UK Consumer Digital Index 2021

The UK's largest study of digital and financial lives

LLOYDS BANK

The 2021 UK Consumer Digital Index is the sixth in the series. It uses the behavioural and transactional data of one million consumers to build a view of digital engagement in Britain.

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DigitalSkillsInclusion@lloydsbanking.com

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About us

Over the last six years, the Lloyds Bank team have used a unique dataset, analytical and research capability to understand how digital the UK really is. Sharing this knowledge has led to a collaborative approach, working with industry partners, think tanks and Government. The insight has shaped a number of policy outcomes, community interventions and broader awareness of the impact that digital confidence and capability can have on people's lives, work and UK plc.

It has also shaped our own work. Our Lloyds Bank Academy programme was launched as a pilot in Manchester with Greater Manchester Combined Authority, libraries and charities as key partners. Since then, we have expanded to Bristol, London, Leeds, the North East, Yorkshire and the South West. Small business owners and jobseekers alike, have benefitted from free financial, digital resilience and skills support and with partners, our breadth of content and scale has increased.

Our colleague network is key to all of this. Aside from providing support in branches, as a response to lockdown, the team partnered with We Are Digital to launch a brand-new free helpline to support people with over the phone expert training, devices and data. With almost 13,000 digitally excluded people supported, we've been able to connect loved ones with their relatives and provide a digital lifeline to the outside world. Our Digital Champion programme is also active, with almost 20,000 colleagues donating their time and skills to support people, charities and businesses. Over lockdown our charity partners in particular, have helped us stay connected to people that need technical skills and engagement the most.

Through our initiatives, we're able to see and understand the value and impact that digital skills and tech adoption can have. From helping people learn new skills and find employment, to small businesses being more productive, digital is an enabler – helping people get to where they want to go.

This report is designed for and with partners. We hope it will encourage readers to understand that as we digitise our societies and economies, it is crucial that no one is left behind. We must work together to create the structures, services and systems that can help their users thrive.

Thank you to everyone who has used this report to drive the necessary action to close the digital divide.

If you have any questions on the Consumer Digital Index, our propositions or partnership work, please contact us at DigitalSkillsInclusion@lloydsbanking.com and @LloydsBankNews via Twitter.

The Lloyds Banking Group Digital Skills and Inclusion team work across the Lloyds Bank, Halifax, Bank of Scotland and other LBG brands.

Consumer Digital Index

Executive summary

Stephen Noakes

Retail Transformation Managing Director,
Lloyds Banking Group

LLOYDS BANK

"In terms of digital engagement, the UK has made five years' worth of progress in just one year"

In previous editions of the Consumer Digital Index, it has been well evidenced that the people using digital tools and services have a real advantage. They are more likely to build their saving reserves, find new ways to save money and can more easily find and access new information, plus manage their wellbeing, keeping connected to loved ones.

In the last year this moved from an advantage to a necessity. Shielding in our homes, without the lifeline of the Internet, 5% of the population remain digitally excluded; locked out during lockdown. For some, fears of the unknown or the threat of Internet scammers prevail, but for others a lack of interest is a key barrier.

For those online, however, much has changed. In the last 12 months, 1.5 million more people have started using the Internet, resulting in 95% of people now being online. In 2020, predictive modelling indicated that it would take to 2025 for 58% of the UK to have high digital capability. In 2021, 60% of the UK now have this level of digital capability; we have made five years' worth of progress in one.

72% of online consumers have bought from an e-retailer they haven't bought from before; 67% have used a news site for the first time and 65% experienced their first video call. Nine-in-ten (91%) plan to continue habits like these in the future. Between 2016-2020, around one-third of consumers used digital tools and websites to manage their physical and mental health; in the last 12 months that has increased by 15 percentage points to 49%, presumably as the population focuses more on their wellbeing.

Consumers are not just doing more online, they are doing it more often. More than half (55%) of the online population have increased their Internet usage throughout the pandemic – on average people are spending an extra 13 hours online a week.

A top trigger for improving digital skills in 2021 has been the need to work from home. The difference in lockdown working styles and requirements has meant parts of the UK workforce have digitised more rapidly than others – now job type doesn't just impact current income, but rather the level of digitisation and resulting broader lifestyle benefits. 93% of office workers are now confident Internet users versus 85% of manual workers, and they are 11 percentage points more likely (73% vs. 62%) to use the Internet to develop professionally and improve future work prospects. The data also shows increased personal use of the Internet, indicating a halo effect from the working day.

People who are out of work are even less likely to be digitally capable and confident. 31% of unemployed people have Low or Very Low digital capability versus 19% who are in the workforce. There is an opportunity to prioritise the estimated 1.7 million unemployed* who will need digital access, proficiency and engagement to find work in an increasingly online career marketplace.

At least one-quarter (28%) of people say they have upskilled themselves for work related reasons; 11% wanted to improve their job performance and productivity and 10% wanted to learn new skills to boost employment prospects. When asked what the easiest way would be to receive digital skills support, over half (57%) said through their employer.

*Office for National Statistics, 2021, ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/march2021#unemployment

The survey indicates clear motives to incentivise people in the future too – 77% would improve their digital skills if they thought it would directly help them with a day-to-day task or piece of work. 64% would prioritise digital skills if they knew it would help them progress in their job or secure a better role.

This is likely to be amplified by the socio-economic climate. As the Consumer Digital Index shows, people have shared their changing money mindsets. The pandemic has impacted people's financial priorities; 59% are now focusing on becoming debt free and 58% are reprioritising day-to-day spend.

Different populations have had different financial outcomes from the last 12 months. 12% of people, as in 2020, still would 'struggle immediately' if their income were to stop. On the other hand, 56% now have financial reserves that would support them for three months or more. Digital capability or enablement has not impacted this macro trend – age is generally a more determining factor as younger people are less likely to have been able to grow their savings pot, and more likely to have been furloughed**. It is also the most vulnerable populations who are most likely to struggle immediately; carers, people suffering long-term sickness and the unemployed. This is cause for concern.

When comparing people of similar age groups, income levels or job types however, the impact of digital enablement is a greater use of saving accounts, greater savings on spend and a likelihood to earn more money. Access to digital platforms and payments is also changing behaviours – the usage of 'Buy Now Pay Later' services has increased rapidly, altering the way that people spend and manage their money. Broader Fintech services are used by 2.8 times more people than in 2020. It is important that as new services are adopted that consumers are supported in using them to their benefit.

One of the key questions for the Consumer Digital Index report is always – *'So, what can we all do differently?'* 2021 data indicates that, now more than ever, it is crucial that help and support is findable and focused on outcomes. 67% of people have said they would improve their digital skills if they knew there was support available when needed. As outlined above, understanding how improving their digital confidence and capability could impact their future careers and financial freedom, will incentivise action.

The 2021 report demonstrates that digital and financial exclusion places individuals at a significant disadvantage. The report intends to provide evidence to shape and create a more inclusive and sustainable economy, underpinned by digital equality for all.

- The UK has made five years' worth of progress in one in terms of its digital engagement
- 1.5 million more people have started using the Internet
- On average people are spending an extra 13 hours online a week
- At least one-quarter (28%) of people say they have digitally upskilled themselves for work related reasons
- 67% of people said they would improve their digital skills if they knew there was support available

**BBC, 2020, bbc.co.uk/news/business-53416673

Partner quotes

Good Things Foundation
Improving lives through digital

Helen Milner OBE
Group Chief Executive
Good Things Foundation

COVID-19 has changed everything and it's changed nothing. The social and economic impact of being digitally excluded is now well understood, while online activity has increased across society.

But for all the progress, we still see debilitating digital exclusion and data poverty. It is holding millions back and threatens our economic recovery; more so in some regions than others.

The financial, social and employability benefits of having a device, connectivity and digital skills come through clearly in this new report. We must work together to ensure everyone benefits from digital – and that the people hit hardest by the pandemic aren't further disadvantaged, as everyday life moves more online.

This year's data gives us vital insight into digital exclusion in a society slowly emerging from a global pandemic. It shows us the size of the task ahead – but makes us more determined than ever to seize the moment for change, working with partners like Lloyds Bank to fix the digital divide.

BT

Andy Wales
Chief Digital Impact and Sustainability Officer
BT

Our reliance on connectivity has sharpened dramatically over the last year, as people found themselves needing to work, rest and play, all within the confines of their own homes.

As the Lloyds Banking Group Consumer Digital Index 2021 shows, the way we interact with tech, and find ourselves needing it, has in many ways been a positive force for good – more people are feeling more confident doing things they never had to do before. But many are struggling, and the last year has exposed the digital skills gap like never before.

At BT, we connect for good, and are invested in helping millions of people make the most of life in the digital world. Our *Skills for Tomorrow* programme offers a range of free resources to help people feel more confident and learn skills to enhance their chances on the job market, keep children entertained and safe online, and ensure their businesses are successful in the digital marketplace.

Department for Digital, Culture Media & Sport

Caroline Dinenage
Minister for Digital and Culture
Department for Digital, Culture, Media and Sport

We would like to congratulate and thank Lloyds Banking Group for their ongoing commitment towards digital skills and the launch of this year's Consumer Digital Index.

The past year has proven that digital skills have never been more crucial to our economy. Whether it's been for school, work, personal wellbeing or staying connected to the ones we love, digital and tech has played a fundamental role in our everyday lives. This report provides a fantastic insight into how much society has embraced digitisation.

We need to capitalise on the momentum of 1.5 million more people embracing online services, the Internet and tech products, and ensure this digitisation is embedded for the long term and across the breadth of society.

We know we still have lots to do, with over 9 million people lacking foundation level digital skills, while vulnerable people are more likely to be digitally excluded.

This is why the Government has introduced a digital entitlement for adults with no or low skills to undertake improved basic skills qualifications

Supported by
Department for Education

Gillian Keegan MP
Parliamentary Under Secretary of State for Apprenticeships and Skills
Department for Education

for free, and this year we announced the Digital Lifeline Fund in partnership with Good Things Foundation, to help provide those with learning disabilities with devices, data and digital support.

The Government has continued to support the rollout of digital bootcamps, building on our Fast Track Digital Workforce Fund, which provides a way for people to upskill quickly and move into digital roles. In 2021, we will see digital bootcamps expanded across all regions through further government investment. Our introduction of the Skills Toolkit means people can study a wide range of free online courses to further develop the digital skills that employers are looking for. Users can register for courses on AI, coding, data science, cybersecurity, and cloud computing.

We applaud Lloyds Banking Group in helping us with this work, including through their active membership of the Digital Skills Partnership. From mapping digital capability, to supporting individuals and businesses learning the digital skills they need to succeed, together we can make real change to help create a better digital world for all.

Consumer Digital Index Methodology

The UK Consumer Digital Index is a report that draws from two datasets.

The largest dataset holds the behavioural and transactional data for one million UK consumers. Using this dataset alone, the Digital Index Score and Segmentation are created to measure the extent to which people are capable and engaged with the digital world.

For the methodology behind the Digital Index Score and Segmentation *see page 52*.

Secondly, a subset of the one million sample is taken and 2,700 consumers are surveyed via telephone. This allows the report to include matched behavioural and attitudinal data.

The Essential Digital Skills measure is due to be updated and published in Autumn 2021 later this year.

Extrapolations in this report use the latest available UK population estimates released by the Office for National Statistics. The survey data has been weighted to be nationally representative in terms of age, gender and region (excluding Northern Ireland). It should be noted however that the survey in this report sampled only Lloyds Banking Group customers from Great Britain.

Lastly, across some figures, not all data points will sum to 100%, this is due to rounding discrepancies.

Creating the Consumer Digital Index

1 The Consumer Digital Index begins with the creation of **a sample of one million consumers**

This sample is generated from an anonymised behavioural dataset of 30 million people across Lloyds Bank, Halifax and Bank of Scotland customer bases. A diverse dataset ensures that the sample created is representative of the UK.

BANK OF SCOTLAND LLOYDS BANK HALIFAX

2 **2,700 people are selected** for a telephone interview and the findings are data matched

In the interview, they share their thoughts, feelings and attitudes on their digital and financial lives. Following completion of the research, the findings are matched to the one million behavioural dataset.

3 The insight is **generated**

The Lloyds Bank Responsible Transformation team uses a blend of analytical tools and skills to interpret the data and draft the report.

4 Partners ensure this data-rich report is **fit for purpose**

The report is quality assured by our Chief Data and Analytics Office data scientists to ensure all statistics are robust. It is also assured contextually by external experts and internal thought leaders in analytics, security, risk and legal.

5 The Index is **published**

The insight is published to stakeholders across Government, academia and industry to facilitate insight-led change in the UK.

Lloyds Banking Group then uses the insight to underpin initiatives such as the Lloyds Bank Academy, a network of circa 20,000 Digital Champions and a helpline/device campaigns to support the vulnerable during lockdown get online.

1

UK digital lives in 2021

The last 12 months have been like no other. The way in which people in the UK have interacted with the Internet has changed significantly over this period. This chapter illustrates the impact of this change in behaviour.

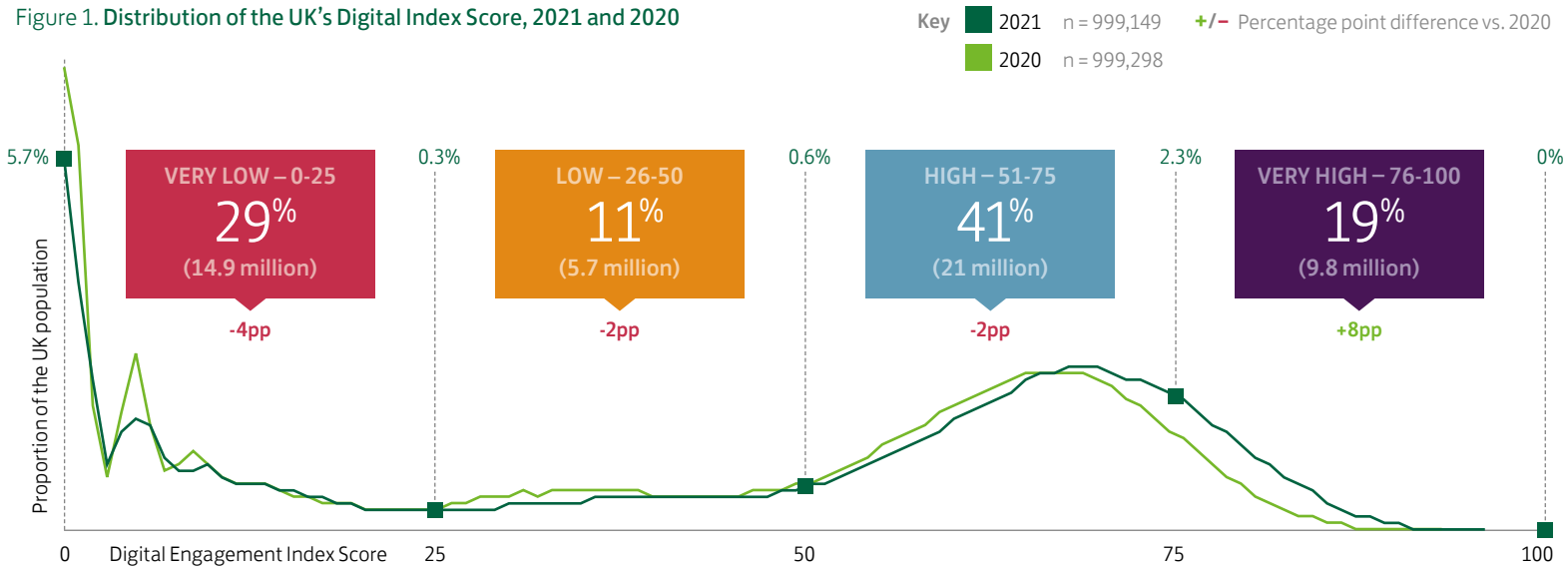
How digital is the UK?

The COVID-19 lockdown has created a major uplift in digital activity since 2020

In 2020, this report measured the extent of digital engagement among UK consumers in a new way*. Therefore, one year on, this study is able to produce the first year-on-year comparison to this evolved benchmark. At an overall level the Digital Engagement Index Score, which represents people's levels of online activity, has increased by 11% from 43.6 to 48.5. Put simply, compared to last year, on average people are spending more time online; shopping, interacting and using technology.

Given the external environment that the COVID-19 pandemic has largely shaped, it is no surprise that people are using digital platforms and services more. This report will evidence many ways in which people have digitised.

Figure 1. **Distribution of the UK's Digital Index Score, 2021 and 2020**



Segment Personas

VERY LOW 0-25

The average person in this segment scored zero across many measures however 14% of their spend is online, some of it on mobile phones. They tend not to use email or online banking.

LOW 26-50

The average person in this segment uses email and uses a desktop computer for online banking.

HIGH 51-75

The average person in this segment begins to use more digital devices, managing their money online through a mobile browser or via an app. They typically pay for streaming services and purchase computing related items.

VERY HIGH 76-100

In this segment people use online banking with a much greater frequency. They spend on average 61% of their money over the Internet – some of which goes on online entertainment. Over half now also use Fintech services.

*Consumer Digital Index, 2020, lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/lb-consumer-digital-index-2020-report.pdf

Digital engagement is increasing across the breadth of the population

The Digital Engagement Index Score is used to create four segments from Very Low to Very High (*see page 52*). Since last year there are 8% more consumers with Very High digital engagement. All three less digitally engaged segments have shrunk (figure 2).

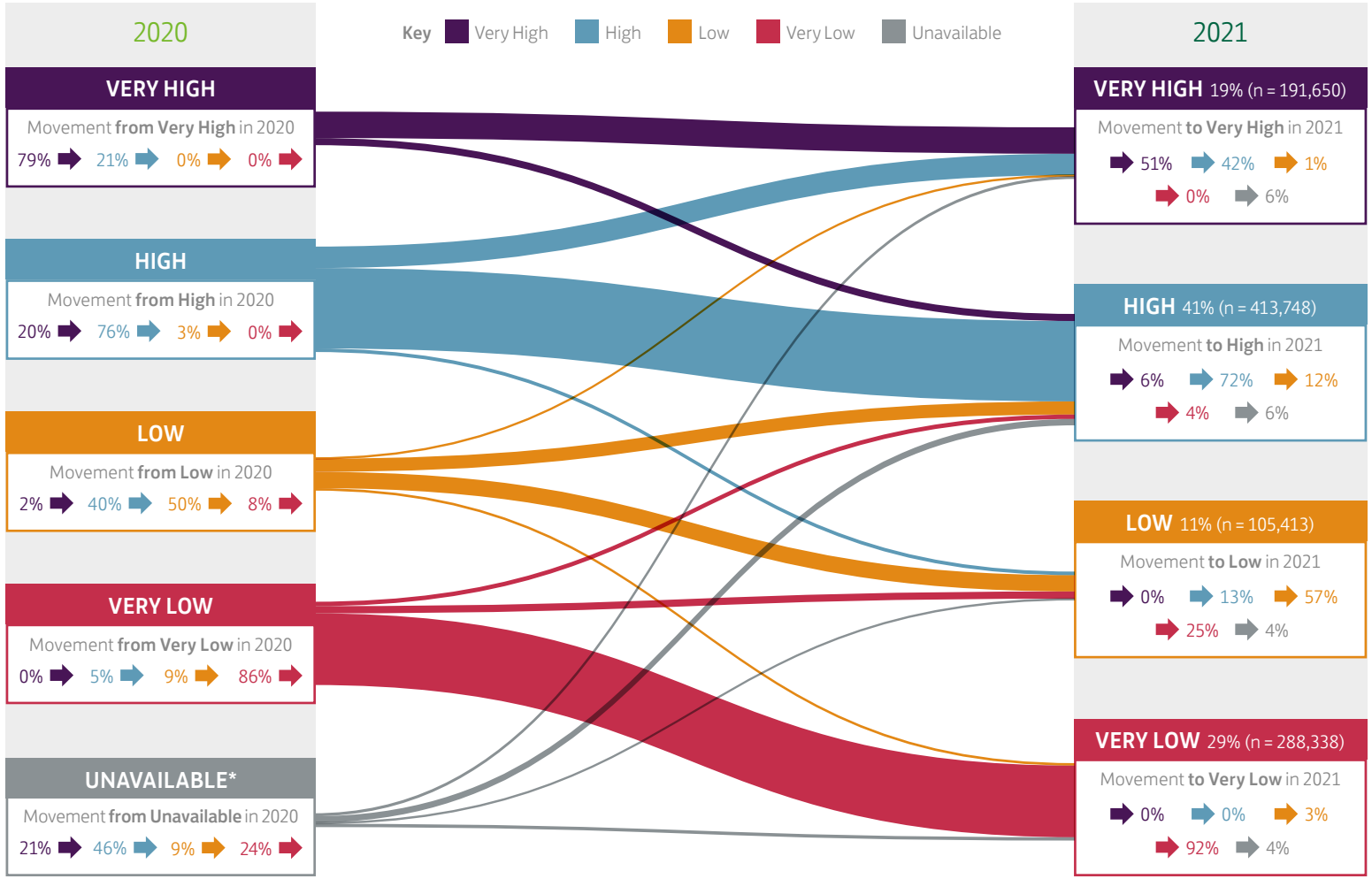
This shift is really positive and evidences improvements across the breadth of the population and not limited to those with already high levels of online activity.

The following pages demonstrate who the people are behind the digital engagement segments and what has caused a change in their online behaviour.

This diagram illustrates that digital capability is not a permanent state. This data serves as a reminder that service designers and providers cannot assume a continuous level of digital confidence and capability. Over time, this can change, and as more complex interfaces and interactions arise, it is important consumers are continuously supported.

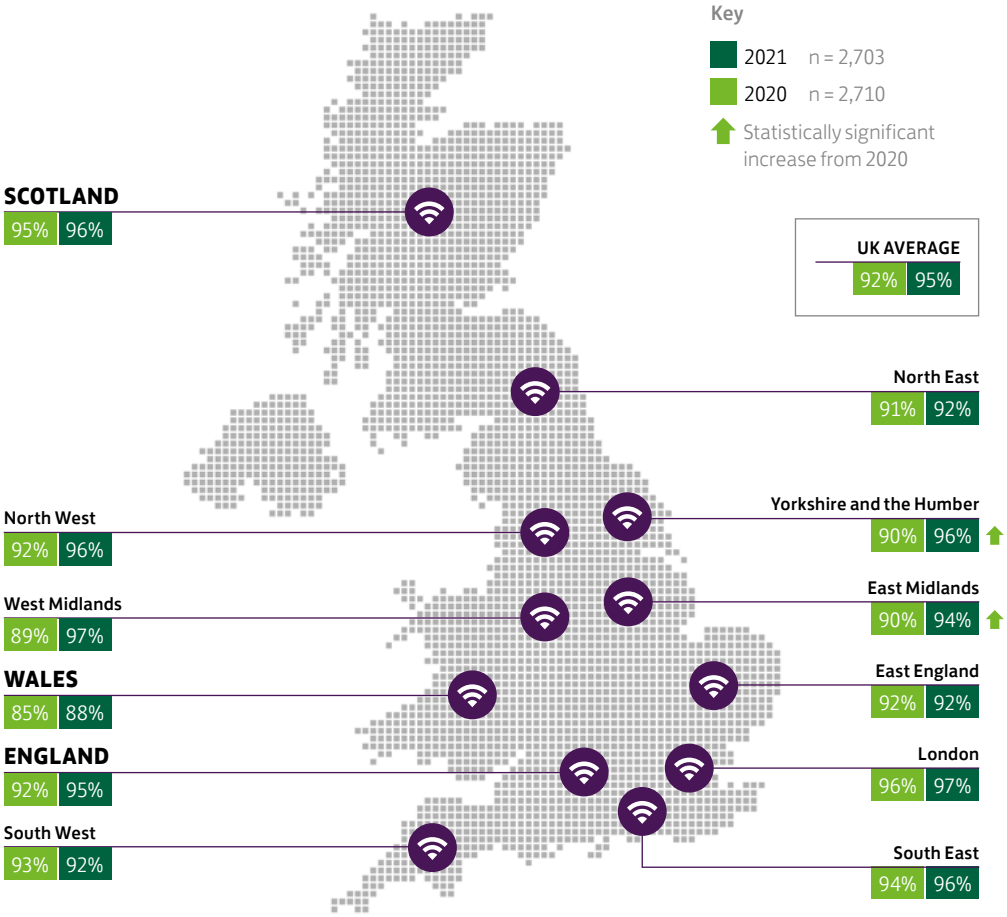
Figure 2. **Movement of the UK population between Digital Engagement Segments from 2020 to 2021**

n = 999,149



*Consumers in the 'unavailable' segment didn't meet all necessary criteria to be included in the sample for both 2020 and 2021.

Figure 3. Have you used the Internet in the last three months? (e.g. desktop, laptop, mobile or tablet), 'Yes', split by region, 2021 and 2020



1.5 million more people are now online

There has been a significant increase in those who are using the Internet, now 95%, up from 92% last year (figure 4). Data from the Office for National Statistics* also shows a substantial year-on-year decrease among households without Internet access (from 7% to 4%).

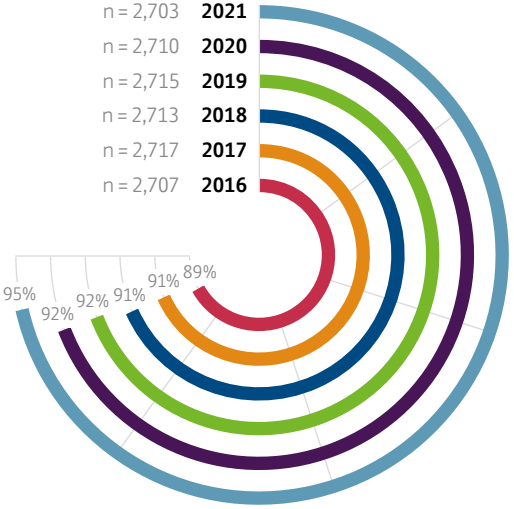
Please *see pages 29-30* for detail on those who remain offline.

The Midlands and Yorkshire and the Humber have shown the greatest leaps with Internet usage since 2020

In fact the West Midlands is now the joint leader alongside London in terms of its proportion of connected citizens (figure 3).

Welsh citizens have also made strides to get online in the last year, however still lag behind all other regions and nations (excluding Northern Ireland, which was not measured in this survey). As can be seen from the increase in the West Midlands in the last 12 months, it is possible to move the dial.

Figure 4. Have you used the Internet in the last three months? (e.g. desktop, laptop, mobile or tablet), 'Yes', 2016 to 2021



*Office for National Statistics, 2020, ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/bulletins/internetaccesshouseholdsandindividuals/2020#internet-access-households-and-individuals-data

Spotlight on benefit claimants

Over one-third of UK benefit claimants have Very Low digital engagement

In this report, benefit claimants have been identified through the transactional dataset and includes recipients of Universal Credit*. The data indicates that this group have polarised digital engagement. Building on findings from the 2019 Consumer Digital Index, figure 5 shows a higher proportion of benefit claimants, than the UK average, with the highest levels of digital engagement. Benefit claimants are also more likely to have less digital engagement compared to the rest of the population, showing a greater digital disparity within this group.

In the Spring 2020 lockdown, there were over ten times the usual level of Universal Credit claims made in the first two weeks alone**. Given the inability to leave home, the 2021 data indicates there is a live challenge that millions of people across the UK would struggle to engage with the online services required to access support. The level of challenge differs by region (figure 6). Geographically there is a range of ten percentage points between the areas with the highest and lowest proportions of benefit claimants with Very Low digital engagement. Positively however, digital engagement has also increased for this population across the board, since 2020.

Figure 5. **Behavioural segmentation applied to benefit claimants, including those on Universal Credit, 2021**

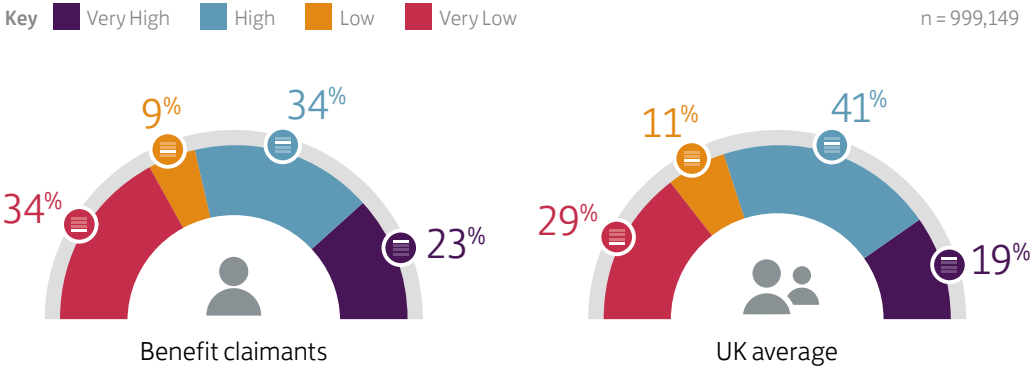
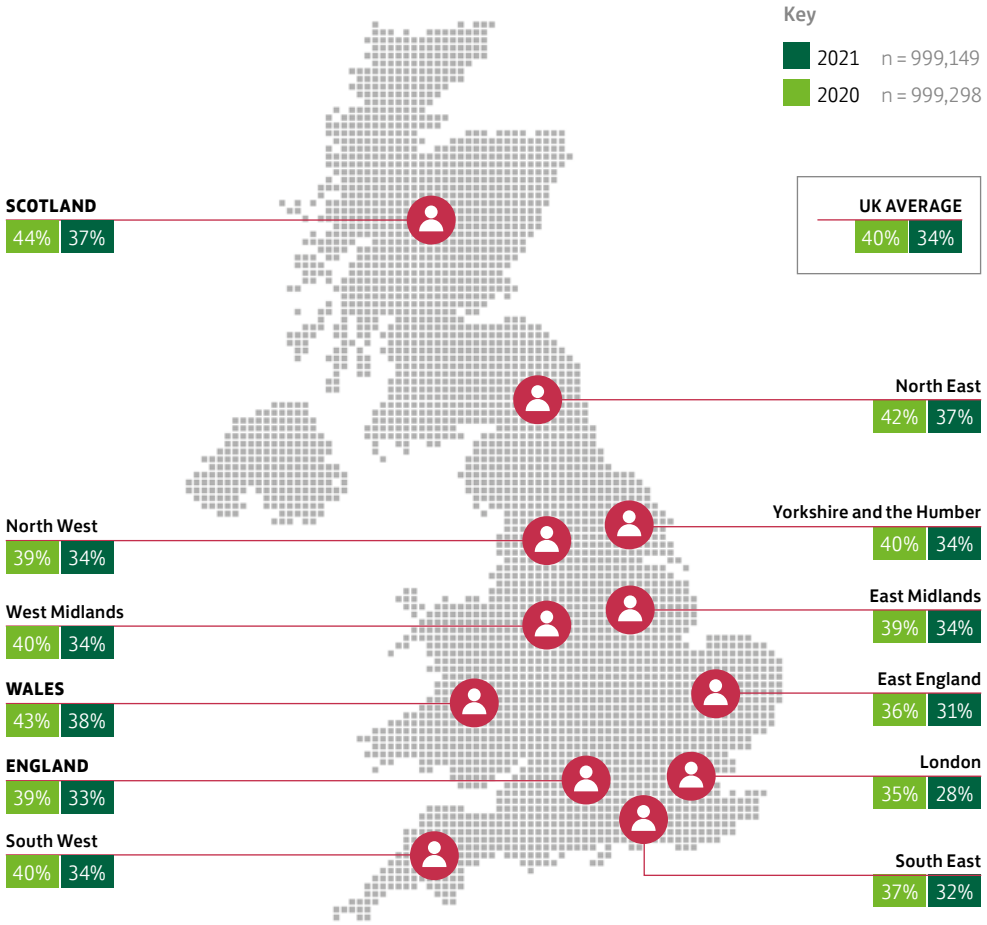


Figure 6. **Proportion of benefit claimants with Very Low digital engagement. Split by nation and region, 2021 and 2020**



*For this analysis, 'Benefit claimants' includes those receiving the following allowances: 1. Disability 2. Housing 3. Income 4. Job Seekers 5. Other 6. Tax Credit 7. Universal Credit.
'Other' includes: 1. Social Fund 2. Widows Benefit 3. Bereavement Payment 4. Education Maintenance Allowance 5. Cold Weather Payment 6. Training Payment 7. Industrial Injury's Benefit.
**Department for Work & Pensions, 2021, gov.uk/government/statistics/universal-credit-statistics-29-april-2013-to-14-january-2021/universal-credit-statistics-29-april-2013-to-14-january-2021#claims-on-uc-header

How are people engaging digitally?

Consumer use of Fintech services boosts overall digital engagement

Taking a closer look at the transactional and behavioural data that underpins the Digital Engagement Index Score, helps to shed light on the overall growth since last year.

There are 2.8 times as many customers using Fintechs* (e.g. Transferwise, GoHenry etc) in 2021 vs. 2020. External research describes the positive and rapid response from the Fintech industry to ideate and deliver products and services to help UK consumers in new ways. For example, helping carers to shop for those who were shielding and allowing the self-employed to verify their income for state support**.

Consumers are increasingly using mobiles over other devices for online banking

Compared to 2020, there has been a slight decrease in tablet and desktop usage for online banking. The decrease in usage for these devices may have been channelled into smartphone banking usage, which has increased from 59% to 65%. (*Appendix 1*).

- 100% of Very High digitally engaged consumers use mobile banking (16% are tablet users, and 47% are desktop users)
- Only 7% of mobile banking users are Low or Very Low Digitally Engaged consumers.

Despite the preference for mobile, multi-device usage has remained similar overall. This is particularly interesting as this could reflect the tough economic environment and financial situations many people have faced, which could mean fewer people are investing in multiple devices. In households where there are already more than one device, homeschooling for example, will have changed behaviour. *See page 14* for more information on household device usage.

Those aged 60+ have made large increases in their digital engagement

Since last year, there has been fundamental movements across the segments (figure 2 on page 10):

20% of people with High digital engagement in 2020 have stepped up to the Very High segment

21% of people with Very High engagement have stepped down to the High segment

On the whole, the Digital Engagement Score increases have been in increments of less than ten points. However, for some key segments the changes are drastic. For example, 11% of people over 60 increased their digital engagement score by more than twenty points (to move up one segment) indicating a leap forward in digital capability rather than a step.

However, older less affluent groups are more likely to make up the group who have decreased their engagement since last year.

People on incomes of less than £35,000 are more prone to larger decreases in digital engagement

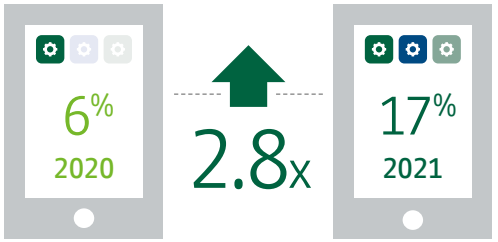
In the broader context of increased digital engagement in the UK, analysis was undertaken to understand more about those with decreasing digital capability. The standout characteristic of people with a lowering score, is that they earn less than £35,000 a year.

Two-thirds of those who have substantially decreased their digital engagement from Very High to High (by more than ten points) have an income of less than £35,000.

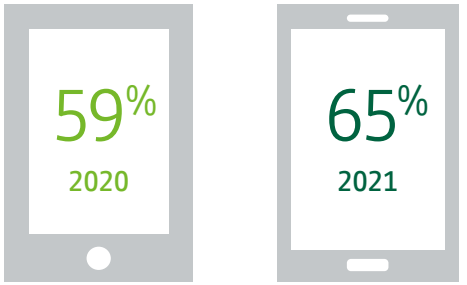
Streaming, shopping, and mobile banking have stood to gain in the pandemic

Compared to last year, people are making far more computing related purchases (52% vs. 37% in 2020), streaming online entertainment (49% vs. 44%) and using mobile banking (65% vs. 59%). These are all products, services and channels which have enhanced relevance as a result of the pandemic, and have had an impact on increasing digital engagement overall.

There are 2.8 times as many consumers using Fintech services compared to 2020



Smartphone banking usage has increased by six percentage points since 2020



*Fintech user defined as having made a transaction using a Fintech service in the last three months

**EY, 2020, assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/emeia-financial-services/ey-uk-fintech-2020-report.pdf

Internet usage has increased on average by 13 hours per week

The pandemic has not just encouraged new people online, it has also meant that those who were already online are more invested in it than ever before. More than half (55%) of the online population has increased their Internet usage throughout the pandemic (figure 7). Among those who have increased their time online, on average, people are now spending 13 hours more per week. The data shows this group with increased time spent online are more likely to be (*Appendix 2a-2d*):

- Females
- Under 50s
- Londoners
- Higher Digital Engagement Segments

Device usage impacts what families do online

External research and lived experience have shown that homeschooling throughout the pandemic has placed a burden on families*. Not just through time and effort required for the task, but on Internet and device usage as well. Ofcom have evidenced that 20% of children have not always had access to a device for online learning while schools were closed**.

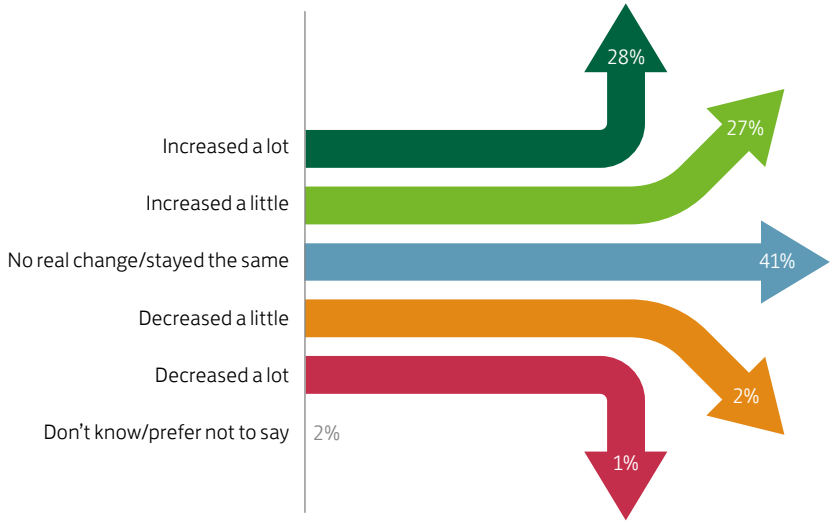
Transactional data shown on page 13 highlighted that people are becoming more likely to use one device for their online banking. There could be a few reasons for this shift, with one being simply that people prefer the convenience of mobile banking as smartphones are normally close to hand. However, another likely factor is that families are increasingly sharing tablet and laptop devices, particularly for online learning and therefore devices are spread more thinly across the household. Figure 10 (*see page 17*) shows how online learning engagement has changed since 2016.

It is not just office workers increasing their time spent online – one-quarter of skilled manual workers have also increased their Internet use

Beyond any digital interactions needed for work, the data shows that people with office-based jobs have seen a broader and more significant Internet usage. 34% of office workers say they are spending more time online than ever before. By comparison, only 24% of skilled manual workers report spending a lot more time online (*Appendix 2e*). Whilst volume of time online by no means indicates a greater sense of capability, it does indicate confidence and comfort, which could mean office-based workers are more likely to adapt to digital changes. It is also important to reflect on the link between professional use and digital engagement and the halo effect it may have on personal usage.

On average, people are now spending an extra 13 hours online per week

Figure 7. **Thinking specifically about your use of the Internet during the COVID-19 crisis (overall, including for work and leisure). Would you say that your use of the Internet has...** n = 2,559



*BBC, 2020, bbc.co.uk/news/uk-england-53323405

*OFCOM, 2021, ofcom.org.uk/about-ofcom/latest/features-and-news/digital-divide-narrowed-but-around-1.5m-homes-offline

The pandemic has caused many people to use the Internet in new ways

As the data has shown, many people are online for the first time and others are spending far longer on their devices. The question becomes; how are people spending their time online? Many first time uses of the Internet during the crisis have been needs driven e.g. nearly three-in-four are shopping in new categories online, perhaps for groceries or clothing (figure 8).

Some first time activities may highlight concerns:

- People living with impairments are under represented in the newly working from home group, as well as those using COVID-19 related services (*Appendix 3*).
- Online learning as a new activity is more likely to have been attempted by 18-29 year olds and those with High or Very High Digital Engagement (*Appendix 4a and 4b*). This is important considering it is the less digitally engaged and often older age groups who struggle most and may have the greatest need for online learning.

Interestingly, those who are going online for the first time to engage in activities relating to sustainability, such as recycling clothes online, are more likely to be those under 40 years of age and female (*Appendix 5*).

Figure 8. **For which of the following, if any, have you used the Internet for the first time (or in new ways), during the COVID-19 crisis, 2021** n = 2,559

	VERY LOW	LOW	HIGH	VERY HIGH	UK Average
Applying for school vouchers	2%	2%	4%	6%	4%
Coding/Programming	4%	7%	9%	10%	9%
None of these	11%	9%	3%	3%	5%
Sustainable/Green activities e.g. seeking out sites for clothes recycling	11%	15%	19%	21%	18%
Looking for/Securing employment	14%	14%	22%	22%	20%
Online learning	20%	28%	41%	45%	38%
Working from home	22%	31%	41%	43%	38%
Using COVID-19 related services	28%	31%	42%	46%	40%
Paying bills/Making payments	36%	48%	58%	63%	56%
Video calls e.g. Zoom, Microsoft Teams	43%	52%	68%	70%	65%
Social Media (e.g. Facebook, Twitter, Instagram)	46%	47%	62%	68%	60%
Keeping up with news of COVID-19	53%	56%	69%	73%	67%
Buying goods online	56%	65%	74%	77%	72%

Nine-in-ten people plan to continue with their new online activities in the future

Almost all people who have engaged online more or in new ways through the pandemic, intend to continue these new habits going forward (figure 9).

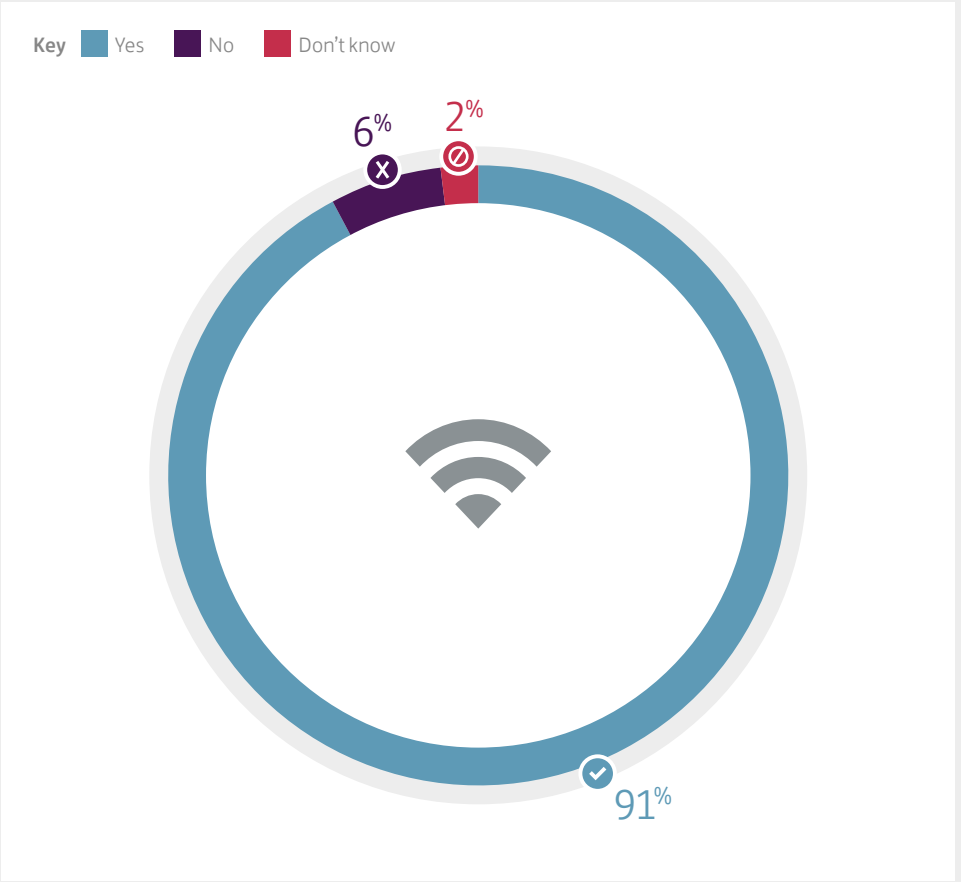
'Tech-celeration' is a term many have started using to name the rapid advances society has made in adopting technology. For example, some think adoption has jumped ahead five years in a matter of weeks and cashless transaction have jumped forward by two to three years*. In terms of online shopping, consumers are among the most likely to intend to continue with this behaviour after having tried it for the first time.

Online learning has gained particular value during the pandemic

External research has shown which products and services people value most in a pandemic. Whilst TVs, digital communication services and public spaces were the most popular, online shopping showed a nine percentage point increase between February and May 2020**.

Online learning is also growing, statistics show that this market is set to nearly double between 2019 and 2026***. This growth has been fuelled by the pandemic and it is no surprise that the data shows 38% of Internet users have engaged in e-learning for the first time or in new ways (figure 8).

Figure 9. **Do you think you will continue to use the Internet for one or more of these tasks post-pandemic?** n = 2,559



*Economist, 2020, economist.com/the-world-ahead/2020/11/16/new-technological-behaviours-will-outlast-the-pandemic

**Quartz, 2020, qz.com/1879947/these-are-the-products-people-value-more-in-a-pandemic/

***Statista, 2020, statista.com/statistics/1130331/e-learning-market-size-segment-worldwide/

The pandemic has reinvigorated digital activity in some areas

The 2020 Consumer Digital Index* showed that the proportion of people carrying out key online activities such as; email, shopping, learning and accessing local council information online, had declined compared to 2016. This year the pandemic has caused a reverse in this trend, but whether this is a permanent change remains to be seen (figure 10). These activities for many people have been invaluable due to the nature of the restrictions seen as a result of COVID-19.

People are 12 percentage points more likely to use the Internet to manage their physical health compared to mental health

Last year the data from this report showed that 22% of people were managing their health online through activities such as; researching their conditions, ordering prescriptions and even finding exercise programmes. This year the survey split this into physical and mental health for more detail. It is clear that currently people use the Internet more for their physical health (37%) than mental health (25%). Online workouts have grown hugely in popularity due to the effects of the pandemic, and people are becoming increasingly more aware of how digital tools can support their mental health.

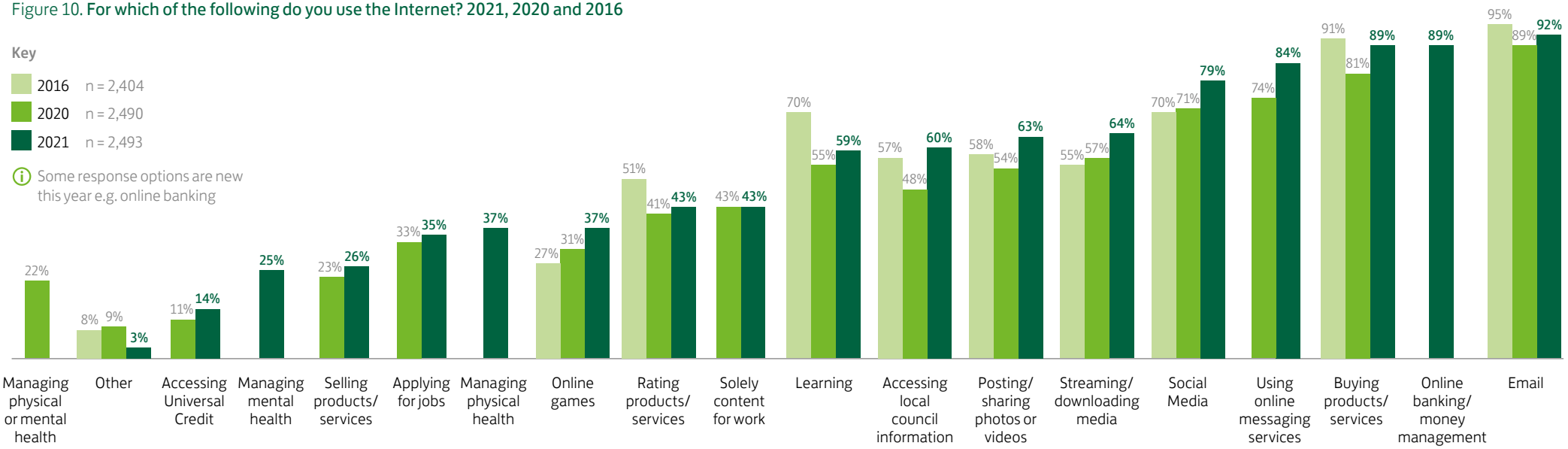
People are spending on average £1,800 more online compared to 2020

By now it is no surprise as to how much more relevant online commerce has become as a result of the restrictions. Figure 10 shows that 89% of people are now making purchases online, an increase of eight percentage points since 2020.

The transactional data from this report reveals that consumers, who were online shoppers last year, have increased the number of online transactions they made by 18% since then – resulting in an 8% increase of spending amount. This means on average individuals made 30 more online transactions and spent an extra £1,800 in 12 months (*Appendix 6*).

In the last 12 months people have spent £1,800 more online

Figure 10. **For which of the following do you use the Internet? 2021, 2020 and 2016**



*Consumer Digital Index, 2020, lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/lb-consumer-digital-index-2020-report.pdf

National and regional digital engagement

In the last year, a number of local authorities, combined authorities and nations have relaunched their regional strategies with digitisation at the core. As the 2021 data describes, despite a consistent need across the UK, digital disparities still exist between nations and regions*.

The data on this page provides a snapshot of key digital capability and confidence indicators (figure 11).

Figure 11. **Selected digital engagement and Internet usage data points, split by nation and region, 2021**

Key: 1st, 2nd, 3rd

		UK AVERAGE	SCOTLAND	WALES	East England	East Midlands	London	North East	North West	South East	South West	West Midlands	Yorkshire and the Humber	ENGLAND
BARRIERS	% offline (table ranked on this) n = 2,703	5%	4%	13%	8%	6%	3%	8%	4%	4%	8%	3%	4%	5%
	% Very Low Digital Engagement n = 999,149	29%	30%	33%	27%	30%	20%	32%	30%	27%	30%	30%	30%	28%
BENEFITS	% Net Confident using Internet (excluding offline) n = 2,559	85%	88%	88%	83%	86%	90%	83%	85%	86%	86%	85%	84%	86%
	% Wouldn't have coped through pandemic without tech (excluding offline) n = 2,559	53%	56%	48%	54%	48%	68%	54%	58%	50%	47%	53%	52%	53%
	% with net increase in Internet usage through pandemic (excluding offline) n = 2,559	55%	63%	53%	51%	54%	68%	46%	58%	57%	52%	52%	51%	55%
	% Digital skills have improved as a result of pandemic n = 2,703	29%	35%	23%	27%	26%	41%	23%	27%	31%	24%	27%	26%	28%

Scotland

Whilst Scotland has one of the highest numbers of people with Very Low digital engagement (30%), figure 11 shows it is by no means a laggard across other vital digital metrics. The country is second in most metrics ahead of all English regions apart from London, who have improved their digital skills and increased Internet usage the most.

Wales

Wales has historically seen a lower level of digital enablement, this year 13% of the Welsh population have not used the Internet in the last three months, which is particularly high with the context of lockdowns over the past year. However the data also shows that when online, Welsh citizens are only behind London in the proportion who feel confident using the Internet.

England

Within England, as per previous Consumer Digital Index reports, London is still by some margin a leader in digital engagement and overall usage and reliance – it has 13 percentage points fewer inhabitants with Very Low digital engagement compared to Wales.

The North of England is a place of paradox. 8% of people in the North East remain offline and the region has some of the lowest levels of digital confidence and usage. The North West contrasts this with half the number offline (4%) and 85% are confident in their Internet usage.

*Data for Northern Ireland omitted due to sample size limitations

Spotlight – assistive tech

In the 2020 Consumer Digital Index the proportion of people with an impairment engaging with technology saw an increase on 2019. 2021 has seen a similar increase. 14.1 million people* in the UK have a disability, so the extent to which organisations' online presences are accessible are important.

Biometric recognition tools see significant jump in usage

Figure 12 shows the assistive technologies used by all device users, not just those online. Since last year all four of these categories have seen changes. Unsurprisingly both voice assistants such as Amazon Alexa and face or fingerprint biometrics have both increased by five and ten percentage points respectively. This is interesting given news around struggling smartphones sales, due to both faltering supply chains** and 'budget-conscious consumers'***. This suggests a side effect of the pandemic has encouraged contactless technology.

Impairment specific assistive tech sees significant decrease in usage

What may not have been as expected is the decrease in both screen reading and dexterity tech categories since last year. This is interesting given the data shows that Internet usage has increased by three percentage points since 2020 for those with impairments, therefore it is not clear why this may be (*Appendix 7*).

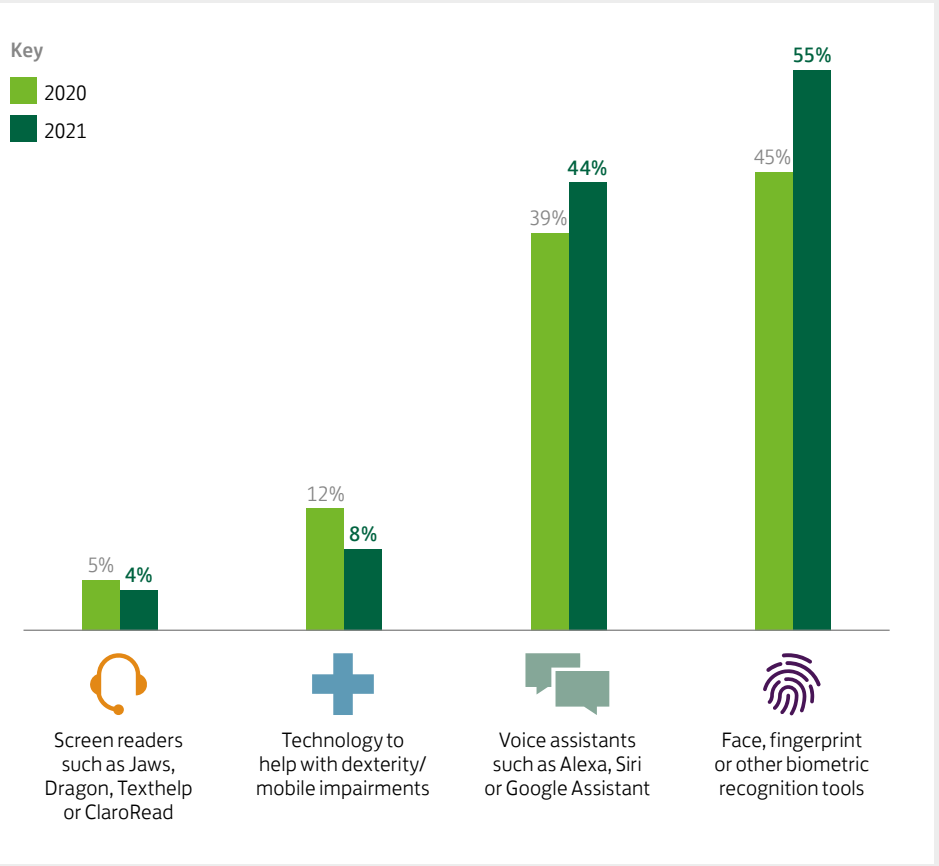
Assistive technology has a lower take-up rate amongst those with Low digital capability

All of the tools in figure 12 are more likely to be used by people with High or Very High digital engagement, including the impairment specific tech. This suggests that they are not easily accessible for those with impairments who are less digitally active – a group that could gain a lot (*Appendix 8*). Last year's report highlighted the same issue, which calls for more focus on making these tools accessible to those who are less digitally capable.

Screen readers and dexterity tools could benefit older age groups, as much as those with sight and physical impairments

Screen readers and dexterity tool usage are both over-indexed in the 30-39s however very under-indexed in the older age groups. This older age group could benefit hugely from this type of tech even though it is designed for those living with sight and physical impairments (*Appendix 9*).

Figure 12. **Which, if any, of the following technologies do you use? 2021 and 2020** n = 2,703



*Scope, 2020, scope.org.uk/media/disability-facts-figures/#:~:text=Number%20of%20disabled%20people,disabled%20people%20in%20the%20UK.

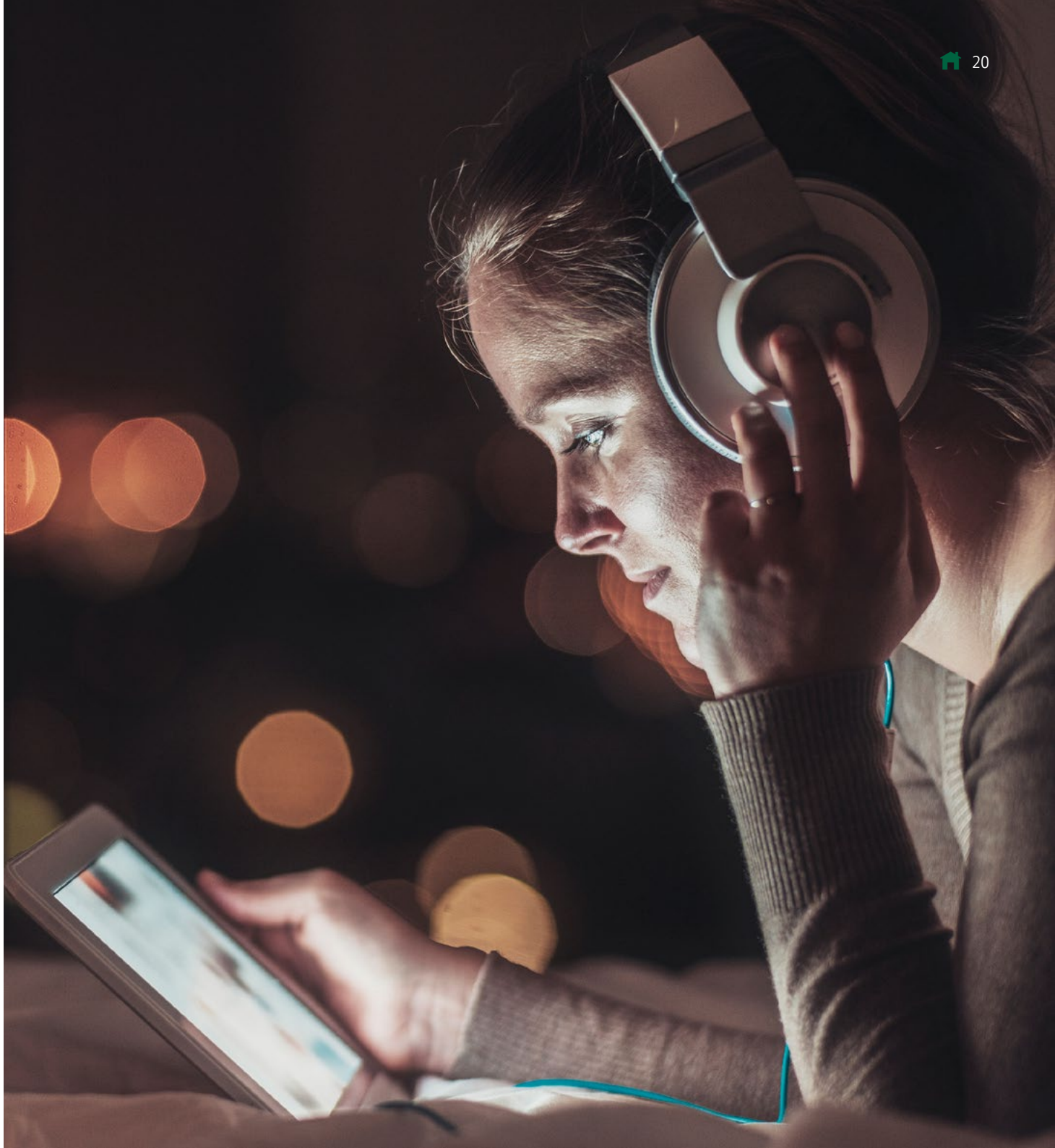
**BBC, 2020, bbc.co.uk/news/technology-51981841

**Consumer Technology Association, 2020, cta.tech/Resources/Articles/2020/What-the-Coronavirus-Pandemic-Means-for-Tech-Devic

2

Digitisation and financial behaviours

This chapter reviews consumer's changing financial behaviours and how this intersects with their digital lives.



The digital impact on financial behaviours

Figure 13 illustrates the financial traits associated with each Digital Segment and the impact of digital confidence and capability on people's financial lives. This is important to reflect on, particularly in light of the 2020 Money and Pensions Service Financial Wellbeing Strategy* – digital will continue to be a key element of delivering a financially healthy nation.

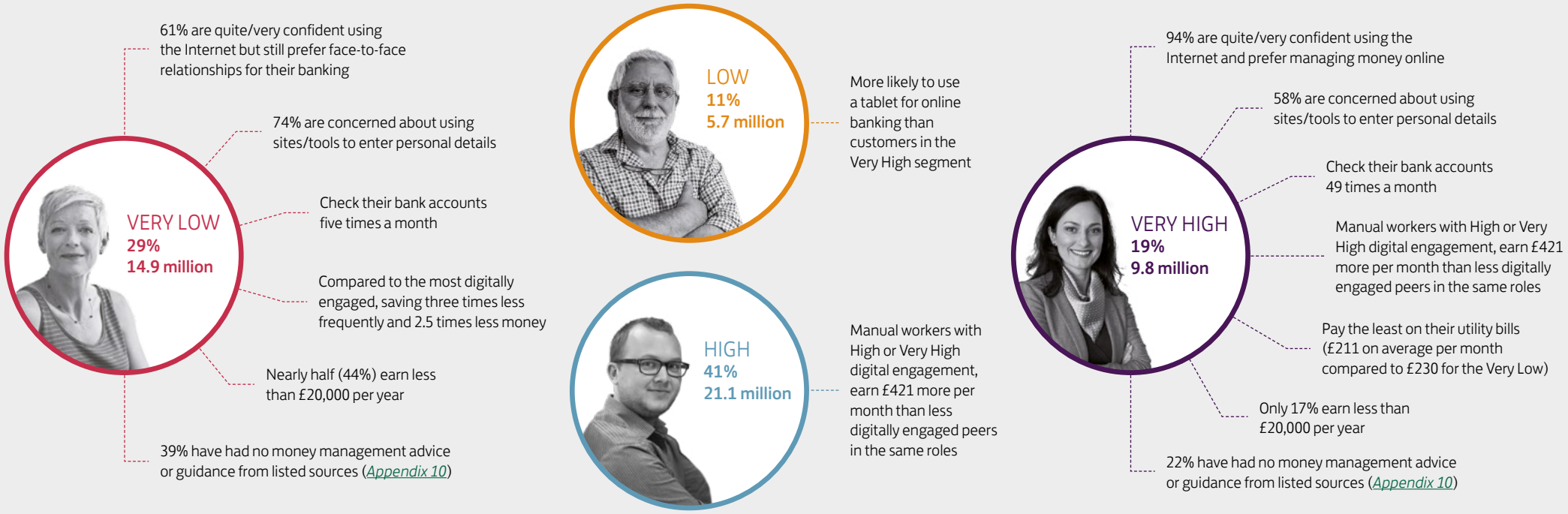
The relationship between digital and financial lives is nuanced and higher digital engagement, skills and confidence are not a guarantee for greater financial capability. Regarding bank account visits, checking a balance more often does not necessarily mean better financial outcomes or behaviours. More online banking visits could stem from negative drivers, such as financial worry and pressure.

There are however some clear examples of financial benefit. For example, manual workers with High or Very High digital engagement earn on average £421 more per month, than the least digitally engaged people in the same roles. People with the most digital engagement also pay less for important bills such as utilities, saving an average of £228 per year compared to the least engaged (figure 13).

£

Manual workers with High or Very High digital engagement, earn £421 more per month than less digitally engaged peers, in the same roles

Figure 13. **High level trends in people's financial lives, split by Digital Engagement Segment, 2021**



*Money & Pensions Service, moneyandpensionsservice.org.uk/uk-strategy-for-financial-wellbeing/

Financial lives in a pandemic

2021 data indicates that the financial disparity between people in the UK has deepened. As in 2020, there are 6.2 million people who would struggle immediately, largely those in vulnerable circumstances e.g. long-term sick, shielding, carers or those financially constrained. These are people who require the greatest support.

Compared to 2020 however, there are eight percentage points more people who have financial reserves of more than three months. This group are more likely to be self-employed or manual workers – a hypothesis being that due to the instability of lockdown and consistency of their work, they are prioritising building their reserves.

Since 2016, the Consumer Digital Index has evidenced age has more of a bearing on financial circumstance than digital capability. People with the highest levels of digital engagement are more likely than those less digitally engaged to struggle immediately, following a sudden loss of income (*Appendix 11*).

Age however is the determining factor. It has been long documented that increasing age correlates to increasing financial capability and reserves, and digital capability is highest amongst the youngest populations.

However, when isolating each age group and comparing those with Low versus High digital capability, people with higher digital engagement are saving more and more often than their non-digital peers.

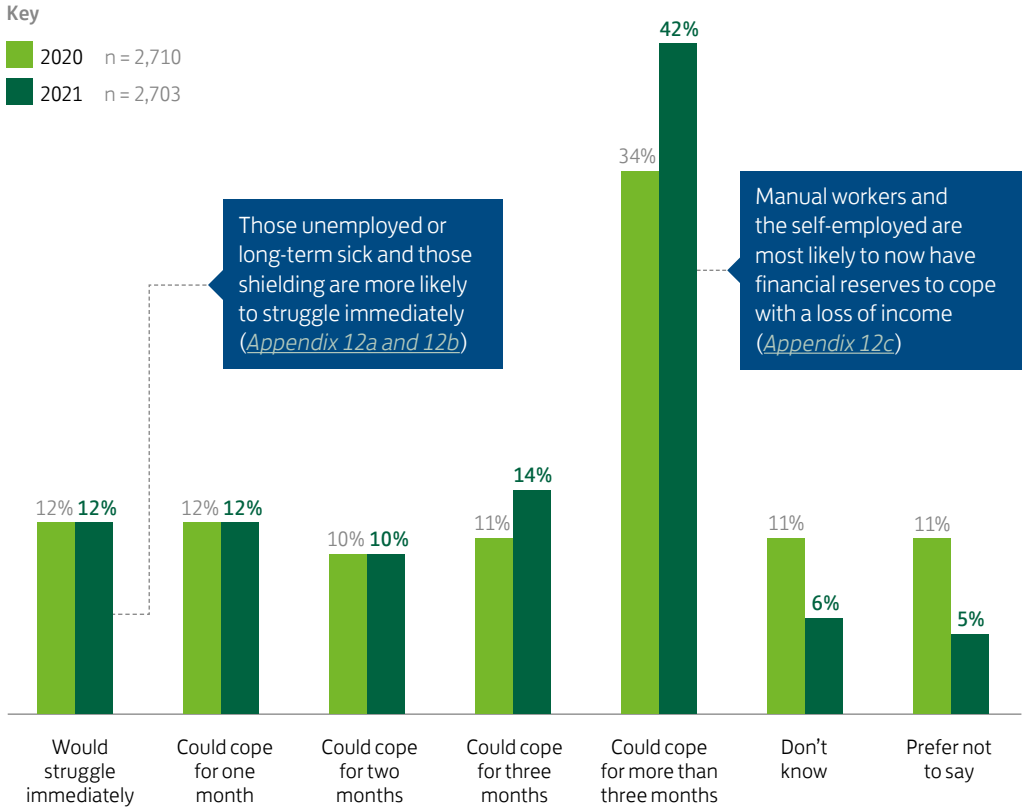
Comparing 18-24 year olds with Very Low digital engagement versus those with Very High digital engagement, they;

Check their balances nearly eight times more frequently

Make six times more savings transactions

Save over three times as much in value

Figure 14. **Imagine now that you suffered a financial shock and you suddenly lost your regular income. Based on financial reserves you have in place, for how many months do you think you could cope i.e. paying living expenses like food and bills, if no replacement income was immediately available?**



What has changed is the UK's money mindset and feelings of financial well-being. 2020 saw UK citizens re-evaluating their relationships with money. The data in figure 15 shows that, 59% are now focusing on becoming debt free, 58% are reprioritising day-to-day spend and 27% have found themselves spending more impulsively.

Younger people may have competing financial priorities

The difference in mindset here is again, age. Younger age groups are more likely to feel inclined to spend, regardless of future consequences, particularly 25-29 year olds (34%). However the data shows again it is the younger age groups who are also most likely to be focusing on reducing their debts (70% of 18-24 year olds compared to 57% of 60-69 year olds). These goals are likely to be at odds with one another in most situations and young people will need help assessing and targeting financial priorities.

Digital engagement also influences money mindset

Seeking to understand whether digital engagement is helpful or exacerbates money worries, the data shows that highly digitally capable consumers are eight percentage points more likely to have their sleep impacted by money worries compared to the least digitally engaged (*Appendix 14*).

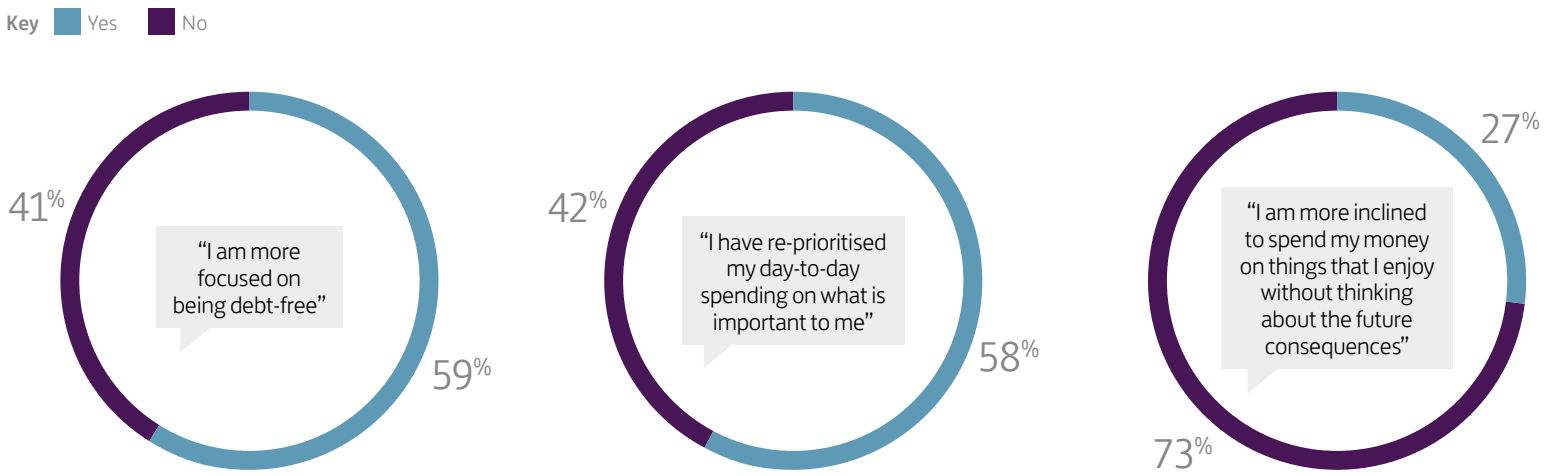
This is true even when comparing the same age groups within different digital engagement segments. Nearly one-third (30%) of 18-29 year olds, with the highest digital engagement have their sleep affected by money worries. This compares to only 21% of the same age group who have the least digital engagement.

The reasoning why is only speculative. For the most digitally engaged, having their finances at their fingertips may serve to compound existing concerns.

Those who are most likely to report spending impulsively are most likely to be (*Appendix 13a-13c*):

- 25-29 year olds **34%**
- Annual income of £10,000-£15,000 **37%**
- Semi or unskilled manual labourers **32%**

Figure 15. **How has the COVID-19 situation changed your financial priorities, if at all? Would you say due to the virus... 2021** n = 2,703



The gender pension gap is holding women back from financial freedom

Whilst many may feel financially secure, this is not felt evenly between men and women. In fact, 57% of women feel on track to meet their future financial needs compared to 64% of men. Research from Scottish Widows highlights the gender pension gap, which was £100,000 in 2020*. Now is the time to correct disparities like these.

Those unemployed and living with impairments have the most money worries

It is not just age and digital capability that have a bearing on a financial situation – other life circumstances come into play. Overwhelmingly, 71% of the UK said they are not stressed or overwhelmed by their financial situation. However, the groups who are most likely to often worry about this are most likely to have an impairment or are benefit claimants.

Four-in-five people say they feel on top of their finances

Women are 1.3 times more likely than men, to feel anxious about their money (*Appendix 15*)

Those most likely to have their sleep impacted by money worries are:

- Unemployed (43%)
- Living with an impairment (32%)
- 18-24 year olds (27%)
- The most digitally engaged (27%)

Figure 16. **When it comes to how you think and feel about your finances, how much do you agree or disagree with these statements? 2021**

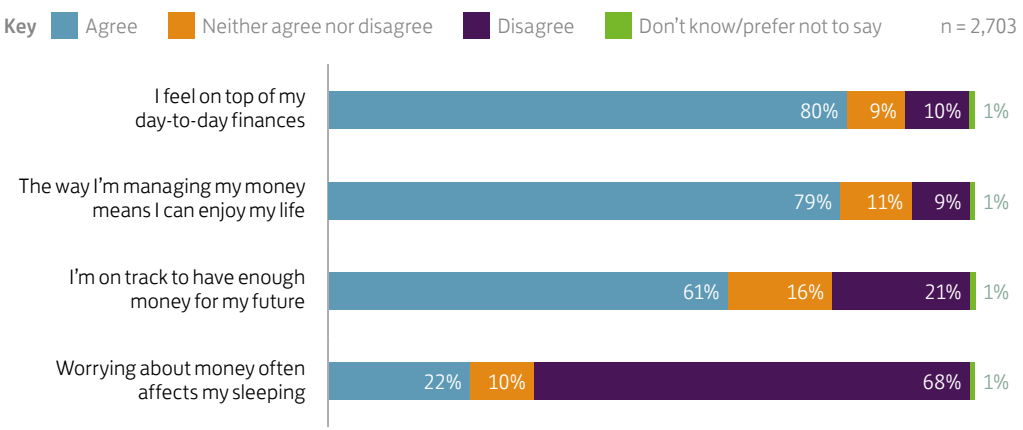
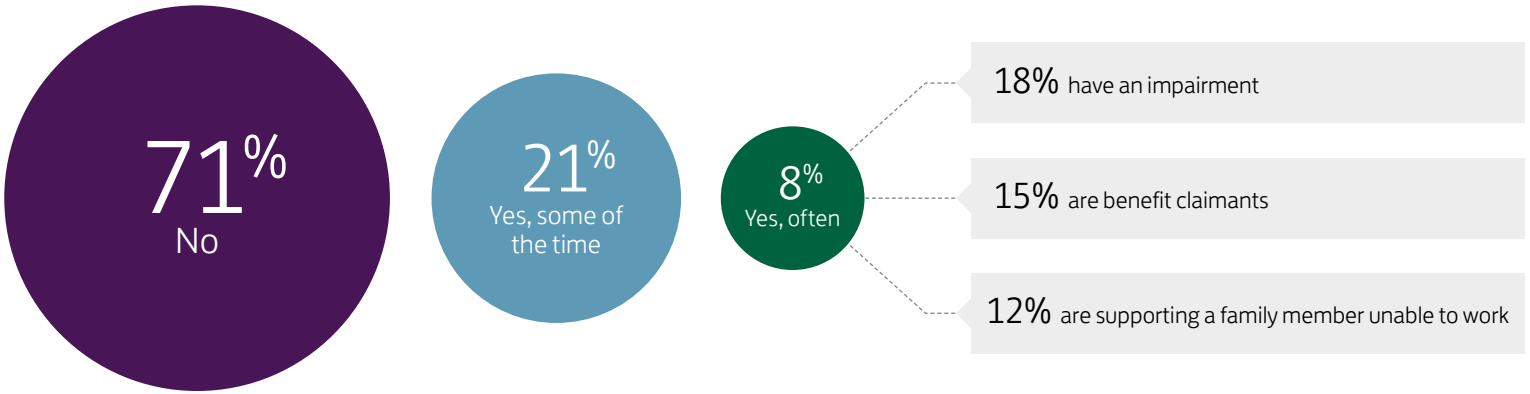


Figure 17. **Does your current financial situation cause you to feel stressed or overwhelmed? 2021**

n = 2,703



*Scottish Widows, 2020, scottishwidows.co.uk/yourfuture/

Digital services and consumer behaviour

Buy Now Pay Later

On this page, the data shows how new digital services are changing consumers' financial behaviours. As non-essential stores were closed for much of 2020, e-commerce grew rapidly as people moved to ordering more online (*see page 16*). This shift has provided an opportunity for Buy Now Pay Later (BNPL) services to flourish. This is typically a free payment service allowing consumers to 'try before they buy', paying for goods in either 30 days or other short-term instalments.

More recently there have been concerns over whether consumers fully appreciate the terms and conditions of service. This has led to a review being undertaken by the Financial Conduct Authority.

Of the 2021 transactional sample of one million consumers, 8.5% have used BNPL services between August 2019 and July 2020.

Figure 18 shows these services were in a state of rapid growth (from a small base) in the second half of 2019, before seeing the typical January dip after the holiday period. BNPL then experienced a sharp growth phase when the first lockdown happened in April.

BNPL is almost exclusively a service used by those with High or Very High Digital Engagement (91%) (*Appendix 16*)

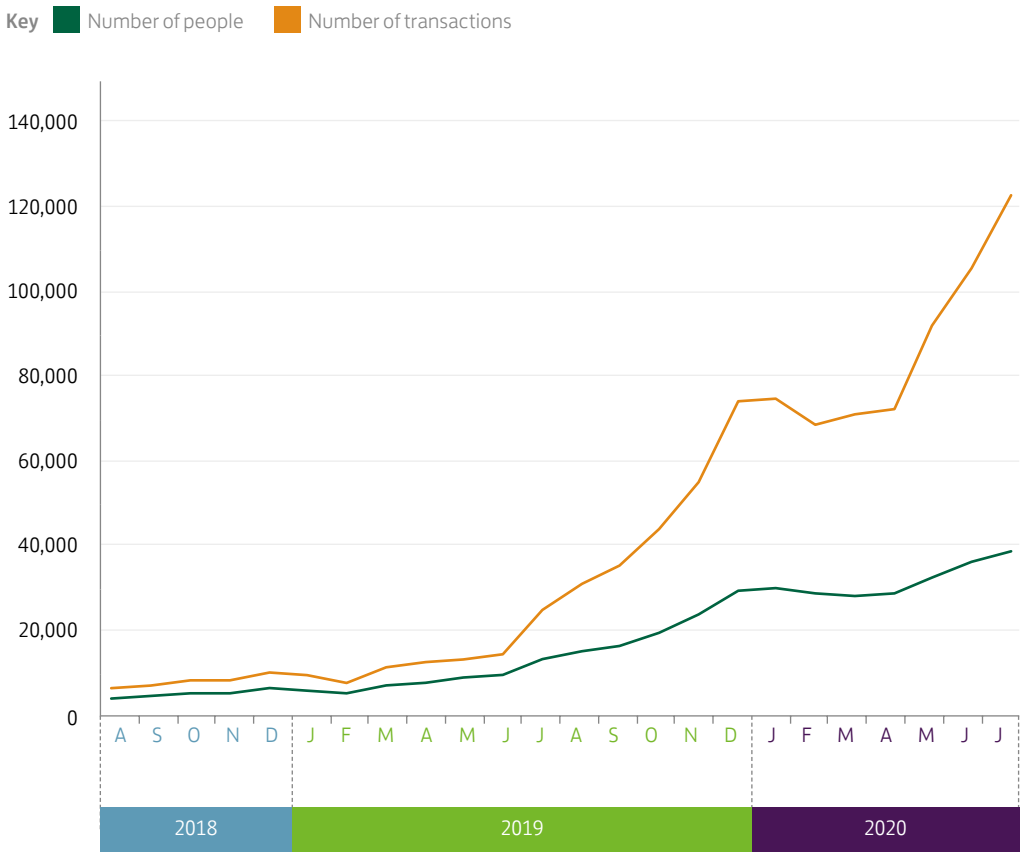
These people are nearly twice as likely to be female (65% compared to 35% male) (*Appendix 17*)

37% of consumers using these services are aged 18-29 (*Appendix 18*)

The data does not vary much geographically (*Appendix 19*)

Figure 18. **Combined BNPL providers total monthly transactions and monthly consumer count, 2018 to 2020**

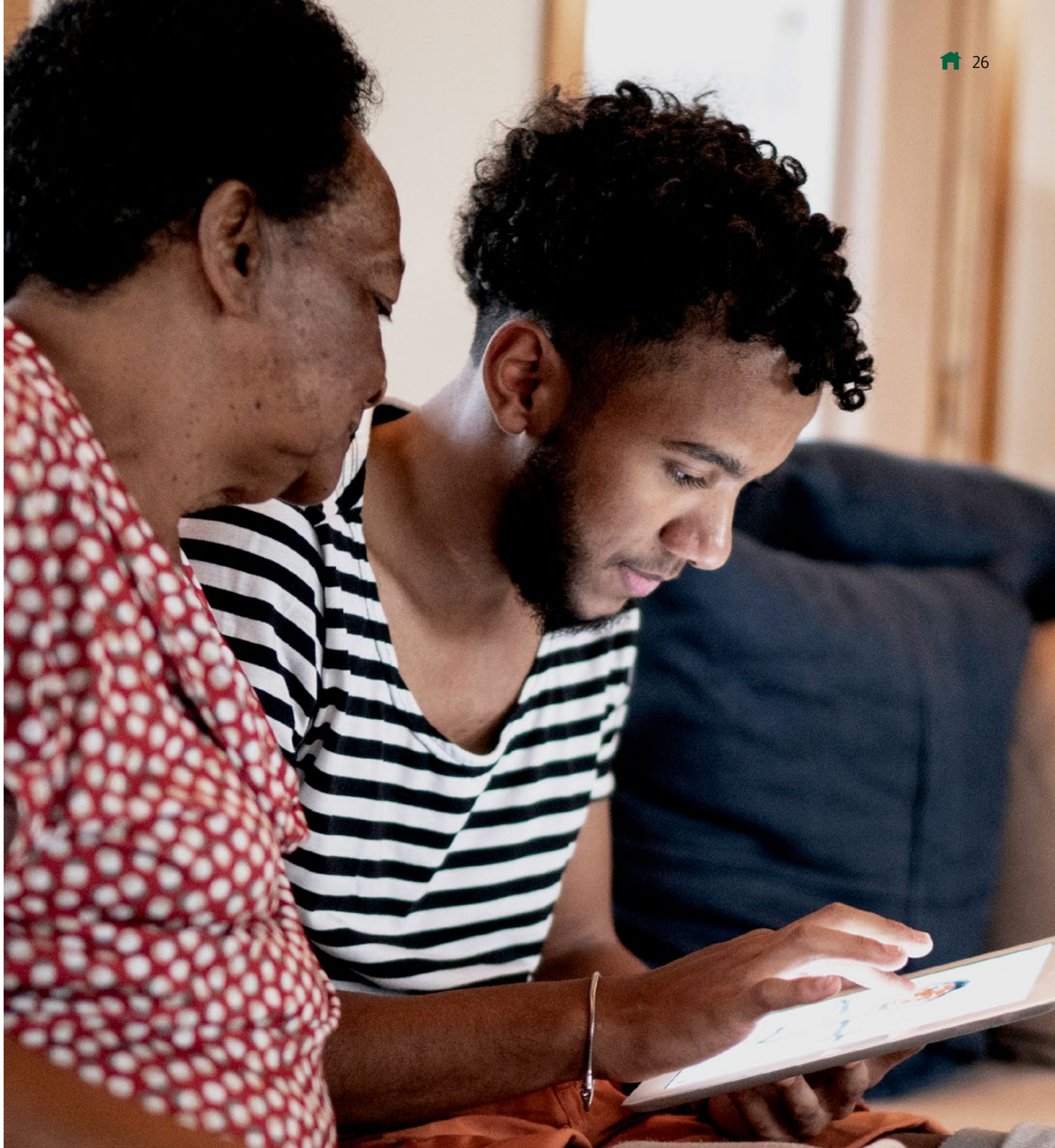
n = 999,149



3

Digital attitudes and ambitions

This chapter illustrates the digital ambitions of people in the UK and how to digitally upskill the nation.



Those online

1.5 million more people are now online

With more people online than ever before, it is important to understand their attitudes and ambitions. As the data on page 10 illustrates, digital capability can flex and change over time. As the tech landscape evolves, for both personal and work use, understanding the level of comfort with tech adoption is helpful for indicating the direction of travel for UK digitisation.

The 2021 survey sought to understand the extent to which technology is embedded. 63% of people quarantining at home, have said they wouldn't have coped without technology (*Appendix 20*). As figure 19 indicates, three-quarters (77%) of those online acknowledge that technology helps them in a number of ways, making their lives easier.

44% of people are always looking out for new technologies, although there are gender differences. 53% of men seek out new tech, compared to only 33% of women (*Appendix 21*). People with an impairment are seven percentage points less likely than those without to say they are looking for new tech. This could be a reflection on the lack of accessible promotion and communication around new technology, or the feeling of a lack of relevant technology (*Appendix 22*).

- 26% of those aged 60-69 NET agree (compared to 13% of 18-24 year olds)
- 44% of those with Very Low digital engagement NET agree (compared to 14% of those with Very High Digital engagment)

Figure 19. 'To what degree do you personally agree or disagree with each of the following statements about technology' For those online, 2021 n = 2,559

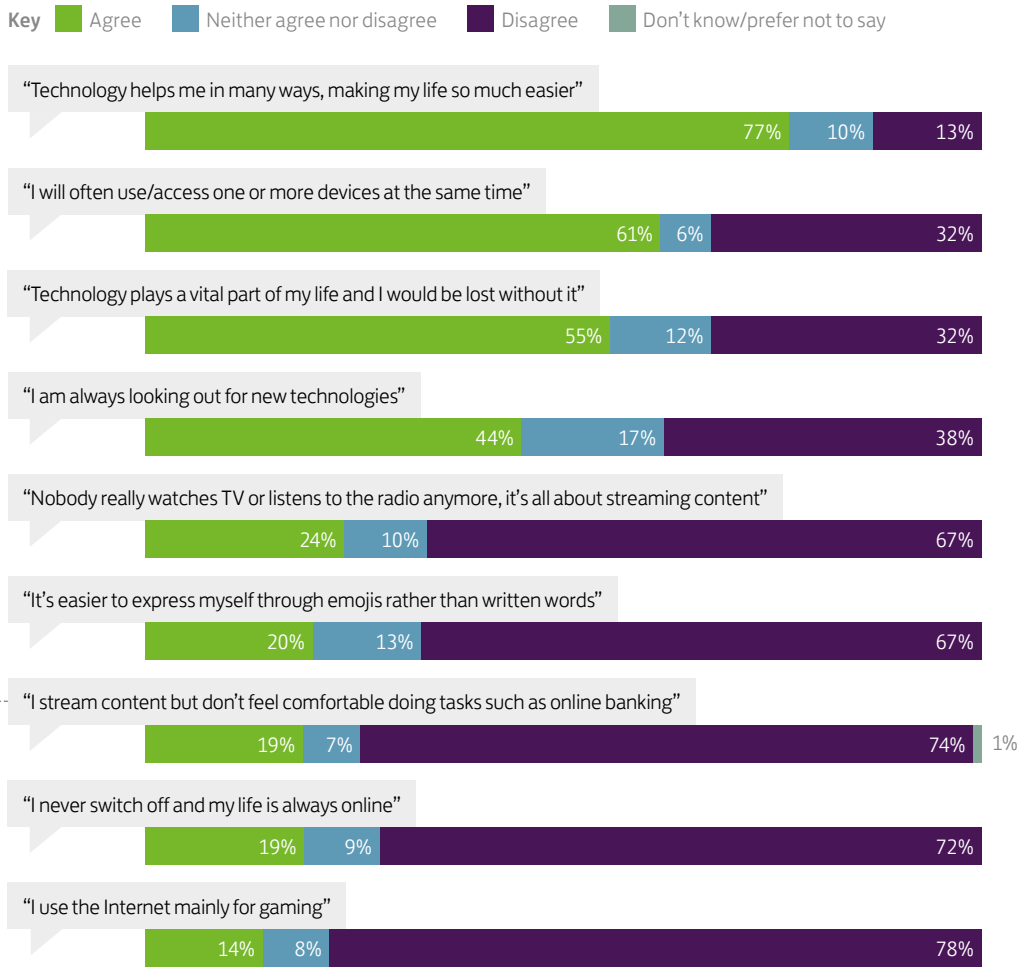


Figure 20. **Here are some things people sometimes say about going online. Do you agree with the following statements? Split by office workers and manual workers, 2021, 2020 and 2016**

	2016: n = 2,404 2020: n = 2,493 2021: n = 2,559	2016	2020	2021	Office workers	Manual workers
CONCERNED	I am concerned about my high levels of Internet use	-	18%	18%	18%	17%
	I am concerned about using sites/tools where I have to enter my personal details	-	67%	65%	61%	64%
	I am concerned that my digital skills aren't good enough	-	21%	20%	12%	22%
BENEFITS	I am confident using computers/smartphones/tablets	-	90%	90%	96%	90%
	I am reliant on the Internet for my day to day life	-	49%	52%	63%	46%
	I use the Internet outside of work but don't use it for my job	-	47%	44%	26%	59%
	I wouldn't have coped through the Coronavirus crisis without digital technology	-	-	53%	57%	52%
	I'm able to teach myself how to do new online tasks	-	80%	82%	89%	80%
	It has helped me find and get a job	-	49%	50%	53%	56%
	It helps me connect better with friends and family	74%	81%	85%	88%	84%
	It helps me develop professionally and improve my future work prospects	-	60%	63%	73%	62%
	It helps me feel less alone	-	38%	51%	51%	47%
	It helps me manage and improve my physical and mental health (e.g. receiving help and advice online or using health apps for fitness/well-being)	35%	34%	49%	52%	45%
	It helps me save money (e.g. train fare reduction or going to pay a direct debit)	70%	66%	67%	72%	66%
	It helps me save time so I have more time to enjoy myself	63%	67%	64%	68%	64%
	It makes it easier for me to organise my life (e.g. check train times or weather)	63%	74%	73%	79%	69%
	It makes me feel more part of a community	-	47%	53%	54%	53%
	My use of digital tools has helped me feel more positive during the Coronavirus crisis	-	-	60%	64%	57%
	The Internet provides me with more benefits than it does disadvantages	-	83%	88%	93%	87%

67%
say it helps them to save money

53%
of people say they wouldn't have coped through the Coronavirus crisis without digital technology

51%
say the Internet helps them to feel less alone

49%
of people say the Internet helps them manage and improve their physical and mental health

Office workers are more consistently dependent on tech for their personal and work lives

Those offline

2.6 million people are still offline

As outlined on page 11, it is now only 5% of the UK population who have not used the Internet in the last three months.

Data from this report shows that; Wales, East of England, South West and the North East are the nations and regions with the highest proportions of people still offline (*see page 18*).

In previous editions of the Consumer Digital Index, age has been a defining characteristic of someone offline. The older an individual, the more likely they are to be digitally excluded. However one-in-ten of those offline are under the age of 50, indicating there are still broader factors, other than age, at play (*Appendix 23*).

One-in-ten (10%) of those offline are under 50 years old

55% of those offline earn under £20,000 (*Appendix 24*)

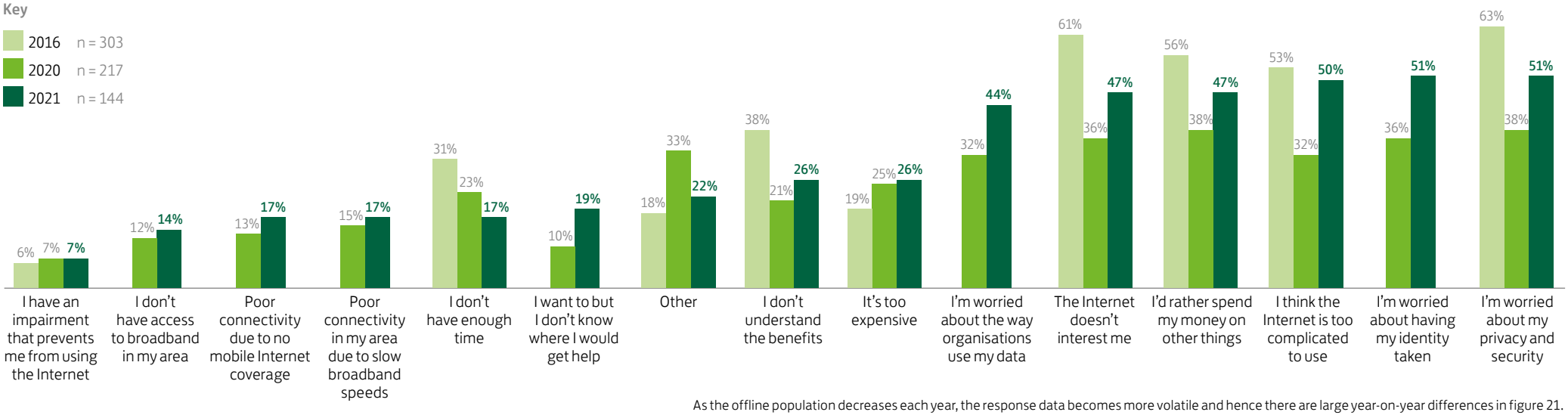
Those offline have raised significant barriers to their digital transition

With the number of people offline decreasing, those who remain digitally excluded state a variety of barriers to getting online. It is increasingly difficult for them to make the transition online without significant sustained support and perhaps new approaches to digital inclusion. Figure 21 shows vast increases across challenging hurdles – nearly half of those offline say they are due to a lack of interest, up 11 percentage points in a year.

Internet security-related responses have all significantly increased. While service providers are making efforts to communicate the security of their online services, often this is done via digital marketing channels and misses the offline population. A redirection of this messaging might prove useful in giving those offline some confidence their data will be managed securely, were they to engage digitally.

Offline communications are also important in clarifying the benefits of digital inclusion – **one-quarter still don't understand why they should be online and what they stand to gain (26%).**

Figure 21. **You have said that you have not used the Internet in the last three months. Please choose from the following options to say why you have not, 2021, 2020 and 2016**



As the offline population decreases each year, the response data becomes more volatile and hence there are large year-on-year differences in figure 21.

How could the UK become 100% digitally included?

When asked what may encourage those offline to get connected, the response 'nothing' has decreased by a third (figure 22). This indicates an underlying appetite to explore the options to get online which is a good starting point. The Government has recently announced more detail of its plans to install broadband in remote UK locations, which should help the 27% (700,000 people) who remain offline due to a lack of adequate Internet connectivity*.

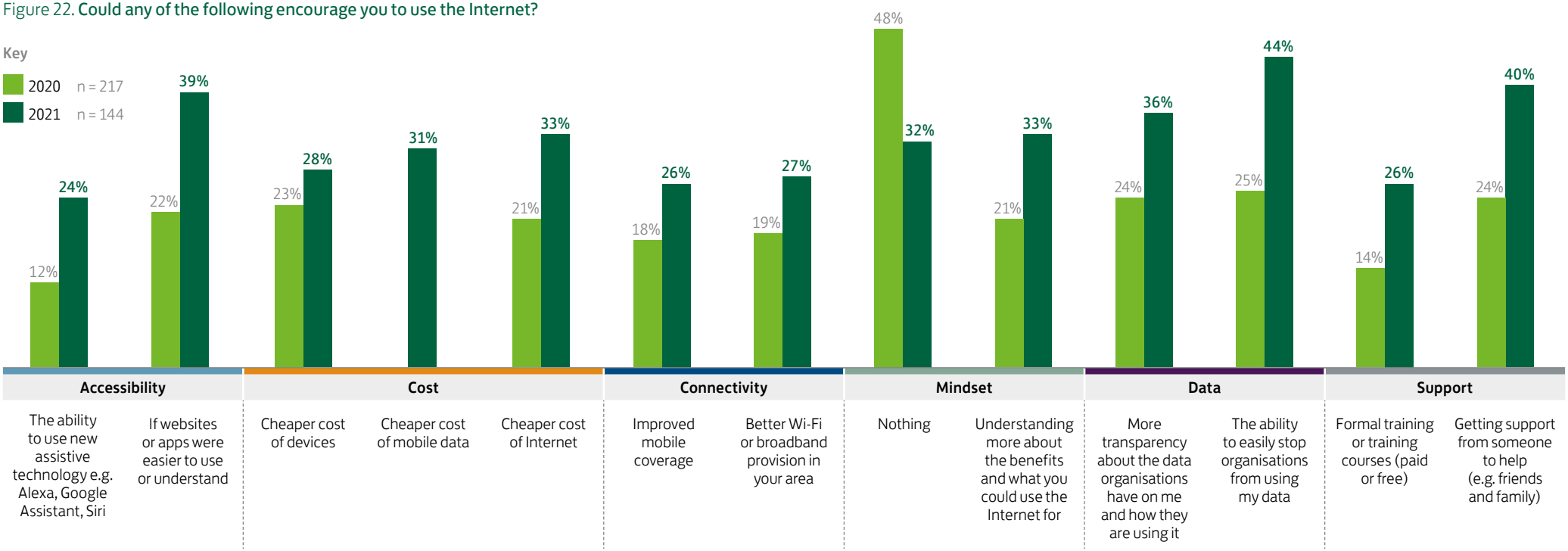
"I only need it for transactions when I need to do it"

"I don't trust it. Nothing is safe once online"

"Because of my dyslexia"

"My daughter does that for me"

Figure 22. **Could any of the following encourage you to use the Internet?**



*BBC, 2021, bbc.co.uk/news/technology-56414966#:~:text=The%20first%20to%20benefit%20will,and%20the%20Isle%20of%20Wight.

As the offline population decreases each year, the response data becomes more volatile and hence there are large year-on-year differences in figure 22.

Supporting digital capability and confidence

29% believe they have improved their digital skills in lockdown

The transactional data match shows that for 31% of this group, they have in fact seen reduced digital engagement and capability, indicating a mismatch between their perception of skills improvement versus behaviours and capability. This serves as a reminder that perception and reality are not always aligned. 60% of the 29%, have indeed seen greater digital engagement.

12% of people have reflected that they do not believe their digital skills have improved, although they do feel they need improving. This group are largely in the Low and High digital capability segments, indicating an opportunity to move them further up the digital engagement spectrum.

The following are most likely to belong to the 12% who acknowledge their digital skills need improving (*Appendix 25a-25c*):

- Males
- 60-69 year olds
- Wales
- Those retired and living on state pension

Online over-confidence?

New data this year reveals that more than four-in-five (85%) of Internet users are confident in their online abilities (figure 24).

Comparing this data to the 2020 Essential Digital Skills measure* indicates that 78% of people had the full set of skills for their day-to-day lives, to be able to confidently use the Internet for their needs. It will be interesting to understand what the 2021 EDS measure reveals later this year.

Figure 23. **Do you think your digital skills have improved as a result of the outbreak of the Coronavirus crisis, 2021 (and whether digital engagement has improved, worsened or stayed the same for those who say their digital skills have improved as result of the crisis, 2021)** n = 2,703

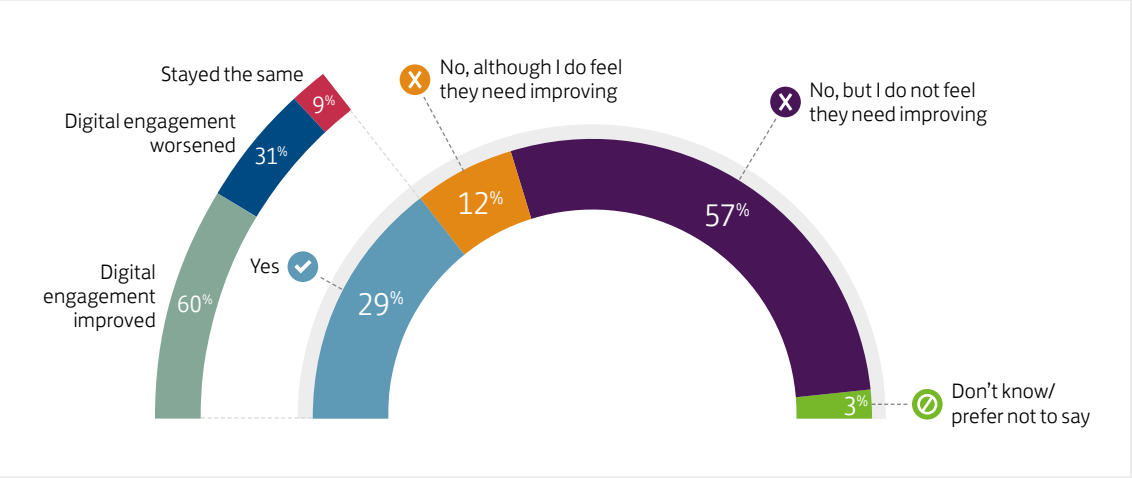
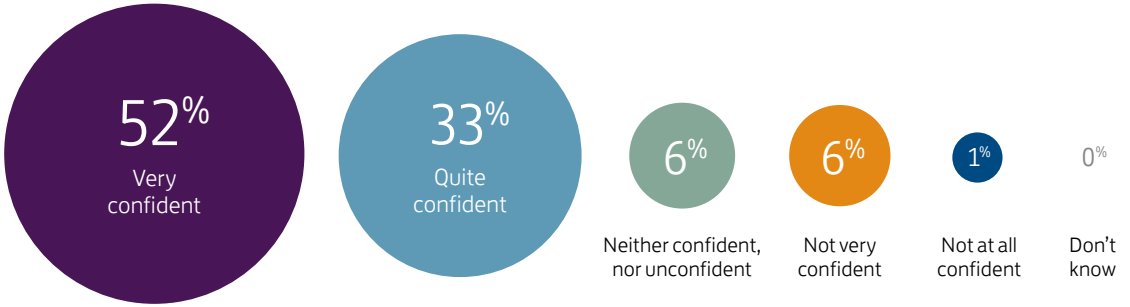


Figure 24. **How confident would you say that you are in using the Internet, 2021** n = 2,559



*Consumer Digital Index, 2020, lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/lb-consumer-digital-index-2020-report.pdf

‘Working from home’ pips ‘boredom’ to the post as a main driver behind improving digital skills

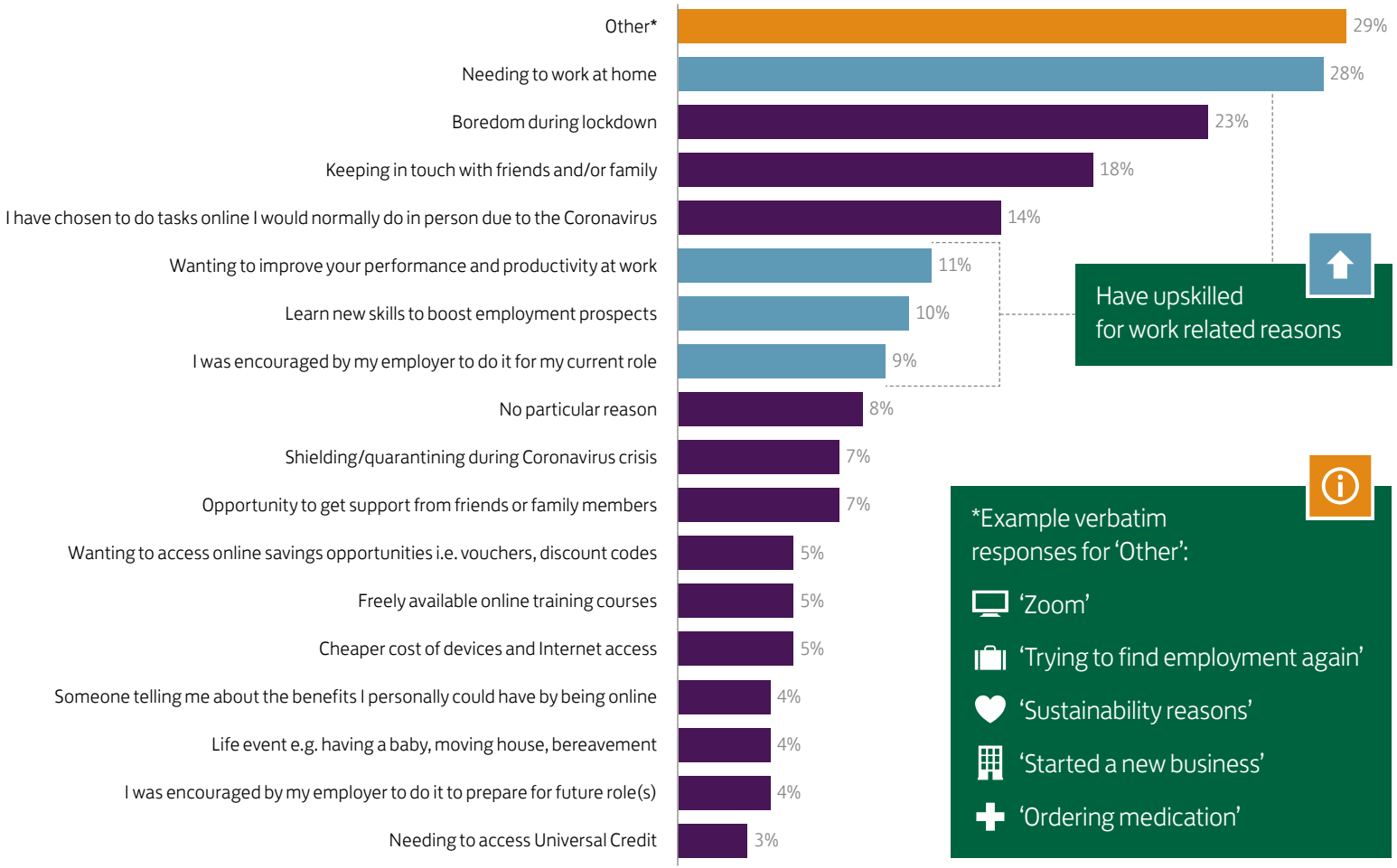
29% of people in the UK feel they have improved their digital capability, figure 25 details the variety of triggers and motivations which underpin this. The most commonly cited driver for this improvement was around the change to working from home. In the largest category – ‘Other’ – verbatim reveals a further common thread. Learning how to use video calling software, such as Zoom, was another standout trigger.

A key factor for improving digital skills in 2021 has been the need to work from home, meaning at least one-quarter of people have up-skilled for work related reasons. The difference in lockdown working styles and requirements has meant some of the UK workforce have digitised more rapidly than others – job type now does not just impact current income, but rather the level of digitisation and resulting broader lifestyle benefits. 93% of office workers are now confident Internet users compared to 85% of manual workers, and they are 11 percentage points more likely (73% vs. 62%) to use the Internet to develop professionally and to improve future work prospects (*Appendix 26*).

On page 34, the survey indicates clear motives to incentivise people in the future – 77% would improve their digital skills if they thought it would directly help them with a day-to-day task or piece of work. 64% would prioritise digital skills if they knew it would help them progress in their job or secure a better role.

Figure 25. **What was the trigger or motivation for improving your digital skills, 2021**

n = 744

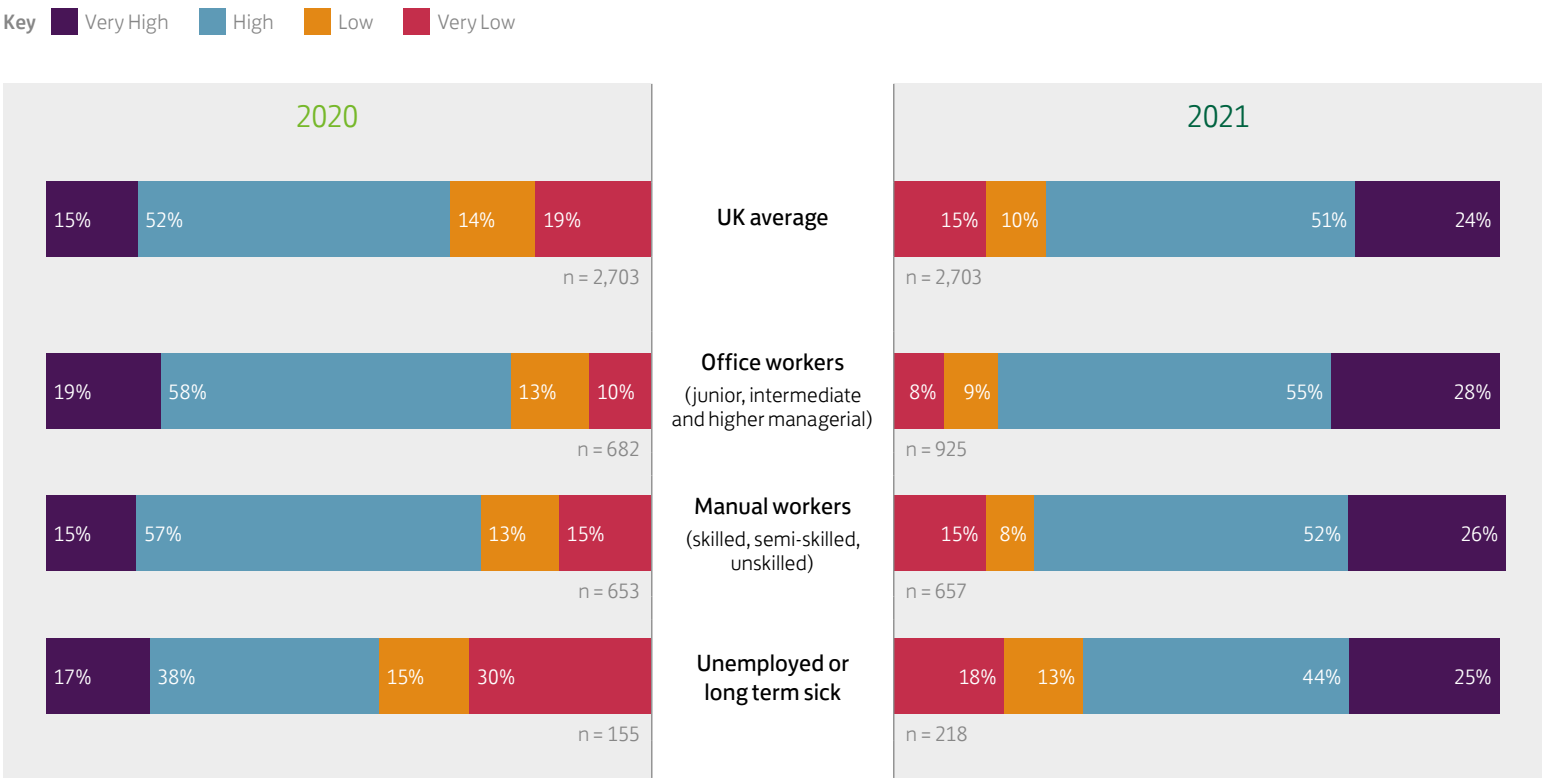


Given the previous page has shown how working from home has been the leading driver behind improved digital skills, it is worth understanding how digital engagement looks across job types*. The hypothesis has been that individuals who have had to digitise and upskill to work from home, have seen a knock on effect in digital capability and confidence in their personal and work lives. Figure 26 shows how digital engagement has changed since 2020 for those likely to be in office jobs, compared to those with manual roles and those unemployed or on sick leave.

The data shows that 26% of manual workers now have Very High digital engagement, an increase of 11 percentage points in one year. Whilst most groups have increased digital engagement, the growth in this segment for manual workers is among the highest compared to other job types. Another positive to take from this data is that one-quarter of those unemployed have the highest levels of digital engagement, which presents a good opportunity for businesses who may be thinking about recruiting digitally adept employees.

However it is worth noting that the proportion of manual workers with Very Low digital engagement is still nearly twice as much as for those in office jobs (15% compared to 8%).

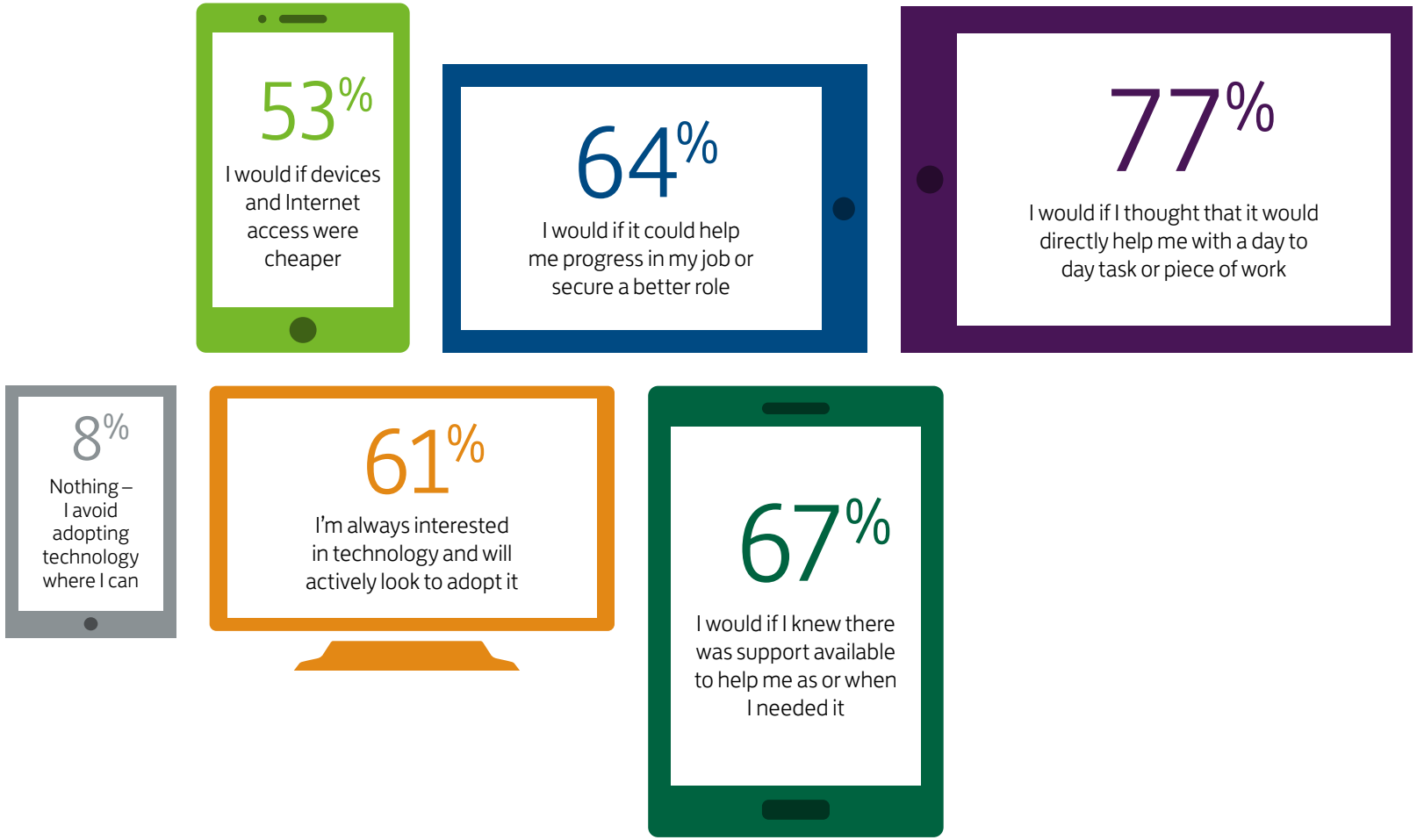
Figure 26. **Job type/working status split by digital engagement segments* compared to UK average, 2021 and 2020**



*Digital engagement segments on this page differ to the UK averages due to occupational demographics only being available through survey data.

Figure 27. **Which of the following statements apply to you if you were thinking about what would encourage you to improve your digital skills, 2021**

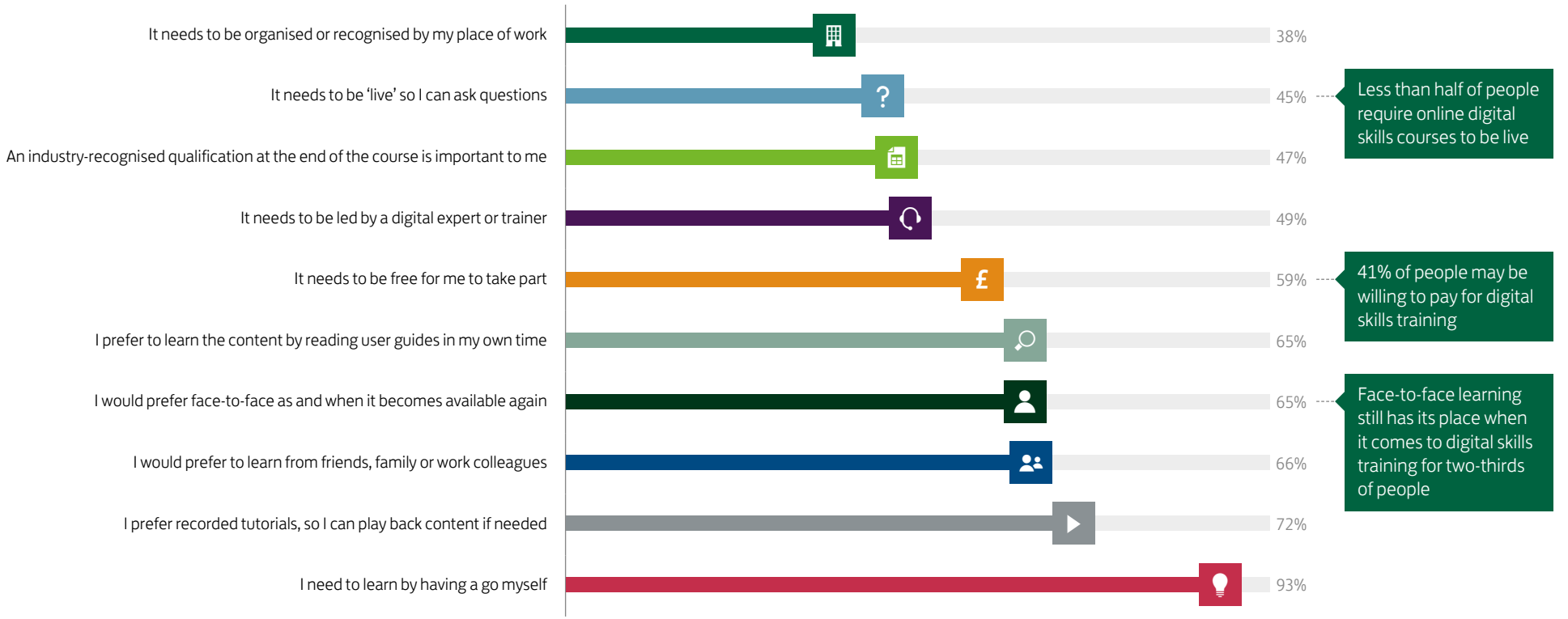
n = 2,703



People have a range of preferences to cater for when providing digital skills support.

Figure 28. **And when you are learning new digital skills, which of the following apply to you, 2021**

n = 2,703



How do people want to improve?

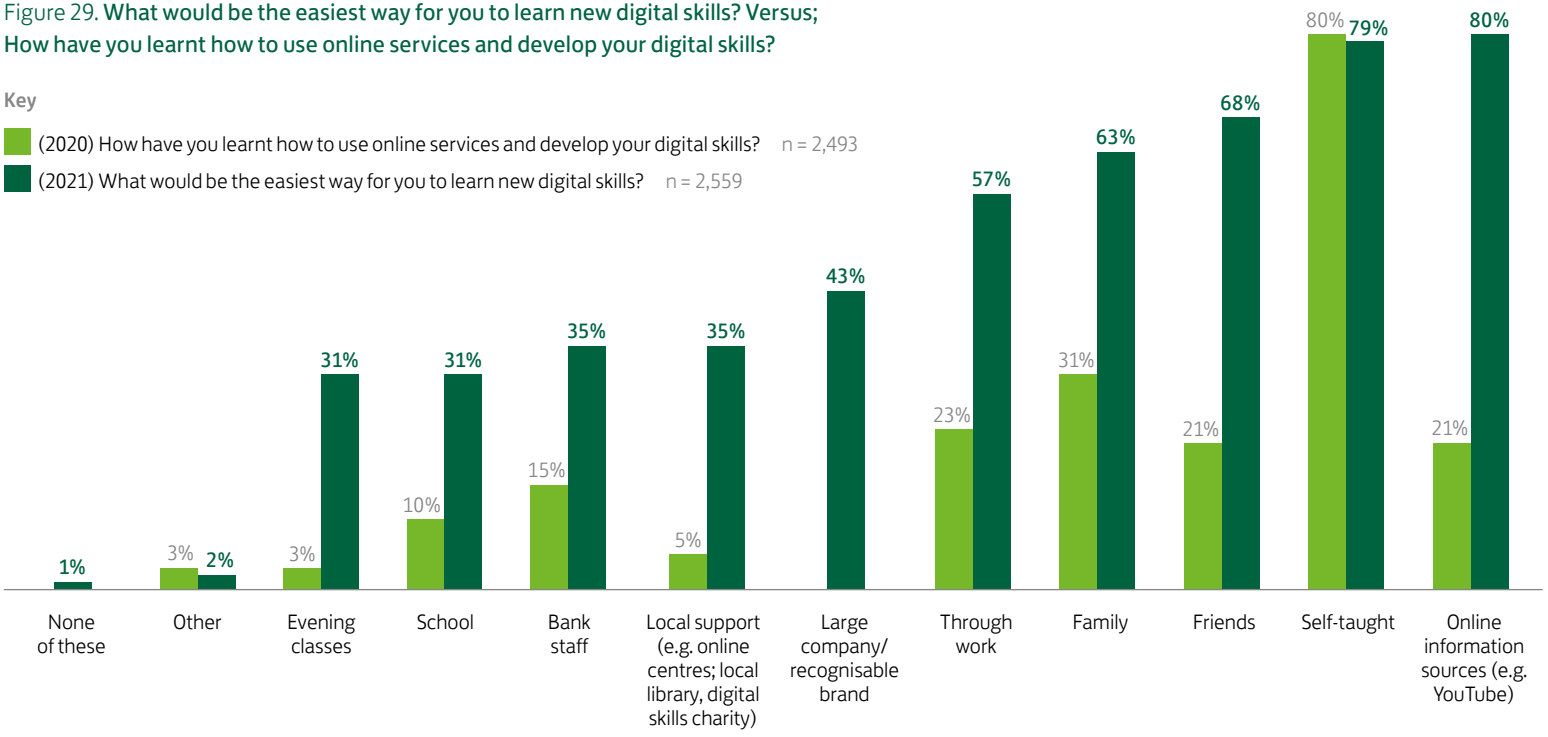
Figure 29 draws differences between actual behaviour in 2020 compared to intended behaviour this year. This year four-fifths of people say they'd find it easiest to develop their digital skills by using online information sources. However last year, the data showed that only one-fifth had actually used online sources to upskill. This indicates that appetite for these channels outstrips actual usage.

Figure 29 shows;

- Four-in-ten people look to large corporates to help them upskill digitally
- 35% are looking to bank staff as a population who could help them learn new digital skills
- Friends and family represent one of the cornerstones of digital support, more than six-in-ten turn to familiar faces

As indicated in figure 29 there is an uplift in all mediums of support, highlighting a greater level of appetite, hopefully more of which will convert into actual uptake. However it is worth acknowledging the quality of provision varies within and across all of these formats of support. Online sources for example will include everything from high quality interactive webinars, through to content lacking true learning outcomes.

Figure 29. **What would be the easiest way for you to learn new digital skills? Versus; How have you learnt how to use online services and develop your digital skills?**



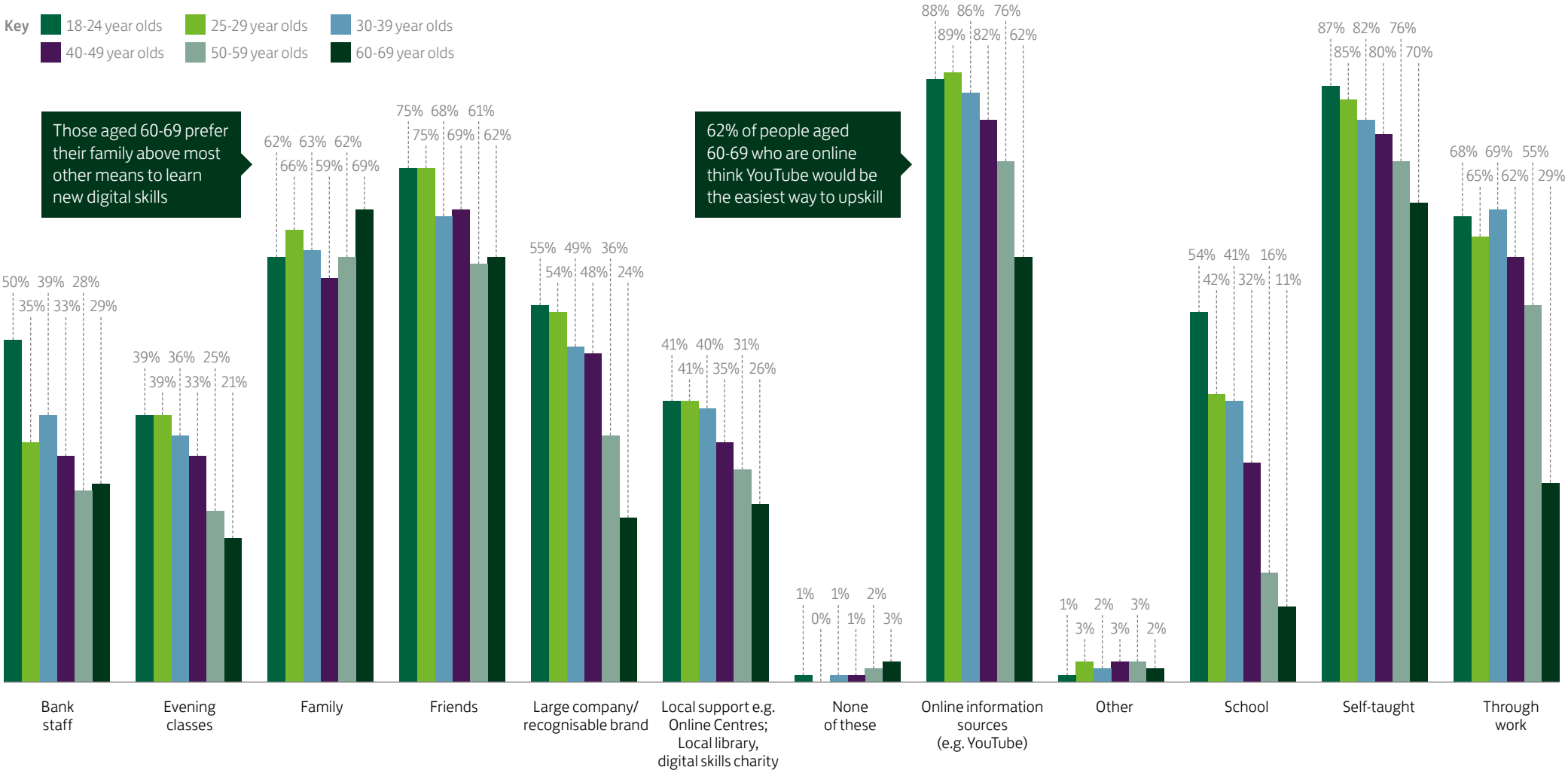
Picking the right approach to digital support

As evidenced in previous years, both propensity to learn, and preference for support varies by age. The data shows that older age groups (typically requiring more digital support) are more reluctant (and under-indexed) to turn to any of the available areas of support (figure 30). The same is true for those with Low or Very Low digital engagement (*Appendix 27*).

This reluctance makes upskilling this group more challenging and a different approach is required. Compared to younger more engaged segments – the least digitally engaged prefer family and friends for support, whilst self-teaching and online sources are best for those who are more advanced and confident (*Appendix 28*).

Figure 30. **What would be the easiest way for you to learn new digital skills? Split by age, 2021**

n = 2,559



Duggs' Story

Duggs, 55, lives with his partner in Holmfirth, Yorkshire, and is now retired, previously working in local government. Read how technology has really boosted the efficiency of his community ventures, during the Coronavirus crisis.

Taking an early retirement, Duggs loves spending his spare time outdoors, tending to his allotment and going fishing. An avid member of his community, he dedicates much of his time to charity and community work.

Initially training as a youth and community worker, he now plays an active role in his local community, using digital as his secret weapon for engagement. Duggs is confident online, having always used email and video calls throughout his career within local government. Even at home, Duggs was a digital native, actively using technology for several years. Now, he's never too far from his phone, which allows him to stay connected, check the news and shop online.

> *"I spend a lot of time looking at eBay, YouTube videos, scanning for news articles, doing research, clicking links, going into emails or Facebook chats."*

When the pandemic began in March 2020, Duggs rallied support from his community and set up a network of volunteers. Initially, he coordinated local volunteers to deliver food parcels to those who were shielding, then moving on to organise teams of volunteers at local vaccination centres.

> *"Everything is done digitally, the communications, making payments and meetings. It's free and accessible and we're using it to organise."*

Through his work, setting up and mobilising these volunteering groups, digital has played a fundamental part. The emergency response required a team of volunteers to connect and act quickly and digital was the vital enabler.

Throughout the pandemic Duggs used online groups as a place to store shared resources, an easy, free and convenient way to communicate and share documents between members. Now, as the administrator of the local Facebook pages, he brings everyone together with a shared sense of purpose and has created a place where everyone can discuss local issues.

Many volunteers have never even personally met, but digital has allowed them to connect and communicate, replacing the need for face-to-face interaction at a time when it just was not possible.

And for Duggs, digital has helped him keep connected even closer to home. Where previously he would speak to his family once a month, they're now getting together virtually much more regularly.

> *"I'm doing family Zoom calls every two weeks. Mental health wise I am in a better place. It's very, very positive."*

Duggs has witnessed the power of video calling amongst other groups too. Parish Council meetings were previously all held face-to-face in the evenings, which was a challenge for many of the members, particularly in the winter. Zoom has enabled them to always attend meetings from the comfort of their own home and Duggs expects that this will continue even when face-to-face meetings can resume. With no other choice, Parish Council members who would have been the first to reject digital are now seeing the benefits first-hand and have become the biggest enthusiasts.

Whilst Duggs is confident with his own digital skills, and can't see much more he could do to develop them right now, he couldn't imagine a world without technology.

> *"30 years ago nobody had mobile phones or emails. It's unbelievable the speed at which you can organise now. The power of digital is unbelievable."*

Shauna’s Story

Shauna, 27, is married to her partner Fraser and they live together in Fife, Scotland. She is a Network Marketeer for The Body Shop. Read how she has supported her mental health and accelerated her career in beauty during lockdown.

When mental health issues impacted Shauna's career in financial services, she took her destiny into her own hands and found digital unlocked a whole new world.

Turning her passion into a new business venture, Shauna played to her strengths and now runs a network marketing business from the comfort of her own home in Fife.

> *"I have suffered from quite poor mental health. I have really bad anxiety, which is kind of why I do the job I do, because it means that I can now work on my own terms. As long as I've got the Internet, then I can do the work at home."*

Through Facebook, Shauna was able to build a team of like-minded people to sell and promote Body Shop products. She coaches her team online as well as managing her own customer base, which has helped grow her successful business. Virtually training her team with hints and tips on social media marketing and how to engage customers with different content, Shauna is sharing her skills and seeing the success stories. With Shauna able to manage her team online using Zoom and Facebook, she has been able to take her business wherever she goes – addressing queries when she's out and about.

She has also found an unexpected benefit from setting out on her new journey. Shauna has created a supportive community for others who suffer from anxiety and depression. So much so that she is now improving her digital skills through online learning to create an online support group, focused on helping people like herself get back to their best.

With COVID-19 restrictions impacting on Shauna's wedding plans, she was able to move quickly to take her planning online. With all the organisation going virtual overnight, she was able to order decorations, find the perfect outfits and keep everyone updated online. The day was a huge success, and the more intimate setting was even better than the original plans, and couldn't have gone ahead without digital.

> *"The wedding was always planned but it wouldn't have been what it was without being able to do things digitally because of Coronavirus."*

As for Shauna's mental health she believes that her recovery has also been aided digitally. She praises Facebook for enabling her to work from home – on her own terms and at her own pace, taking her away from the stresses of traditional working structures. Now she's exploring further online learning and is upskilling to become a beauty therapist, all without having to leave her own home. With her confidence growing, as well as her ability to interact with her team, customers and community in a virtual way, the future is bright!

> *"Being able to work digitally has taken the pressure off. It's given me the freedom to do my recovery at my own pace. I feel my recovery has gone better thanks to being able to work online."*

Steve’s Story

Steve, 54, is married to his partner Louisa, living in South Devon. He is currently volunteering looking for paid work. Read how digital is more important now than ever, in helping him secure paid employment.

As the primary carer for his wife for over ten years, Steve has recently begun his search for work. With additional support from his family, as well as a recent move into the city, Steve's excited at different opportunities he could take up with a new career.

Prior to caring for his wife, he had a varied working life, including being employed in maintenance, cleaning a nursing home, as a department manager in a supermarket and even a roof thatcher.

Steve knows the importance of digital more than most. The Internet was a real lifeline to the outside world for him. Being a full-time carer and until recently, living in a remote location, his ability to shop online and communicate with friends and family was vital for managing day-to-day life. Not only did Steve and his family see the financial benefits of online shopping, it was also convenient and easier for them to order groceries and household items from the Internet.

> *"Before we moved here we were right out in the sticks, so we're used to mostly buying stuff online and also because of prices, it's just cheaper for buying stuff online."*

Steve's use of digital has increased markedly in his pursuit of a new job. His search has involved using employment websites, like Indeed as well as social media, to look out for possible opportunities. Whilst he hasn't found any employment yet, he has managed to secure a part-time position volunteering at a local Oxfam, which he found online. Not only has this helped build his confidence and broader skillset whilst he continues his search, it's also helping his digital skills improve, as he is learning to sell books on their website.

Steve has always tended to try and learn new skills himself, which he admits can be quite challenging. Where he needs to, he looks to his daughter, and to an extent his wife for advice on how to improve his skills. His confidence is growing and he's using his smartphone more and more, including for mobile banking. Having received Universal Credit, Steve has always been good at managing his money through his mobile banking app and enjoys the convenience it offers.

> *"The speed and the quick access mean you can get to your account easily and it feels safe at the same time."*

In fact, Steve has found claiming for benefits online to be a much less daunting process than expected. Having access to a scanner, printer and the Internet at home, he's been able to quickly download, sign and send off documents to Department for Work and Pensions to support his changing circumstances.

Steve is keen to build on his digital skills in future. With a ten-year gap since his last job, he understands the need for digital skills in the workplace is now more important than ever. That's why he is so open to learning new things. Not only will this help him secure paid employment, he is hoping to embrace technology and become much more digitally savvy in his personal life too once he is working.

Karen’s Story

Karen, 59, lives on her own in Cardiff, Wales and works for a Housing Association. Read how lockdown has led to Karen boosting her digital and financial skills and how she will never look back, now that she has these new-found skills.

With a full-time role within a Housing Association, like many people at the beginning of the pandemic, Karen began working fully remotely.

Choosing where and when she worked was a challenge at first, but she has adapted and now loves the flexibility.

> *"I am quite techie. I suppose that's because I still work full-time and you need a degree of computer skills, it's certainly improved over the last 12 months."*

Along with agile working, she was introduced to Teams and SharePoint for the first time through work, and she has had to upskill quickly. Thanks to intensive training from her employer, Karen was able to get to grips with, and make the most of, the new software and found this support invaluable. She now spends her days 'speaking' to colleagues online and working collaboratively on documents. Before, paper was king in the office with everyone scribbling their comments onto a document. The use of Office365 has meant that everyone is seeing the ease and efficiencies of using different digital tools.

> *"We phone and see one another over the computer, have a discussion, which saves on costs, and is very quick and efficient. It has improved my computer skills."*

It's not just collaboration tools which have helped Karen in the workplace. She's also found that digital has opened new communication channels across her organisation, with less meetings and easier to access updates and briefings. For Karen, digital and agile working has led to numerous benefits in her personal life too, from more spare time to more disposable income.

Pre-Coronavirus, Karen's social life was about seeing friends and family and spending time outdoors. As a member of not one, but two walking clubs, initially, lockdown and the associated isolation hit her hard. Being unable to go out in groups, Karen needed to get creative with virtual social interaction instead. With Zoom and different social media platforms, Karen was able to stay connected to her loved ones, setting up group calls and a weekly Zoom quiz with family.

The pandemic led to Karen building her digital and financial capabilities as well. With no desire to write and post cheques, and a desire to shield safely, she began using online and mobile banking more. From transferring money to making payments to individuals and businesses much more frequently, she's even using contactless now when it comes to making physical purchases. Karen's confidence has grown alongside her skillset, she's now much more comfortable ordering online. For Karen, this has meant she feels much more in control of her finances and can keep a closer eye on her different accounts and savings pots.

The pandemic has exposed Karen to new digital experiences and opportunities, all of which have boosted her skillset and confidence. Even as restrictions relax, and she can do more of what she loves, and she is still keen to learn more and build on her digital skills. She has no desire to return to how things were digitally pre-Coronavirus, embracing the new normal in our online world.

Reflections

The pace of change across the UK's digital landscape has been rapid in the last 12 months. In fact, the data in this report shows that the level of digital engagement measured in 2021 is where it was projected to be in 2025. This indicates that the UK has made five years progress in just one year. A question must be asked though – **how sustainable is this change?**

Over the last six years, the Consumer Digital Index has measured progress as being slight or stagnant, despite the active efforts of numerous organisations. In contrast, the latest report shows significant change, with 60% of people having high levels of digital capability and people spending on average an extra 13 hours online a week. Of those doing new activities online, 91% intend to continue digital activities adopted during lockdown, indicating a lasting change. Concerns around online security and fraud still loom large though. With more people doing more online, we must ensure that **digital adoption is coupled with online vigilance too.**

We also cannot assume that digital engagement is constant. The transactional data shows that 21% of those who had the highest levels of digital engagement in 2020, are now engaging less. If we are to have a digital economy and society that everyone can participate in, a culture of life-long learning and confidence building is key.

As new financial products and services are developed, it is important to acknowledge that even if consumers have the digital skills to access them, this does not guarantee they have the financial capability or acumen to do so effectively. In fact, digital engagement can exacerbate money worries, indicating the importance of ongoing guidance and support for all. In addition, recognising the consequence that financial worries can have on mental health, the right advice and onboarding support is key.

Given the changeable job market, it may come as no surprise that more than ever before, **workplace success is a lever for change in digital adoption and life-long learning.** 64% say they would undertake digital skills training, if they knew it would aid them with career progression and 67% would improve their digital skills, if they knew support is available when needed. With workplaces increasingly providing online security guidance, digital payslips and online communication, there is likely to be a halo effect on consumers' personal lives.

The heart of this topic though, is inclusion. Whilst the report evidences the financial merits and workplace benefits of improving digital capability, there are clear concerns about the offline and low-digital capability population. Saving less money, unable to participate in online communications and accessing key services from home, the report finds that 2.6 million people remain completely offline. A further 20.5 million adults have Low or Very Low digital engagement. As the data shows digital poverty is exacerbated by existing vulnerabilities, never more so than in the last year.

In the last two years particularly, digital inclusion, capability building and tech adoption have become a focus of local delivery plans. It is important that this agenda has a UK-wide focus extending to, and linking up, local authorities. The Digital Skills Partnership, FutureDotNow, the Scottish Participation Charter and other coalitions bring together a myriad of partners across all sectors to face into the challenge. This issue warrants **joined-up investment at a UK-level, shared learning across regions, and a clear and consistent public narrative** on the benefits of digital adoption.

We must provide the motive and capability for these individuals to get online and provide an environment in which they are comfortable and confident to learn. Given the faster pace of technological growth and a world that now assumes digital competence, it is even more crucial that organisations design interactions that are as frictionless, accessible and as simple as possible. Service providers have a duty to ensure that assistive technology and inclusive design principles are applied throughout service development, enabling everyone to participate in a digital society.

Partner quotes

"While digital activity has, not surprisingly, increased by 11% last year, a significant 'hidden middle' still exists. Over the past year many organisations rallied to support those digitally isolated, yet nearly 15 million people still have Very Low digital capabilities. We need to level up, so FutureDotNow is calling on all businesses to ensure their employees are kept up to date with the Essential Digital Skills necessary for us all to thrive today and in the future."

Sir Peter Estlin
Chair of FutureDotNow

"Ensuring all people have the digital skills that our future economy needs will be crucial both to economic competitiveness and to social equality. The report is an excellent showcase of the challenges that still lie ahead, with a sizeable number of people concerned that their digital skills aren't good enough for the accelerated transformation of the workplace. We're pleased our work with forward-thinking partners such Lloyds Bank and others, allows us to create access to inclusive learning programs that bridge the digital divide at scale."

Gori Yahaya
CEO and Founder
Upskill Digital

"The results of Lloyds Bank's 2021 Consumer Digital Index report are indicative of the wholescale shift to digital that has taken place across our work and social lives. Whilst encouraging, we have a way to go to unlock our potential and translate this new-found confidence into jobs and inclusive, long-term sustainable growth. We will be taking these insights through into our own skilling programmes, including GetOn2021, to better equip and encourage employee upskilling and the development of skills for the very real opportunities that exist in digital."

Simon Lambert
Chief Learning Officer
Microsoft UK

"One-in-four of us experiences a mental health problem every year, and the pandemic has exacerbated many of the risk factors. Connecting people to information they need can guide them through difficult times. It is disheartening that people are 12% less likely to use the Internet to manage their mental health, compared to their physical health. Last year, over three million people visited our websites for support. Whether through our award-winning advice or online peer support – at Mental Health UK we won't stop until everyone has the tools to manage their mental health and live their best possible life."

Katie Legg
Director of Strategy and Partnerships
Mental Health UK

"It's unsurprising to see the increasingly critical role the Internet has played in our lives over 2020, with 1.3 million more people now online and many claiming they couldn't have coped in the pandemic without it. While this is to be welcomed – as is the indication that we will retain many of our new, beneficial digital habits – too many remain digitally excluded. Over half of these earn low incomes and many live with impairment. We must provide the support they need to overcome barriers and ensure all of society can enjoy the benefits of a connected life."

Eleanor Bradley
Interim CEO and MD, Registry & Public Benefit
Nominet

"The insights from this report make it clear the pandemic has had a tangible impact on how people use the Internet and associated technologies to manage their physical and mental health in particular. At Lloyds Banking Group the accelerated efforts within digital healthcare have allowed us to support and provide medical services to all of our colleagues at LBG during these challenging times."

Dr Alasdair Emslie
Chief Medical Officer
Lloyds Banking Group

"Before the pandemic, millions of disabled people already faced barriers accessing digital technology. But, for those who were shielding over the past year, some of whom still are, digital has been the only access point for engaging with society. Disabled people have raised concerns with Scope about access to food and other essentials, paying utility bills, and remaining connected to loved ones. The unexpected silver lining of the pandemic has been the embracing of flexible home working by businesses, after decades of resistance. For many, this has led to an easier, more accessible, work environment. However, vital action must be taken to invest in digital skills for disabled people, and to make the online world more accessible and inclusive. In a world which is increasingly online, disabled people must not be forgotten."

Kristina Barrack
Head of Digital Influencing
Scope

"The pandemic has turbo-charged the pace of change as we move to being an increasingly digital society. It has also highlighted the gap between those with digital skills and those without, and the impact that being digitally excluded has both from a social and economic perspective. Within West Yorkshire and as a Digital Skills Partnership, making sure no one is left behind and everyone has the opportunity to develop essential digital skills as we 'build back better' has never been more important. The report provides great insight into regional and national trends and signposts the importance of digital inclusion, the growth of digital skills and the fact that all parts of society require these skills to engage and thrive in the post pandemic world."

Mandy Ridyard and Bill Jones
Co-chair of the West Yorkshire Digital Skills Partnership

"This is incredibly important research looking into the effect that having an Internet connection, and the skills to make the most of it, has on the daily lives of people across this country. Those who can access the online world save more and spend less, and the majority of people say that if they had a higher level of digital skills, they would be able to do their job better. We need a comprehensive widening of access to digital skills training to help get people into employment, and I hope this research contributes to achieving that."

Julie Elliott MP
Chair of the All-Party Group on Digital Skills and Member of Parliament for Sunderland Central

"This report shows in detail how COVID-19 has shone a spotlight on the huge importance of digital inclusion. Millions more are now online, due to the wonderful array of projects supporting people digitally, in whatever way matters most to them. Yet the dial of impact still moves slowly, with huge numbers of citizens left behind in the digital world, something the report clearly states still mainly impacts those on low incomes. But digital is the leading lever to tackle these problems. We are excited to have played our part this year with our support of LBG customers through our helpline."

Matthew Adam
Chief Executive Officer
We Are Digital

"In Greater Manchester we believe that everyone whatever their age, location, or situation, should be able to benefit from the opportunities digital brings. In 2020, GMCA launched the Digital Inclusion Agenda for Change with a strong ambition to become a 100% digitally enabled city-region. The Lloyds Bank UK Consumer Digital Index will be an important tool in helping GM achieve this ambition, helping us understand the extent of residents' digital and financial capabilities, as well as better understanding how residents are engaging with an increasingly digital world post-pandemic."

Phil Swan
Digital Director
Greater Manchester Combined Authority

Thank you to our Partners

BT
CITY OF LONDON
CONNECTING SCOTLAND
Department for Digital, Culture Media & Sport
Department for Education
Department for Work & Pensions
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Gusto RESEARCH
Ipsos Ipsos MORI
Mental Health UK
Microsoft
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Lloyds Bank UK Consumer Digital Index 2021

Join the conversation:

- The report and other content can be found online: **lloydsbank.com/consumerdigitalindex**
- Please refer to our website for appendices, national and regional data and helpful links and resources
- Please get in touch at: **DigitalSkillsInclusion@lloydsbanking.com**
- For more information on the Lloyds Bank Academy please visit: **lloydsbankacademy.co.uk**
- Join the conversation: **#ConsumerDigitalIndex** **@LloydsBankNews**

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

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 UK Government 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.

LLOYDS BANK

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Lloyds Bank UK Consumer Digital Index 2021 Appendix

Methodology: Index Score and Segmentation

Consumer Digital Index Score

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

The Index Score is made up of three categories, each with its own set of relevant variables. These categories are:

1. Spend
How people transact and what they purchase

2. Interactions
How people engage with digital services and products

3. Technology
Including use of digital devices and Fintech services.

If the data shows that people are exhibiting these digital behaviours e.g. shopping online, then they are awarded a score. Using a model to identify the predictive indicators of digital engagement, the sample of one million consumers was assessed.

Figure A illustrates the contributions provided by the three categories according to the model's outputs. The more of these variables people are engaged in, the higher their score (score ranges from zero to 100).

Alongside the Digital Index Score is the related segmentation, which splits the Index of zero to 100 into four groups, with the lowest having the lowest digital engagement and vice versa (figure B).

The segmentation is used throughout chapters one, two and three to understand how the data is affected by people's levels of digital activity.

Figure A. **Contribution per category within the Digital Engagement Index Score, 2021**

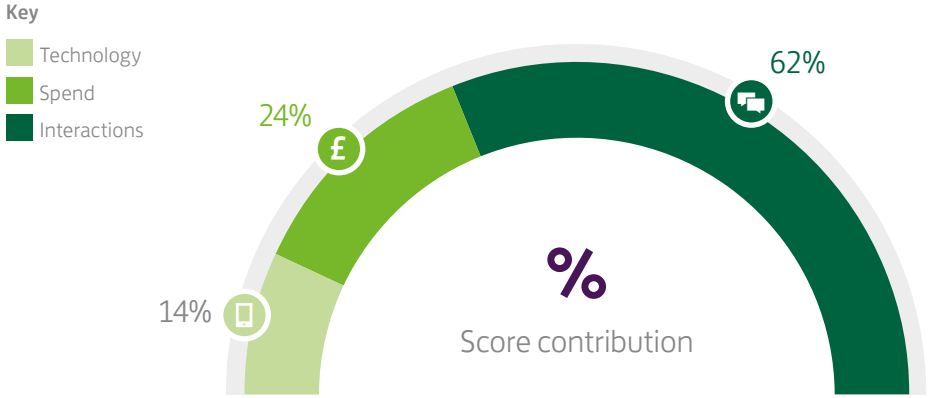
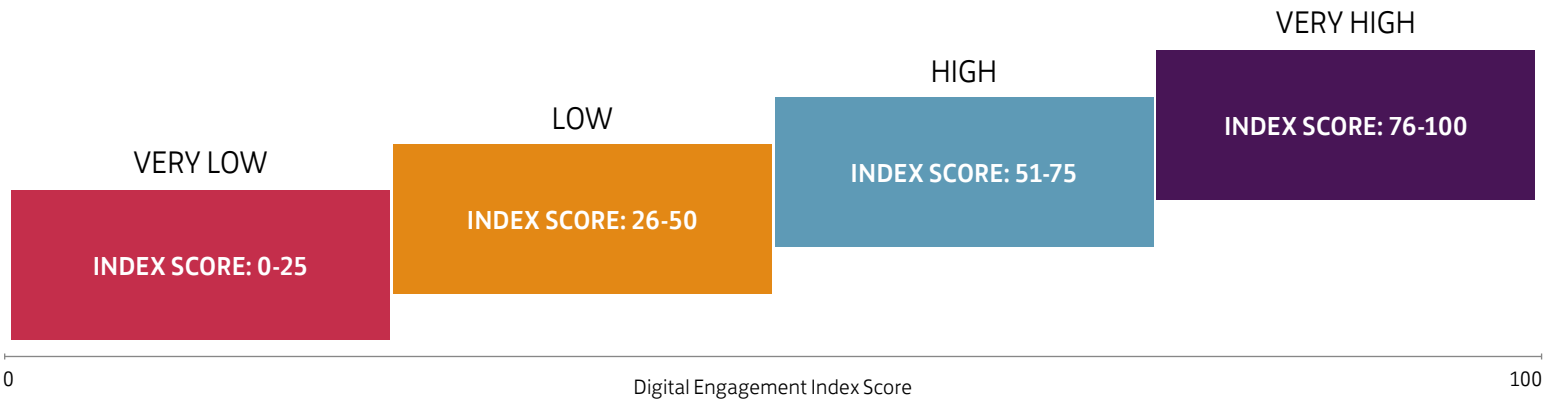
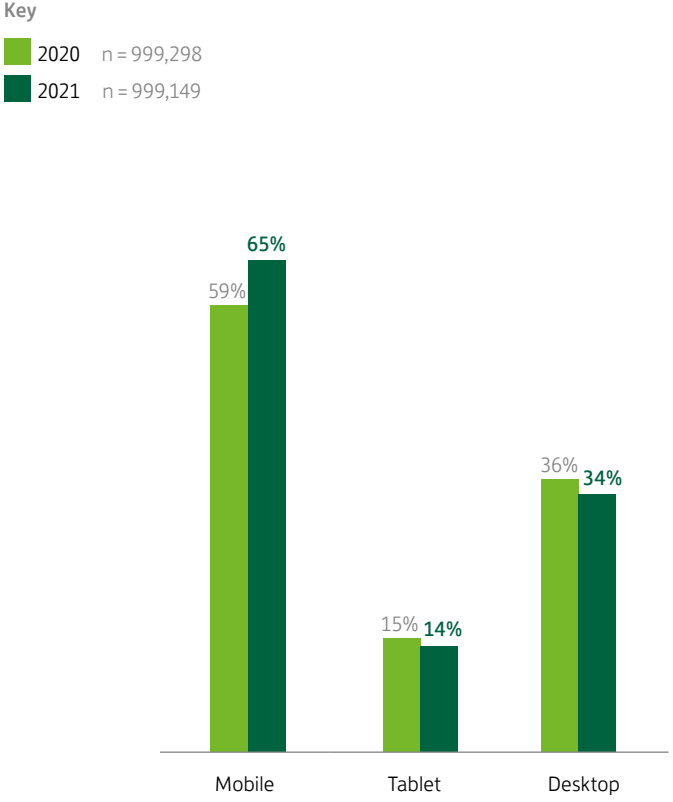


Figure B. **New UK Consumer Digital Index Score Segments, 2021**

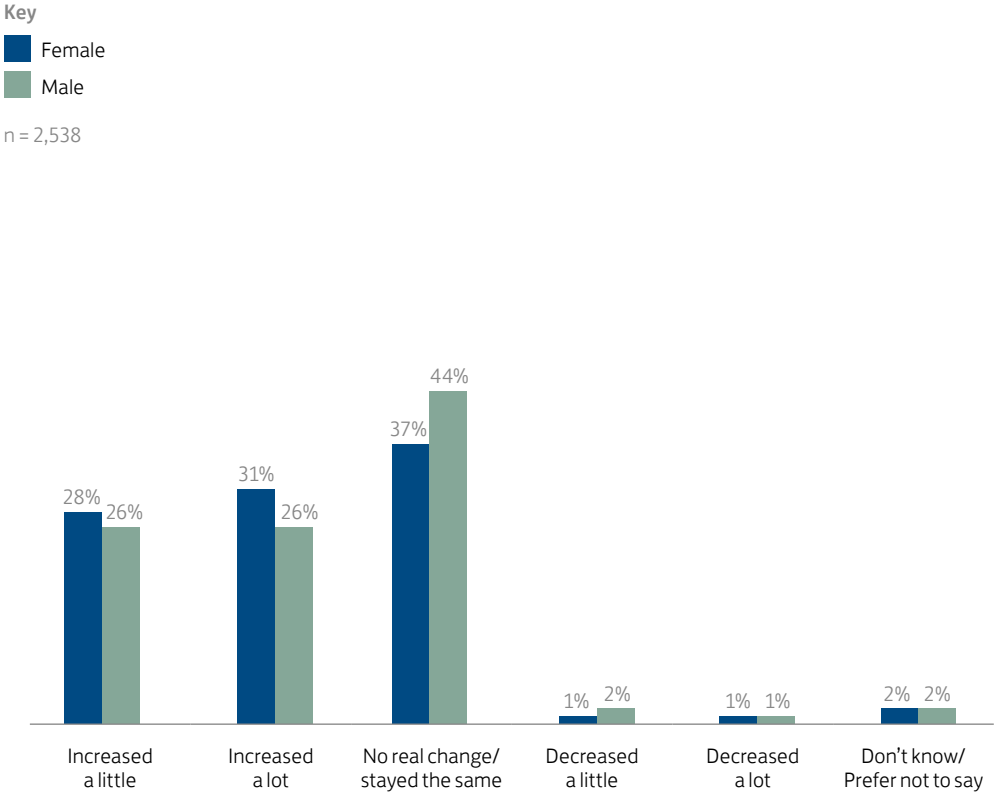
n = 999,149



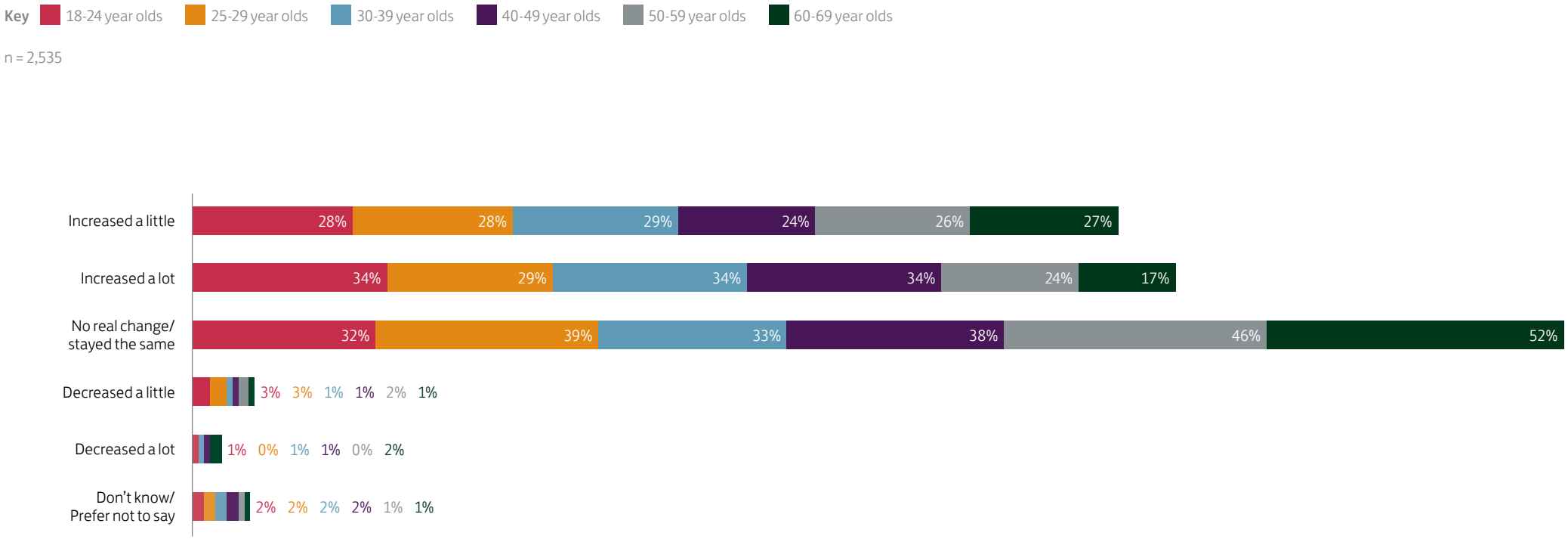
Appendix 1. **Proportion of people using the listed devices for online banking, 2021 and 2020** *(click to return to page 13)*



Appendix 2a. **Thinking specifically about your use of the Internet during the Coronavirus crisis, would you say that, overall (including for work and leisure) your use of the Internet has.... Split by gender (excluding 'Prefer not to say' due to low sample), 2021** *(click to return to page 14)*



Appendix 2b. **Thinking specifically about your use of the Internet during the Coronavirus crisis, would you say that, overall (including for work and leisure) your use of the Internet has....**
Split by age (excluding '70 to 79 year olds' due to low sample), 2021 *(click to return to page 14)*



Appendix 2c. **Thinking specifically about your use of the Internet during the Coronavirus crisis, would you say that, overall (including for work and leisure) your use of the Internet has.... Split by nations and regions, excluding Channel Islands, 2021** *(click to return to page 14)*

n = 2,558

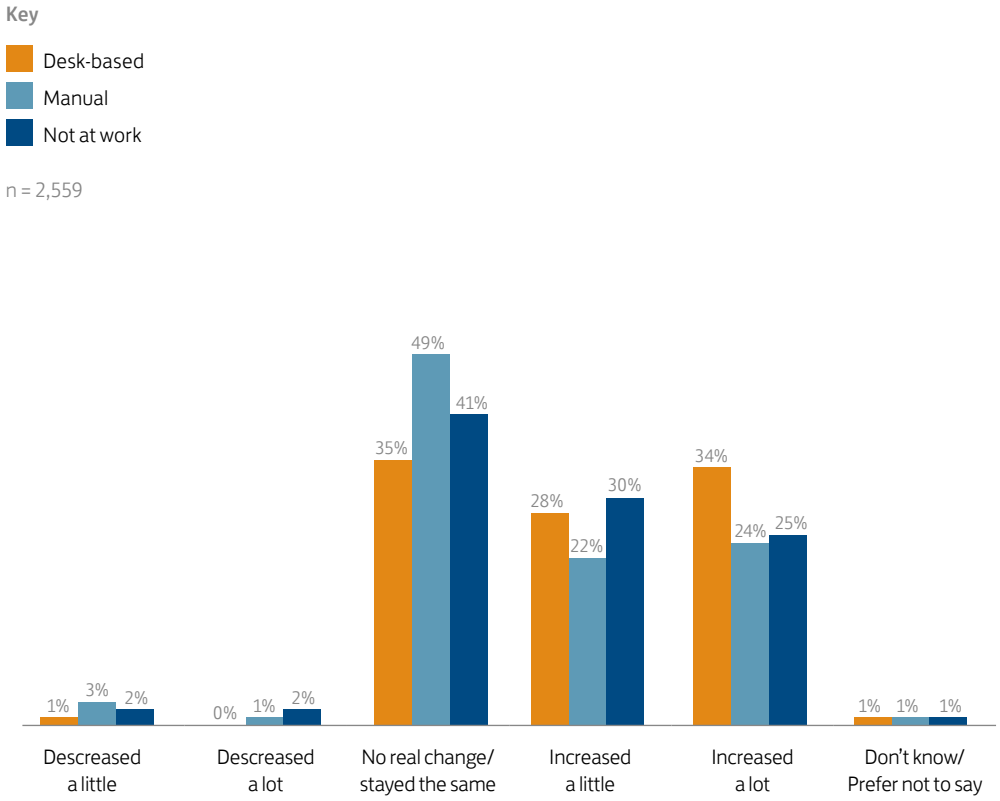
	Increased a little	Increased a lot	No real change/stayed the same	Decreased a little	Decreased a lot	Don't know/ Prefer not to say
East England	23%	28%	46%	0%	1%	3%
East Midlands	32%	22%	41%	3%	1%	2%
London	30%	38%	28%	1%	0%	3%
North East	20%	26%	49%	2%	1%	2%
North West	27%	31%	38%	1%	1%	2%
Scotland	31%	31%	33%	3%	1%	0%
South East	28%	29%	39%	2%	1%	1%
South West	28%	24%	45%	1%	0%	1%
Wales	21%	31%	44%	1%	3%	0%
West Midlands	21%	31%	44%	2%	1%	2%
Yorkshire and the Humber	26%	24%	46%	1%	1%	2%

Appendix 2d. **Thinking specifically about your use of the Internet during the Coronavirus crisis, would you say that, overall (including for work and leisure) your use of the Internet has.... Split by digital engagement segments, 2021** *(click to return to page 14)*

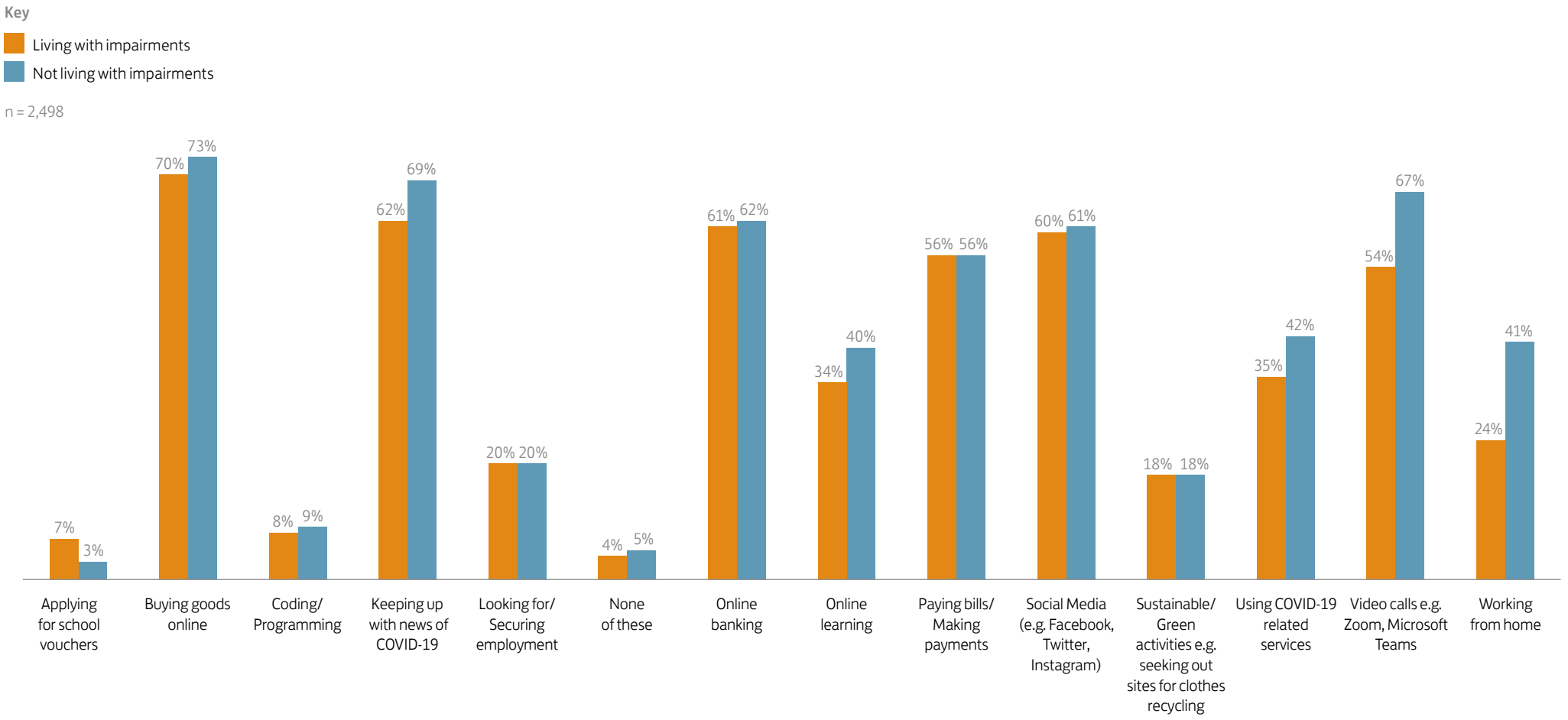
n = 2,559

	VERY LOW	LOW	HIGH	VERY HIGH
Increased a little	25%	26%	27%	27%
Increased a lot	20%	23%	29%	32%
No real change/stayed the same	48%	46%	39%	37%
Decreased a little	2%	2%	2%	1%
Decreased a lot	2%	2%	1%	0%
Don't know/Prefer not to say	2%	2%	2%	2%

Appendix 2e. **Thinking specifically about your use of the Internet during the Coronavirus crisis, would you say that, overall (including for work and leisure) your use of the Internet has.... Split by selected occupation type and working status, 2021** *(click to return to page 14)*



Appendix 3. **For which of the following, if any, have you used the Internet for, for the first time during the Coronavirus crisis? Split by those living with or without impairment (excluding 'Prefer not to say' due to low sample) 2021** *(click to return to page 15)*



Appendix 4a. **For which of the following, if any, have you used the Internet for, for the first time during the Coronavirus crisis? Split by age (excluding '70 to 79 year olds' due to low sample) 2021** *(click to return to page 15)*

n = 2,535

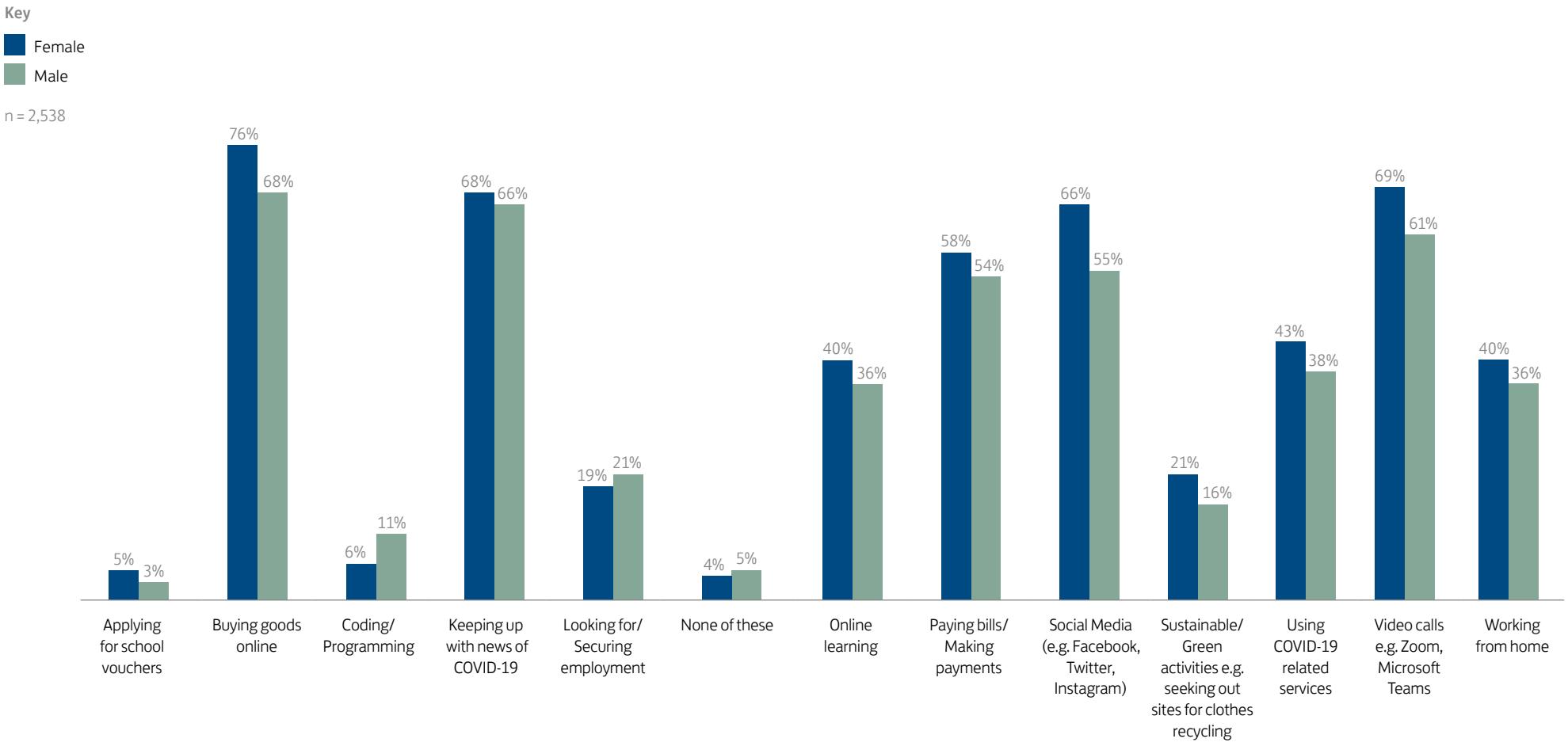
	18-24 year olds	25-29 year olds	30-39 year olds	40-49 year olds	50-59 year olds	60-69 year olds
Applying for school vouchers	5%	5%	7%	7%	2%	0%
Buying goods online	74%	73%	77%	70%	70%	65%
Coding/Programming	16%	11%	11%	9%	5%	4%
Keeping up with news of COVID-19	70%	74%	72%	69%	64%	55%
Looking for/Securing employment	39%	28%	24%	19%	15%	4%
None of these	2%	3%	4%	4%	6%	8%
Online learning	57%	48%	47%	38%	28%	21%
Paying bills/Making payments	64%	60%	59%	56%	51%	51%
Social Media (e.g. Facebook, Twitter, Instagram)	77%	74%	65%	58%	54%	41%
Sustainable/Green activities e.g. seeking out sites for clothes recycling	20%	22%	24%	20%	13%	12%
Using COVID-19 related services	40%	43%	46%	46%	36%	32%
Video calls e.g. Zoom, Microsoft Teams	72%	67%	75%	69%	58%	48%
Working from home	45%	37%	47%	46%	35%	19%

Appendix 4b. **For which of the following, if any, have you used the Internet for, for the first time during the Coronavirus crisis? Split by digital engagement segment, 2021** *(click to return to page 15)*

n = 2,559

	VERY LOW	LOW	HIGH	VERY HIGH
Applying for school vouchers	2%	2%	4%	6%
Buying goods online	56%	65%	74%	77%
Coding/Programming	4%	7%	9%	10%
Keeping up with news of COVID-19	53%	56%	69%	73%
Looking for/Securing employment	14%	14%	22%	22%
None of these	11%	9%	3%	3%
Online learning	20%	28%	41%	45%
Paying bills/Making payments	36%	48%	58%	63%
Social Media (e.g. Facebook, Twitter, Instagram)	46%	47%	62%	68%
Sustainable/Green activities e.g. seeking out sites for clothes recycling	11%	15%	19%	21%
Using COVID-19 related services	28%	31%	42%	46%
Video calls e.g. Zoom, Microsoft Teams	43%	52%	68%	70%
Working from home	22%	31%	41%	43%

Appendix 5. **For which of the following, if any, have you used the Internet for, for the first time during the Coronavirus crisis? Split by gender (excluding 'Prefer not to say' due to low sample), 2021** *(click to return to page 15)*

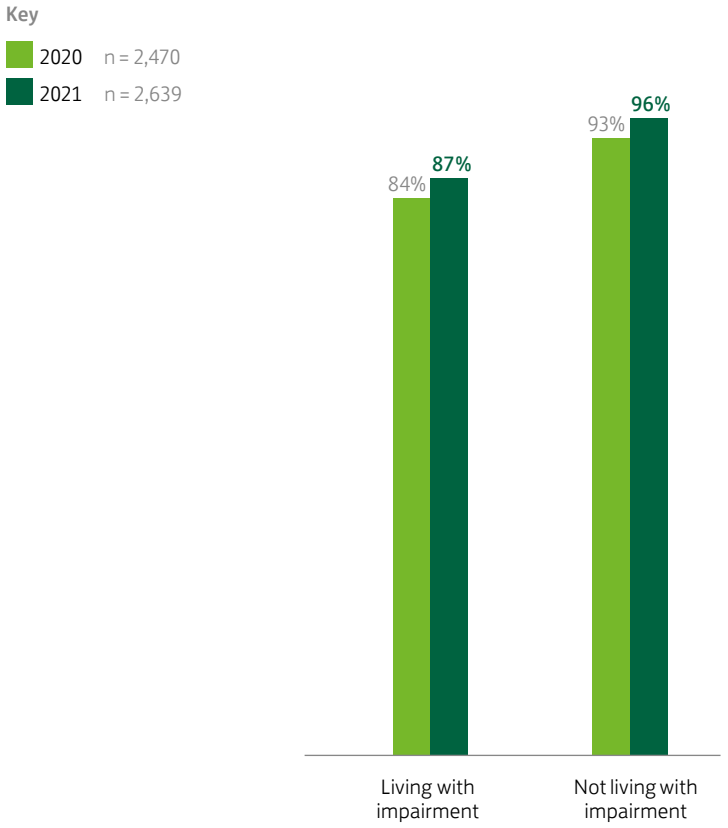


Appendix 6. **Increased online spend and number of online transactions since 2020, among online shoppers in both 2020 and 2021, split by nation and region** *(click to return to page 17)*

n = 881,270

	Increased spend	Increased transactions	Average spend per transaction
East England	**£1,828**	**28**	**£65**
East Midlands	**£1,278**	**30**	**£43**
London	**£2,343**	**25**	**£94**
North East	**£1,670**	**33**	**£51**
North West	**£1,913**	**32**	**£60**
South East	**£1,597**	**28**	**£56**
South West	**£1,433**	**27**	**£53**
West Midlands	**£1,996**	**30**	**£67**
Yorkshire and the Humber	**£2,100**	**33**	**£64**
Scotland	**£1,623**	**30**	**£54**
Wales	**£2,149**	**31**	**£69**
England	**£1,786**	**30**	**£60**
UK Average	**£1,796**	**30**	**£60**

Appendix 7. **Have you used the Internet in the last three months? Split by those living with, or without, impairments (excluding 'Prefer not to say' due to low sample) 2021** *(click to return to page 19)*



Appendix 8. **Which, if any, of the following technologies do you use? Split by digital engagement segments, 2021** *(click to return to page 19)*

n = 2,703

	VERY LOW	LOW	HIGH	VERY HIGH
Face, fingerprint or other biometric recognition tools	21%	36%	61%	72%
Screen readers such as JAWS, Dragon, Texthelp or ClaroRead	2%	2%	5%	3%
Technology to help with dexterity/ mobile impairments	5%	4%	10%	8%
Voice assistants such as Alexa, Siri or Google Assistant	23%	33%	47%	54%

Appendix 9. **Which, if any, of the following technologies do you use? Split by age (excluding '70 to 79 year olds' due to low sample) 2021** *(click to return to page 19)*

n = 2,675

	18-24 year olds	25-29 year olds	30-39 year olds	40-49 year olds	50-59 year olds	60-69 year olds
Face, fingerprint or other biometric recognition tools	71%	67%	60%	60%	51%	33%
Screen readers such as JAWS, Dragon, Texthelp or ClaroRead	4%	4%	6%	3%	3%	2%
Technology to help with dexterity/mobile impairments	10%	10%	12%	9%	5%	3%
Voice assistants such as Alexa, Siri or Google Assistant	51%	50%	46%	47%	44%	31%

Appendix 10. **Have you had money management advice or guidance from any of the following? Split by digital engagement segments, 2021** *(click to return to page 21)*

n = 2,703

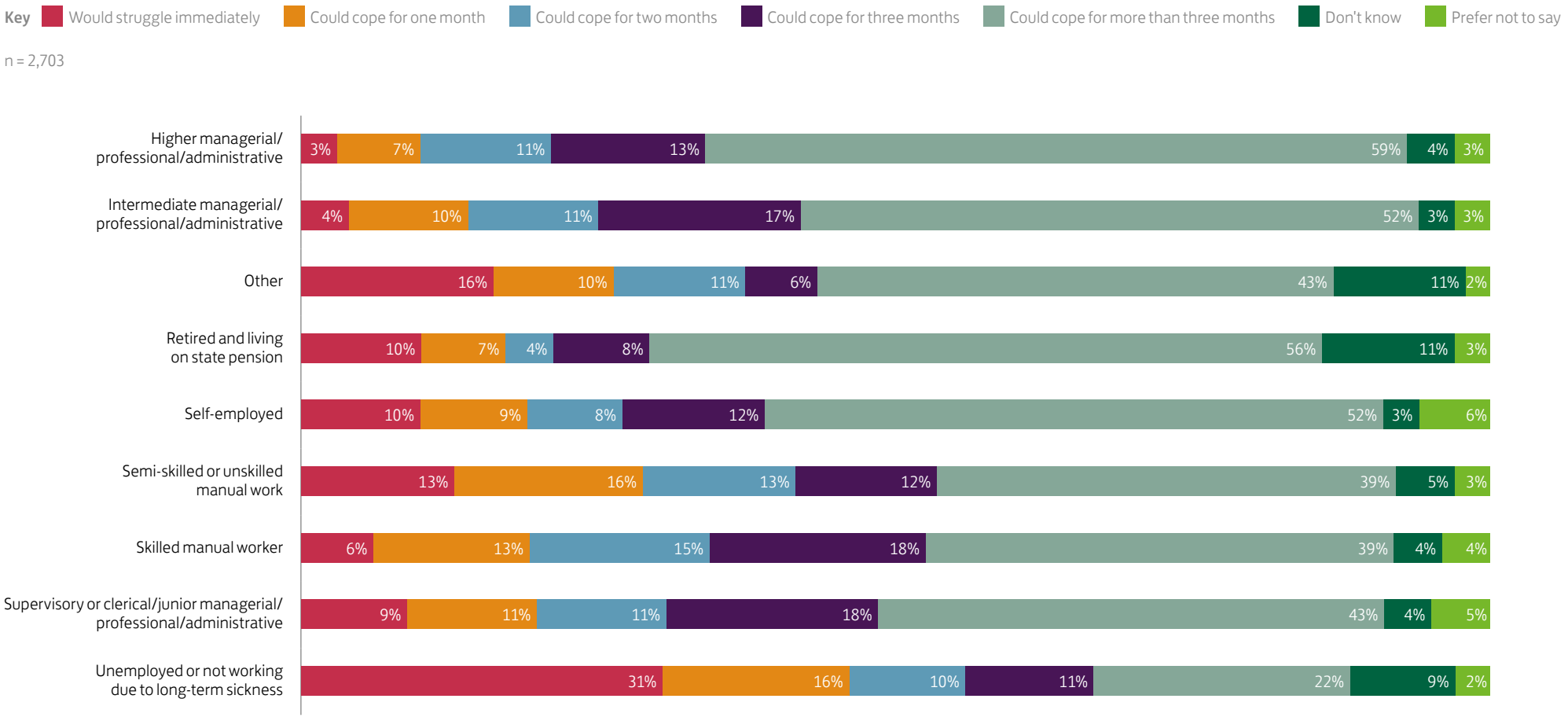
	VERY LOW	LOW	HIGH	VERY HIGH	UK AVERAGE
Independent Financial Advisor	22%	31%	30%	26%	28%
Informal advice from friends and family	34%	44%	56%	58%	52%
None of these/Have not had advice	39%	26%	22%	22%	25%
Online forums/websites	7%	18%	24%	21%	20%
Organisations like Money Advice Service, Citizens Advice or StepChange	10%	11%	14%	19%	14%
Speaking to your bank	39%	45%	48%	49%	47%
Your bank's website/webchat	9%	25%	36%	37%	31%

Appendix 11. **Imagine now that you suffered a financial shock and you suddenly lost your regular income. Based on financial reserves you have in place, for how many months do you think you could cope, i.e. paying living expenses like food and bills, if no replacement income was immediately available? Split by digital engagement segment, 2021** *(click to return to page 22)*

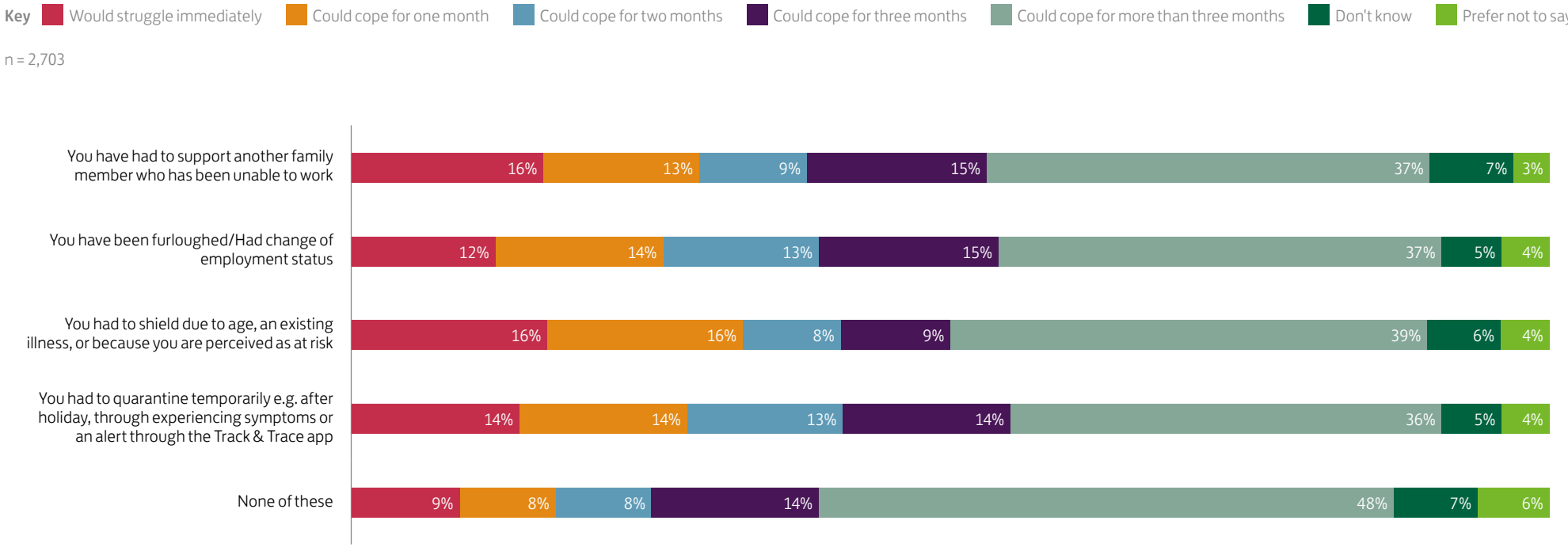
n = 2,703

	VERY LOW	LOW	HIGH	VERY HIGH
Would struggle immediately	13%	8%	9%	17%
Could cope for one month	10%	5%	13%	13%
Could cope for two months	8%	7%	11%	11%
Could cope for three months	12%	13%	13%	16%
Could cope for more than three months	43%	53%	43%	35%
Don't know	8%	7%	6%	4%
Prefer not to say	6%	7%	4%	4%

Appendix 12a. **Imagine now that you suffered a financial shock and you suddenly lost your regular income. Based on financial reserves you have in place, for how many months do you think you could cope, i.e. paying living expenses like food and bills, if no replacement income was immediately available? Split by occupation/working status, 2021** *(click to return to page 22)*



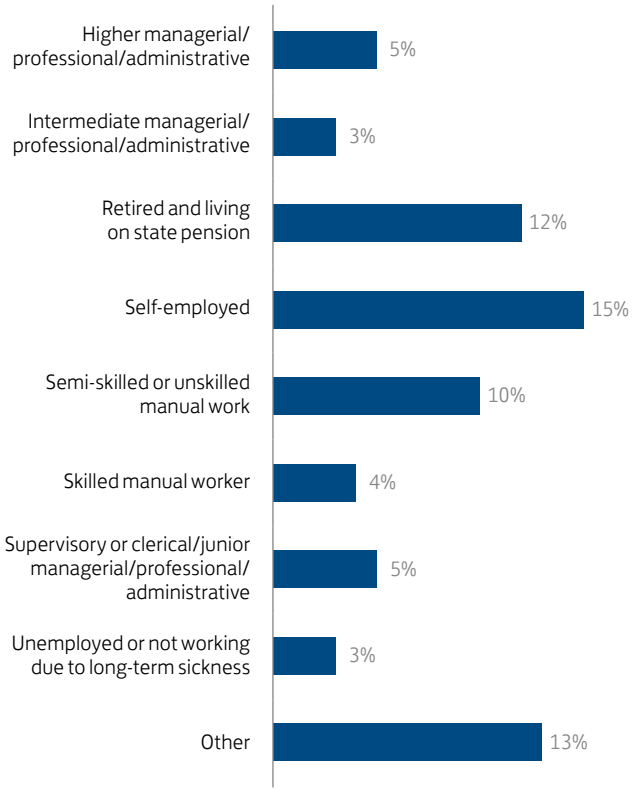
Appendix 12b. **Imagine now that you suffered a financial shock and you suddenly lost your regular income. Based on financial reserves you have in place, for how many months do you think you could cope, i.e. paying living expenses like food and bills, if no replacement income was immediately available? Split by status during pandemic, 2021** *(click to return to page 22)*



Appendix 12c. **Year-on-year percentage point change for 'Imagine now that you suffered a financial shock and you suddenly lost your regular income. Based on financial reserves you have in place, for how many months do you think you could cope, i.e. paying living expenses like food and bills, if no replacement income was immediately available? Could cope for more than three months' Split by occupation/working status, 2021** *(click to return to page22)*

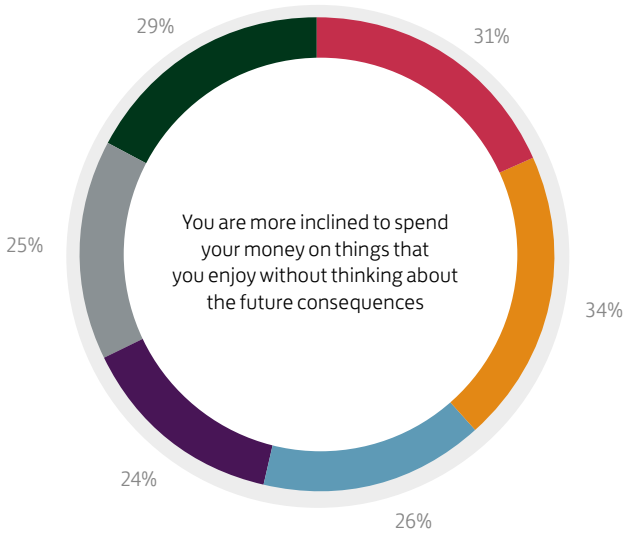
n = 2,703

Percentage point change since 2020 for those who could cope for more than three months



Appendix 13a. **How has the COVID-19 situation changed your financial priorities, if at all? Would you say due to the virus... Split by age (excluding '70 to 79 year olds' due to low sample) 2021** *(click to return to page23)*

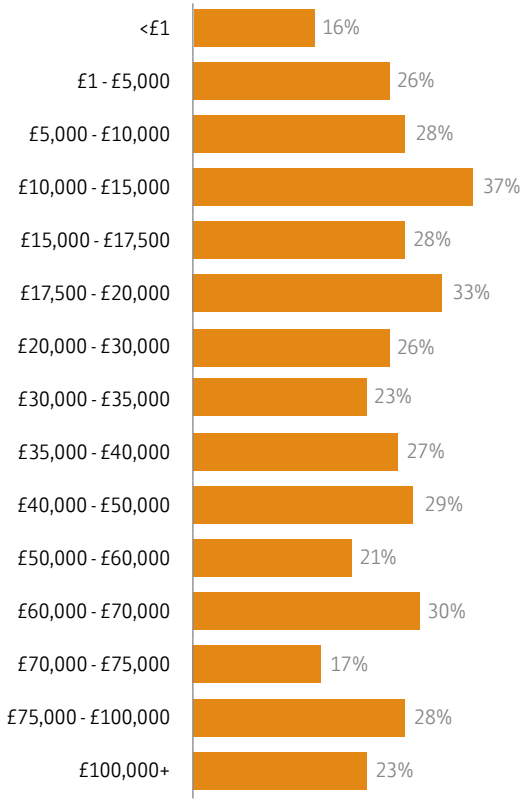
n = 2,675



Appendix 13b. **How has the COVID-19 situation changed your financial priorities, if at all? Would you say due to the virus... Split by annual income, 2021** *(click to return to page 23)*

n = 2,703

You are more inclined to spend your money on things that you enjoy without thinking about the future consequences



Appendix 13c. **How has the COVID-19 situation changed your financial priorities, if at all? Would you say due to the virus... Split by occupations and working status where sample allows, 2021** *(click to return to page 23)*

n = 2,210

You are more inclined to spend your money on things that you enjoy without thinking about the future consequences

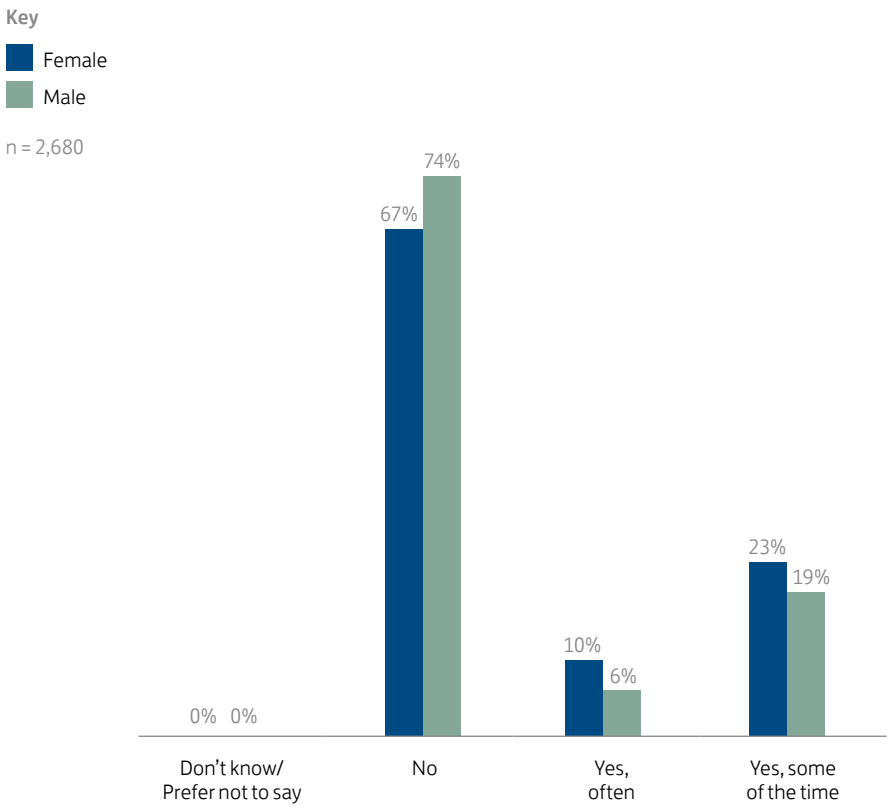
Appendix 14. **When it comes to how you think and feel about your finances, how much do you agree or disagree with these statements? Worrying about money often affects my sleeping. Split by digital engagement segments, 2021** *(click to return to page 23)*

n = 2,703

	VERY LOW	LOW	HIGH	VERY HIGH
Agree	13%	15%	14%	20%
Agree strongly	6%	5%	5%	7%
Disagree	39%	35%	40%	35%
Disagree strongly	31%	36%	30%	28%
Don't know/Prefer not to say	1%	1%	0%	1%
Neither agree nor disagree	10%	8%	10%	10%

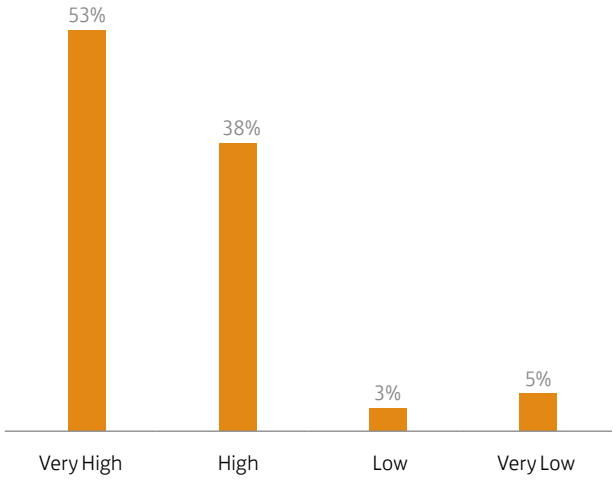
Appendix 15. **Does your current financial situation cause you to feel stressed or overwhelmed? Split by gender (excluding 'prefer not to say' due to low sample) 2021** *(click to return to page 24)*

n = 2,680

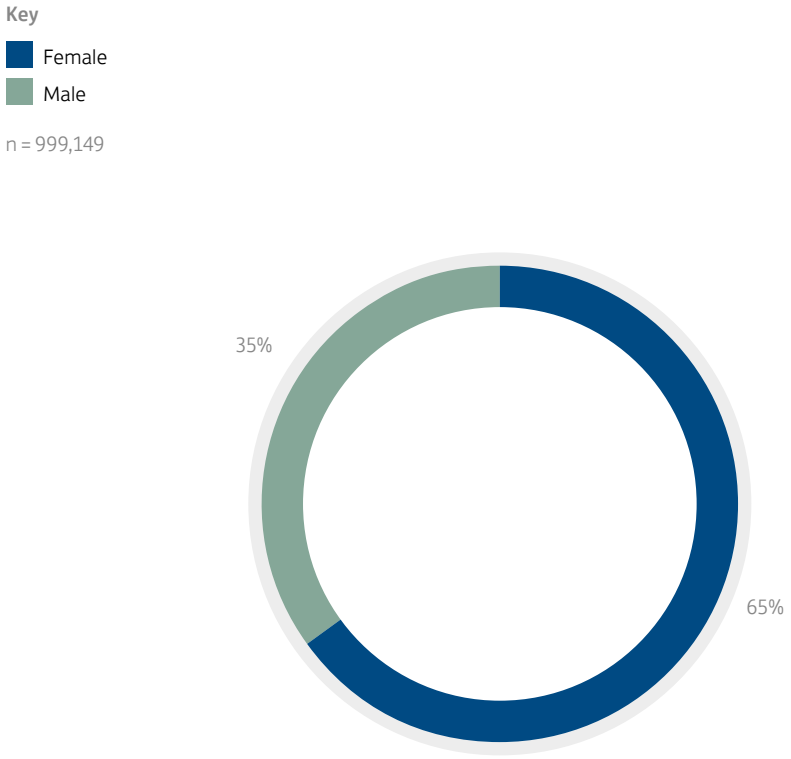


Appendix 16. **Proportion of people using 'Buy Now Pay Later' services, split by digital engagement segments, 2021** *(click to return to page 25)*

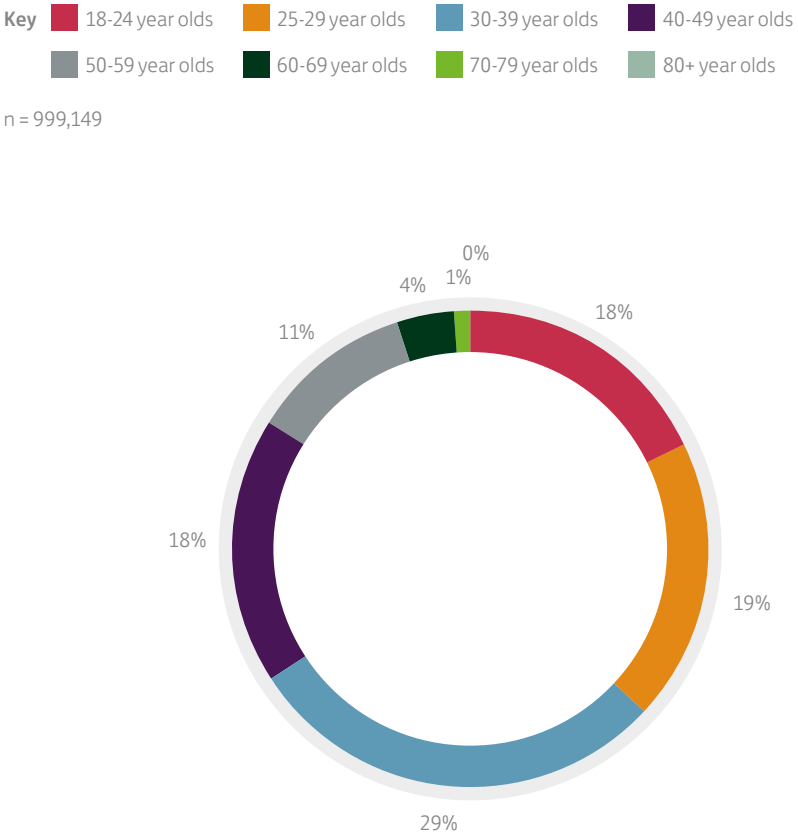
n = 999,149



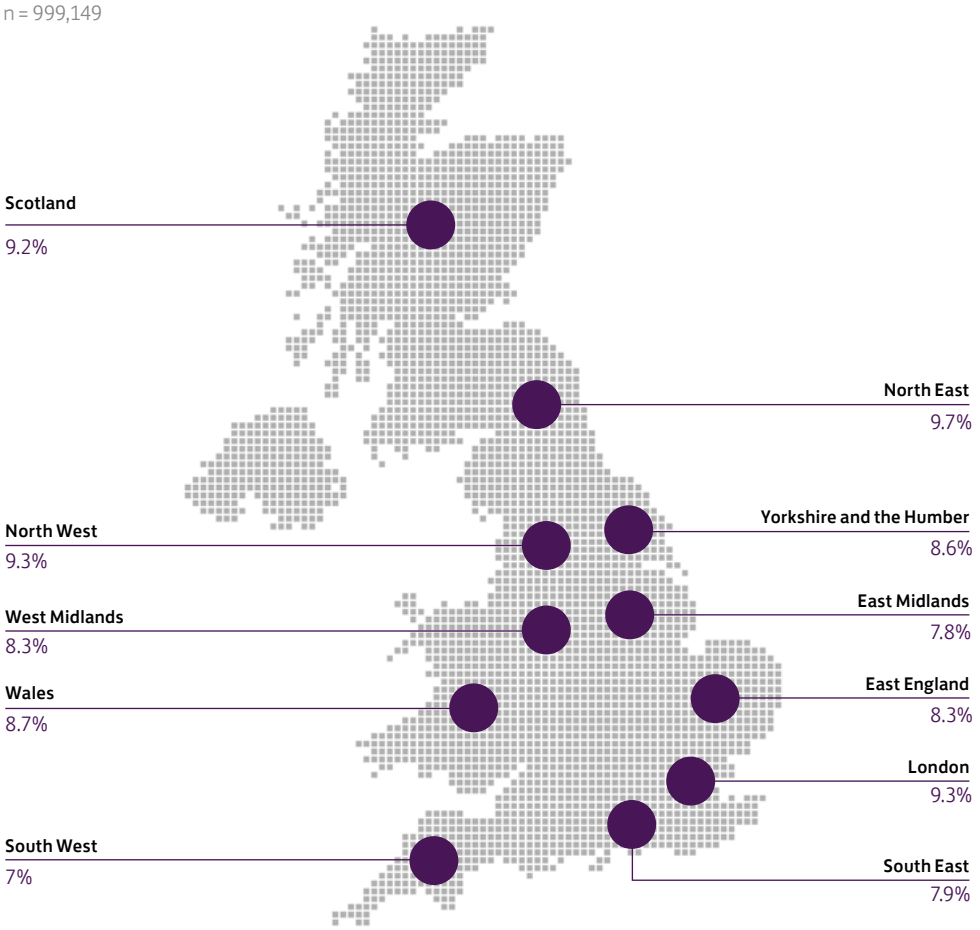
Appendix 17. **Proportion of people using 'Buy Now Pay Later' services, split by gender, 2021** *(click to return to page 25)*



Appendix 18. **Proportion of people using 'Buy Now Pay Later' services, split by age, 2021** *(click to return to page 25)*



Appendix 19. **Proportion of people using 'Buy Now Pay Later' services, split by nations and regions, 2021** *(click to return to page 25)*

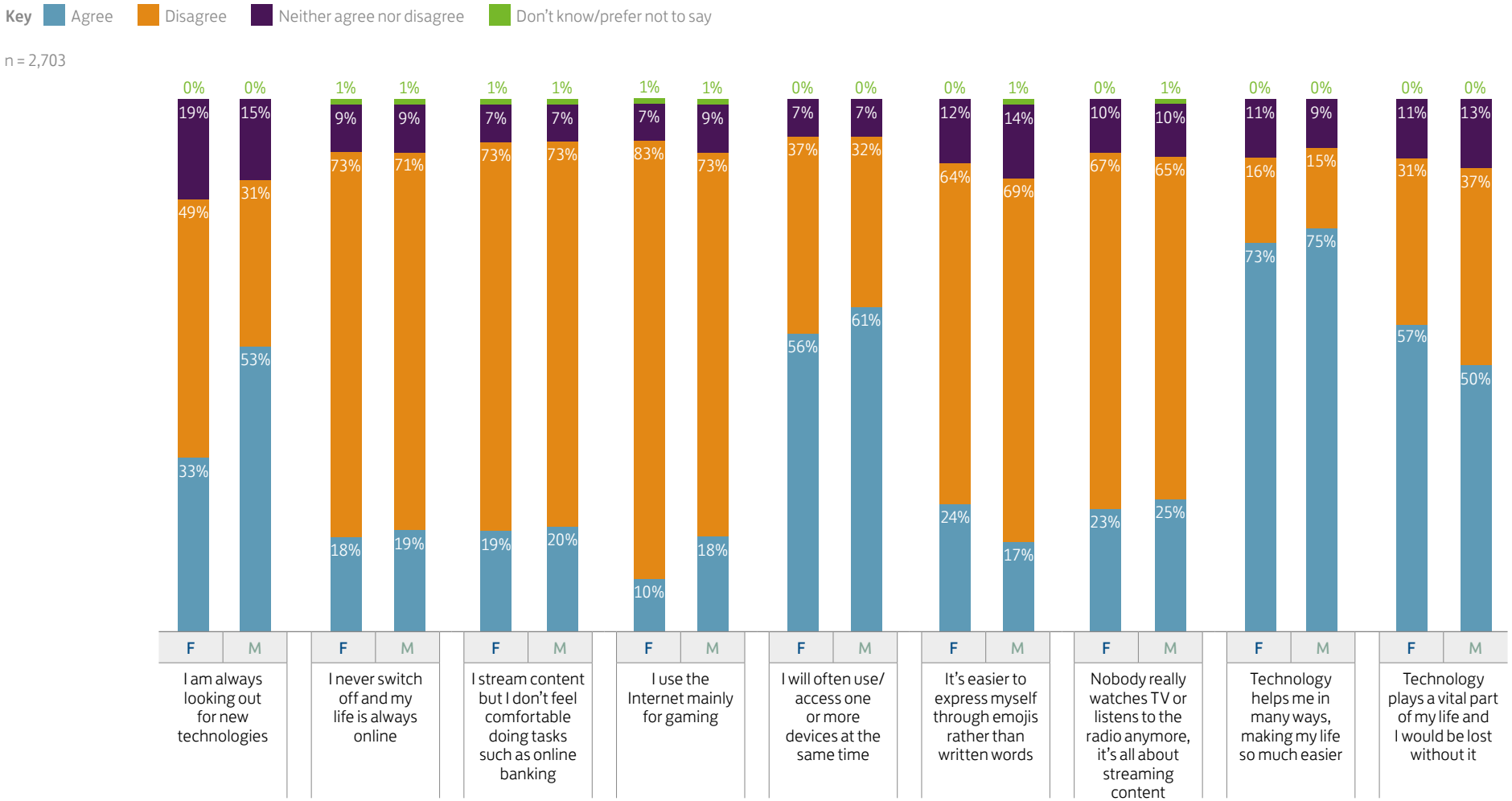


Appendix 20. **Proportion of respondents to the questions 'Thinking about the Coronavirus crisis, have you experienced any of the following?' and 'Here are some things people sometimes say about going online. Do you agree with the following statements?'** *(click to return to page 27)*

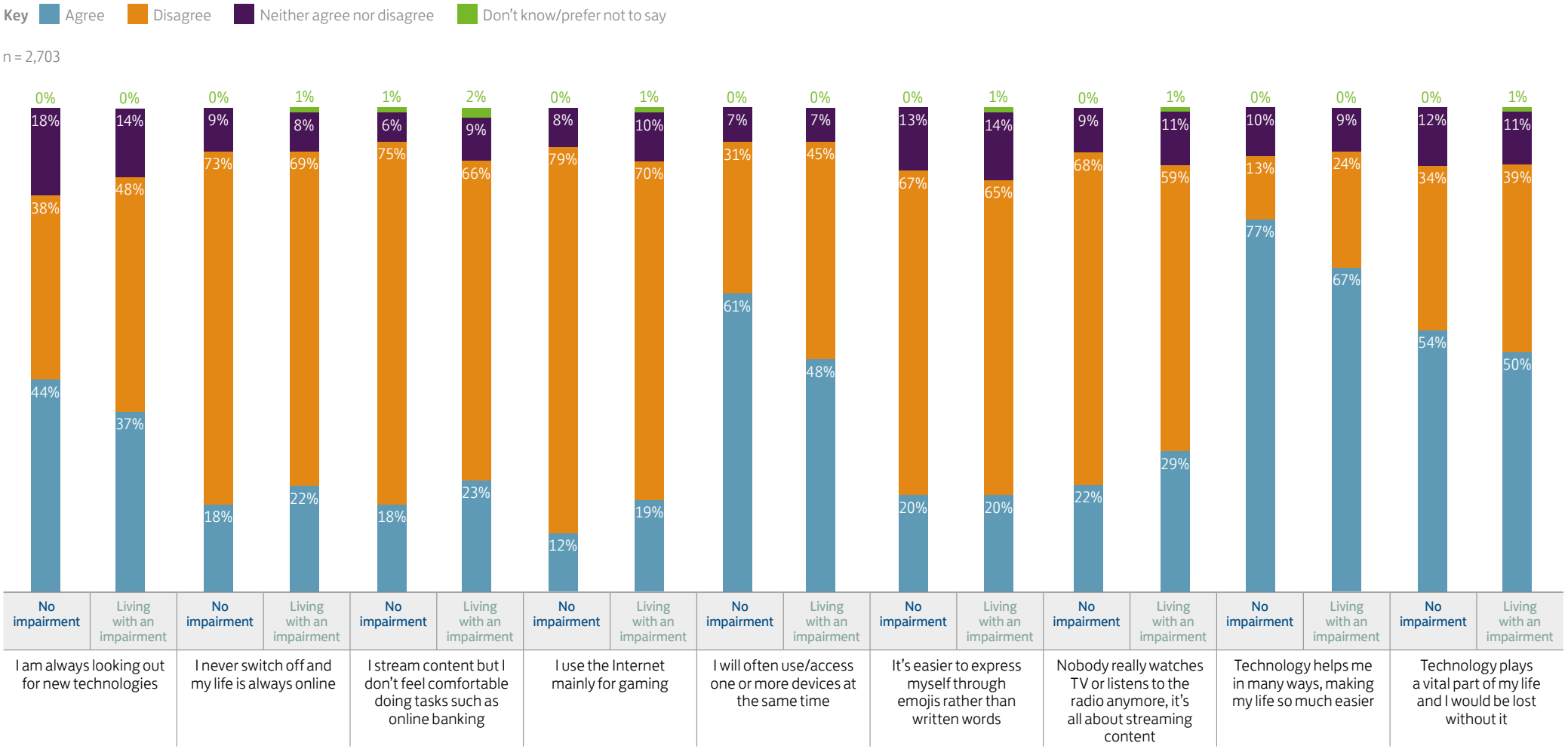
n = 2,559

			Here are some things people sometimes say about going online. Do you agree with the following statements?			
			I wouldn't have coped through the Coronavirus crisis without digital technology		My use of digital tools has helped me feel more positive during the coronavirus crisis	
			No	Yes	No	Yes
Thinking about the Coronavirus crisis, have you experienced any of the following?	You have been furloughed/ Had change of employment status	No	49%	51%	42%	58%
		Yes	40%	60%	35%	65%
	You had to quarantine temporarily e.g. after holiday, through experiencing symptoms or an alert through the Track & Trace app	No	50%	50%	43%	57%
		Yes	37%	63%	30%	70%
	You have had to support another family member who has been unable to work	No	47%	53%	40%	60%
		Yes	43%	57%	37%	63%
	You had to shield due to age, an existing illness, or because you are perceived to be at risk	No	47%	53%	40%	60%
		Yes	47%	53%	39%	61%
	None of these	No	42%	58%	36%	64%
		Yes	53%	47%	46%	54%

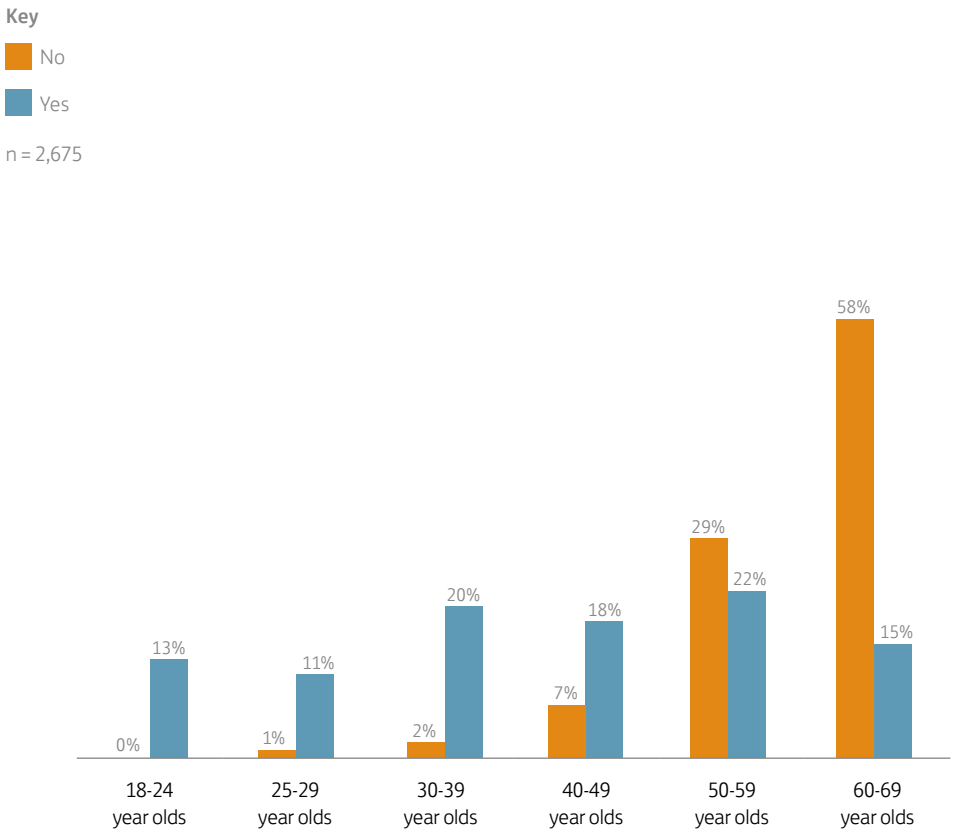
Appendix 21. **To what degree do you personally agree or disagree with each of the following statements about technology? Split by gender, 2021** *(click to return to page 27)*



Appendix 22. **To what degree do you personally agree or disagree with each of the following statements about technology? Split by impairment, 2021** *(click to return to page 27)*



Appendix 23. **Have you used the Internet in the last three months? Split by age (excluding '70 to 79 year olds' due to low sample) 2021** *(click to return to page 29)*



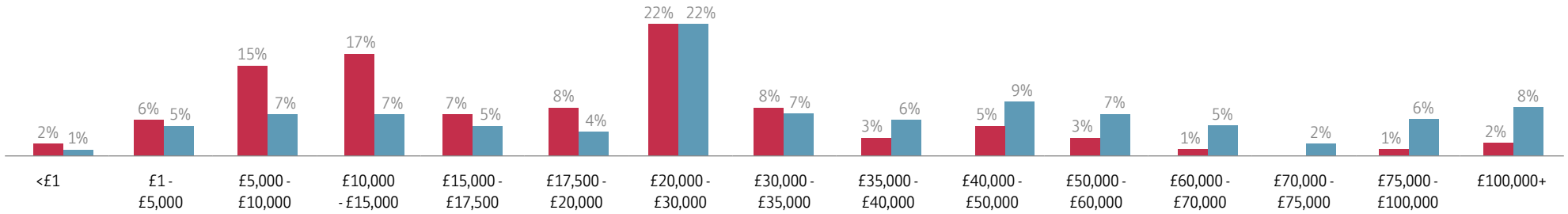
Appendix 24. **Have you used the Internet in the last three months? Split by annual income, 2021** *(click to return to page 29)*

Key

No

Yes

n = 2,703



Appendix 25a. **Do you think your digital skills have improved as a result of the outbreak of the Coronavirus crisis? Split by nations and regions, 2021** *(click to return to page 31)*

n = 2,703

	Don't know/ Prefer not to say	No, although I do feel that they need improving	No, but I do not feel they need improving	Yes
East England	5%	7%	61%	27%
East Midlands	3%	10%	61%	26%
London	2%	13%	44%	41%
North East	4%	11%	62%	23%
North West	4%	9%	59%	27%
Scotland	2%	7%	55%	35%
South East	2%	10%	57%	31%
South West	3%	14%	59%	24%
Wales	0%	20%	57%	23%
West Midlands	2%	12%	59%	27%
Yorkshire and the Humber	3%	15%	56%	26%

Appendix 25b. **Do you think your digital skills have improved as a result of the outbreak of the Coronavirus crisis? Split by digital engagement segments, 2021** *(click to return to page 31)*

n = 2,703

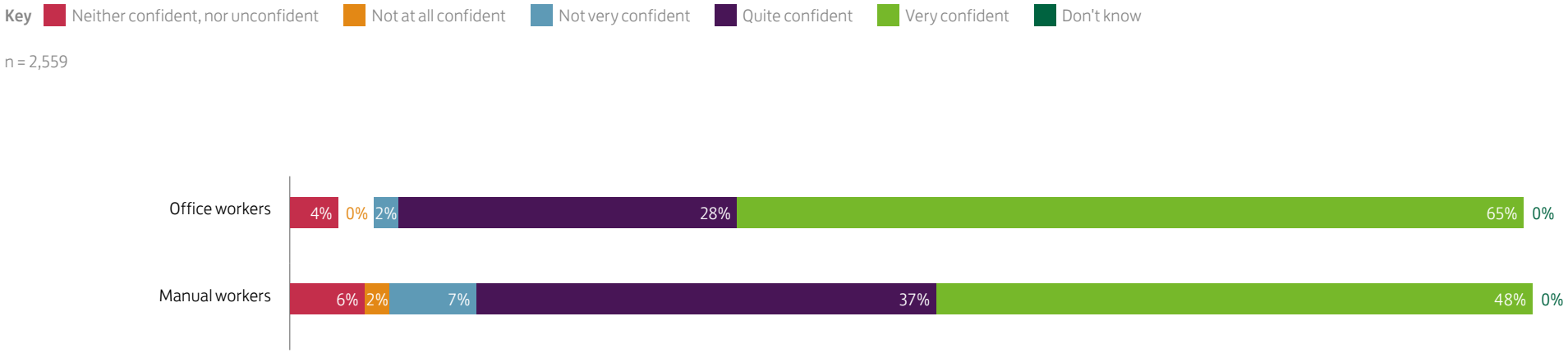
	VERY LOW	LOW	HIGH	VERY HIGH
Don't know/Prefer not to say	6%	1%	3%	1%
No, although I do feel that they need improving	21%	15%	11%	7%
No, but I do not feel they need improving	52%	59%	56%	62%
Yes	21%	25%	31%	31%

Appendix 25c. **Do you think your digital skills have improved as a result of the outbreak of the Coronavirus crisis? Split by age (excluding '70 to 79 year olds' due to low sample) 2021** *(click to return to page 31)*

n = 2,703

	18-24 year olds	25-29 year olds	30-39 year olds	40-49 year olds	50-59 year olds	60-69 year olds
Don't know/Prefer not to say	2%	1%	4%	2%	3%	3%
No, although I do feel that they need improving	6%	8%	8%	12%	12%	19%
No, but I do not feel they need improving	59%	64%	60%	50%	59%	54%
Yes	34%	27%	28%	35%	27%	23%

Appendix 26. **How confident would you say that you are in using the Internet? Split by occupation, 2021** *(click to return to page 32)*



Appendix 27. **What would be the easiest way for you to learn new digital skills? Split by age (excluding '70 to 79 year olds' due to low sample) 2021** *(click to return to page 36)*

n = 2,559

	18-24 year olds	25-29 year olds	30-39 year olds	40-49 year olds	50-59 year olds	60-69 year olds
Bank staff	50%	35%	39%	33%	28%	29%
Evening classes	39%	39%	36%	33%	25%	21%
Family	62%	66%	63%	59%	62%	69%
Friends	75%	75%	68%	69%	61%	62%
Large company/recognisable brand	55%	54%	49%	48%	36%	24%
Local support e.g. Online Centres; Local library, digital skills charity	41%	41%	40%	35%	31%	26%
None of these	1%	0%	1%	1%	2%	3%
Online information sources (e.g. YouTube)	88%	89%	86%	82%	76%	62%
Other	1%	3%	2%	3%	3%	2%
School	54%	42%	41%	32%	16%	11%
Self-taught	87%	85%	82%	80%	76%	70%
Through work	68%	65%	69%	62%	55%	29%

Appendix 28. **What would be the easiest way for you to learn new digital skills? Split by digital engagement segments, 2021** *(click to return to page 36)*

n = 2,559

	VERY LOW	LOW	HIGH	VERY HIGH
Bank staff	27%	36%	34%	39%
Evening classes	31%	26%	32%	33%
Family	66%	63%	63%	64%
Friends	64%	65%	68%	70%
Large company/recognisable brand	31%	34%	44%	50%
Local support e.g. Online Centres; Local library, digital skills charity	36%	31%	34%	38%
None of these	3%	2%	1%	1%
Online information sources (e.g. YouTube)	62%	75%	82%	85%
Other	2%	1%	3%	1%
School	18%	20%	32%	38%
Self-taught	62%	82%	81%	83%
Through work	38%	46%	61%	62%

Appendix. **Listed demographics available across either transactional or survey sample, split by digital engagement segments, 2021**

			VERY LOW	LOW	HIGH	VERY HIGH
Transactional sample (n = 999,149)		UK average	29%	11%	41%	19%
		Benefit claimant	34%	9%	34%	23%
	Gender	Female	30%	10%	40%	20%
		Male	28%	11%	43%	19%
	Age	18-24	6%	4%	54%	36%
		25-29	5%	4%	52%	38%
		30-39	9%	6%	54%	32%
		40-49	17%	9%	51%	22%
		50-59	29%	13%	45%	13%
		60-69	44%	17%	32%	7%
		70-79	64%	17%	17%	2%
		80+	82%	12%	6%	0%
	Nation	Wales	33%	10%	39%	17%
		Scotland	30%	11%	40%	18%
		England	28%	11%	42%	19%
	Annual Income	<£20,000	41%	12%	37%	11%
		£20-30,000	29%	10%	43%	18%
		£30-40,000	23%	10%	45%	22%
		£40-50,000	21%	10%	44%	25%
		£50-60,000	21%	10%	44%	25%
		£60-70,000	21%	10%	44%	26%
		>£70,000	19%	10%	42%	29%
Survey Sample (n = 2,703)		UK average	15%	10%	51%	24%
		Living with impairments	23%	12%	42%	23%
		Office workers (junior, intermediate and higher managerial)	8%	9%	55%	28%
		Manual workers (unskilled, semi-skilled, skilled)	15%	8%	52%	26%
		Unemployed or off work due to long term illness	18%	13%	44%	25%
		Had to quarantine	9%	9%	53%	29%
		Had to shield	24%	10%	45%	21%
		Furloughed/change in employment status	11%	8%	52%	29%
		Had to support family member unable to work	14%	8%	48%	30%

Lloyds Bank UK Consumer Digital Index 2021

Join the conversation:

- The report and other content can be found online: **lloydsbank.com/consumerdigitalindex**
- Please refer to our website for appendices, national and regional data and helpful links and resources
- Please get in touch at: **DigitalSkillsInclusion@lloydsbanking.com**
- For more information on the Lloyds Bank Academy please visit: **lloydsbankacademy.co.uk**
- Join the conversation: **#ConsumerDigitalIndex** **@LloydsBankNews**

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

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 UK Government to understand more about our nation's digital and financial inclusion landscape.

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