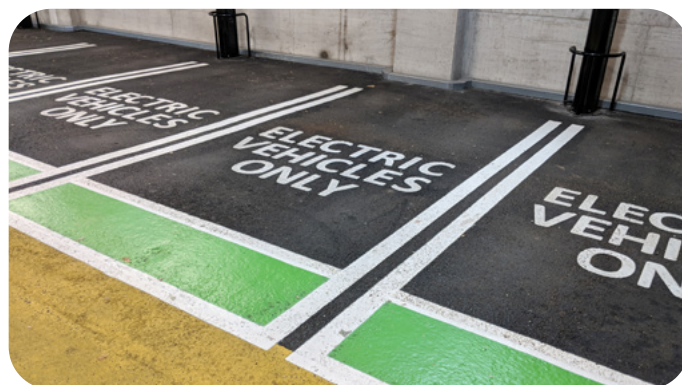


Driving change: How are electric vehicles altering spending habits?

Transport is the UK's largest greenhouse gas-emitting sector, so the decarbonisation of the UK transport ecosystem will be pivotal in making the transition to net zero a reality. A surge in environmental awareness among the general public, coupled with an increase in tax-efficient electric vehicle (EV) purchasing schemes, has resulted in many people choosing to opt for an EV to support our transition to a sustainable world. But with more EVs on the road, we wanted to find out which kind of people are making the switch and how the decision affects their spending habits – especially when they're charging their vehicle.

To find out, Lloyds Bank Market Intelligence analysed anonymous and aggregated spending data (both debit and credit card transactions) from Lloyds Banking Group's 26 million retail customers. We narrowed this down to a pool of 314,431 EV owners from which we take the following insights. The resulting anonymous data therefore offers both large-scale and specific insights into the spending habits of these people – and here's what we found.



The road to electric vehicles

There is no doubt that EVs will occupy a central role in the journey towards net zero. It is then no wonder that people are spending more on EVs each year. The group spending the most on EV charging between January and August this year is men aged 40 to 49, although they only increased their spending by 32% year-on-year (YoY) compared to 2023. Interestingly, the highest growth rates in from January to August YoY spend are seen in women aged 18 to 24 (representing an increase of 81% compared to 2023) and women aged 25-29 (representing an increase of 58% compared to 2023).

Where are people using chargers the most? Regionally, Scotland has seen the biggest growth in sales value (46% growth YoY, comparing July 2024 to July 2023) followed by London (45% growth YOY). The rest of Great Britain has seen a steady growth around 30% YoY. In terms of EV transaction volumes from September 2023 until August 2024, London takes the top spot, followed by South East England, and Scotland in third place.



LLOYDS

Searching for ways to spend time

The average electric vehicle takes a minimum of 30 minutes to charge, leaving many people with time on their hands. To find out what people do while they wait to charge, we looked at 'halo spending' – a term describing the in-person (offline) transactions occurring in the two hours after authorising the charge of an EV.

We found that between September 2023 and August 2024, halo spending occurs after 41.5% of EV charging transactions, and when charging their car, people often turn to the local retail and hospitality environment. 33.8% of the overall halo spending took place in the retail sector itself. In the 2 hours after authorising a car charge payment, the two most common type of spending took place in restaurants, fast food outlets, bars and coffee shops (13.3% of the overall halo spending) and in supermarkets (12.1% of overall halo spending).

Interestingly, London saw less overall halo spending, with only 34.3% of people making in-person purchases in the two hours after authorising the charging of their car. This could stem from the EV infrastructure in the UK capital, which allows many people to charge directly outside their house.

Plug in and purchase

Given that shopping is a popular activity while charging the car, what can we find out if we look more closely at how and where EV drivers shop?

In August 2024, 11.3% of EV charge authorisations were followed within 2 hours by 'halo' retail therapy at a supermarket. 50.4% of the supermarket transactions were completed in a mid-range store, 12.6% in a top-end store, and 24.2% at discount and value stores.

If we zoom out to look at the trend over the period of a year, from September 2023 to August 2024, we found a 12.0% daily increase in halo transaction volumes recorded at supermarkets on a weekend day compared to a weekday. The biggest increase in spending volumes took place over the weekend, highly driven by top-end supermarkets. This is particularly true in the West Midlands and North East England, where halo transaction volumes in top-end supermarkets were up 60.4% and 34.8% respectively on a given day at the weekend, compared to a given weekday.



Full battery, full stomach

Halo transaction volumes in restaurants were also up by 28.7% between September 2023 and August 2024 when comparing daily transactions at the weekend to those on a weekday. Regionally, halo transactions at fast food outlets were consistent across the country, averaging a 23.8% increase.

The best weekend boost took place in bars and pubs, with London recording the highest increase in transaction volumes – a staggering 76.4%. This weekend transaction spike at bars and pubs is replicated across the country, averaging a 60.5% increase, perhaps showing that a weekend pub lunch can be combined with a convenient charging top up.

Lloyds Bank Market Intelligence has specialist insights into consumer behaviour and can help answer questions surrounding customer demographics, identifying potential partnerships and even the right location for EV charging terminals. "Through analysis of the spending habits of 26 million retail consumers – totalling a yearly spend of £300bn – the Lloyds Bank Market Intelligence Team has the unique capability of generating invaluable data-driven insights for our clients," said Victoria Whitehead, Managing Director, Head of Infrastructure & Transport at Lloyds Banking Group. "By understanding the wider market implications and impact of the EV industry, Lloyds Bank continues to support the decarbonisation of transport – the UK's largest greenhouse gas-emitting sector."



Learn more

To understand how these insights could enhance your business strategy – please get in touch at marketintelligence@lloydsbanking.com.



Go online:
lloydsbank.com/business/corporate-banking



Speak to your
Relationship Manager

Please contact us if you would like this information in an alternative format such as Braille, large print or audio.

Important information

Please note that any data sent via email is not secure and could be read by others.

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

Lloyds and Lloyds Bank are trading names of Lloyds Bank plc, Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England & Wales no. 2065. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 119278.

Document Owner: CIB. October 2024 – 0230



LLOYDS