

Asda Income Tracker

Report: October 2026



Centre for Economics and
Business Research Ltd

Unit 1, 4 Bath Street, London
EC1V 9DX

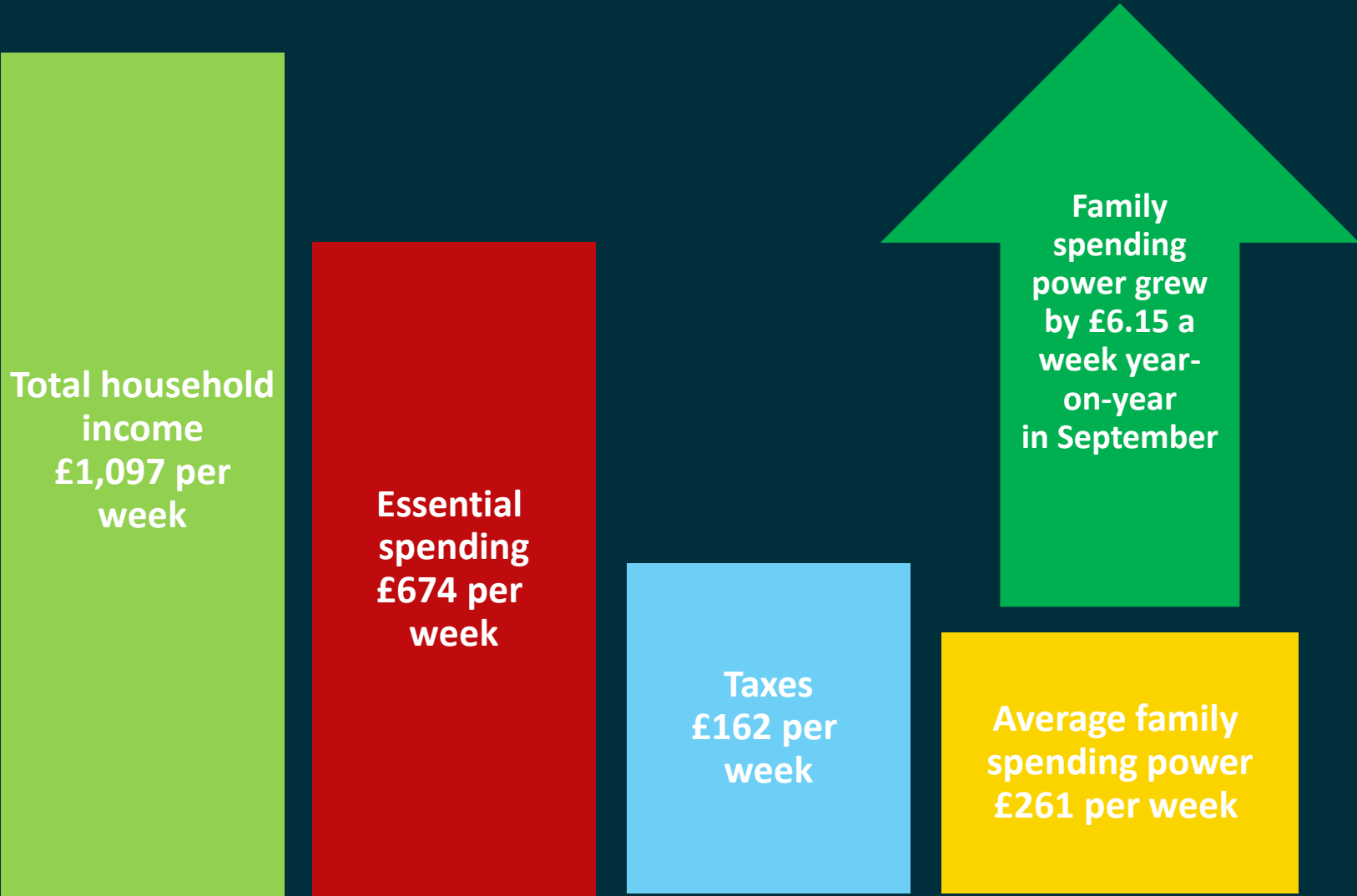
t 020 7324 2850

w www.cebr.com

The ASDA logo, which consists of the word "ASDA" in a bold, sans-serif font, enclosed within a horizontal oval border.

ASDA

Asda Income Tracker – Key Figures

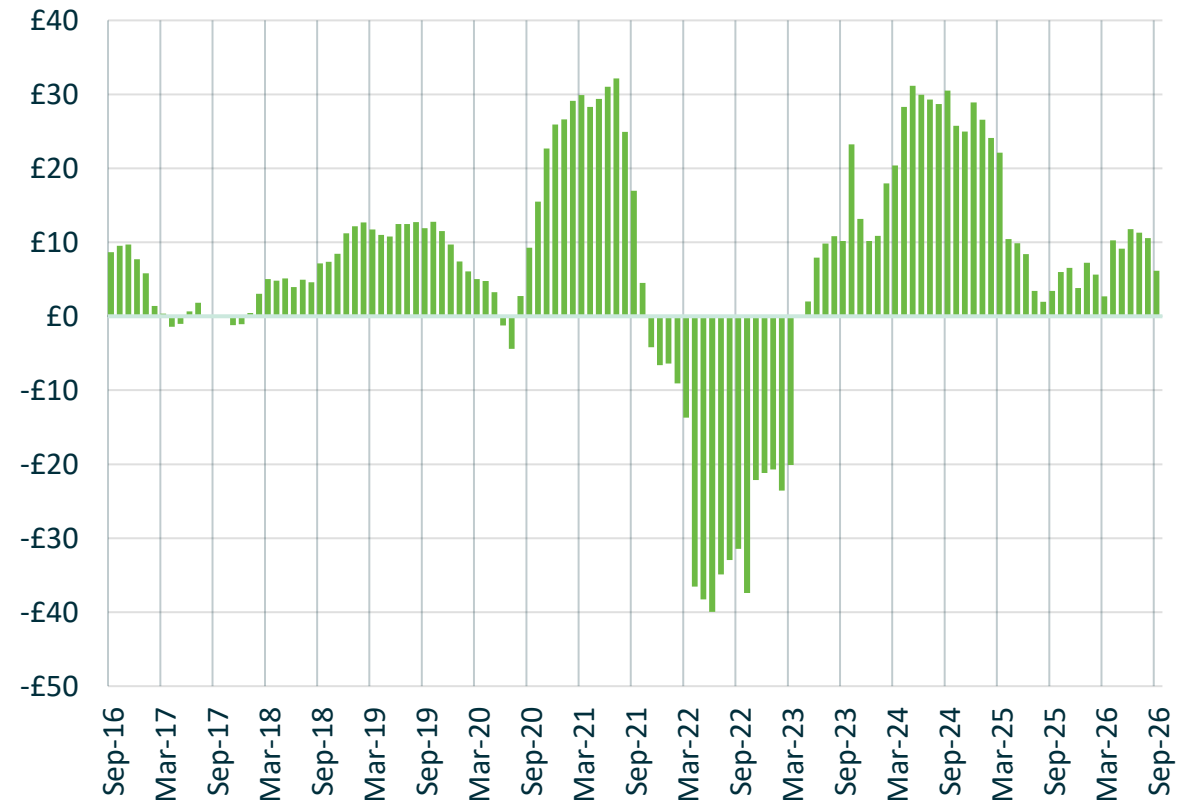


Surging fuel prices slow Income Tracker growth to its weakest rate since March

The Asda Income Tracker was £6.15 a week higher in September 2026 than in September 2025.

- The Asda Income Tracker grew by 2.4% year-on-year in September, a 1.8 percentage point deceleration from 4.2% in August. It was the third consecutive month of slowing growth and the weakest rate since March 2026.
- On a monthly basis, purchasing power edged down by £0.40 per week between August and September. Average household discretionary income now stands at £261 per week.
- Inflation, as measured by the Consumer Prices Index (CPI), rose to 3.5% in September from 3.1% in August, the highest rate since October 2025, as conflict in the Middle East pushed up fuel prices.
- Gross income growth eased to 3.8% in September from 4.0% in August, while essential spending grew by 4.3%, the fastest rate since October 2025. Prices did more of the damage: faster growth in essential costs took £2.71 off the Tracker's annual gain, and slower income growth £1.99.
- Looking ahead, October's 4% rise in the Ofgem price cap and high pump prices will keep essential costs rising faster than earnings. Cebr expects inflation of 3.7% at the end of 2026, leaving little room for discretionary incomes to grow.

Year-on-year change in Asda Income Tracker, £

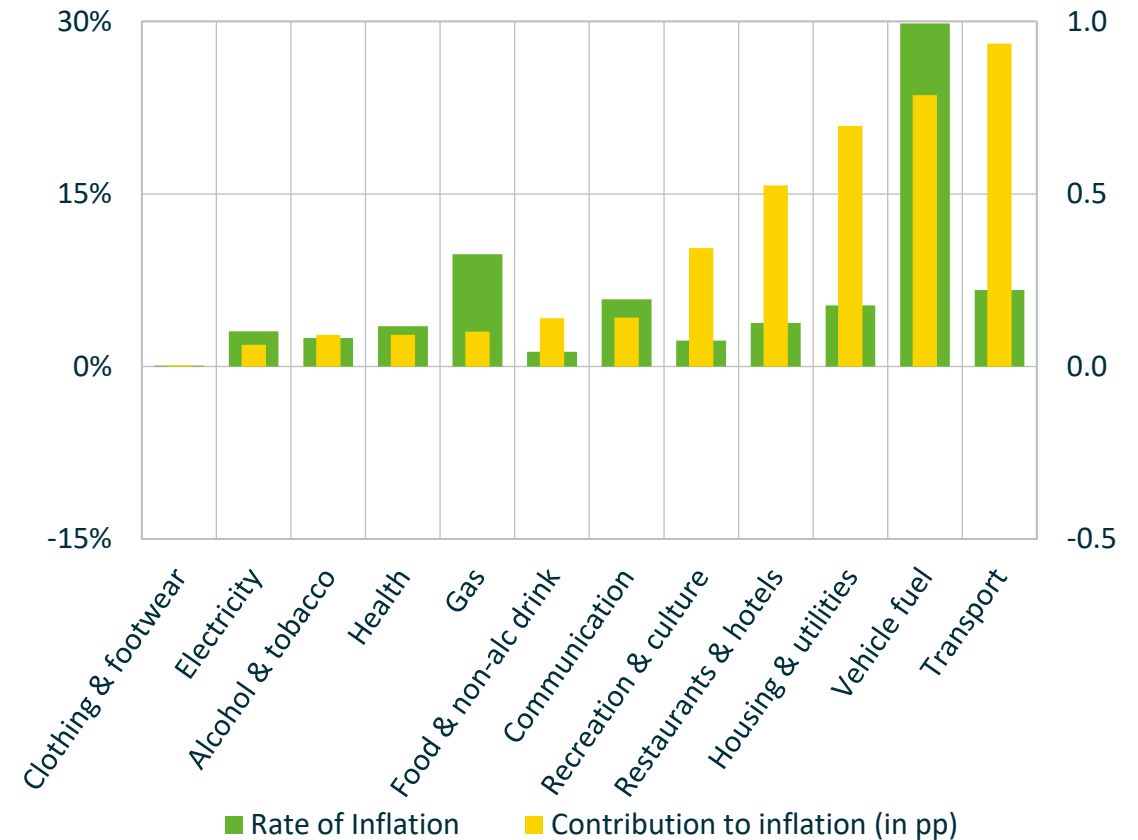


Soaring pump prices push inflation up to 3.5%

The main factors affecting family costs in September were:

- Inflation, as measured by the Consumer Prices Index (CPI), rose by 0.4 percentage points to 3.5% in September. Core inflation, which excludes energy, food, alcohol and tobacco, rose from 2.6% to 2.8%.
- Transport was the largest contributor to headline inflation, adding 1.0 percentage points, as its annual rate jumped from 4.6% to 6.6%. Motor fuel prices rose by 29.8% in the 12 months to September, up from 23.0% in August. The average price of diesel rose by 10.7 pence per litre on the month to 192.5p, and petrol by 8.2p to 169.5p, its highest since August 2022.
- Housing and utilities inflation picked up from 4.9% to 5.3%. Higher wholesale gas prices have fed through to the Ofgem price cap, leaving gas 9.8% more expensive than a year earlier, while electricity prices rose by a more modest 3.0%.
- Food and non-alcoholic beverages inflation was unchanged at 1.3%, the lowest rate since September 2021. Slow-moving food inflation has offered some relief, but not enough to offset dearer fuel and energy.
- With the Ofgem price cap up 4% to £1,723 from 1 October and oil prices volatile, inflation is likely to stay well above the Bank of England's 2.0% target. Cebr forecasts inflation of 3.2% for 2026.

Inflation of selected goods, annual rate (LHS) and contribution to headline inflation (RHS), September 2026



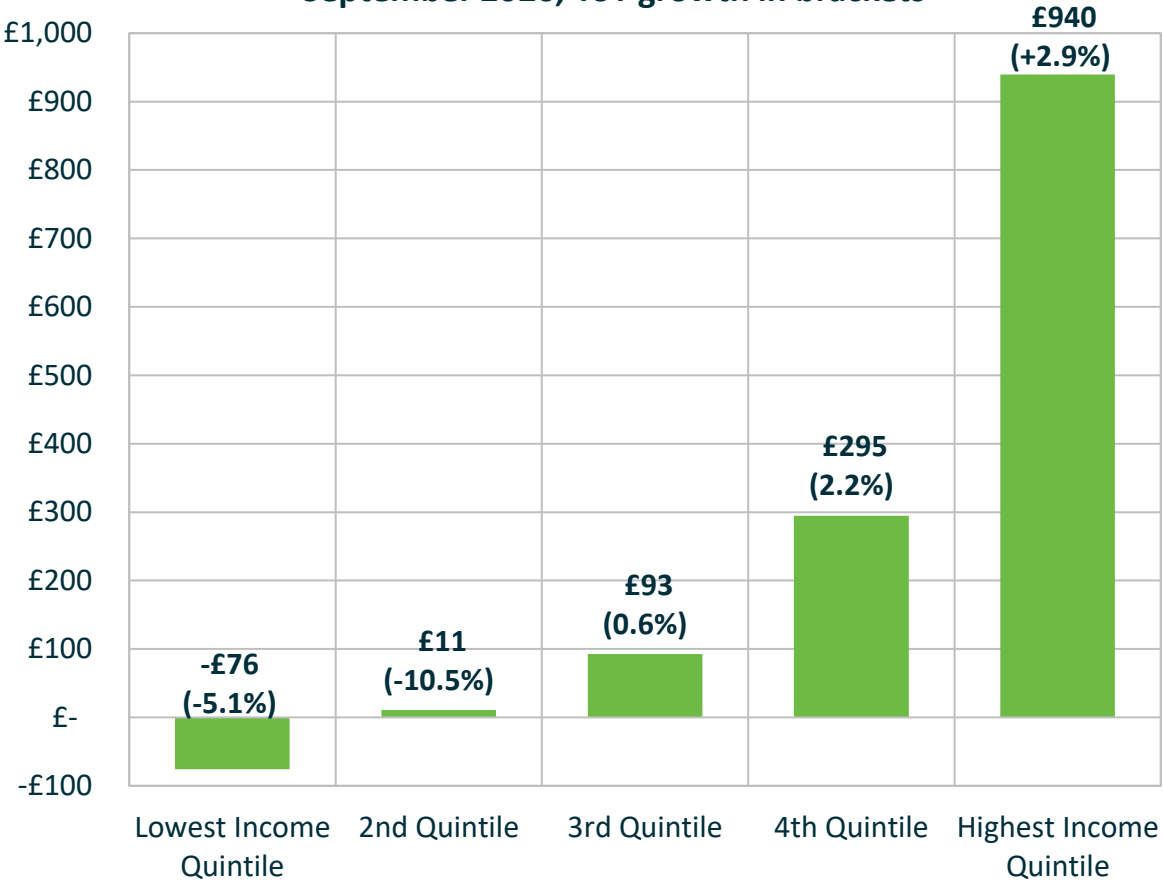
Vehicle fuel is a sub-category of Transport
Gas and electricity are sub-categories of Housing & utilities

Lower-income households hit hardest as essential costs outpace incomes

Annual growth in discretionary income slowed across all five income quintiles in September.

- Gross incomes grew by 3.8% year-on-year in every income quintile, so the differences came from how much of that income goes on essentials. Where necessities take most of a household's income, the extra cost eats up most or all of the extra income.
- For the poorest 20% of households, essential spending exceeds gross income. Their weekly shortfall deepened to £76, £3.66 more than a year earlier, and the third consecutive month of annual decline.
- In the second quintile, essentials absorb more than 90% of gross income, so a 4.2% rise in their cost more than offset a 3.8% rise in incomes. Discretionary income fell by £1.27 a week on the year to £11, which the small base turns into a 10.5% fall on the chart.
- The third quintile saw discretionary income rise by only £0.58 a week, or 0.6%, down from 5.6% growth in August.
- Purchasing power still grew in the top two quintiles, by 2.2% and 2.9%. Their essential costs rose fastest, likely reflecting greater spending on motor fuel, but essentials take a far smaller share of their income.

Average weekly discretionary income by household income group, September 2026, YoY growth in brackets

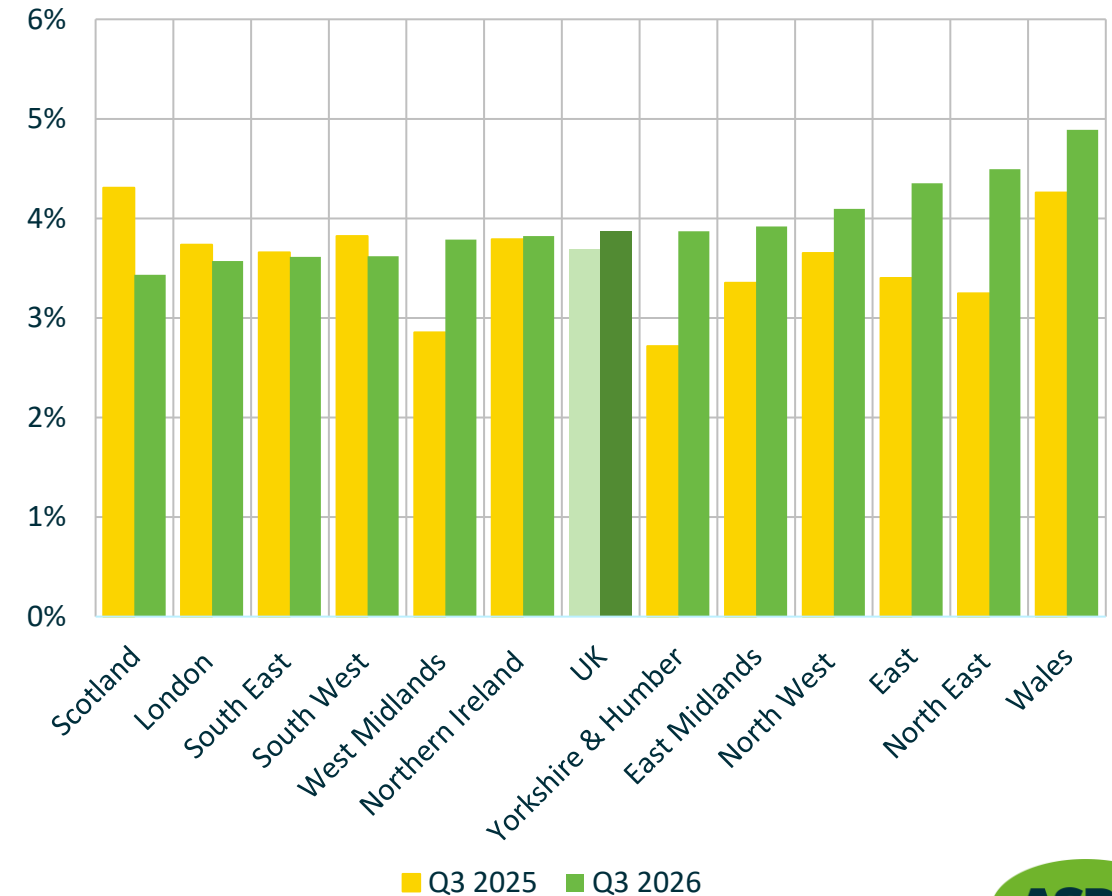


Gross income growth picks up in eight of twelve regions, led by Wales and the North East

UK-wide gross income growth accelerated to 3.9% year-on-year in Q3 2026

- Annual gross income growth strengthened in eight of the twelve UK nations and regions in Q3 2026 compared with Q3 2025, lifting the UK-wide rate from 3.7% to 3.9%. Growth was fastest in Wales, at 4.9%, followed by the North East at 4.5% and the East of England at 4.4%.
- The labour market has steadied, with the UK unemployment rate edging down to 4.7% in the three months to August and the employment rate rising to 75.3%. Employers remain cautious about hiring, however: vacancies fell to 691,000 in July to September, 5.1% lower than a year earlier, and payrolled employment was 66,000 lower on the year in September. With fewer roles on offer, workers have limited leverage to push for bigger pay rises, and regular pay growth stood at 3.7%.
- Gross income growth was weakest in Scotland, at 3.4% year-on-year, down from 4.3% in Q3 2025. Scotland's unemployment rate stood at 4.3% in the three months to August, up from 3.7% a year earlier, while the employment rate fell by 0.4 percentage points to 74.0%. A looser labour market has reduced the pressure on employers to raise pay.
- Growth also slowed in London, the South East and the South West, easing to 3.6% in each.

National and regional gross income, annual change to quarter indicated

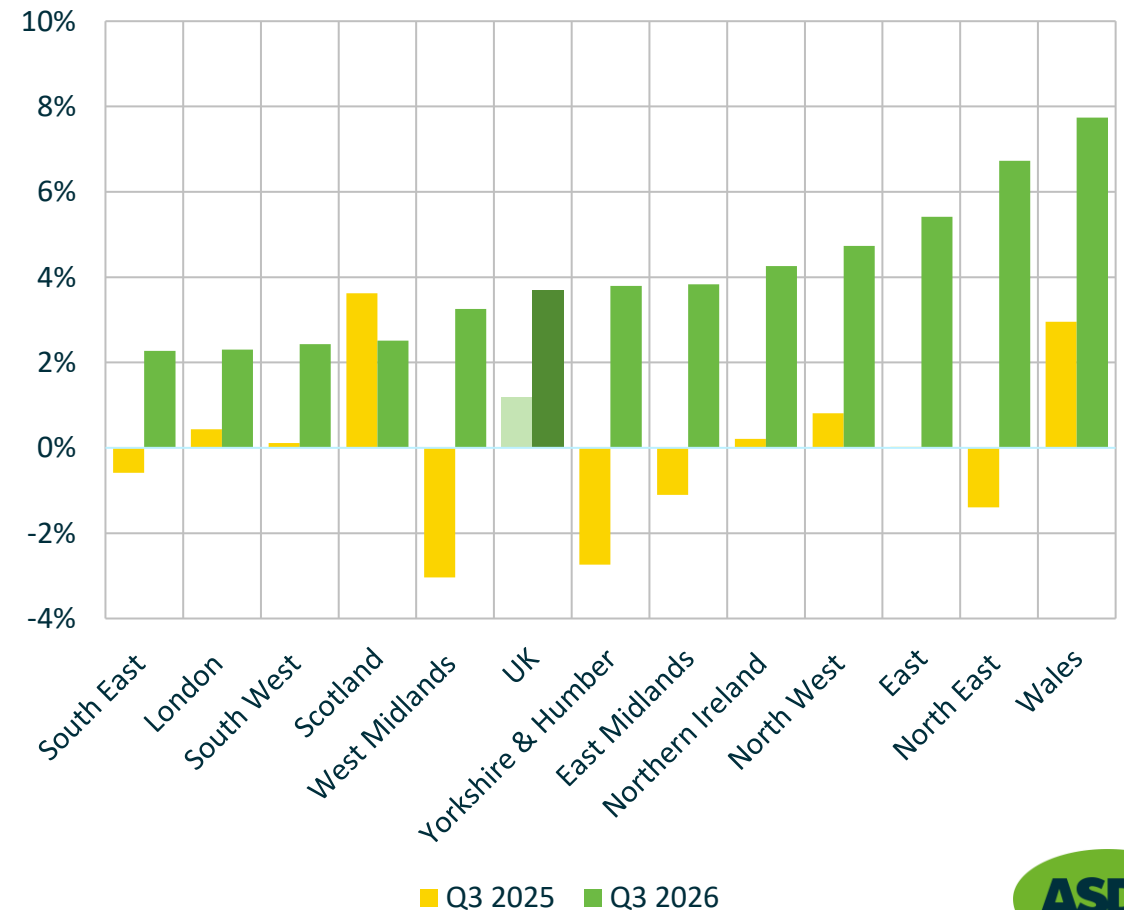


Income Tracker growth improves on a year earlier in every region except Scotland

The UK-wide Asda Income Tracker grew by 3.7% in the year to Q3 2026

- Annual Income Tracker growth was stronger in Q3 2026 than in Q3 2025 in eleven of the twelve UK nations and regions, and the UK-wide rate rose from 1.2% to 3.7%. This partly reflects a weak base: in Q3 2025, discretionary incomes were falling in five regions.
- Momentum faded compared with the previous quarter, however. UK-wide growth slowed from 4.2% in Q2 2026 to 3.7%, and eight of the twelve regions saw a deceleration, as higher fuel and energy costs began to erode gains.
- Wales recorded the fastest growth in purchasing power, at 7.7%, followed by the North East at 6.7% and the East of England at 5.4%. All three combined strong gross income growth with essential spending growth below the UK average.
- Scotland was the only region where growth weakened on a year earlier, slowing from 3.6% in Q3 2025 to 2.5%. Growth was slowest in the South East and London, at 2.3% each, where essential costs rose fastest.
- No nation or region recorded a fall in discretionary income compared with a year earlier.

Asda Income Trackers by nation and region, annual % change to quarter indicated

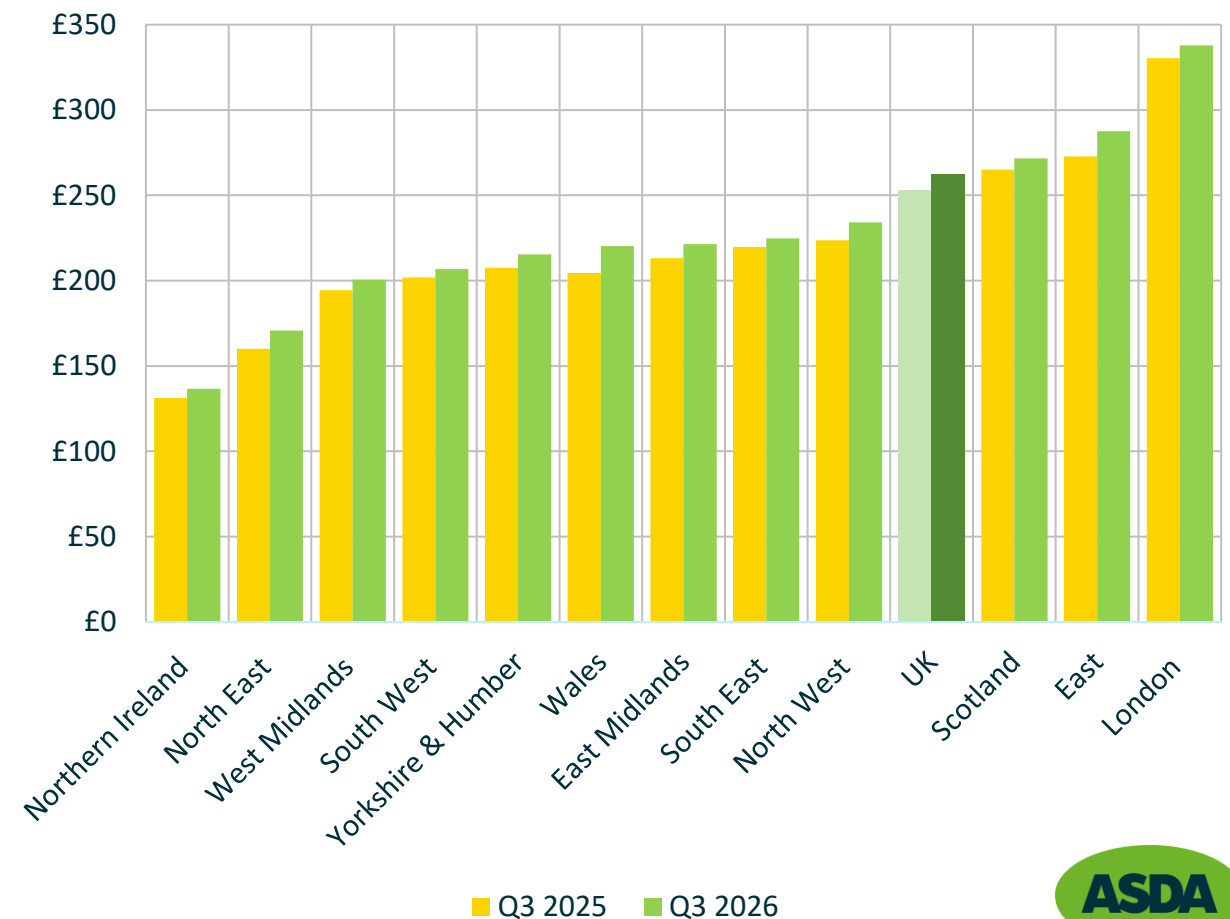


London households retain the most spending power, but the gap with the East continues to narrow

The UK-wide Asda Income Tracker averaged £262 in Q3 2026

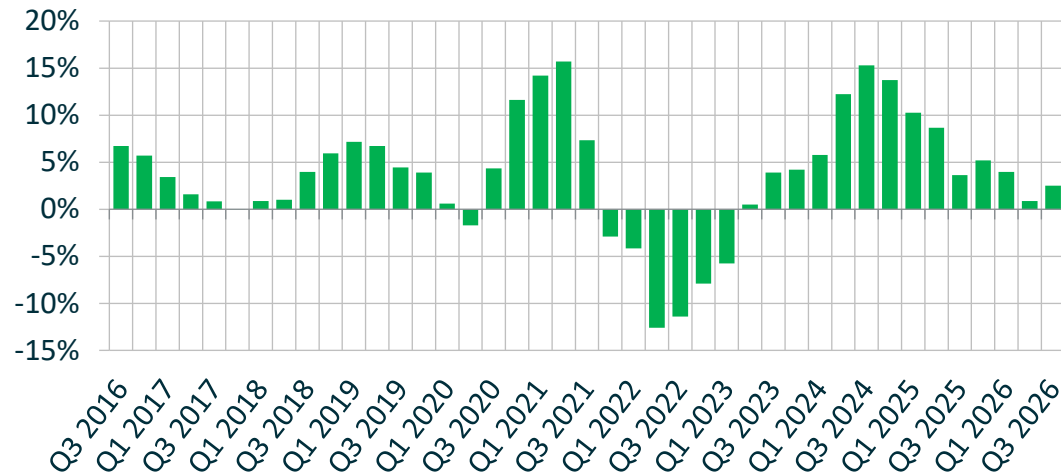
- The average UK household had £262 in weekly discretionary income in the third quarter of 2026, £2.61 more than in Q2 2026 and £9.34 more than in Q3 2025.
- Discretionary incomes remained highest in London, at £338 per week, following annual growth of 2.3%. The East of England, the region with the second highest purchasing power, saw the Income Tracker rise by 5.4% to £288. The gap between the two narrowed from £57.44 per week in Q3 2025 to £50.27. Essential costs grew faster in London than anywhere else, while the East saw stronger income growth.
- Northern Ireland remains the region with the lowest spending power, at £137 per week, £34.15 lower than the North East, the next worst-off region. Its Income Tracker gained £5.59 on the year and £0.33 on the quarter.
- Other than London and the East of England, Scotland was the only region with an Income Tracker above the UK-wide average, at £272 per week. The West Midlands was the only region where discretionary income fell on the quarter, by £1.71 per week.

Average household discretionary income by nation and region, £ per week in quarter indicated



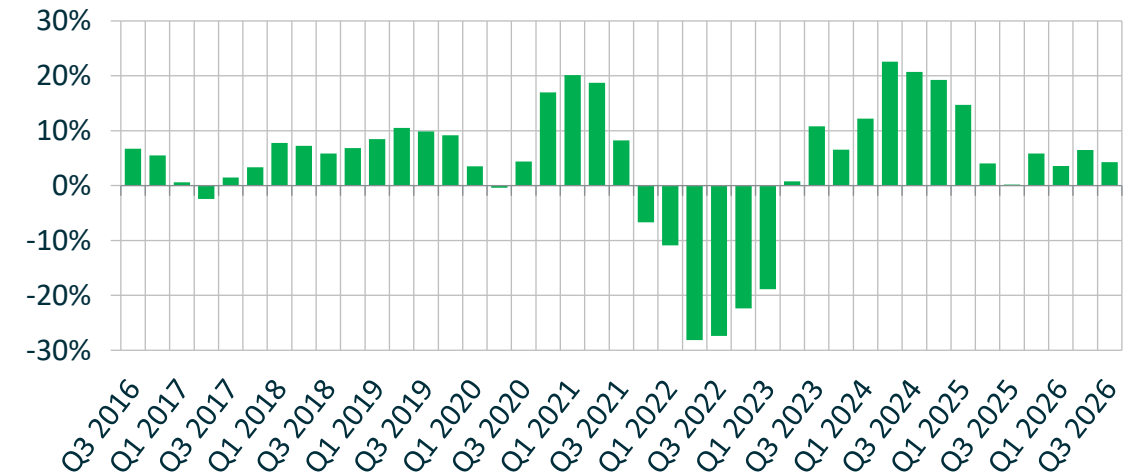
Focus on Scotland and Northern Ireland

Annual % change in discretionary incomes, Scotland



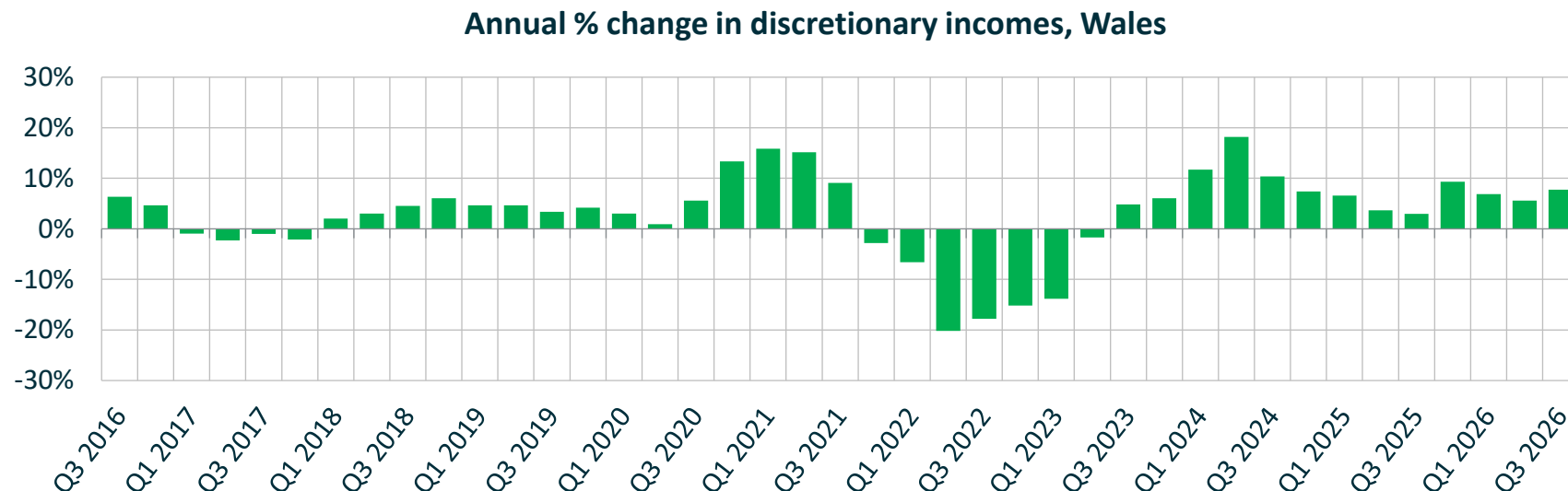
- The Asda Income Tracker for Scotland rose by 2.5% year-on-year in Q3 2026, a 1.6 percentage point acceleration from 0.9% in Q2 2026.
- On a quarter-on-quarter basis, purchasing power rose by £7.43 per week compared with Q2 2026, the largest quarterly gain of any nation or region. Average discretionary income in Scotland now stands at £272 per week, the third highest in the UK.
- Annual growth remains below the UK-wide 3.7%, as Scottish gross income growth slowed to 3.4%, the weakest in the UK.
- Scotland's unemployment rate was 4.3% in the three months to August, down from 4.7% in the three months to May but up from 3.7% a year earlier. More competition for jobs has weakened workers' bargaining power and held back pay.

Annual % change in discretionary incomes, Northern Ireland



- The Income Tracker for Northern Ireland grew by 4.3% year-on-year in Q3 2026, a 2.2 percentage point deceleration from 6.5% in Q2 2026. Discretionary incomes rose by £0.33 a week on the quarter and remain the lowest in the UK at £137 a week.
- Gross income grew by 3.8%, close to the UK's 3.9%. Northern Ireland was the only part of the UK where payrolled employment rose over the year to September, up 0.9%.
- Most households in Northern Ireland heat their homes with oil, which the Ofgem cap does not cover. Liquid fuel prices more than doubled in the year to September, up 104.9%.

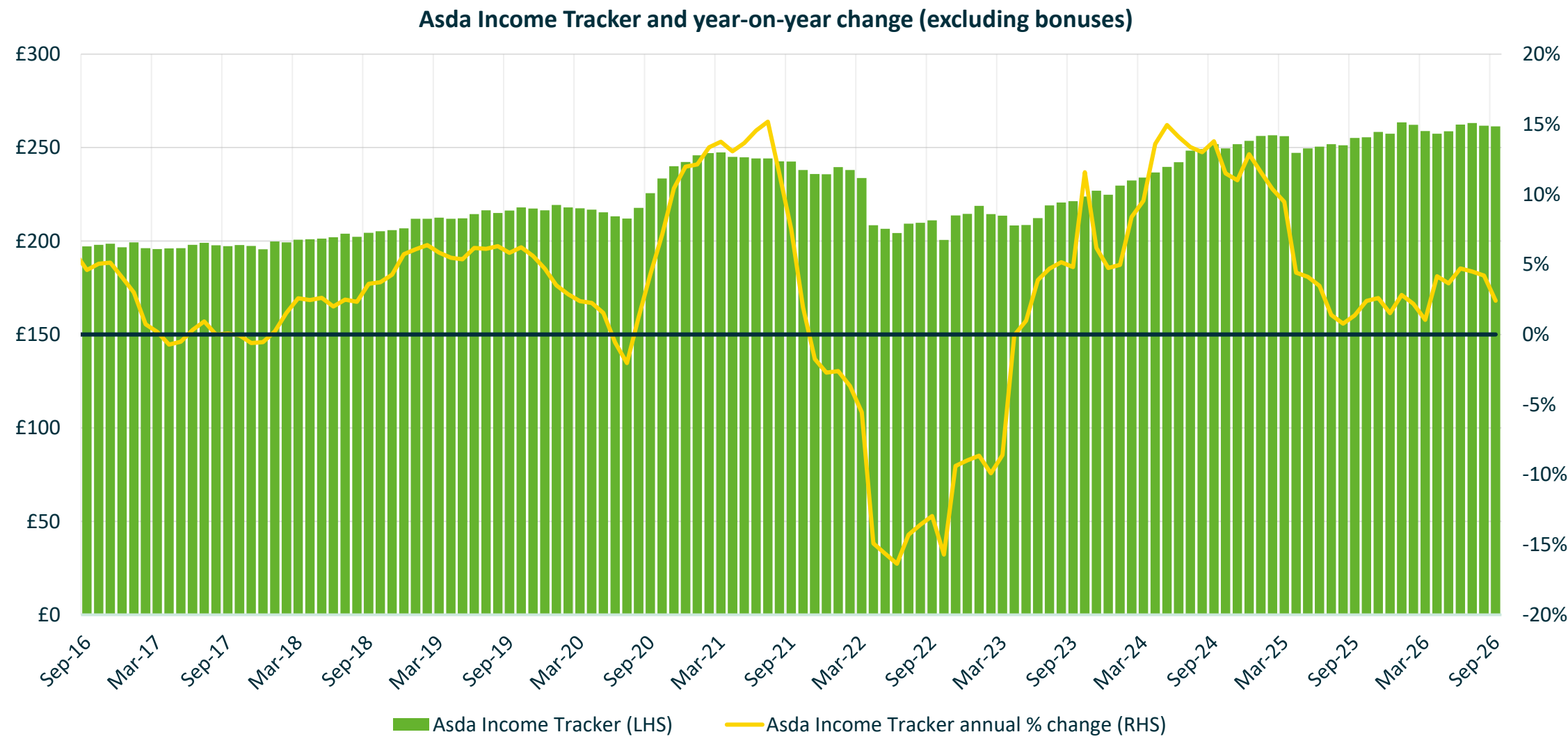
Focus on Wales



- The Income Tracker for Wales rose by 7.7% year-on-year in Q3 2026, the fastest growth of any UK nation or region and well above the UK average of 3.7%. This was a 2.2 percentage point acceleration from 5.6% in Q2 2026.
- On a quarterly basis, average household discretionary income increased by £6.10 compared with Q2 2026. The Income Tracker for Wales now stands at £220 per week.
- Gross income growth of 4.9% year-on-year, the strongest in the UK, has driven the improvement. The Welsh labour market has tightened markedly: the unemployment rate fell by 1.3 percentage points over the year to 3.4% in the three months to August, and the employment rate rose by 1.9 percentage points to 73.3%. More households with someone in work, alongside firmer pay, have lifted incomes faster than essential costs, which rose by 3.9%.

Appendix

Monthly Asda Income Tracker



Monthly Asda Income Tracker

Average UK household Income Tracker, £ per week, current prices, excluding bonuses

Month	Income Tracker	Month	Income Tracker	Month	Income Tracker	Month	Income Tracker	Month	Income Tracker
January 2022	£240	January 2023	£219	January 2024	£230	January 2025	£256	January 2026	£263
February 2022	£238	February 2023	£214	February 2024	£232	February 2025	£257	February 2026	£262
March 2022	£234	March 2023	£214	March 2024	£234	March 2025	£256	March 2026	£259
April 2022	£209	April 2023	£208	April 2024	£237	April 2025	£247	April 2026	£257
May 2022	£207	May 2023	£209	May 2024	£240	May 2025	£250	May 2026	£259
June 2022	£204	June 2023	£212	June 2024	£242	June 2025	£251	June 2026	£262
July 2022	£209	July 2023	£219	July 2024	£248	July 2025	£252	July 2026	£263
August 2022	£210	August 2023	£221	August 2024	£249	August 2025	£251	August 2026	£262
September 2022	£211	September 2023	£221	September 2024	£252	September 2025	£255	September 2026	£261
October 2022	£201	October 2023	£224	October 2024	£250	October 2025	£256		
November 2022	£214	November 2023	£227	November 2024	£252	November 2025	£258		
December 2022	£215	December 2023	£225	December 2024	£254	December 2025	£257		
2022 Average	£216	2023 Average	£218	2024 Average	£243	2025 Average	£254		



Economist’s view

Reacting to this month’s Income Tracker, Sam Miley, Head of Forecasting and Thought Leadership at Cebr, said:

“September showed how distant conflict in the Middle East reaches household budgets. Higher fuel prices pushed inflation to 3.5%, while Income Tracker growth slowed to its weakest rate since March.

Pressure on household finances looks set to persist. A higher energy price cap and dearer fuel will keep essential costs rising at an elevated rate, while cautious hiring by employers limits any offsetting boost to incomes. Rising core inflation also suggests that higher energy costs are increasingly feeding through to prices across the wider economy.”

National and Regional Income Tracker estimates

Average household Income Tracker, £ per week, current prices, excluding bonuses, by region, September 2026

North East	North West	Yorkshire & Humber	East Midlands	West Midlands	East
£170	£234	£215	£220	£199	£287

London	South East	South West	Wales	Scotland	Northern Ireland
£337	£224	£206	£219	£272	£135



Method notes

The Asda Income Tracker is calculated from the following equations:

- Total household income minus taxes equals net income
- Net income minus basic spend equals Asda Income Tracker

Total household income for the United Kingdom is derived from the Living Costs and Food Survey 2012 (released December 2013). This is updated on a monthly basis using official statistics on average earnings, unemployment, social security payments, interest rates and pension income. Earnings data from the Office for National Statistics that is released in the month of the report refers to the previous month. We forecast earnings data for the month of the report.

Taxes are subtracted from total household income to estimate the actual amount that can be spent on goods and services, i.e. net income or disposable income. The average amount of tax paid is calculated using the latest version of the Living Costs and Food Survey. This is updated on a monthly basis using Office for National Statistics data and Cebr modelling.

The following components are based on official statistics and Cebr calculations.

- Net income is calculated by deducting our tax estimate from our total household income estimate.
- Basic spend (cost of living) figures are updated using monthly consumer price data and the trend growth rate in the volume of essential goods and services purchased over the most recent ten-year period. A full list of items constituting basic (or 'essential') spending was created in collaboration between Asda and Cebr when the Income Tracker concept was originally formed in 2008. This list is available on request.
- The Asda Income Tracker is a measure of 'discretionary income', reflecting the amount remaining after the average UK household has had taxes subtracted from their income and bought essential items such as: groceries, electricity, gas, transport costs and mortgage interest payments or rent. The Income Tracker measures the amount left over to spend on discretionary purchases such as leisure and recreational goods and services.



Contact

For press enquiries, please contact:

Elliott Lancaster, Senior Press Officer

Elliott.Lancaster@Asda.co.uk; 07779 700 385

For data enquiries, please contact:

Sam Miley, Head of Forecasting and Thought Leadership

SMiley@Cebr.com; 020 7324 2874

Dan Smith, Economist

DSmith@Cebr.com; 020 7324 2841

Disclaimer

This report was produced by the Centre for Economics and Business Research (Cebr), an independent economics and business research consultancy established in 1993 providing forecasts and advice to City institutions, government departments, local authorities and numerous blue-chip companies throughout Europe. The main contributors to this report are Cebr economists Sam Miley and Dan Smith.

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London, October 2026

