2025 Consumer Digital Index

The Generative AI Edition



LLOYDS BANKING GROUP

Our yearly Index report, **refreshed.**

Since 2015, Lloyds Bank has studied and reported on the digital and financial lives of a million UK consumers. This year, Lloyds Banking Group (LBG) builds on a decade's worth of behavioural and transactional data to show you how people are responding and adapting to the most transformative technology in the digital space – Artificial Intelligence.

This is the 2025 UK Consumer Digital Index.

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A decade of insight. A future of empowerment.

The 2025 UK Consumer Digital Index marks the tenth edition of this landmark study. Building on a decade of research, it combines behavioural and transactional data with new large-scale surveys and interviews to deliver the most comprehensive view yet of digital and financial lives across the UK.



Click the sections to navigate straight there

Visit online
lloydsbankinggroup.com/media/consumer-digital-index.html

Email us
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True financial empowerment



This year marks a decade since we launched the Consumer Digital Index, an index that helps us understand how digital innovation is transforming financial lives across the UK. Over that time the Index has become the UK's most comprehensive study of digital and financial capability, helping to shape the national conversation on inclusion and empowerment.

In 2025, we stand at an inflection point: digital participation has reached almost universal level, with more than 28 million adults now using AI tools to manage their money independently. This is not just technological progress, it's a profound shift in confidence and capability for millions.

Our research shows that those embracing these technologies say they are not only saving more but – crucially – are feeling more informed and empowered to make decisions that shape their financial futures.

This year's Index is our most ambitious yet. For the first time, it features one of the largest surveys of its kind into the role artificial intelligence is playing in personal finance, offering new insight into how emerging technologies are shaping financial behaviours across the UK. We also reflect on the journey so far, drawing on five- and ten-year trends to understand how far we've come, and where we need to go next.

As part of this evolution, this year's Index is focusing even more sharply on the drivers of financial empowerment and the impact of digital participation.

“Trust, transparency and inclusion must remain at the heart of this transformation.”

The strategic shift at the heart of this year's report is clear: showcasing how digital banking and AI are enabling millions to take control of their financial futures.

And as digital adoption accelerates, new challenges emerge. Trust, transparency and inclusion must remain at the heart of this transformation. While AI is helping to transform how millions of people manage their money, giving them greater control over their financial futures, people need to know that the information they receive is accurate, secure and truly in their best interests. Our findings show that concerns about data privacy and the reliability of advice remain high, especially among those not yet fully engaged.

At Lloyds Banking Group, we are proud to lead the way in responsible, inclusive innovation. We are proud of our role supporting the UK's Financial Inclusion strategy and ensuring that everyone – regardless of age, income or circumstance – can benefit from the opportunities of a digital-first economy.

Looking ahead, more than a third of adults expect to increase their use of AI for money management in the coming year. The trajectory is clear. But true financial empowerment is about more than access to technology: it's about building confidence, trust and capability for all.

By combining smart, responsible innovation with trusted expertise, we can help every person and community thrive in a changing world.

Jas Singh OBE
CEO, Consumer Relationships
Lloyds Banking Group

Executive summary



This year's Consumer Digital Index introduces a refreshed focus, placing artificial intelligence at the centre of its exploration into how digital participation is transforming financial lives across the UK. The report also debuts a new look and feel, designed to make insights more accessible and engaging for all audiences.



What's new

For the first time, the Index includes one of the largest studies to date on AI in personal finance, gathering insights from over 5,000 digitally engaged individuals via an online survey to understand how confidence in digital tools – and the emergence of AI – is shaping financial decision-making.

To ensure the research reflects the full spectrum of experience, we also conducted face-to-face interviews with 300 digitally disengaged individuals, capturing valuable perspectives on the barriers they face and the support needed to help them get online.

This builds on our longitudinal analysis of anonymised transactional data from one million customers across Lloyds Banking Group brands, tracking five- and ten-year trends to reveal both progress and persistent barriers and allowing for richer analysis of actual behaviour versus attitudes and perceptions. Additionally, we carried out a telephone survey with a subset of the one million customers – c.1,000 individuals aged 18–70 from across the UK, whose responses are anonymously matched with their transactional data to deepen our understanding of how attitudes translate into real-world financial decisions.

The Essential Digital Skills (EDS) report has been decoupled from the Index, enabling a sharper focus on financial empowerment and the impact of digital participation.

Key findings



AI: A new era in personal finance

AI is now central to how millions in the UK manage their money.

Self-reported data from our new online survey* shows that nearly 1 in 3 adults use AI weekly for personal finance. Of those who use AI tools, the average annual estimated savings is £399 – and in London, as many as 12% of users claim savings of £1,500 or more. AI is most often used for savings goals, budgeting and financial education, driving greater confidence and engagement. While trust in traditional advice remains strong, younger adults are increasingly turning to AI for financial insights. Responsible, transparent AI is essential to build trust and ensure these benefits reach everyone.

1 in 3

almost 1 in 3 UK adults use AI weekly to manage their money.

£399*

average annual estimated savings for AI users.

23%*

of 25–34-year-olds trust AI generated financial advice and insights more than traditional sources.

12%*

of Londoners using AI tools report saving over £1,500.

* Figures on AI usage and reported savings are based on self-reported survey data and reflect perceptions at the time of fieldwork, not verified outcomes. References to AI tools or social media platforms are illustrative only and do not constitute regulated financial advice or endorsements. For full details, see the Methodology section.

Digital participation: A decade of growth

Digital engagement is now woven into everyday life across the UK.

With most adults using online tools to manage their finances, access services and stay connected. Insights from our nationally representative online survey and transactional data show that digital tools – especially mobile banking apps and internet banking – are helping people feel more confident, in control and empowered in their financial lives. While digital adoption continues to grow, some barriers remain, including trust, usability and awareness. Ensuring digital services are inclusive and accessible is essential to unlock financial empowerment for everyone.

95%

of UK adults are online in 2025 – equivalent to a rise of 6.3 million since 2016.

86%

of adults aged 60+ now use the internet (up from 72% in 2016).

93%

of those online use internet banking monthly.

57%

say mobile banking apps have enhanced their lives or helped save time/money.



Key findings

Financial capability: Confidence through digital

The UK's financial landscape continues to be shaped by ongoing economic pressures and the rapid adoption of digital tools.

Insights from our nationally representative surveys and transactional data show that digital engagement is closely linked to financial confidence and resilience. People who are digitally engaged are more likely to report feeling more in control of their finances, planning ahead and adapting to challenges like the cost-of-living crisis. While most households are maintaining financial stability, pockets of vulnerability remain. Building digital capability and confidence is increasingly vital for helping people manage money, set financial goals, and prepare for the future.

81%
of UK adults feel confident managing money.

72%
use digital tools/methods to manage finances.

£815
more saved annually on average by those with higher digital and financial capability vs the lower segments*.

66%
of internet users say being online makes them feel more confident managing money.

* Individuals are grouped into digital and financial capability segments based on their scores and, ultimately, their digital and financial behaviours (see Methodology for more details).

The opportunity

This year's findings make one thing clear: digital participation and the rise of AI are reshaping financial lives at an unprecedented pace.

The opportunities for empowerment are vast, but so are the challenges of trust, inclusion and capability.

This report offers insight to help navigate this evolving landscape – showing where progress is happening, where barriers remain, and prompting reflection on the kinds of responses that may be needed to ensure everyone can benefit from the opportunities of a rapidly evolving digital world.



Start a national conversation



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AI: Prompts for prosperity

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Artificial intelligence, human advantage

Artificial intelligence (AI) is already reshaping how millions of people across the UK manage their money, make decisions and plan for the future. From GenAI tools to smart chatbots, AI is providing a helping hand in loads of different ways when it comes to our money.



28m

UK adults are estimated to have used artificial intelligence to help manage their money.

To understand the trend a bit more, we placed AI at the core of this year's Consumer Digital Index. And the insight from our nationally representative survey of 5,000 digitally engaged individuals, one of the largest public surveys to date on AI personal finance, shows that AI is no novelty – but a vital tool for building confidence and resilience, helping give people much-needed control over their finances. The headline statistic is that 56% – equating to 28 million people – have used AI for personal finance in the past year.

At Lloyds Banking Group, AI is being woven into the fabric of our operations. With more than 800 AI models in production across the group, from Athena – our AI-powered knowledge hub for customer facing colleagues – to the AI-powered search function in our app which enables 4 million Large Language Model searches a month as well as risk modelling and fraud prevention.

Central to our approach is a strong Responsible AI Framework. With seven AI Ethics principles, every system undergoes rigorous testing for fairness, transparency and bias, with human oversight built in – ensuring that innovation builds trust as well as value. Our commitment to responsible AI has been recognised by industry experts, including ranking in the top five of banks globally for the Transparency category in the 2025 Evident AI Index – Responsible AI Award.

Look for these symbols throughout this section to see where our results are gathered from:

- Anonymised transactional data from **one million customers across Lloyds Banking Group brands**.
- National telephone survey of **c.1,000 individuals** – a subset of the one million customers.
- National online survey of **5,000** digitally engaged individuals.
- Face-to-face interviews with **300** participants who have limited digital engagement.
- **Full data supplement:** Comprehensive data tables with survey questions and survey base sizes can be downloaded via our website here: https://www.lloydsbankinggroup.com/media/consumer-digital-index.html#data

From novelty to necessity

AI and chatbot use is growing exponentially. This shift means that digital tools are now expected, especially by younger adults and parents.

56%

have used AI for personal finance and money management in the past year.

Usage highest among under-45s, Londoners and parents



Almost 1 in 3

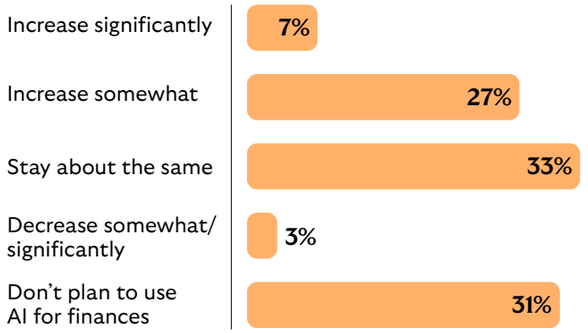
use AI weekly for money management.

Half of current users expect their AI usage for personal finance to increase over the next year.

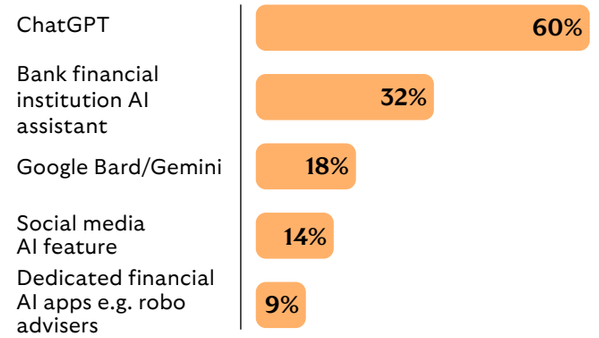
ChatGPT is the most used tool (60%), followed by bank AI assistants (32%) and financial apps (9%).



Expectations about level of use of AI for personal finance over the next 12 months



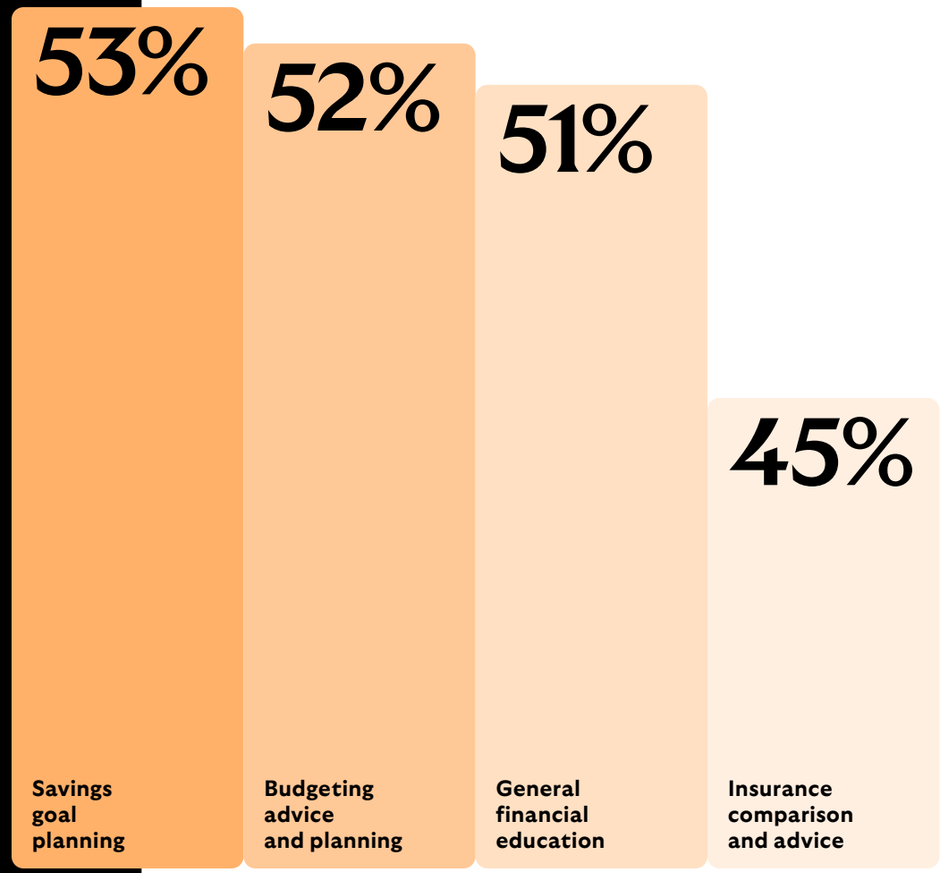
AI tools primarily used for finance



Lessons learned, savings earned

As AI use becomes more widespread, it's increasingly incorporated into everyday money management. Our survey shows AI is most frequently used for these finance tasks (see right).

This widespread use shows people use digital tools for practical support and to help with everyday financial decisions, whether savings, budgeting or financial education. The challenge for providers is to ensure that the tools remain accessible, inclusive and genuinely helpful for all users – because that's what respondents say they value most. People also need to know the information they receive is accurate, secure and truly in their best interests.



At LBG, AI is transforming how we work – streamlining fraud checks, lending reviews and 'Know Your Customer' processes. It's boosting developer productivity, modernising legacy systems and empowering colleagues with AI tools. And with agentic AI on the horizon, we're redefining how we engage with customers.

With cloud-based AI platforms we can deliver tangible benefits such as instant mortgage checks, real-time language translation and personalised financial insights. The platform has already enabled 80+ Machine Learning (ML) use cases, 18 GenAI deployments and a mortgage algorithm that cuts verification time from days to seconds.

Prompt for prosperity

Is AI actually saving people money?

Yes – according to our survey, among those who use AI tools to manage their finances, the average annual saving reported is £399. When we look at the average of the whole population – including those who don't currently use AI to manage their finances – the equivalent reported is £224.

£474
estimated reported savings of **weekly** users over the past 12 months.

12%
of Londoners estimate AI helped them save £1,500+ last year.

While these are self-reported figures, they reflect a strong belief in the financial benefits of digital tools. The next step is to validate these savings with robust evidence, helping consumers make informed and secure choices.

But reinforcing this data, we know that our AI-driven insights are already helping customers find new ways to save. By analysing transaction data and spending patterns, tools can flag unused subscriptions, highlight cost-saving switches and help people keep more money in their pockets. We offer real-time, personalised spending insights to our customers to help them understand where their money goes and look for any unusual transactions.

Trust, transparency and the human touch

As with any new technology, it's important that people have reassurances about the integrity and veracity of AI if they are to turn to it for financial advice.

Traditional banks and advisers remain more trusted (40% vs 15%), however nearly a quarter of 25–34-year-olds now trust AI generated financial advice and insights more.

- **51%** still prefer advice from a human advisor.
- **56%** say they use AI for financial decisions more than they did last year.
- **78%** of those who trust AI use AI for financial decisions more than they did last year.
- **70%** of those who trust AI more than traditional sources for financial advice use it daily or weekly.
- **64%** of those who trust traditional sources more say they never use AI for financial tasks.

We can see trust is a critical driver of technology adoption and how regularly it is used.

And as trust evolves, the gap between traditional and AI sources narrows. The future lies in blending technology with human expertise, with many consumers still valuing the personal connection.

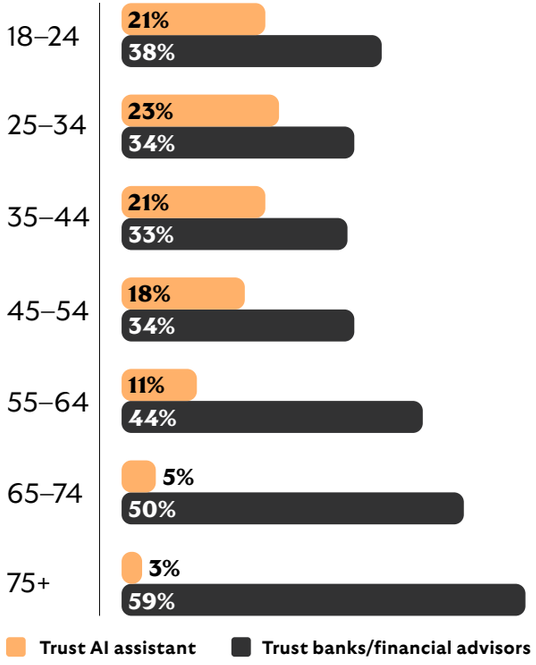
It's important that technology serves people, rather than replaces them. That's why our approach to AI is grounded in trust, transparency and human connection. Athena is Lloyds Banking Group's first large-scale Generative AI tool, designed to support customer service colleagues by dramatically improving how they search and retrieve information.

Used by 30,000 customer-facing colleagues, with over 2.1 million searches already completed, it scans 13,000 internal articles to help resolve customer queries more efficiently – reducing search time by 66% and saving over 4,000 hours for our telephone banking teams, freeing them up to focus on complex, personalised customer needs.

40%
Trust banks/financial advisors more

15%
Trust AI more

Trust AI-generated financial advice and insights vs traditional sources (e.g. banks)

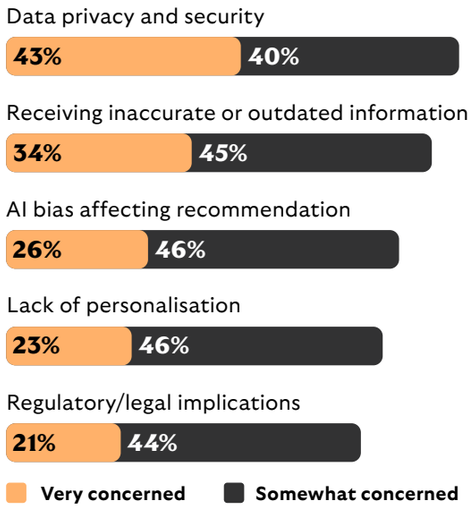


Prompt for prosperity

What are people worried about?

Concerns about data privacy and security remain high, especially among those who haven't yet adopted AI tools for financial matters. However, regular engagement with AI appears to reduce anxiety, suggesting that familiarity and clear communication are key to building trust.

Concerned about risks of using AI for finance



88% of non-users cite data privacy and security as a concern.

77% of daily or weekly users cite this as a concern.

The drop in concern between non-users and regular users suggests that using AI builds familiarity and comfort. Addressing these concerns directly will be crucial for driving broader adoption and ensuring that digital transformation benefits everyone.

At LBG we're integrating AI with security at its core deploying solutions to protect customer data, enhance decision-making and strengthen fraud prevention.

Confidence, engagement and intentions

When it comes to AI and how people look after their money, we're seeing mutual benefit. Financial confidence fuels AI adoption and AI use boosts financial engagement and makes people more proactive.





Among people who say they have enough knowledge to make informed decisions about their finances, 31% say they use AI daily or weekly to manage their money – notably above the overall average. Among daily or weekly AI users, 87% say they feel engaged with their finances – higher than the overall average (84%) and above those who never use AI (81%).

And people who regularly use AI tools (daily/weekly) to manage their finances are consistently ahead of non-users when it comes to long-term financial actions, with notable percentage point differences.

This suggests that digital tools can motivate positive financial behaviours and help people take control of their financial futures. The opportunity for the industry is to support this journey with accessible, personalised guidance.

Those who regularly use AI tools see these results over those who don't:

+21%

Growing investments
(33% vs 12%)

+13%

Improving credit scores
(29% vs 16%)

+7%

Saving for retirement
(32% vs 25%)

Prompt for prosperity

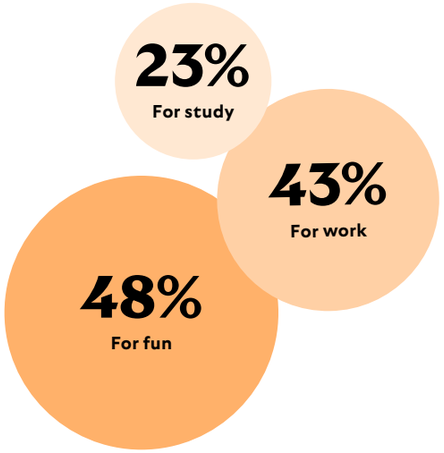
Where else is AI making an impact?

AI's influence over the last 12 months extends beyond finance, according to our survey, driving innovation in areas like productivity, health, and travel.

Top non-financial uses of AI

- **29% for writing emails, letters or work documents.**
- **20% for cooking recipes and meal planning.**
- **19% for travel planning and recommendations.**
- **17% for health symptom checking and medical advice.**
- **16% for shopping recommendations and price comparisons.**

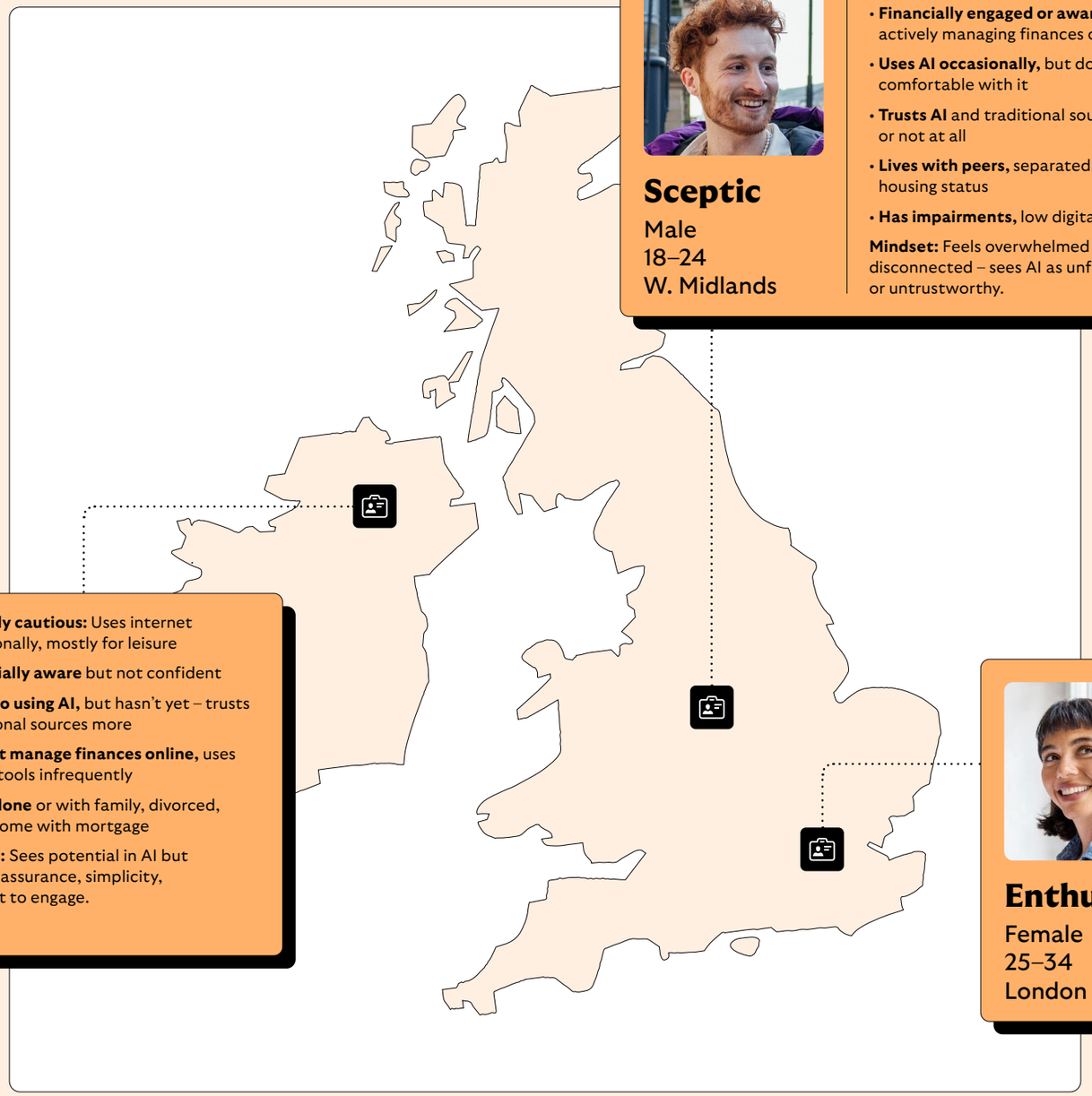
Main reasons for using AI, according to Ofcom



This broad adoption demonstrates AI's potential to enhance everyday life and promote inclusivity, but the importance of ensuring ethical and transparent use remains. We are embedding AI across Lloyds Banking Group – to help customers manage their money and to fundamentally transform how we work. From automating complex workflows to equipping our teams with smarter tools, AI is driving productivity and reshaping how we operate at every level.

Who's using AI and how?

As AI tools become more integrated into personal finance, people are responding in different ways. To better understand these behaviours, we've developed a simple, human-centred segmentation model*.



Sceptic

Male
18–24
W. Midlands

- **Digitally present** but not confident
- **Financially engaged or aware**, but not actively managing finances online
- **Uses AI occasionally,** but doesn't feel comfortable with it
- **Trusts AI** and traditional sources equally or not at all
- **Lives with peers,** separated, mixed housing status
- **Has impairments,** low digital tool usage

Mindset: Feels overwhelmed or disconnected – sees AI as unfamiliar or untrustworthy.



Curious

Female
65–74
N. Ireland

- **Digitally cautious:** Uses internet occasionally, mostly for leisure
- **Financially aware** but not confident
- **Open to using AI,** but hasn't yet – trusts traditional sources more
- **Doesn't manage finances online,** uses digital tools infrequently
- **Lives alone** or with family, divorced, owns home with mortgage

Mindset: Sees potential in AI but needs reassurance, simplicity, and trust to engage.



Enthusiast

Female
25–34
London

- **Digitally fluent:** Uses internet and digital tools daily for work and leisure
- **Financially engaged** and confident
- **Uses AI regularly** for budgeting, savings, and learning
- **Trusts AI** more than traditional sources
- **Manages finances online,** lives with family or partner, has children
- **Often renting** or mortgaged, no impairments

Mindset: Sees AI as a smart assistant – a way to stay on top of life's financial demands.

What does this tell us?

AI adoption isn't just about age or tech access. Confidence, relevance and trust all matter. The biggest opportunity lies with curious users, who are open but need support. And the sceptics may surprise you – some are young and digitally active but still hesitant.

What can organisations do?

For Enthusiasts: Keep them engaged with advanced tools, gamification and personalised insights.

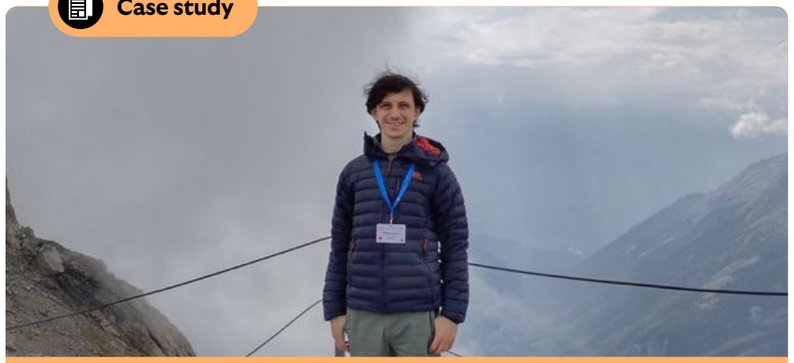
For Curious: Bridge the gap with simple onboarding, hybrid support (AI and human) and trust-building content.

For Sceptics: Start small and offer low-risk, passive tools that build confidence.

Understanding these personas helps us design better tools, support informed choices and ensure AI works for everyone.

* The individuals described in this behavioural segment are fictional personas created from aggregated survey responses. They do not represent real people but are intended to illustrate common patterns and insights

Case study



Tools not decision makers

Will

Will, 29, and a recent PhD graduate in Mathematics, lives in Edinburgh with his wife and their ragdoll kitten, Belle. Pragmatic and analytical, he uses tech widely: his laptop for research and gaming, his phone for media and messaging, and apps for all aspects of life.

When it comes to AI, Will is firmly sceptical. Using his mathematical background, he's tested outputs against his own calculations and found them lacking. Now, he uses AI only for tasks he can independently verify or as a creative sounding board for fantasy gaming, where there's no 'right' answer. His prompts are precise, and he often asks AI to cite sources to back up its claims.

For banking, Will insists on human judgement. He wants transparency: what data is used, how decisions are made, where information goes, and how AI models are trained. For him, AI can assist, but humans must make the final call.

"The world feels less and less clear. I want clarity, transparency, and I want to make the decision of whether to opt-in for myself."

Case study



Curiosity doesn't beat control

Beryl

Beryl, 65, knew early on that technology was the way forward. After taking an IT course two decades ago, she now manages most of her life digitally – she messages her family, checks bridge scores and her banking and fitness apps, all before lunch.

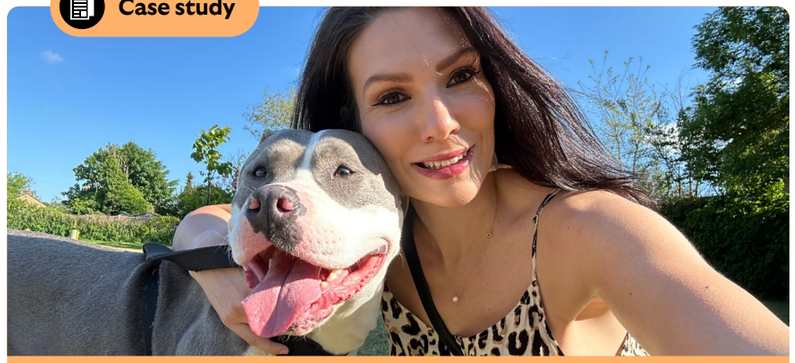
She's moved her ladies' club online, shops via Amazon and sends cards through Moonpig. And, curious about AI, Beryl recently used ChatGPT with her granddaughter to write a speech.

But while she sees AI's potential, when it comes to finance, she prefers tools she understands and can keep in control. Handy for comparing financial products, but (like when writing the speech) this would only ever be a starting point.

There's safety in the existing systems where she understands what's happening. If these processes become invisible, carried out by AI, she can't check the detail. With trusted platforms and proof of the benefits, Beryl's open to learning more – just not at the expense of control.

"There's a lot of things that you can do instantaneously – everybody wants their information within a minute."

Case study



Powering daily decisions

Nicola

Nicola, 34, is a Brighton-based data analyst who lives with her partner and dog, Dixie. She's digitally fluent, using apps to manage everything – from home renovations and fitness to shopping and financial planning.

AI now powers her everyday decisions: finding cheaper flights, planning holidays and even decoding Excel formulas at work. For her personal finance, she uses AI to compare credit cards, track spending and manage bills. And it's demystified complex processes, like remortgaging.

Over the past year, she estimates that she's saved more than £1,000.

But Nicola wants her parents to benefit too – especially with financial education and helping with sometimes overwhelming financial decisions. She believes trusted institutions like banks can, and should, help older generations become more digital.

In her eyes, AI's future is pretty exciting (especially if it leads to cars that park themselves).

"Banks could definitely do more. If my mum's bank reached out to her and offered her support on how to be more digital, she would trust that resource."

Invite everyone to connect





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Mapping digital engagement across the UK

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- National telephone survey of **c.1,000 individuals** – a subset of the one million customers.
- National online survey of **5,000** digitally engaged individuals.
- Face-to-face interviews with **300** participants who have limited digital engagement.

Full data supplement: Comprehensive data tables with survey questions and survey base sizes can be downloaded via our website here: https://www.lloydsbankinggroup.com/media/consumer-digital-index.html#data

From dial-up to daily life



As AI use becomes part of everyday finance, it's essential to understand the digital capability of UK adults. AI may be the frontier, but without basic digital engagement it has no foundations.

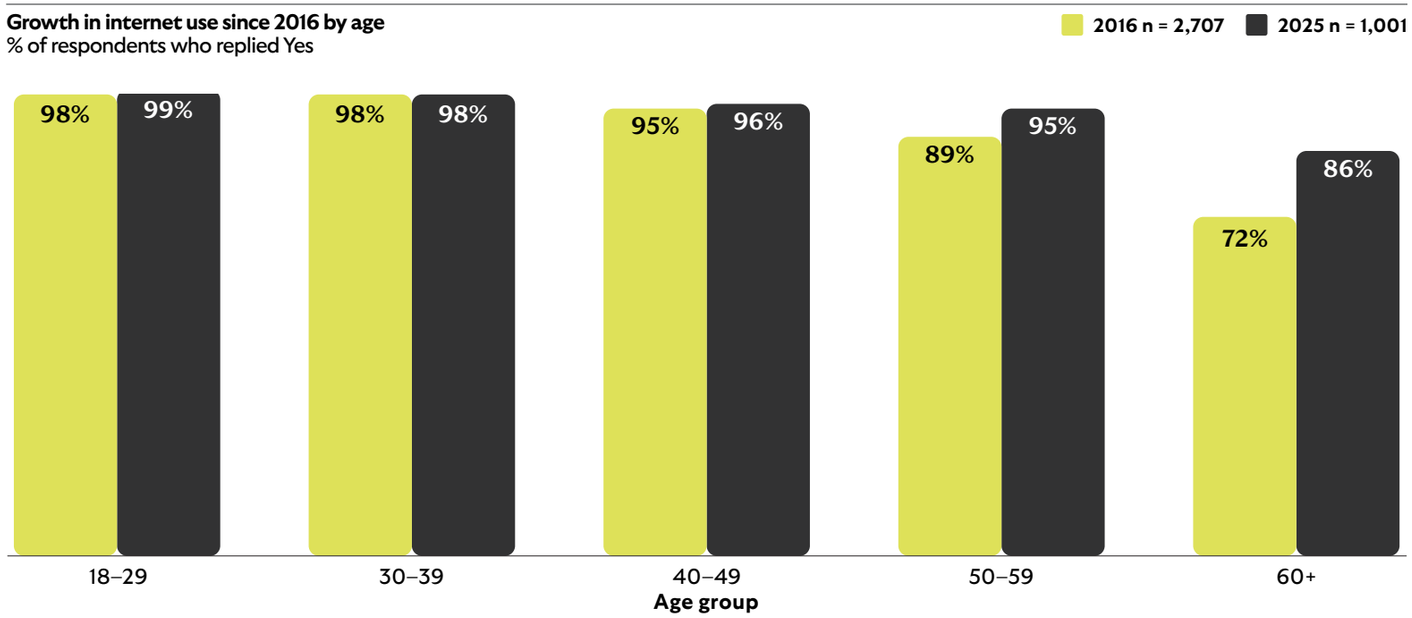
In this year's Index, we've taken a closer look at how people across the UK are engaging with digital tools, how confident they feel online and how these behaviours have shifted over time. Using a combination of survey responses and transactional data, we can explore the current state of digital capability, the long-term trends that have shaped it and the pandemic's unique role as an accelerator.

From mobile-first habits and online banking, to digital learning and spending behaviours, we can see how digital life has become deeply embedded in everyday routines – and how this growing confidence is reshaping financial outcomes.

A decade of change

The UK's digital landscape has undergone a profound transformation.

Growth in internet use since 2016 by age
% of respondents who replied Yes



As of 2025:

95%

of UK adults are online.

86%

of those aged 60+ are online compared to 72% in 2016.



This surge in digital adoption, especially among older adults, signals a major shift in how people across generations are engaging with technology. It's no longer just the young who are online: digital tools are becoming essential for everyone.

98%

of confident internet users say being online has saved them time or money.

The lockdown catalyst

The COVID-19 pandemic across 2020–21 redefined the importance of being online for many – it was a moment when digital skills became essential. Whether it was communicating with loved ones or ordering our shopping, restrictions pushed people to adopt new ways of life.

38%

of people have increased their digital engagement segment since 2020.

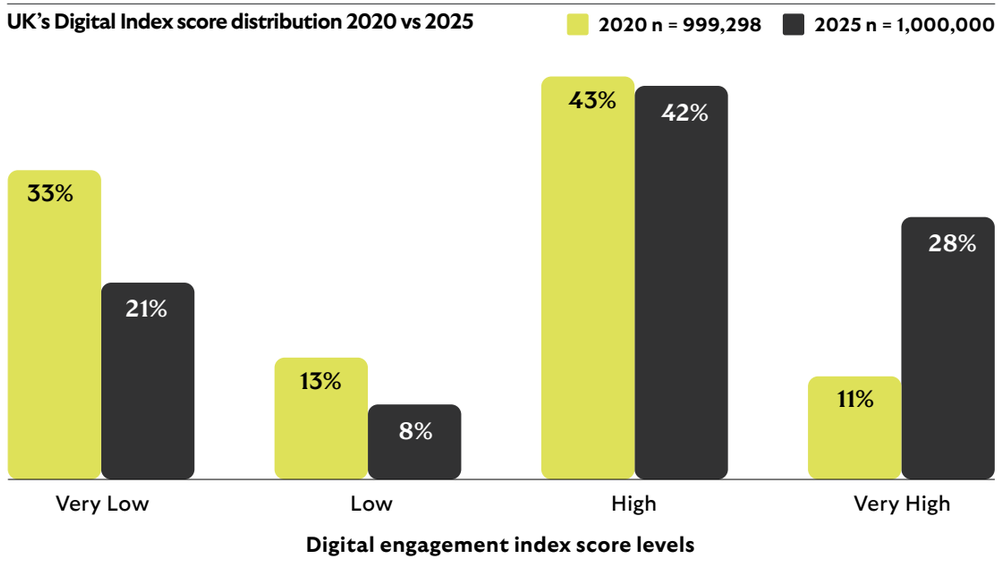




Groups previously less digitally active, like older adults, have made significant strides. The improvement in digital engagement for consumers in the Low digital segment was nearly twice as much as other segments, while the biggest gains were among those aged 50–69, driven by mobile and internet banking. Overall, Very Low and Low digital users dropped by 16pp; High and Very High users increased by 16pp.

This shift has reshaped expectations around access, convenience and financial skills. The challenge now is to sustain that momentum and ensure digital progress reaches everyone.

UK's Digital Index score distribution 2020 vs 2025



Individuals are grouped into digital and financial capability segments based on their scores and, ultimately, their digital and financial behaviours (see Methodology for more details).

Growing engagement

8 in 10

people maintained their digital engagement this year.

From 2024–2025 the average digital engagement score rose by 5% – a sign that digital capability is becoming the norm, not the exception. More support is needed for those still catching up, to ensure progress reaches everyone and is sustainable.

Movement in digital segment from 2024 to 2025 n=866,930



Movement in digital segment by age from 2024 to 2025 n=866,930

Age	Upgrade	Downgrade	Same
18–24	17%	10%	74%
25–29	14%	9%	77%
30–39	14%	8%	78%
40–49	15%	7%	78%
50–59	14%	7%	79%
60–69	14%	6%	80%
70+	10%	5%	85%

Movement in digital segment by income from 2024 to 2025 n=866,930

Income	Upgrade	Downgrade	Same
<£20K	12%	7%	82%
£20–£35K	13%	7%	80%
£35–£50K	14%	7%	79%
£50K+	15%	7%	78%

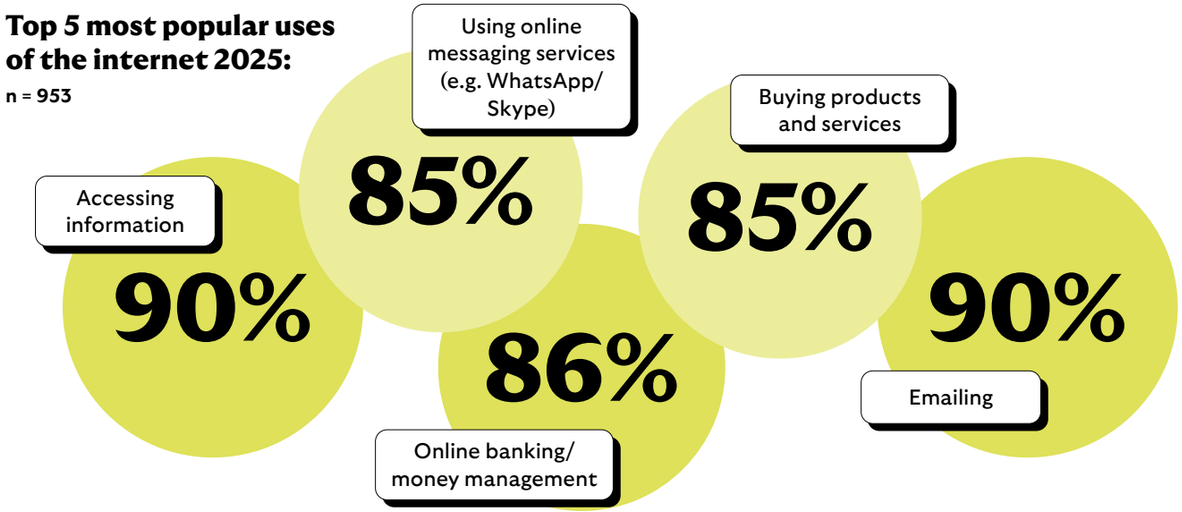
Streaming, scrolling, shopping

When we analyse what people are doing online in 2025, the answer is almost everything.

Digital life is no longer limited to a few tasks – it's woven into nearly every aspect of daily living. From shopping and managing money to learning and accessing public services, the internet is now a gateway to essential activities. This widespread usage highlights the need for digital tools that are secure, inclusive, and designed to meet diverse needs.

Top 5 most popular uses of the internet 2025:

n = 953



Needs, wants and everything between

Our analysis of real-world spending data confirms what surveys suggest: digital is now the default for shopping.



96%

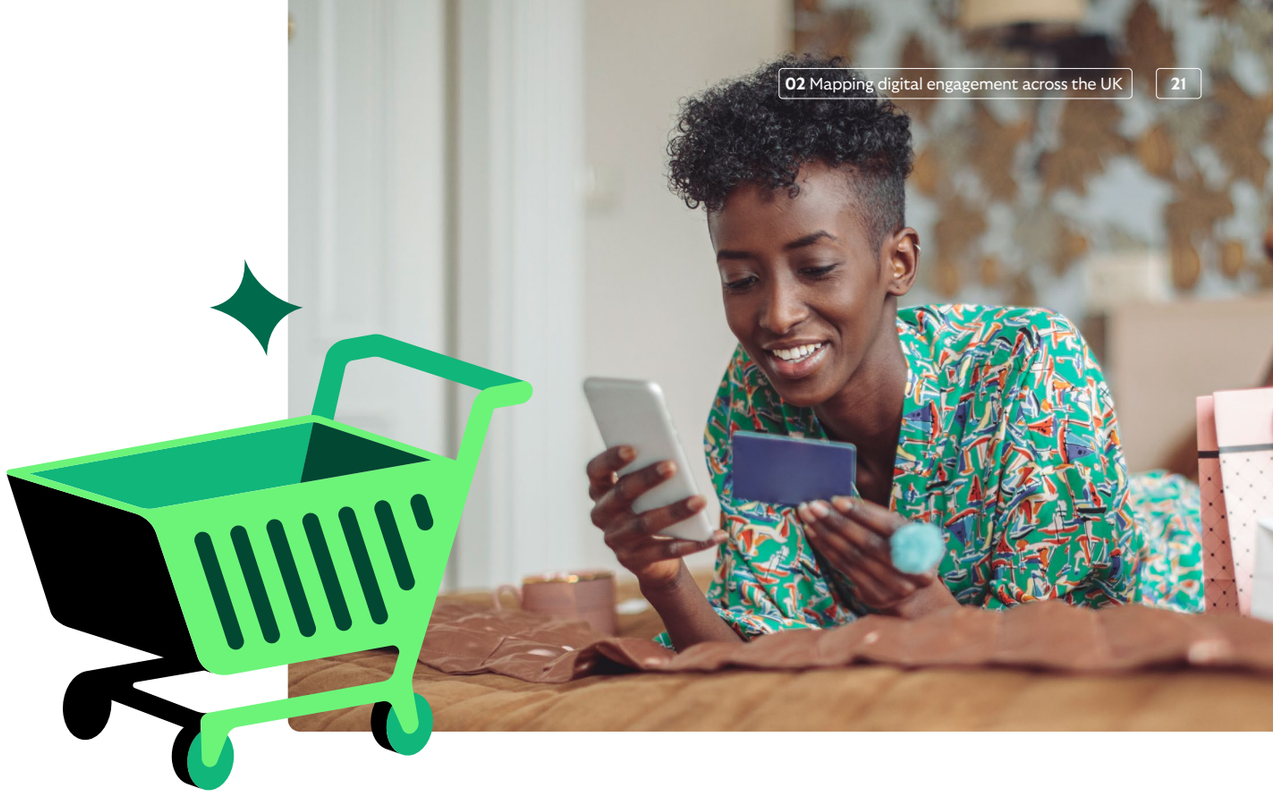
of people use online shopping.

The percentage of people who shop online has risen from 93% to 96% over the last decade. Since 2016, those aged 70+ have shown the largest growth in adoption of online shopping (+12pp), while 18–29s have experienced the most significant shift in online purchases (+25pp).

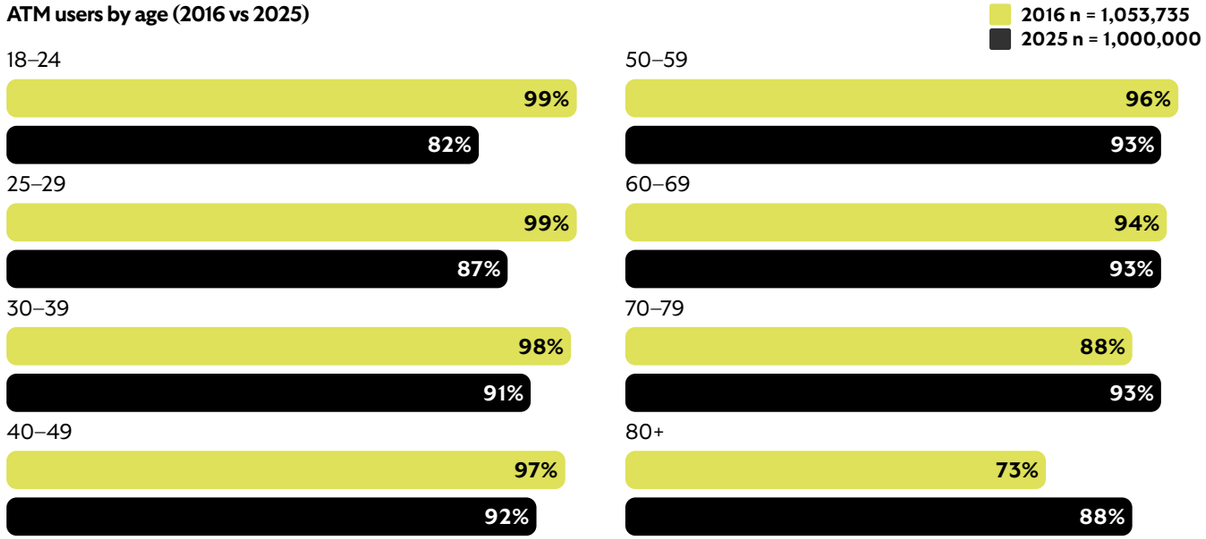
Meanwhile, the number of people who use ATMs has gone down, from 95% in 2016 to 91% in 2025, especially among the youngest adults.

This behavioural change reinforces the need for financial services that are digital-first, yet inclusive for all generations and accessibility needs.

We're helping customers and businesses adapt to a world where digital is the default. From giving consumers tools to manage needs, wants and everything in between, to supporting over 80,000 businesses last year with digital skills through the Lloyds Bank Academy, we're making digital inclusive for all generations and helping businesses thrive in a cash-light economy.



ATM users by age (2016 vs 2025)



Confidence crosses over

Being comfortable navigating the web translates to confidence with money.

87%

of UK adults say they feel confident online. When focusing only on those who say they use the internet, this figure increases to 91%.

93%

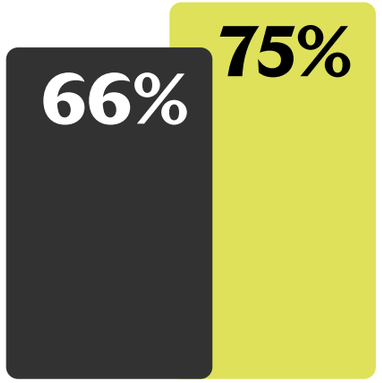
of those that say they feel confident using digital tools to manage their finances report feeling knowledgeable enough to make informed decisions about their finances (compared to 62% of those lacking confidence).

Skill growth can also lead to greater confidence: 56% say their digital skills improved in the past year, while 42% still feel there's room for improvement.

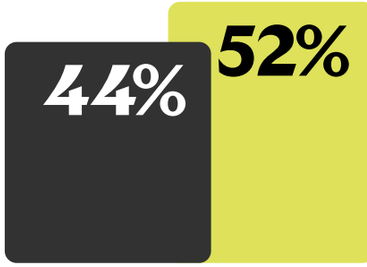
This has had a marked impact when it comes to managing cost of living pressure. Those who improved their digital skills over the past year were significantly more likely to say they had reprioritised their day-to-day spending to focus on essentials (61% vs 48%) and changed how they manage their finances in response to the cost-of-living crisis (62% vs 48%).

This insight points to those with stronger digital skills being potentially more proactive, handling a tricky financial environment with greater ease and in a position to make more informed decisions about their money. And these trends can give direction as to how banking and finance tools need to change.

Feel confident managing their money



Keeping track of pensions and retirement savings online

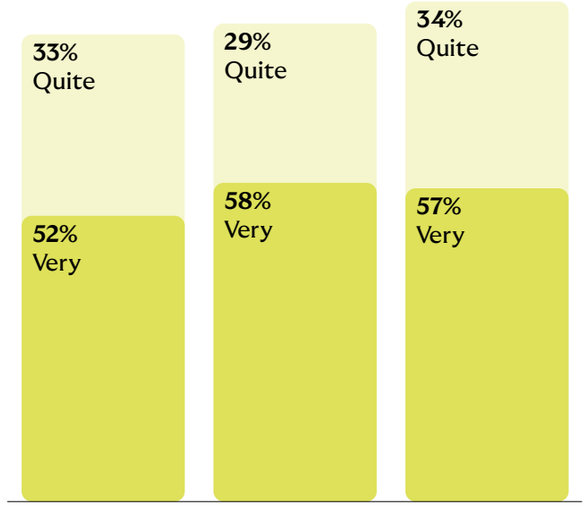


Invest money and/or buy or sell stocks and shares online

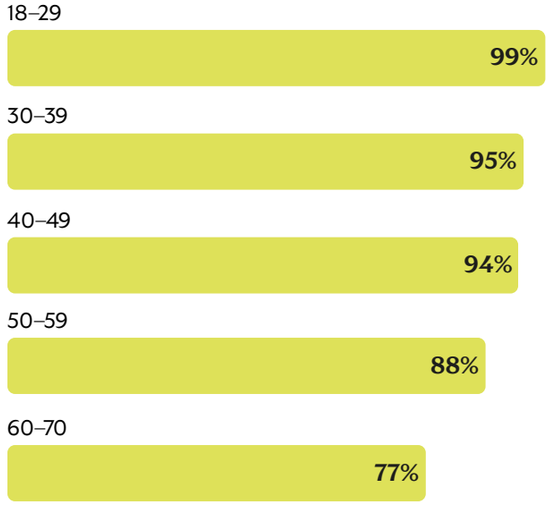


Overall internet users n = 953 **Very confident internet users n = 539**

Confidence using the internet*



Confidence using the internet by age*



Internet users n = 953

* Data shown is based on internet users only.

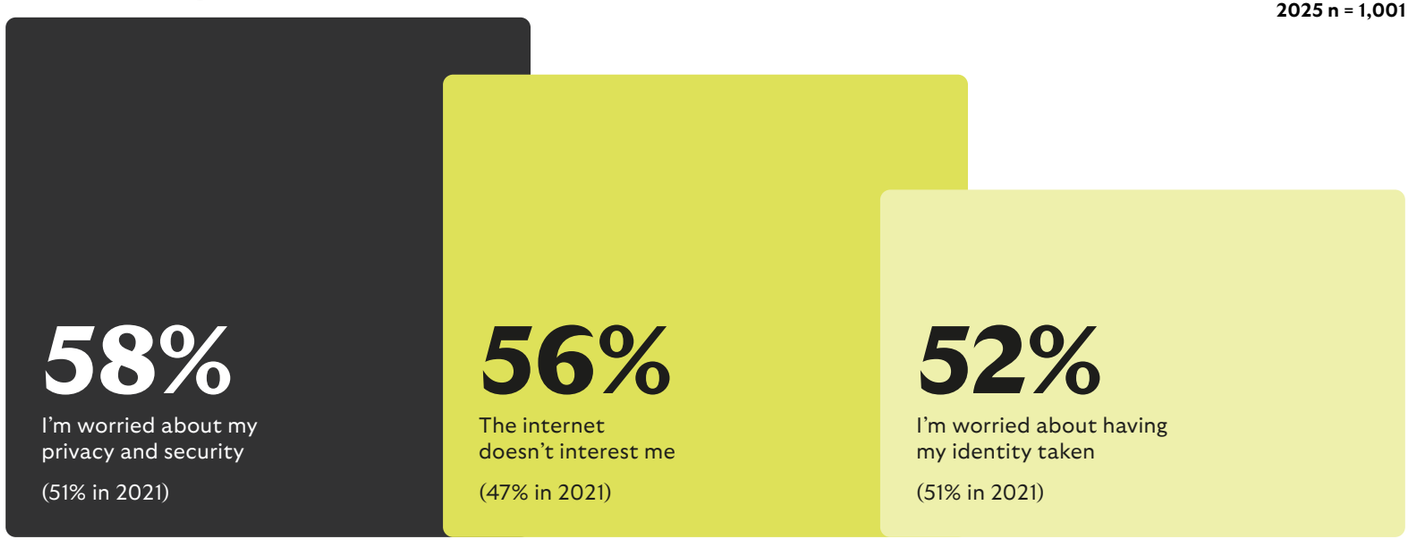
Barriers and motivators

Despite near-universal internet access, digital inclusion takes more than connectivity – it needs confidence, affordability and trust. Millions remain hesitant because of concerns over fraud, privacy, and a lack of perceived benefit. For many, the gap is personal and practical: better skills, simpler design and reassurance on safety could make the difference.

Our fraud servicing transformation was recognised at both the Banking Tech Awards and Card & Payments Awards. Powered by Pega Cloud, our fraud reporting service now enables instant in-app reporting, card freezing and refunds within minutes. With 100% straight-through processing for eligible cases, it's a customer-first model that's setting new standards in digital financial protection.

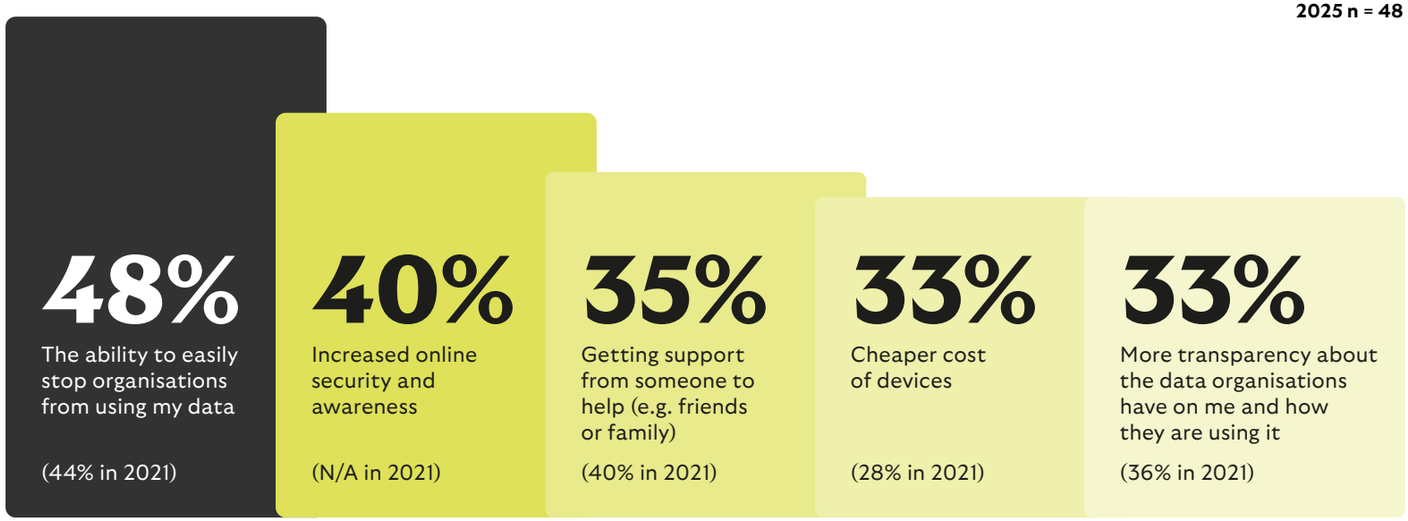
Reasons for not using the internet

2021 n = 2,559
2025 n = 1,001



What could encourage non-users to go online*

2021 n = 144
2025 n = 48



* Some findings are based on a small sample (n<100) and should be interpreted as indicative rather than statistically representative.

For those not yet fully engaged*, the biggest motivators are around affordability: 1 in 3 say cheaper devices would encourage them, while nearly half (48%) want more control over their personal data, and 40% say increased online security awareness.

There's also an opportunity to close a knowledge and skills gap. Over a third say help from friends or family would make a difference, while others cite a better understanding of the benefits of being online and better access through simpler website/app design and mobile signal coverage would make a difference.

Digital inclusion has to also overcome barriers that are personal, emotional and practical. While millions are thriving online, others are held back by serious concerns. Understanding these and designing services that overcome them is the next step to wider acceptance and use.

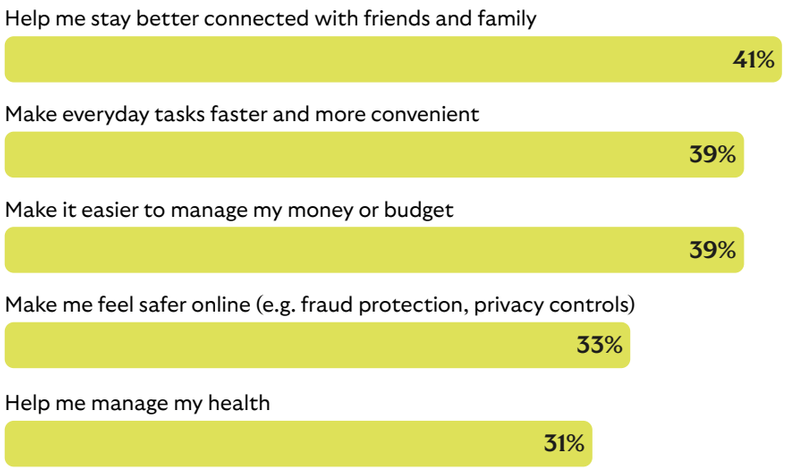
Not just smart but helpful



So where do we think technology will take us next? And how will it improve our lives? That was one of the questions we posed to those people already online.

The responses show that people want mobile technology to do more than just connect them – they want it to simplify life. From staying in touch, to managing money, the future of mobile lies in making everyday tasks easier, faster and more intuitive. These hopes for technology are shaping how we design our digital services. Our mobile-first strategy focuses on responding directly to what people say they need from tech in their daily lives. We're investing in mobile technology that goes beyond banking – helping customers simplify everyday life, from managing finances to planning holidays, accessing benefits and staying connected with loved ones.

How I hope mobile technology will improve my daily life



Widely used, but not universal

Internet banking is now a monthly habit for most UK adults.

With over 21 million users and more than 7 billion logins annually, our mobile banking apps are now the primary channel through which people manage their finances.

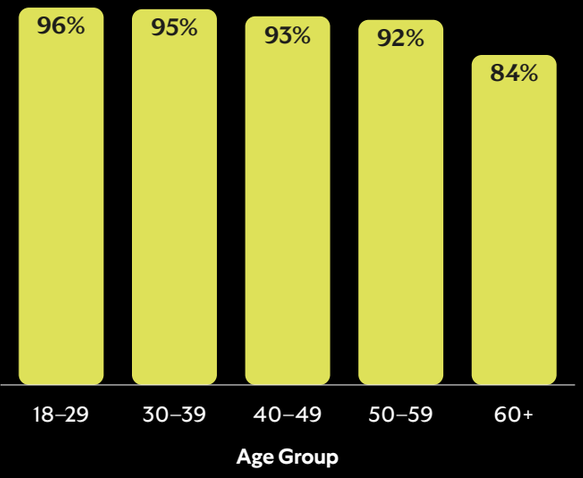
96% of younger users (18–29) use digital banking at least once a month, while older users (60+) also show strong engagement at 84%. This tallies with FCA data, that showed only 7% of older users now avoid online/mobile banking (down from 22% in 2017).

Yet some still choose not to use internet banking and the reasons* are clear: many prefer face-to-face (65%), some say they have no interest (59%) and others have concerns about safety (52%). This is important insight as it is a major barrier to overcome to improve confidence and uptake in digital banking services.

93%

of the online say they use digital banking at least once a month.

Monthly internet or mobile banking use by age n = 953



* Findings are based on a small sample (n<100) and should be interpreted as indicative rather than statistically representative.

Lloyds Bank Academy

“At Lloyds Banking Group, we are **committed** to helping people feel confident managing their money digitally. Through our Academies, we offer **free learning resources** – both online and in person – designed to build financial and digital skills. These are open to individuals, groups, and businesses across the UK. Since January 2023, we have supported over one million people to build their digital and financial capability through bespoke telephony support, face-to-face training, webinars, and interactive on-demand learning. **Participants have gained practical skills** such as setting up devices, budgeting, staying safe online and growing workplace productivity.”

We have supported over

1 million

people since January 2023



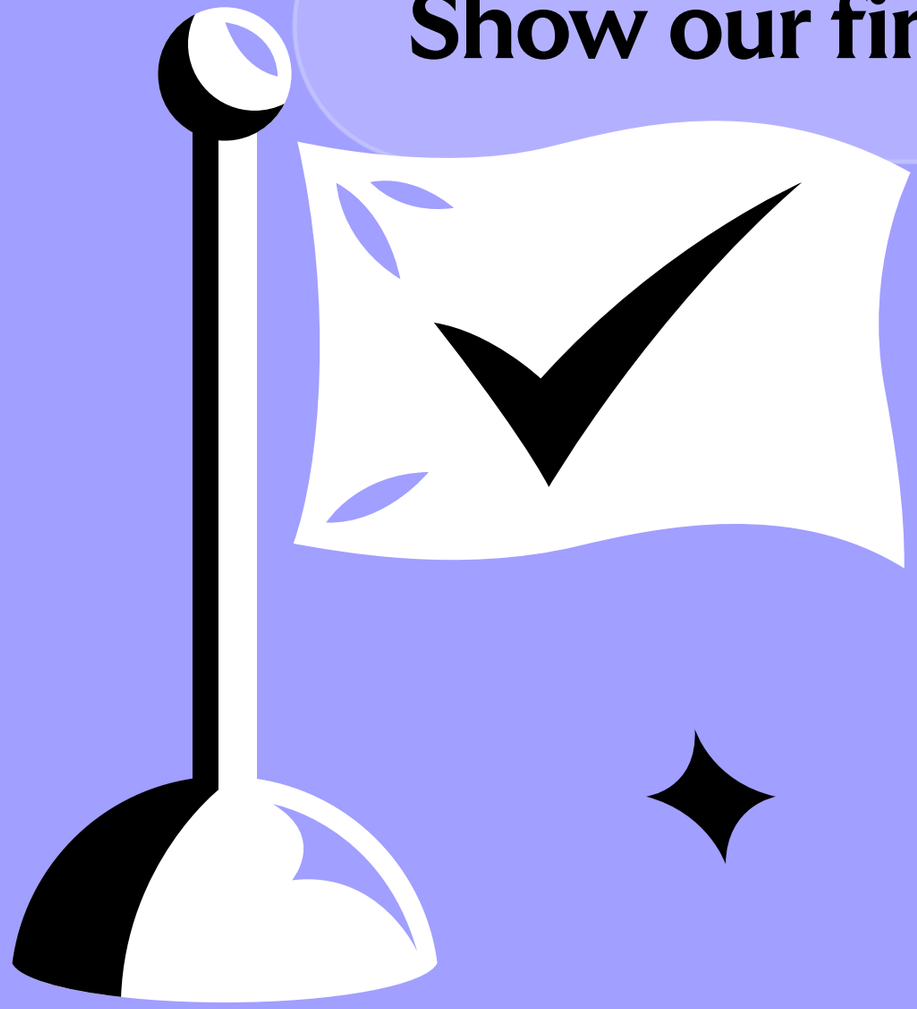
Find out more about the Lloyds Bank Academy

lloydsbankacademy.co.uk

LLOYDS BANK ACADEMY



Show our financial reality



03
The current UK financial landscape

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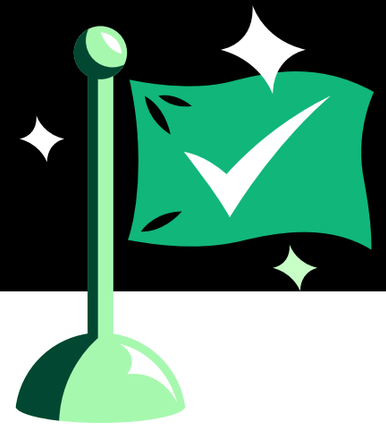


Look for these symbols throughout this section to see where our results are gathered from:

- Anonymised transactional data from **one million customers across Lloyds Banking Group brands**.
- National telephone survey of **c.1,000 individuals** – a subset of the one million customers.
- National online survey of **5,000** digitally engaged individuals.
- Face-to-face interviews with **300** participants who have limited digital engagement.

Full data supplement: Comprehensive data tables with survey questions and survey base sizes can be downloaded via our website here: https://www.lloydsbankinggroup.com/media/consumer-digital-index.html#data

Under pressure but staying strong



Profound shifts in digital behaviour have gone hand-in-hand with economic pressures to form a new financial reality for people.

The lingering effects of the cost-of-living crisis continue to shape people's experiences and many households are feeling the strain of high prices, even as inflation begins to ease.

In this context, understanding how people think, feel and act when it comes to their money is more important than ever. Drawing on a unique combination of transactional data from our customers, alongside nationally representative telephone and online surveys, we can explore the current state of financial capability and confidence across the UK. And how digital progress and economic circumstances are affecting the country's financial wellbeing.

A snapshot of the country

As in previous years, our analysis groups UK adults into four financial segments* based on their behaviours, resilience and engagement with money. From those struggling to manage day-to-day costs, to those actively planning and building financial resilience, we can form a contrasting image of the UK's population.

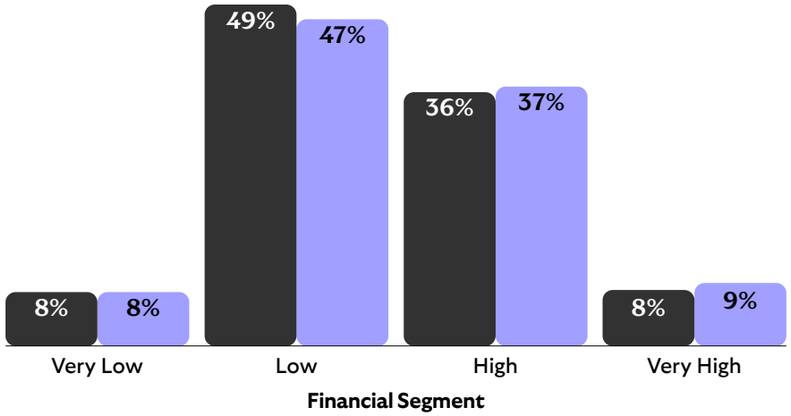
Despite ongoing economic pressures, 2025 has been a year of relative financial stability for most. 72% of people maintain their financial position compared to last year, with only a minority (13%) experiencing a decline, suggesting that many are successfully navigating the current climate.

Younger consumers, especially those under 25, are more likely to improve their financial segment than older groups.

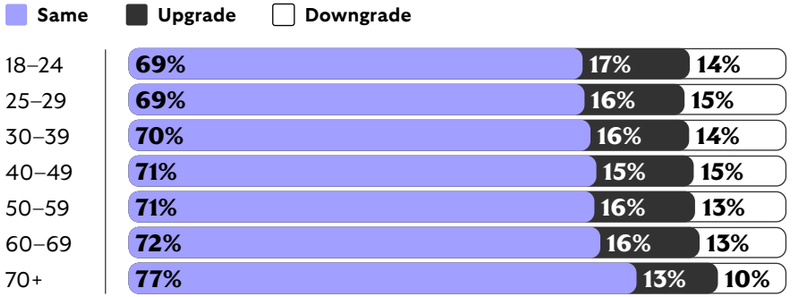
And while 54% of consumers saw their income rise, 27% experienced a fall – a significant number, highlighting ongoing pressures even as a larger proportion benefit from higher earnings.

The overall trend is positive but some vulnerabilities remain, especially around financial shocks and control.

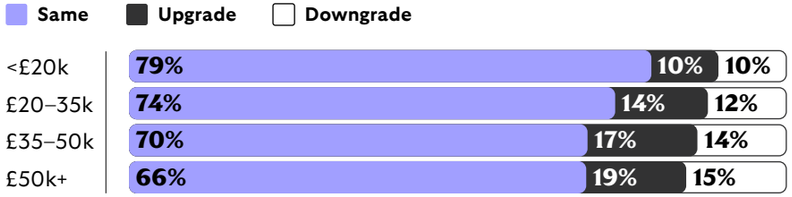
Financial segment comparison, 2024 vs 2025



Financial segment movement by age from 2024 to 2025 n=866,930



Financial segment movement by income from 2024 to 2025 n=866,930



Income unlocks growth

Higher income and stronger digital engagement often go hand in hand, but it's not as simple as one causing the other.

Our data shows that people with rising incomes are more likely to improve their digital engagement, and those who are more digitally engaged tend to report better financial outcomes, like increased savings. These patterns suggest that digital capability is part of the broader picture of financial resilience.

Digital skills can amplify financial confidence and help people make the most of what they have. Closing the gap means supporting lower-income groups with accessible tools and tailored learning, so digital progress isn't limited by earnings.

43%

of those earning £50k+ moved up at least one digital engagement segment since the pandemic.

37%

of those earning between £20k–35k moved up at least one digital engagement segment.

47%

of those who increased their income to £50k+ post-COVID also increased their digital engagement.

45%

of those who improved their digital engagement also increased their savings.

Rainy days for some, storms for others

Most people in the UK say they have some financial resilience. But while the overall trajectory is upward, pockets of vulnerability persist, and resilience generally improves in older age groups.

- **55%** say they could cope financially for at least three months if faced with a sudden financial shock.
- **4 in 10** are at risk of financial hardship within a short period (within three months) if their income were disrupted.
- **18%** of those aged 18–29 would struggle immediately – the highest affected age group.
- **64%** of those aged 50+ are able to manage for at least three months.

Research by the FCA also raises concerns. According to their data, 13.1 million UK adults (24%) have low financial resilience, which is unchanged from 2022 – a stark reminder that vulnerability remains persistent.

1 in 10 adults have no cash savings, and 21% have less than £1,000 to draw on in an emergency. They also highlight that 49% of UK adults show characteristics of vulnerability, including poor health, low financial capability, or recent negative life events, factors that compound financial fragility.

As the UK's largest provider of basic bank accounts, we're committed to making banking accessible for everyone. We offer a range of different current accounts and savings accounts designed around specific customer needs.

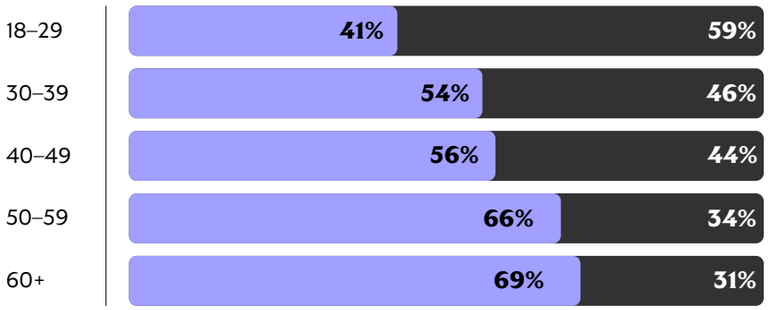
In 2024 alone, we supported over 535,000 accounts in financial difficulty with tailored solutions, while our Domestic and Financial Abuse team helped more than 13,000 victim-survivors rebuild their financial lives.

Through our bespoke partnership with Citizens Advice, we refer customers to them for holistic support. This is a significant step in transforming our support offering for customers facing financial difficulties. So far in 2025 alone we have helped put over £6 million back in customers' pockets with this service.

Over the past 40 years, our four charitable Foundations have provided vital support to communities through their support to small and local charities across the UK and Channel Islands, helping tackle social disadvantage in the places that need it most, providing core funding to charities, alongside other forms of support which includes volunteering from Group colleagues.

The Group make an annual donation to the Foundations, with this year's £35.7 million taking the total since 1985 to more than £800 million. One specific new initiative in 2025 has been the launch of a £4.2 million Financial Resilience Fund, jointly funded by all four Foundations, focused on charities that are supporting individuals build financial resilience and reduce reliance on debt – another step towards helping Britain prosper.

Ability to cope with a financial shock due to loss of income by age* **n = 963**



* 'Don't know/Prefer not to say' responses have been excluded from this chart. All remaining responses have been repercentaged to reflect the adjusted base.



Rising vulnerabilities

Digital adoption accelerated during the pandemic, but financial vulnerability has continued to grow for other reasons.

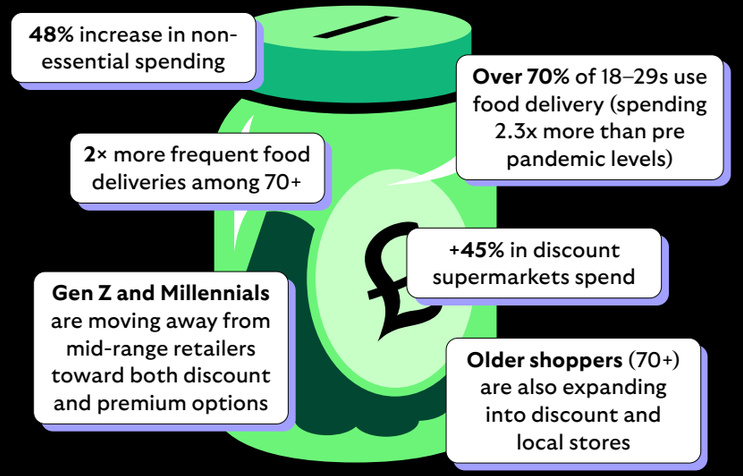
Back in 2021, 12% of UK adults said they would struggle immediately if they lost their income. Today, that figure is 15% – a rise that reflects ongoing economic pressures, such as cost-of-living crisis, and global and domestic factors, such as energy price shocks.

While the pandemic played a role in shaping digital behaviours, the increase in financial fragility is part of a broader, more complex picture. This underscores the need for solutions that build resilience through both financial confidence and digital capability.

Spending shifts

Consumer spending patterns have evolved significantly in recent years, shaped by a mix of economic pressures, lifestyle changes and shifting priorities.

Our transactional data reveals how those patterns have evolved since the pandemic across age groups and income levels:



This insight points to a diversification of shopping habits across age ranges – with a rebound in discretionary purchases from previous years, matched with high cost-consciousness, while online shopping continues to grow.

Stress, sleep and spending

Money worries continue to take a toll on people's wellbeing in the UK. **Nearly 1 in 5** say financial concerns are affecting their sleep.

Despite these challenges, most people feel they have a handle on their day-to-day finances (**72%**), and over half (**55%**) feel on track to meet their future needs.

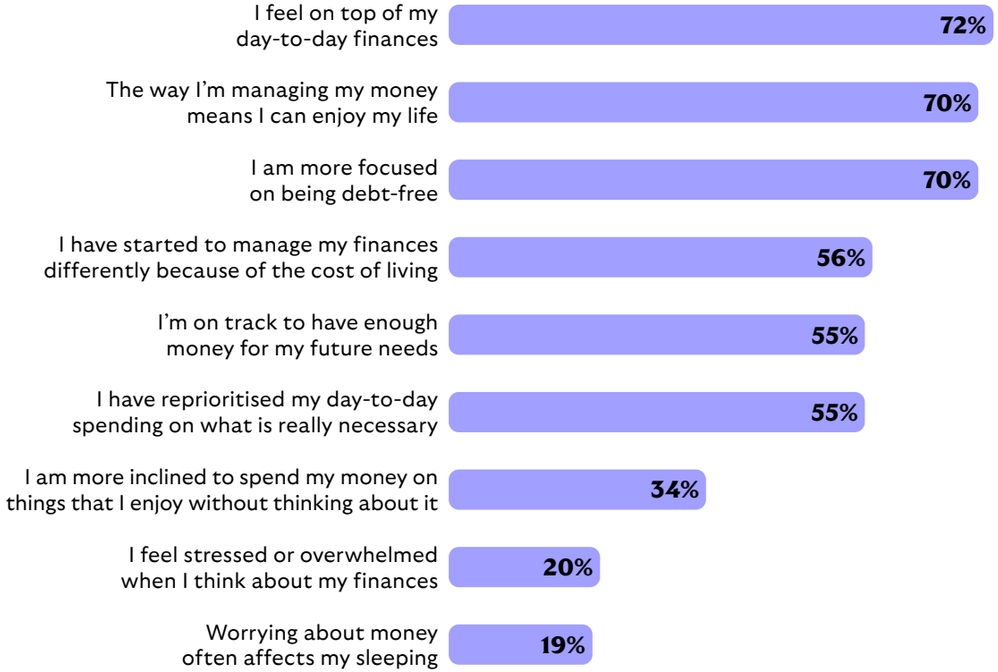
However, a significant minority are struggling:

- **55%** have reprioritised their day-to-day spending on what is really necessary
- **20%** feel stressed or overwhelmed
- **19%** say money worries affect their sleep

This aligns with the FCA's Financial Lives recontact survey, which found that **43%** of UK adults (22.7 million people) feel anxious or stressed due to the rising cost of living in the previous 12 months – a clear signal that financial strain is still widespread.

The cost-of-living challenge is still a key driver of financial vulnerability. This emotional and behavioural context is an important lens through which we can review other insight.

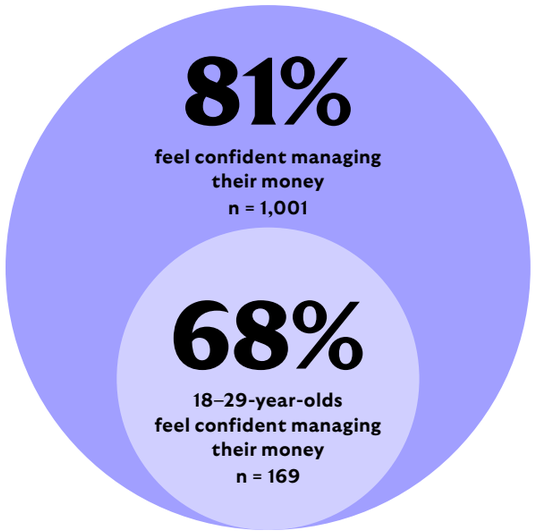
How people are thinking and feeling about their finances n = 1,001



Skills and confidence

The data shows that while a majority of people (81%) say they feel confident managing their money, this confidence is significantly lower among younger adults aged 18–29, with only 68% expressing the same.





A key factor influencing financial confidence appears to be digital skills. Among those who say they are not confident managing their money, 59%* believe their digital skills need improvement.

In contrast, only 41% of those who are confident with money management feel the same. This suggests a strong link between digital capability and financial confidence, highlighting the potential value of improving digital skills – particularly for younger people – as a way to boost their confidence in managing money.



* Findings are based on a small sample (n<100) and should be interpreted as indicative rather than statistically representative.

Goals worth saving

Financial goals are a window into how people think about money.

They show us what people prioritise, what they're working towards and how prepared they are. We can see that digitally engaged consumers are setting both day-to-day and longer-term goals, underpinned by greater financial confidence. Very few digitally engaged users say they have no financial goals – a stark contrast to the 22% of digitally disengaged individuals who report the same.

This suggests that digital confidence can do more than help people manage their day-to-day spending, it can support them in planning for a financially-secure future.

At LBG, we are expanding access to long-term financial planning through digital tools like Ready Made Investments – which is particularly popular with younger customers seeking financial security – and Ready Made Pensions, helping users to manage and grow their retirement savings from their mobile devices.

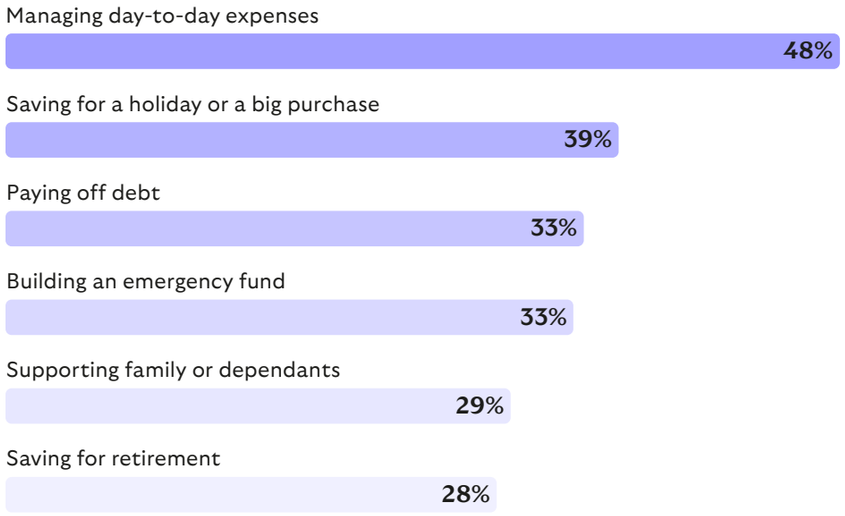
Those that are confident using digital tools are focused on:

23%
vs 14% not confident
Contributing to pension or ISA

27%
vs 20% not confident
Growing investments

34%
vs 15% not confident
Saving for retirement

Which of the following financial goals is most important to you right now?

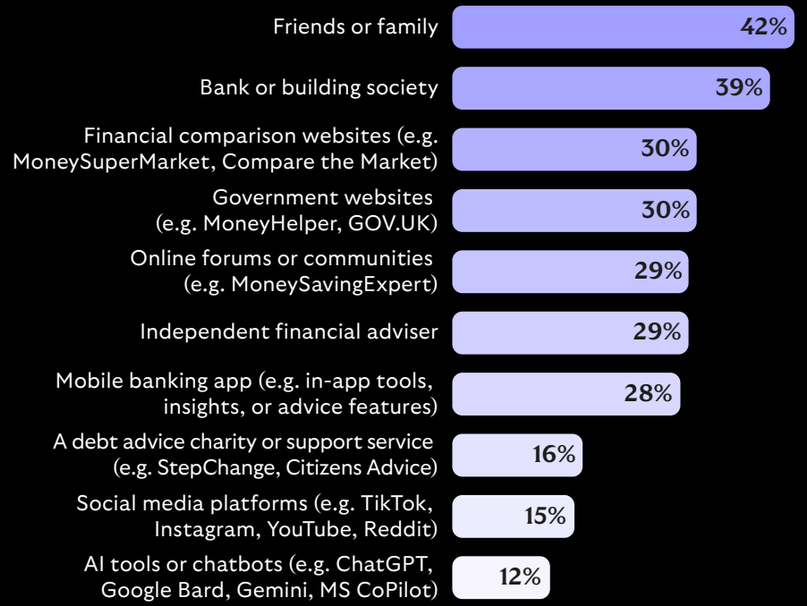


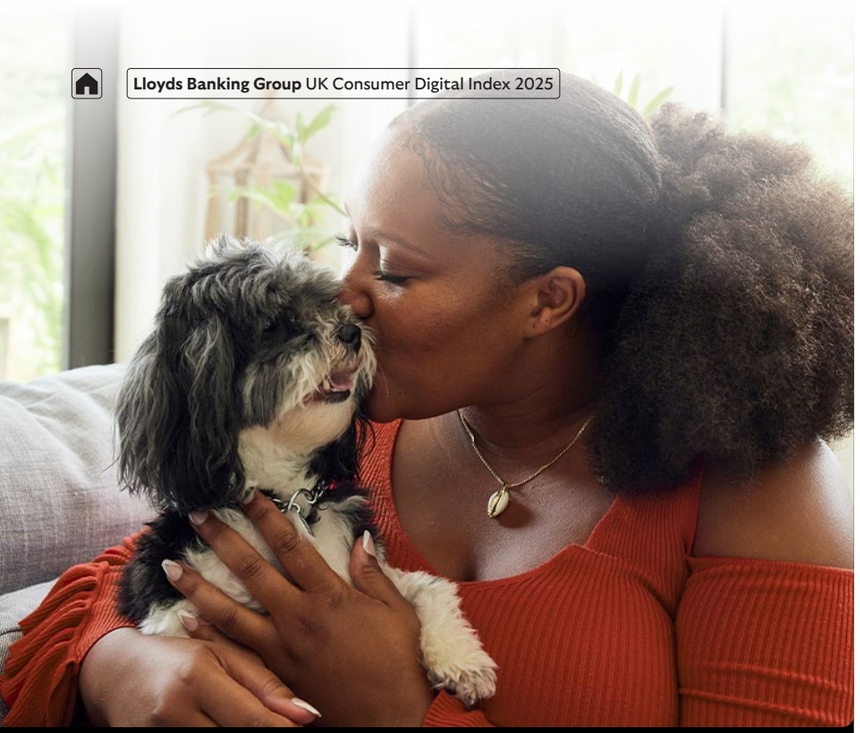
Advice from those who know you best

Whatever your level of digital skill and engagement, trust is essential to financial guidance.

People are still most likely to turn to friends and family for advice, highlighting that digital tools and information resources have catching up to do. Meanwhile, those who are less digitally engaged are more likely to seek help from a professional adviser.

Where do those online go to for financial advice





Social media advice or misinformation?

AI-generated financial advice or guidance* is everywhere – from TikTok to Instagram and YouTube, how people navigate financial advice on social media is becoming a growing concern.

20%

of 25–34-year-olds would consider using AI tools or Chatbots for financial advice*.

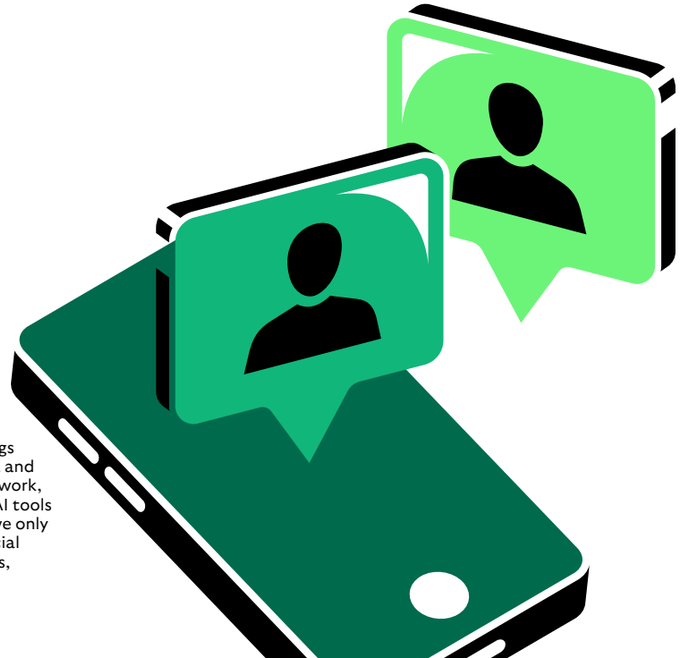
12%

of people feel very confident they can tell between financial advice or guidance written by a person and by AI on social media.

Our survey shows that many struggle to distinguish between financial advice from humans and AI. This raises risks around misinformation and poor decision-making. Helping consumers to recognise and evaluate digital advice is now a priority for building financial confidence and protecting against poor outcomes.

We're investing in AI literacy across Lloyds Banking Group – from academies and bootcamps to partnerships with leading universities and fintechs like Aveni, creators of the UK's first financial large language model (LLM). These initiatives are part of our commitment to building responsible, future-ready capability in every corner of the organisation.

While social media platforms boast many benefits, they can also be used as a tool for fraudsters to deceive innocent victims online. Safeguarding our customers from fraud is a top priority: we have invested more than £100 million in our defences to stop the majority of attempted fraud.



* Figures on AI usage and reported savings are based on self-reported survey data and reflect perceptions at the time of fieldwork, not verified outcomes. References to AI tools or social media platforms are illustrative only and do not constitute regulated financial advice or endorsements. For full details, see the Methodology section.

Confidence in telling the difference between financial advice or guidance written by a human and advice or guidance generated by AI on social media

Very confident	12%
Quite confident	35%
Neither	24%
Not very confident	20%
Not at all confident	5%



The new financial influencers?

When it comes to our money, going online can often make things more complicated. There are so many different resources and sources of financial information, it can be tricky to know what to trust.

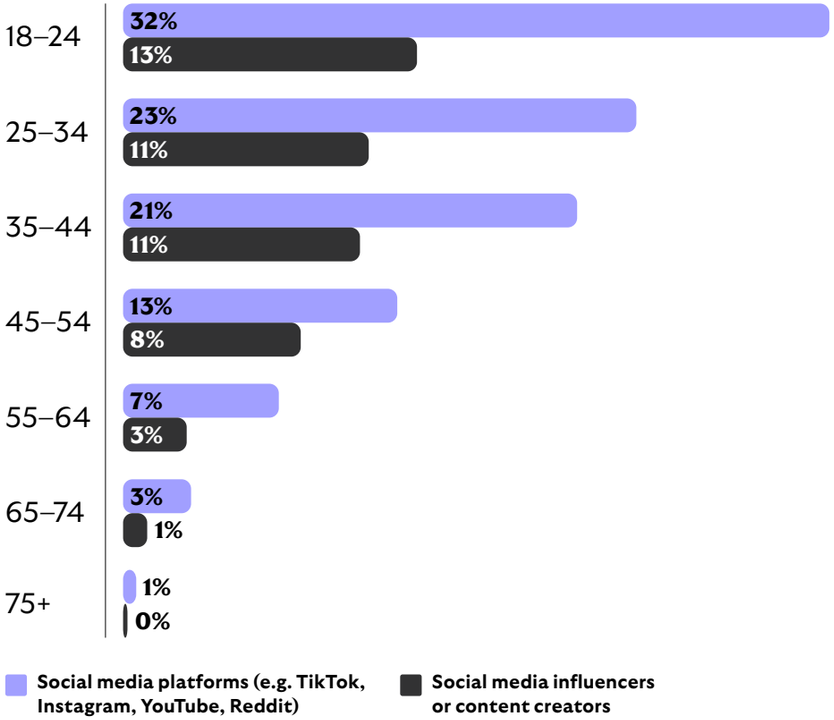
But against that backdrop, we're still seeing more people turn to emerging sources of advice and influence.

Social media is shaping how people seek financial guidance*, 15% of respondents say they would consider looking to platforms like TikTok, Instagram, YouTube or Reddit for financial advice, and 7% would look to social media influencers.

This rises to 32% and 13% respectively among 18–24-year-olds, showing more openness with younger consumers. This trend underscores the need for trusted, accessible financial content in the spaces where people already spend their time.

We know that financial advice can often be difficult to access or is not catered to younger audiences – the appetite for social media finance content shows there's a gap to fill. It's something we've been addressing, we continue to provide fraud awareness resources through our Lloyds Bank Academy covering investment scams, money mule recruitment and romance fraud, helping everyone – including young people – with the tools to spot scams early and stay safe online.

% of people who would consider social media as a source of financial advice, by age



* Figures on AI usage and reported savings are based on self-reported survey data and reflect perceptions at the time of fieldwork, not verified outcomes. References to AI tools or social media platforms are illustrative only and do not constitute regulated financial advice or endorsements. For full details, see the Methodology section.

Resilience in action

Taken together, these insights reveal a nation navigating financial challenges with growing resilience and adaptability.

While pressures persist, especially for younger and lower-income groups, many are finding ways to stay afloat – and even improve their financial position. And, crucially, people's level of digital engagement is driving financial confidence, not just reflecting it.

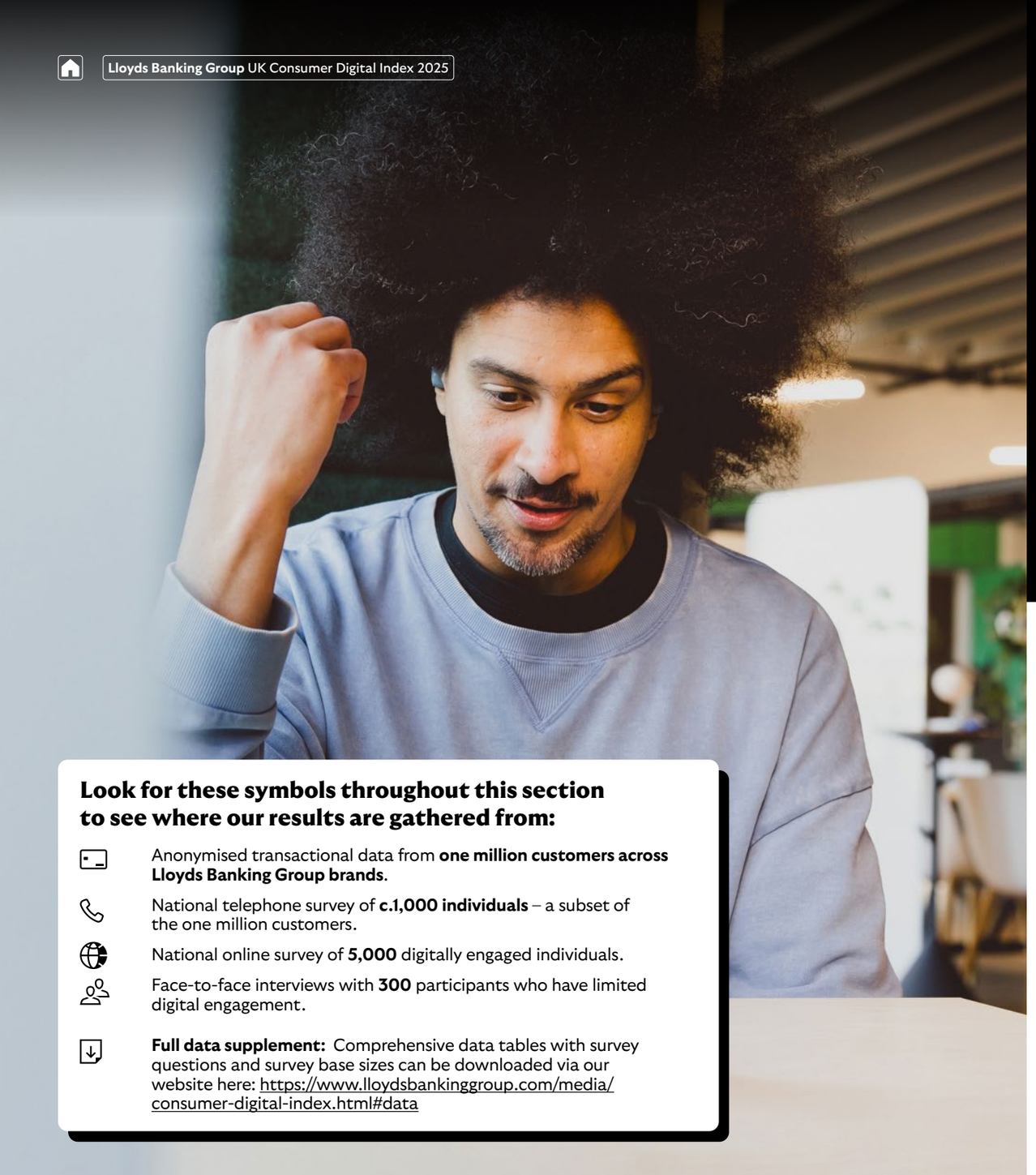


Generate financial confidence



04
Digital tools drive financial empowerment

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Smarter finance starts here



Digital tools are changing how we bank – and how we feel about money. Confidence and skills vary across the UK, but when people are digitally engaged it has a big impact.

Our new online survey of 5,000 digitally engaged individuals, combined with anonymised transactional data from one million customers across Lloyds Banking Group brands, show how specific digital tools – from budgeting apps to credit score monitoring – are helping people take control of their finances, build confidence and be financially empowered.

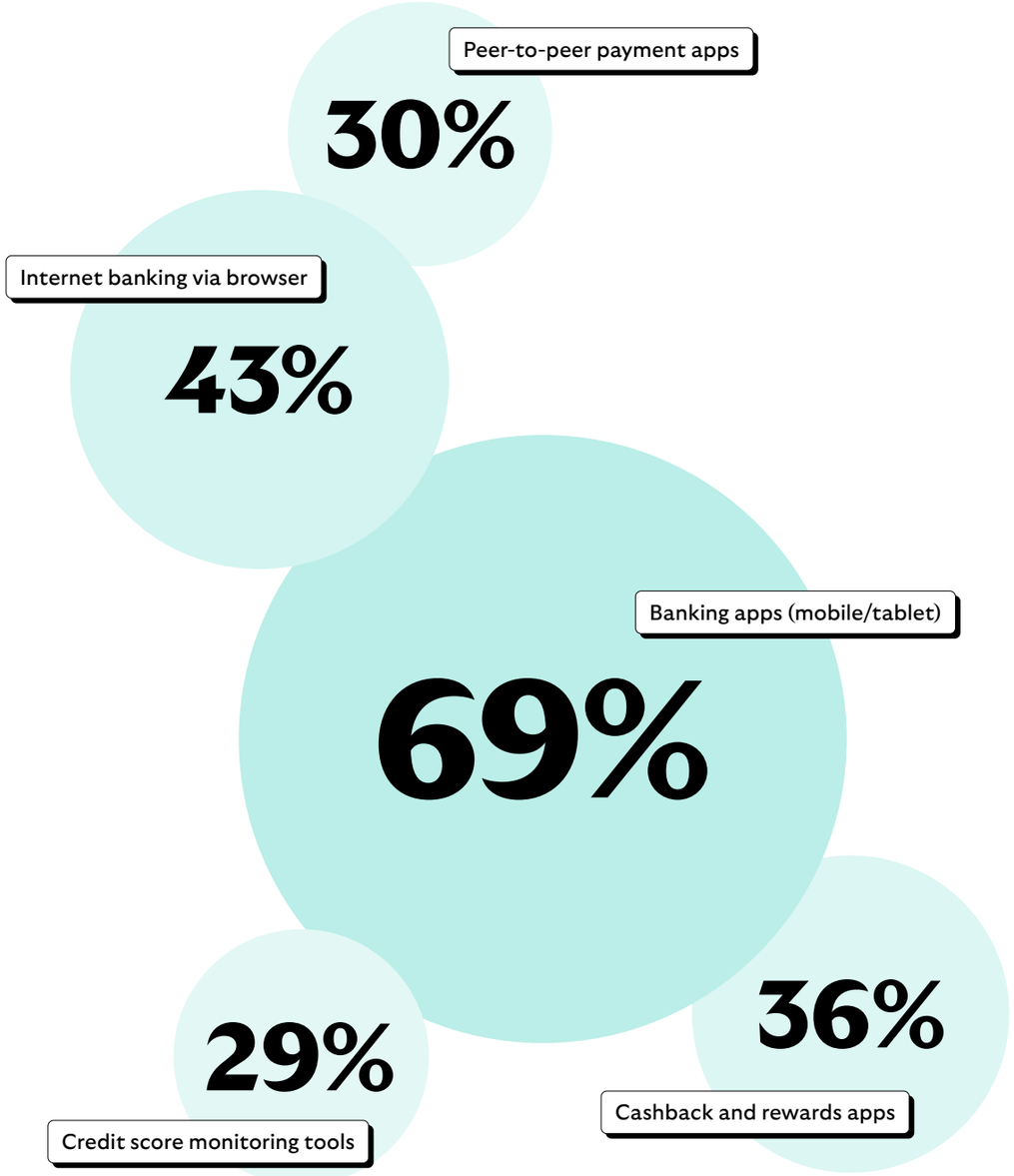
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- Anonymised transactional data from **one million customers across Lloyds Banking Group brands**.
- National telephone survey of **c.1,000 individuals** – a subset of the one million customers.
- National online survey of **5,000** digitally engaged individuals.
- Face-to-face interviews with **300** participants who have limited digital engagement.

Full data supplement: Comprehensive data tables with survey questions and survey base sizes can be downloaded via our website here: https://www.lloydsbankinggroup.com/media/consumer-digital-index.html#data

Taking control

When it comes to saving, planning and feeling more in control of their money, these are our survey's top five tools:



Personalised experiences

Our transactional data reveals that cashback rewards apps are more popular with those who have a Very High financial capability (**27%**) and Millennials, with **21%** using them compared to **13%** of Gen Z.

Credit score tools are most common amongst Millennials and Gen X. Our transactional data shows that almost **1 in 3** Lloyds banking consumers are using this tool.

Our mobile platforms offer a broad range of integrated services, enabling customers to check their credit score, apply for car finance, invest and even book travel – all within a single, secure environment.

From innovation to indispensable

Banking apps are now seen as one of the most impactful mobile innovations of the decade.

When asked about mobile phone innovations, people highlighted online banking (**58%**), mobile banking apps (**57%**) and contactless payments (**43%**) amongst the top five things that have most enhanced their lives or helped save time and money over the past decade.

Our redesigned app includes six 'spaces' – Summary, Everyday, Save & Invest, Borrow, Homes, Insure – allowing customers to manage all aspects of their financial lives in one place.



4 in 10

people expect mobile tech to further simplify budgeting in the future, showing that practical, trusted tools are driving value and expectations for smarter digital solutions are only growing.

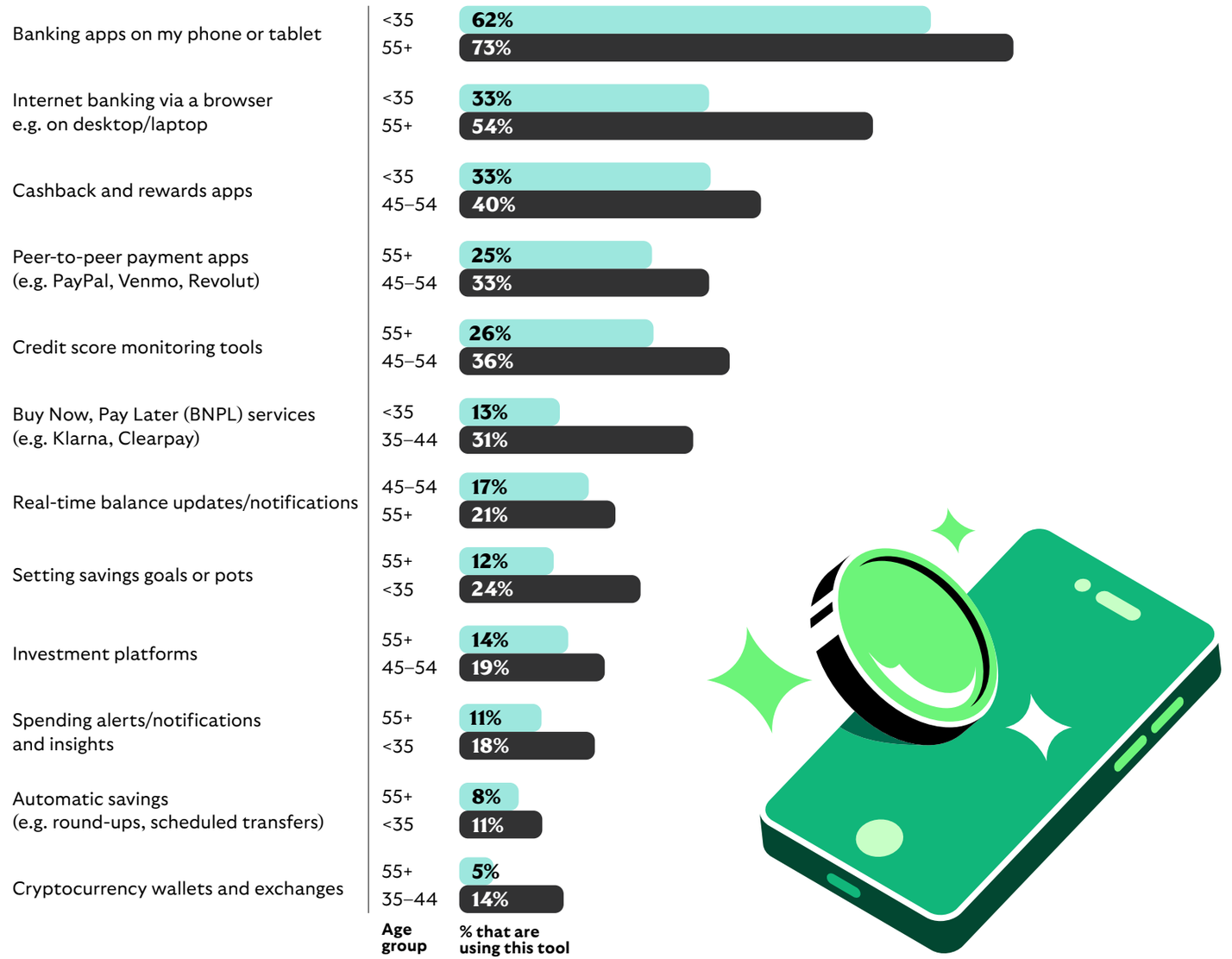
Right tools for the job

72%

use digital tools to manage their finances.

Whether people use digital tools varies by age, gender and region. People adopt tools that fit their needs and lifestyles. To drive broader engagement, financial services must design tools that reflect these diverse preferences and build trust across all demographics.

The digital tools people are using
(showing the highest and lowest usage by age group)



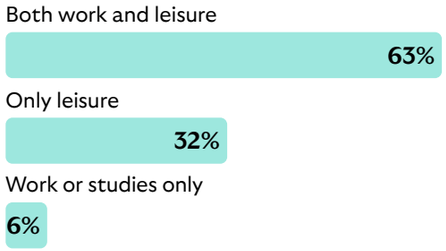
When confidence clicks in

Digital activity can be a gateway to financial empowerment. Those who use digital tools regularly, especially across both work and leisure, are significantly more likely to say they feel engaged and confident in managing their finances.

This data suggests that digital habits can build financial capability over time, reinforcing the need to support consistent, meaningful digital engagement across all groups.

Habits drive engagement

How financially engaged people use the internet



84%

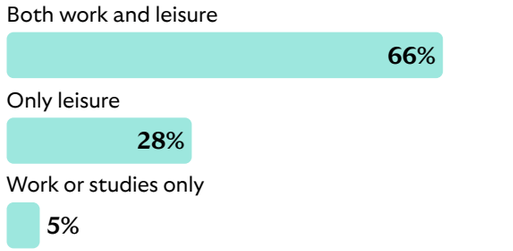
of daily internet users feel financially engaged, **vs 75% who use the internet once a week or less**.

89%

of those who manage finances via digital tools feel engaged with their finances (**vs 84% overall**).

Confidence grows with use

% that feel confident using digital tools, based on how they use the internet

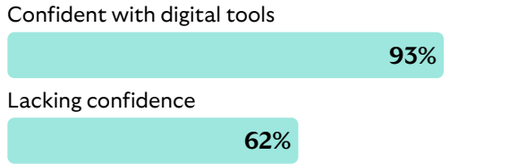


80%

of daily internet users feel confident managing money digitally, **vs 52% of those that use the internet once a week or less**.

Knowledge and confidence go hand in hand

% that feel knowledgeable enough to make informed financial decisions, if



84%

of those who feel knowledgeable enough to make informed decisions about their finances use the internet daily, **vs 71% of those who use it once a week or less**.



Secure but sceptical

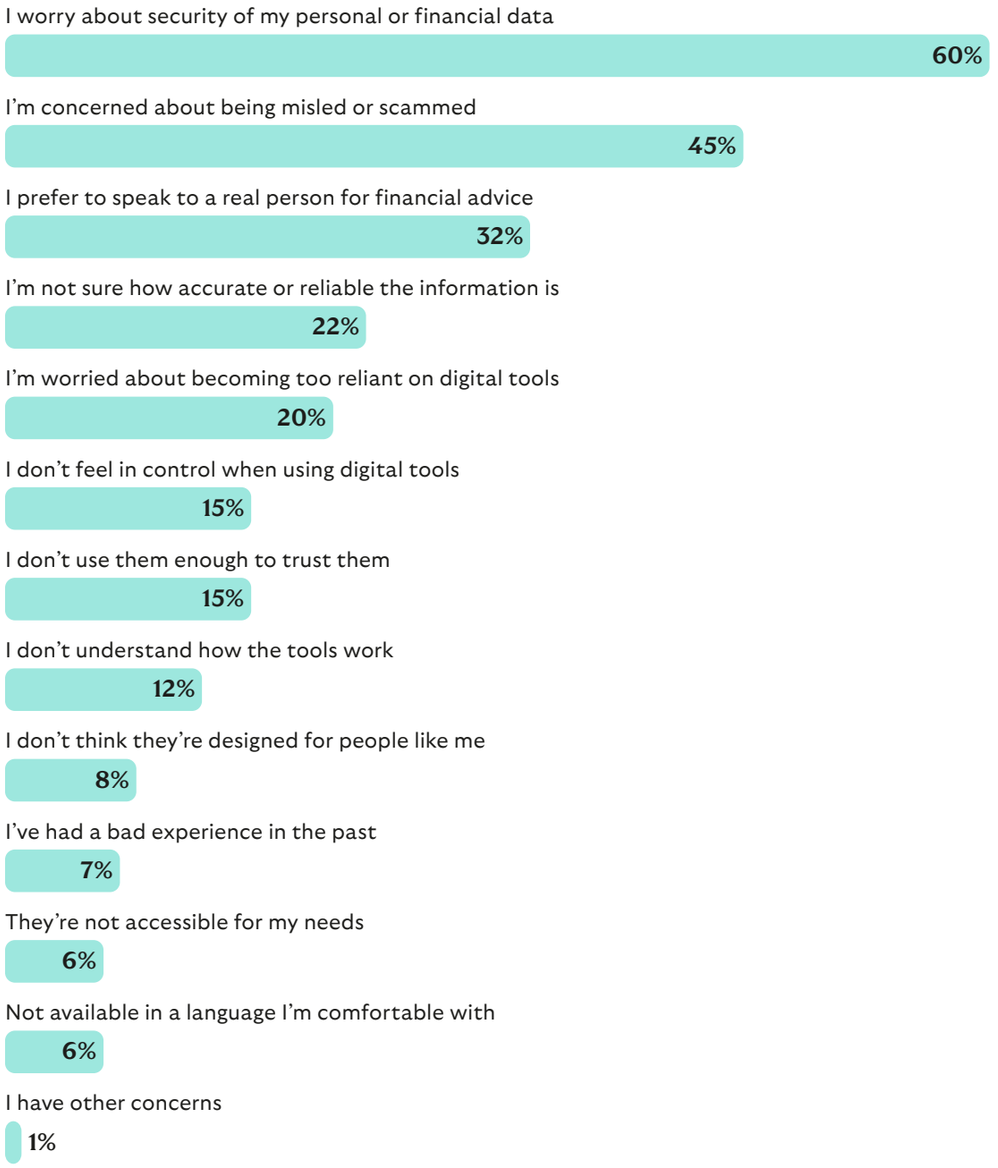
Even among digitally engaged adults, trust and transparency remain critical. While most feel secure using digital tools (72%), concerns around security, scams and the need for human advice persist – especially among younger users.

Among those with concerns around using digital tools to manage their finances, 1 in 5 say they don't feel confident or knowledgeable enough to make informed financial decisions.

This highlights a key challenge: digital experiences must be not only functional, but also clear, trustworthy and confidence building.

At LBG, we are investing heavily in fraud prevention to protect customers online. With over £100 million committed to advanced fraud detection, a 24/7 monitoring team, and tools like Confirmation of Payee, we are setting a high standard for secure digital banking. Partnerships with law enforcement and charities also help safeguard vulnerable customers and support scam victims.

Concerns using digital tools



Confidence leads to results

Regular use of digital financial tools – paired with confidence in using them – has a measurable impact on financial wellbeing, leading to tangible improvements.

29%

Nearly a third of online users report using digital tools daily to manage their finances.

With overall usage, using these tools leads to:

- Saving regularly (**43%**)
- Feeling more in control of their finances (**42%**)
- Managing money more quickly and easily (**40%**)

Since launching a year ago, 2.75 million customers have used our Benefit Calculator tool, helping to put over £50 million into their pockets as a result, while our Bill Switcher helps customers reduce household costs.

Your Credit Score, is an award-winning free tool built in partnership with TransUnion, available to all of our online banking customers.

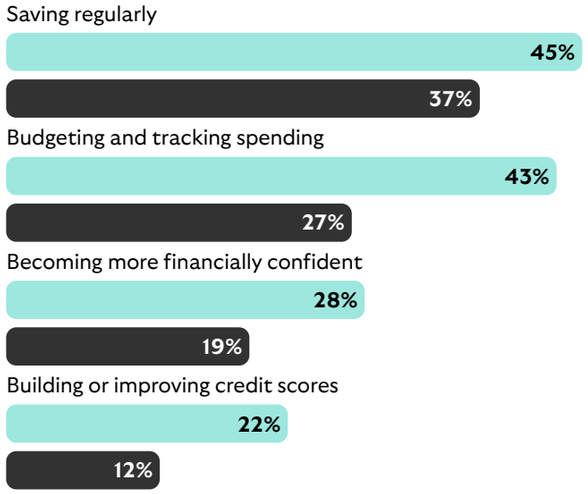
And we've hit over 12.6 million users, which is half of our internet banking base. Each quarter, more than 500,000 customers improve their score band e.g. from 'needs work' to 'OK'.

The Score Simulator helps customers understand how actions – like adding a credit card might impact their score.

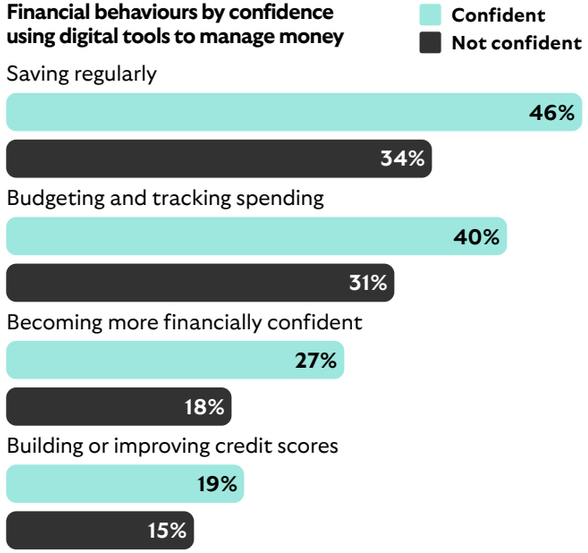
The tool helps customers spot and resolve errors or possible fraudulent activity – with 12,000 disputes flagged every month in 2025.

Since the launch of the subscription management tool in June 2021, over 6 million subscriptions have been cancelled. With 2.8 million subscriptions cancelled last year alone.

Financial behaviours by frequency of using digital tools to manage money

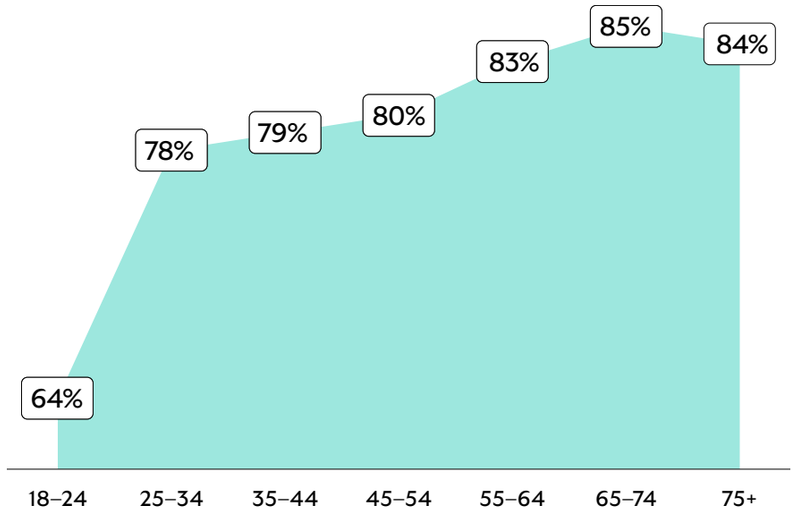


Financial behaviours by confidence using digital tools to manage money



Together, these insights show that building digital confidence and encouraging daily use are key drivers of improved financial health and empowerment.

Confidence with digital tools by age group





Log in, level up

Could making money management more interactive be the key to unlocking deeper digital engagement? Younger users say yes.

20%

of respondents say they'd engage more with gamified financial tools.

41%

are open to the idea, depending on how it's designed and delivered.

86%

of 18–24-year-olds say gamification would boost their financial engagement.

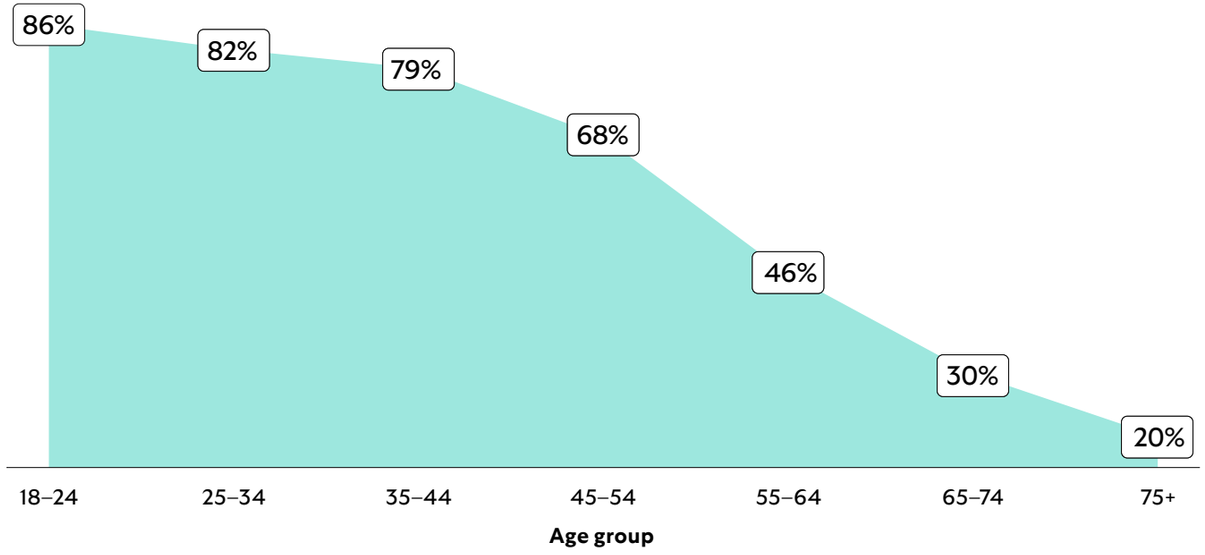
Gamification could be a powerful tool for engaging younger users with their finances – if done thoughtfully. While interest declines with age, the strong appeal among 18–24-year-olds suggests that interactive, rewarding experiences may help build better financial habits. But design matters: trust, clarity, and relevance must come first to ensure gamified tools empower rather than distract.

We are actively tapping into the power of gamification to help younger customers build financial confidence while offering safeguards like gambling blocks and fraud awareness.

Through our partnership with Doshi, we're trialling interactive, reward-based learning tools that make money management feel more engaging and accessible. It's about meeting Gen Z where they are – with mobile-first experiences that turn financial education into something they actually want to do.

At Scottish Widows, part of Lloyds Banking Group, we're embedding gamification into our digital experience to drive pension engagement – through personalised video benefit statements with real-time nudges, interactive modelling tools in our app and bite-sized financial education modules. We're also expanding into platforms like TikTok and developing standalone games to make financial planning more intuitive, accessible, and rewarding for our customers.

Interest in gamification across generations
% of respondents open to gamified financial tools (responded Yes/Maybe)



Case study

The gift of time



For many, moving into the digital world happens gradually. Anne, 49, from West Yorkshire, began with text messages and Facebook Messenger. Her experience and confidence expanded as friends and colleagues adopted new platforms.

This changed during the pandemic. Anne is a teacher and moving to online lessons transformed her own digital confidence. However, not everyone had internet access and there were language barriers for students, leading to concerns about exclusion.

Now, Anne uses her phone for everything: banking, emails, recipes, and streaming Leeds Knights matches (she shares a love of ice hockey with her son). Being able to sort a payment, transfer money or check your account in two minutes made a huge difference for her.

With AI, she's cautious – especially about the environmental impact – but can see the potential. For one thing, it's revolutionised her lesson planning, saving hours of prep time.

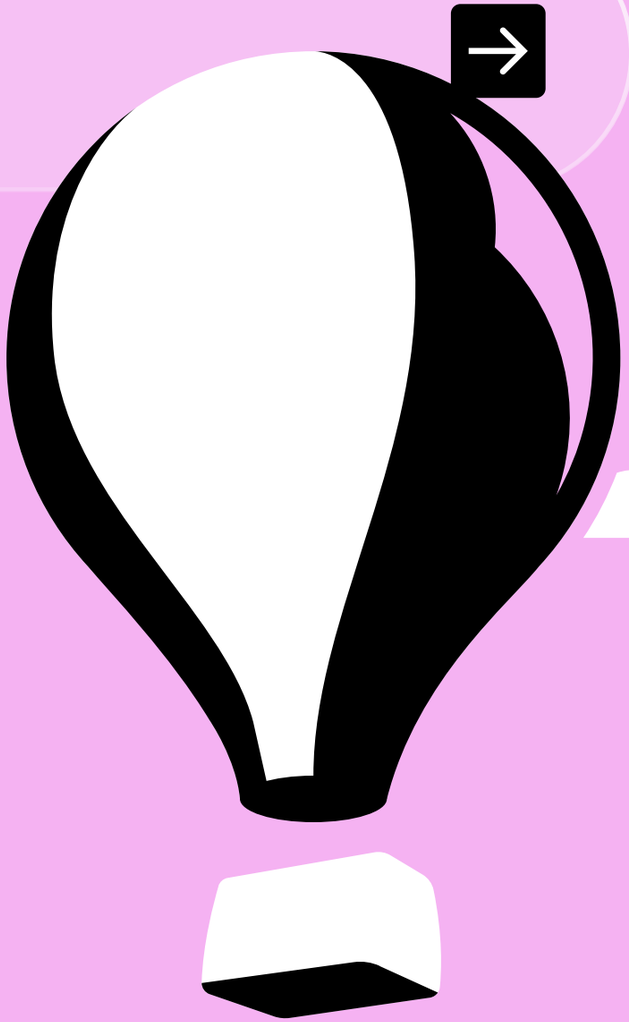
Anne recently used Google's AI Overview to compare TVs and save money. She believes trust and reassurance from companies will be key to wider AI adoption – but for now, she's embracing the time it gives back.





> **"Teaching online was difficult, because you then realised that not everybody's got internet access. Kids who didn't speak English as a first language couldn't engage the same way and it created barriers."**
>
> Anne

Bridge the digital divide



05
Empowering the disengaged

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Look closer, reach further



Despite the ever-presence of technology in our lives, many people are still shut out of the digital world. Age and lack of interest are often cited as the 'why', but even if this doesn't paint the full picture, we need to ask how we can change this.

So, in this year's research, we introduced a fresh perspective – we ran face-to-face interviews with 300 digitally disengaged individuals, to dig beneath the data to uncover their lived realities.

These are people often left out of the digital progress. Who remain on the margins of the digital world, often facing barriers such as limited access, low confidence or a lack of basic digital skills. By speaking with them directly, we gained richer insight into the barriers, motivations and opportunities to make a difference.

Look for these symbols throughout this section to see where our results are gathered from:

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Myth-busters

Challenging preconceptions to examine who's really offline and why?

Myth:

Only the elderly are digitally excluded

Reality:

While older people are disproportionately affected, digital exclusion spans all age groups.

- Older adults are the largest affected group, with **53%** of the group aged 65 and over.
- Nearly half **(47%)** are under 65. Almost 1 in 4 **(22%)** are under 55.
- Only **14%** have children at home, suggesting fewer digital influences from younger generations.

→ **Age isn't the only factor when examining digital exclusion.**

Myth:

They're offline by choice

Reality:

It's not disinterest – it's disadvantage.

- **37%** have a health condition which affects digital accessibility.
- **48%** report a physical or mental impairment which affects the ability to carry out day-to-day activities.
- **32%** are offline because they live in areas where connectivity is often poor.
- **25%** are offline because they are affected by the cost of getting online.

→ **These are structural barriers, not personal preferences.**

Myth:

It's just about motivation

Reality:

Motivation matters, but it's not the main issue.

- Motivation only ranks fifth among disengaged groups as the reason they are offline **(20%)**.

→ **For many, ability – whether personal health or local infrastructure – is a more important factor than willingness.**

This insight shows that digital exclusion is far more complex than common myths suggest. Real, structural barriers like health, connectivity and cost are keeping people offline across all age groups. This means that efforts to close the digital divide must go beyond encouragement, they need to address accessibility, affordability, and infrastructure. Understanding who's offline – and why – helps policymakers, service providers and communities target support where it's needed most, so that digital progress is truly inclusive.

We want to be the best-in-class leader in disability and neuro-inclusion and we are proud of the recognition we have received. In 2023, the Business Disability Forum awarded us their Gold Standard Benchmark and we were re-awarded Disability Confident Leader status by the Department for Work and Pensions.

We also became the first UK bank to achieve an 'Advanced' rating from the Money and Mental Health Policy Institute through our Mental Health Accessible programme. This award acknowledges our efforts to make banking services more accessible for people with mental health challenges.

Our commitment to neurodiversity was honoured globally at the 2025 Davos Neurodiversity Summit, where we received the Impact Award for Corporate Leadership in Neuro-inclusion. And we've made our internal disability and neurodiversity training public.





Learning on their terms

Unlocking access to the digital world needs to start with closing a skills gap. And while the majority are interested in upskilling, their needs and preferences are diverse.

A one-size-fits-all approach to digital education won't work. Tailoring support – whether through accessible formats, flexible learning options, or targeted outreach – will be essential to get more people online and benefit from digital opportunities.

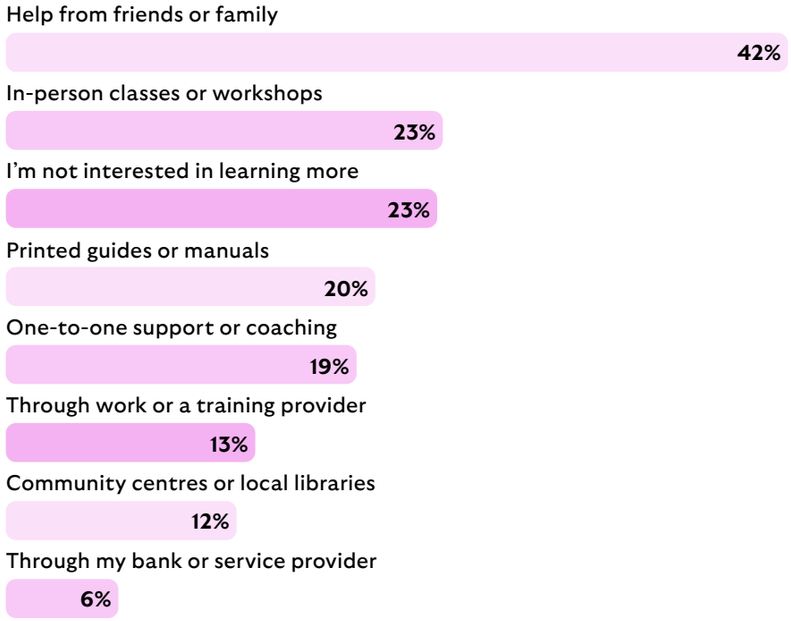
LBG offers a free, personalised Digital Helpline with device and data support. Since 2020, the service has helped over 30,000 vulnerable people with free one-to-one digital skills training and support, and provided over 10,000 free digital devises and SIMs. The service continues to evolve helping customers to bank better, use the NHS app and buy things online.

70%

of digitally excluded consumers are interested in learning more digital skills.

ASSURANT®

Top choices for learning digital skills





Skills that pay off

With the cost of living affecting so many people, boosting digital abilities is viewed as a way to help ease the burden and save more. But where and how to get the support needed is still a barrier.

1 in 3

believe that improving their digital skills could positively impact their financial situation (among those who are not confident managing money, this figure rises to 57%).



A strong majority of respondents see clear, practical financial benefits to improving their digital skills:



65%

believe it would help them manage their finances more effectively, suggesting digital tools are seen as a way to gain control and confidence.

63%

think they could find better deals or discounts online, indicating awareness of the cost-saving potential of digital access.

61%

feel they could save money by doing things themselves – like banking, shopping or applying for benefits – highlighting a desire for greater independence and efficiency.

With a desire for greater independence, these skills can be a way to take control and a source of confidence, as well as potential cost saving.

Importantly, there's an openness to receiving help.

49% of the digitally disengaged say they're open to seeking financial advice. Their top choice? Financial advisors or planners (57%).

This presents a real opportunity to help people turn digital know-how into tangible gains. From managing money more effectively to finding better deals, these skills can deliver independence, confidence and savings. Especially when paired with evidence from the FCA, which found that 61% of those who accessed debt advice saw their situation improve.

Ambition exists offline

Digital disengagement doesn't mean financial disengagement. Most disengaged individuals (**78%**) are still working towards at least one financial goal, showing that motivation exists even among those less active online.

People may simply lack the tools, confidence or access to manage their money effectively online. By designing simple, relevant, and approachable experiences, we can help bridge the gap, build trust and empower them.

Their top priorities are short-term and practical:

38%
Saving for holidays/travel

28%
Building an emergency fund

23%
Managing day-to-day expenses

Confidence is the missing link

Managing things like your finances digitally can feel daunting if you don't have confidence in your ability to use the tools or in understanding the complex language of banking and finance.

Two-thirds of people (**66%**) say they trust transacting online – but confidence in money management makes a big difference:

- Among those confident managing their money, **81%** trust online transactions.
- Among those not confident, that drops to just **44%**.
- The most trusting age group is **55–64**, while the least trusting is **25–34**.

Trust in digital finance is about personal confidence rather than technology. Even younger, digitally native users may hesitate to transact online if they don't feel financially capable. To close this gap, we need to pair digital access with confidence-building tools, clear guidance and user-friendly experiences that help people to feel in control of their money.

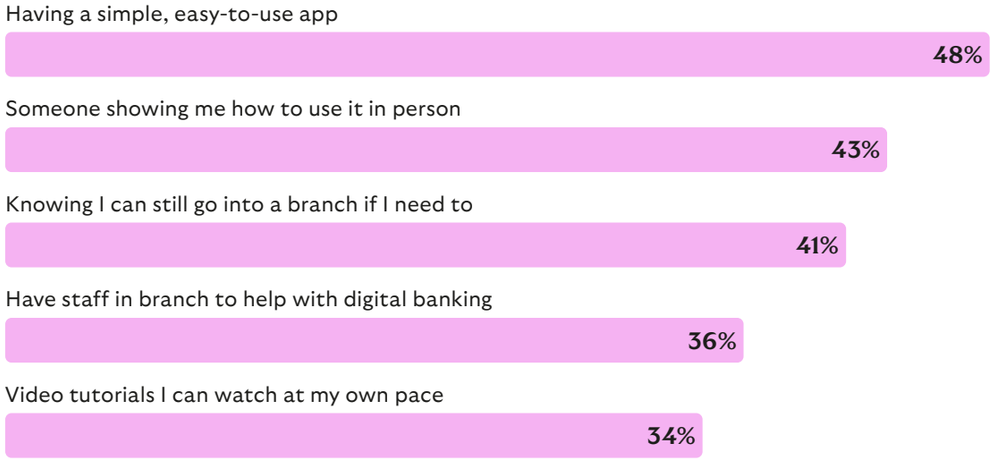
Simplicity and usability are so important to driving engagement. When nearly half of users say that having an easy-to-use app would encourage them to use internet banking, it's a clear signal that instinctive user design goes beyond 'nice-to-have' to be mission critical. Confidence begins with convenience.

Our mobile banking apps are intuitive, accessible and support customers manage their money easily, 24/7, 365 days a year. From everyday banking to long-term goals, customers can get an at-a-glance overview of what's important to them through dedicated spaces in our app. And, our colleagues are available in person and over the phone to help customers get started.

48%

of those who want support using internet banking say a simple, easy-to-use app would encourage them to use internet banking.

What tools would encourage you to use internet banking?
(Of those who want support)



Breaking down barriers

Inclusion matters if we're to help change the status quo. We're the UK's first financial services company to publicly commit to doubling senior leadership representation of colleagues with disabilities – exceeding our 2025 target a year early with 16% representation.

> "Lloyds Banking Group has worked with charities and a FinTech to test a Read-Only Internet Banking solution, helping us understand more about how to build inclusive digital services."



A nation more connected than ever

In 2024's Consumer Digital Index, the need for collaboration to drive UK digital enablement was a key call to action. The Connection Project was set up in September 2025. It is a new cross-sector project working to shape practical solutions to ensure that everyone in the UK can thrive in a digital society. Working closely with government, the third sector, and regulators, by the end of 2026 the group will create an industry-led roadmap of interventions, including the UK's first common digital citizen segmentation.

THE CONNECTION PROJECT



Case study

A helping hand at home

When Bob (74), accessed Digital Inclusion Initiative training through his community centre, he had no digital skills.

A carer for his wife, who is recovering from cancer treatment, taking part in the Digital Inclusion Initiative was an opportunity to not only focus on something away from his caring responsibilities, but gain skills to make home life more manageable.

After accessing a combined package of a device, data and training, Bob can now order shopping online, which is more convenient for both him and his wife. He can use online banking, saving him the weekly trip to the bank, and importantly, he can now manage his wife's hospital appointments online via NHS apps.

Noticeably benefitting his mental health, Bob has grown in confidence – so much so that he is becoming a volunteer in his community group, supporting others with their tablets.

Leave no one behind

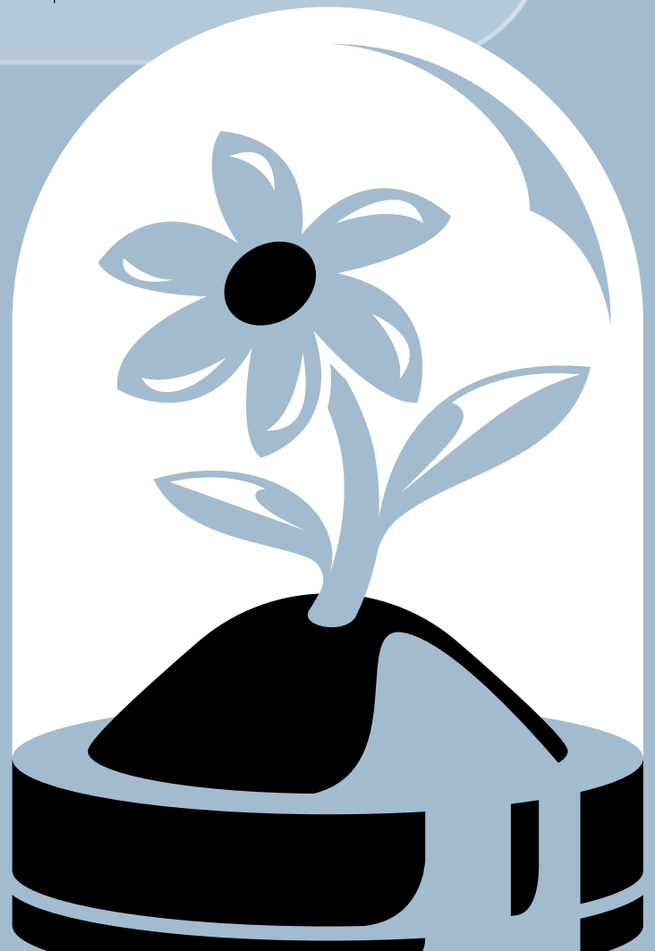
The Digital Inclusion Initiative is a cross-industry programme committed to bridging the digital divide in Liverpool City Region by improving digital skills and stimulating economic growth. Lloyds Bank Academy, Vodafone, Assurant and Liverpool City Region Combined Authority worked together to support over 5,000 residents.

The initiative provided in-person digital skills training, data and devices to digitally excluded and economically inactive individuals to ensure no one is left behind in our digital society.



> **"I never thought at 74 that I would be able to use a tablet. I feel like a different person with a purpose in my life. I have felt worthy and my confidence has risen."**
>
> Bob

Improve our financial wellbeing



06
The power of participation

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The value catalyst



Our analysis of anonymised transactional data from one million customers across Lloyds Banking Group brands reveals a compelling truth. Yes, digital engagement offers convenience, but more importantly it can deliver measurable financial benefits.

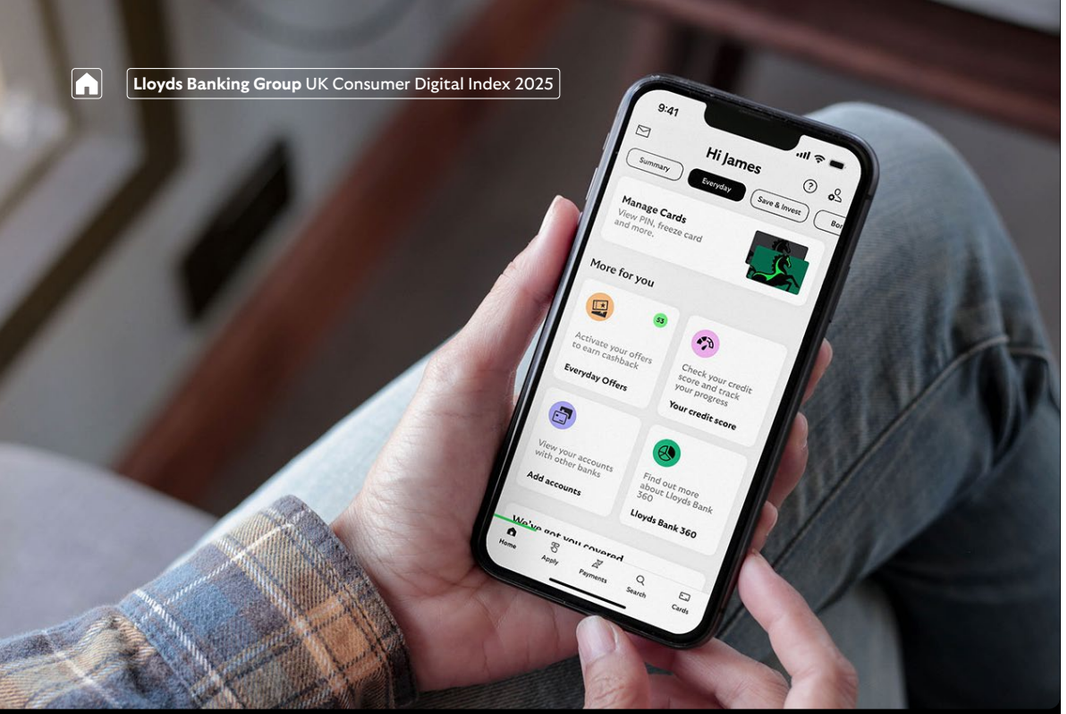
At Lloyds, we are investing in building digital confidence across the UK, helping people navigate the digital landscape and then thrive within it. Because when individuals are empowered with the right skills and tools, they're better equipped to take control of their finances, plan for the future and feel good about their money.

In a world increasingly shaped by AI, digital tools and online services, adding the skills and capability to the prerequisite of access will create value for consumers.

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- National online survey of **5,000** digitally engaged individuals.
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Full data supplement: Comprehensive data tables with survey questions and survey base sizes can be downloaded via our website here: https://www.lloydsbankinggroup.com/media/consumer-digital-index.html#data



Smarter digital, stronger savings

As we've seen throughout, when the digital skills and knowledge are in place, they can lead to financial advantages – including better saving behaviours.

£815

more on average saved per year by customers with higher digital and financial capability vs the lower segments.

56%

less likely to use an unplanned overdraft (High vs Low digital and financial capability).

Just over

3x

more saved by those with Very High digital capability than those with Very Low capability.

7.5x

more regular savings by those with Very High digital capability than those with Very Low capability.

19%

of those with Very High digital capability are likely to use tools like auto-savings and round-ups, compared to just 2% of those with Very Low capability.

For more information please see our **Save the Change report** here.

45%

who improved their digital capability since the pandemic increased their savings.

Feeling good about finances

Money worries are never enjoyable – and with the cost-of-living crisis, they have been felt more acutely for many people. Interestingly, our data shows that higher digital capability aligns with better financial wellbeing.



In comparison to those with Very Low digital capability, those with High digital capability are*:

Almost 2X less likely to lose sleep over money worries.

Almost 2X less likely to feel stressed or overwhelmed when thinking about their finances.

1.3X more likely to feel on track to have enough money for the future.

1.2X more likely to feel that the way they manage their money means they can enjoy life.

Almost 2X more likely to feel more confident managing their money online.

Always prepared

We never know what's round the corner, but our research suggests that those with High digital capability, are more likely to look ahead and plan for the long term.



People with High digital capability are*:

Almost 2X more likely to invest their money.

1.6X more likely to keep a track of their long-term investments and retirement pots.

1.7X more likely to move up a financial capability segment (17% vs 10%).

than those with Very Low digital capability.

* Some of the findings are based on a small sample (n<100) and should be interpreted as indicative rather than statistically representative.

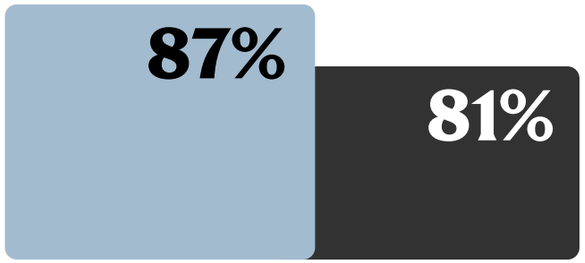


Tools that pay their way

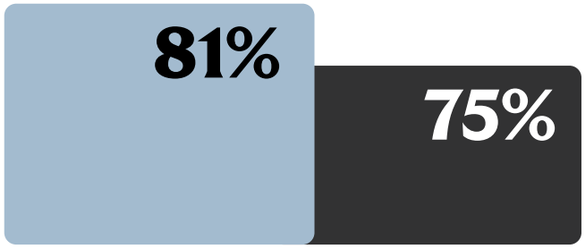
We've a world of useful tools at our fingertips. These are great for helping people save both money and time – and the savings become more pronounced among those with the highest digital capability.

The evidence is clear, digital capability isn't just a nice-to-have, it's a catalyst for financial wellbeing. From saving more and stressing less to being better prepared for the unexpected, those who are digitally confident are consistently more in control of their money. As technology continues to evolve, so too must our efforts to ensure everyone can participate fully and benefit meaningfully. At Lloyds Banking Group, we believe that by equipping people with the right digital tools and skills, we're not just helping them manage their finances, we're helping them build a more secure, confident future.

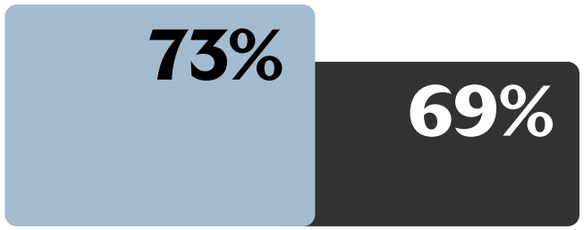
Have saved money by shopping online for cheaper deals



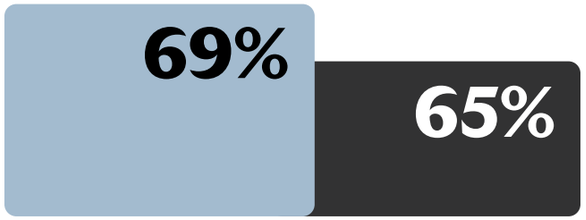
Agree that online shopping helps them save money



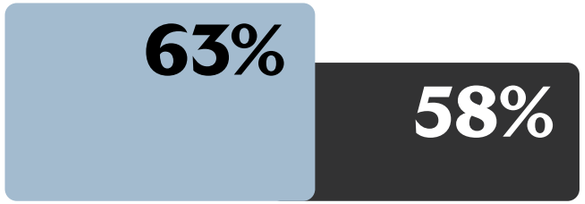
Have saved time by booking travel online



Report time savings from booking appointments digitally



Have saved money through digital loyalty schemes



Most digitally capable group n = 398

Overall population n = 953

Important information



Lloyds Bank Consumer Digital Index 2025

LLOYDS BANKING GROUP

Visit us online

The report and other content can be found online:
lloydsbankinggroup.com/media/consumer-digital-index.html

More information

For more information on Lloyds Bank Academy or our Free Digital Skills Training please visit:
lloydsbankacademy.co.uk

Full data supplement

Comprehensive data tables with survey questions and survey base sizes be downloaded here:
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Important information

Great care has been taken to ensure that the information used here cannot be in any way traced to a specific individual. This report has used aggregated data across social and demographic groups to highlight the trends and insights that will help consumers, charities and the UK Government and devolved administrations to understand more about our nation's digital and financial inclusion landscape. Lloyds Banking Group is a financial services group that incorporates a number of brands, including Lloyds Bank.

More information on Lloyds Banking Group can be found at lloydsbankinggroup.com. While Lloyds Bank has exercised reasonable care in preparing this document and any views or information expressed or presented are based on sources it believes to be accurate and reliable, no representation or warranty, expressed or implied, is made as to the accuracy, reliability or completeness of the information contained herein.

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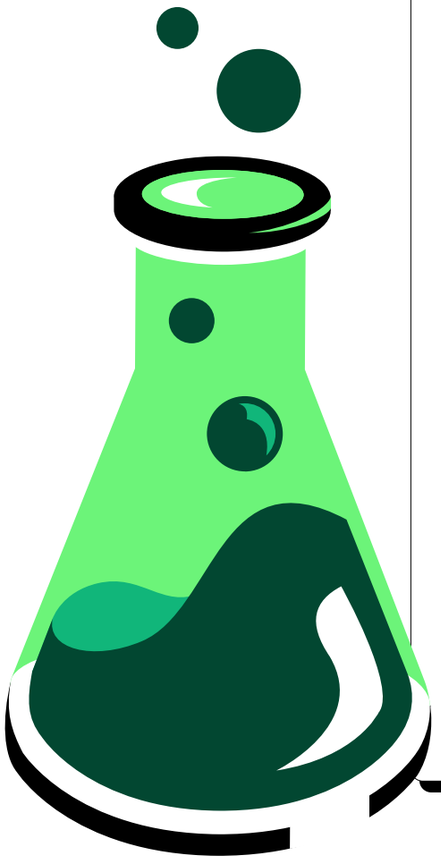
Lloyds Bank plc Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales number 2065. Telephone: 020 7626 1500.

Issue date: November 2025

Methodology

Methodology

The Lloyds Bank Consumer Digital Index is the UK's largest measure of digital and financial capability among consumers.



This report draws on multiple datasets to build a comprehensive picture of consumer behaviours and engagement:

Transactional data

Anonymised transactional data from one million customers across Lloyds Banking Group brands. This data is used to generate digital and financial engagement scores, as well as capability segments, which help assess how individuals interact with digital services and manage their day-to-day finances.

Telephone survey

A subset of the one million customers – c.1,000 individuals aged 18–70 from across the UK – are surveyed via telephone to gather additional insights.

Online survey

An online survey was conducted with 5,000 digitally engaged individuals to explore their behaviours and attitudes in more depth.

Face-to-face survey

To ensure representation of digitally disengaged individuals, face-to-face interviews were carried out with 300 participants who have limited digital engagement.

Full data supplement

Comprehensive data tables with survey questions and survey base sizes can be downloaded via our website here: https://www.lloydsbankinggroup.com/media/consumer-digital-index.html#data

AI usage and reported savings

Insights in this report combine anonymised transactional/behavioural data and survey responses.

The online survey findings (including AI usage and reported savings) are based on self-reported data from a nationally representative (based on age, gender and region) online survey of approximately 5,000 UK adults (fieldwork: 3 July–28 July 2025). Self-reported savings are not verified against transactional data and should be interpreted as perceived impacts, not guarantees of future outcomes.

Correlations shown do not imply causation. References to third-party AI tools or social media platforms are illustrative only; they do not constitute regulated financial advice and are not endorsed by Lloyds Banking Group.

Customers seeking personalised recommendations should use regulated advice channels.



Data matching

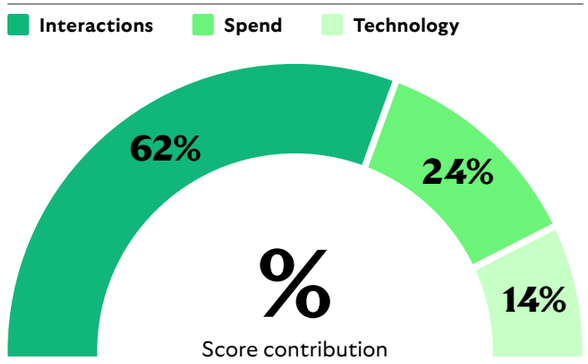
Each of the c.1,000 individuals surveyed are anonymously matched with their transactional data to allow a richer, more in-depth level of analysis and comparison of actual behaviour versus attitudes and perceptions.

2025 fieldwork dates: 3 July–28 July 2025

Digital capability

Since 2016, Lloyds Bank has benchmarked UK digital engagement using a behavioural dataset of more than one million people. In 2020, the methodology was reviewed to ensure it was up to date.

Digital capability is measured by three weighted categories, each with its own set of relevant variables. If the data shows that people are exhibiting behaviour(s) within one of these categories, they are awarded a score.



Methodology continued

Case Studies

The case studies featured in this report are based on real individuals from the public who have consented to share their experiences. Some include real names and photographs, while others remain anonymous.

Financial capability

Financial capability is an indicator of financial health rather than wealth, using actual behaviours, indicating the efficiency with which consumers use the money available to them, rather than simply measuring their total resources. In line with the Financial Capability Strategy for the UK*, a number of different factors are considered (and are equally weighted):

25% Control over day-to-day finances

25% Capability to absorb a financial shock

25% The financial freedom to make choices to enjoy life

25% Being on track to meet your financial goals

If the data shows that people are exhibiting behaviour(s) within one of these categories, they are awarded a score.

Benchmarking

The Consumer Digital Index is an annual report, first commissioned in 2016. This iteration is the tenth in its series. The data in this report is often benchmarked against the first baseline year in 2016 and includes a two-year comparison where possible. If feasible, all ten years are referred to.

Population source

Extrapolations in this report use the latest available 18+ UK population estimates released by the Office for National Statistics. For full survey questions and survey base sizes download the full comprehensive data tables via our website here: https://www.lloydsbankinggroup.com/media/consumer-digital-index.html#data

Please note: Across the report, some figures may not sum to 100% or calculated differences may not look exact due to rounding discrepancies.

When historical data is referenced, the Consumer Digital Index report launch year is used. However, the survey launch date and data capture may have occurred the year prior.

Getting in touch

Should you have any questions about the methodology or report findings, please contact the Lloyds Bank Digital Impact and Inclusion team.

DigitalSkillsInclusion@lloydsbanking.com



* fincap.org.uk/en/articles/what-is-financial-capability