

The UK's consumer economy is **diverging.**

UK consumers are protecting holidays, paying more for nights out, and chasing the discount aisle.



Four signals from a shifting wallet

Across six macro categories, consumer spending is quietly diverging. This report analyzes how H1 2026 wallets shifted between experiences, essentials, and the high street—and outlines the definitive strategies advertisers must deploy in response.

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advertisers

Three consumer shifts leaders should not ignore.

While the headline H1 2026 performance shows positive year-over-year growth across all macro categories, a deeper analysis of transactions, customer behavior, and basket sizes reveals a more nuanced reality. Three key insights reframe the narrative:

01 Holidays held, but restaurants didn't.

Hospitality lost -3.83% of transactions YoY in H1; Nightlife -3.95%.
Travel grew +0.97% in Q1, Entertainment & Leisure +6.16%.

02 Inflation is doing the heavy lifting on the high street.

Hospitality, Nightlife and Everyday Conveniences all post positive spend growth — but only because ATV is up ~+5%. Real visit frequency is falling.

03 Retail is winning volume and losing value.

Non-Essential Retail transactions rose +6.09% in H1 while ATV fell -4.15%.
Consumers shop more often, spend less per basket — a clear discount-led signal.

Spend and transactions tell two different stories

While overall spending increased across every macro category in H1 2026, only two categories achieved genuine growth in active customer engagement metrics.

+0.97%

Travel
Q1 spend YoY

+6.16%

Entertainment
Q1 spend YoY

-4.90%

Hospitality
Q1 txn YoY

+6.09%

Retail txns H1
(ATV -4.15%)

H1 2026 vs H1 2025 — RANKED BY SPEND GROWTH

CATEGORY	SPEND	TXNS	CUST.	ATV
Everyday Conveniences	+5.63%	+0.33%	-1.35%	+5.28%
Entertainment & Leisure	+4.84%	+5.08%	+0.90%	-0.23%
Groceries & Supermarkets	+2.08%	+0.59%	-0.61%	+1.48%
Non-Essential Retail	+1.68%	+6.09%	-0.52%	-4.15%
Hospitality & Eating Out	+1.25%	-3.83%	-1.36%	+5.28%
Nightlife & Socializing	+0.60%	-3.95%	-1.24%	+4.74%

OUR READ

The data reveals contrasting trends beneath surface-level performance. Nightlife and Hospitality sustained overall spend despite a ~4% reduction in footfall for each category. Non-Essential Retail performed well on unit volume, yet suffered from reduced basket values. In contrast, Entertainment & Leisure alongside Travel were the sole sectors to register positive expansion in organic customer behavior.

Higher spend, lower footfall.

While both Hospitality and Nightlife recorded positive spending growth in H1 2026, accounting for average ticket value (ATV) inflation reveals a starkly different reality: transaction volumes fell by nearly 4% across both sectors. Consumers are primarily scaling back on routine mid-week dining and casual social gatherings.

Hospitality & Eating Out

Restaurants, cafés, fast food — H1 26 vs H1 25

SPEND

+1.25%

TRANSACTIONS

-3.83%

CUSTOMERS

-1.36%

AVG TXN VAL

+5.28%

Nightlife & Socializing

Pubs, bars, clubs — H1 26 vs H1 25

SPEND

+0.60%

TRANSACTIONS

-3.95%

CUSTOMERS

-1.24%

AVG TXN VAL

+4.74%

PULL QUOTE

Top-line growth figures suggest a healthy hospitality sector, but transaction data tells a different story. ATV inflation is masking a structural pullback in mid-week dining, alongside a narrowing active customer base.

WHAT THIS MEANS · HOSPITALITY & NIGHTLIFE BRANDS

Strategic Imperative: Focus on visit frequency over ticket size. Utilize Cardlytics Insights to design Card-Linked Offers that successfully reactivate lapsed cohorts and stimulate weekday demand.

More trips, smaller baskets

Non-Essential Retail (apparel, electronics, and home) achieved the strongest transaction-volume growth of any macro category in H1 2026. However, this momentum was heavily neutralized by a corresponding decline in average basket size. Consumers are transacting more frequently but spending less per visit—a clear indicator of discount-driven behavior.

TRANSACTIONS UP

+6.09%

H1 26 vs H1 25

Record-high transaction frequency.

AVG BASKET DOWN

-4.15%

H1 26 vs H1 25

Discount, not desire, is winning.

Directing Spend: Experiential Sectors Gain Wallet Share.

+17.4%

Premium & Luxury travel
Q1 26 vs Q1 25

+6.16%

Entertainment & Leisure
Q1 spend YoY

+6.16%

OTAs & Aggregators
Q1 26 vs Q1 25

WHAT THIS MEANS · NON-ESSENTIAL RETAIL

Pivot from aggressive discounting to incentivizing larger basket sizes. Leverage Cardlytics Insights to identify under-spending consumer segments primed for incremental category investment.

Four playbooks for an uneven wallet.

HOSPITALITY & NIGHTLIFE

Drive frequency over ticket price

Use Card-Linked Offers to reactivate lapsed visitors identified in Insights. Prioritise mid-week occasions; competitive ATV is already in place.

-3.83% Hospitality txns H1 · -3.95% Nightlife txns H1

NON-ESSENTIAL RETAIL

Incentivize basket size

With average basket values down 4.2% YoY, shift away from margin-dilutive discounting. Instead, structure Card-Linked Offer rewards around basket expansion—a critical competitive differentiator heading into autumn.

+6.09% txns · -4.15% ATV · H1 26 vs H1 25

TRAVEL & PREMIUM BRANDS

Capitalize on premium wallet share

Customer volumes have contracted by 0.6% to 1.4% across essential categories. Cultivating brand loyalty and expanding existing share-of-wallet will yield significantly higher returns than net-new customer acquisition strategies in Q3.

+0.97% Travel Q1 · +17.4% Premium Q1

GROCERY & EVERYDAY

Loyalty over acquisition.

Customer counts are down -0.6% to -1.4% across every essential category. Loyalty and share-of-wallet beat new-customer acquisition in Q3.

-1.35% Everyday Conv customers · -0.61% Grocery customers

Methodology

ABOUT THE DATA

Findings draw on Cardlytics UK purchase data covering more than 60 million enabled accounts. Period: 1 May 2024 – 30 April 2026. Six macro consumer categories — Groceries & Supermarkets, Hospitality & Eating Out, Nightlife & Socializing, Everyday Conveniences, Non-Essential Retail, and Entertainment & Leisure — are benchmarked against the Cardlytics Travel Index Summer 2026 dataset. Both monthly and weekly cuts mapped to H1 2026 vs H1 2025 and Q1 2026 vs Q1 2025 windows.

ABOUT CARDLYTICS

Cardlytics is a purchase intelligence platform that transforms \$5.8T in annual transaction data into targeted, personalized offers and rewards for consumer brands, delivered through leading banking and commerce platforms. For advertisers, the massive reach of Cardlytic's data - covering nearly 50% of U.S. and U.K. transactions - provides rich, total-wallet purchase intelligence. We activate these growth strategies with performance marketing campaigns on our publishers' sites using granular targeting based on historical and predictive spending behaviors.

Key metrics

- \$5.8T in annual transactions inform our purchase intelligence platform
- 1 of every 2 (50%) of U.S. and U.K. transactions
- 200M Monthly Active Users
- \$1.2B in rewards delivered since 2008
- 78% higher card spend with offer redeemers
- 91% more card transactions with offer redeemers
- 39% more card & app engagement with offer redeemers