

MONEYSUPERMARKET

HOUSEHOLD MONEY INDEX

QUARTERLY UPDATE

APRIL 2025

FOREWORD

Welcome to the spring edition of MoneySuperMarket’s Household Money Index, our barometer of the UK’s daily spending. In this edition we discover that rising bills are continuing to squeeze budgets, with people looking to make savings where they can.

Across 31 everyday expenses that we analysed, Brits are spending an average of £50.81 a day.

Our figures show that the average person is spending nearly three quarters of their income on this basket of daily costs, from energy bills and insurance through to food, broadband and subscriptions.

Every day we’re working hard to help people make savings on their household bills. As well as making sure our customers are getting the best value deals, we’ve made our SuperSaveClub even more rewarding. Today over one million members are earning cash rewards and other perks when they use MoneySuperMarket to compare and save.

The cost of motoring is one of the biggest categories of spending in the HMI. As the choice of Electric Vehicles (EVs) grows and more affordable models become available, we look at the cost of getting on the road with an electric car for first time drivers.

MoneySuperMarket data shows there has been a surge in demand for EVs in the last 12 months, with a 14% increase in the volume of insurance policies bought through MoneySuperMarket for EVs in Q1 2025 compared to the same quarter in 2024.

In a previous edition of the HMI, we revealed how the costs for first-time motorists have risen so much that young people have been put off even learning to drive. In this report, we see how environmentally-conscious younger age groups are considering EVs as their first cars, despite the financial costs.

In this edition, we outline the key financial challenges for EV drivers, analyse the 10 core costs of getting on the road with an electric car versus petrol or diesel equivalents and see that insurance policies have become more competitive than you might think.



Sara Newell
Director of Insurance,
MoneySuperMarket

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The latest Household Money Index (HMI) reveals households are now spending an average of £50.81 per day on essential bills and daily expenses – equivalent to £1,524.37 per month.

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See where around the UK has the most and least disposable income left after spending on everyday costs.

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First-time drivers can expect to pay twice as much to get on the road in an EV compared to a petrol car - from driving lessons and insurance to charging and parking.

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Nearly half of under-25s aspire to own an EV, with rising insurance demand indicating many are acting to avoid new tax rules introduced in April.

P7 FEELS ELECTRIC

Cheaper insurance is the top factor that would encourage young drivers to go electric. In some UK regions, under-25s can actually insure an EV for less than a petrol car – see where offers the best and worst value.

HMI BY NUMBERS

The latest Household Money Index, MoneySuperMarket's barometer of the UK's daily spending, reveals that UK households are now spending an average of £1,524.37 per month on essential bills and daily expenses. This equates to a daily cost of £50.81 in a 30-day month.

With an average gross annual income of £31,889, UK households take home £26,479.68 after tax each year, or £2,206.64 per month.

Based on these figures, 69% of the average earner's monthly income is spent on bills and outgoings, leaving an average disposable income of £682.27 per month.

WHAT'S GONE UP?

Spending on a handful of household bills rose in the first quarter of the year, adding pressure to people's budgets.

- Gas and electricity bills increased from £102 to £110 per month
- Rent has gone up from £223 to £235 a month
- Mortgages have risen from £236 to £248

WHAT'S GONE DOWN?

Despite rising costs in some areas, people are seeing savings elsewhere:

- Grocery spending has fallen from £175 to £164
- Vehicle fuel costs have dropped from £50 to £45
- Credit card repayments are down from £70 to £59

INCOME SNAPSHOT

While household costs have risen in some areas, incomes have also experienced a decline:

- Gross annual income has decreased from £32,246 to £31,889
- Annual income after tax has fallen from £26,737 to £26,480
- Monthly income after tax has gone down from £2,229 to £2,207

PRICE HIKES LEAD TO SWITCHING

MoneySuperMarket's data reveals how savvy consumers acted to save on broadband and mobile deals before price increases came into effect.

There were 40% more mobile switches and 47% more broadband switches in March compared to February, coinciding with when customers received notice of 'pounds and pence' price increase from their suppliers.

New Ofcom rules mean companies must tell customers exactly how much price increases in their contract are in pounds and pence - as opposed to percentages or inflation measures.

On MoneySuperMarket, challenger brands including Hyperoptic, Trooli, GiffGaff and Lyca Mobile, have offered users competitively priced deals to combat the price rises.

REGIONAL HIGHLIGHTS

The MoneySuperMarket Household Money Index tracks how much of their income UK households are spending on essential bills and outgoings each quarter. This edition shows that on average, around 69% of the average monthly income goes towards these costs.

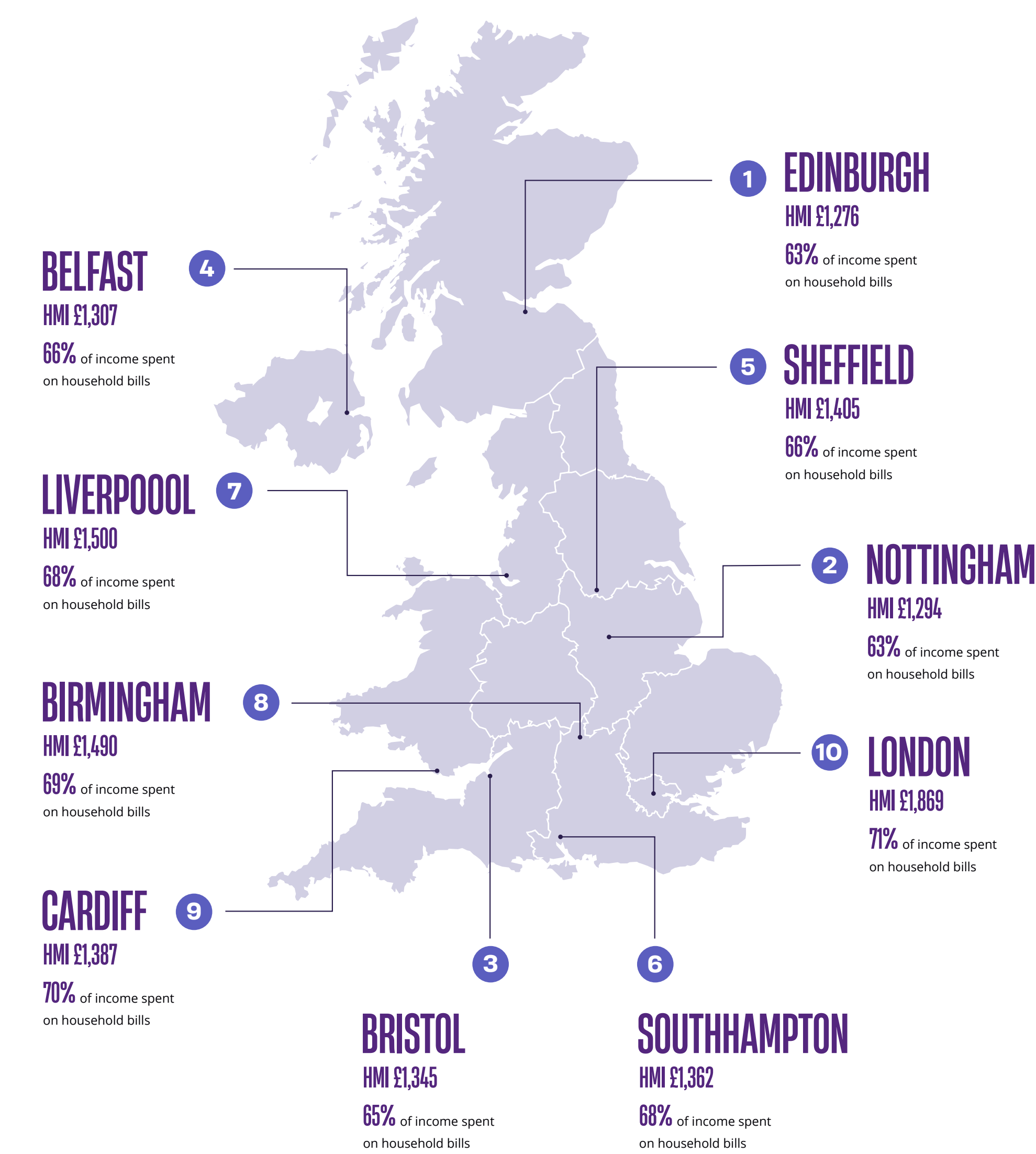
But where you live can make a big difference to how much disposable income you have left each month.

In Manchester, residents are spending roughly 84% of their income on everyday costs (£1,967 per month) - the highest proportion in the UK.

At the other end of the scale, people in Edinburgh spend just £1,276 (63%) of their income on this basket of 31 bills and expenses, meaning it's the city where your money goes the furthest.

Norwich stands out for its lower spend, averaging just £1,190 a month. However, with an average income of £22,518, its residents spend approximately 72% of their income on essentials.

AREAS OF THE UK SPENDING THE LOWEST PERCENTAGE OF INCOME ON HOUSEHOLD BILLS



ANNUAL AVG	% of INCOME	TOTAL HMI	DISPOSABLE INCOME
1. EDINBURGH	63%	£1,276	£755.78
2. NOTTINGHAM	63%	£1,294	£764.12
3. BRISTOL	65%	£1,345	£727.67
4. BELFAST	66%	£1,307	£684.30
5. SHEFFIELD	66%	£1,405	£733.10
6. SOUTHAMPTON	68%	£1,362	£654.83
7. LIVERPOOL	68%	£1,500	£717.50
8. BIRMINGHAM	69%	£1,490	£685.30
9. CARDIFF	70%	£1,387	£606.57
10. LONDON	71%	£1,869	£749.51

ELECTRIC DREAM

The Household Money Index reveals how the average first time driver can expect to spend double the amount getting on the road in an electric vehicle (EV) compared to a petrol car.

From driving lessons and insurance through to charging and parking tickets, we analysed 16 million data points that comprise the 10 core costs of getting on the road – using the most popular cars for first time drivers.

It showed the average cost for a young adult under 25 or someone who has held a licence for less than two years to get on the road in a suitable EV for a year is £16,139.

This compares to £7,810 for the average petrol or diesel vehicle most likely to be used by first time drivers, up from £7,609 in 2024.

54%

EV owners save £312 a year compared to petrol owners, on the cost of fuel

PRICE PAID: AVG	EV	PETROL	DIFFERENCE
LESSONS	£1,947	£1,691	+£256
CAR PURCHASE	£11,335	£3,218	+£8,117
INSURANCE	£1,881	£1,621	+£260
FUEL	£276	£588	-£312
PARKING	£86	£86	-
ROADSIDE ASSIST	£118	£118	-
LICENCE	£39	£39	-
DRIVING TESTS	£252	£252	-
ROAD TAX	£195	£195	-
SPEEDING FINES	£10.34	£10.34	-



ROAD TO ZERO

The UK Government plans to ban the sale of new petrol and diesel cars and vans by 2030. However, it has recently been announced that the rules on the Zero Emission Vehicle mandate are being relaxed for small carmakers, who will now be exempt from EV sales quotas and that hybrid sales will be allowed until 2035.¹

This edition of the MoneySuperMarket Household Money Index also explores what the new generation of drivers think and feel about electric cars and getting on the road. There is significantly more positivity among those aged under 25 towards the electric car market compared to older generations.

- Almost half (47%) of under 25s aspire to drive an EV, compared to 31% of the overall population
- More than 1 in 3 (38%) young drivers refuse to drive a petrol or diesel as a first car on moral grounds, due to them being harmful to the environment
- One in three (32%) younger drivers plan to delay driving until they can afford an EV
- 32% say EVs are a more financially savvy investment as petrol cars will be phased out in the next few years

INSURANCE JOLT OR ELECTRIC SHOCK?

MoneySuperMarket has seen a surge in demand for EV insurance this year - with a 14% increase in the volume of insurance policies bought through MoneySuperMarket for EVs in Q1 2025 compared to the same quarter in 2024.

This rush may have been propelled by buyers looking to beat new car tax rules which came into force on April 1 this year. Not only are zero-commission cars no longer exempt from road tax, but cars including EVs costing more than £40,000 and registered after April 1 will now be subject to a tax of £425 a year, for five years on top of the standard rate of £195.

So, owners of new EVs costing £40,000 or more and registered after April 1 this year will end up paying over £2,000 more in road tax over five years than those who bought the same car before April 1.



FEELS ELECTRIC

Young drivers said the top factor that would make it easier for them to drive an EV is cheaper insurance premiums (38%), followed by more affordable ways to buy, like car finance options such as Personal Contract Purchase (PCP) or Hire Purchase (HP).

While on average it is more expensive to insure an EV than a petrol car, the gap in cost is closing and MoneySuperMarket data shows the average EV premium for someone under 25 is £1,881, compared to £1,621 for fuel cars.

However, depending on where you live, it could be cheaper to insure an EV compared to petrol.

In Birmingham (£1,628 v £1,809), Nottingham (£1,395 v £1,512), Liverpool (£1,907 v £1,964) and Edinburgh (£1,278 v £1,572) it is on average cheaper to insure an EV than it is for a petrol or diesel car for under 25s or for a new driver who has held a licence for less than two years.

Young drivers in Norwich pay on average the least for EV insurance (£1,230, which is £650 cheaper than the average), closely followed by Edinburgh (£1,278).

The young drivers spending the most on EV insurance are in London (£2,855), where insurance costs £1,000 more than the average. The second most expensive place is Brighton (£2,225), where young drivers are paying £344 more than the average.

EXPERT VIEW

MONEYSUPERMARKET’S DIRECTOR OF INSURANCE, SARA NEWELL, SHARES HER THOUGHTS.

“Our findings highlight some of the challenges to electric cars being the go-to choice for young drivers, however, we can also see that these challenges are starting to be met and crucially, that young drivers themselves would prefer to drive electric cars. If we continue on the current path, we’re likely to see the pace of these changes speed up over the next two to three years, helping to bring the overall costs down.”

» UPFRONT COSTS

Despite the launch of the UK’s most affordable EV earlier this year, the average price of an EV suitable for a first-time driver is still around three times the price of a comparable petrol car (£11,335 v £3,218).

As more second-hand EVs come onto the market, we’re bound to see these average prices drop significantly. MoneySuperMarket has an online tool to help drivers find the right EV for their needs. You can try it at [MoneySuperMarket’s Electric Vehicle Tool](#).

Drivers who have already bought an EV using finance can also check to see if they could make a saving by switching their current deal. [MoneySuperMarket’s car refinance tool](#) makes it quick and easy to check if you could save.

» RUNNING COSTS

The HMI shows that 54% of EV drivers charge at home, where it’s cheapest. The average young driver spends £276 a year charging their EV - a £312 saving compared to petrol. But with that saving alone, it would take over 20 years to make up the difference in cost of buying one compared to petrol. So savings must come from other places, such as the price of purchasing or financing an electric car, to make EVs more attractive to savvy motorists.

» HIDDEN COSTS

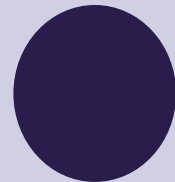
It costs on average £256 more for driving lessons in an EV compared to a manual petrol car (£1,947 vs £1,691). Even though EVs are seen as more reliable as there are fewer parts to go wrong, they can be more expensive to fix. As time goes on and EVs become more common for driving instructors and mechanics, we expect these

prices to fall.

» INSURANCE COSTS

Perhaps one of the biggest myths to crush is that insurance on an EV is unaffordable. In fact, in some instances it is cheaper to insure an EV for a younger driver.

Sara Newell
Director of Insurance,
MoneySuperMarket



SOURCES & METHODOLOGY

POLLING

All consumer polling figures unless otherwise stated are from a polls of 2,000 adults carried out on behalf of MONY Group by Opinium on the following dates:

25th March 2025 - 28th March 2025

Opinium are company partners of the MRS and abide by its code of conduct and guidelines for best practice when carrying out research for clients, ensuring results are accurate, impartial and fair to both clients and participants.

The core Household Money Index ("HMI") was calculated from the replies of 2,000 adults self-reporting how much they spend per average month on 27 different categories. Four categories: car, life, home and pet insurance have been rebased with MoneySuperMarket's data on average premium prices between January - and March 2025.

The categories were determined by MONY Group experts to represent a 'basket' of common household bills and expenditures. Results have been weighted to be nationally representative.

Polling data was subjected to statistical analysis, including cross-tabulations and sentiment analysis. These analyses allowed for the identification of significant trends, preferences, and consumer sentiments pertaining to the HMI.

ELECTRIC VEHICLE DATA

The EV data reflects a cross-section of under-25s who have held their licence for less than two years. Our road-readiness cost analysis includes cost of license, theory test, driving test, automatic driving lessons, insurance, mileage, car cost, annual energy cost, parking, road tax, fines, roadside assistance.

MoneySuperMarket data was used to identify the top three most popular makes and models for under 25s. Vehicle cost data was sourced from Autotrader, using real-time pricing. Each average is based on approximately 1,000 live listings as of 25th March '25.

COST OF EV DRIVING 2025

The Cost of EV Driving calculation uses average vehicle miles per kWh, a 12% charging inefficiency factor, charging rates across home, work, and public locations. This figure is multiplied by the average rates people pay in various situations (home work public) to arrive at a per vehicle figure. This figure is averaged for the total.

COST OF PETROL DRIVING 2025

Updates applied to insurance, annual mileage, fuel efficiency, vehicle cost and most popular petrol vehicle model for each age group.

EV VS PETROL COMPARISONS

Side-by-side comparisons between EVs and petrol vehicles are included for 2025. These incorporate all associated annual running costs

EXTERNAL SOURCES

The document uses a number of external sources to calculate and compare its findings and to provide context where necessary.

ONS data: Inflation and price indices ¹GOV.UK UK Government policy on EVs

EXPERTISE INTEGRATION MoneySuperMarket's three decades of experience and expertise in the finance sector played a pivotal role in the analysis process. Subject matter experts with a deep understanding of financial services were actively involved in interpreting the data, providing insights, and contextualising findings.

SYNTHESIS OF FINDINGS

The insights derived from website data analysis, consumer polling, and the invaluable input of MONY Group's seasoned experts were meticulously synthesised. This synthesis encompassed identifying key trends, challenges, opportunities, and actionable recommendations to produce the results throughout the Index and accompanying report.

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FACT CHECKING

All information in the index and accompanying report has been professionally fact-checked and is correct to the best of MONY Group's knowledge at the time of publication 23 April 2025.

PROPRIETARY DATA

MoneySuperMarket.com is a price comparison site processing millions of quotes per month on over 40 financial products and services. These millions of quotes provide a rich source of data from which MoneySuperMarket has determined historic policy prices for the insights throughout this document.



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