



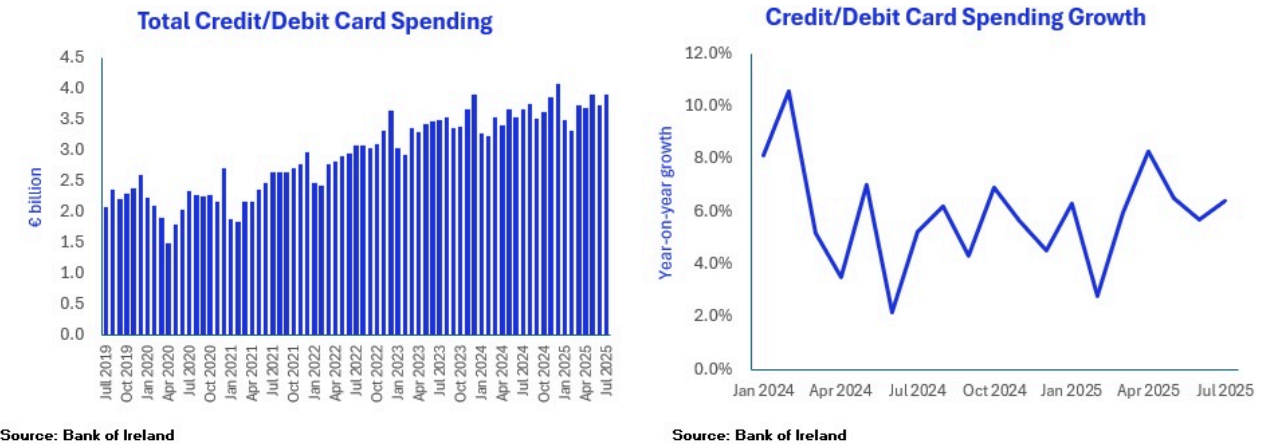
Spending on Bank of Ireland Credit/Debit Cards up 6.4% in July

This month’s Bank of Ireland credit/debit card data shows consumer spending expanding at a healthy pace of 6.4% year-on-year in July 2025, similar to May and June. Spending growth remains well above the rate of inflation, which came in at 1.7% in July. Growth was broad based across Retail, Services and Social sectors. Most other indicators of consumer spending remain solid, despite fairly soft consumer confidence. It is to be hoped that the trade/tariff deal recently agreed between the EU and the US may provide a bit of a boost to sentiment – however, as it was agreed at the end of July we will have to wait until we get August and September data to begin to gauge its effect on spending.

Card spending up 6.4% annually: Credit and debit card spending in July was €3.9bn, up 6.4% annually, similar to the growth rates seen in May (6.5%) and June (5.7%). This rate of growth remains well above consumer price inflation, which registered 1.7% in July, indicating significant increases in spending in real (inflation adjusted) terms. In our most recent set of Irish economic forecasts, published in July, we increased our projection for consumer spending growth in 2025 in volume terms to 2.7% - this latest data indicates that there may be some upside risks to that forecast.

Broad based growth: Retail sector spending came in at €1.36 billion in July, up just over 3% annually - spending on electrical goods remained strong, rising by 13.3% year-on-year. Services sector spending came in at €750 million, up 3.2% relative to July 2024. Social spending was €383 million in the month, up 4.3% on last year, helped by solid growth in restaurant and bar spending. ATM withdrawals continue to decline, down 2% year-on-year, and they now amount to 13.2% of all card spending, down from roughly 30% over the past five years as cash use has steadily declined.

Solid card spending data tallies with other indicators of consumer spending: National accounts data showed consumption spending was up a solid 3% annually in volume terms in Q1 this year, a bit stronger than previously thought. Central Bank of Ireland card spending data for June was also robust, while retail sales have picked up in recent months (sales volumes were up 0.6% month-on-month and 3% year-on-year in June). Government VAT returns have softened a bit of late however, though timing issues can impact this data. Wages and household incomes continue to grow, with disposable income up about 4% in Q1 on an annual basis. As a result, despite rising consumption, households have been able to maintain strong savings - the savings rate rose a touch to 13.4% in Q1, while household deposits rose to €165.8bn in June, up €6.4bn year to date.



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