

# Gift Card & Voucher Sales Analysis & Outlook (UK)

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H1 - 2025

 GlobalData.



Full Report  
**Sept 2025**

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# Definitions

Category:	Term:	Definition:
<u>Market</u>	B2B	Gift cards and vouchers sold online or offline to organisations for use in employee rewards, customer incentives, benefits, insurance replacement, etc.
	B2C	Gift cards sold directly to end consumers for their own use.
	Non-sale	Gift cards that are issued without a direct sale transaction, e.g. refunds, merchandise returns, goodwill gestures or compensation.
<u>Redemption</u>	Closed Loop	Gift cards that are issued and redeemed by the same company (e.g. John Lewis gift card).
	Multi-choice	Gift cards which can be redeemed with a select number of retailers/operators (e.g. Love2shop voucher, Bonus Bonds), or within a specific category (e.g. Book Tokens).
	Open loop	Gift cards which can be redeemed at any outlet that accepts the network (e.g. MasterCard).
<u>Product</u>	Paper vouchers	Traditional paper-based vouchers with a printed value.
	Physical gift cards	Plastic or cardboard cards with a magnetic strip, barcode or chip.
	Digital gift cards	Gift cards that can be stored and redeemed digitally, without a physical medium.
<u>B2B Submarket</u>	Acquisition	Gift cards sold to B2B customers for the purposes of that business acquiring new customers.
	Benefits, Employee Savings & Salary Sacrifice	Gift cards sold to B2B customers, for the purposes of providing that business's employees with benefits, savings or salary sacrifice benefits.
	Charities & Grant Giving	Gift cards sold to B2B Customers, for the purposes of charitable donations or grant giving to volunteers.
	Insurance Replacement	Gift cards sold to B2B Customers, for the purposes of that business providing insurance replacements to their customers.
	Rewards & Incentives	Gift cards sold to B2B Customers, for the purposes of providing that business's stakeholders (e.g. suppliers, customers, vendors) with rewards and incentives for doing business with them.
	Gesture of Good Will	Gift cards given away without financial consideration as a gesture of good will, e.g., because of a complaint.
	Merchandise Returns	Gift cards issued in place of cash when customers return goods.
	Promotions	Gift cards given away as part of a promotion.
<u>Subsector</u>	Leisure	Gift cards sold to be redeemed primarily on leisure, e.g. experiences, hospitality, travel and entertainment
	Retail - General	Gift cards issued to be redeemed primarily against general merchandise, department stores or variety retail that do not exclusively fall into fashion, grocery or leisure. (e.g., Dunelm, B&Q, Sports Direct, Waterstones, Currys)
	Retail - Grocers	Gift cards sold to be redeemed primarily within grocery and food.
	Retail - Fashion	Gift cards sold to be redeemed primarily within fashion, apparel, and footwear.
	Retail – Multi-sector	Gift cards sold to be redeemed across multiple categories (generally sold by issuers operating across multiple distinct categories like leisure, fashion, grocery and general retail, e.g. Amazon, John Lewis). Distinct from multi-choice redemption products, which are a redemption type, rather than a sector.
<u>B2C Channel</u>	Gift Card Mall	Gift Cards sold via issuer or retailer in gift card malls. Includes gift cards sold through your retail estate, both online and in-store and may include closed-loop, multi-choice or open-loop gift cards. This does not include your own gift card sales.
	Third Party	Gift cards sales made via any other retailer or channel direct to the consumer that are physical sales and not online, e.g., if you have an agreement with another retailer.
	Online	Gift card sales made via the members own online purchasing facility or through a white label transactional website.
	In Store	Gift card sales made direct to a consumer from within a store or over the counter.

# Executive Summary

## - Submitting Members H1 2025

### Total Market

- Gift cards sales in H1 2025 reached £1.98bn among contributing members; a YoY growth of 11.8%
- 28 GCVA members contributed to the H1 2025 data capture
- In absolute terms, growth was underpinned by strong B2B activity, while B2C and non-sale channels also contributed positively in the period

### B2B Market

- The B2B market accounted for 64% of the total share of gift card sales, and grew by 8.9% YoY
- The majority of B2B share in H1 2025 sat within the benefits, employee savings and salary sacrifice submarket
- Digital formats (+ 22.8% YoY) and closed-loop products (+12% YoY) contributed strongly to the overall channel growth

### B2C Market

- B2C held a 31% share of the total in H1 2025, growing by 19.1% YoY
- Online sales accounted for the largest subchannel share within B2C, holding 42% of aggregated sales value in H1 2025, surpassing in-store sales and growing by an impressive 34% YoY on the back of strong member performances in the multi-retail sector
- Gift card mall sales rose by 10.2% YoY, consolidating their role as a steady contributor to the channel
- Third-party posted a strong YoY growth of 81%, although from a comparatively small base and partly reflecting first-time reporting in this channel for H1 2025 from a member

### Non-Sale

- Non-sale accounted for 5% of the total gift cards sales value from the member cohort, growing by 7.5% YoY
- Merchandise returns and refunds remained the dominant sub-segment, despite a modest YoY decline
- Gestures of goodwill (+ 57.5% YoY) and promotional issuance (+ 108%) both experienced strong YoY, although this was from a comparatively small base

### Sector

- While Leisure experienced a flat YoY performance, Retail saw strong double digit growth across general retail, grocers and multi-format retailers

### Product Type

- Digital continues to be fundamental to the gift cards market, holding a 63% share of the market and growing by an impressive 26.5% YoY
- While B2C digital sales grew faster (+ 48% YoY), the majority of absolute sales growth came from B2B, where digital expanded by 22.8% to reach £951m in H1 2025 among members

### Redemption Type

- Closed-loop dominated value share, holding 76% of the total market, and growing by 11.2% YoY, while multi-choice surged by 27.2% in the same period
- Open-loop cards declined by 10% overall, driven by a 24% fall in automated distribution, only partially offset by modest growth in human intervention (+ 4% YoY)

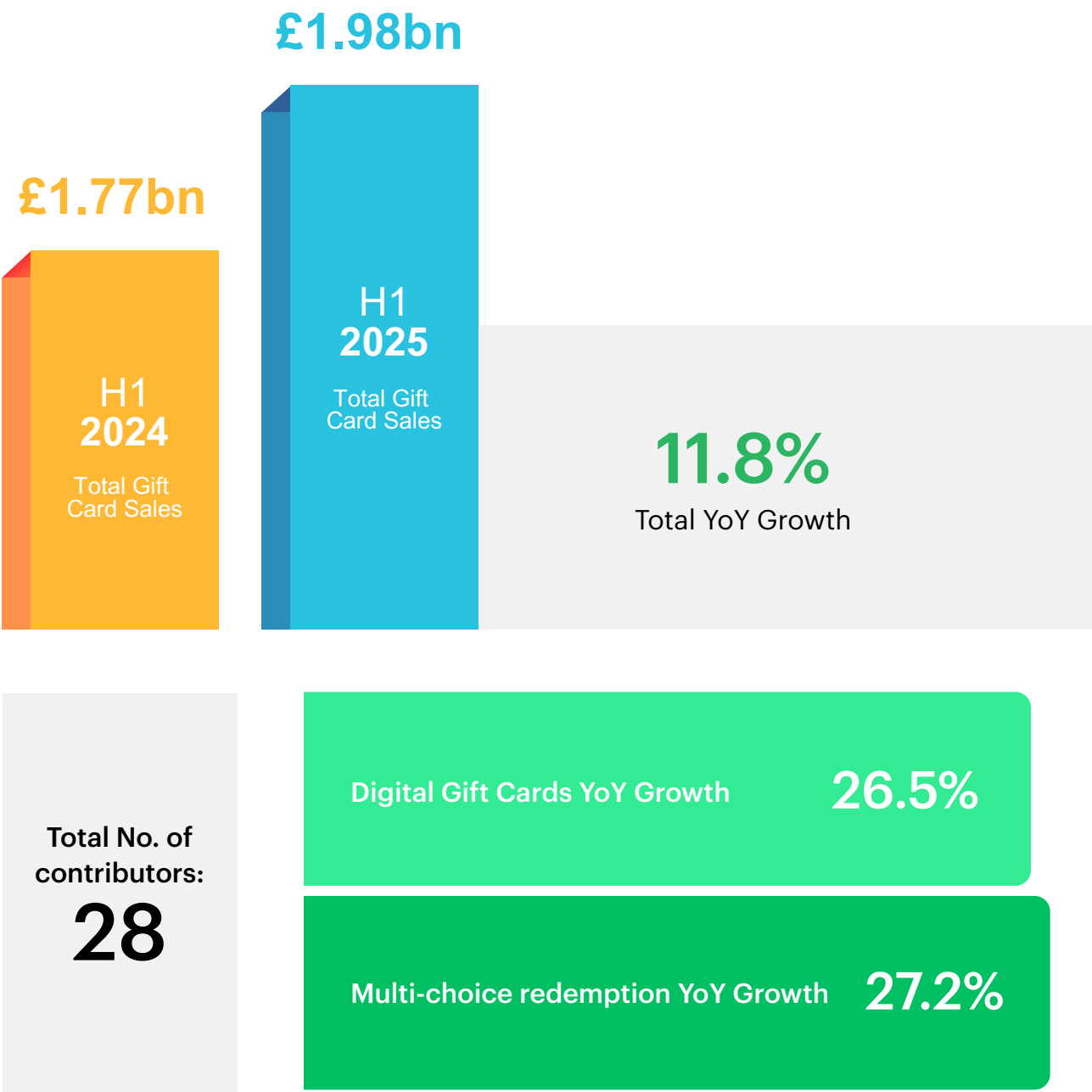
# Topline Summary

## ▼ GCVA Sales Output - 2025 H1 - Top level Insight

Category	H1% change 2024 H1 vs 2025 H1	H1 £ change 2024 H1 vs 2025 H1	Rolling year % change 2023 H2 & 2024 H1 vs 2024 H2 & 2025 H1	Rolling year £ change 2023 H2 & 2024 H1 vs 2024 H2 & 2025 H1
Total	12%	▲ £209,580,285	16%	▲ £636,489,622
<b>Market</b>				
B2B	9%	▲ £103,976,243	17%	▲ £401,315,783
B2C	19%	▲ £98,879,319	14%	▲ £210,459,437
Non-Sale	7%	▲ £6,724,723	15%	▲ £24,714,402
<b>Product Type</b>				
Digital Gift Cards	27%	▲ £259,206,554	30%	▲ £602,503,439
Physical Gift Cards	-6%	▼ -£47,365,299	2%	▲ £39,293,854
Paper Vouchers	-5%	▼ -£2,260,970	-5%	▼ -£5,307,671
<b>Sector</b>				
Leisure	1%	▲ £898,023	23%	▲ £58,970,873
Retail	13%	▲ £208,682,263	15%	▲ £577,518,749
<b>Redemption type</b>				
Closed Loop	11%	▲ £150,615,427	16%	▲ £471,948,275
Multi Choice	27%	▲ £74,508,223	20%	▲ £144,833,730
Open Loop	-10%	▼ -£15,543,365	6%	▲ £19,707,617

# UK Gift Cards Market - 2025 H1 Update

▼ Topline Highlights – H1 2025



## Market Summary

GCVA member sales recorded a **total combined value of £1.98bn in H1 2025**, with **28 members showing 11.8% year-on-year growth** among the cohort, highlighting the continued resilience and relevance of the market, despite ongoing pressures in the broader retail environment.

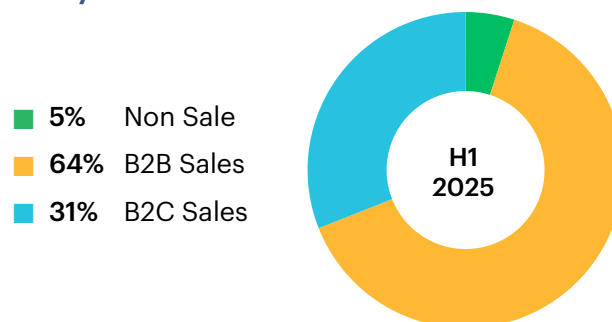
Breaking down the overall gift cards market by top channel, **B2B remained the largest**, accounting for the majority of the sales captured in the period and **representing a 64% share of the total** – slightly down in terms of share from 66% in 2024 but **showing a year-on-year growth of 9% in value terms** among the submitting cohort.

**B2C activity accounted for 31% of total sales in H1 2025**, representing a 2.0ppts increase in share compared with the same period last year. In absolute terms this equated to **sales of £617m, representing an impressive 19.1% year-on-year growth**. This expansion was largely supported by the growth in the online channel, which grew by 33.8 YoY% on the back of strong annual performances

among multi-sector retailers, who play across fashion, groceries and general retail. Third Party, however, also showcased strong growth, encouraged by an impressive uplift from one member and the entry of a new player into the segment, helping the channel increase from **£17.9m in H1 2024 to £32.3m in H1 2025 to reach a 80.7% YoY growth**, though its contribution to overall B2C Sales increase is smaller in absolute terms.

**Non-sale value represented 5% of the total market in H1 2025, consistent with the same period last year.** In value terms, this segment recorded a steady 7.5% increase, to record £97m among all contributing members.

### ▼ Gift Card Value Share by Market H1 2025



## Sector Overview

Retail channels continued to dominate the total UK gift card market in H1 2025, accounting for the overwhelming majority of sales and driving overall category growth. **Retail-linked gift card sales expanded by 12.7% year-on-year**, underpinned by strong performances in occasion-related retail purchasing.

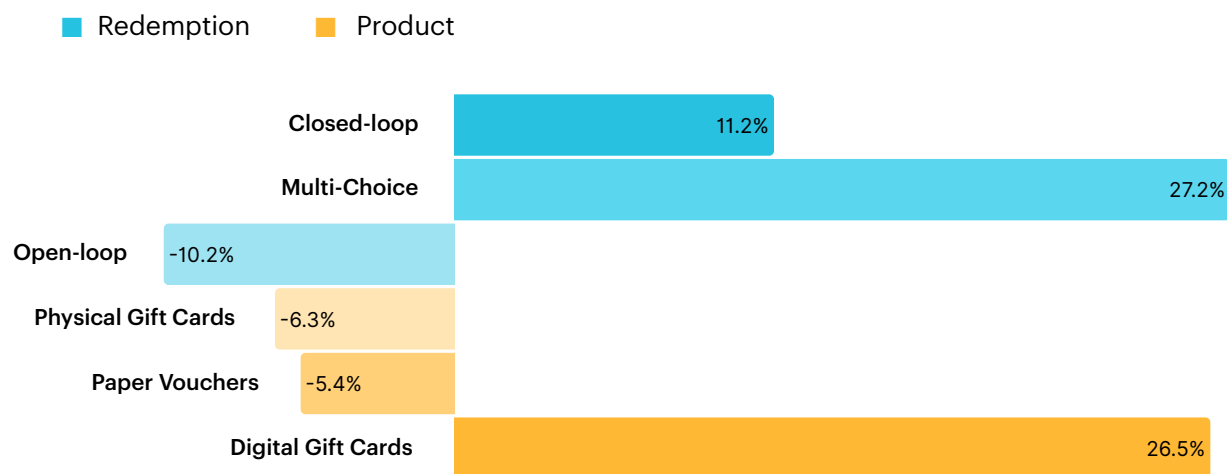
By contrast, **leisure-focused gift cards accounted for £126m in sales in H1 2025** as reported by members, equivalent to 6% of the total market. This represents a slight decline in share compared with H1 2024 (7.1%) and

**growth was limited to a flat performance of 0.7% year-on-year.** This subdued performance highlights a more discretionary nature of leisure spending, which remains sensitive to household budget pressures and broader consumer confidence amid ongoing economic uncertainty.

The divergence between retail and leisure underscores a key structural trend; while retail-linked cards are consolidating their position as a mainstream tool for budgeting, saving and gifting incentives, leisure categories continue to face headwinds in maintaining market share.

## Product & Redemption Overview

### ▼ Total Market - Year-on-year growth % H1 24-25



H1 2025 results underline a clear divergence between traditional and more flexible gift card formats. **Closed-loop products, which remain the backbone of many retailer strategies, achieved a strong 11.2% year-on-year growth, going from £1.34bn in H1 2024 among the reporting cohort to £1.49bn in H1 2025, reaffirming their stability and continued consumer appeal.**

**Multi-choice cards delivered the strongest performance, expanding by 27% year-on-year, reflecting rising demand for flexibility and the appeal of aggregated brand offerings.** The online channel was the main growth engine for multi-choice cards, driving up value in H1 2025 amid strong performances from issuers offering multi-choice options.

**Open-loop cards, by contrast, recorded a 10% year-on-year decline, suggesting reduced momentum in a segment that has historically faced challenges in differentiation.** With just over 98% of open-loop value sitting within the physical gift card type, it continues to struggle as consumers increasingly shift towards digital wallets, reducing the relevance of physical open-loop cards as a payment method.

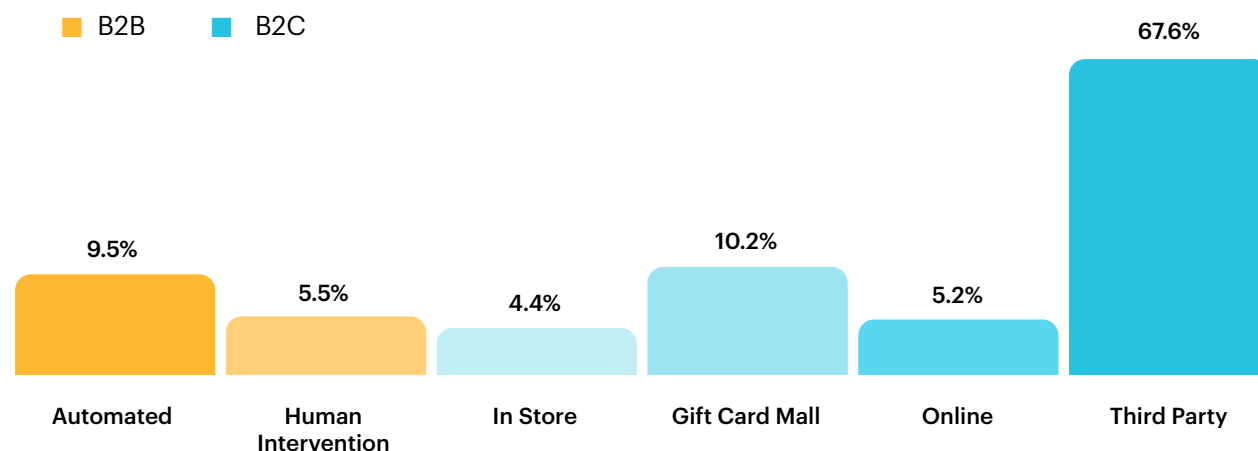
When viewed by product type, the data points to a sharp acceleration in digital formats, continuing a trend observed in previous periods. **Digital formats grew by 26.5% in H1 2025, contrasting sharply with a 5.4% decline in paper vouchers and a notable 6.3% decline in physical gift cards, underscoring the ongoing migration towards digital solutions.** While Digital usage is most pronounced in B2B channels, the **B2C channel growth has been notable among the reporting cohort, with a year-on-year growth of 48%.** Physical gift cards, which observed a downturn among reporting members in H1 2025 saw the majority of value loss sit within the **B2B Automated channel, which dropped from £275m in H1 2024 to £203m in the current reporting period suggesting a market maturity.**

Taken together, these trends highlight the dual transformation of the UK gift card market – a shift in redemption preference, with consumers gravitating towards multi-choice flexibility, and a shift in product format, as digital cards become the dominant growth engine.



## Channel Overview

### ▼ Total Market - B2B/B2C Submarket YoY Growth %



Performance across distribution channels in H1 2025 varied significantly, with most channels reporting steady growth, while online delivered strong gains in B2C and third-party recorded a sharp percentage increase, partly due to new member reporting within that segment.

Within **B2B channels**, **automated distribution recorded solid growth of 9.5% year-on-year** among contributing members, highlighting the increasing efficiency and scalability of digital fulfillment. **Human intervention channels (manual corporate orders) also expanded, albeit more slowly, rising by 5.5%.**

Within B2C channels, **gift card malls delivered strong sales of 10.2% YoY**, maintaining their role as a key channel. **In-store sales posted a respectable year-on-year growth of 4.4%,**

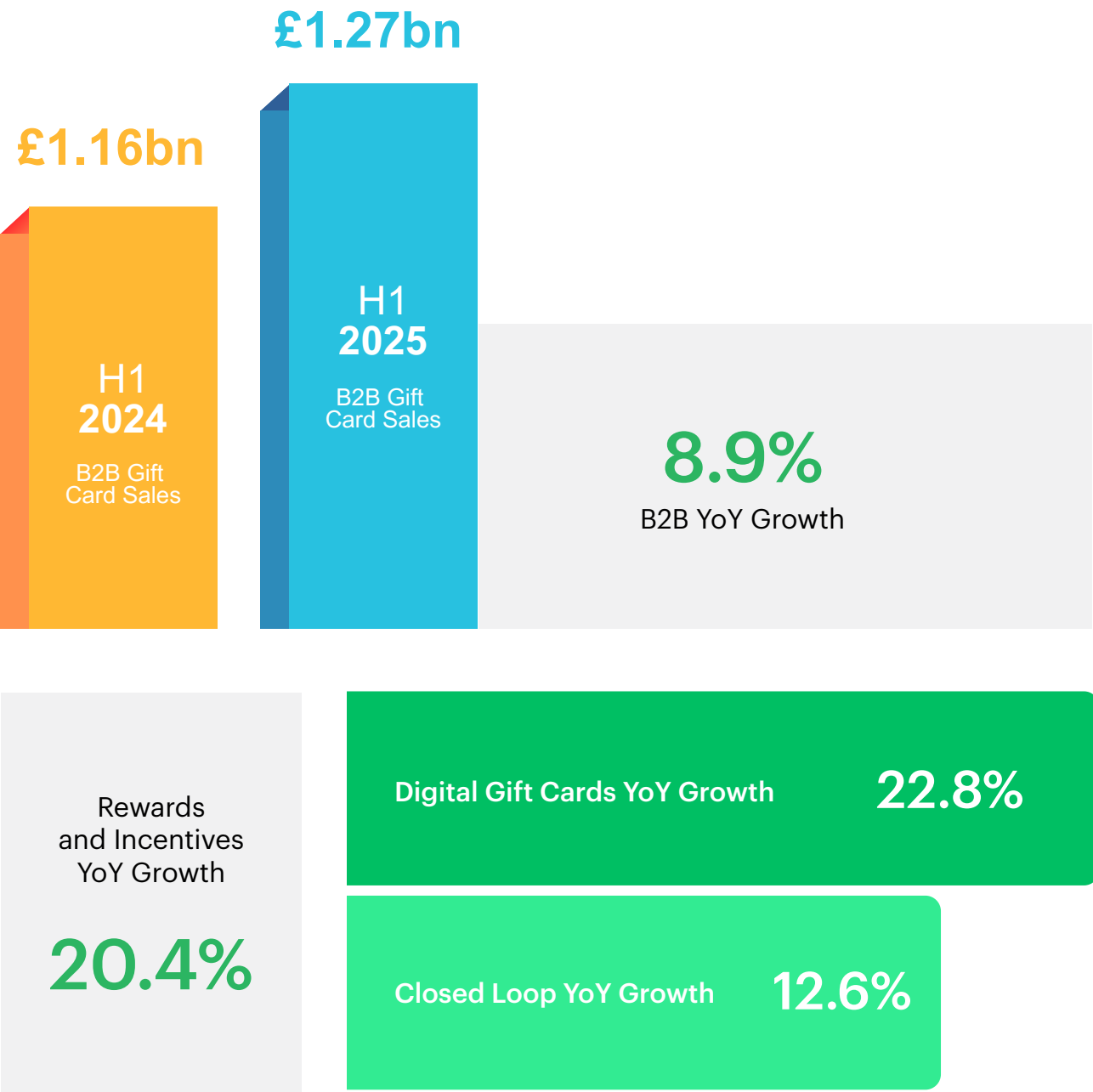
**maintaining their role as the most significant B2C avenue for purchases.**

**Online direct sales – i.e., purchases made via retailer websites, posted a significant uplift of 34% YoY, which is notable due to the relative size of the channel;** in absolute terms, £64.8m of sales were added in H1 2025 compared to 2024, with particularly strong performances from multi-sector members supporting growth.

The biggest growth was observed in **third-party channels, which posted an 81% increase compared with H1 2024.** This sharp uplift reflects the relatively small base of the channel (5.2% of total B2C in H1 2025) and the inclusion of new member reporting in this category for the first time during H1 2025.

# B2B Overview

▼ B2B Growth Highlights – H1 2025

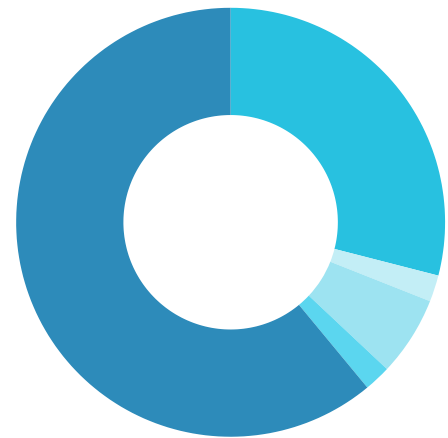
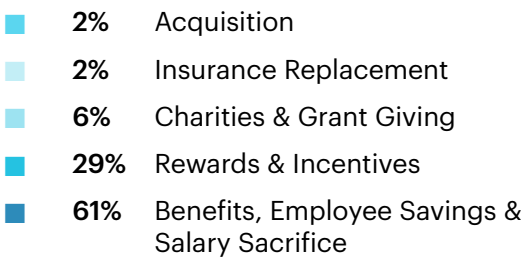


# B2B Market Summary

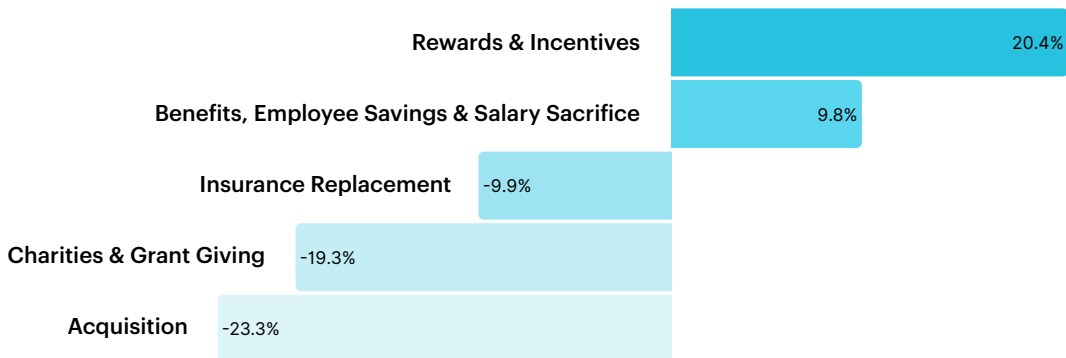
The B2B market recorded a **positive 8.9% year-on-year growth** among submitting members, contributing in large part to the total market value and growth rate, where B2B sales held the majority of overall share. Growth was driven by several standout segments – **digital gift cards surged by 22.8% year-on-year**, reflecting strong demand for instant and flexible distribution options among corporate buyers. **Closed-loop products expanded by 12.6%**, underlining their continued role in employer-led reward and recognition

programs. **Rewards & incentives as a sub-market recorded an impressive 20.4% uplift** among contributors thanks to strong YoY growth in open-loop products, which expanded from a relatively low base, alongside an **uplift of 23.8% in closed-loop products** – which contributed more to the absolute value. Rewards & incentives continue to be supported by an ongoing corporate focus on gift cards to drive engagement, reward performance and nurture loyalty among employees and customers.

## ▼ B2B Submarket Share % - H1 2025



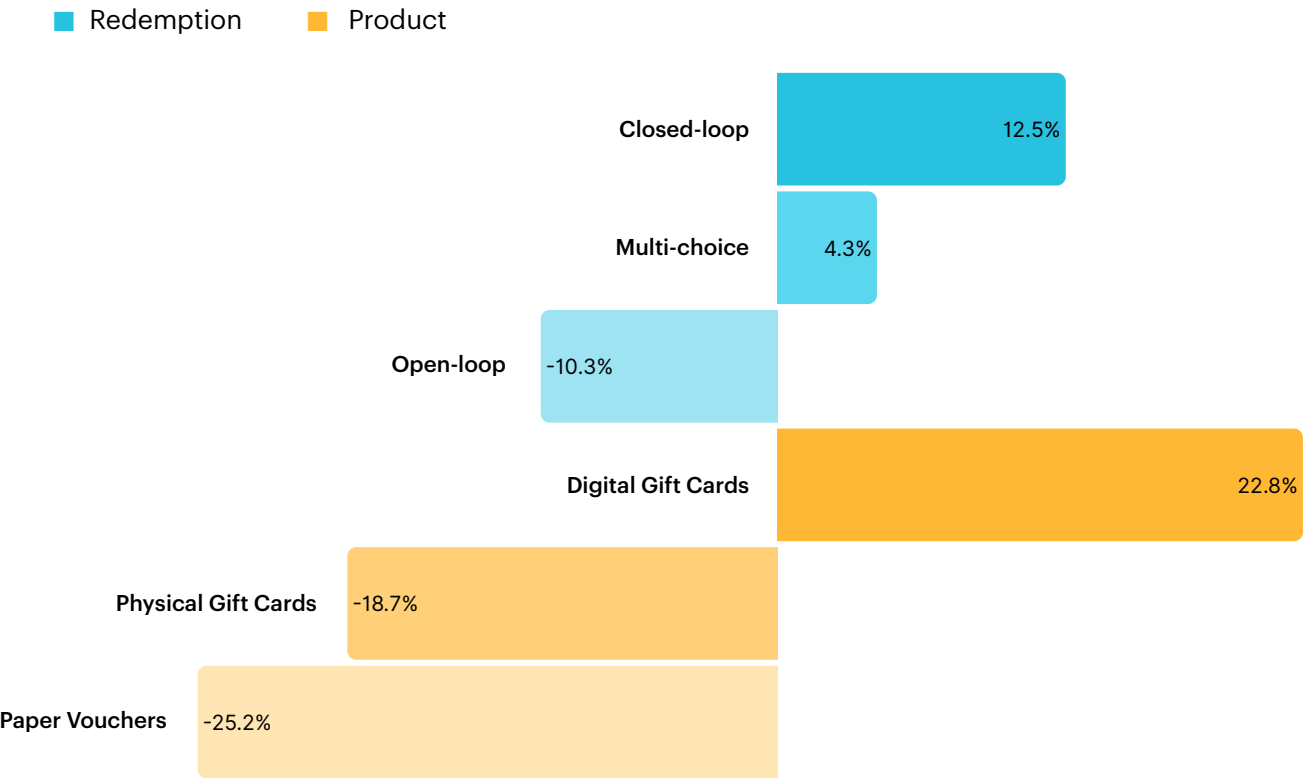
## ▼ B2B Submarket YoY Growth %



Within the B2B channel, employee-focused programmes continue to dominate, accounting for the bulk of activity. In H1 2025, **benefits, employee savings and salary sacrifice schemes represented 61% of B2B gift card sales and expanded by 9.8% year-on-year**, underlining their central role in the corporate market. **Rewards and incentives formed the second largest sub-market, with a 29% share in the period and delivered the strongest uplift, growing by 20.4% year-on-year**, once again reaffirming the sustained role of gift cards in recognition, performance rewards and customer loyalty initiatives.

Smaller applications contracted during the period, however. **Charities and grant-giving (6% share) fell by 19% year-on-year**, while **insurance replacement (2% share) declined by 10%** and **acquisition programs (2% share) dropped by a stark 23%** - largely in part due to one major player reporting a comparatively smaller H1 2025 value than the previous year. While these segments remain important niche use cases, their combined decline highlights a consolidation of growth into the two main corporate streams.

▼ **B2B - Product & Redemption Year-on-year growth % H1 24-25**



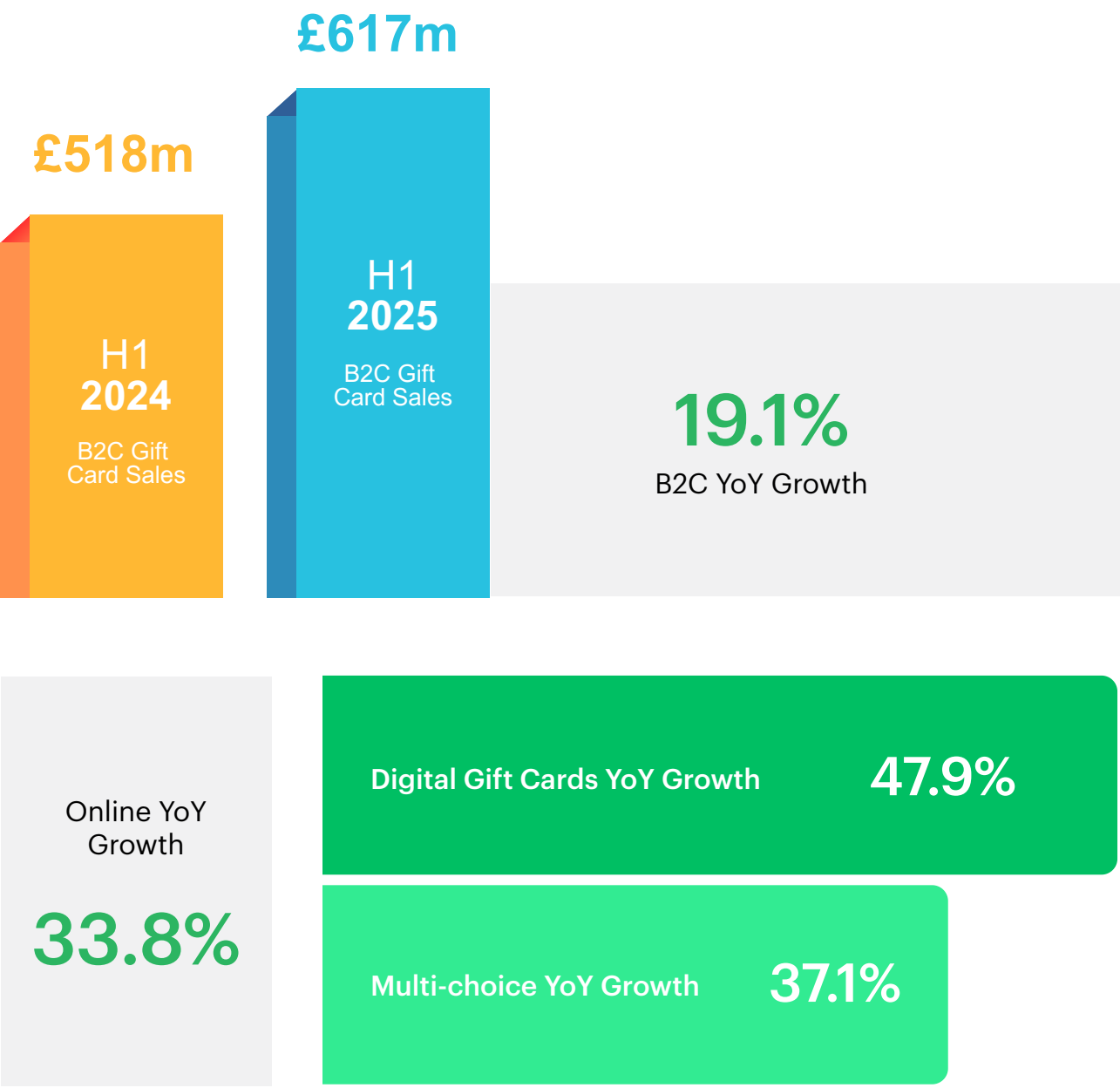
In the B2B channel, the shift toward digital-first formats continue to accelerate; **digital gift cards grew by 22.8% year-on-year**, cementing their role as the preferred medium for business-related disbursements as they **recorded £951m among contributing members in H1**. This comes alongside a **steep decline in physical (-18.7% YoY) and paper vouchers (-25.2% YoY) formats**, reflecting broader corporate digitization trends.

From a redemption standpoint, **closed-loop**, which holds **82% of the B2B sales value (up**

**from 80% in H1 2024)**, saw strong year-on-year growth of **12%**, led by continued reliance on retailer-specific gift cards. **Multi-choice formats saw a more modest 4.3% growth in the same period**, pointing to a growing demand for flexible options in corporate usage. In contrast to the other products, **open-loop gift cards declined by 10%**, reflecting the segments ongoing challenges around higher costs, limited differentiation and weaker uptake among corporate buyers.

# B2C Overview

▼ B2C Growth Highlights – H1 2025

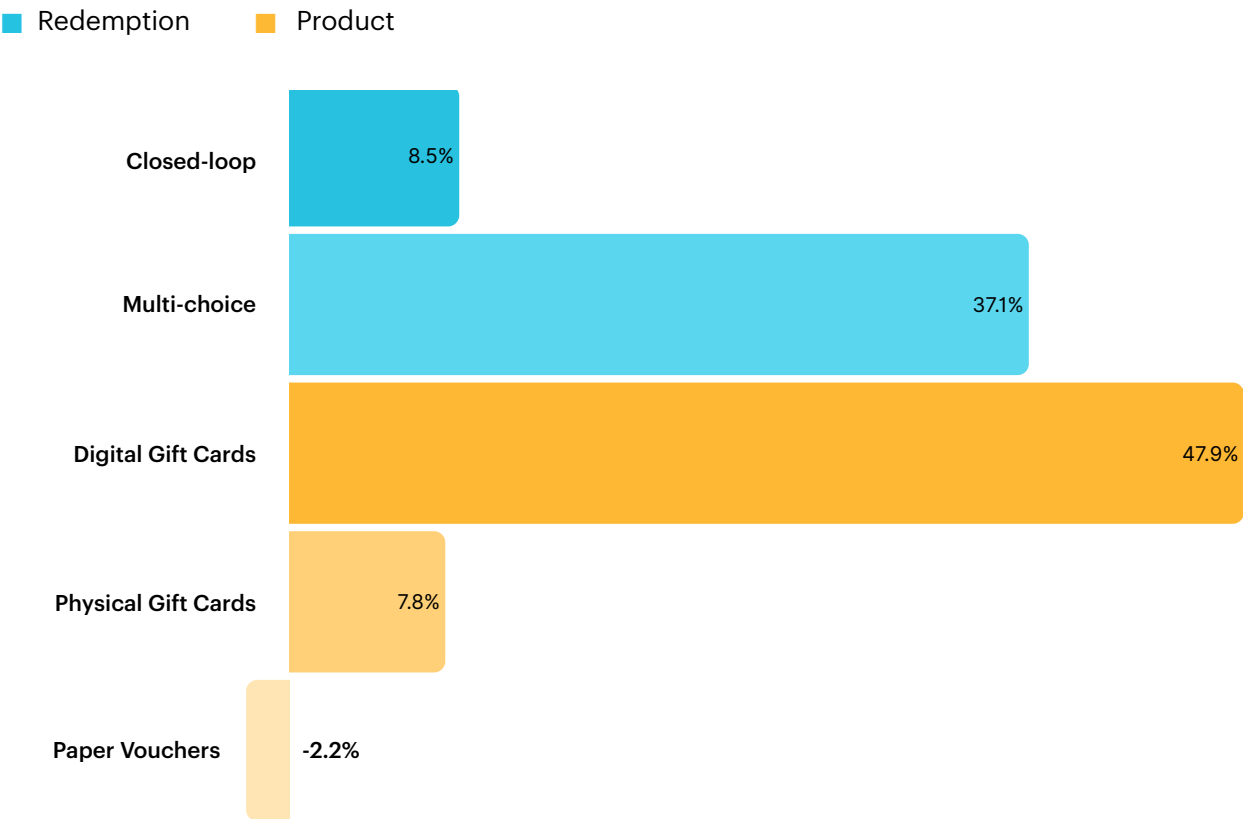


## B2C Market Summary

B2C gift card sales reached £617m in H1 2025 among contributing members, up from £518m in the same period last year. **This equates to 19.1% year-on-year growth**, notably tracking higher than the total market. B2C growth highlights include **digital gift cards, which surged by 47.9% year-on-year**, underlining the rapid shift towards online distribution in the consumer market. **Multi-choice products expanded by 37%**, reflecting consumer preference for greater flexibility in gifting. **Online channels, which comprise the biggest**

**sales avenue within B2C, posted a YoY growth of 33.8%, adding £64.8m** in sales, supported by strong performances from members operating across multiple retail sectors such as fashion, grocery, and general retail. **Third-party channels** (physical sales made via an agreement between retailers) also **posted strong growth of 81%**, although this relatively small in absolute terms, and is in large part due to a change in member reporting in H1 2025, which has consequently impacted the annual growth.

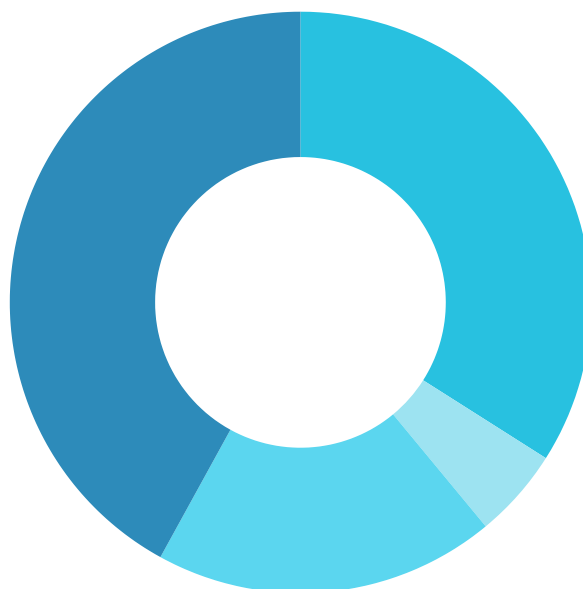
### ▼ B2C - Product & Redemption Year-on-year growth % H1 24-25



**Closed-loop cards within B2C grew by 8.5% year-on-year**, reflecting continued consumer demand for single-brand products, even in a climate where flexibility and value-for-money are increasingly priorities. **Physical gift cards expanded by 7.8%, while paper voucher fell by 2.2%**, reflecting the structural shift away from traditional formats. Overall, the B2C market is being reshaped by two reinforcing trends: a migration towards multi-choice redemption and the rapid expansion of digital products.

## ▼ B2C Channel Share % - H1 2025

5%	Third Party
19%	Gift Card Mall
34%	In Store
42%	Online

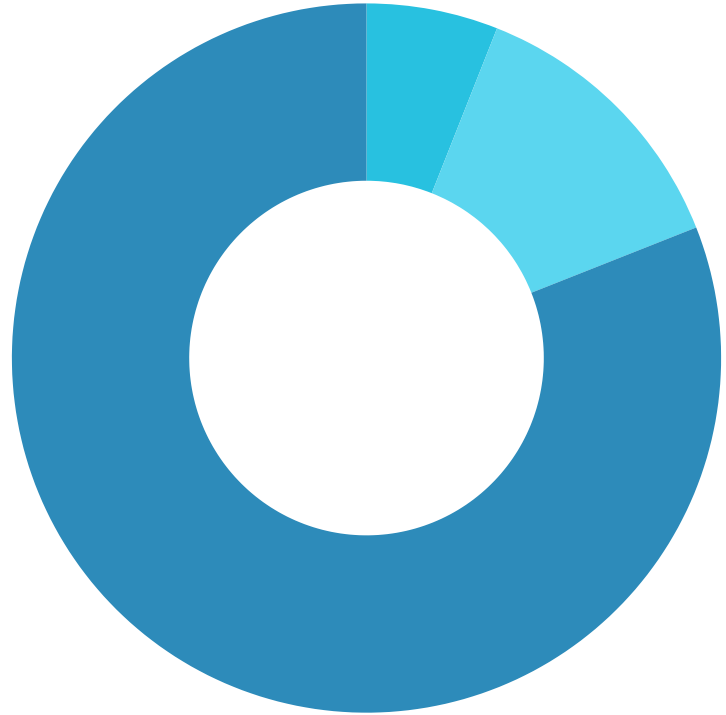
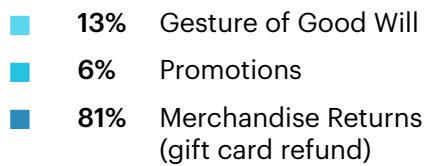


The channel mix within B2C was shaped by a continued migration towards online channels in H1 2025, with digital platforms capturing a growing share of consumer gift card purchases. **Online sales expanded by 34% year-on-year, adding £64.8m in absolute value.** As a result, online share of the B2C market rose from 37% in H1 2024 to 42% in H1 2025, reinforcing its position as the dominant distribution channel. Growth was supported by strong performances in retail subsectors with established online presence – particularly grocery and general retail, alongside increasing consumer uptake of digital gift cards. In store purchases declined in relative importance, falling from a 39% to 34% share, as a result of the move towards digital platforms. **Gift card malls accounted for 19%, slightly down from 21% last year,** suggesting a maturation of the channel.

In terms of year-on-year growth, **gift card malls remained a key channel with sales growing (+10.2% YoY), in-store showed modest growth of 4.4%, and online sales posted a very strong growth,** considering the relative size of the channel; while many larger members saw B2C growth in the period, multi-format gift card vendors saw particularly impressive B2C performances compared to H1 2024, adding significant sales values. The **81% surge in third-party** can again be largely attributed to a single member newly reporting under that grain in H1 2025.

# Non-Sale Snapshot

## ▼ Non-Sale Submarket Share % - H1 2025



Non-sale experienced a **7.5% year-on-year growth in H1 2025** among reporting members, reflecting weaker flows from returns and refunds, which dominate this segment in terms of overall value share, but growth in other areas.

**Merchandise returns and gift card refunds accounted for most of the non-sale activity (81% share) but fell by 1.3% year-on-year.**

**Gestures of goodwill represented 13% of the segment and expanded by 57.5% year-on-year**, though this growth is from a comparatively small base. **Promotional issuance accounted for 6% of non-sale in the period, but posted**

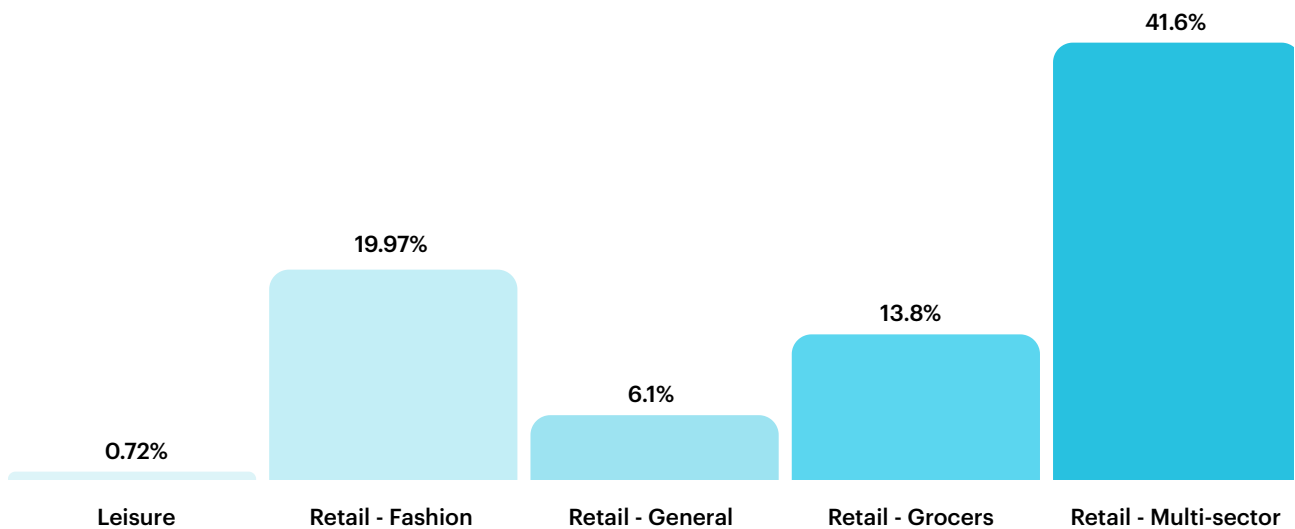
**the most dramatic movement, increasing from £2,977,932 in H1 2024 to £6,196,172 in H1 2025, reflecting a 108% increase year-on-year.** Again, this reflects growth from a comparatively small base.

Overall, the data points to a structural reliance on merchandise returns within non-sale, with fluctuations in smaller goodwill and promotional activity generating notably high growth rates, due to their limited scale.



# Sector Snapshot

## ▼ Subsector YoY Growth - H1 2024/2025

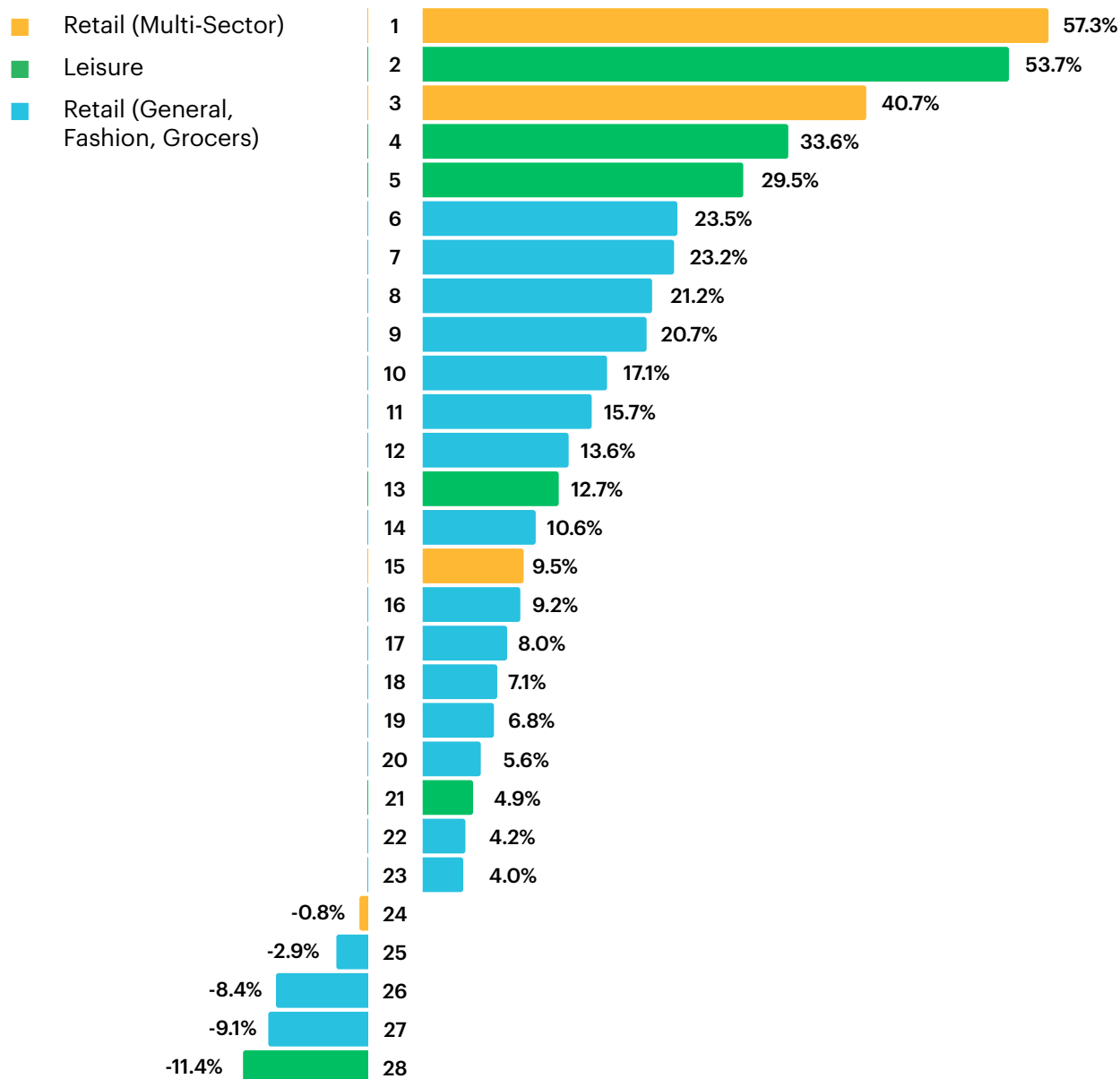


Growth trends varied across subsectors in H1 2025, highlighting an uneven distribution of consumer demand. **Leisure remained broadly flat, with sales rising by just 0.7% year-on-year**, reinforcing this segment's sensitivity to discretionary spend pressures as a symptom of wider economic headwinds throughout H1 2025.

Within retail, performance was much stronger, with several subsectors delivering notable gains. Despite the contraction in the wider retail fashion market, gift card **fashion sales grew by 20%**, supported by consumer appetite

for accessible discretionary spending and the appeal of fashion gift cards as versatile gifting options. **General retail expanded by 6%**, a more modest but steady increase reflecting continued reliance on gift cards in supermarkets and multi-category retailers. **Grocery recorded robust growth of 14%**, highlighting the role of gift cards in everyday spending, and **multi-retail recorded the sharpest increase of 42%**, underlining the strong momentum behind multi-category members.

## ▼ Individual Member Growth, Total Gift Card Sales - YoY H1 2024/2025



**Note:** Each bar represents an individual member's YoY growth. Retail multi-sector refers to issuers spanning multiple categories (distinct from multi-choice redemption).

While several leisure operators reported double-digit growth, one large member reported a decline that offset these gains, resulting in the overall leisure subsector showing a flat aggregated performance (+0.7% YoY).

# Retail Market Context

## The first half of 2025 was characterised by steady economic performance in the UK, shaped by fiscal tightening, labour market adjustments, and wavering consumer confidence

Economic growth was subdued, with the Office for National Statistics (ONS) reporting GDP expanding 0.7% in Q1 2025, before easing to 0.3% in Q2, with services and construction driving economic activity while production

lagged. The overall picture was one of stability rather than acceleration, with households and business’ alike adjusting to a high-cost environment.

## Inflationary pressures persist

ONS data showed that inflation remained above the Bank of England’s 2.0% target, ranging from 2.6% to 3.6% in the first half of 2025. June’s inflation rate of 3.6% marked an increase from the 2.0% recorded in June 2024, highlighting the persistence of inflationary pressures consumers are facing. The inflation was mostly driven by food and energy costs, which continued to absorb the bulk of household budgets, leaving little headroom for discretionary purchases and reinforcing a cautious consumer mood.

Month	CPI Rate
January	3.0%
February	2.8%
March	2.6%
April	3.5%
May	3.4%
June	3.6%

Table Note: Above data is provided by the ONS (Office for National Statistics).

## Interest rates begin to ease

The Bank of England lowered its interest rate twice over the H1 2025 period in a bid to support the slowing economy, furthermore, bringing much desired financial relief to many consumers. At the start of the year the interest rate was set at 4.75%, with the bank cutting it in February to 4.5% and then again in May to 4.25%, not since May 2023 have the interest been this low. Although the lower interest rates are welcomed, it will take time for many consumers to feel the positive impact as many are on fixed multiyear mortgages.

## The unemployment rate was higher month-on-month compared to last year, ranging between 0.2 and 0.5ppts

The increase in employer National Insurance (NI) contributions in April this year has meant it is more expensive for employers to hire.

Many retailers operate with small profit margins and rely on a large workforce that are paid minimum wage. The rise in the National Minimum Wage and National Living Wage in

April has increased labour costs, as a result, some retailers have implemented cost-saving measures, including reducing staffing. For June 2025 the unemployment rate sat at 4.7% vs 4.2% last year.

## Policy changes further added complexity to both households and employers

With the increases to National Minimum Wage, National Living Wage and National Insurance contributions, income at the lower end of the labour market received tangible support, but increased staffing costs across labour intensive industries such as retail. These changes subsequently made the balance between supporting wages and absorbing higher payroll costs more acute. At the same time, the freeze on income tax continued to erode disposable income through fiscal drag, while unemployment edged higher. These dynamics left household finances under continued pressure and contributed to a subdued outlook, with the GlobalData UK April Consumer Sentiment showing the present sentiment index down 1.6 points to +1.8.

Seasonal conditions also influenced economic activity profoundly in H1 2025, with the BRC highlighting that June's unseasonably hot weather reduced high street footfall and diverted spend towards leisure, travel and online channels.

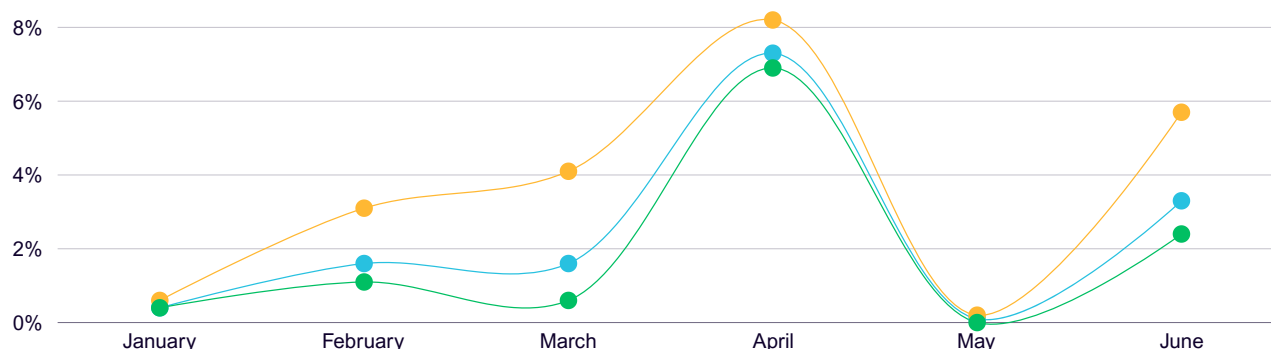
## The total retail market grew 2.4% in H1 2025 to £221.0bn

The clothing & footwear market declined 1.8% as consumers prioritised spend elsewhere, all other markets (food & grocery (3.3%), health & beauty (5.6%), electricals (2.8%), furniture & floor coverings (2.5%), DIY & gardening (1.1%), homewares (1.8%), and other (2.4%)) experienced growth. At 5.6%, Health & Beauty was the strongest performing category.

April outperformed the market, with growth of 7.3%, as the warmer than average weather encouraged consumers to shop in physical stores as a social activity, at the same time, shoppers brought summer purchases forward. On the flip side, May experienced the weakest performance, with minimal growth of 0.1%, as consumers rebalanced spending from the month before. The markets lacklustre performance in May bounced back in June, with the market growing 3.3%, the second-best performing month. After May, January was the second-worst performing month, growing 0.4%, as retailers continue to enter end-of-season sale earlier and earlier, resulting in little discounts to be desired in January.

The online channel outperformed the market, growing 3.7% vs 1.9% offline, as retailers continue to invest in their digital platforms. Total online penetration levelled out at 27.8% for the half, a lift of 0.2ppts. As with the total market, Health & Beauty was the strongest market, growing an impressive 10.3% as retailers improved their online propositions within this space.

### ▼ Retail Value Growth:



	Total	Online	Offline
January	0.4%	0.6%	0.4%
February	1.6%	3.1%	1.1%
March	1.6%	4.1%	0.6%
April	7.3%	8.2%	6.9%
May	0.1%	0.2%	0.0%
June	3.3%	5.7%	2.4%

Table Note: Above data is provided by GlobalData

## External pressures added further uncertainty in H1 2025, with the beginning of 2025 dominated by debate over US tariff changes and wider global tensions, creating volatility in forecasts and contributing to a cautious tone in economic commentary

While the immediate impact on growth was limited, the lack of clarity over future trading conditions weighed on both businesses and consumers. This uncertainty acted as a brake on expectations, tampering the more solid GDP growth recorded in the first quarter. GlobalData's future consumer sentiment index revealed a decline in consumer confidence following President Trump's "Liberation Day"

tariff announcements. The personal finances index dropped significantly, with 40.2% of UK consumers expecting their financial situation to worsen over the next six months, compared to just 21.9% who anticipate improvement (37.9% expect no change). Retail spending intentions also declined, with the struggling clothing & footwear market experiencing the most significant drop, as shoppers planned

to be more cautious with their purchases, particularly regarding non-essential items.

Consumer sentiment was also a defining feature of the economic backdrop over the H1 2025 period in the UK, with confidence levels shifting month to month, reflecting both the interplay of changing inflation rates, economic pressures, and political tensions.

In January, GlobalData's Consumer Sentiment report showcased a dip, with both the future and present sentiment index falling 4.4 points and 1.4 points, respectively. Given the economic uncertainty at the time due to tariff talks, consumers were hesitant to spend on non-essential categories, with the food & grocery index the only category in the retail spending index to improve on the

previous month, as consumers prioritised spending on essentials. Similar dips in GlobalData's consumer sentiment reports were observed in April following Trump's further announcement of tariffs, while figures in May lay flat as consumers felt somewhat more clarity regarding the economic uncertainty. Conversely, February, March and June all presented strengthened future indexes in consumer sentiment, encouraged, in part, by a combination of greater clarity on international trade tensions, Spring policy announcements that provided better visibility on fiscal outlook, and a perception of greater economic stability heading into summer.

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## **Gifting sales in H1 2025 were, as always, shaped by key seasonal occasions**

GlobalData's Retail Occasions Series found that in 2025, 39.5% of consumer spent more on Valentine's Day compared to 2024, and 38.0% spent more on Mother's Day than the previous year. However, for Easter 2025, GlobalData's Retail Occasion Series highlighted that fewer Easter shoppers purchased gifts in 2025, falling 1.2ppts to 76.9%, continuing the downward trend in this category since 2021. More recently, GlobalData's Father Day figures showcased that 51.7% of consumers purchased at least one item or service for Father's Day, up 6.3ppts on the previous year, with a larger share of their spend directed toward leisure activities, indicating a growing trend of consumers prioritising experiences over traditional gifts.

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## **Gift card performance in H1 2025 was influenced by a combination of supportive drivers and limiting inhibitors**

On the positive side, unseasonal sunshine around Easter (with the Met office recording the sunniest April since records began) created a favourable backdrop for seasonal activity and gatherings. Signs of modest growth also provided greater stability compared

with recent years, while the resolution of tariff uncertainty in the latter half of H1 2025 reduced some of the external pressures weighing on the UK economic outlook and consumer confidence.

At the same time, several headwinds continued to constrain conditions. Persistent inflation remained a feature of the economy, keeping household budgets under pressure. The April policy changes, including adjustments to stamp duty, higher employer national insurance rates, and the continuation of frozen tax thresholds, added both household and business costs and further encouraged financial squeeze. Broader economic uncertainty remained a defining characteristic of the period, with the addition of high-profile cyber-attacks highlighting the vulnerability of the retail market. This, combined with a wider climate of general caution, underpinned the fragility of economic confidence and recovery.

Looking ahead, the gift card market is expected to be influenced by structural trends that extend beyond short-term economic fluctuations, though these remain key influencers. The continued shift towards the online channel continues to gather pace, further supported by the

growing application of AI in areas such as shopping personalisation and distribution. Alongside this, wider consumer preference for purchasing experiences over physical goods is further reflecting broader changes in spending priorities. For the gift card market, these developments present opportunities. Their flexibility makes them well placed to capture spend directed towards experiences as well as traditional retail purchases, while digital improvements and AI innovations offers scope to enhance the gift card experience by broadening choices, convenience and consumer appeal. Realising this potential, however, will depend on the ability of retailers to adapt effectively and align their technologies and offerings with shifting consumer expectations.

# Methodology

GlobalData has collected gift card sales data from submitting members of the GCVA. This data has been analysed and aggregated, to provide a view of various dimensions, including product type, channel, sector, subsector and redemption type. Submitted data was aggregated and validated for consistency with previous reporting periods. Reporting periods and growth figures are provided as like-for-like in terms of the reporting cohort; all data is therefore given in relation to the same set of submitting members.

## About GlobalData

GlobalData is a leading data, analytics, and insights provider in the world's largest industries.

In an increasingly fast-moving, complex, and uncertain world, it has always been easier for organizations and decision-makers to predict and navigate the future. This is why GlobalData's mission is to help our clients to decode the future and profit from faster, more informed decisions. As a leading information services company, thousands of clients rely on GlobalData for trusted, timely, and actionable intelligence. Our solutions are designed to provide a daily edge to professionals within corporations, financial institutions, professional services, and government agencies.

### Unique Data

We continuously update and enrich 50+ terabytes of unique data to provide an unbiased, authoritative view of the sectors, markets, and companies offering growth opportunities across the world's largest industries.

### Expert Analysis

We leverage the collective expertise of over 2,000 in-house industry analysts, data scientists, journalists, and a global community of industry professionals to provide decision-makers with timely, actionable insight.

### Innovative Solutions

We help you work smarter and faster by giving you access to powerful analytics, customizable workflow tools tailored to your role, and direct access to our expert community of analysts.

### One Platform

We use a single taxonomy across all of our data assets and integrate our capabilities into a single platform, giving you easy access to a complete, dynamic, and comparable view of the world's largest industries.





The GCVA is the trade body and membership organisation for gift cards and vouchers. The association represents the key players in the industry and promotes best practice for the benefit of gift card issuers, services and consumers.

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