

Experian_YouGov Combined Responses

Webinar 1 – Follow up questions and answers



Q QUESTIONS

A ANSWERS

1	Can you see whether people are relying on unsecured credit to help them with their reduced spending power?	<p>Experian: Whilst we don't have data to prove that people are relying upon unsecured credit to pay for essential spend items, we can assume that those who have reduced spending power and have access to unsecured credit may need to rely on this to make ends meet.</p> <p>YouGov will also have research findings which will show that consumers are using unsecured credit more as costs for essential items continue to rise.</p> <p>YouGov: We don't have data that supports this yet but agree that this is likely to be the case as cost-of-living increases affect lower income families. We will continue to monitor this moving forward.</p>
2	Can you say anything about the impact of the predicted 1.7M with <£0 and the impact on the public sector e.g. housing services, debt services, social care.	<p>Experian: We are not able to comment on the impact to public services directly. However, our solution is being used by Local Authorities to identify the areas where households are most affected by the current impact and for a forward view of future impacts.</p>
3	How does the cost of living crisis in Britain compare to other European markets?	<p>Experian: Unfortunately, we only have data and insight for the UK. You may be able to find more information using the following link. https://ec.europa.eu/eurostat/web/main/data/database</p> <p>YouGov: Half of Britons (53%) reported that their cost of living has gone up a lot. This is comparable (if a little lower than) major EU nations such as Spain (66%), Italy (57%), Germany (57%) and France (52%). But lower than countries in Asia.</p> <p>https://business.yougov.com/content/42203-global-how-do-consumers-view-costs-living-survey</p>

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4	<p>Can it be assumed that the Youth Gen Z have high confidence due to lack of experience in 'life' but also as they are living on bank of Mum and Dad. Or has that been factored/ adjusted on results?</p>	<p>YouGov: We do feel and did report that the youngest consumers are protected from a lot of the pressures due to the fact they are supported by their parents (which in turn increases the pressure on those generations). That will though be different for different families and more detailed analysis using YouGov Profiles would explore this further.</p> <p>For more information please look here: https://business.yougov.com/product/profiles</p>
5	<p>Are there any insights you have around savings? And/ or lending across different groups?</p>	<p>Experian: We have insight into Savings propensity and likely value plus similar propensities for cards loans and mortgages. This additional insight could be used alongside our measures of movement in Consumer spending power to better understand those most likely to have and use savings to maintain their standard of living against those most likely to rely on unsecured credit. This will be covered in more detail in our second Cost of Living focused webinar on Thursday 21st July.</p> <p>YouGov: The level of savings and investments amongst the general population increased during the pandemic, particularly amongst higher income families. Moving forward into the post-pandemic recovery period, we do see that saving continues to be a key financial goal for half of the population, and a third are focused on paying down their debts. Naturally with the pressure on disposable incomes, it remains to be seen whether consumers will be able to meet these goals, but it is illustrative of the wider financially conservative mindset evident in the UK population.</p>
6	<p>How accurate would you guess households are in assessing their financial situations? Especially given emotions of fear in the media are rampant as you said.</p>	<p>YouGov: We undertake public polling daily and there are techniques used to ensure data is a robust measure of real-life experiences. In this case, although this is one of the dominant media stories, we feel can easily identify how their finances are currently. Based upon perceptions around making certain cut backs or reduced disposable income after essential spending.</p>
7	<p>You mentioned that confidence is lowest it has ever been? Is that since this data collection began for this?</p>	<p>YouGov: Yes, consumer confidence is as low as it has been since February 2013 (pandemic aside). And the future looking 12-month household situation measure is the lowest it has ever been since YouGov started tracking in 2012. Other measures, such as the GfK study shows that UK consumer confidence has fallen to its lowest level since records began nearly 50 years ago.</p>
8	<p>FS Specific question - Do you think we are likely to see an increase in consumers at retirement taking larger pension draw down amounts from private pensions to fund short term COL pressures, and forgoing long term annuity income?</p>	<p>Experian: That is certainly a possibility, but we believe that each situation is individual to the household and their circumstances, so generalisation to such a degree might not be an accurate reflection of reality. We can identify households which are most affected by the crisis and align this insight with other indicators such as age for example so that those closest to retirement might be contacted with appropriate messages.</p>

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9	<p>There seems to be a suggestion that retired consumers are protected from the COL pressures described here. Would you say that is true?</p>	<p>Experian: No, we wouldn't totally agree. We see all Household affected by the cost of living crisis. It could be said that the retired could be feeling the financial impact to the same or a greater degree if they are on a fixed income as any other household. A working household with a fixed income of £30k pa will be affected in a similar way to a retired household with a similar fixed income. But individual household situations will provide greater granularity.</p> <p>YouGov: We wouldn't agree with that entirely. There will be certain types of retired people who will be protected due to their circumstances. The data shows that compared to the middle age groups those older people are more confident (if that confidence is falling) but within that older age group there will be retired people under significant pressure.</p>
10	<p>We have utilised the Experian data and built a predictive model based upon the mosaic groups and mapped them geographically across census output areas to support our residents, which matches your model. Is it possible to utilise the YouGov behaviour data so we can incorporate it into our model?</p>	<p>Experian: Fantastic that you are getting value from Mosaic in this way - if we can link the YouGov survey data to our Mosaic segmentation then we will be able to align the attitudinal data to your re-clustered model.</p> <p>Our Cost of Living solution utilises a number of additional data sources beyond Mosaic and has the benefit of allowing a forward looking view so it may be beneficial to review our new solution against your current model.</p> <p>YouGov: Our YouGov Profiles dataset contains Mosaic segments and attitudinal and behavioural data on people's current financial situation and much more. It would be useful to explore how this data could be used in your predictive model. The Consumer Confidence Index data though cannot be connected to our YouGov Profiles dataset.</p> <p>For more information, please look here: https://business.yougov.com/product/profiles</p>
11	<p>Do you have a measure in the index that indicates likelihood of savings?</p>	<p>Experian: Yes, our data includes propensity to save plus a measure of likely savings amount. This additional insight could be used alongside our measures of movement in Consumer spending power to better understand those most likely to have and use savings to maintain their standard of living.</p> <p>YouGov: The YouGov/ CEBR Consumer Confidence Index is calculated using 8 indicators:</p> <p>Consumer Confidence Index</p> <ul style="list-style-type: none"> - Household finances (past 30 days) - Household finances (next 12 months) - House value (past 30 days) - House value (next 12 months) - Job security (past 30 days) - Job security (next 12 months) - Business activity (past 30 days) - Business activity (next 12 months) <p>We also separately measure savings intent on an ongoing basis in YouGov Profiles.</p> <p>For more information, please look here: https://business.yougov.com/product/profiles</p>

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12	Are there any plans to produce practical guidance around beating the cost of living for those that will be most impacted?	Experian: We currently don't have any plans to create consumer cost of living guidance, although there are some great money saving advice sites already out there.
13	How is the cost of living crisis affecting the housing market?	<p>Experian: There are some tentative signs of a slowdown in the housing market, with the number of mortgages approved for house purchases falling back towards pre-pandemic levels in April and surveyors reporting some softening in new buyer enquiries. Nevertheless, the housing market has retained a surprising amount of momentum given the mounting pressure on household budgets, which has already driven consumer confidence to a record low. Many commentators had expected rising interest rates and the cost of the living crisis to halt the pandemic-induced house price surge, but so far prices appear to have been largely protected from the cost of living pressures. Some feel this is partly because the increase in expenses is being felt most by people with lower incomes, who are typically less active in buying and selling houses. Despite the growing cost of living crisis, we feel the chances of an abrupt housing market correction are low. We expect prices to ease back, partly as the cost of living crisis tempers demand.</p> <p>However, there are a number of factors which will foster growth. Firstly the labour market remains resilient, secondly, the growing dominance of fixed-rate mortgages, will act to cushion the impact of rising rates on prices and thirdly, low supply will remain a key feature of the UK market.</p>
14	How are people feeling about their job security and does this vary by age?	YouGov: Job security indicators remain strong and are not currently being as negatively impacted as other measures. Looking over the next 12 months those aged 18-24 (113.6) have lower job security that those aged 25-34 (123.4) and those aged 35-44 (123.0).
15	<p>How is the cost of living crisis going to effect peoples credit files?</p> <p>What understanding is being given to people.</p> <p>I support a number of people that struggle to buy food on a weekly basis. Energy companies going to be chasing people for very large debts.</p>	<p>Experian: We have recently published a guide on how the credit market is responding to the CoL crisis – you can view this here - https://www.experian.co.uk/blogs/latest-thinking/automated-credit-decisions/how-is-the-cost-of-living-crisis-really-affecting-your-customers/</p> <p>We have also recently published a blog article on how Utility companies can help customers in the CoL crisi. Please see here: https://www.experian.co.uk/blogs/latest-thinking/automated-credit-decisions/the-rising-cost-of-living-how-utility-companies-are-supporting-customers-through-a-data-driven-approach/</p>
16	Are you aware of any data/insight re how reduced household spending power will knock on to charitable giving?	<p>YouGov: A tracking survey we conduct for the Charities Aid Foundation shows that 14% plan to cut back on charitable giving to help manage their bills - https://fundraising.co.uk/2022/05/03/cost-of-living-crisis-sees-a-third-of-charities-concerned-for-their-survival/</p> <p>We also have regular public tracking data around the intentions to make donations to charity: https://yougov.co.uk/topics/politics/survey-results/daily/2022/06/29/b2fb1/2</p>

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17	<p>How much of an impact is rising interest rates on mortgages likely to impact people in the short and longer term? And indeed on the property market?</p>	<p>Experian: The growing dominance of fixed-rate mortgages (and for longer term periods) will partly cushion the impact of rising rates, particularly in the short term. In addition, there has been a decline in the proportion of homeowners with a mortgage. That said, a number of mortgage offers made on more favourable terms earlier in the year will start to expire and could well mean buyers reassess plans at a time when the economic climate is more uncertain and fragile. Overall, the impact of rising interest rates will have less of an impact than in the past, when SVR were far more prevalent.</p>
18	<p>You've highlighted categories that have seen a greater impact from the cost of living crisis. Are there any that prove to be particularly resilient? e.g. in the last recession, there seemed to be a polarisation in the market</p>	<p>Experian: Our latest insight will allow you to understand the population of each Mosaic group and the band of discretionary income they sit in to provide a measure of resilience. For example, we can see that for certain groups such as I; K and L high proportions of these groups sit in the lower bands of discretionary income so are less resilient, whilst those in groups A and B and largely unaffected.</p>
19	<p>Any thoughts on why there is a big disparity in confidence between the East and West Midlands?</p>	<p>Experian: The Experian data will provide a detailed view of the relative financial challenges faced by households in both east and west Midlands which may be affect consumer confidence.</p>
20	<p>What evidence do we have about the impact of the cost of living crisis on other countries - and if we have this, are there some better positioned to cope with this (less existing inequalities, better infrastructure for support?)</p>	<p>Experian: Unfortunately, we only have research findings and consumer insight for the UK.</p> <p>YouGov: The cost of living seems to have already started to creep up for households in Europe as across all seven countries, at least three-fifths say that they have seen a rise over the past 12 months. The Spanish are the most likely to report rising costs (83%), followed by Britons (80%), Germans (78%), Italians (76%), the French (66%), Danes (65%), and Swedes (62%) - https://yougov.co.uk/topics/international/articles-reports/2022/03/15/eurotrack-cost-living-squeeze-being-felt-around-eu</p> <p>There is also a wider global comparison here of Great Britain with other nations - https://business.yougov.com/content/42203-global-how-do-consumers-view-costs-living-survey</p>
21	<p>Do you have any data on purchasing eco-friendly products/attitudes towards environmentally friendly products?</p>	<p>Experian: We have propensities to purchase and support green or environmental issues with our Mosaic segmentation. This additional insight can be aligned with our new insight showing change in consumer spending power.</p> <p>YouGov: The YouGov Profiles dataset has an array of attitudinal and behavioural data around environmental issues and sustainability. This covers their own attitudes to the issues and also how this affects their purchasing habits e.g., around car purchase, food consumption and other environmentally friendly behaviours.</p> <p>For more information please look here: https://business.yougov.com/product/profiles</p>
22	<p>How do you think this will impact customers priorities around sustainability?</p>	<p>YouGov: We don't hold specific data on this issue at the moment. But from the data we presented we know that people are seeking to stop spending in certain areas and seeking cheaper alternatives in other areas of spending. This would have an impact on purchasing sustainable products and would be something really interesting to explore further.</p>

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23	How many people are dipping into their savings to make ends meet?	Experian: That is certainly a possibility, our data is telling us that each situation is individual to the household and their particular circumstances, but it is likely that savings will be used to maintain living standards as costs for essential items increase especially in lower or middle income households.
24	Can you pop the email address you previously mentioned (to contact you for data) in the chat please? I missed it!	Experian: For any enquiry, please contact the Experian team on businessuk@experian.com and the team will get back to you YouGov: For any enquiries, please contact YouGov on info@yougov.com and a member of the team will get back to you.
25	Are you aware of any data on the impact of the cost of living crisis on people's willingness to engage in environmentally friendly behaviours?	YouGov: The YouGov Profiles dataset has an array of attitudinal and behavioural data around environmental issues and sustainability. This covers their own attitudes to the issues and also how this affects their purchasing habits e.g. around car purchase, food consumption and other environmentally friendly behaviours. We also hold data on people's own financial situation that can be contrasted with their attitudes to the environment. For more information please look here: https://business.yougov.com/product/profiles
26	How is this impacting lender risk levels and consumer desire for credit?	Experian: We have recently published a guide on how the credit market is responding to the CoL crisis – you can view this here – https://www.experian.co.uk/blogs/latest-thinking/automated-credit-decisions/how-is-the-cost-of-living-crisis-really-affecting-your-customers/
27	We've talked about spending what are your thoughts on people saving i.e. pensions etc	Experian: Pensions savings are included as a spend category within non-essential spend so may well be affected as households decide priorities on how to utilise reducing amounts of disposable income. YouGov: The level of savings and investments amongst the general population increased during the pandemic, particularly amongst higher income families. Moving forward into the post-pandemic recovery period, we do see that saving continues to be a key financial goal for half of the population, and a third are focused on paying down their debts. Naturally with the pressure on disposable incomes, it remains to be seen whether consumers will be able to meet these goals, but it is illustrative of the wider financially conservative mindset evident in the UK population.
28	Are consumers cutting back on clothes and petrol due to environmental factors also?	Experian: We have recently published a guide on how the credit market is responding to the CoL crisis – you can view this here – https://www.experian.co.uk/blogs/latest-thinking/automated-credit-decisions/how-is-the-cost-of-living-crisis-really-affecting-your-customers/
29	The data presented was at Mosaic segmentation levels, do you have the FSS group and Type equivalent?	Experian: Yes, we can provide you with insight and a dashboard using FSS group in place of Mosaic For any enquiry, please contact the Experian team on businessuk@experian.com and the team will get back to you
30	Have you factored in the government's support package and how it may help some household groups more than others?	Experian: Yes, we are including any household Government support packages within each quarterly update to our data.

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31	You mentioned a group “Country Living” with the impact not being significant. How can we differentiate between “Country Living” and Rural Poverty.	Experian: We can provide detailed insight by mosaic group and type for all geographic areas and help you to distinguish between groups of different affluence. Each Household and Postcode is classified with a Mosaic Group and Type.
32	Do you have data specific to Wales please?	Experian: We have data covering the whole of the UK. We can provide you with a regional specific dashboard and / or data set.
33	As a local support charity for other charities we are seeing an increase in demand for food banks but at the same time see donations falling and costs increasing. Any views.	<p>Experian: As we have discussed over the course of the two webinars, certain discretionary items will come under pressure, especially from those who will have very little discretionary income left at the end of the month. However, there are still the vast majority who can afford to give - It is about making sure your message it received by the right audience.</p> <p>YouGov: We are seeing impacts on certain demographics ability to donate to charity. Although, donations to charity do differ across sections of the population as will the demand for food banks. There is much more data on the issues of charitable giving in the UK in this report produced by YouGov and CAF - https://www.cafonline.org/docs/default-source/about-us-research/uk-giving_2022.pdf</p>
34	For those in the ‘less need to be worried’ group, is it possible they’ll get impacted emotionally from all the negative press/seeing people struggle which could translate into wanting to spend less?	YouGov: Yes, this is a possibility. People are influenced by where they source their news from, and some people will likely react to the media stories and become more cautious in their spending. But as we presented there is still spending power in the economy and targeted messaging needs to focus on that and the concerns some may have.
35	Where can we find more information on the Experian Mosaic groups?	Experian: For any enquiry, please contact the Experian team on businessuk@experian.com and the team will get back to you,
36	Do you have a similar data for small businesses and how the cost of living crisis is impacting them?	Experian: We ran a webinar from our commercial side of the business that looked into the impact for small businesses – you can find our more here https://www.experian.co.uk/blogs/latest-thinking/fraud-prevention/how-is-the-current-cost-of-living-crisis-affecting-small-businesses/
37	Do you have any data on how this is impacting the perception of Responsible Investing or ESG when making purchasing choices?	YouGov: From the Sustainable Finance Index we can see that just under a third of consumers are planning on changing their existing investment mix, particularly their pension, to ensure they are sustainably invested and this has been unchanged in recent months. Furthermore, we still see a quarter of consumers in the UK considering taking out a sustainable investment product, and although actual product acquisition may be stymied by lower disposable incomes, intent is higher amongst higher income groups less affected by cost of living increases.

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38	<p>Is there any data on charity donations? Also, which category of spending would something like pet food come into?</p>	<p>Experian: We do have insight showing propensity to donate to a charity and which type. Pet food is likely to be included within Essential spend within the Food category and included in a weekly shopping basket.</p> <p>YouGov: There is much more data on the issues of charitable giving in the UK in this report produced by YouGov and CAF - https://www.cafonline.org/docs/default-source/about-us-research/uk_giving_2022.pdf</p> <p>We also have regular public tracking data around the intentions to make donations to charity: https://yougov.co.uk/topics/politics/survey-results/daily/2022/06/29/b2fb1/2</p> <p>And there is much more data on donations in our YouGov Profiles dataset, if you would like to hear more about that. https://business.yougov.com/product/profiles</p>
39	<p>Do you have any data on consumers looking for more energy efficient products?</p>	<p>Experian: We have propensities to purchase and support green or environmental issues within our Mosaic segmentation. For more info, please contact the Experian team on businessuk@experian.com and the team will get back to you,</p> <p>YouGov: The YouGov Profiles dataset has an array of attitudinal and behavioural data around environmental issues and sustainability. This covers their own attitudes to the issues and also how this affects their purchasing habits e.g. around car purchase, food consumption and other environmentally friendly behaviours.</p> <p>For more information please look here: https://business.yougov.com/product/profiles</p>
40	<p>How can you access Mosaic profiles for your local area?</p>	<p>Experian: For any enquiry, please contact the Experian team on businessuk@experian.com and the team will get back to you.</p>
41	<p>Do you have any extra data on the question about how worried people are about the cost of living crisis?</p>	<p>YouGov: This data is available in our YouGov Profiles dataset which contains over 200,000 data points on over 300,000 UK adults that can be used to explore this data in granular detail.</p> <p>We also have published some similar data on this issue: https://yougov.co.uk/topics/economy/articles-reports/2022/05/26/one-five-britons-now-say-they-are-struggling-or-un</p>
42	<p>You shared age and SEG skews, do you have any other demographic or psychographic skews on that question? (i.e. any differences according to families, singles etc.)</p>	<p>Experian: Our household score aligned to household composition will provide an answer based upon change in Disposable income.</p> <p>YouGov: We also have the data cut by region, age and political leaning. For this specific question we don't have any further splits but analysing data by marital/family status is easily doable in research we commission. https://yougov.co.uk/topics/finance/survey-results/daily/2022/03/15/95efc/1</p>

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Webinar 2 – Follow up questions and answers



QUESTIONS



ANSWERS

1	<p>Are there any views on how long the current inflation @ 10% will be with us?</p>	<p>Experian: Our own forecasts suggest inflation will peak at 11.6% in October 2022, coinciding with a further rise in the Ofgem energy price cap. This represents an upward revision relative to our prior forecast, given rising prices for food and housing components as the cost-of-living crisis deepens. I would caveat this and given Russia further limiting gas supply to Europe since this forecast was formed, the peak will probably be higher than forecast. We expect double digit inflation to drift into the first quarter of 2023 before easing back, but remaining elevated. Indeed, we expect inflation to remain above 2% target until 2025.</p>
2	<p>TakingCare, part of AXA Health, sell products that help people live at home safely as they age. For many people a device such as a fall detector is a distress purchase. How do you see the current situation affecting distress purchases?</p>	<p>Experian: As part of our modelling we have essential spend that have to be bought as part of everyday life i.e. fuel, food etc. With any discretionary income, people will have to make choices on what they spend on, and depending on which segment they are in there will be less spent on 'essential' items.</p>

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3	<p>Hi there, I work with a number of clients in stocks/crypto in the affiliate marketing space. At the start you mentioned the landscape for Cryptocurrency. What are your findings for Crypto and people's investments during the financial crisis?</p>	<p>YouGov: The UK has one of the lowest uptakes of Cryptocurrency globally and high levels of distrust in it as an investment vehicle. Recent media coverage of the crypto-crash is likely to have only reinforced this view for the general population. There will, however, be a core part of the population who believe that now is the time to buy into Crypto and will continue to hold Crypto, but we are likely to see wider adoption stymied for some time to come.</p> <p>The YouGov Profiles dataset has an array of attitudinal and behavioural data around investment behaviours and risk tolerance.</p> <p>For more information please look here: https://business.yougov.com/product/profiles</p>
4	<p>In what ways are lenders using Experian FSS segments within their credit decisioning?</p>	<p>Experian: FSS could feed into a balanced scorecard or pre decision scorecard, along with credit scores, and more and more likely will be used as part of risk decisioning for discretionary income loss etc.</p>
5	<p>What does pension fund value mean? Is this their annual pension income or their total pension fund size?</p>	<p>Experian: This is in relation to the detail shown in the segmentation portal for our FSS profiles.</p> <p>This value is the estimated total fund size, not their annual pension income.</p>

Registered office address:
The Sir John Peace Building, Experian Way,
NG2 Business Park, Nottingham, NG80 1ZZ

T: XXXX XXX XXXX
E: xxxxxx@xxxxxxxxx
www.experian.co.uk/xxxxxxxx

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