

# Confidence swings into a downward spiral

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Sales of big-ticket items such as televisions have been affected by the pandemic, with consumers cutting back on spending

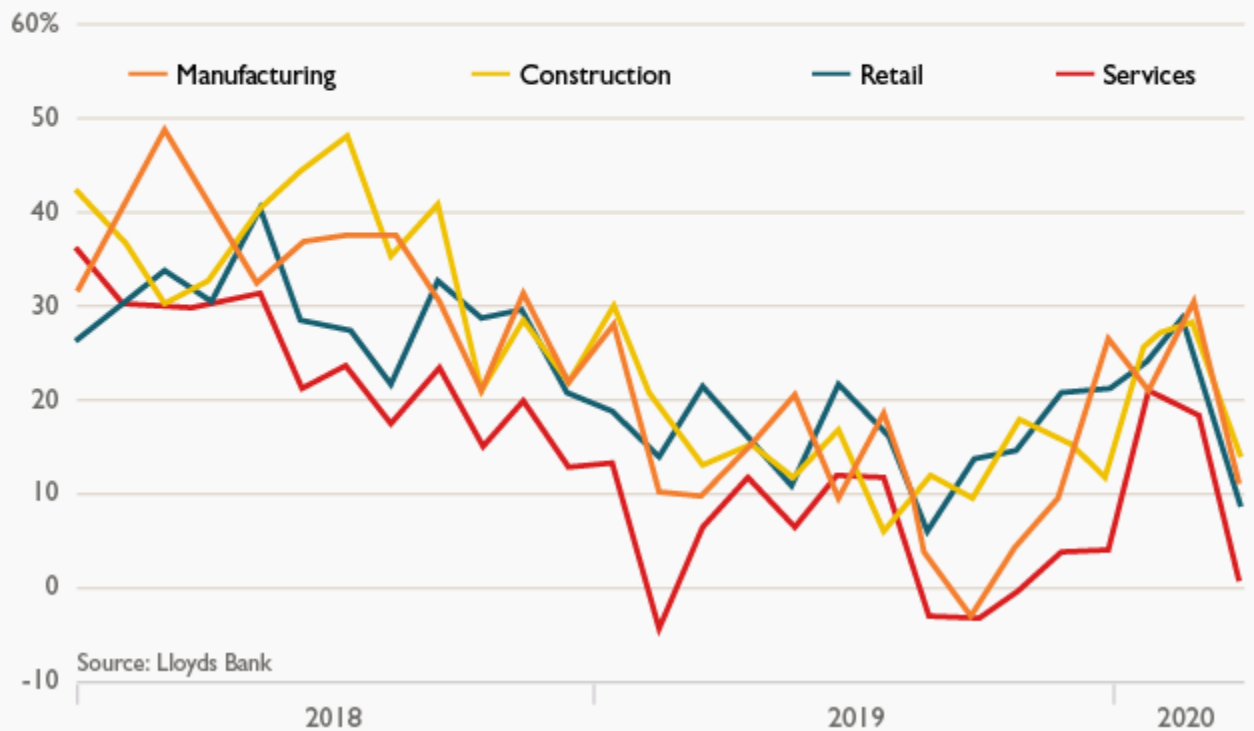


Britons are losing confidence in the economy's ability to withstand the coronavirus crisis, a closely watched survey suggests.

The GFK consumer confidence index has fallen by two points to -9 in March, reversing several months of consecutive gains since December's general election. It comes amid warnings that the country is on the verge of an [economic collapse](#).

# Overall confidence

% net balance



The survey was conducted in the first two weeks of March, before the government decided to shut down large parts of the economy. Analysts warned that confidence was likely to deteriorate further in the coming months.

The threat of widespread business failures and [job losses](#) is taking its toll on people, with many cutting back on expensive purchases. The index for big-ticket purchases fell by eight points to -1. Attitudes about the economic outlook over the next year fell by six points to -27, while optimism about personal finances fell from +6 to +3.

Economists follow consumer confidence because household spending accounts for almost two thirds of national output.

The fall in consumer confidence was mirrored by a deterioration among businesses, although this, too, was surveyed before the country went into lockdown. According to the Lloyds Business Barometer, optimism levels fell by 17 percentage points to 6 per cent, the lowest level since October 2019. Businesses were surveyed between March 2 and March 16 and Lloyds noted that the results for the second week of the survey showed a much sharper fall in overall confidence to -3 per cent.