

## News in Review

3 September 2025

*"Retailers endured another tough month in August"*



**Retail sales volumes fell for the eleventh consecutive month in August, according to the latest survey from the Confederation of British Industry (CBI). The monthly retail sales gauge was at -32%, marking little change from -34% in July. However, the pace of decline is expected to slow down in September, with the outlook improving to -16%.**

Retail sales were judged to be 'poor' for this time of year (-19%) and are set to remain below the seasonal average this month (-20%). It's therefore not surprising that sentiment among retailers is low; their business situation is expected to keep deteriorating in the coming quarter (-10%), although not as much as last quarter (-29%).

Retail employment decreased at a steady pace in August (-14%) but is expected to drop further in September at -19%. Average prices increased at the fastest pace since November 2023 (+65%) but this is anticipated to slow to +43% in September.

*"Retailers endured another tough month in August"* said Martin Sartorius, Principal Economist at CBI. He added, *"Weak demand and higher labour costs continue to put pressure on margins, dampening sentiment across the retail and wider distribution sector. This downbeat outlook is reflected in firms' plans to scale back investment and hiring."*

### **Fake FCA scams reach nearly 5,000**

The Financial Conduct Authority (FCA) received 4,465 reports of fraudsters

impersonating the regulator in the first half of 2025, so has advised people to stay vigilant.

According to reports, scammers often encourage people to share sensitive information by claiming that the FCA has recovered funds from a crypto wallet that was opened illegally in their name. Another method targets vulnerable victims, persuading them to hand over funds by claiming that the FCA can help them recover lost money.

Steve Smart at the FCA has reminded consumers, *"We will never ask you to transfer money to us or for sensitive banking information such as account PINs and passwords. If in doubt, always check."*

### **Car production rises but commercial vehicles decline**

Figures from the Society of Motor Manufacturers and Traders (SMMT) show that UK car production increased by 5.6% in July, reaching 69,127 units, a second consecutive monthly rise. However, commercial vehicle output dropped significantly (-81.1% year-on-year) following a bumper July in 2024. Overall, total vehicle production was down -10.8% to 72,006 units.

Car sales to the US increased by 6.8%, after three months of decline. SMMT commented on this reversal, *"The US remains the largest single national market for British built cars, underscoring the importance of the UK-US trade deal and July's performance illustrates*

*the impact of this deal which came into force on 30 June.'*

### **Savings product choice hits record high**

According to a report from Moneyfacts, the number of savings products and savings providers on the market has hit a record high. The quantity of savings deals now stands at 2,274 and there are 154 savings providers to choose from. For the first time since April, average fixed bond and ISA rates are now all below 4%. The Moneyfacts Average Savings Rate decreased to 3.50%, down from 3.92% in August 2024 and 4.14% in 2023.

### **House prices**

The latest figures from Nationwide show that house price growth slowed to 2.1% in August, down from 2.4% in July. This subdued growth is due to persisting affordability challenges, with buyers experiencing difficulties in raising a deposit; house prices are still high in comparison to the typical income. Robert Gardner, Nationwide's Chief Economist commented, *"Affordability should continue to improve gradually if income growth continues to outpace house price growth as we expect. Borrowing costs are likely to moderate a little further if Bank Rate is lowered again in the coming quarters. This should support buyer demand, especially since household balance sheets are strong and labour market conditions are expected to remain solid."*

### **Here to help**

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.