

Autumn 2026

Vanquis Financial Wellbeing Index

The Heart of Working Britain: Financial realities for households with an annual income of less than £40,000

For many, financial wellbeing means being able to pay the bills, handle an unexpected expense and look ahead with some confidence. That is the experience we want to understand through the Vanquis Financial Wellbeing Index, particularly for households with an annual income of less than £40,000, the 'Heart of Working Britain'.

This latest report shows how hard people are working to make their money go further. They are shopping around, adjusting their spending and making difficult choices to keep their finances on track. But those efforts do not always leave enough money to build savings or cope when something goes wrong.

I am particularly concerned by the difficult choices some people are having to make about food and healthcare, and by the growing effect of financial pressure on their wellbeing. Behind the figures are people trying to meet today's commitments while worrying about tomorrow.

Our responsibility is to understand those pressures and provide practical support that reflects people's circumstances. Helping people make the most of their money, manage their commitments and build a financial buffer remains central to our work. I want us to use these findings to help more people move beyond just getting by and feel secure today and confident about tomorrow.



John Natalizia,
Deputy CEO Vanquis

Financial Wellbeing Score for households earning under £40k¹

64 /100

Down from 68 in May. Households continue to manage day-to-day finances, but resilience is weakening

Financial headroom²

Quarterly surplus

4.6%

- Income +1.8% (QoQ)
- Spending +1.7% (QoQ)

Previous quarter 4.5%



Savings rate

3.3%

of income over two years

Latest quarter: 3.1% (previous quarter: 3.6%)

Financial Wellbeing of households earning under £40k¹



Emotional wellbeing

49%

Under £40k households say finances affect mental wellbeing

(May: 42%)



Financial confidence

Feel in control over finances all or most of the time

57%

Under £40k households

(May: 60%)

74%

Over £40k households

(May: 74%)



Savings buffer

25%

Under £40k households have no savings at all

7%

Over £40k households have no savings at all

Cost pressures for households earning under £40,000¹

75%

Cutting non-essential spending

66%

Buying more own-label groceries

63%

Switching to cheaper supermarkets

47%

Expect the cost-of-living crisis to worsen in the next three months

Pressure on essentials¹

In the last three months, lower-income households have:

36%

Skipped meals or eaten less because of financial pressures

27%

Delayed medical or dental treatment because they could not afford it

¹ Mintel Financial Wellbeing Tracker, October 2026: comparisons with May 2026. Income groups refer to household income.

² Snoop: Latest quarter, Jul-Sep 2026; previous quarter, Apr-June 2026. Two-year savings rate: Oct 2024 – Sep 2026.

MINTEL

snoop

Executive summary

The latest Vanquis Financial Wellbeing Index shows growing financial pressure among households with an annual income of less than £40,000. Many continue to manage everyday costs, but limited savings and rising bills leave them with little protection against unexpected expenses or a fall in income. 41% describe their finances as tight or struggling.

The Financial Wellbeing Score for lower-income households has fallen to 64 out of 100, from 68 in May. The four-point decline is twice the fall recorded across the population overall, where the score fell from 69 to 67. Both remain within the moderate financial wellbeing band, but lower-income households are now towards its lower end.

The proportion of income left after spending and other payments rose slightly to 4.6% in the latest quarter, but the amount paid into savings fell by almost 13% compared with the previous three months. One in four lower-income households have no savings at all, compared with 7% of higher-income households. Saving remains the weakest pillar of financial wellbeing across the population, highlighting the continuing difficulty of building financial buffers.

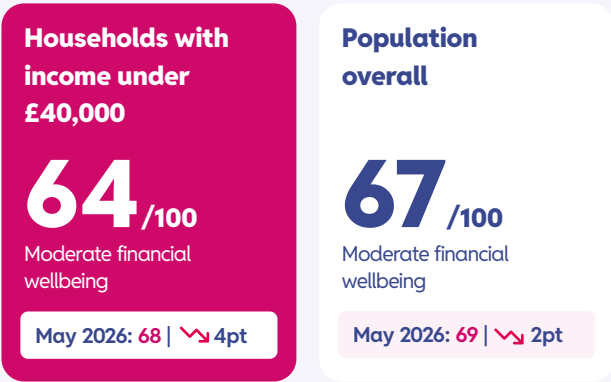
Everyday costs continue to constrain budgets. Housing, water and transport payments remain higher than a year ago, while households are cutting non-essential spending and seeking cheaper groceries. 44% of lower-income households could not absorb a £100 increase in regular monthly costs without cutting back on essentials, using savings or borrowing.

For some, the pressure already affects basic needs: 36% have skipped meals or reduced how much they eat because of financial pressures, and 27% have delayed medical or dental treatment because they could not afford it. Almost half, 49%, say their financial situation has affected their mental wellbeing.

The outlook remains cautious. Lower-income households are more than twice as likely to expect their finances to deteriorate over the next six months as to improve.

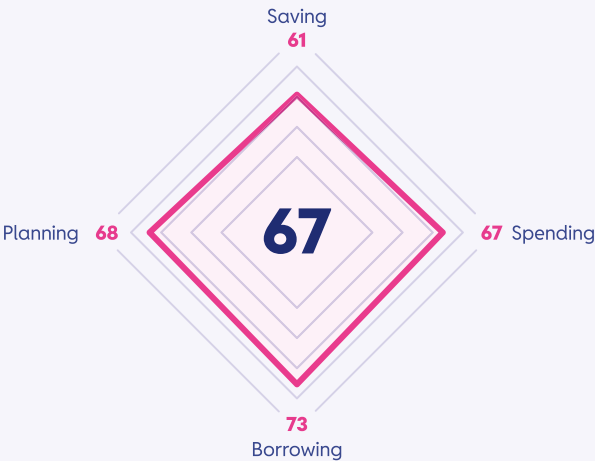
Vanquis Financial Wellbeing Index

October 2026 | Scores out of 100



Financial wellbeing pillars

Population overall | October 2026



Score bands

80 - 100	Strong financial wellbeing
60 - 79	Moderate financial wellbeing
40 - 59	Mixed / some vulnerability
20 - 39	Vulnerable
0 - 19	High vulnerability

Both headline scores remain in the moderate financial wellbeing band

Source: Mintel, Financial Wellbeing Tracker. Wave 6. October 2026
Scores use min-max normalisation of consumer survey data. Pillar scores shown are for the population overall

Financial headroom

Many lower-income households are keeping up with their bills, but have little money left once their commitments are covered. In the latest quarter, 4.6% of income remained after spending and other payments, including savings and debt repayments, slightly more than the 4.5% recorded in the previous quarter.

Period	Income left over
Full two-year period	1.9%
Latest 12 months	3.6%
Latest quarter	4.6%

Source: Snoop/SpendMapper

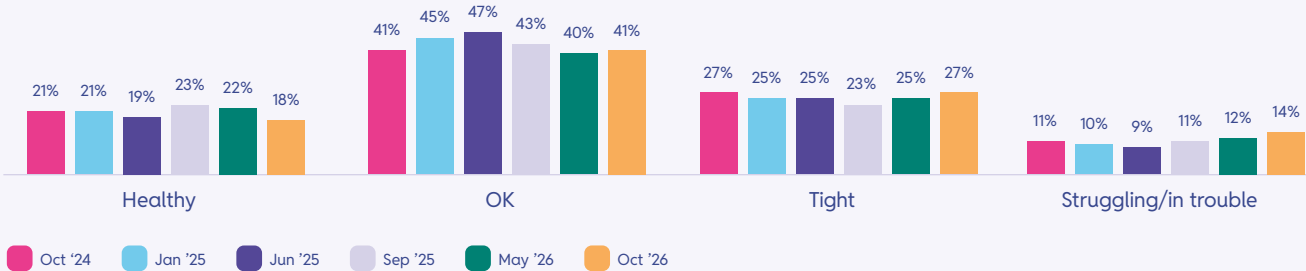
For 41% of lower-income households, money is tight or they are struggling financially. This includes 14% who are struggling or in trouble, the highest proportion recorded since October 2024. Only 18% say their finances are healthy, the lowest proportion over the same period.

Earlier signs of improvement have faded. The proportion saying their finances are OK has fallen from 47% in June 2025 to 41% in October 2026. Many are managing today’s costs without feeling secure about what comes next.

Higher-income households generally have more breathing space, although some are also feeling the strain. 18% describe their finances as tight or struggling, compared with 41% of lower-income households. The gap highlights how much harder it is for those on lower incomes to meet everyday costs and build a financial buffer.

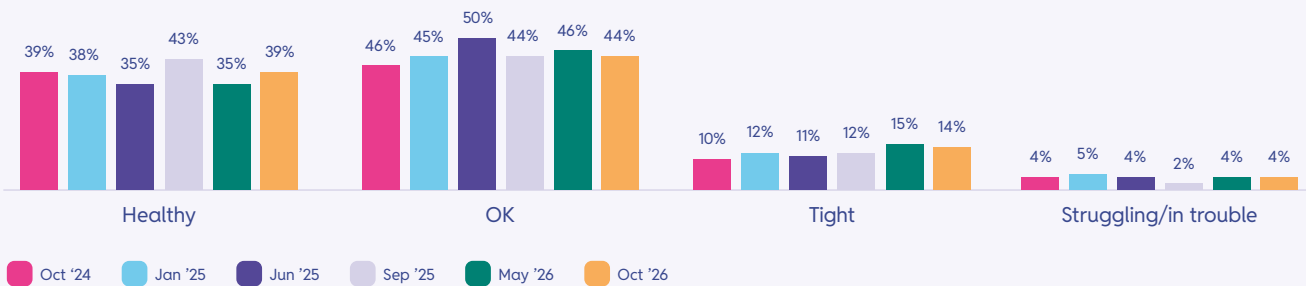
Lower-income households remain under sustained financial pressure, with financial wellbeing deteriorating in the latest wave

Financial Situation - Under £40k income households



Higher-income households remain financially resilient, though signs of softening financial stability are beginning to emerge

Financial Situation - Over £40k income households



Spending choices

Lower-income households are choosing carefully where their money goes. Spending on entertainment, fitness and holidays remains higher than a year ago, while spending in bars, pubs and mid-tier restaurants has fallen. The picture is uneven, with households continuing to make room for some activities while spending less elsewhere.

Eating out remains under pressure. Spending in bars and pubs has fallen across all three periods, while mid-tier restaurant spending remains below both last year’s level and its level two years ago, despite a small increase in the latest quarter.

The gap between lower- and higher-income households also shows how budgets shape these choices. 49% of lower-income households expect to eat out in a restaurant in the next month, compared with 69% of higher-income households. For those with less money left after bills, there is less room for everyday leisure spending.

Some purchases have also lost momentum. Spending on high-end health and beauty and electricals remains above its level two years ago but has fallen year-on-year.

Spending category	Over two years	Year-on-year	Quarter-on-quarter
Entertainment and leisure	+15.9%	+7.1%	+6.4%
Travel and holidays	+16.9%	+4.9%	-4.0%
Fitness	+19.0%	+7.5%	+1.6%
Meal boxes	+1.3%	-12.8%	+1.6%
High-end health and beauty	+53.9%	-7.2%	-6.3%
Electricals and technology	+11.1%	-1.8%	+6.1%
Bars and pubs	-9.9%	-3.5%	-2.2%
Mid-tier restaurants	-12.6%	-6.0%	+2.2%

Note: Fitness is included within entertainment and leisure. Figures show the amount spent, so changes can reflect prices as well as purchasing decisions. Quarterly movements can also reflect seasonal spending and the timing of larger purchases.

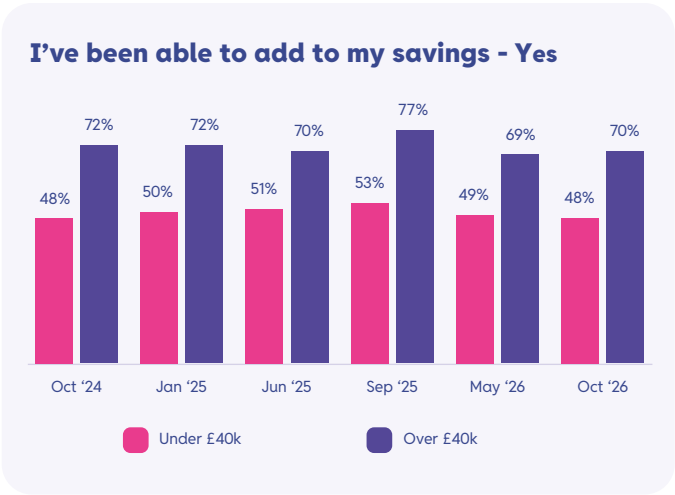
Savings

Building a savings buffer remains difficult for many lower-income households. Around 3% of income is being put into savings, and the amount saved fell 12.8% compared with the previous quarter, leaving less money being set aside for future needs.

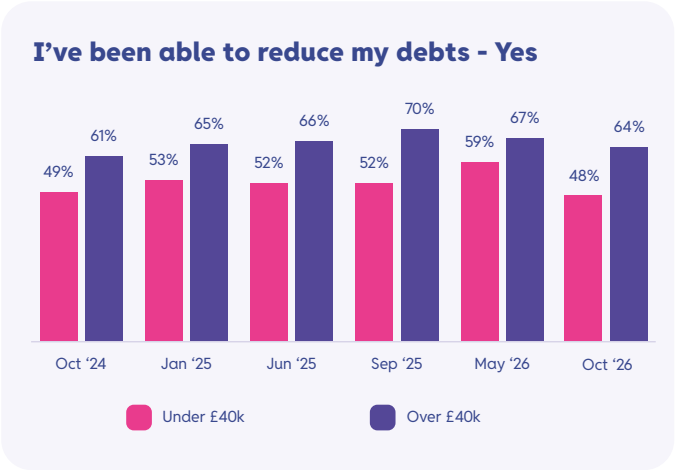
Period	Share of income saved by lower-income households
Full two-year period	3.3%
Latest 12 months	3.2%
Latest quarter	3.1%

Source: Snoop/SpendMapper

Fewer than half of lower-income households (48%) have been able to add to their savings, down from 53% in September 2025. Higher-income households have more scope to put money aside, with 70% able to increase their savings.



Progress in paying down debt has also slowed. Among lower-income households with debt, 48% have been able to reduce what they owe, down from 59% in May. The corresponding figure for higher-income households is 64%. This suggests that many lower-income households are finding it harder to strengthen their finances through either saving or reducing debt.



For a quarter of lower-income households (25%), there are no savings to fall back on, compared with 7% of higher-income households. An unexpected repair, a higher bill or a temporary loss of income can therefore be harder to manage without cutting back elsewhere or borrowing.

Family support

Supporting family members can also put pressure on household finances. In the last 12 months, 30% of lower-income households have provided financial support to relatives, compared with 46% of higher-income households. Adult children are the most common recipients.

Nearly three-quarters of those providing support say it has affected their ability to save or cover their own expenses. Almost one in four (23%) report a significant impact, with the pressure felt across income groups: 24% of lower-income households and 21% of higher-income households say their ability to save or meet their own expenses has been significantly affected.

Everyday costs remain higher

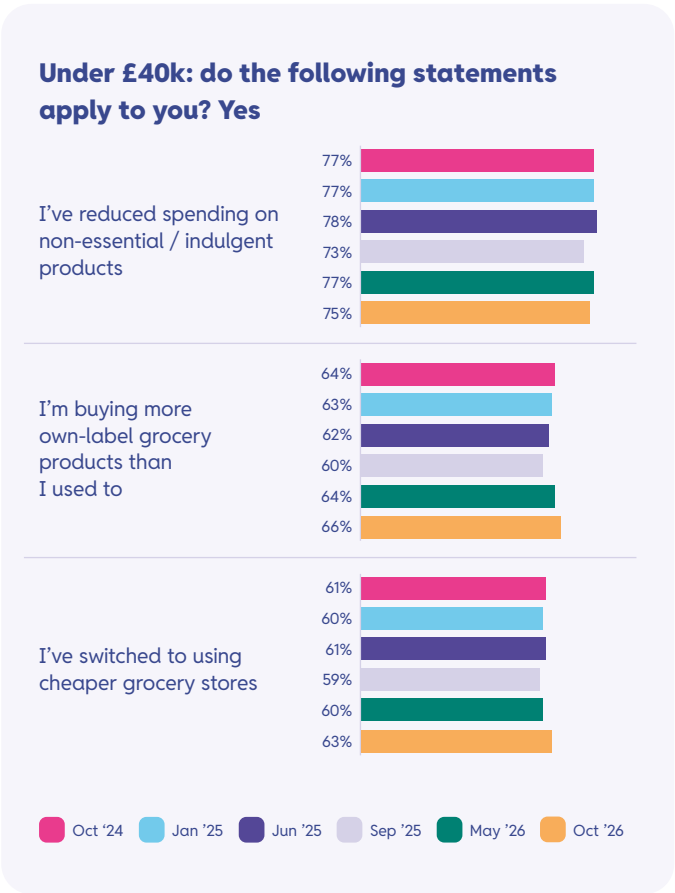
Everyday bills continue to take up a large part of household budgets, leaving less room for other spending and saving. Spending on household bills is just over 10% higher than two years ago and over 7% higher than a year ago. Water bills, local council payments and mortgage and rent payments have risen particularly sharply over the past two years.

Spending category	Over two years	Year-on-year	Quarter-on-quarter
Household bills overall	+10.4%	+7.3%	-0.9%
Water	+46.1%	+12.0%	+1.5%
Energy	+4.7%	+1.1%	-2.5%
Local council payments	+18.8%	+7.1%	-0.4%
Mortgage and rent	+24.1%	+14.0%	+2.8%
Vehicle and transport	+13.8%	+8.4%	+1.9%
Groceries	+7.8%	+2.3%	-1.8%

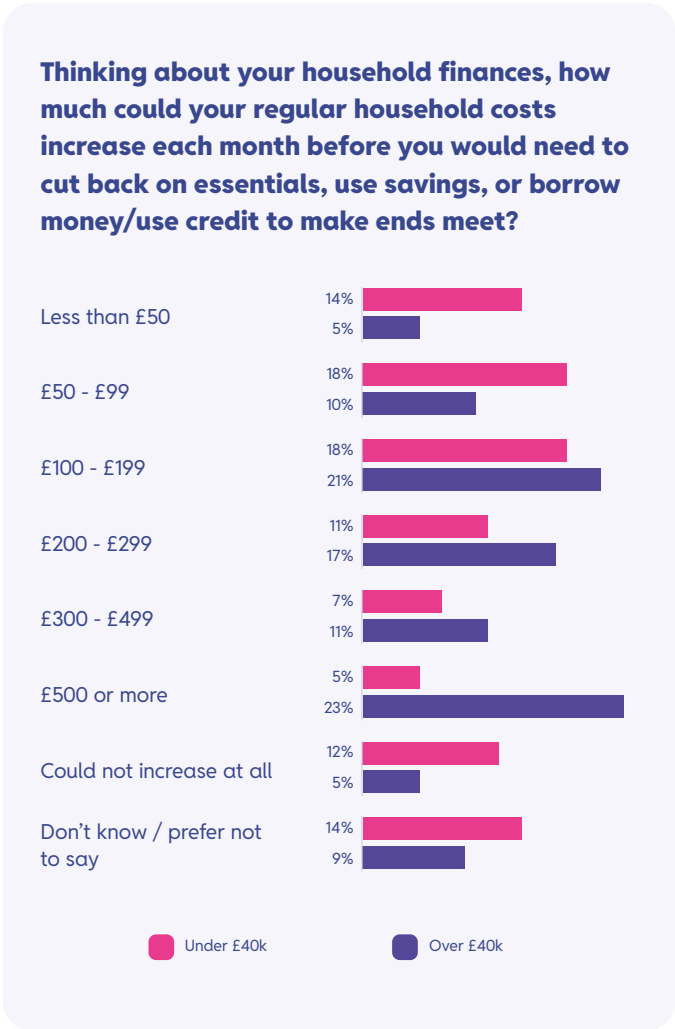
Water, energy and local council payments are included in household bills overall

Spending on groceries and energy fell in the latest quarter, but both remain higher than a year ago. Meanwhile, housing and water payments continue to rise, making it harder for households to find savings in their regular budgets.

Households with an annual income of less than £40,000 are making changes to stretch their money further. 75% are cutting non-essential spending, 66% are buying more own-label groceries and 63% have switched to cheaper supermarkets. Buying more own-label groceries and switching to cheaper supermarkets are now more common among lower-income households than at any point since October 2024. Higher-income households are also seeking savings, with 60% buying more own-label groceries.

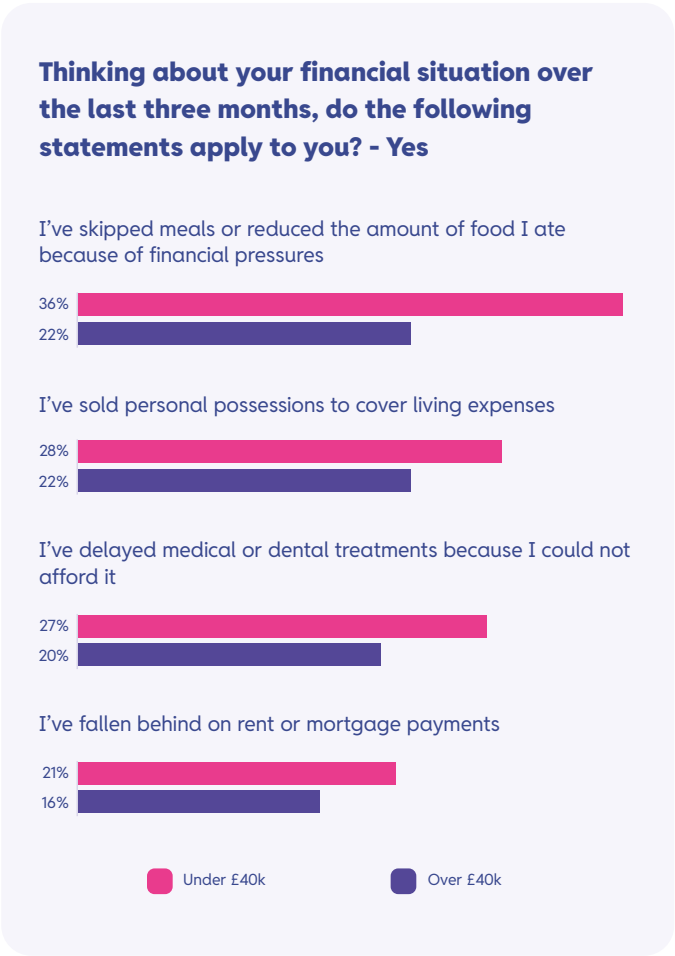


Even with these efforts, there is little room for further increases in everyday costs. Nearly half of lower-income households (44%) could not absorb a £100 rise in regular monthly costs without cutting back on essentials, using savings or borrowing, compared with 20% of higher-income households. This includes 12% whose costs could not increase at all.



For some lower-income households, the pressure already extends to food and healthcare. In the last three months, 36% have skipped meals or reduced the amount they eat because of financial pressures. More than a quarter have sold possessions to cover living expenses (28%) or delayed medical or dental treatment because they could not afford it (27%).

Higher-income households are also making difficult choices, with 22% cutting back on food and 20% delaying medical or dental treatment. But the pressure is greater for those on lower incomes, where meeting everyday costs can mean sacrifices that affect health and quality of life.



Financial security remains fragile

Keeping up with today’s bills does not always leave enough money to cope with an unexpected expense. 16% of lower-income households could not cover any unexpected cost without borrowing, using credit or missing or delaying another payment, compared with 3% of higher-income households.

Many are worried they may need to earn more to make ends meet. Looking ahead over the next three months, 36% are very or moderately concerned about needing to work more hours, and 33% about needing a second job. A further concern is having to create additional sources of income, such as freelancing or selling items online, with 30% expressing this level of worry.

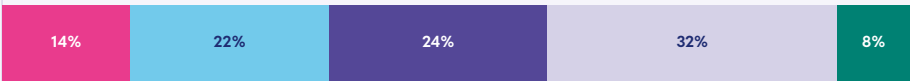
There is also concern about keeping up with payments. 28% are very or moderately concerned about missing a bill payment, while 27% are concerned about needing credit to cover their expenses. Among higher-income households, the corresponding figures are 22% and 26%. Worries about relying on credit are therefore widespread across both income groups, while lower-income households are more worried about missing bills.

Under £40k Income: And thinking about your financial situation over the next three months, how concerned are you that...

...in order to make ends meet, you will have to take on a second job?



...in order to make ends meet, you will have to work more hours at your current job?



...you will miss a bill payment?



...you will have to rely on credit to cover your expenses?



...in order to make ends meet, you will have to create your own income sources / side ventures to get by? (eg selling items online, freelancing)



...you will switch to a better-paying job



Financial strain continues to affect wellbeing

Financial pressure is affecting people’s health and peace of mind, particularly in households with an annual income of less than £40,000. Almost half (49%) say their finances have affected their mental wellbeing, up from 42% in October 2024 and the highest proportion recorded since the research began.

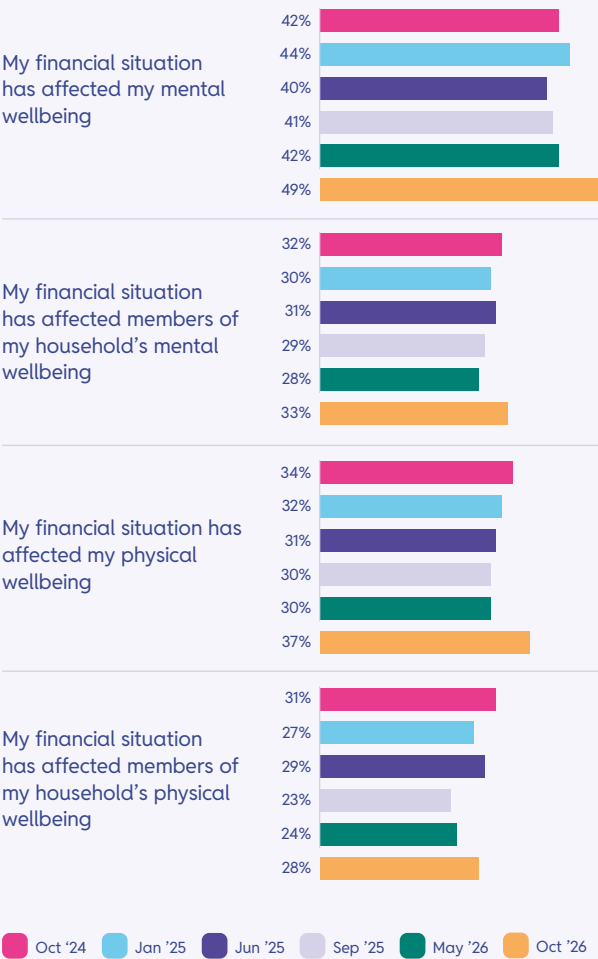
The effects also extend to physical wellbeing, with 37% of lower-income households reporting an impact. Higher-income households are also affected, although the proportions are lower: 40% report an impact on their mental wellbeing and 27% on their physical wellbeing.

Money worries can affect others in the household too. Among lower-income respondents living with other people, 33% say their finances have affected other household members’ mental wellbeing, while 28% report an effect on their physical wellbeing. The pressure of managing household costs can therefore have consequences for the wider family.

Many lower-income households also lack a dependable sense of control over their money. 57% feel in control of their finances all or most of the time, compared with 74% of higher-income households. Almost one in five (18%) rarely or never feel in control, compared with 8% of higher-income households.

Among people in lower-income households who have financial concerns, 37% feel anxious about their finances and 32% find it difficult to relax. Yet only 6% have spoken to a financial adviser or debt counsellor.

Under £40k: do the following statements apply to you? Yes



Looking ahead

Households with an annual income of less than £40,000 see little prospect of relief from the cost of living. 47% expect the cost-of-living crisis to worsen over the next three months, while only 12% expect it to improve. Concern is also widespread among higher-income households, with 43% expecting conditions to worsen.

Looking ahead to their own finances over the next six months, lower-income households are more than twice as likely to expect things to get worse as better: 32% expect deterioration, compared with 15% expecting improvement. The most common expectation is that finances will remain unchanged, at 46%.

Higher-income households have a more balanced outlook. Half expect their finances to remain unchanged, while similar proportions expect improvement (24%) or deterioration (23%).

Financial concerns are also putting longer-term plans on hold. Among lower-income households, 11% have delayed buying a home and 9% have delayed changing jobs or careers. The corresponding figures for higher-income households are 14% and 11%. Across both income groups, 7% have delayed moving out of the family home. Financial pressure is therefore shaping decisions about where people live and work, as well as what they can afford today.



Conclusion

The four-point fall in financial wellbeing among households with an annual income of less than £40,000 reinforces the report’s central finding: careful money management does not always translate into financial security. Many continue to meet their commitments, but limited savings leave them exposed when costs rise or circumstances change.

The improvement in money left after spending is encouraging, but saving has weakened and financial distress has grown. An overall surplus does not mean every household has money to spare, or that keeping up with payments brings a sense of security.

There are limits to further cutbacks. Many households are already choosing cheaper groceries and reducing non-essential spending. For those eating less or delaying healthcare, cutting spending can carry a personal cost. The effects on mental and physical wellbeing show why financial resilience matters beyond the household budget.

The practical challenge is to create more room between income and commitments. Support should help people access the income and assistance available to them, manage bills and repayments, and get timely help when difficulties begin. Building savings must also reflect what people can realistically afford.

Progress should be judged by whether more households can meet everyday costs without sacrificing essentials, handle an unexpected expense and make plans with confidence. Those are the foundations of stronger financial wellbeing.

About the Vanquis Financial Wellbeing Index

- The Vanquis Financial Wellbeing Index (VFWI) is a twice-yearly measure of household financial wellbeing in Great Britain, combining behavioural spending and savings data with consumer sentiment research to track changes in financial resilience, confidence and affordability over time.
- **Data Sources:** Snoop/SpendMapper | Intel
 - Snoop/SpendMapper: based on anonymised transactional data from a stable cohort of 58,263 households with an annual income of less than £40,000.
 - Intel/Kantar Profiles: Fieldwork dates: 23 Sept – 6 Oct 2026 | Base: 2,000 | GB | aged 16+
- Throughout this report, “lower-income households” and “under £40k” refer to households with an annual income of less than £40,000.
- **Reporting periods**
 - Income left over and savings rates cover October 2024–September 2026 (two years), October 2025–September 2026 (latest year) and July–September 2026 (latest quarter).
 - Changes in income, spending and the amount saved compare July–September 2026 with the same quarter in 2024 (over two years), 2025 (year-on-year) and April–June 2026 (quarter-on-quarter).

About Vanquis

- Headquartered in Bradford and listed on the London Stock Exchange, Vanquis serves 1.79 million customers through core banking services and Snoop, a platform that helps individuals save up to £1,500 annually on spending and household bills.
- Committed to financial inclusion and social mobility, Vanquis provides tailored products and services that empower customers to take control of their financial futures. This aligns with our mission: to deliver caring banking so our customers can make the most of life’s opportunities.