



Bank of Ireland Card Spending up 5.7% in December

The latest Bank of Ireland credit/debit card data show spending was up 5.7% in December, still ahead of CPI inflation at 3.2% (November), indicating real price adjusted spending growth by Irish households. The 2025 Christmas season had consumers out in force with spending in all the main categories up on December of 2024. Spending in the social (+2.8% year-on-year) and services (+5.7%) areas were up more than retail (+1.0%), though spending on electrical goods was up by 6.3%. There were sizable year-on-year increases in spending on health (+9.5%) and education (+10.5%) and unsurprisingly, given the season, spending on entertainment (+2.8%) and on eating and drinking out (+2.5%). For the year 2025 as a whole, spending on Bank of Ireland cards was up 5.3% as consumers appear to be looking beyond the global economic and political uncertainty of the past year and spending more reflects a domestic economy where activity is increasing, real incomes are rising, unemployment is still low and inflation is moderate, likely averaging a little over 2% last year. CSO data shows that consumer spending averaged 2.9% in the first three quarters of 2025 and this card data supports our view that spending will come in close to this level for the year as a whole.

Credit/Debit Card Spending in December up 5.7% on the year: Bank of Ireland credit/debit card spending was €4.3bn in December - the most in a single month since at least 2019 - up 5.7% on the year. This is a solid pace, still above the current 3.2% pace of Irish CPI inflation (November), indicating real increases in consumer spending by Irish households. While consumer confidence is relatively weak, at 61.2 in December, and well below its long term average, households appear to be happy to continue to spend given hard data shows unemployment remains low, incomes are rising and the domestic economy is growing.

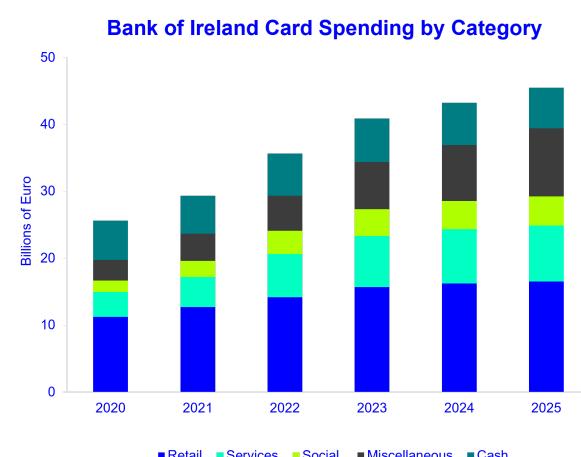
Consumers spending more on social activities and services: Services spending grew by 5.7% year-on-year in December with large increases in education and health. Social spending also increased, by 2.7%, with entertainment spending, up 2.8%, coming in at €132mn and restaurants and pub spending coming in at €270mn, up 2.5%. This is the highest spend in either of these categories in a single month since at least 2019. The spending increase in retail was a little more subdued, at 1%, but, within this, electrical goods were up 6.3% and there was a bigger year-on-year increase in retail spending in earlier months, in October for example, so perhaps consumers brought forward spending on goods this year.

Solid rise in spending in 2025: Looking back on 2025 as a whole, spending has consistently increased across a broad range of goods and services. €16.5bn was spent on retail goods, up 1.8% on 2024, and accounting for over one in every three euro spent on a Bank of Ireland card. Services spending rose 3.4% to €8.4bn while social spending was up 2.7% to €4.3bn. One area which shows a continued fall is cash where ATM withdrawals fell 3.7% last year to under €6bn, well down from a time pre-Covid where cash could account for around 30% of spending every month. In total, €45.5bn was spent on Bank of Ireland cards last year, up 5.3%

Spending in line with expectations: The Q3 national accounts showed that consumer spending grew robustly in first 9 months of the year, up 2.9% on average. This is consistent with other indicators such as the 5.1% rise in VAT receipts in 2025 and the circa 5% rise in earnings to Q3 2025. While inflation has ticked up a little towards the back end of the year, it's likely to average somewhere around 2.2% for the year as whole, and as such this card spending data adds to the evidence that real consumer spending rose by close to 3% in 2025, in line with our forecasts.

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