Gift Card & Voucher Association

November 2025

GCVA

Consumer Report

Vol. **64**

The GCVA is partnering with GlobalData to deliver a monthly snapshot of consumer behaviour and attitudes when it comes to gift cards. This report covers the 66th wave of monthly research, since GlobalData began tracking back in May 2020, with the initial research covering the period from the beginning of the lockdown (March 2020) to the end of May 2020.

The October fieldwork went to field on November 1st and was designed to explore habits during the previous month, across a UK nationally representative sample of 2,000 shoppers.

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

Topline Takeaways

- **Retail spending growth set to improve to 2.4% in 2025, boosted by inflation with volumes just below last year**
- **A second consecutive month of outperformance for gift cards**
- **Both physical and digital gift cards were popular options over October**
- **9.7% of UK consumers said that they purchased gift cards for self-use over October, which represented an increase compared to October 2024 (6.9%).**
- **Multistore gift cards continue strong performance**
- **Experience and leisure back on track over October**
- **UK consumers see gift cards as a medium for supporting local businesses**

Retail spending growth set to improve to 2.4% in 2025, boosted by inflation with volumes just below last year

Following growth of 1.5% to £453.2bn in 2024, retail spending growth is forecast to accelerate to 2.4% in 2025. We expect inflation to come through higher in 2025, at 2.5%, as retailers, particularly grocers, have increased their prices to cope with higher wage costs. Volumes are forecast to come through just below last year, down 0.1%, brought down by food & grocery where volumes fell over the summer, impacted by high inflation. Non-food volumes are set to return to positive territory as some shoppers feel more comfortable given strong wage growth in 2024 and inflation being more stable in comparison to the peaks we've seen in recent years. Recovery is uneven though – while some low-income households feel the benefit of increased minimum wages, many on benefits will be squeezed. In the middle-income brackets, average real wages are increasing but many mortgage owners are being dragged into higher interest rates upon expiry of fixed deals made when rates were much lower.

Online Channels

The online channel will see improved growth of 3.5% in 2025 following a rise of 2.7% in 2024 and 2.0% in 2023, after the heights of the pandemic when online penetration reached over 30%. Online penetration will rise marginally in 2025 to 27.9% and slowly rise out to 2029 with more rapid growth coming from the online food market as retailers' proposition improvements entice shoppers.

Grocery Outlook

The food & grocery market is expected to grow by 3.4% to £201.0bn in 2025. Food inflation is expected to have peaked in August at 5.1% but will remain elevated in Q4, dampening volume growth. The online channel is performing strongly with anticipated year-on-year growth of 6.9% for the year, supported by grocers expanding delivery capabilities and consumers opting to use the online channel out of convenience and managing budgets. Increased food inflation and commodity prices are expected to dampen volume growth for the year and we anticipate volumes will decline 0.7% for the year. Into 2026, we forecast food inflation will ease below 2025 levels, diminishing intense price competition among grocers. We expect grocers' focus will shift further into private label expansion to recover margins, supporting positive sector volume growth in 2026.

Clothing & Footwear Outlook

The clothing & footwear market had a rocky H1, with steep declines in most months aside from March. The market's performance has since improved with August and September both achieving growth. H2 is expected to perform better, allowing full year apparel sales to decline only 0.6% to £63.2bn in 2025. Volumes are also expected to drop for the third consecutive year, by 1.0%, as consumers prioritise spending on other areas, such as essentials and leisure.

The online channel is expected to continue outperforming, rising 0.3% to £25.9bn, with online penetration growing 0.5ppts to 41.0%, as its convenience, wide product offering and price comparison abilities continue to appeal to shoppers.

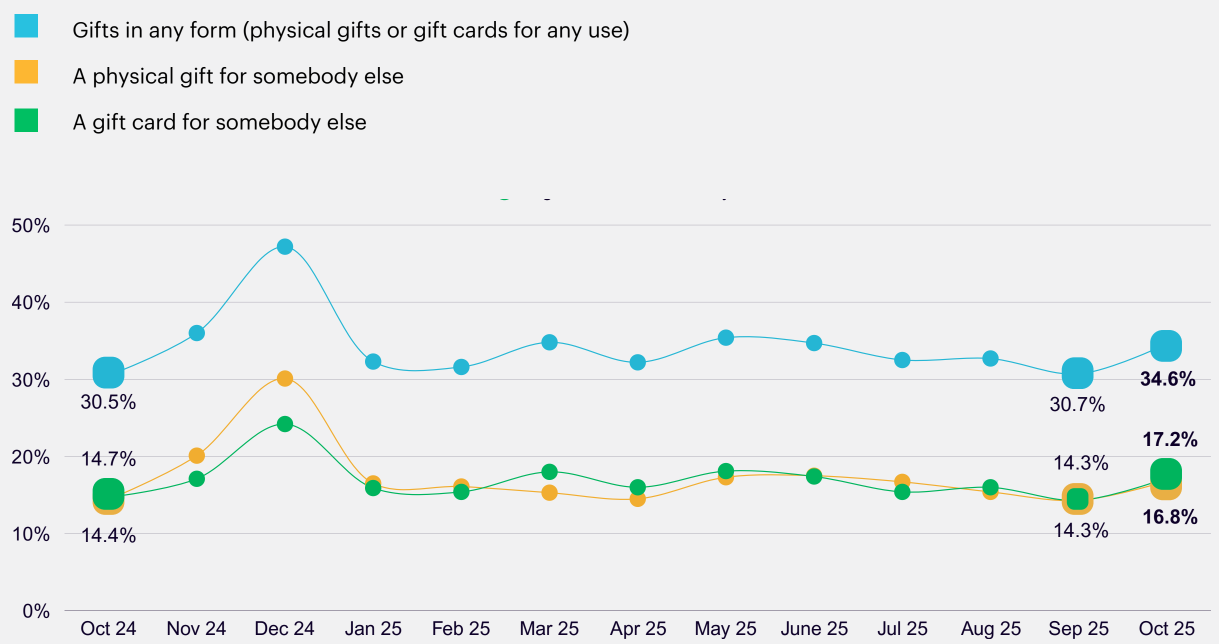
A second consecutive month of outperformance for gift cards

The 34.6% of consumers that bought physical gifts, gift cards or made self-use gift card purchases over October 2025 was higher than October 2024 (30.5%). This increase was underpinned by strong purchase penetration growth for gift cards, with 17.2% purchasing compared to 14.7% in October 2024. At the same time, the proportion of UK consumers purchasing physical gifts also saw a year-on-year increase (16.8% vs. 14.44%).

Despite a lack of major gift occasions (apart from Diwali), this increase in overall gifting purchasing is reflective of a broader recovery in household finances, which is finally feeding through to a tangible parallel improvement in consumer sentiment. However, it is important to note that this improvement is not being felt evenly across UK households. Of those that didn't purchase gifts cards over October, 16.0% said they didn't because they have cut back significantly on non-essential spending.

Figure 1:

Did you purchase any of the following:



Strong self-use purchasing over October

9.7% of UK consumers said that they purchased gift cards for self-use over October, which represented an increase compared to October 2024 (6.9%). This points to a greater degree of financial flexibility among UK consumers, amid improving household finances. Gift cards have both the potential to support consumers during or after periods of higher outgoings and, increasingly, in supporting shoppers looking for levers to help with saving and budgeting. Indeed, the proportion of those purchasing self-use cards that cited “to help with saving money” was at 51.8% over October 2025.

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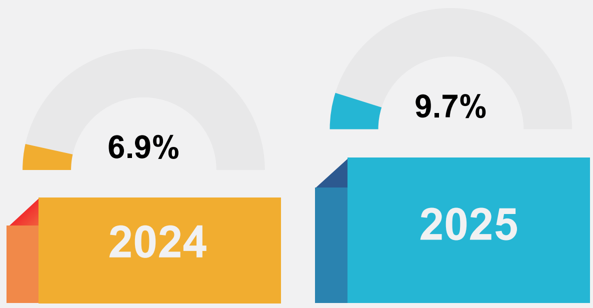
Figure 2:

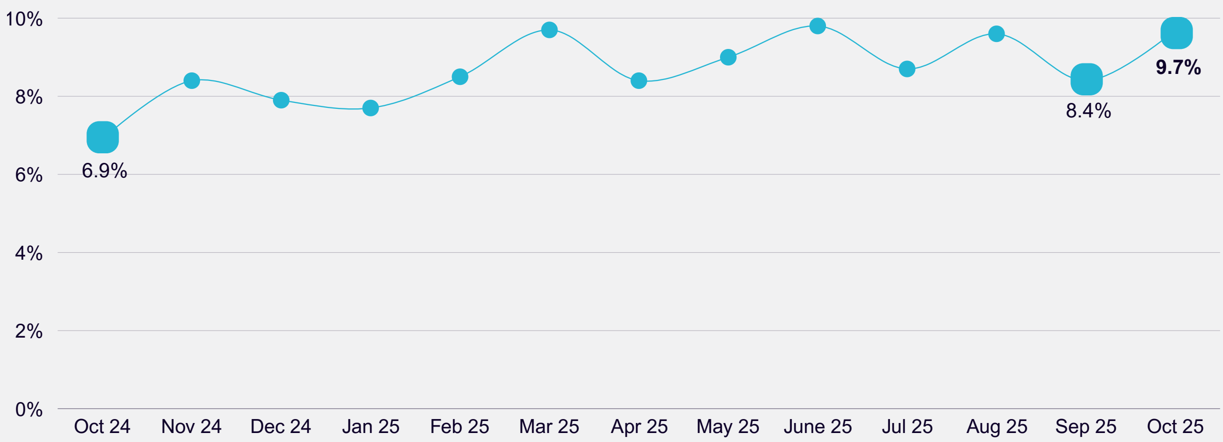
Purchasing a gift card for yourself - October 2024 vs October 2025:

- October 2024
- October 2025



Did you purchase any of the following:

- A gift card for yourself



Both physical and digital gift cards were popular options over October

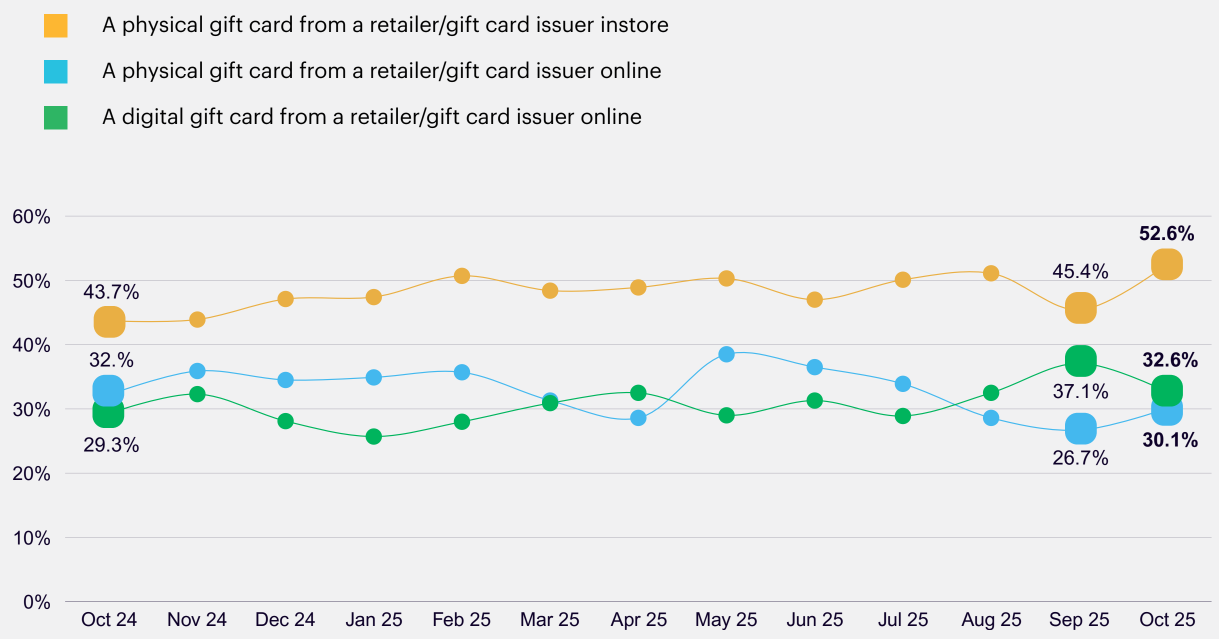
Physical gift cards purchased instore saw another strong performance over October. In addition to physical cards continuing to be viewed as more thoughtful gifting options, physical formats have benefitted from greater choice within physical stores, and the growing array of options in gift card categories such as entertainment, leisure, and gaming.

When it came to online purchasing, a rising proportion opted for digital gift cards compared to last year, with physical cards purchased online experiencing a dip in comparison. Convenience is a key driver underpinning the outperformance of digital; 35.3% said they purchased digital gift cards due to it being the easier option compared to buying physical gifts.

Physical formats have benefitted from greater choice within physical stores

Figure 3:

Which type of gift cards did you purchase?



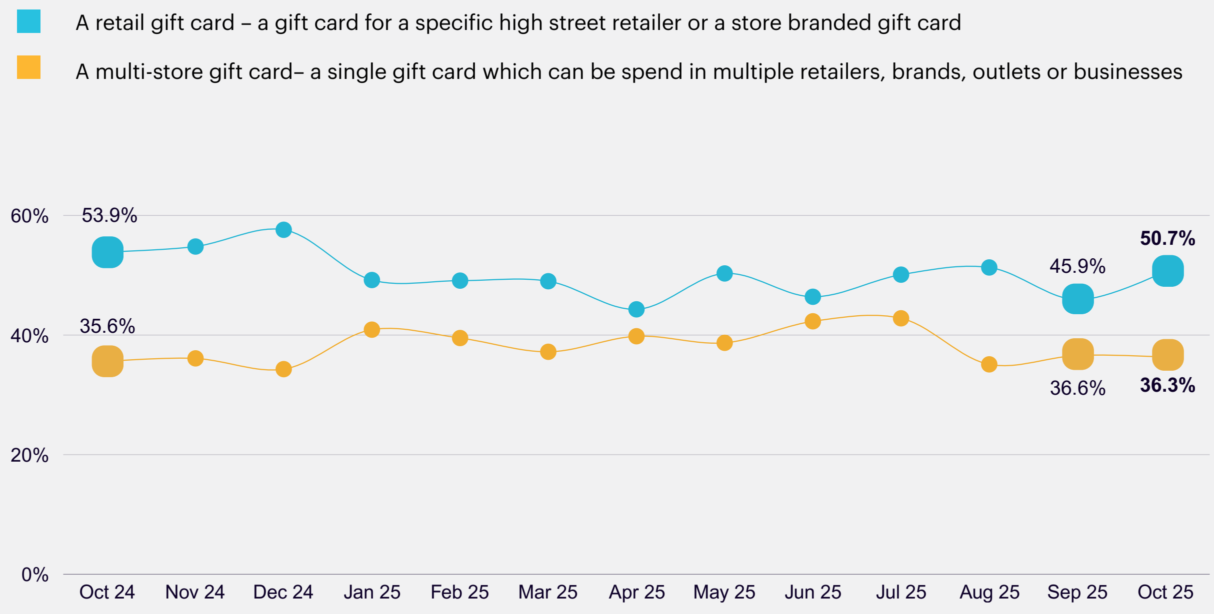
Multistore gift cards continue strong performance

Multistore gift cards outperformed over October; the proportion of gift card shoppers purchasing multi-store gift cards (36.3%), increased vs. October 2024 (35.6%). In contrast, the proportion of gift card shoppers purchasing single brand gift cards (50.7%) declined vs. October 2024 (53.9%).

Multistore cards have the potential to overcome lingering consumers concerns around the lack of flexibility that gift cards provide compared to other payment options

Figure 4:

When purchasing gift cards (digital or physical), which types of gift cards did you purchase, either for yourself or someone else?



Experience and leisure back on track over October

Following a post-Summer lull in activity for experience gift cards in September, both experience gifts cards – for activities such as hot air balloon rides, helicopter rides etc – and leisure gift cards – for activities such as travel, theatre tickets, spa, dining - saw a year-on-year increase in purchasing over October. Demand has been boosted by an increase in supply, with many national, regional, and local leisure and experience businesses introducing options.

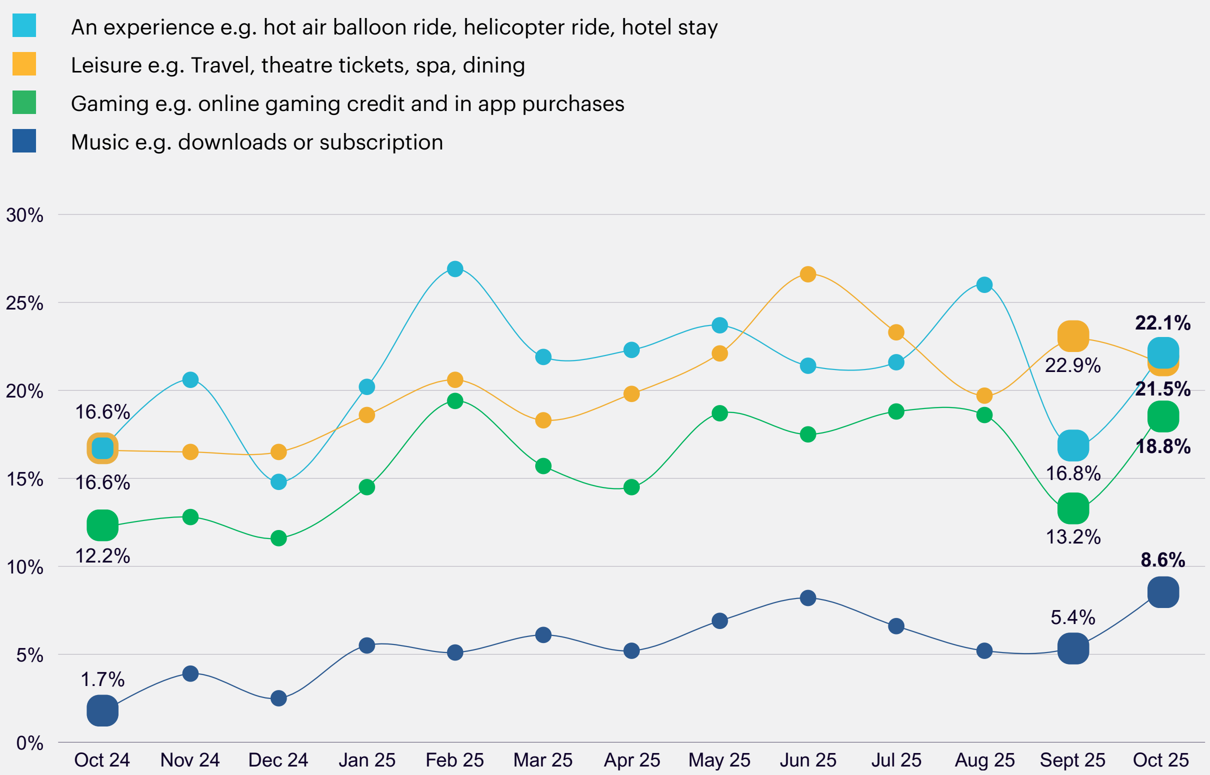
Elsewhere, both Gaming and Music gift cards saw strong year-on-year purchasing. The popularity of these options is helping to drive self-use gift card purchasing.

> There is a growing role for gift cards and digital wallets to facilitate spending in areas such as media subscription and in-game purchases

The second most cited reason for self-use purchasing was 'to make it easier to shop online' highlighting that there is a growing role for gift cards and digital wallets to facilitate spending in areas such as media subscription and in-game purchases.

Figure 5:

When purchasing gift cards (digital or physical), which types of gift cards did you purchase, either for yourself or someone else?



UK consumers see gift cards as a medium for supporting local businesses

There continues to be evidence that many are being proactive in purchasing gift cards to funnel support to local companies. Over October 2025, 31.3% of UK consumers agreed with the statement "I have/will purchase gift cards with the intent of supporting companies that I like".

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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.

On the time-period comparisons, this month's report covers the October calendar month, with comparisons made between October 2025 and October 2024. Where relevant, comparisons have also been made to the wider tracking period. .

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