.

- We're taking a staged approach, including engaging with users to understand what information is most needed on a retrospective basis.
- We will then be reviewing and improving our signposting to this information across materials and variable guides which can be implemented and maintained on an ongoing basis.

OSR Review: recommendations and progress

Recommendation 2

Timeliness

ONS should set out the steps it is taking to ensure that the speed up of the data processing delivers the Family Spending output closer to the target of one year after the close of the survey data collection period.

- We've made significant improvements in processing, data handling, and collaboration, resulting in faster and more efficient production of statistical outputs.
- Publication timeliness has improved, with Family Spending FYE 2025 published significantly earlier than the previous year. We have further enhancements planned for continued progress.

OSR Review: recommendations & progress

Recommendation 3

Quality reporting

ONS should update the quality and methodology information and include explanations about survey bias, representativeness, comparability and implications for the use of the data

- We are working to review, refresh and rewrite the Quality and Methodology Information (QMI) documentation including more focused analysis covering representativeness, bias, comparability and implications for data use.
- This analysis is progressing at present, ahead of the QMI being published in Autumn 2026.

Developments in the Living Costs and Food Survey (LCF)

Eliza Swinn

LCF Inputs Development Lead, ONS

LCF development project

- Part of ONS's wider programme to improve the quality, resilience and sustainability of economic statistics and the surveys that underpin them.

Drivers for LCF improvement

High
respondent
burden

Updated
classifications

Interviewer
burden

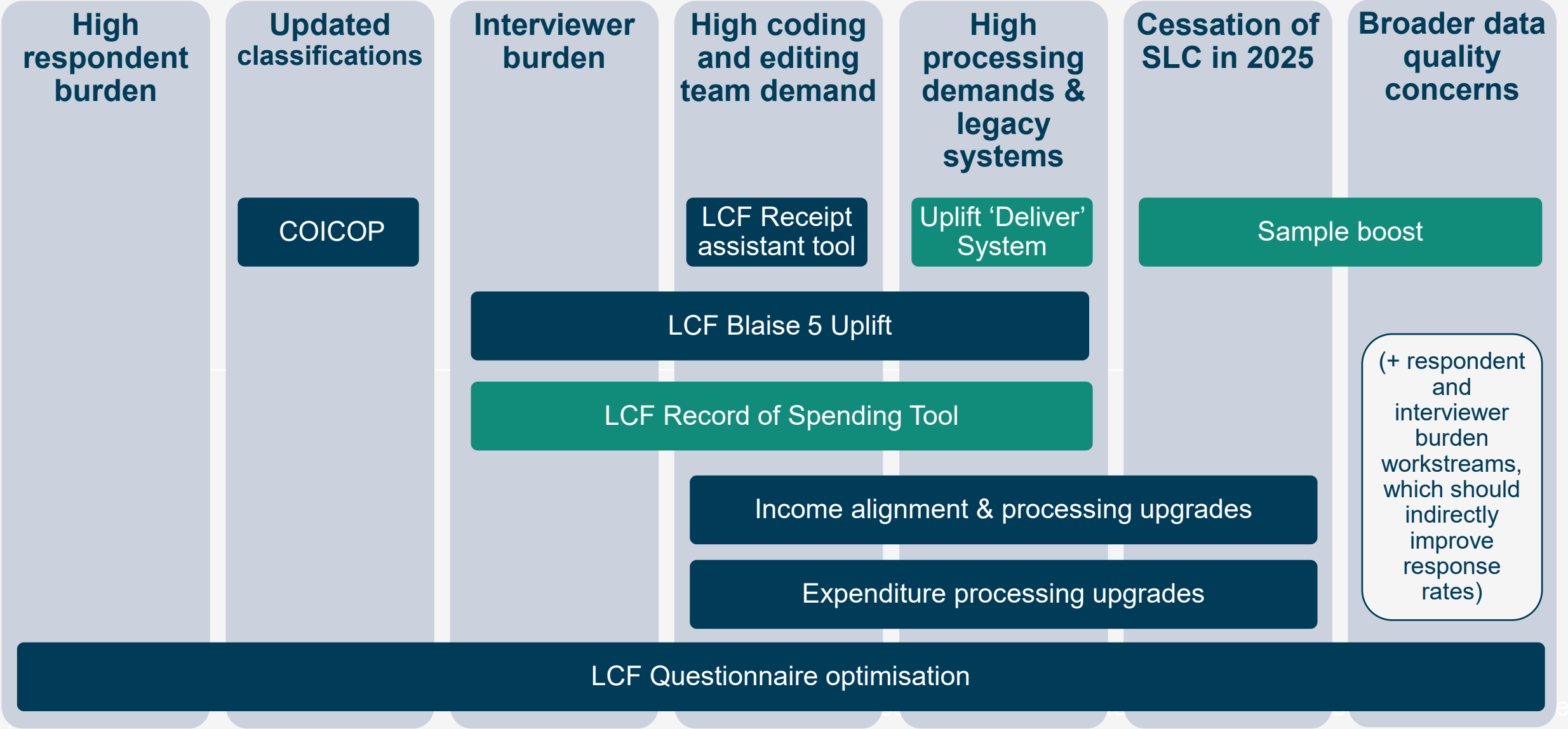
High coding
and editing
team demand

High
processing
demands and
legacy
systems

Cessation of
SLC in 2025

Broader data
quality
concerns

9+ Workstreams → Delivering changes from 2026 onwards



Sample boost

- Boost implemented from 1 April 2026: increased GB sample size from ~20,000 to ~32,500 households annually
- Sample design remains consistent with prior approach

Digital Record of Spending Tool introduced

- More timely and efficient data input and coding
- Improved data quality and management
- Paves the way for future data collection improvements and efficiencies, including the upcoming Receipt Assistant tool as well as a potential respondent facing tool

The image displays two overlapping screenshots of a mobile application interface for the 'Digital Record of Spending Tool'. The top screenshot, timestamped 12:07, shows a prompt: 'Please upload the second receipt image' with a camera icon. The bottom screenshot, timestamped 12:06, shows the main form titled 'LCF Record of spending'. It includes a 'Save and sign out' button in the top right. The form contains a 'Previous' link, a section for 'Item 1 out of a maximum of 30 items', and a question 'Is a receipt available to upload?'. Under this question, the 'Yes' option is selected, with a note: 'If a receipt is available please check receipt annotation is complete before uploading.' The 'No' option is also visible. A green 'Save and continue' button is at the bottom. The bottom of the screen shows a mobile browser address bar with the URL 'preprod-blaise.gcp.onsdigital.uk' and standard navigation icons.

Improving data collection systems

Receipt Assistant Tool

- AI tool which extracts detail from receipts and classifies to our LCF coding frame.
- Substantially reduces manual processing, allowing coders to focus on quality assurance.
- *Implementing from April 2027.*

Blaise 5 uplift

- Moving to the latest version of the Blaise computer-assisted interviewing software.
- Major project to reduce reliance on legacy technology.
- Improves data quality, user experience and functionality.
- *Implementing from April 2028.*

Upgrading processing systems

Data delivery system uplift – *complete*

- Newly upgraded LCF data delivery and processing pipeline has replaced legacy systems.
- More robust, transparent and efficient – improving quality and timeliness and reducing risks.

Income alignment and processing upgrades – *from April 2028*

- Analysing feasibility of implementing statistical imputation and editing for income variables across all LCF outputs that use income data.

Expenditure processing upgrades – *from April 2028*

- Developing pipelines to edit and impute spending data, replacing manual, case-by-case processes.
- Comparative analysis of the data derived from the different methods is planned to better understand impact.

Updating data collection content

- Questionnaire optimisation - *2027/2028*
 - Reviewing the LCF questionnaire and identifying priority areas for improvement and rationalisation.
- COICOP
 - Changes introduced from July 2026 to enable data collection aligned with the updated COICOP classification.

COICOP99 → COICOP18

- ‘Classification of Individual Consumption according to Purpose’
- COICOP18 increases granularity and updates the framework to reflect modern spending patterns
- ONS transition will take several years – LCF is the first step in the process.

Approach to changes

- Our priority is to enable collection of COICOP18 while retaining ability to deliver COICOP99 outputs with minimal discontinuity where feasible.
- An extensive review of the existing LCF Coding frame ('E codes') and the questionnaire has been conducted to allow for collection of data that will map to both COICOP99 and COICOP18.
- In many cases, LCF data is already sufficiently granular – we just need to map it to the new framework.
- To capture the extra detail where needed, changes are being introduced in the July 2026 LCF questionnaire, coding frame and record of spending tool.
- Our focus is on areas where COICOP has changed between 99 and 18. Out of scope changes are being fed into later workstreams.

Questionnaire changes

Property type

Season tickets

Flights

Remittance
Fees

Non-academic
courses

Furniture
delivery fees

Carpets & other
soft flooring

Holiday
accommodation

Regular
payments

District heating

School transport

Coding frame changes

- LCF coding frame for respondent diary data is already sufficiently granular in many cases, particularly for food.
- New codes have been created where existing categories need splitting or rearranging, and occasionally where no LCF code currently exists.
- Increase from ~500 to ~700 codes.

Old LCF code	New LCF codes	COICOP18
9.1.2.1.1 Photographic and cinematographic equipment	9.1.2.1.2 Cameras	09.1.1.1 Cameras
	9.1.2.1.3 Lenses and other camera parts and accessories	09.1.1.2 Accessories for photographic and cinematographic equipment

Record of Spending (RoS) tool changes

Where was the item bought?

☐

☐ 1 School (as pupil), incl 6th form college

☐ 2 Work incl student at college/university

☐ 3 Restaurant

☐ 4 Cafe, pub and bar incl cafe in shop, or at station

☐ 5 Fast food takeaway incl chip shop, sandwich bar

☐ 6 Shop/retailer

☐ 7 Other outlet e.g. train, cinema, street vendor

What was the total amount paid?

Please enter in pounds and pence, e.g. 10.99 for £10.99

£

University/college
moving from 2 to 1

COICOP18 Canteens split ✓

COICOP18 Restaurants/
cafes split

Effect on outputs

- Initial data processing: collecting COICOP18, reporting COICOP99
- Design minimises discontinuities, however some changes in the data are anticipated. For example:
 - Fundamental COICOP changes e.g. delivery charges
 - Areas of modernisation e.g. streaming services, regular charges – which also improve data quality
- We will produce documentation on the changes to support users in interpreting the data.

Timeline

- ➡ **July 2026** Changes to LCF questionnaire and coding go live
- ➡ **November 2026 onwards** COICOP99-based outputs continue to normal timescales, supported by documentation on the changes and expected discontinuities
- ➡ **Now to 2027** Development of new LCF COICOP18 based outputs & processing systems
- ➡ **2029 onwards** ONS economic statistics transition to COICOP18. Sequencing of Family Spending transition to be confirmed.

LCF development project timelines

2025/2026

- Record of Spending tool introduced
- Uplifted data delivery system
- Sample boosted
- COICOP questionnaire and coding changes introduced

Target dates

2027

- Receipt Assistant tool
- Possible priority questionnaire optimisation

2028

- Blaise 5 uplift
- Income alignment and processing upgrades
- Expenditure processing upgrades
- Priority questionnaire optimisation

2029

- Income alignment and expenditure and income processing changes in FYE2029 data
- Full year of COICOP18 available in FYE2029 data
- *ONS statistics transition to COICOP18*

Questions?