

Financial Vulnerability Index

March 2026



Lowell 

⁰⁷
Op
Opinium

What people think,
feel and do

01

The Financial Vulnerability Index (FVI) is a pioneering tool that tracks financial resilience at both national and local levels across the UK. Developed by Lowell in partnership with Opinium, it brings together Lowell's customer data with publicly available indicators to create a uniquely detailed picture of financial vulnerability.

The index provides policymakers, local authorities and other stakeholders with clear, practical insight into the financial wellbeing of their communities, helping to inform more effective, evidence based decision making. Users can explore FVI scores and their underlying drivers for every county and parliamentary constituency, supported by quarterly data stretching back to 2017.

For Lowell, the FVI plays a central role in helping us spot emerging trends, respond to change and target support where it is most needed. By sharing these insights with policymakers and local leaders, we contribute to decisions that deliver meaningful impact and support a fairer financial future for communities across the UK



John Pears, Lowell UK CEO

02 Key takeaways

This year's FVI score shows that overall financial health is beginning to improve slowly, but most progress is concentrated in historically vulnerable communities, while London and parts of the South show little improvement.



Topline story from this edition of the FVI

Financial vulnerability shows signs of easing from recent highs

Financial vulnerability fell noticeably at the end of 2025, with the FVI dropping to 44.1, its lowest level since mid-2023. This follows a period where financial pressure rose sharply during the pandemic recovery and the cost-of-living crisis. The latest data points to early signs of improvement, particularly in areas that experienced the sharpest increases in vulnerability.

However, overall levels remain high by historical standards, and progress has been uneven. Many households continue to face significant financial strain, underlining that any improvement remains fragile and far from universal.

Britain's most vulnerable communities are improving fastest

The most financially vulnerable constituencies in the UK are now seeing the biggest improvements in financial resilience. Many of these areas are concentrated in major cities such as Birmingham, Bradford, Middlesbrough, Leeds and Nottingham.

Although they remain the most vulnerable parts of the country, these places have also recorded some of the largest falls in vulnerability over the past year. This suggests financial pressure is beginning to ease in communities that were hit hardest during the cost-of-living crisis, supported by falling defaults, lower benefit reliance and improving savings.

London and parts of the South are not sharing in the recovery

While key areas are seeing reduced financial vulnerability, London and parts of southern England are not showing the same progress. Greater London is the largest metropolitan area where financial vulnerability has remained broadly unchanged over the past year, even as other cities improved. Higher housing costs, heavy reliance on private renting and a labour market less exposed to minimum wage increases appear to be contributing factors.

This suggests that while some regions are beginning to recover, structural costs in the capital are continuing to weigh on household finances.

The latest financial vulnerability score

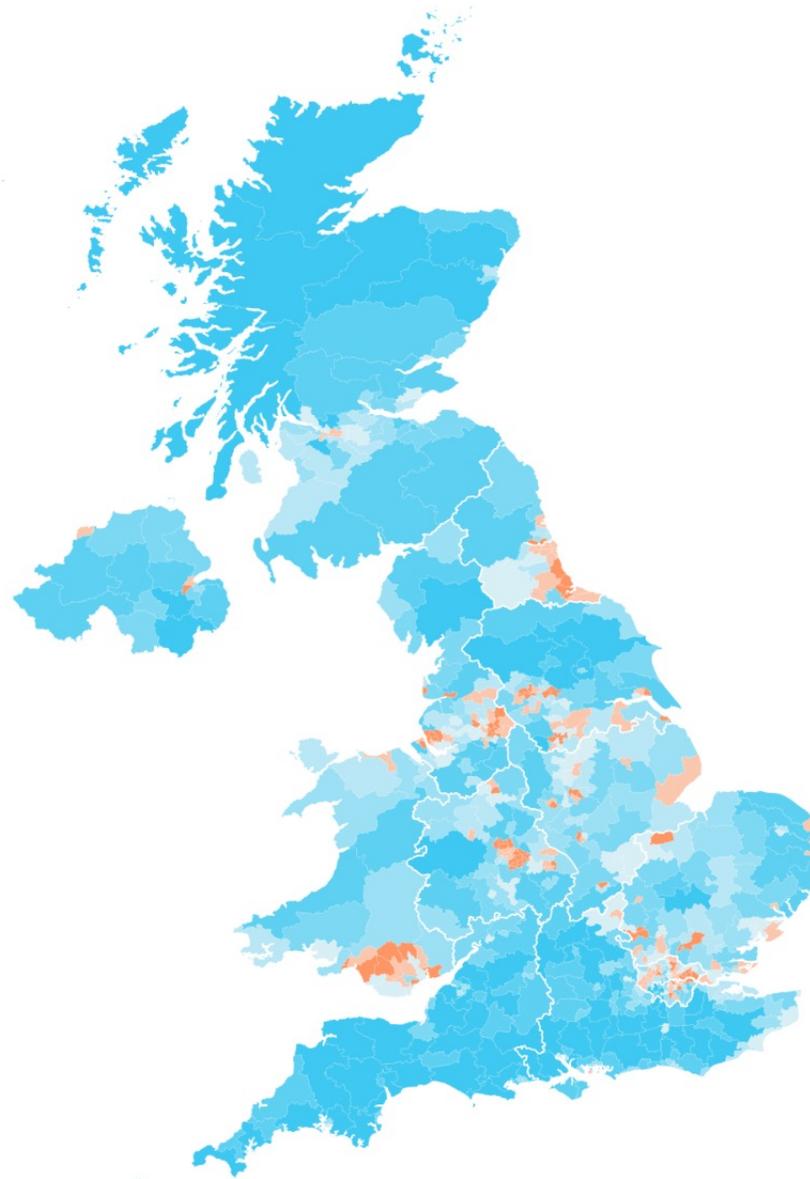
FVI Q4 2025
Headline FVI score

44.1

down 1.4 pts from
45.5 in Q4 2024

Legend

-  Higher score
-  Lower score

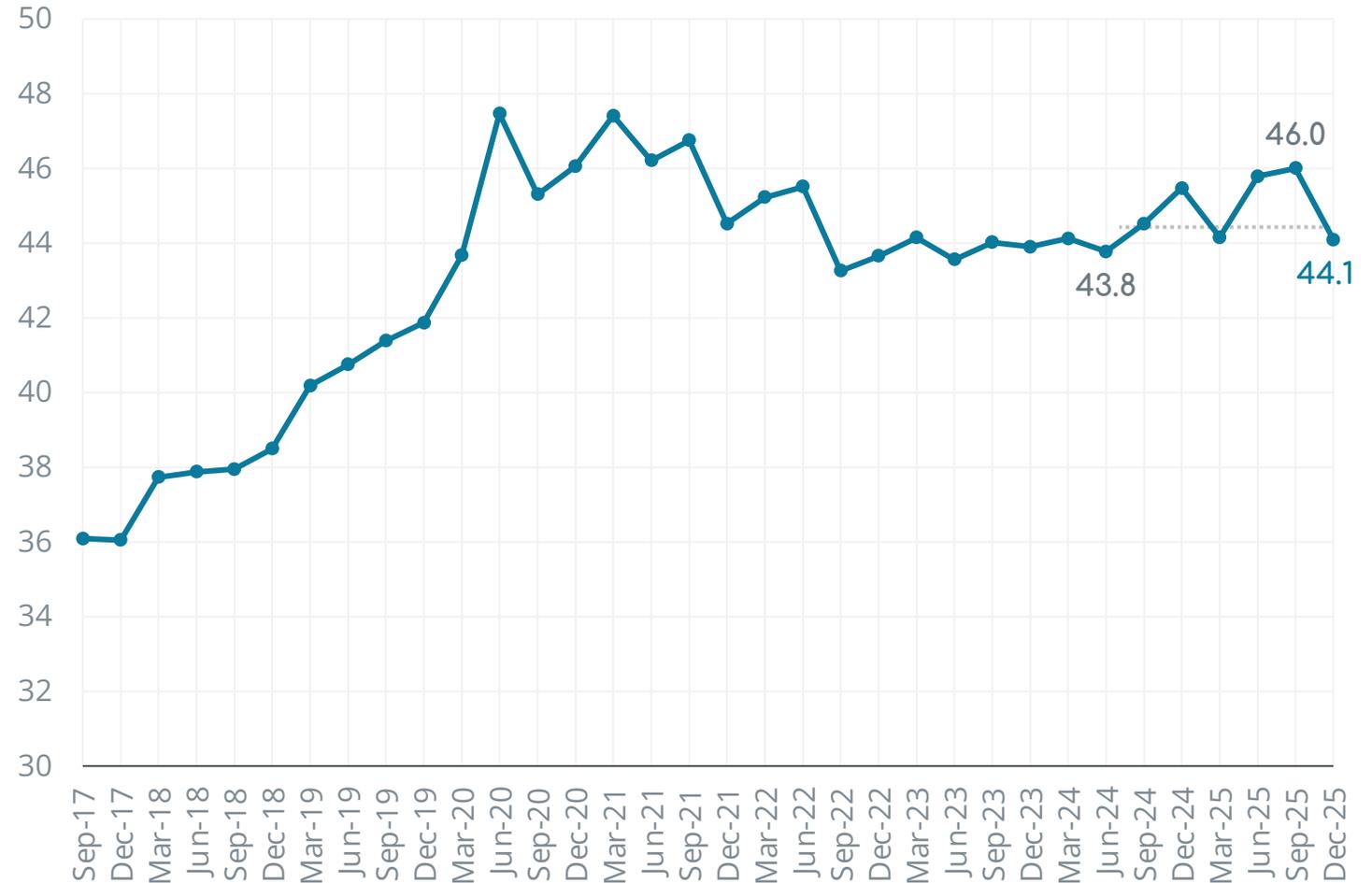


Financial vulnerability tracked

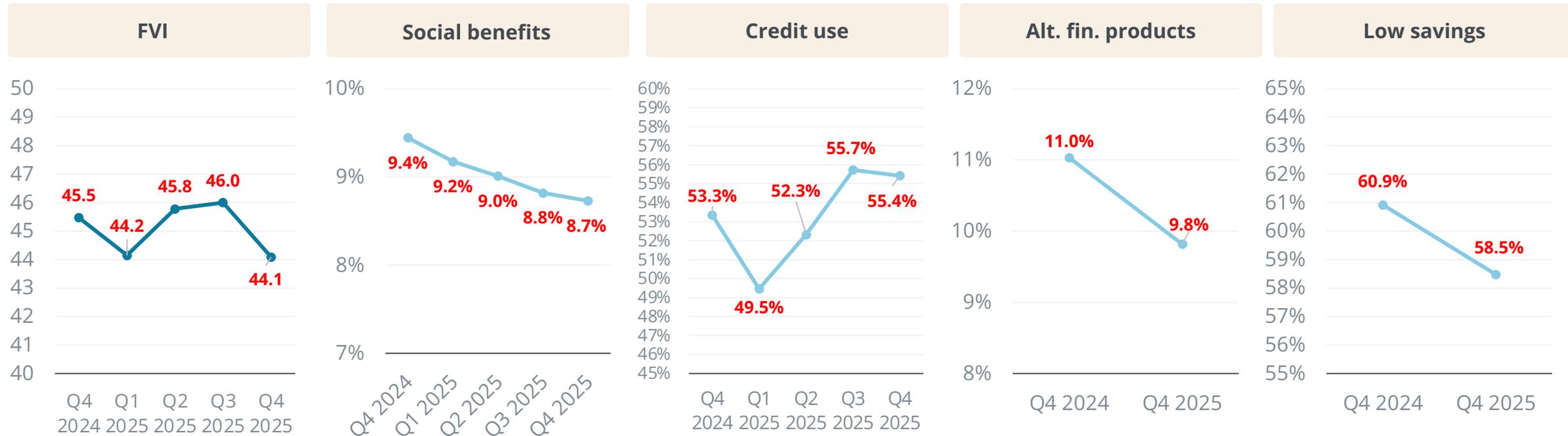
FVI Score over time

An FVI score of 44.1 in Q4 2025 represents a notable drop from 46.0 in the previous quarter, and is also lower than the 45.5 recorded a year earlier in Q4 2024.

While this is the lowest score since Q2 2023, that earlier period was still marked by significant financial pressure following the pandemic and during the cost-of-living crisis. The recent movement in the index therefore reflects a period of considerable volatility, with financial vulnerability in the UK rising and falling noticeably over the past few years.



Improvements across key indicators are driving the fall in vulnerability



The fall in the FVI over 2025 has been driven by improvements across several key indicators. In particular, there has been a consistent decline in benefit use, alongside reduced reliance on alternative financial products and some improvement in household savings, reflected in fewer households with little or no savings.

However, credit use has edged up slightly after dipping earlier in the year, suggesting that while overall financial pressure is easing, some households are still relying on borrowing to manage day-to-day costs.

Britain's most financially vulnerable constituencies are improving fastest

The most financially vulnerable constituencies remain concentrated in major urban areas, particularly Birmingham, Bradford, Middlesbrough, Leeds and Nottingham. Birmingham alone accounts for six of the ten most vulnerable seats in the latest FVI.

Despite still having the highest vulnerability scores nationally (above 55), these constituencies have also seen some of the largest improvements over the past year, with FVI scores falling by around 5–7 points in many cases, compared with an average national fall of 1.4 points.

This reinforces a wider pattern in the data: the areas hit hardest during peak financial stress are now seeing the fastest improvement, suggesting pressure has begun to ease in some of Britain's most vulnerable urban communities.

Rank	Constituency	FVI Score (Q4 2025)	Change
1	Birmingham Perry Barr	63.2	-6.7
2	Birmingham Ladywood	62.4	-6.5
3	Birmingham Hodge Hill and Solihull North	58.8	-7.6
4	Birmingham Erdington	58.5	-5.1
5	Leeds South	57.3	-4.7
6	Birmingham Yardley	56.5	-6.0
7	Bradford East	56.3	-6.2
8	Middlesbrough and Thornaby East	56.2	-7.0
9	Bradford West	55.9	-5.9
10	Coventry East	55.6	-5.7
11	Birmingham Hall Green and Moseley	55.4	-5.1
12	Wolverhampton South East	55.2	-6.9
13	Barking	55.1	-4.7
14	Luton South and South Bedfordshire	55.0	-5.8
15	Birmingham Edgbaston	54.9	-3.5
16	East Ham	54.6	-2.8
17	Birmingham Northfield	54.4	-5.1
18	Blackley and Middleton South	54.3	-4.3
19	Nottingham East	54.3	-3.2
20	Nottingham North and Kimberley	53.9	-4.9

UK's rural areas remain the least vulnerable but are worse off than 2024

The least financially vulnerable constituencies are predominantly rural or semi-rural areas, particularly in the South West, southern England and parts of Scotland, including places such as North Dorset, West Dorset, Central Devon and Orkney and Shetland.

These areas have much lower overall FVI scores (around 34–36), reflecting stronger financial resilience compared with the national average.

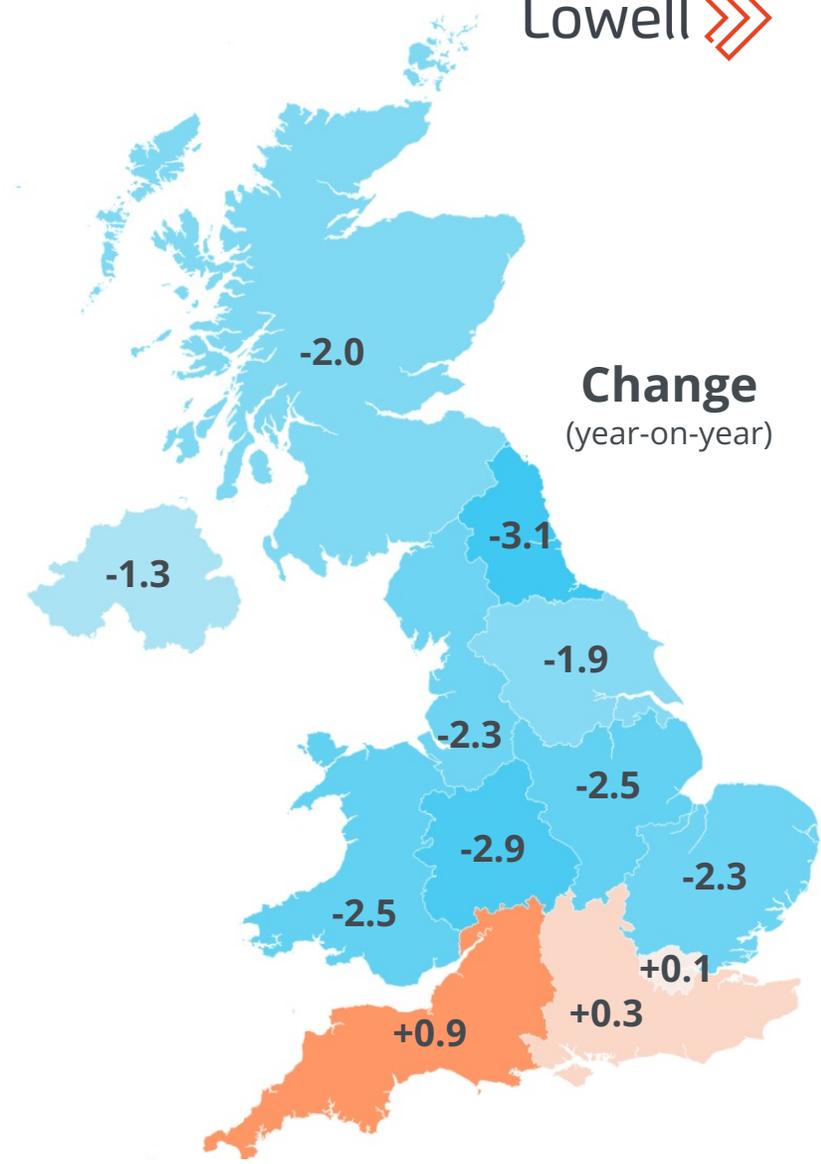
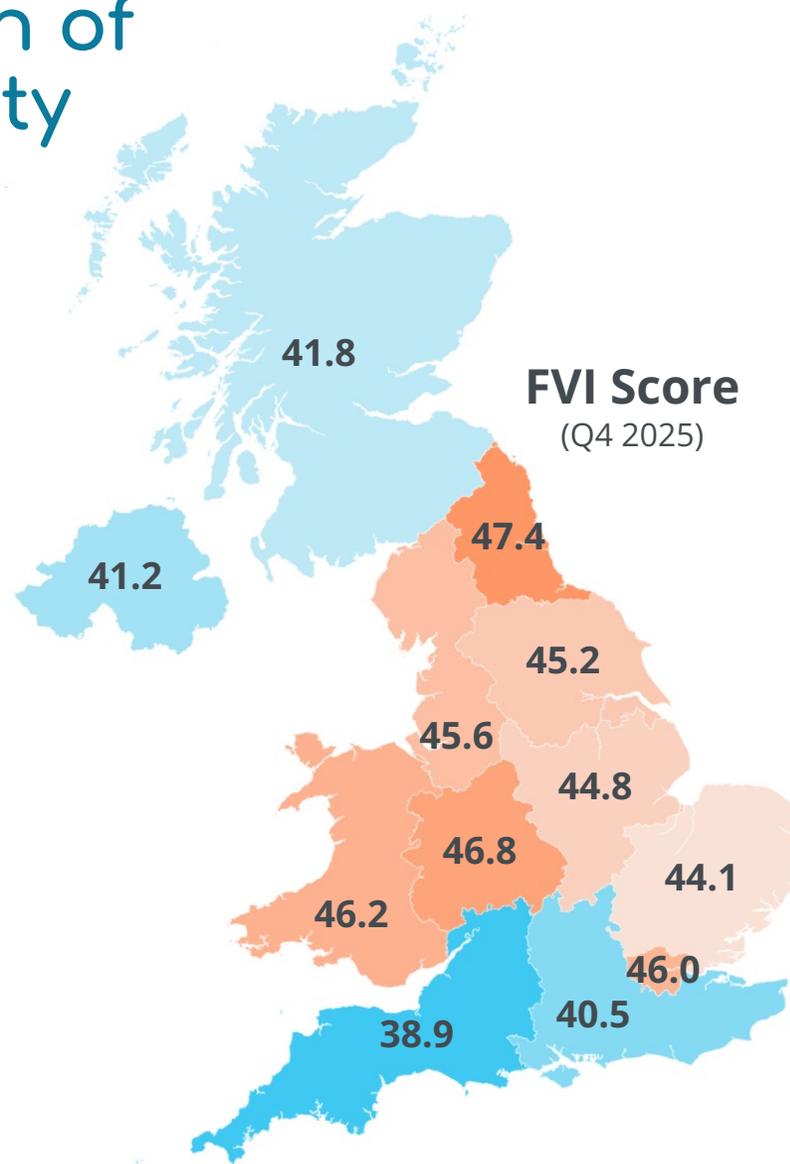
However, many of these constituencies have seen little improvement, and in some cases worsening, over the past year, suggesting financial pressures may be beginning to build even in traditionally resilient parts of the country.

Rank	Constituency	FVI Score (Q4 2025)	Change
1	Orkney and Shetland	34.1	+0.7
2	North Somerset	35.1	+1.6
3	Honiton and Sidmouth	35.1	+2.4
4	North Dorset	35.3	+1.9
5	West Dorset	35.3	+2.9
6	Westmorland and Lonsdale	35.3	+1.9
7	Na h-Eileanan an Iar	35.3	-0.6
8	Glastonbury and Somerton	35.7	+2.0
9	Christchurch	35.7	+1.0
10	Central Devon	35.8	+3.3
11	Sheffield Hallam	36.0	-0.3
12	West Aberdeenshire and Kincardine	36.0	+0.7
13	Torridge and Tavistock	36.0	+3.0
14	Arundel and South Downs	36.1	+2.0
15	Oxford West and Abingdon	36.2	+1.8
16	Wells and Mendip Hills	36.3	+0.5
17	South West Devon	36.3	+1.6
18	New Forest West	36.3	+2.1
19	North East Somerset and Hanham	36.4	+0.6
20	Mid Dorset and North Poole	36.4	+0.5

The regional pattern of financial vulnerability

Stepping back, the overall pattern of financial vulnerability across the UK hasn't changed. The North, Midlands and Wales remain more vulnerable on average, while the South generally remains less vulnerable.

However, the direction of travel has shifted. Over the past year, the biggest improvements have been seen in the North, Midlands and Wales, while London and parts of the South have seen the least improvement — and in some cases things have worsened.



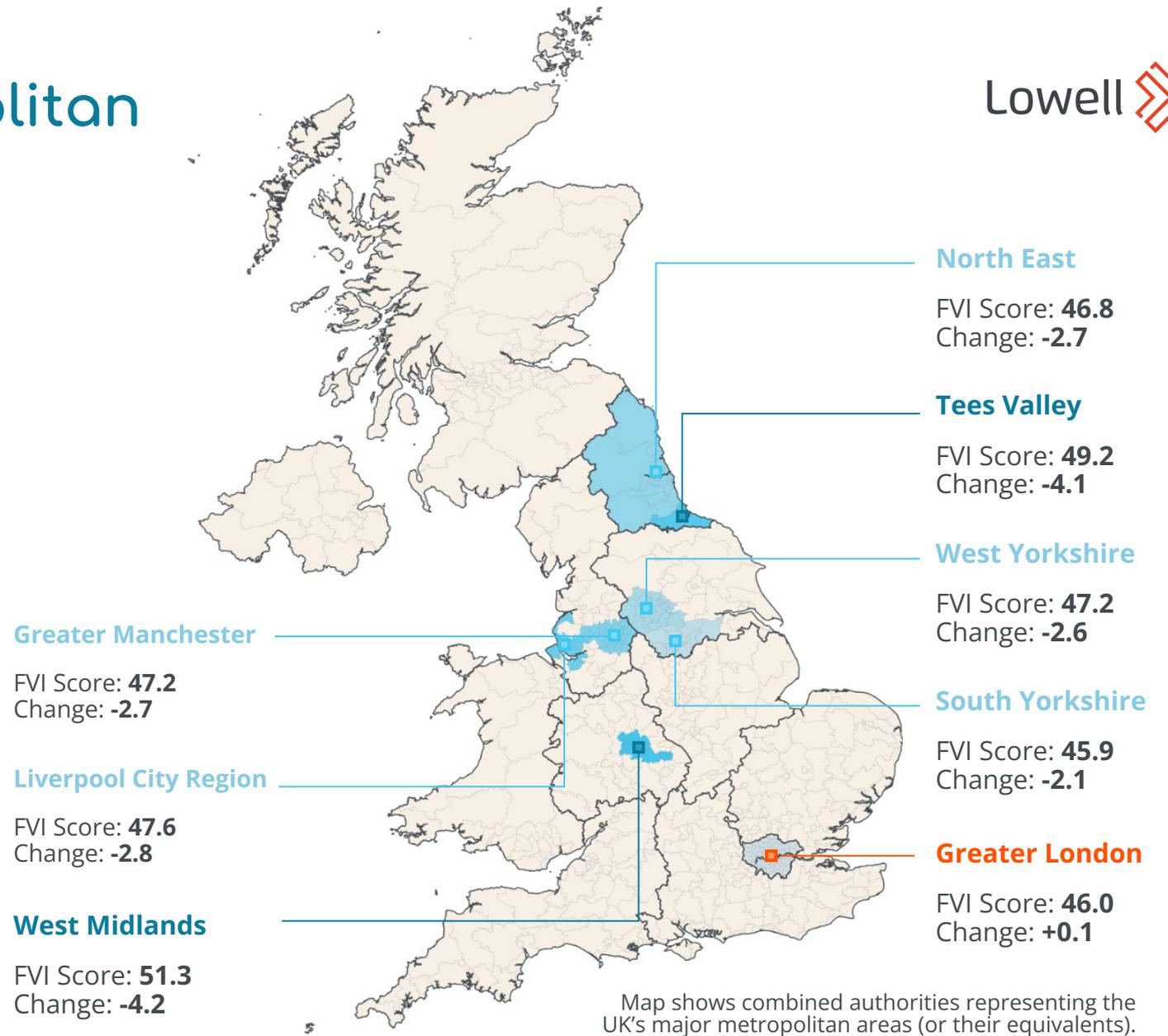
03 Key trends in the FVI

Financial vulnerability has eased across most UK cities, with the biggest improvements in places like the West Midlands and Tees Valley. However, the progress is uneven, with London seeing little change. Differences in labour markets, benefit use and housing costs appear to be key factors shaping these trends.



Many of Britain's metropolitan areas are stabilising

- Most of Britain's major metropolitan areas saw a clear reduction in financial vulnerability by the end of 2025.
- The West Midlands and Tees Valley combined authorities recorded the largest improvements in FVI scores.
- Greater London is the main exception, with vulnerability largely unchanged while other cities improved.



Map shows combined authorities representing the UK's major metropolitan areas (or their equivalents).

Minimum wage rises appear to be helping Britain's big cities, but not London

Many of the UK metropolitan areas that saw the largest improvements in financial vulnerability also have the highest shares of workers on the minimum wage.

For example, in the West Midlands and Tees Valley around one in ten workers earn the minimum wage, and these areas also recorded the biggest improvements in FVI scores (-4.2 and -4.1 respectively).

Similar patterns appear across Greater Manchester, West Yorkshire, South Yorkshire and the North East, where 7–8% of workers are on minimum wage and financial vulnerability also fell noticeably over the year.

London looks very different. Fewer than one in twenty workers earn the minimum wage, and it is the largest metropolitan area where financial vulnerability did not improve, with the FVI score broadly unchanged.

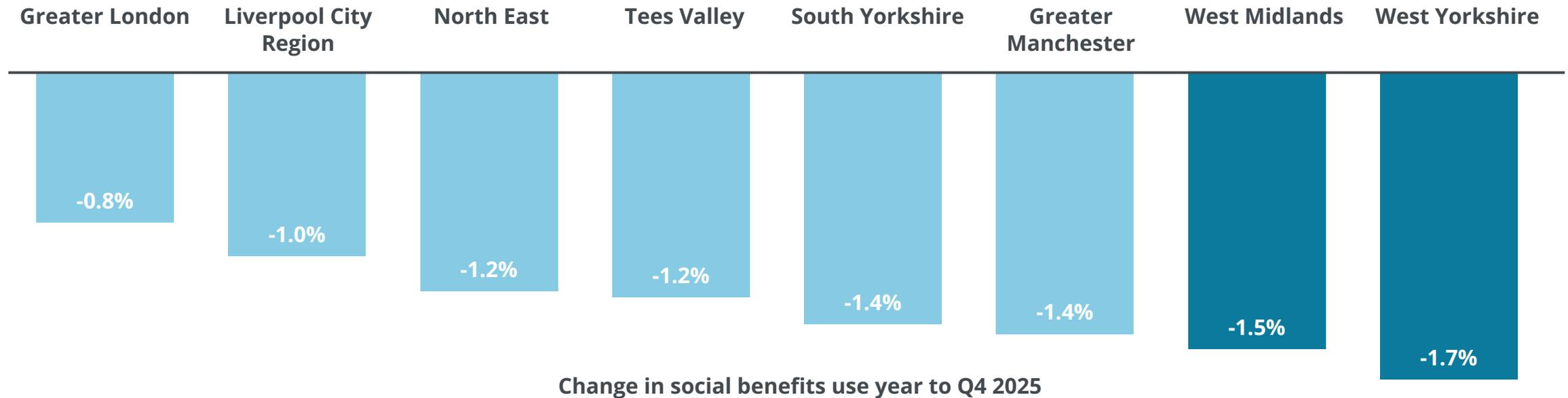
This suggests that minimum wage increases may have provided a meaningful boost to lower-income households in many UK cities, helping reduce financial vulnerability, but London's labour market structure means fewer households benefit directly from those rises.

FVI change in metropolitan areas



Falling social benefits use is indicative of growing financial stability

Reductions in benefit use across most metropolitan areas appear to be contributing to falling financial vulnerability, with London again showing the least improvement.



Housing tenure differences help explain London's weaker financial resilience

Reliance on the private rental sector is also a factor in why London struggles so much more than the other larger metropolitan areas.

Almost three in ten (29%) of everyone living in Greater London rents from the private sector, significantly higher than many other cities, where a fifth or fewer rent from the private sector.

This is part of a wider problem facing London in that difficulty in owning your own home also factors in. Nearly three in five in all these other major cities own their own home, while fewer than half in Greater London do.

This means you have the two-pronged factors in London of a lack of affordable options to own one's own home, combined with those who are renting needing to do so from the private sector rather than from council or other social housing, reinforcing financial vulnerability unlike what we see across the rest of the country.

City	FVI change	% home-owning	% socially renting	% privately renting
Greater London	+0.1	48%	23%	29%
South Yorkshire	-2.1	62%	20%	18%
West Yorkshire	-2.6	62%	18%	21%
North East	-2.7	60%	23%	17%
Greater Manchester	-2.7	59%	20%	20%
Liverpool City Region	-2.8	61%	20%	19%
Tees Valley	-4.1	63%	19%	18%
West Midlands	-4.2	58%	22%	20%

Chart shows average rental price across the constituencies in each region rather than in the region as a whole.

Lack of affordable housing is another barrier to London improving

Average rents in London, at approximately £2,000 per month, are double or higher than those in most other UK metropolitan areas, where rents typically range between £650 and £1,050 per month.

Cities that saw the biggest improvements in financial health, such as the Tees Valley and the North East, tend to have much lower housing costs, helping reduce some of the strain on household finances.

In London, higher housing costs mean that even relatively well-paid households must devote a larger share of their income to housing, leaving less room to absorb other financial pressures and limiting the improvement in financial vulnerability seen elsewhere.

London is also unusual in its heavy reliance on the private rental market. In many other cities, lower housing costs mean more households can access ownership or social housing, which generally involve lower or more stable housing payments. In contrast, a larger share of London households depends on expensive private rentals, increasing their exposure to rising rents and contributing to higher overall financial pressure.

Average monthly rental prices
December 2025



Chart shows average rental price across the constituencies in each region rather than in the region as a whole.

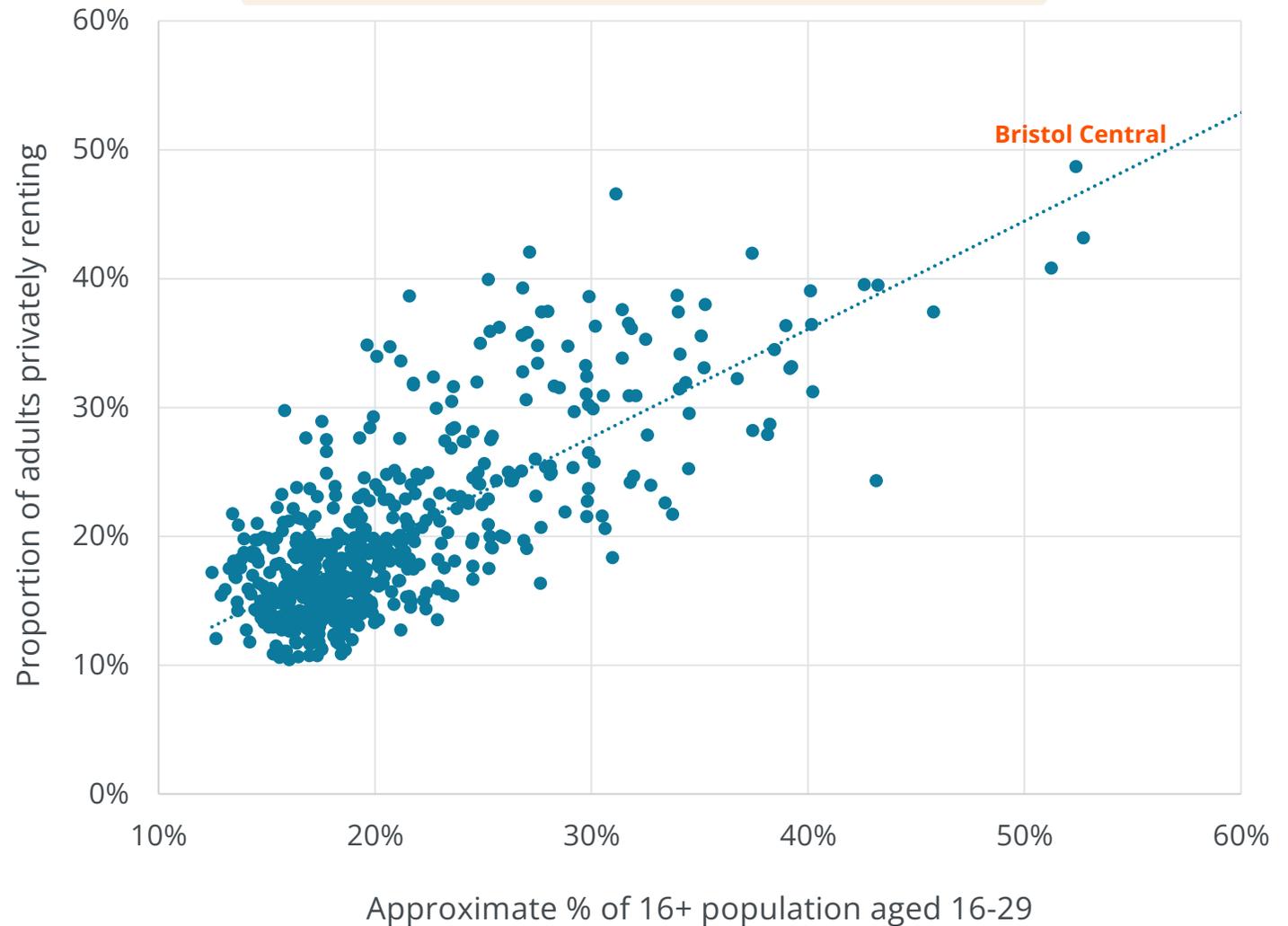
Housing pressure is hitting younger generations hardest

This combination of high reliance on private renting and very high rental costs has a particularly strong impact on younger populations. There is a clear relationship between areas with a higher share of 16–29 year-olds and greater reliance on private renting.

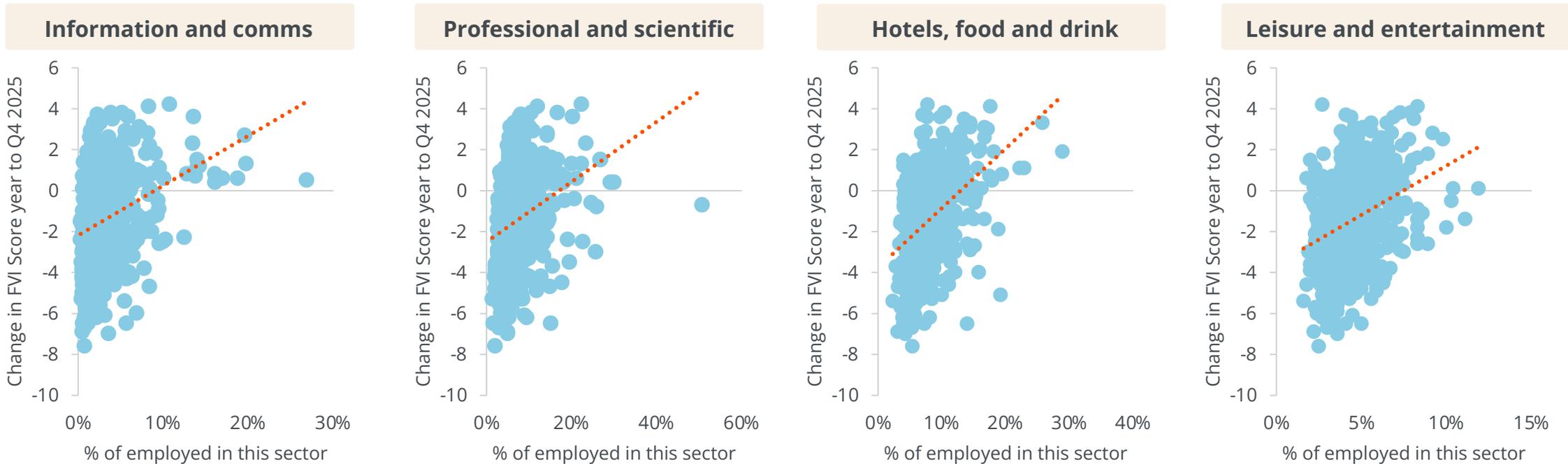
This pattern is most visible in places like **Bristol Central**, where over half of residents (52%) are aged 16–29. This constituency also saw the single largest increase in financial vulnerability, with its FVI score rising by 4.2 points in 2025.

This highlights a broader trend: younger, rental-heavy populations are more exposed to rising housing costs, helping explain why financial pressure is increasing in some otherwise more affluent or dynamic areas.

Young people and private renting



Young workers are exposed to pressure across both white and blue-collar jobs



The pressures facing younger generations are also visible in the sectors they work in, across both white-collar and service-based roles. Key for graduates, constituencies with higher employment in information & communication and professional, scientific & technical sectors have seen larger increases in FVI scores. At the same time, areas with higher employment in accommodation, food services, arts, leisure and entertainment, sectors that employ many younger workers, have also seen rising financial vulnerability.

This suggests financial pressure is emerging across both graduate and non-graduate job markets, reinforcing the squeeze on younger workers.

04 Find out more

For deeper insights into financial vulnerability please go to the [FVI webpage](#).

Explore the full FVI data, methodology, and key policy recommendations. Get in touch for expert analysis and further discussions on addressing financial vulnerability across the UK.

