

Consumer Welfare Report

Executive summary

October 2026



Why consumer welfare matters

We are all consumers. When we do our grocery shop, use a bank account, visit our GP, subscribe to a new streaming service, change our energy supplier, buy a new TV or get the bus to work – these are just some examples of how we all act as consumers almost every day.

Our experiences as consumers affect our quality of life and our wellbeing. Collectively, our experiences as consumers reflect how well the economy is working for the people it is intended to serve.

£129 billion

value of household
consumption
expenditure in Scotland

£4.6 billion

value of consumer
detriment in Scotland

- When consumers cannot **access** the goods and services they need, the impacts of exclusion and unequal access can spill over into issues such as poor health, debt or financial security, adding to pressure on public services.
- When consumers experience **harms** through poor-quality or unsafe products, misleading information, or unfair practices, the consequences can include financial loss, stress and anxiety, and even physical injury.
- When consumers lack **confidence** and understanding of their consumer rights they are less likely to be able meet their needs and secure redress when problems arise.

The question of how well consumers are served is fundamentally a question of how well the economy is working for the people, and small businesses, at its heart. It's therefore a question that matters for economic growth - and for the quality of public services.

The framework for this report

This is Consumer Scotland's first Consumer Welfare Report. The requirement for us to produce a CWR is set out in our founding legislation, the Consumer Scotland Act 2020. The Act sets out that the CWR should address two questions:

- (a) how well the interests of consumers are being served in Scotland, and
- (b) where harm is being caused to the interests of consumers in Scotland, the nature and extent of that harm.

Our response to these statutory questions is based around our **Consumer Welfare Framework** which argues that consumers are well served when they:

- **Can access the goods and services** they need to participate fully in society;
- Are **protected from harm** and can secure redress when required;
- Are **confident and empowered** to understand and exercise their rights and make informed choices.



The report is structured around these three pillars of consumer welfare, with a chapter on each. At the heart of the framework is a cross-cutting theme of **equity and fairness**. This recognises that the purpose of the report is not just to understand how well the average consumer is served. The aim is to understand how *all* consumers are served, taking account of their individual characteristics, circumstances and experiences.



Access and affordability

Consumers can access the goods and services they need – fairly and without discrimination or financial hardship – to participate fully in society.



Protection and redress

Consumers are protected from harm and detriment and can secure redress when things go wrong.



Confidence and empowerment

Consumers are confident and empowered to navigate complex markets, and to exercise their consumer rights.

Fairness and equity

Prevention

Protection

Participation

What we found

Consumer harms are widespread and evolving, resolving problems is often difficult, affordability challenges remain acute, and there are stark inequalities in consumer experience.



Consumers feel protected but harms are widespread and pervasive

Most consumers in Scotland feel well protected. But this confidence belies the fact that consumer harms are both widespread and pervasive.

Harms encompass a range of issues, from unsafe products that cause physical harm to misleadingly described or priced products, and to poor quality products that cost consumers time, money or stress to resolve.



76%

of consumers in Scotland feel fairly or very well protected when buying goods and services



69%

of people in Scotland experience at least one incidence of detriment in the past 12 months



14%

of consumers experienced a product safety issue in the past 12 months



Regulation and enforcement are critical to consumers' interests

A key reason why harms are widespread and pervasive is that the **source of those harms is continually evolving**. The growth of new markets and products - such as the implications of new online platforms for regulating product safety for example - can increase the risk of consumer harm.

Regulators face a continual challenge to respond to these issues, and to do so in ways that are proportionate. The report highlights examples of this challenge - such as responding to the continual evolution of online pricing practices that can sometimes be misleading, unfair or discriminatory.

But regulation is only one part of the story. The **effectiveness of regulation hinges critically on how it is enforced**, and the effectiveness of both regulation and its enforcement is critical to the question of how well consumers are served. Recent reforms have strengthened some enforcement powers, but trading standards services are under significant pressure.



66%

of consumers experienced difficulties cancelling or unsubscribing from a service



70%

of consumers experienced hidden fees or unexpected charges





Consumers lack confidence in exercising their rights

Being able to obtain redress when things go wrong is critical if consumers' interests are to be well served. But consumers experience of redress is very mixed. Consumers' satisfaction with redress is generally low, and their awareness of Alternative Dispute Resolution (ADR) is limited – unsurprisingly given how complex and inconsistent the ADR landscape is.

Consumers often have confidence in their ability to understand their consumer rights. But this confidence is frequently misplaced.

Barriers to accessing ADR, legal advice and civil justice continue to limit many consumers' ability to secure redress when things go wrong.



30% of consumers not satisfied with the **resolution to a problem**



Affordability challenges accentuate consumer harm

All these issues are exacerbated by **persistent affordability challenges**.

Affordability challenges can cause harms by constraining consumers' choices and their ability to meet their needs.

Responding to affordability challenges isn't just a question of consumer policy. But there is a big agenda for consumer policy – for example, supporting consumers to enhance their energy efficiency or select the right products and tariffs for them; and ensuring that affordability support is effectively targeted – which it often isn't.

29% of households in Scotland are in **fuel poverty**

8% were **worried about running out of food** in the past 12 months

10% are projected to be in **water poverty** by 2026

32% of individuals in Scotland have incomes below the **Minimum Income Standard**



Inequalities in consumer experience are stark

There is significant variation in consumers experience depending on their characteristics and circumstances.

Those with a **disability or financial vulnerability** are consistently more likely to experience a range of consumers harms, to be less confident in asserting their rights, and be less likely to be satisfied with redress.

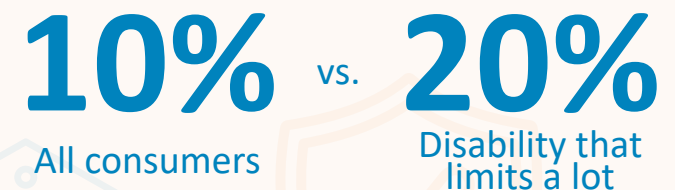
Perhaps more surprisingly, **younger consumers** are consistently more likely to experience a range of consumer harms compared to middle and older aged consumers.

Digital access and confidence are increasingly critical to consumers' successful participation in markets. The digitally excluded are much less confident in their ability to obtain reliable information to help them make informed choices as consumers. They are also at risk of exclusion as an increasing range of services shift online or become digital only – from energy meters and phonelines to banking and public services.

Experienced consumer detriment



Fallen victim to a scam



Confident and savvy consumer



Conclusion – how well are the interests of consumers served?

Most consumers in Scotland are reasonably well served - they tend to feel protected, and are generally able to access the products they need.

However, **consumer harms are widespread and pervasive**. Understanding rights, let alone **exercising those rights, can be challenging even for a confident and savvy consumer**.

Whilst the typical consumer is well served, there are significant inequalities in experience. The consumers who are most exposed to harm are often those who are least able to manage it – the disabled, young, those with limited financial resilience, and the digitally excluded. These groups are at particular risk of being left behind in a rapidly evolving economy unless products and services respond to their needs.

This matters because **how well consumers are served is not a peripheral measure of economic success but one of its clearest tests**: an economy works well only when it works well for the people who rely on it - particularly those most at risk of harm or exclusion.



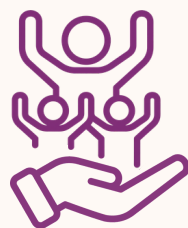
What needs to happen?

The next decade is likely to be shaped by rapid and profound economic, technological and societal change. The policy choices made will determine whether those changes widen existing inequalities or **create a future in which all consumers are able to participate fully, confidently and fairly in the economy.**

This report therefore **makes the case to government, regulators and industry** to be bold and:



Tackle the enduring consequences of the cost of living crisis.



Place the interests of consumers who are least well served at the heart of decision-making.



Make a renewed investment in consumer confidence and empowerment.



Match strong regulatory frameworks with effective enforcement and accessible routes to redress.



Work together to ensure that technological change delivers for consumers.

The 'prize' is an inclusive and dynamic economy, one in which consumers' confident participation drives innovation and better services; where harm is prevented, and consumers are protected.