State of the Nation

2025

GlobalData.

Sponsored by:

MBL Solutions
A LOVE2SHOP Company

Gift Card & Voucher Association

Full Report
Nov 2025

About

The Gift Card & Voucher Association (GCVA) is the official trade body and membership organisation for gift cards and vouchers. The GCVA represents the key players in the industry and promotes best practice for the benefit of gift card issuers, services and consumers. The GCVA's role is to protect and promote the gift card sector: keeping members up to date with trends, issues, challenges and opportunities; advocating on key legislation and regulation; facilitating business opportunities; commissioning vital research; collaborating with stakeholders; delivering in-person and digital networking & events; and promoting businesses within the sector that adhere to best practice and drive the industry forward.

Glossary

Consumer segments:

- Generation Z refers to shoppers aged 16-28
- Millennials refers to shoppers aged 29 - 44
- Generation X refers to shoppers aged 45 - 60
- Baby Boomers refers to shoppers aged 61 - 79
- Silent Generation refers to shoppers ages 80+

Gift card types:

- A retail gift card is a card for a specific high street/e-commerce retailer or a store branded gift card
- A multi-store gift card is a single gift card which can be spent in multiple retailers, brands, outlets or businesses
- An Experience gift card is used for activities such as a hot air balloon ride, helicopter ride, hotel stay, theatre tickets etc.
- A leisure gift card is used for activities such as such as travel (e.g. airline, train etc.) and dining
- A gaming gift card is primarily used for online gaming credit and in app purchases
- A music gift card is primarily used for downloads or subscription

Primary research

This project included three strands of primary research:

- A monthly consumer research programme, across a nationally representative sample of 2,000 UK consumers over May 2020 – September 2025
- Additional targeted consumer questions, over October and November 2025. All phases were across a nationally representative sample of 2,000 UK consumers.
- A specific short survey of the GCVA membership, over November 2025, which was completed by 45 members.

Contents

Report sponsored by:

MBL Solutions

A LOVE2SHOP Company

At MBL we supply technology and expertise to enable profitable gift card programmes for merchants.

With our industry leading technology, client-focused solutions and unrivalled market knowledge - MBL provides everything needed to establish, deliver and drive a profitable gift card programme.

We are experts in both physical and digital gift card products across both the B2B and B2C sectors, working with some of the biggest UK retailers including B&M, Greggs, New Look, Pizzaexpress, schuh and Tapi Carpets.

Alexis Matherson
Director of Integrated Clients & MBL Solutions

Interested in sponsoring a GCVA report or publication? Email victoria@gcva.co.uk for more information.

Introduction

Foreword from:

Hannah Shimko
Managing Director GCVA

The findings in this year's State of the Nation report show a sector that continues to adapt and grow despite a demanding economic backdrop. Gift cards remain a trusted choice for many people. They offer something that feels straightforward and dependable at a time when the wider retail environment is still unsettled.

What comes through strongly is the way gift cards evolve to meet changing needs and lifestyles. People are using them to plan their spending, make their money work harder and support the brands they care about. The rise in self use shows how gift cards have become a practical tool as well as a thoughtful gift. This shift speaks to the strength of the product and the confidence consumers have in it.

Another encouraging sign is the continued, growing engagement from Gen Z. This generation is embracing gift cards across more occasions and using them quickly and confidently, often through digital formats. Their enthusiasm for flexible spending, experiences and app based rewards points to a bright future for the sector. As their spending power increases, their behaviour is likely to shape the next chapter of growth for gift cards.

The member survey offers an equally positive view from inside the industry. Many organisations have expanded their teams, invested in new capabilities and seen strong growth in both consumer and business channels. There is also a real sense of momentum behind partnerships, innovation and digital development. The confidence shown by our members reflects a sector that is ambitious, collaborative and ready to meet rising expectations from customers and corporate partners alike.

For businesses, the picture is just as positive. Employers are using gift cards more widely to recognise and reward staff. At the same time, we are seeing continued growth through reward schemes, loyalty programmes and cashback platforms. These channels are helping more people discover gift cards and giving them more ways to use them.

Digital progress is another clear theme this year. Expectations are rising quickly and the industry is responding with real focus through investment in mobile wallet capability, stronger security and better customer experiences. It is encouraging to see so many members strengthening their operations and preparing for the next phase of growth.

Overall, this report highlights a sector that remains resilient and forward looking. Gift cards offer value, choice and simplicity at a time when these qualities matter more than ever. I am proud of the work our members do each year and optimistic about the opportunities ahead as gift cards continue to play a growing role in how people shop, save and engage.

Top 10 Takeaways

01

Self-use has become mainstream

16% of UK consumers bought a gift card for themselves in H1 2025, matching the figure for gifted cards, and cementing gift cards as a part of everyday spending.

02

Value is the primary motivation

Half of self-purchasers buy gift cards to save money, and promotional purchases have more than doubled since 2021.

03

Flexibility and multi-store options drive preferences

The share of gift card purchasers buying single-retailer gift cards fell by 4.8ppts to 48% in H1 2025 compared to the previous year, while multi-store rose 4.9ppts to 40%; in terms of GCVA member data, multi-choice redemption cards grew by 27% year on year in H1 2025 among the same cohort (like-for-like) of submitting members.

04

Digital expectations are rising

43% of consumers want wallet-compatible gift cards, and 97% of gift card managers see mobile-wallet integration as a short-term priority.

05

Redemption is becoming more immediate

Half of consumers use cards within a month of receipt. Gen Z redeem even faster, showing a preference for instant spending.

06

Trust and stability remain crucial

Nearly 39% of UK consumers worry about retailer collapse, highlighting the need for reliable brands and transparent expiry and redemption terms.

07

B2B channels drive growth

69% of gift card managers identify B2B as the biggest growth channel, with 81% viewing gift cards as a strategic revenue driver.

08

Loyalty and reward ecosystems are converging

Partnerships with loyalty and cashback platforms are expanding; 73% of retailers are developing such collaborations.

09

Fraud prevention and security dominate concerns

96% of gift card managers highlighted growing fraud concerns, making investment in secure digital infrastructure a priority.

10

Value and flexibility motivate purchase

26% of consumers say they'd be more likely to buy a gift card if it offered cashback, points, or multi-channel redemption.

The Consumer Gift Card Landscape in H1 2025

Wider market dynamics contextualise gift card spend

Financial pressures remain

Throughout 2025, the UK retail market remained sluggish, with GlobalData currently forecasting the **non-food retail market to grow 1.7%**, driven by inflation. Although inflation has lowered compared to recent years (7.9% in 2022 and 6.8% in 2023), it has remained higher than the Bank of England's target of 2.0%, with **GlobalData forecasting FY 2025 inflation to level out at 3.4%**, 0.1ppt higher than last year (2024). As financial pressures linger from the cost-of-living crisis, consumers have been forced to cut back further on non-essential spending in 2025.

Consumer confidence plateaus

In October, **GlobalData's monthly consumer future sentiment index remained relatively flat**, strengthening slightly by 0.3 points, to -35.6. This is a consequence of little movement in each of the contributing indexes: economic outlook, personal finances and retail spending. The economic outlook fell slightly, down 0.2 points from the previous month, to -48.0. The announcement of the autumn budget continues to weigh on UK consumers' minds. Although the IMF announced their expectation in mid-October for the UK to be the second-fastest growing advanced economy this year and next, uncertainty rose after Chancellor Rachel Reeves indicated higher taxes on the wealthy would "be part of the story" for the autumn budget. **This news is a development that many households interpreted as a threat to future personal finances**, resulting in a 0.5 point drop in this index. The effects of ongoing cost pressures associated with high inflation, fiscal uncertainty, and weak but stable economic growth help explain why consumers' forward-looking expectations remained broadly unchanged between September and October 2025.

Household income marginally improves

The present sentiment index strengthened significantly in October, rising 3.1 points compared to September 2025 and 7.9 points versus last year, to reach +7.2. This rise was driven by month-on-month increases of 7.6 points in both the essential spend index and treats & luxuries index. ONS Real Time Information data published on 14 October 2025 estimates that average monthly pay rose by around 5.5% year-on-year in September 2025. With consumer price inflation at 4.1% in September 2025, wage growth has generally outpaced price rises in recent months, producing modest real terms gains for many households. **This will have increased disposable income and eased immediate cost pressures, making households more willing and able to spend on essentials and to treat themselves to discretionary items.**

A mixed bag and foggy outlook

In summary, the UK's economic backdrop in 2025 remains finely balanced. Persistently high inflation, though easing, continues to squeeze household budgets, while gradually lowering interest rates and rising wages provide some relief. Until the Autumn Budget delivers greater clarity, the broader economic outlook will remain uncertain, leaving both consumers and retailers navigating a cautious environment.

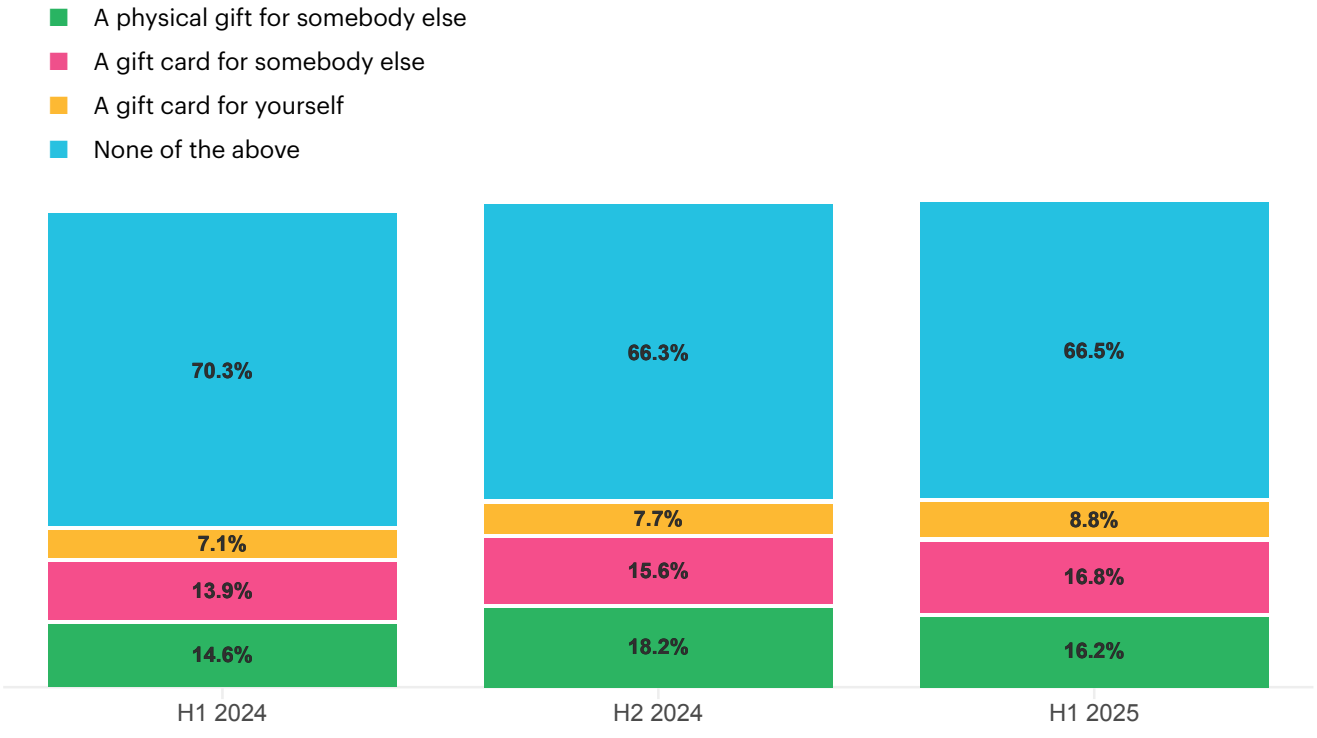
The Gift Card Consumer in H1 2025

Flexibility, value and generational shifts define the 2025 gift card consumer

Shifting preferences towards key gifting occasions

During the first half of 2025, the UK gifting market continued to mirror wider pressures in retail, with consumers celebrating more occasions, but spending more selectively. **Major retail gifting events in H1, including Valentine's Day, Mother's Day and Father's Day, all saw a rise in the share of consumers who marked the occasion, yet performance on actual gift purchasing was mixed.** Father's Day and Valentine's Day both recorded growth in participation, up by **1.8%** and **15.9%** respectively, while Mother's Day declined slightly **(-0.3%)** on top of an already weak comparison period in 2024 **(-7.9%)**, suggesting that some households continue to scale back discretionary spending during the early months of the year.

Q. Did you purchase any of the following. (%)

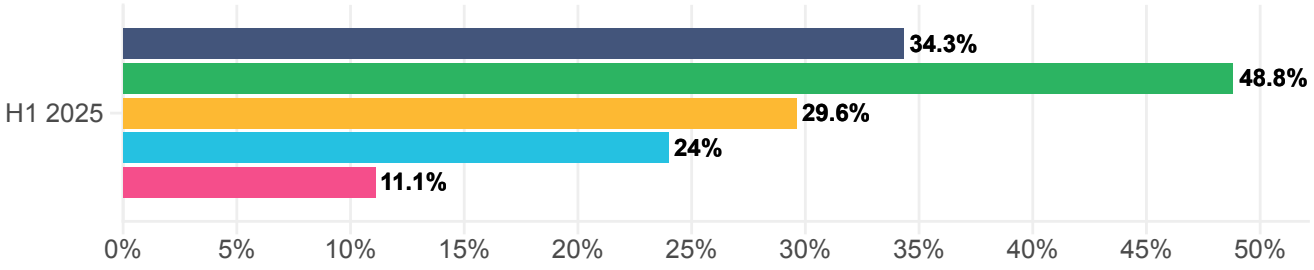


Consumer participation in gifting continues to recover

Survey data indicates a broad increase in gifting participation in H1 2025; all key gifting behaviours ***(physical gifting for someone else, a gift card for someone else or a gift card for yourself)*** increased year on year, while the average share of consumers selecting none of the above feel from 70.3% to 66.5%, signalling a rebound in participation from H1 2024. Physical gifting increased from a H1 average of 14.6% in 2024 to 16.2% in 2025, while gift cards saw even stronger momentum. Purchasing a gift card for somebody else rose 2.9ppts to 16.8%, and self-use gifting increased from 7.1% to 8.8%. Taken together, the data shows that more consumers are engaging with the gifting category overall, with gift cards capturing a growing share of that activity – both as a convenient gifting choice and as a tool for personal budgeting.

Q. And which type of gift cards did you purchase?

- A physical gift card from a retailer/gift card issuer online
- A physical gift card from a retailer/gift card issuer instore
- A digital gift card from a retailer/gift card issuer online
- A physical gift card through a work incentive/reward programme/A physical gift card through an employee benefits programme
- A digital gift card through a work incentive/reward programme/ A digital gift card through an employee benefits programme



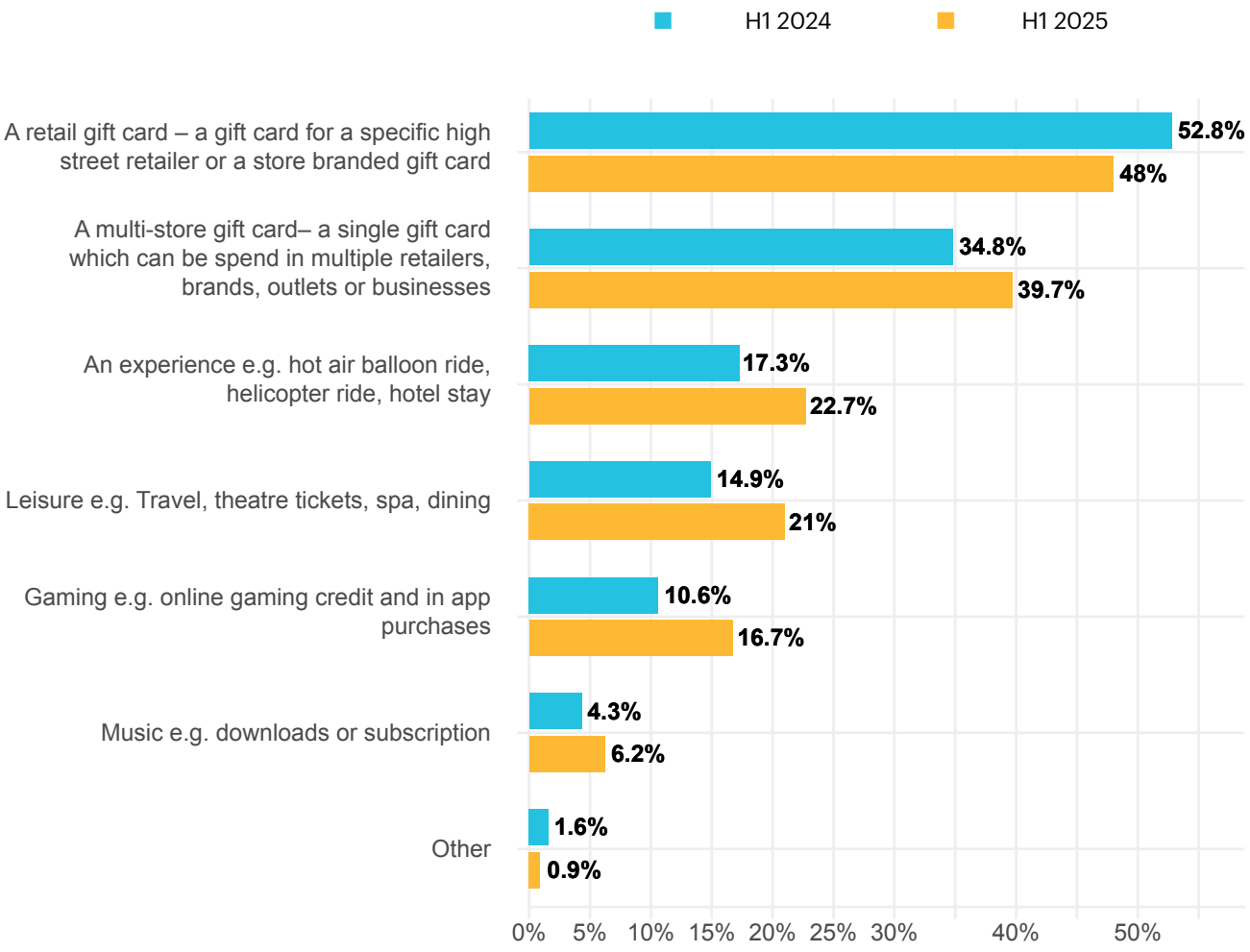
Cross-channel cements its importance

Nearly half **(48.8%)** of gift card consumers purchased at least one ***physical gift card from a retailer/gift card issuer instore***, the highest percentage since H1 2022. Although digital gift card consumer penetration witnessed a slight drop of **1.5ppts to 29.6%**, it was up against a tough comparative and remains above average **(28.4%)** since tracking began in 2021. A softer penetration rate in H1 2025 sits alongside strong digital sales in H1 and highlights higher average load values and increased spend among engaged digital users. Retailers combining both a physical and digital presence can offer a wider reach and greater convenience for consumers. With both formats maintaining strong engagement, the evidence points to complementary rather than competing roles for in-store and online channels within the UK gift card market.

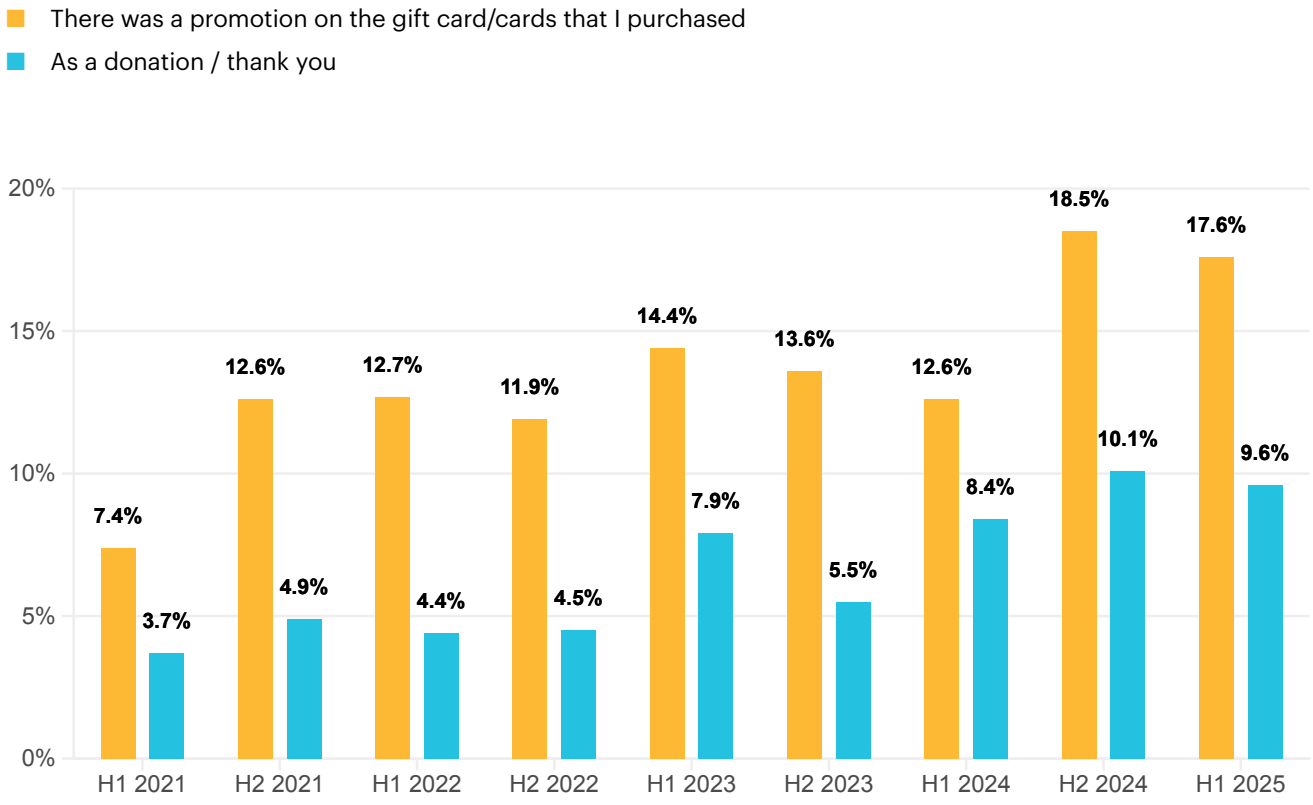
Consumers shy away from retail gift cards for a specific high street retailer

All types of gift cards grew in popularity in the first half of the year, except ***retail gift cards for a specific high street retailer or a store branded gift card*** which dropped **4.8ppts to 48.0%**, as consumer preferences lean towards multi-store gift cards, with the latter growing **4.9ppts to 39.7%**. Gaming gift cards witnessed the highest lift in demand, growing **6.2ppts, resulting in 16.7%** of gift card consumers purchasing at least one in the first half of the year, supported by the continued expansion of gaming across age groups and easier digital access. While this movement may reflect short term behavioural shifts among consumers in 2025, it aligns with aggregated GCVA sales data, with **multi-choice redemption gift cards recording a 27% increase year-on-year in value in H1 2025**, underscoring their growing role in driving market growth.

Q. When purchasing gift cards (includes gift cards, vouchers, digital, e-gift codes etc.), which types of gift cards did you purchase, either for yourself or someone else? Please select all that apply



Q. And why did you purchase a gift card for somebody else? Please select all that apply (Only asked to those that purchased for somebody else)

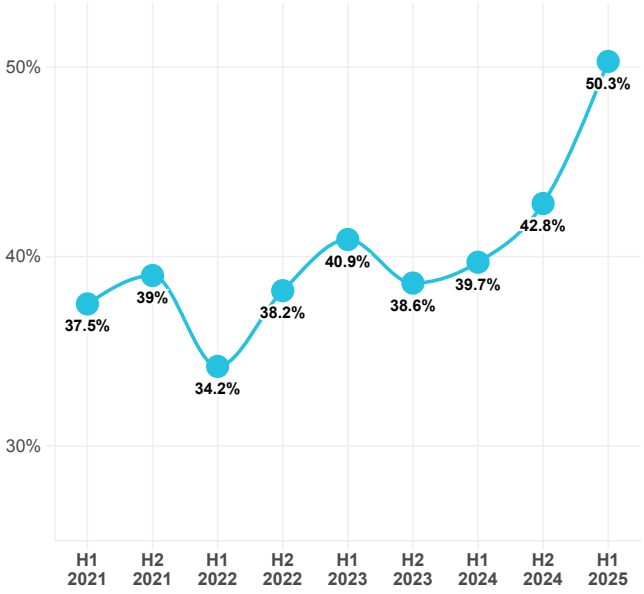


Promotions drive demand

Since the start of the cost-of-living crisis, financially cautious consumers have been increasingly seeking out opportunities to get better value for money, with the percentage of gift card consumers who purchase gift cards with a promotion steadily increasing too. **In H1 2025 an average of 17.6% of gift card consumers said this was one of the reasons they made a purchase compared to 12.6% in H1 2024 - growth of 81%.** Promotions such as bonus cards for purchases (e.g., buy £50, get a £10 bonus card), percentage-off discount (e.g., 10% off), and bundle offers (e.g., two for the price of three) allow for consumers to save money. At the same time, this allows for retailers to increase the perceived value of the gift cards to encourage spending. Similarly, purchasing a gift card as a donation and/or thank you has seen an upwards trajectory, growing by **34%** over the same period from an average of 8.4% in H1 2024 to 9.6% in H1 2025, allowing for gift card recipients to support a specific cause.

Q. And why did you purchase a gift card for yourself? Please select all that apply (only asked to those that purchased for themselves)

To help with saving money



A growing proportion of consumers look to save money

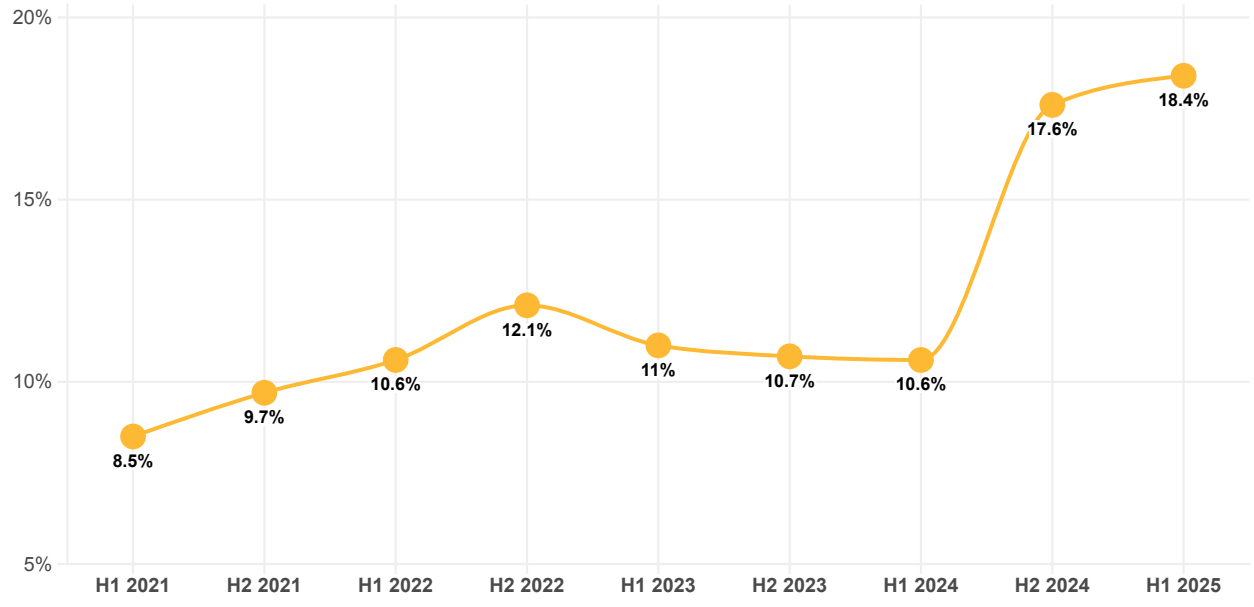
Consumers who purchase gift cards for themselves are most likely to purchase them to help with saving money. **For the first time since tracking began, over half (50.3%) said this was why they purchased a gift card in H1 2025.** Buying a gift card at a discount from its face value allows consumers to save money when using them to make a purchase, particularly on big ticket items.

Consumers cut back on spending altogether

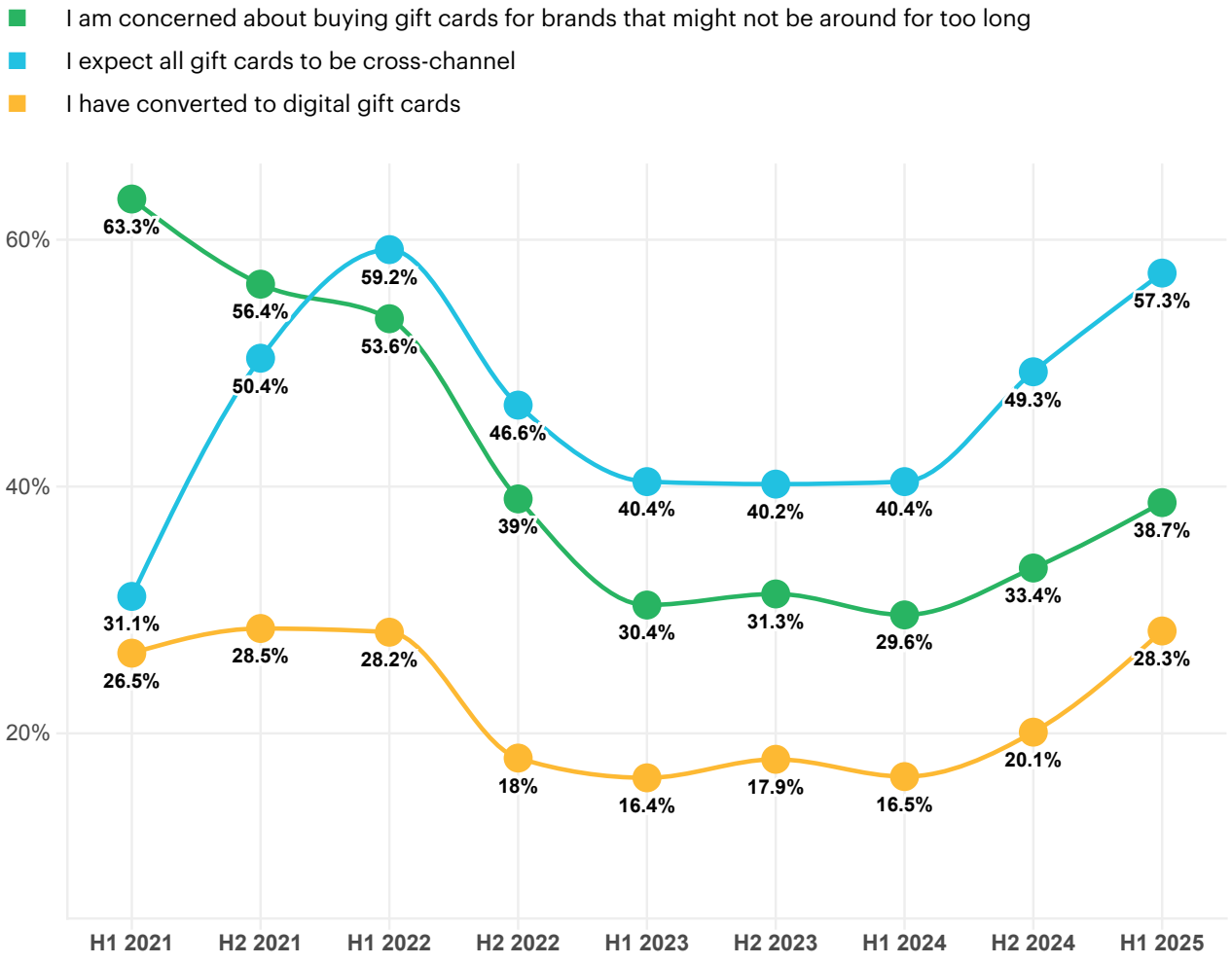
Of those who did not purchase a gift card, **18.4% said it was because they have cut back on non-essential spending, a lift from 8.5% in H1 2021**, reflecting cautious consumer sentiment amidst continued macroeconomic uncertainty.

Q. And why didn't you purchase gift cards? Please select all that apply (only asked to those that haven't purchased gift cards)

I have cut back significantly on my non-essential spending



Q. Agreement statements



Hesitant consumers avoid brand commitment

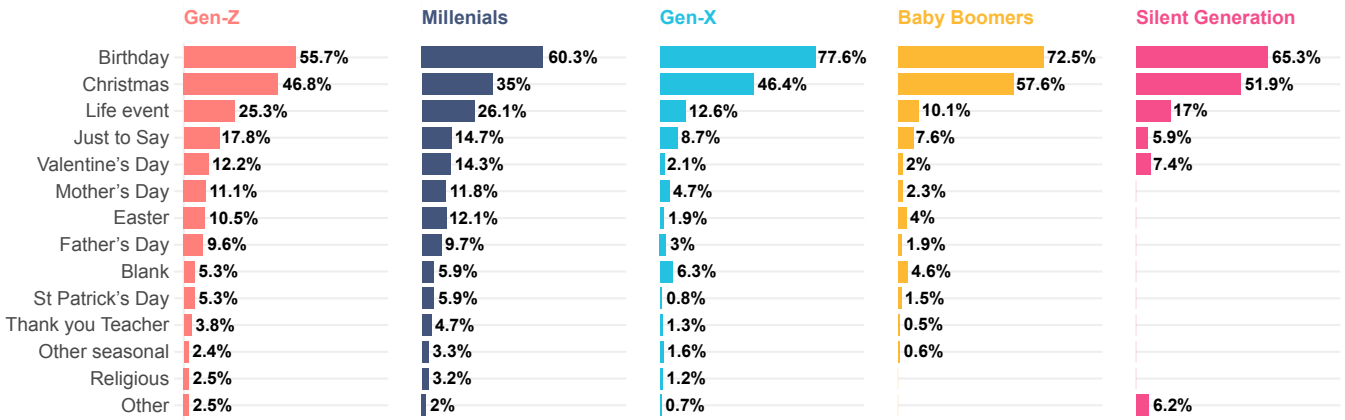
Consumer caution has re-emerged around their confidence in brand-specific gift cards. At the height of the pandemic, **63.3% of consumers said they were *concerned about the risk of a retailer closing before they could redeem their card.*** That figure dropped sharply as conditions normalised, reaching **29.6% in H1 2024**, but has since begun to climb again, **rising to 33.4% in H2 2024 and 38.7% in H1 2025.**

A series of high-profile brand closures and store reductions has reignited unease, leaving many shoppers wary of committing to single-brand cards.

A growing demand for versatility

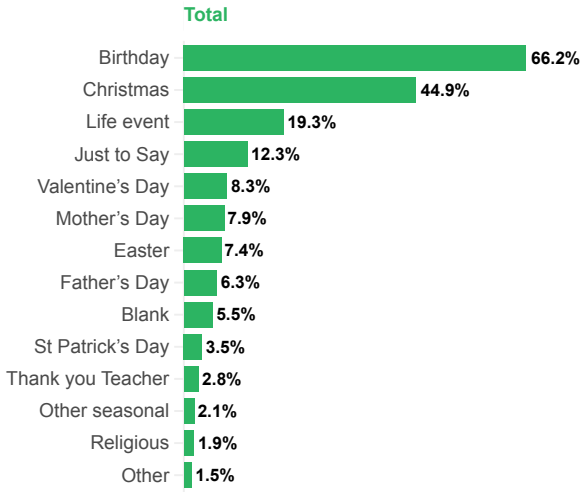
For the fifth consecutive half-year period, consumers have shown a **clear preference for versatile gift cards** that can be used across channels. An increasing share now expects cards to be **cross-channel compatible**, and more report having switched to digital formats. Together, these trends mirror the continued rise of **omnichannel shopping** and the broader adoption of **digital payment platforms.**

Q. And which of these gift card occasions have you personally purchased cards for in the last 12 months?



Younger generations are the most engaged

Birthdays as a gifting occasion retains its market dominance, with **66.2%** of gift card consumers purchasing at least one gift card as a birthday gift in the last 12 months, a lift of **3.4ppts and growth of 5.5%**. However, Christmas experienced double digit growth of **36.1%**, with consumer penetration lifting **11.9ppts to 44.9%**, representing nearly half of all consumers. Although birthdays remained the most popular, the strong growth within Christmas has significantly closed the gap between the two occasions.



Life stages change demand

Generational differences continue to influence how and why consumers buy gift cards. **Gen Z and Millennials are the most likely to purchase for a wide range of occasions beyond birthdays and Christmas**, reflecting more social and event-driven lifestyles. **Older generations, by contrast, remain most engaged with birthday gifting, with 77.6% of Boomers and 72.5% of Gen X purchasing gift cards for birthdays**, compared with **55.7% of Gen Z and 60.3% of Millennials.**

Across cohorts, the appeal of gift cards lies in their **flexibility and ease.** They allow recipients to choose what to buy while offering givers a stress-free, trend-neutral option – particularly attractive for older consumers gifting younger recipients, who can also combine multiple cards towards higher-value purchases.

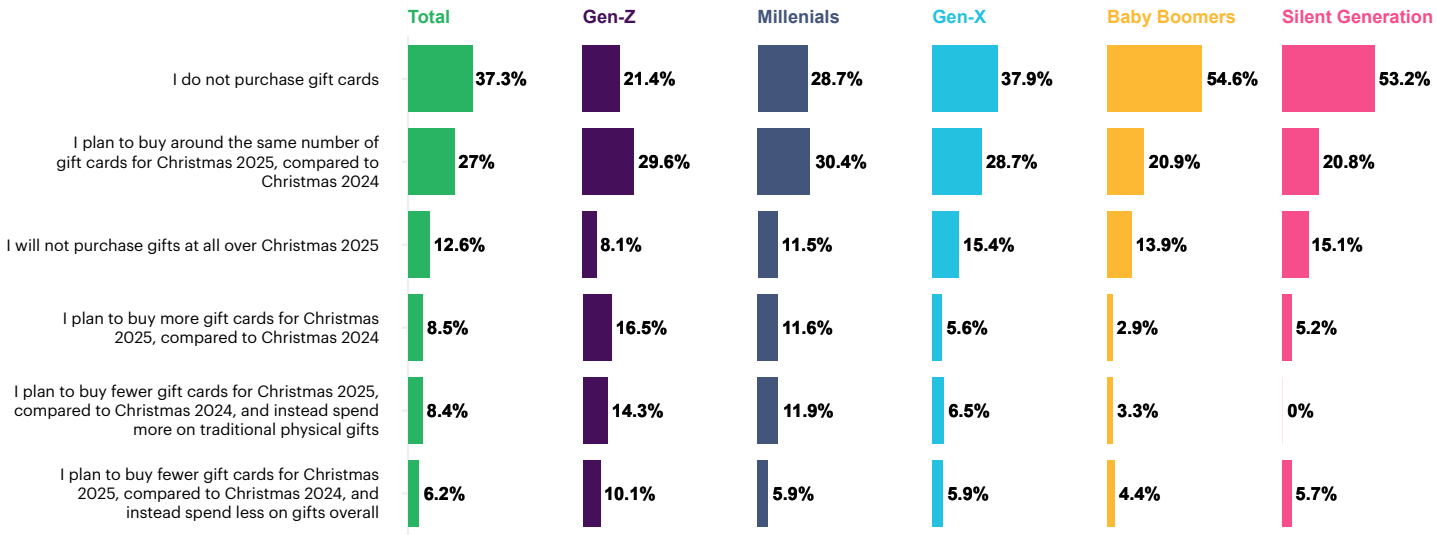
Gen Z to drive Christmas purchasing

Overall, **64.5% of consumers said they *plan to buy fewer or no gift cards this Christmas***, and it is clear to see that this sentiment is stronger in older generations. **Three quarters (76.2%) of baby Boomers** said they plan to buy fewer or no gift cards this Christmas compared to only half **(53.9%)** of Gen Z. In addition to this, **16.5%** of Gen Z plan to spend more on gift cards this year, versus just **2.9%** of Baby Boomers. Gen Z's spending power continues to grow as more and more enter the workplace, with the generation favouring experiences and second-hand products compared to the generations that came before them. Furthermore, this generation is heavily influenced by social media and often gravitates towards brands that align with their personal values. For retailers, this shift reinforces the need to appeal to younger consumers through digital engagement and brand authenticity, as competition for a smaller overall Christmas gifting budget intensifies.

Gift cards need to compete with traditional gifts

While **Gen Z leads in planned gift card spending growth for Christmas 2025**, many within the generation also expect to **buy fewer gift cards overall**, redirecting part of their budgets towards traditional gifts. This contrast reflects both their **increased spending power** and the **intensifying competition between gift cards and physical presents**. For retailers, maintaining share will depend on communicating the practical and emotional advantages of gift cards: **convenience, choice, and personalisation** – to ensure they remain a compelling alternative to traditional gifting.

Q. When it comes to your anticipated gift card purchasing behaviour over Christmas 2025, compared to Christmas 2024, which of the following best describes your intentions?



Evolving behaviours: From Gift to Utility

Gift cards are becoming more embedded in everyday life

Gift cards become part of daily spending

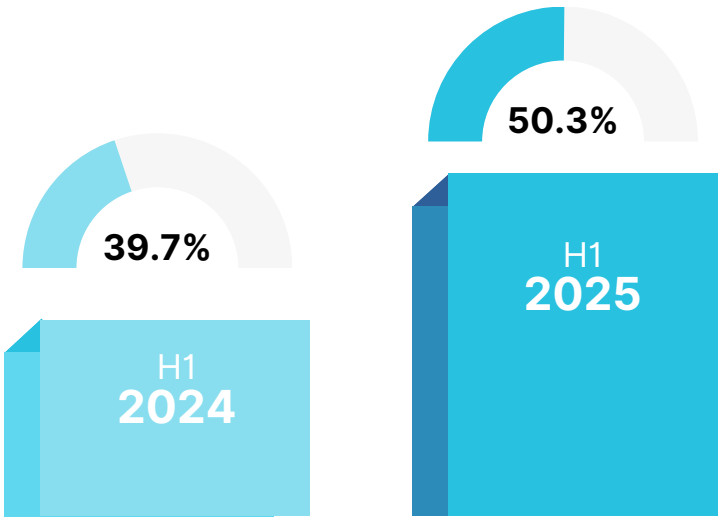
Gift cards are now a tool of everyday spending, rather than an infrequent gesture. **In H1 2025, an average of 9% of UK consumers bought a gift card for themselves, up from 7.1% in H1 2024.** Although still lower than the 16% of UK consumers who purchased a gift card for someone else, the rise in self-use penetration shows how the behaviour is becoming more established. This growth highlights how self-use has become normalised – consumers increasingly see gift cards as a way to manage budgets, collect rewards or secure retailer discounts – for example, purchasing a discounted digital card during a promotion and redeeming it on routine purchases.

From gifting to practical finance

A H1 average of half of all self-purchasers (50%) said they do so to help save money, reflecting how gift cards are being folded into personal finance habits and showing a **notable growth in share of respondents from H1 2024 (39.7%).** Retail-based cards continue to anchor the market, accounting for an **average of 48% of purchases in H1 2025**, but many are now being used for routine self-treats or budgeting, rather than gifting alone.

Q. And why did you purchase a gift card for yourself? Please select all that apply (only asked to those that purchased for themselves)

- To help with saving money



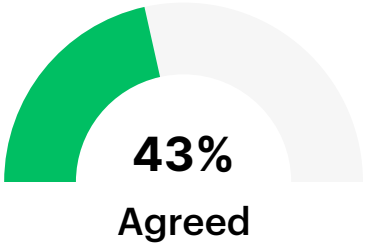
Reinforcement from the workplace

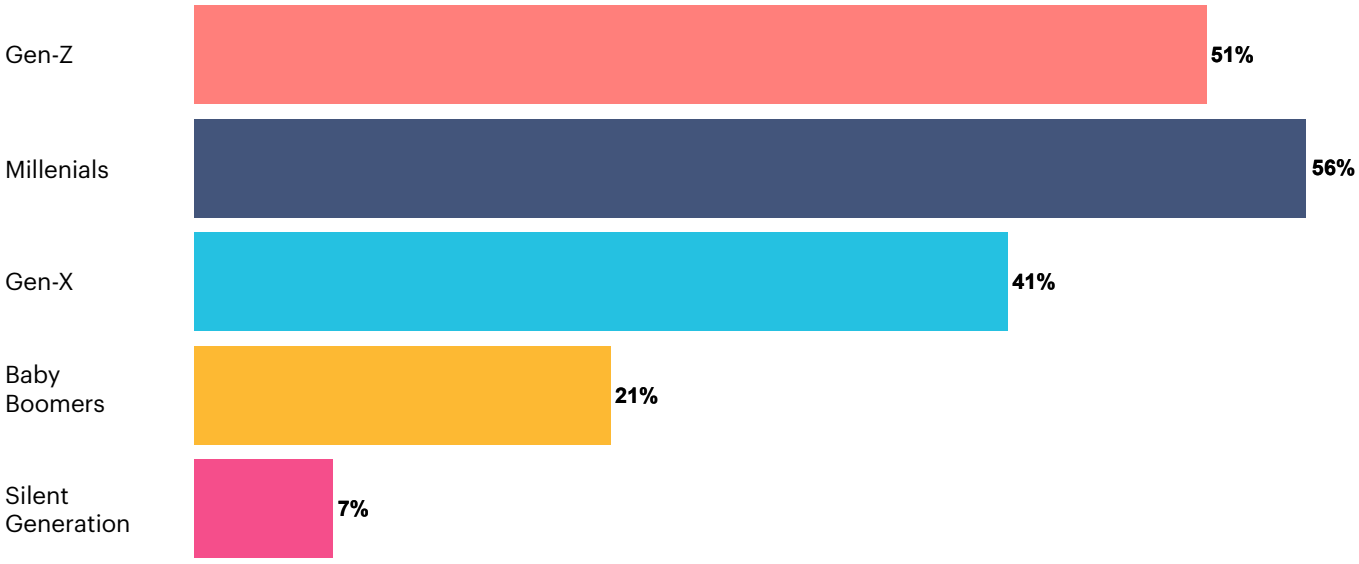
An average of 8% of UK consumers received a gift card through work reward programmes, up from H1 2024, further blurring the line between gifting, loyalty and incentive usage – 'work reward programme' here was captured broadly and may reflect both employer-funded rewards and gift cards accessed via employee benefits platforms. Employer and B2B schemes continue to introduce new users to gift cards, normalising their usage as an everyday reward currency.

Digital Expectations rising

Convenience now extends beyond purchase into storage and redemption. **43% of UK consumers agree** that they ***ideally want to be able to add gift cards to a mobile wallet***, signalling that digital integration is quickly becoming a baseline expectation rather than a novelty. While only **7% of consumers cited wallet integration** as the single feature that would make them more likely to buy a gift card, the **43% agreement** figure shows the underlying appetite and highlights that many consumers will expect this functionality to exist. **This demand is mirrored on the supply side, where 97% of retailers and issuers view mobile wallet functionality as an important trend for the next few years**, confirming that integration is now central to the digital gift card experience.

Q. When using gift cards, I ideally want to be able to add to my mobile wallet (e.g. Apple Wallet or Google Wallet)





Quicker redemption habits

Behavioural data also shows a shortening redemption cycle; 19% of UK consumers typically use a card within one week of receiving it, and another 31% within one month. When totalled, 88% of respondents redeemed their gift card within the first six months of receipt, rising to 97% within a year. Among Gen Z respondents, nearly one-in-four (24%) redeem within the first week, highlighting a more impulse, digital native mindset that values convenience and utility.

The promptness of redemption among UK consumers signals a continued move towards immediate, frictionless spending for gift-card users.

A new role for gift cards

Gift cards are evolving into a dual-purpose currency – part cost-saving tool, part instant-spend convenience. The growth of self-use, integration with reward programmes and benefit platforms and demand for mobile wallet compatibility all point to a user-base moving increasingly towards everyday utility.

Motivations and Barriers

Understanding what drives and deters gift card purchasing

Consumers seek value and choice

Value and flexibility remain the biggest incentives to purchase, while lingering concerns about expiry, inflexibility and impersonal gifting continue to dampen appeal, particularly among older generations.

Incentives drive purchase intent

Gift card shoppers remain highly pragmatic in 2025. When asked what would make them more likely to purchase a gift card, two clear themes emerge – value and flexibility.

26% of UK consumers said they would be encouraged to buy if the card could be ***redeemed across multiple shopping channels.*** **The same share (26%)** said they would be more likely to buy if they ***received a discount, cashback, or loyalty points when purchasing***.

These findings highlight that consumers increasingly view gift cards as value products rather than purely gifting tokens – a way to stretch their money or earn rewards rather than a symbolic gesture. **Younger generations are driving this shift; Millennials over-index, with 30% citing multi-store flexibility and 33% attracted by discounts or cashback. Gen Z also shows above-average enthusiasm (28% and 27%, respectively, while Baby Boomers trail well behind (around 18 – 19%)**, reinforcing the generational divide between those who see gift cards as financially functional versus emotionally driven.

Barriers remain largely emotional and practical

Despite rising acceptance, certain perceptions continue to limit uptake, and many of them are long-standing barriers that have been present in the gift cards industry.

The leading barrier remains expiry dates, cited by 28% of total UK consumers, and consistent across all generations. While expiry anxiety affects everyone, other concerns show a clear age divide.

Other barriers reveal sharper generational contrasts; the ***risk that a company might go out of business and render a card unusable*** **was cited by just 8% of Gen Z**, compared with **19% of Millennials, 20% of Gen X and 26% of Baby Boomers**. Similarly, **one in four Boomers said gift cards *feel too impersonal***, compared with 19% of Millennials. While younger consumers are less likely to question the thoughtfulness of a gift card, they are slightly more likely to prefer giving a physical item: **27% of Gen Z say they would rather gift a physical product, compared with 23% of Millennials, 21% of Gen X and 26% of Boomers**.

Together, these patterns show that the obstacles to purchase are as much emotional as practical. Many can be addressed through **better communication or through design choices that reintroduce a sense of sentiment**, such as personalised messages or themed packaging. For older consumers, reassurance and reliability matter more than incentives; for younger ones, tangibility and immediacy still play a role.

Pathways to conversion

The data suggests that **most consumers are not opposed to gift cards but are rather waiting for the right reassurance or incentive before purchasing one.** For many non-purchasers, the right mix of reward and confidence would likely lead to conversion.

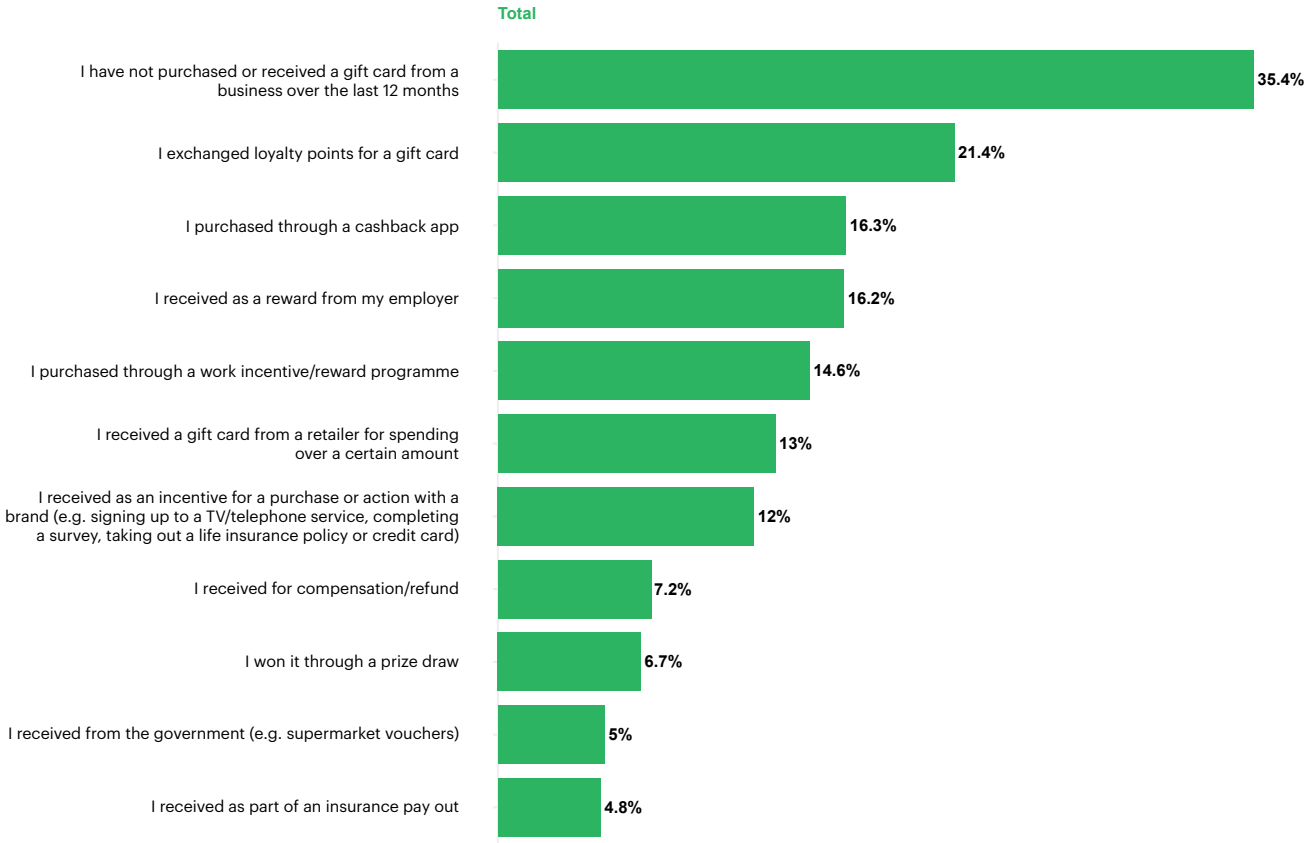
Practical motivators such as **cashback, rewards and flexible redemption** appeal to the rational side of decision making, while clear communication, brand reliability and personalised design address the emotional side.

For retailers and issuers, converting non-purchasers means closing both gaps: **reinforcing practical gain for the consumer through reward schemes or discounts** and providing **emotional value** by emphasising personalisation and thoughtful presentation.

Reward-based Gifting and Digital Engagement

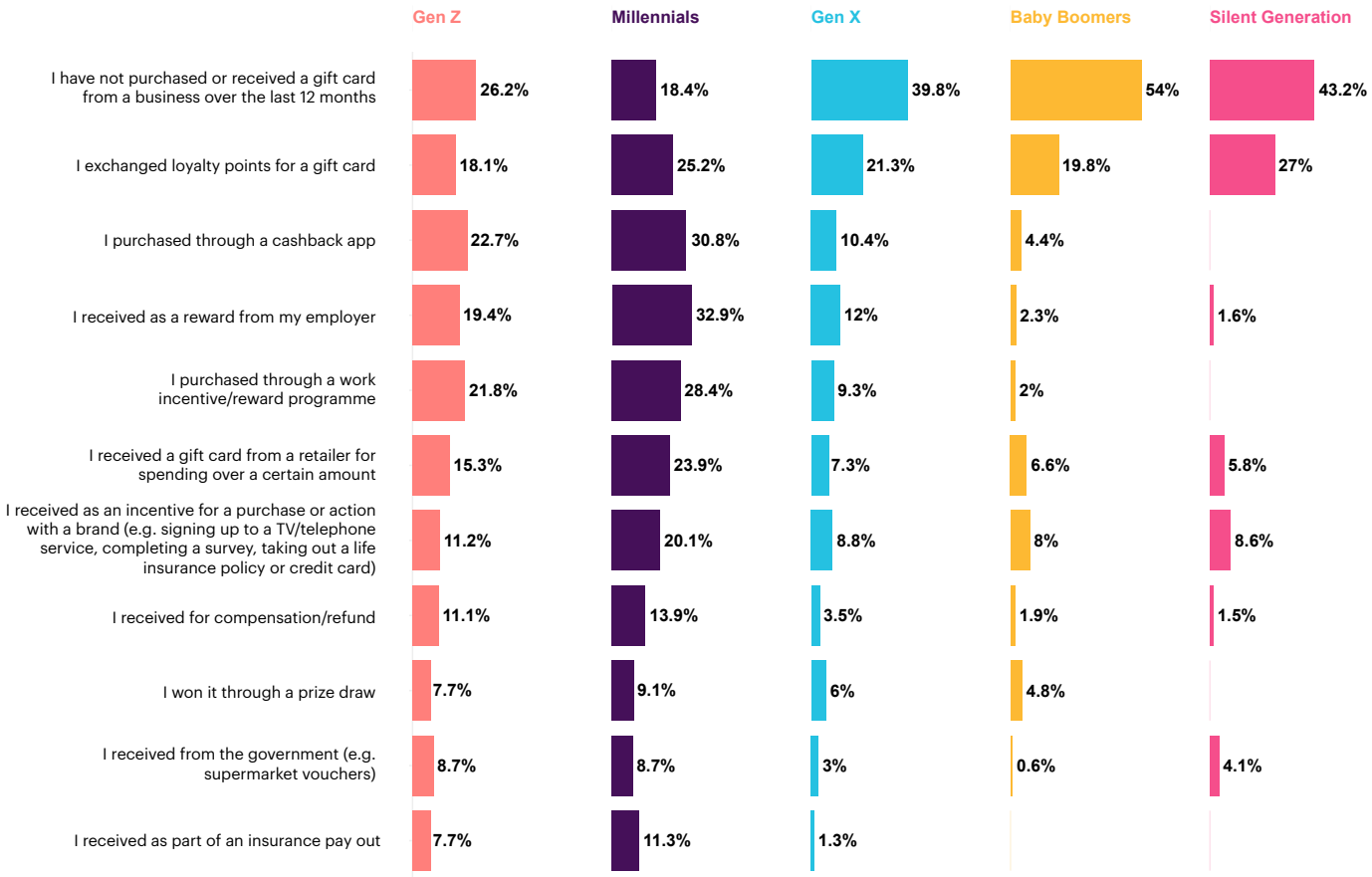
Loyalty programmes and digital platforms are redefining how consumers engage with gift cards

Q. Have you purchased or received a gift card from a business over the last 12 months? If yes, where did you purchase or receive the gift card from? Please select all that apply.



Employee benefit schemes drive the market

Employee benefit schemes continue to play a significant role in driving gift card engagement. In the last 12 months, 16.2% of UK consumers received a gift card as a reward from their employer, and a further 14.6% purchased one through a work incentive or reward programme. These workplace routes collectively represent a major non-retail entry point into the category.



Generational differences underline the influence of workplace schemes. 19.4% of Gen Z and 32.9% of Millennials received a gift card as an employer reward in the last 12 months, compared with 16.2% overall. The same trend appears for work related purchases; 21.8% of Gen Z and 28.4% of Millennials bought a gift card through a work incentive or reward programme. These higher levels among younger cohorts highlight how embedded such reward mechanisms are in their day-to-day spending.

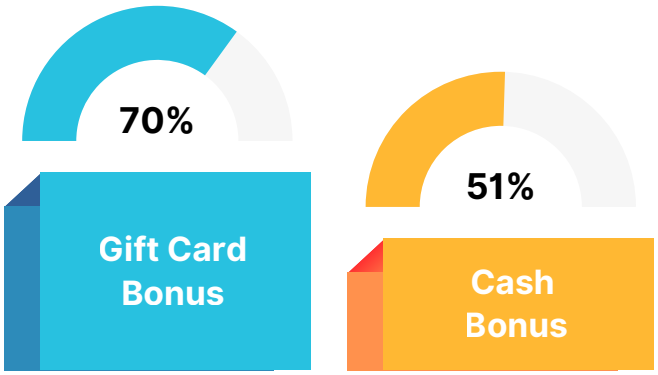
Loyalty programmes dominate

Loyalty programs continue to anchor the link between gifting and digital engagement. **In 2025, 21.4% of UK consumers said that they had exchanged loyalty points for a gift card.** These programmes have gained traction since the cost-of-living crisis, as consumers look to stretch spending across both everyday essentials and one off purchases.

For **younger consumers**, engagement takes a different form. **Cashback apps** are their primary channel for receiving or purchasing gift cards, allowing users to earn a percentage of spend back through online purchases. This reflects their comfort with app-based shopping and their preference for frictionless, reward driving experiences

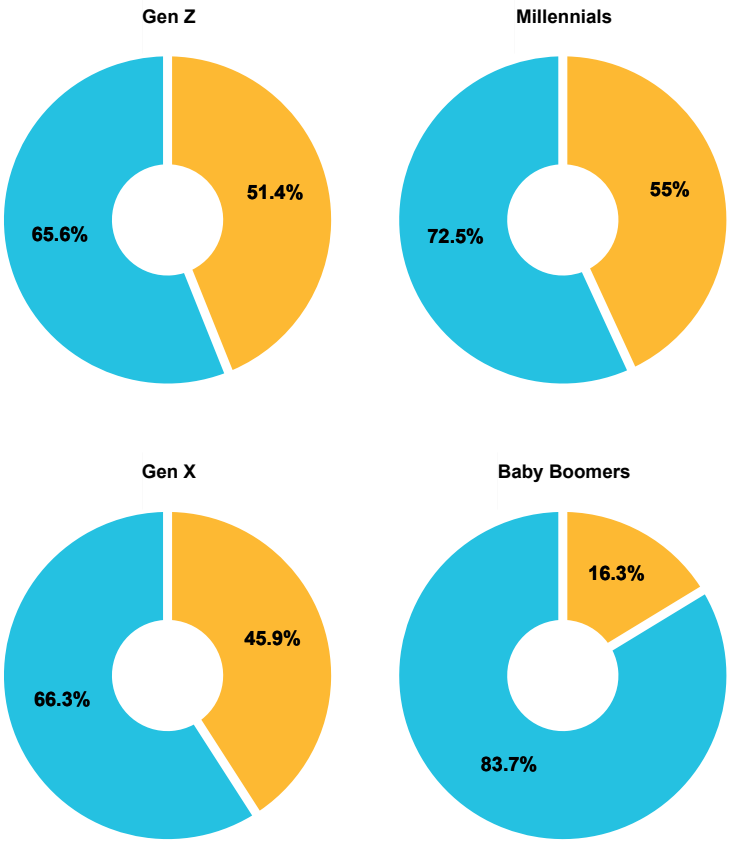
Q. When it comes to employee rewards, which of the following would you prefer to receive?

- A gift card bonus (tax free)
- A cash bonus (taxed in the same way as a salary payment)



A preference for gift card bonuses over cash bonuses

When it comes to **receiving employee rewards**, all generations except the Silent Generation favour a **gift card bonus (tax free)** over a **cash bonus (taxed in the same way as a salary payment)**. Overall, **70.0%** of respondents said they would be willing to receive a gift card bonus versus **51.0%** for a cash bonus. This preference is likely influenced by the tax advantages available for smaller employer-funded gift card rewards, which can be provided tax-free, making them more appealing than equivalent cash payments. At the same time, this provides market growth opportunities for gift card retailers.



For issuers, this preference underscores the expanding role of gift cards in non-salary compensation, creating new channels for growth within employee recognition and reward platforms. **This is mirrored by 73% of GCVA gift card managers who say they are actively developing partnerships with specialist loyalty and reward providers** to strengthen their gift card propositions.

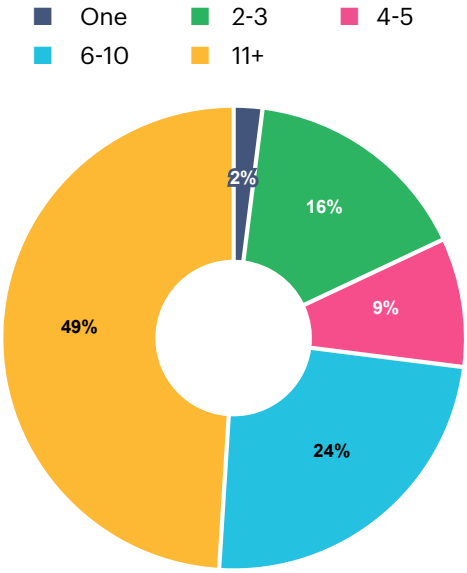
Retailer & Issuer perspective

How does the industry view its own momentum?

The GCVA membership survey provides a supply-side view

The UK's gift card market continues to mature, supported by expanding terms, growing sales and increasing strategic importance within organisations. Findings from the 2025 member survey offer a clear snapshot of how retailers and issuers see their gift card operations today and where they expect future growth to come from.

Q. How many people are on the gift card function within your organisation?



Expanding structures and investment in capability

Almost half of member respondents (48%) identified as retail operators, with the remainder representing aggregators, processors, leisure operators and other issuer types, reflecting the broad ecosystem in the sector. Around half of participating companies said they both run their own gift card programme and sell third-party cards, while the other half focus exclusively on their own-brand proposition, highlighting the increasing role of the gift card function beyond retail sales and into partnership and distribution roles.

Survey responses indicate that **the majority of organisations have dedicated and growing teams behind these programmes**; the **most common headcount bracket is 11 or more staff dedicated to the gift card function, cited by 44% of respondents. 61% said their gift card headcount has increased over the past two to three years, while nearly a third (31%) reported stability and only 5% said that it had decreased.** When looking at only respondents who identified as retail operators, team sizes of between 6 – 10 were the most common (42% of respondents) and 50% said that headcount had increased in the last few years. These findings point towards an area of sustained investment, wherein retailers and issuers are building internal capability, rather than scaling back.

Strong recent performance and a confident outlook

Performance sentiment among surveyed members is highly positive; across the past 12 months, **45% of respondents said their gift card function saw *strong sales volume growth***, and another **39% reported *some growth***. Only 13% described performance as stable. Looking ahead, **confidence remains high; nearly half (47%) of respondents expect *strong sales volume growth* again in the next 12 months,** with most of the remainder anticipating steady progress – and this is despite economic pressures underpinning the consumer market.

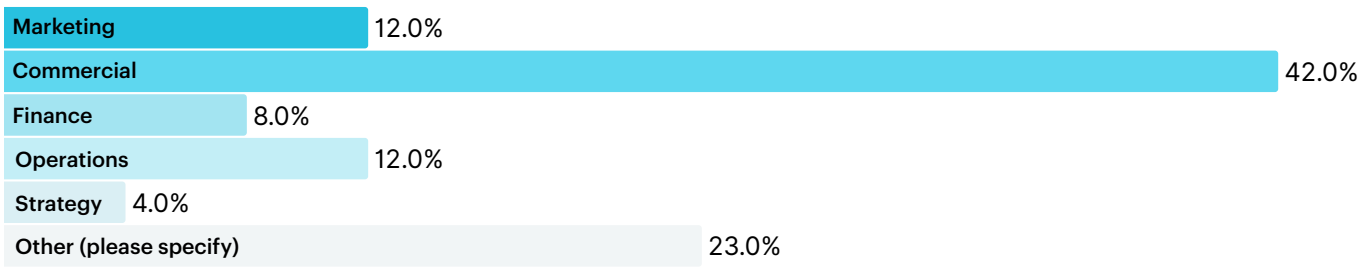
This optimism aligns with broader market dynamics; **aggregated GCVA member sales data shows that the overall UK gift card market in H1 2025 achieved year-on-year growth of 11.8%,** underpinned by strong B2B activity.

Evolving roles within organisations

As teams grow, the gift-card function is increasingly embedded within the commercial core of businesses; **42% of GCVA members said that responsibility for the gift card function sits within commercial,** followed by marketing and operations **(both 12%),** finance **(8%)** and strategy **(4%)**. When looking at respondents who represent retailers, the most common response **(33%)** was that the gift-card function sits within the organisation's commercial division, while the share of responses for marketing was **14%**. This distribution reflects how the gift card function encompasses multiple business divisions rather than working in isolation and proves its cross-functional importance, which connects revenue and customer engagement.

When asked ***which of the following best reflects the importance of the gift card strategy as part of the organisation's marketing, sales or commercial strategy***, **most member respondents described it as being integrated into their organisation's overall commercial thinking.** Over a **quarter (27%)** said it **directly shapes the overall sales strategy**, while **31% said it heavily influences marketing activity.** A further 39% noted that gift cards are considered as part of the marketing strategy, and 31% said they inform customer insight. Only 31% said the gift card strategy is not yet influential across sales or marketing.

Q. Where does the gift card function sit within your organisation? Please select the option that best describes where it sits?

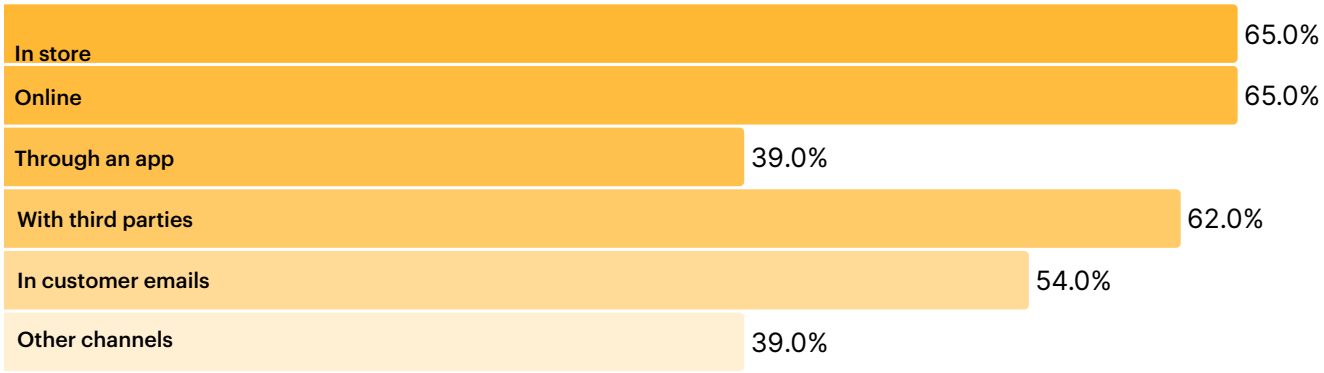


How retailers perceive the channel

Retailers' perceptions of gift cards point to a category that plays multiple roles across the customer journey. **The majority of respondents (81%) view gift cards as a growth channel within their organisation**, reflecting broad recognition of their commercial and strategic value. **Around two-thirds (69%) say gift cards are used with third parties as part of reward and recognition schemes**, while **62% describe them as a tool to attract new customers**. Over half **(54%)** see them as a mechanism to encourage store visits, and almost half **(46%)** regard them as a key driver of in-store footfall.

These findings highlight the multifunctional nature of gift cards within modern retail. They serve as both a revenue driver and a customer engagement tool, in order to bridge acquisition and retention, online and offline channels, and consumer and corporate audiences.

Q. Are you concerned about how secure your gift card programme is (i.e. phishing and other scams)?



Fraud and trust in the gift card market

As the UK gift card industry expands its digital footprint, fraud and data security have emerged as critical priorities for retailers and issuers. In the membership survey, **96% of respondents identified *growing retailer concerns about fraud* as an important industry trend over the next one to three years**, while **76% highlighted *growing consumer concerns about fraud.*** Together, these points signal a clear recognition that maintaining trust will be central to sustaining market growth.

Operationally, retailers report varying levels of concern across different sales and redemption channels. **65% said they are concerned about fraud risks *in-store* and an identical share expressed the same concern for *online purchases*. 62%** are concerned about fraud through ***third-party distributors***, while **54%** flagged ***customer email communications*** as potential vulnerability.

As mobile wallets, social platforms and app-based redemptions become standard, the complexity of fraud prevention increases, requiring more investment from retailers to consider as part of their operational planning.

The B2B Gift Card Market

Incentive and loyalty schemes drive B2B growth

B2B growth remains the backbone of the wider gift card market

The B2B market represents one of the most strategically important areas of the UK gift card industry. For retailers and issuers, B2B programmes deliver dependable volume, early cash flow, and efficient access to consumer audiences. While the consumer market continues to respond to broader cost-of-living pressures, B2B programmes have maintained steady growth, underpinned by consistent corporate demand.

Performance across B2B verticals

Retailers broadly report growth across almost all B2B verticals in the past year; the **strongest performance was recorded in employee benefit programmes, cited by 71% of respondents as having grown over the last 12 months.** These programmes, which typically offer employee discounted access to retailer gift cards, remain the backbone of the B2B landscape.

Cashback apps and loyalty schemes were also highlighted as areas of momentum, with **56% of respondents reporting growth in each.** The same proportion **(56%)** said customer acquisition and referral reward programmes had expanded, indicating wider adoption of gift cards as a tool for sign-ups and referral activity.

Notably, **very few respondents indicated a decline in any vertical**, reinforcing the notion of strong health across the B2B market.

Future outlook and emerging priorities

Looking ahead, retailers remain highly optimistic about the next phase of B2B growth. Reward and employee benefit programmes are expected to continue leading the market, with **82% of GCVA respondents forecasting further expansion over the next two to three years**. Cashback platforms are also poised for continued momentum. **64% of retailers expect both growth in models where consumers earn cashback directly on gift card purchases**, and in those where cashback from general retail spend can later be exchanged for gift cards. This dual confidence reflects the increasing convergence between loyalty ecosystems and prepaid value, as consumers seek flexible reward options.

Loyalty schemes and customer acquisition reward programmes also draw strong growth expectations, with **58% of respondents predicting growth in each**. These findings show how gift cards have become deeply embedded in customer engagement strategies, equally useful in rewarding existing customers and incentivising new ones.

By contrast, some formats face more muted expectations in the coming years. **Gift card saving schemes, which allow consumers to build balances over time to redeem as gift cards, were the only vertical where a notable share of GCVA member respondents (16%) anticipated a decline.**

Strategic implications

The evidence points to a B2B market entering its integration and optimisation phase. The next wave of growth will be driven less by new verticals and more by how effectively retailers and partners can connect existing ones, linking employee benefits, loyalty points, cashback, and acquisition rewards into a unified framework.

As this evolution proceeds, B2B strategy will increasingly rely upon digital innovation – the industry's focus is not only on expanding distribution, but also on adding value, setting the stage for the next phase of innovation in mobile wallets, app-based redemption, and personalised digital rewards.

Opportunities And Next Steps for The Sector

Building trust and digital readiness to capture future growth

Sector confidence remains high

Despite subdued consumer sentiment, the industry outlook is positive. **Nearly half of GCVA members (47%) expect strong sales growth over the next 12 months**, while **61% have expanded their gift card teams in the past two to three years**. This confidence reflects the maturation of the market; gift cards are no longer peripheral products, but central components of retail and reward strategies. **With 69% of issuers viewing B2B channels as the main growth opportunity**, corporate demand remains a key foundation while consumer spending normalises.

Digital integration and security top the agenda

As digital adoption accelerates, **97% of retailers identify mobile wallet integration as a priority** over the next one to three years. At the same time, **96% cite fraud prevention as a critical concern**, reflecting the need for secure consumer experiences. With digital redemption and wallet capability on the rise, data protection will be a critical consideration for issuers in the future.

Partnerships and ecosystem collaboration

Gift card growth is being driven by collaboration; 7**3% of retailers report forming partnerships with specialist loyalty and reward providers,** integrating their cards into wider incentive-based ecosystems. These partnerships create opportunities for issuers to reach customers through employer benefits, cashback apps and digital wallets, leading to a highly interconnected market.

Consumer trust is key

Consumer expectations are focused on transparency and flexibility. **31% of UK consumers – up from 14% in 2024 – say they purchase gift cards to support companies they like,** highlighting the role of trust in purchases. Retailers must therefore leverage ethical credentials, sustainability commitments and reliability to sustain consumer loyalty – particularly in a market where **39% of UK consumers remain wary of brand collapse** when purchasing gift cards

Outlook: a continued transition to digital

The UK gift card market is transitioning from a sales channel into a core element of the wider digital retail ecosystem. With B2B expansion, mobile integration and growing partnerships, the sector is poised for steady growth, despite some short-term caution among consumers; only 8% of UK consumers plan to buy more gift cards this Christmas, but most expect to maintain spending levels. Gift cards are continuing their evolution into a versatile instrument of engagement and everyday utility and are well positioned to thrive in an economy which increasingly prioritises convenience and value for money.

Gift Card & Voucher Association

gcva.co.uk
info@gcva.co.uk
Gift Card Voucher Association (GCVA)