



How we live

Executive report

February 2025



Introduction

Whilst the overall economic picture for the UK is still quite mixed, there have been some helpful signs of improvement in some key data. In this context, the fifth edition of Aviva's How we live report looks at how people's attitudes towards their homes, possessions, transportation and travel have changed.

As inflation has slowed from the double-digit levels seen in late 2022 and early 2023, and interest rates have steadied, the latest research seeks to understand the impact of these changes on people's day-to-day lives.

How we live, which draws upon a survey of 4,000 adults from across the UK, paints a picture of their lives now and how optimistic they feel about their futures.

“

Our research suggests there are signs that many people living in the UK are planning large purchases in the year ahead. Some people are thinking about home renovations, while others are considering car purchases and planning holidays, potentially indicating a level of optimism regarding household finances.

Despite this, the research also indicates some caution when it comes to making financial decisions. Property aspirations, for example, are humbler than they were five years ago, with fewer people intending to move to a larger house and more planning to downsize.

Our latest How we live study looks at the ways UK households are getting ready for 2025 and the coming years.

It gives us an insight into how people across the UK feel about key aspects of their lives and how this sentiment is expected to impact their behaviours. By gaining insights into our customers' ambitions and perceived constraints, we can develop products and solutions that meet their evolving needs and help them get ready for the future.”



Jason Storah
CEO, UK & Ireland
General Insurance, Aviva

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01

Housing

This section focuses on people's plans and aspirations in relation to their homes

Housing

Following on from previous Aviva How we live reports, this section focuses on people's plans and aspirations in relation to their homes. It looks at people's considerations when choosing where to live, what renovations they want to make and how living arrangements have changed over the last five years.

In terms of plans for their homes, one standout finding is that homeowners are keen to undertake work on their properties, with 44% - equivalent to 6.7 million homeowners - intending to renovate in the coming two years. The research suggests more than half (54%) of these planned renovations are not necessarily functional - but rather aesthetic. Homeowners are looking to make their homes beautiful and are willing to spend significant amounts - typically between £5,001 and £10,000 - to do so.

That is not to say that people will not be making practical changes to their homes. They also want to carry out improvements to energy efficiency through the installation of double glazing, insulation, solar panels, and even heat pumps.

The research also suggests the make-up of UK households continues to change, with evidence that multigenerational living appears to be growing more common across the UK.



What we plan to do with our homes

More than half of younger homeowners plan to renovate.

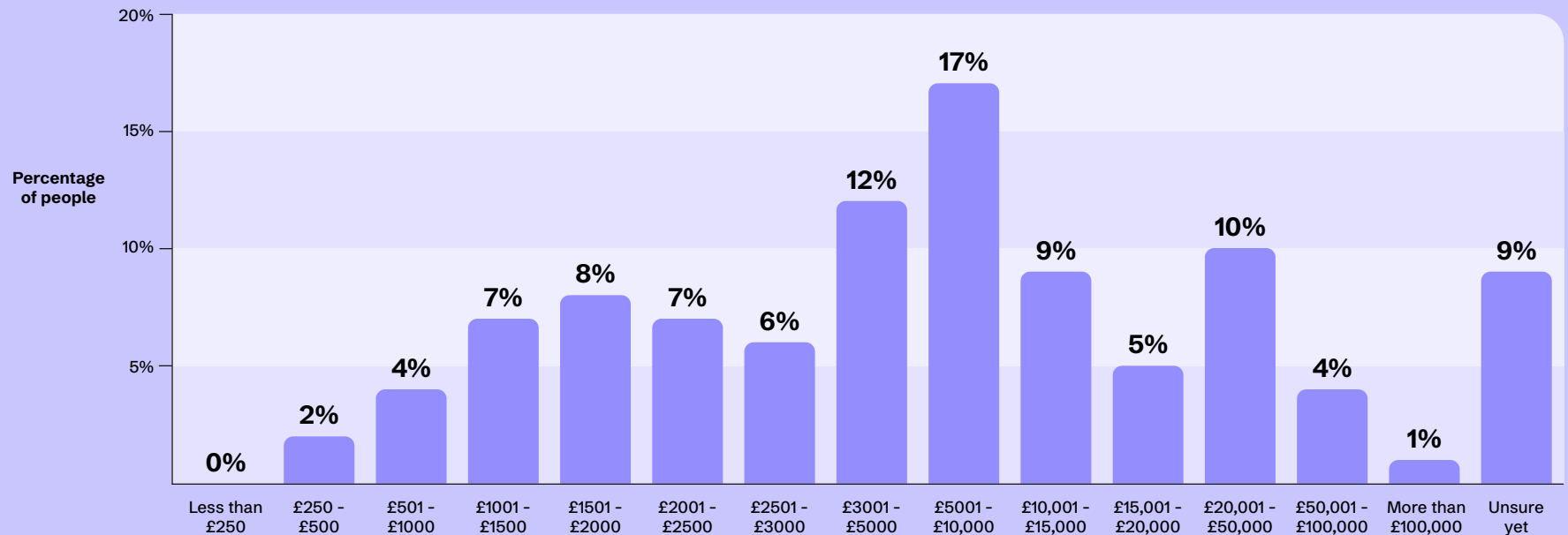
More than two fifths (44%) of homeowners – defined as those who own their homes outright or with a mortgage – plan to make renovations to their homes in the next two years.

More than half of these renovations are intended to improve the appearance of the property, rather than extending it or for other functional purposes.

Younger people are far more likely to be planning renovations. Close to three quarters (73%) of Generation Z (18-27-year-olds) and two thirds (65%) of Millennials (28-43-year-olds) who own their homes plan to do work on their properties, while older generations are progressively less likely to take on a renovation project.

Homeowners expect to spend large sums on their renovations. People most commonly plan to spend between £5,001 and £10,000 on renovations in the next two years. However, a smaller number of homeowners plan to spend far larger amounts, with some planning a budget of more than £100,000 for their project. This has skewed the average expected cost of renovations in the coming two years to more than £14,000.

How much people plan to spend on renovations



Homeowners plan to invest in making their homes beautiful

More than half (54%) of planned renovations are being carried out to improve a property's aesthetic appearance.

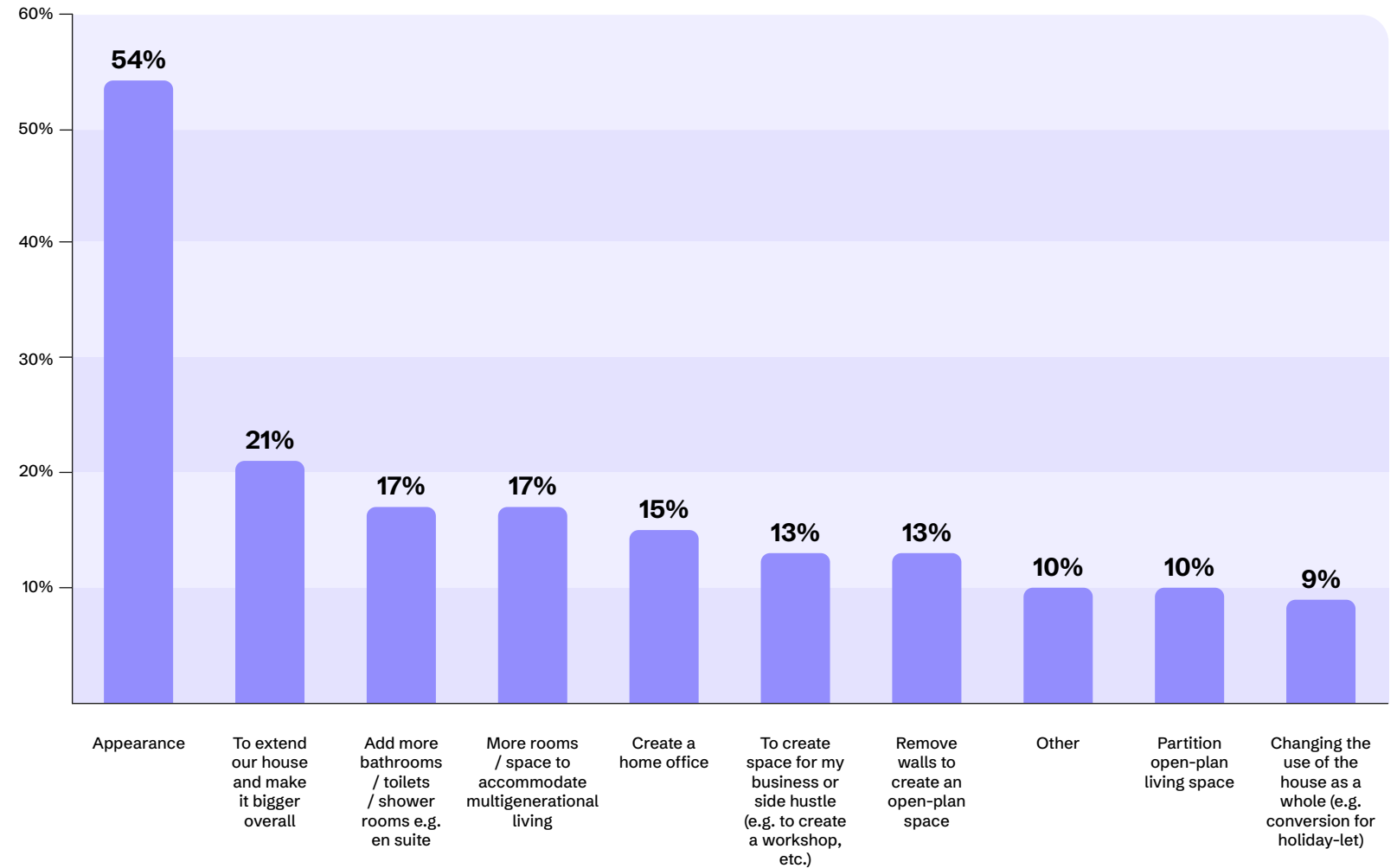
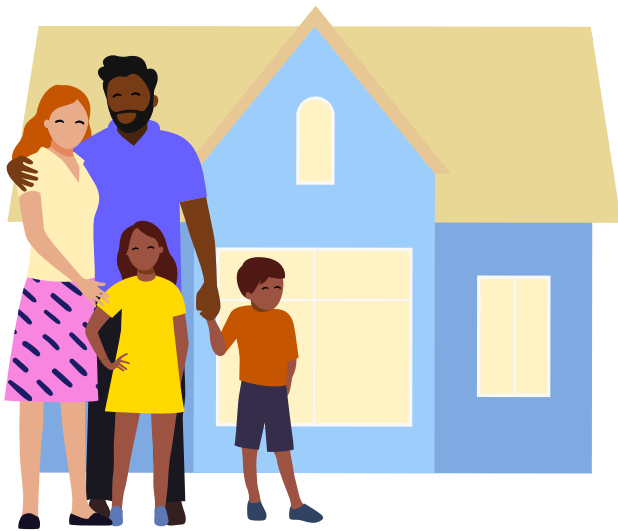
Different parts of the country have different reasons for carrying out renovations on their properties. Homeowners in Scotland are most keen to make their homes beautiful, with 61% planning renovations to improve their properties' appearance, seven percentage points above the national average. The West Midlands, by contrast, appears to be the home of homeworking, with 26% planning to install a home office - 11 percentage points above the national average.

Londoners, by contrast, are most interested in adding more rooms to their properties. A quarter (25%) of homeowners in the capital plan to extend their homes to make them bigger overall, four percentage points above the average. Twenty-six per cent plan to add another bathroom, toilet or shower room - nine percentage points above the national average. One possible explanation may be making space for relatives, as 28% of London renovators plan to create more rooms to accommodate multigenerational living - 11 percentage points above the national average.



Although aesthetics are important, functionality is still a priority for some.

Despite the data showing that the aesthetics of home is an important factor, many are still looking to either extend their house or reconfigure its layout, with more than a quarter (28%) making changes with home working or side hustles in mind.



Energy efficiency improvements are popular

Alongside appearance, improving energy efficiency is a strong driver for people in the UK to work on their homes. Across all groups, people are willing to invest in solutions to help enhance energy efficiency, with more than half (56%) of homeowners making improvements in the last two years. Of those that have not made improvements, more than half (55%) hope to do so.

A third of homeowners (33%) say they have installed double-glazing in the past two years, which could be a result of people wanting to be more energy efficient due to changing weather patterns. For example, in 2024, the UK experienced the warmest February on record, followed by the coolest summer in the last 10 years, which may be impacting people's decisions when it comes to energy efficiency.

People are also willing to look to newer technologies to improve their home's energy efficiency.

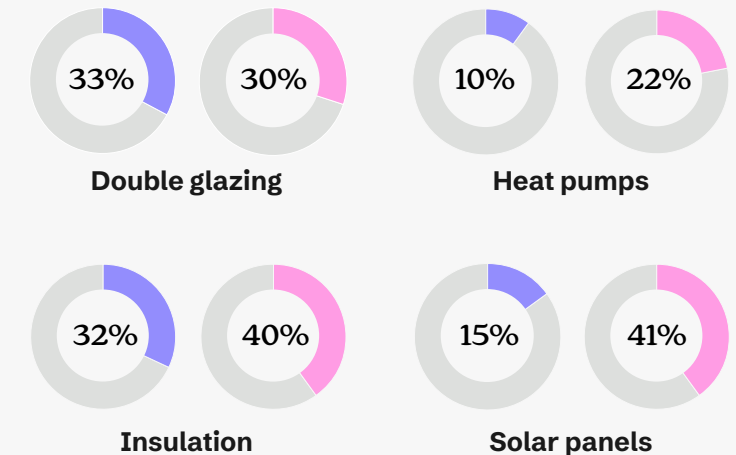
Technologies such as solar panels and heat pumps have been installed by 15% and 10% of respondents respectively in the last two years.

While younger homeowners are a small portion of the sample - with Generation Z (18-27-year-olds) accounting for just 9% of homeowners and Millennials (28-43-year-olds) accounting for 23% - they lead the way in terms of making energy efficiency improvements, with 86% saying they have made some enhancements in the last two years.

Before making any structural changes to their homes, it's important that people inform their insurer to ensure they have the right level of cover in place for during and after these renovations. Residents may require a new or revised policy, to ensure adequate cover is in place for their "new" home. It's worth noting that not all insurers provide cover for improvements like heating pumps and solar panels, so it's good practice to check.

Energy efficiency improvements

- Made energy improvements in the last two years
- Wish to make improvements



Growth of multigenerational living

Different generations may have varying levels of appetite for adapting their homes, but they seem to be sharing their homes in increasing numbers. More than one in 10 (11%) adults in the UK state that they live with their parents, step-parents or in-laws.

As might be expected, 16-24-year-olds are most likely to share a home with their parents. When looking at other age groups, 16% of 25-44-year-olds live with their parents, compared to 10% of Gen X (45-54-year-olds).

There appears to have been a push towards greater levels of multi-generational living in recent years.

Aviva's third How we live report, released in November 2021, found 4% of people were living with extended family due to the pandemic and that a further 12% were considering doing so. Other reasons may be due to financial circumstances and people simply wishing to live with extended family.

As well as adult children not moving out of their childhood home, there is some evidence of parents moving in with their children, possibly due to caring needs. This could explain why one in 10 (10%) of Gen

X live with their parents. In fact, 17% of homeowners planning to make renovations intend to create space for multigenerational living, with 29% of 25-34-year-olds citing this as a reason.

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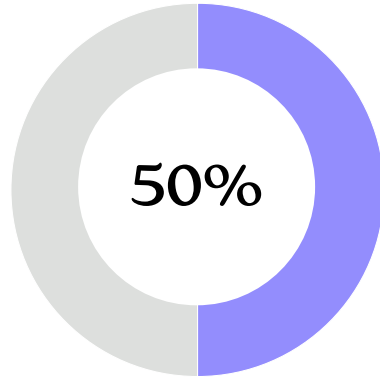
There are many reasons why several generations may be under one roof, and it is important to inform your home insurance provider of any changes in the number of people living at your address. More people can mean more possessions, and possibly a higher chance of accidental damage which is why it's important to review your policies and make sure you have the appropriate level of cover.”

Hazel Johnson

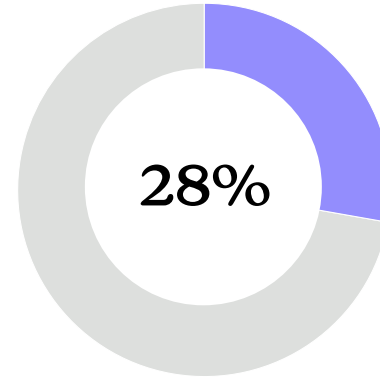
Director of Personal Lines Home and Motor Claims, UK General Insurance, Aviva



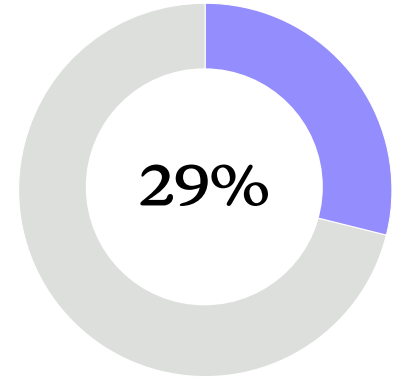
Percentage of people living with family members from other generations
(Excluding dependent children under 18)



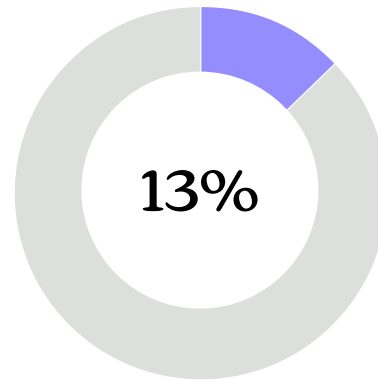
Generation Z (16-27)



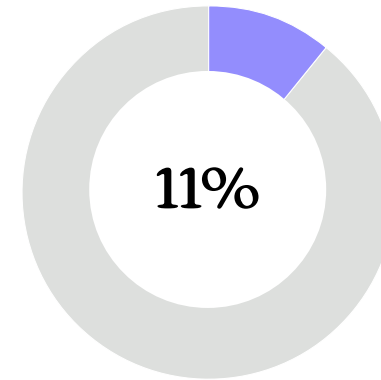
Millennial Generation or Generation Y (28-43)



Generation X (44-59)



Baby Boomer Generation (60-78)



The Silent Generation (79+)

A safe area with good transport links is the top priority for homebuyers

Cost is top of mind for renters.

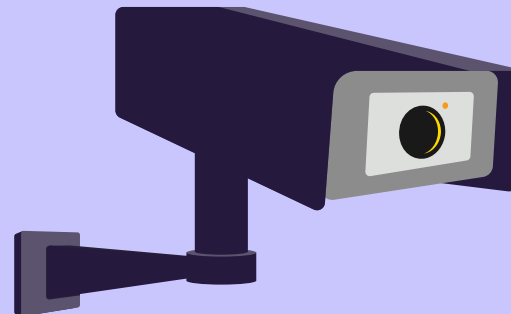
Perhaps unsurprisingly, the How we live data suggests people consider cost a primary focus when looking to rent a property, while those buying tend to consider the safety of the area more than any other factor. Among those looking to rent, affordability is the top concern, with more than half (53%) of respondents highlighting this.

Affordability is a bigger concern for older renters, which increases in importance with age. Almost seven in 10 (68%) of those in the 75+ age bracket cite it as a barrier, compared with two-fifths (38%) of 16-24-year-olds.

While it is the top consideration for those renting a home, living in a safe area is a key concern for all who are home-hunting, mentioned by 45% of renters and 44% of buyers. As detailed on page 13, this concern about home safety is reflected in people's smart device choices, with smart doorbells and security cameras popular among people across the UK.

Security driving smart device purchases

In keeping with the focus on security, almost a third of people in the UK have installed smart doorbells and home security cameras, while 19% plan to purchase a smart doorbell in the next 12 months and 17% plan to purchase a home security camera. Aviva research also found almost one in 10 UK residents said they were burgled in the year to September 2024, while a quarter said they have been burgled before.



“

Although we often see a spike in insurance claims for burglaries and break-ins during the winter, theft can happen anywhere at any time, which is why it's important to be vigilant with security.

It is really encouraging to see that a greater number of UK residents have already installed or are planning to purchase a smart doorbell. This, paired with installing motion sensor lights and using security cameras, can further boost security and deter a break in from occurring.

While it is important to put off would-be burglars, it's just as important to think about protecting homes and possessions.

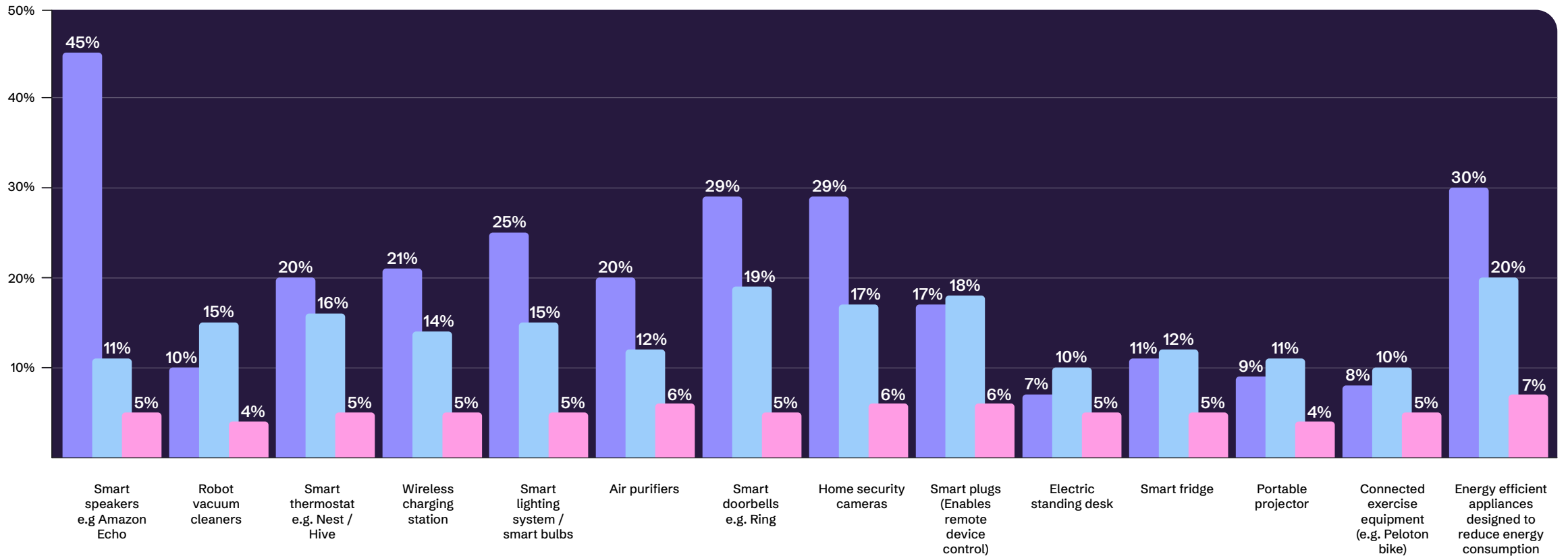
Home insurance can provide cover for the financial impact of theft, damage to properties, and loss of valuable items. It's essential that individuals take time to ensure they have adequate insurance for their needs.”

Hannah Davidson

Senior Underwriting Manager,
Home and Lifestyle, Aviva

Those who own or plan to purchase the following items

- Already have
- Plan to purchase in next 12 months
- Have and plan to purchase in next 12 months



Energy efficiency a consideration when buying appliances

As with the structural changes people are making to their properties, energy efficiency is an important factor driving the purchase of home appliances for those living in the UK. Three in 10 (30%) already own energy-efficient versions of appliances such as ovens, fridges and washing machines, while 20% are planning to buy them in the next 12 months. A further 7% already own energy-efficient appliances and plan to purchase more, indicating a strong desire to lower energy bills – and emissions – from their homes.

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Our research shows people are making improvements within their homes – from extensions and reconfigurations to energy efficiency and aesthetics.

Interestingly, the main reasons for these improvements are often aesthetic rather than functional.

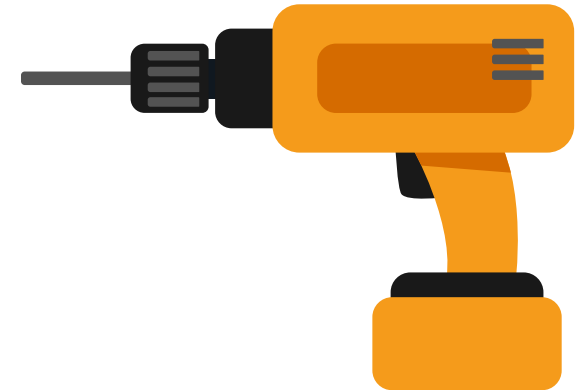
We’re also seeing increased levels of multigenerational living – adults of different generations are cohabiting, and it is not only adult children moving in with their parents. There is some evidence parents are moving in with their children too.

Alongside these changes, people are willing to spend on improving the energy efficiency of their homes, with large numbers of younger homeowners carrying out this work.”

Hazel Johnson

Director of Personal Lines Home and Motor Claims,
UK General Insurance, Aviva

Anyone planning on doing any renovations in their home, should check their policy wording as home insurance providers are likely to want to know about them. Home renovations, repairs or construction projects can potentially affect policies and premiums, so it is important to keep insurers informed, to ensure coverage stays up to date.





02

Living

How people in the UK are living their lives, through the possessions they own and their plans to move homes in the future.

Living

This chapter looks at how people in the UK are living their lives, both through the possessions they own and their plans to move homes in the future.

People in the UK have seen the value of their possessions rise significantly in the past five years, growing by 38% on average to more than £58,000 per household, thanks to a combination of inflation and accumulation over time.

Separately, some people in the UK are keen to move to a new area, with Londoners in particular looking to move out of the city. This could indicate a continuation of the push for more space and fresh air as people work flexibly – or perhaps is a result of property prices in the capital.



One in eight UK residents plan to move to a new area within five years

There are some areas of expenditure where people in the UK appear to be more hesitant. Six per cent of homeowners plan to trade up to a bigger house in the next five years, down from 10% in the 2019 How we live survey. Similarly, one in 10 (10%) plan to buy their first home, down from 16%, and 9% plan to downsize, up slightly from 8% in 2019.

There is some evidence of a continued push to live in places with more space and fresh air.

Almost one fifth (19%) of Londoners aspire to buy a house in a different area, well above the national average of 13% and the highest rate nationally. London is also the landlord capital of the UK - Londoners want to buy a second house and become landlords at higher rates than the rest of the country, with 16% highlighting this as an aspiration, versus a national average of just 5%.



The survey findings suggest people in the UK may have lowered their property aspirations in response to the increase in housing-related costs over the past five years. The average UK house price rose from £235,000 in December 2019 to £292,059 by the end of 2024. In tandem, average mortgage rates have risen sharply. In December 2019, the average rate for a five-year fixed mortgage was 1.67%. Whereas in November 2024, the average rate had risen to above 5%.





Property owners

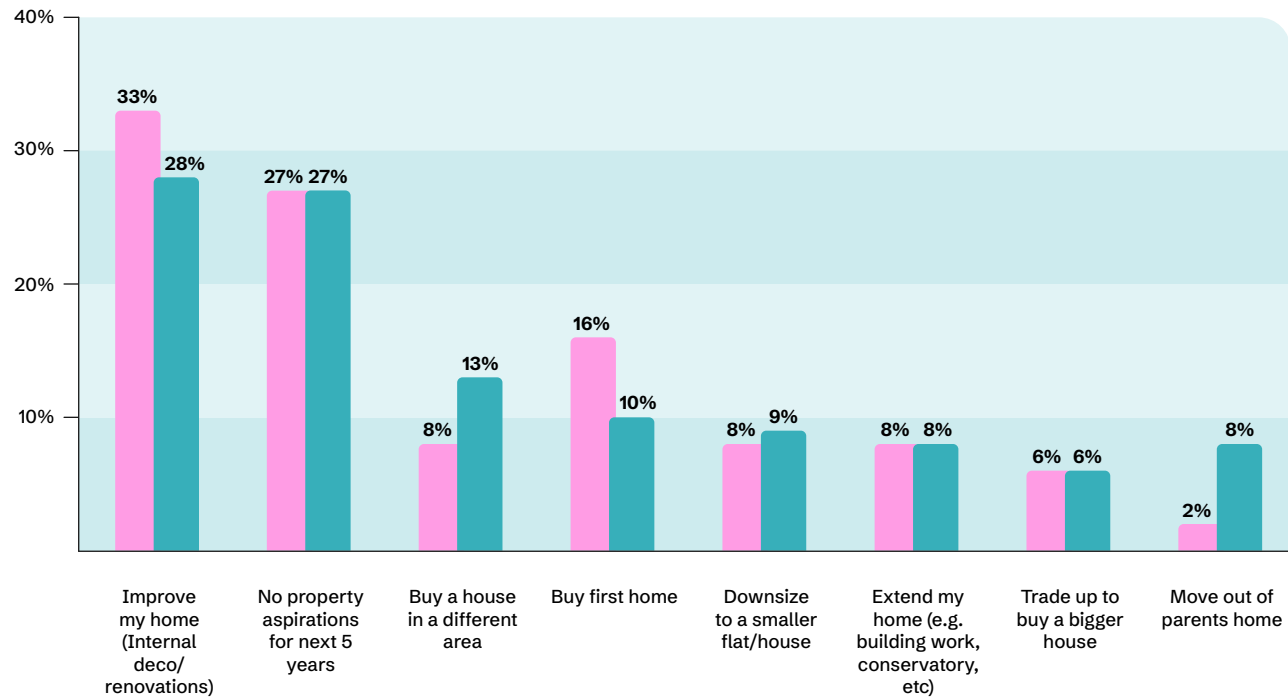
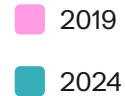
For those who own their property, it's important to take out building and contents insurance as soon as contracts are exchanged - that's the point where someone becomes legally responsible for their new property.

It's also worth considering add-ons, like home emergency cover, which pay out in case of emergencies - things like boiler breakdown or plumbing emergencies.

Renters

For those who rent, it's worth checking the tenancy agreement in detail. It should clearly state what the tenant is responsible for in the property, which will help determine what kind of home insurance cover is needed.

People's property plans for the next five years

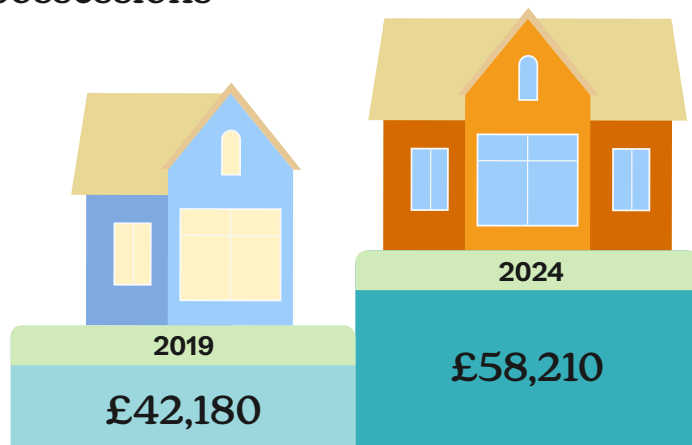




Value of possessions increases by 38% over five years

When it comes to home contents and personal possessions, the research suggests people own more items than they did five years ago and that those items are worth considerably more. The average household estimates their possessions are worth a total of £58,210, up from £42,180 in 2019. This represents an increase of 38%, higher than the cumulative inflation of 25% seen over the same period, potentially reflecting a combination of inflation and acquisition.

Average total value of house possessions



Younger people spend more on possessions

The How we live research suggests that those aged 25-34 have the highest value of possessions, based on their personal estimates, with some types of belongings standing out as particularly popular.

This age group owns books worth an average of £1,333, compared to £1,056 across all UK age groups. For those who own jewellery in the 25-34-year age group, the average figure is again considerably higher at £8,233 compared to the national average of £5,727 across all age groups. The same is true of personal tech devices such as laptops, mobile phones and tablets, with people in the 25-34 age group owning items worth £8,267 on average, compared to a national average of £5,196.

For furnishings, by contrast, it is older age groups that own far more, with the over-75s owning items such as curtains and carpets that carry an average estimated value of £3,929. This is over £1,000 more than the value of furnishings owned by 25-34 year-olds.

Bikes also deserve a special mention, with How we live data suggesting a mean average figure of £4,463 for those who own bicycles.

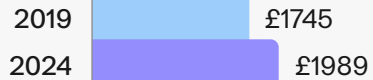
However, this increased figure is likely to be skewed by a demand for e-bikes and top-end bikes over the last five years amongst some people. These models carry much higher average ticket prices than traditional bicycles and demand for these items among top spenders has pushed the mean average up dramatically, while the typical household value of bicycles remains £1,000 or less.





Approximate value of home possessions

Clothing and shoes



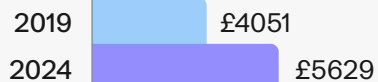
14% ↑

Personal devices



48% ↑

Living room furniture



39% ↑

Jewellery



36% ↑



According to the How we live research, the value of our possessions has increased dramatically, which could be a combination of people having more items of value in general, as well as an increase in high-value items.

With people now owning items worth an average of more than £58,000 per household, it is important that they ensure they have adequate cover to protect their most cherished possessions. It's particularly important to make sure that the sum insured shown on a policy is enough and that they have the sections of cover they need, such as personal belongings, which provides cover for the items they carry with them away from home.

In some cases, people may need to purchase specialist cover or list valuable items separately on policies. Every home and its contents are individual, so it is important that people find the right policy for their needs.”

Hannah Davidson

Senior Underwriting Manager, Home and Lifestyle, Aviva



03

Transportation

The following chapter looks at the choices people are making about how they get around.

Transport

Transport is a major aspect of how we live, and the following chapter looks at the choices people are making about how they get around, including car ownership and attitudes towards EVs and hybrid vehicles.

Here, we see a high appetite for car ownership among UK drivers.

In many instances, decisions are not driven by necessity, but rather by the desire to upgrade their vehicle. The switch from petrol and diesel to electric and hybrid vehicles is happening, but cost is still holding many back from making the transition.

There is also some evidence that flexible working continues to shape the habits of millions in the UK, leading many to choose to travel less than in the recent past and, when they do travel, to rely more on their own vehicles.



Almost half of car owners plan to change their car in the next 12 months

According to the How we live research, three quarters (75%) of UK adults either own or lease a car.

Among this group - those who already own or lease a car - almost half (46%) plan to change their car in the next 12 months). Of these, half plan to buy or lease a new car, while a slightly lower proportion plan to buy or lease a second-hand car.

Appetite is highest among younger generations. Two thirds (66%) of Generation Z (17-27-year-olds) plan to change their vehicle within the next year, followed by 63% of Millennials (28-43-year-olds).

Surprisingly, despite perceived barriers to driving, such as the expansion of the Ultra-Low Emissions Zone, and their access to the country's largest public transport network, Londoners remain keen on cars. Sixty-eight per cent of car owners in Greater London plan to buy or lease a car within the next year, significantly above the next highest region - the West Midlands at 52%.

The desire to upgrade is the most popular reason people give for wanting a new car.

Among those planning to buy a car in the next year, more than a third (34%) say it is because they want to upgrade to a nicer car, the most popular reason overall.

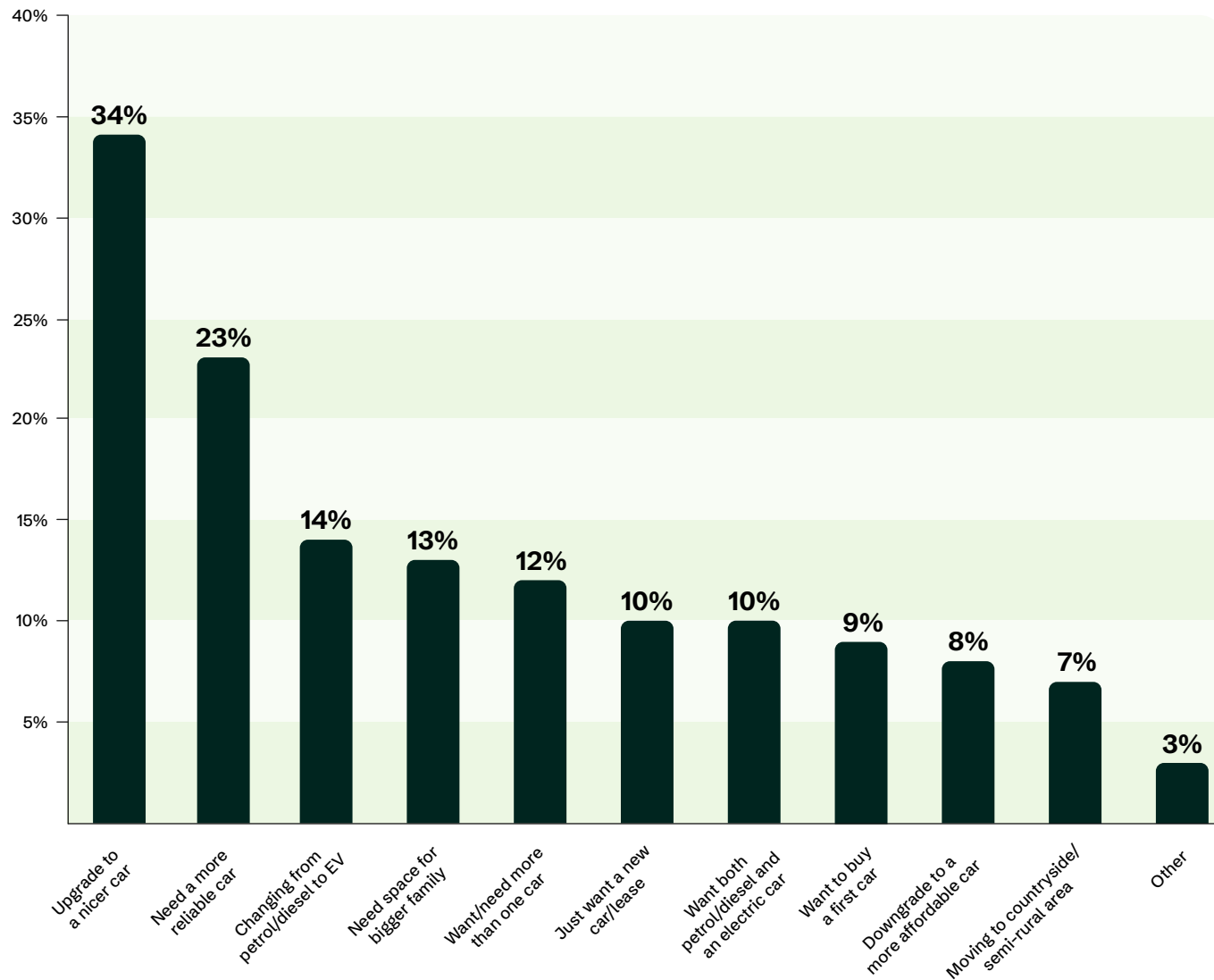
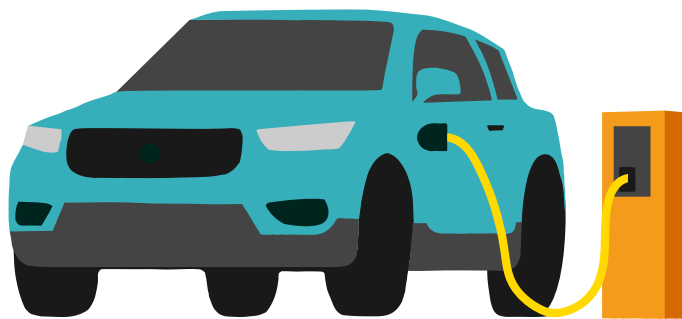
Older people are much more likely to say they plan to change their car simply because they want to - 22% of 65-74-year-olds say there is "no reason" for their planned purchase beyond simply wanting to, rising to 27% for those aged 75 and above.

Amongst those who currently don't own a car, 14% say they are planning to buy or lease a car in the next 12 months.





Reasons for wanting to buy or lease a car in the next 12 months





Car use by age of driver

Usage remains high across generations.

Cars remain a popular mode of transport for people in the UK, owned or leased by 75% of those surveyed, with many owning or leasing more than one car.

Car usage is also consistently high across generations. Even among the group with the lowest number of drivers - Generation Z - almost seven in 10 (68%) own or lease a car.

Younger people also show a much greater willingness to buy electric and hybrid vehicles than older groups. Almost half (49%) of Generation Z and two fifths (40%) of Millennials own an electric vehicle, while ownership levels of these types of vehicles among older groups falls far lower.

The most common reason people choose a hybrid or electric vehicle is for environmental reasons, with almost 40% of both EV (38%) and hybrid (36%) drivers citing this as a reason for their purchase. 28% of EV drivers also say EVs drive better than petrol vehicles. Hybrid drivers tend to be more focused on cost, with 27% saying they drive such a vehicle because it is cheaper.

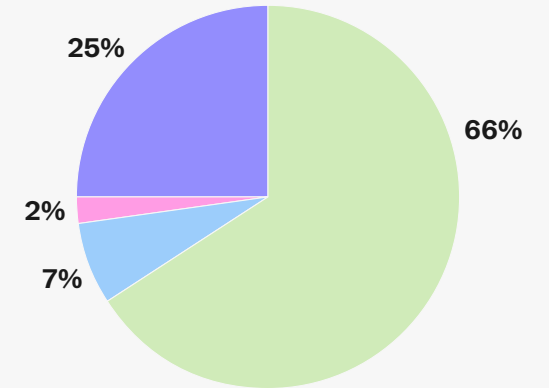
Many people, however, remain reluctant to make the switch to EV and hybrid vehicles. Despite high numbers of people planning to purchase cars in the next 12 months, just 11% of those who do not own an EV or hybrid vehicle are looking to buy one. Almost half (47%) of people describe EVs as too expensive, while more than two fifths (42%) cite cost as a barrier to going hybrid.

The research also shows that the perception around cost has improved over time. According to the 2022 How we live report, price prevented more than half (54%) of drivers from choosing these vehicles, indicating that affordability - or at least drivers' perception of it - is improving.



Car ownership

- Own
- Lease
- Both
- None





Electric and hybrid vehicle ownership

- Electric
- Hybrid
- Both
- None

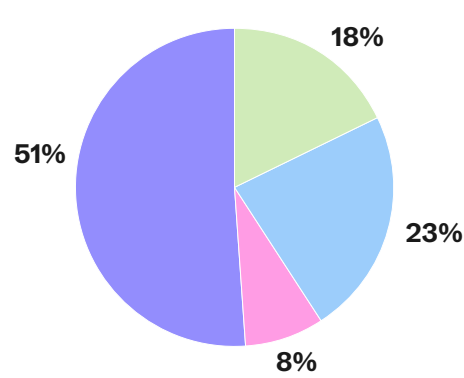


The UK remains a nation of drivers and after a property, buying a car is typically one of the largest purchases people make. Our research shows an aspiration among some non-drivers to buy a car, and a desire to upgrade to a nicer car among those that already own one.

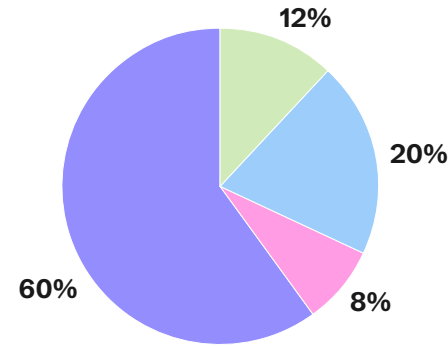
As we anticipate an increase of charging points, it is likely that we will see more hybrid and electric vehicle purchases over time, which is encouraging.”

Martin Smith

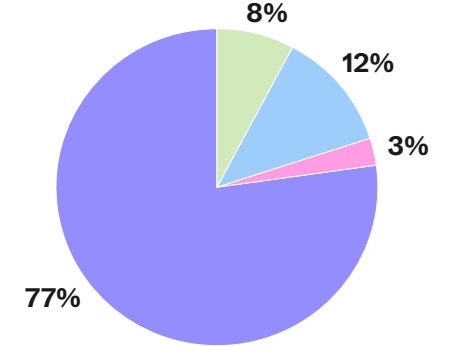
Motor Claims Manager, Aviva



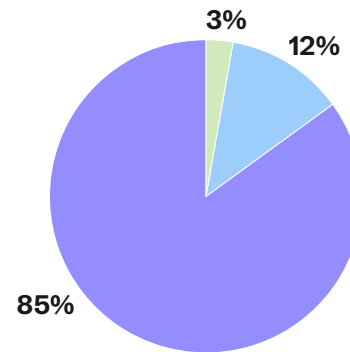
Generation Z (16-27)



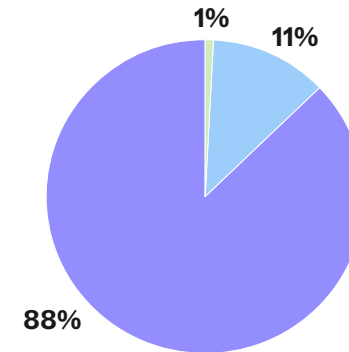
Millennial Generation or Generation Y (28-43)



Generation X (44-59)



Baby Boomer Generation (60-78)



The Silent Generation (79+)



04

Travel

This chapter examines UK residents' travel plans for the year ahead.



Travel

This chapter examines UK residents' travel plans for the year ahead, looking at how many have already booked a holiday, the types of holidays people are planning and how much they expect to spend.

Many people in the UK – more than half – plan to take a trip in the next 12 months.

A significant number have already booked at least one of their trips for the year ahead, with domestic city breaks and overseas beach trips the standout favourites among respondents.

A sizeable proportion – 41% – of holidaymakers also plan to significantly increase their spending on holidays, with the median average rising by £750-£1,000 per trip, compared to the previous year. A small but significant proportion plan to spend substantially more – 15% of respondents plan to spend more than £5,000 per trip, with a little over 2% planning to spend £20,000 or more per trip.

However, over one in 10 (11%) never purchase travel insurance when travelling abroad, potentially leaving themselves on the hook for substantial costs if their trip is cancelled or they find themselves requiring medical attention while overseas.





Half of UK holidaymakers have already booked next year's trip

A large majority plan to travel in the next 12 months and a significant proportion have already booked trips. Two thirds (66%) plan to travel abroad in the next 12 months, while 75% are planning a trip in the UK.

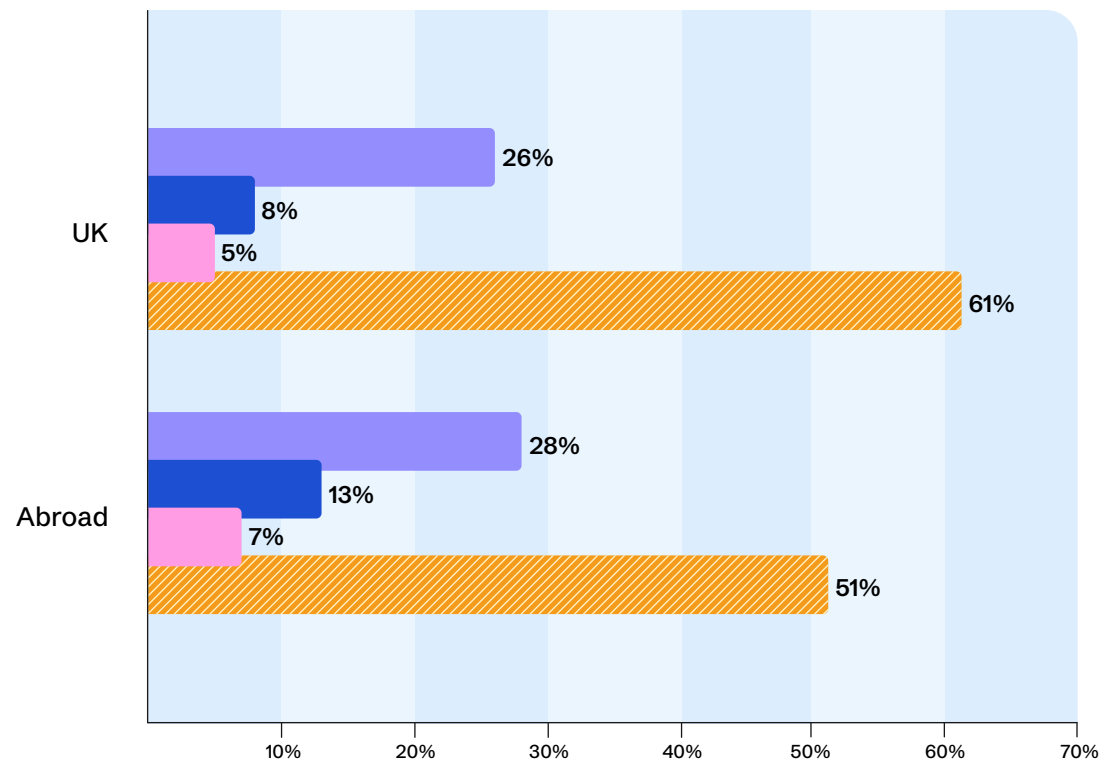
Many have already committed to taking their holidays. The research finds almost half - 49% - of people in the UK who plan to travel overseas next year have booked their trip, while 20% have booked two or more overseas breaks for the coming year.

Younger people are especially keen to explore the world.

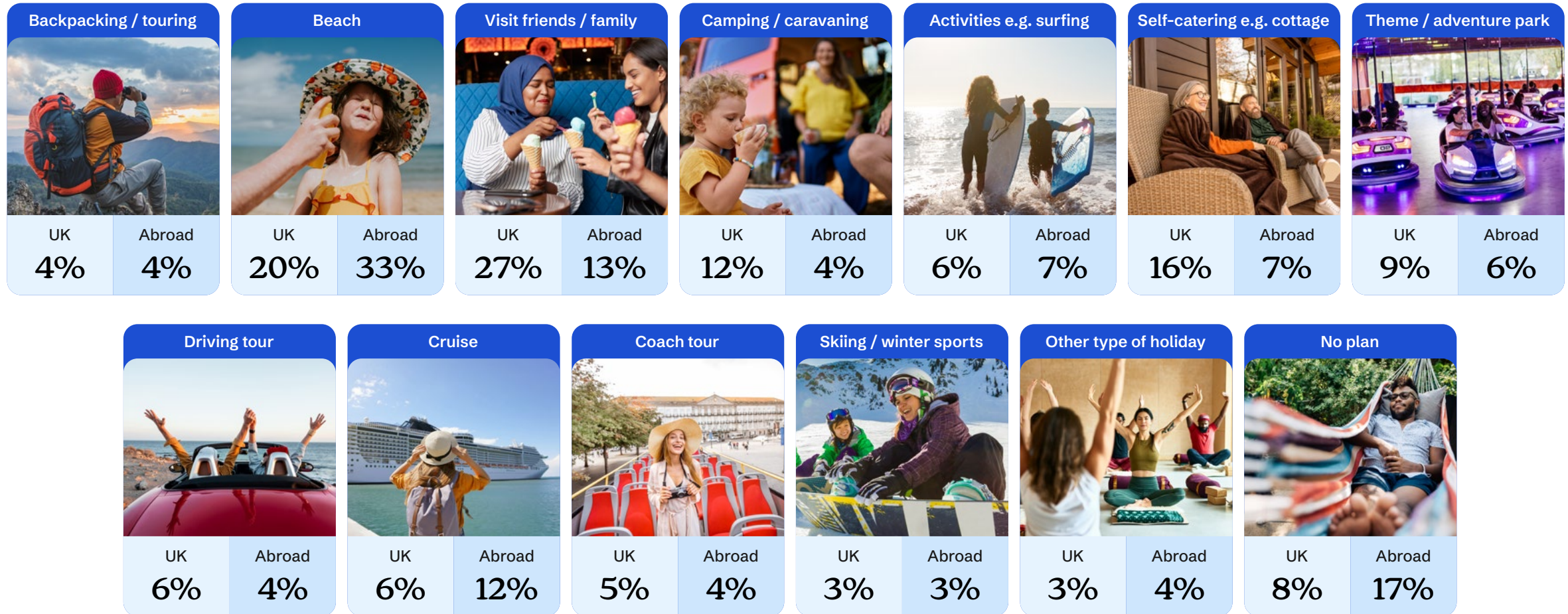
Across both the 16-24-year-old and 25-34-year-old categories, almost three fifths (58%) have already booked overseas trips for 2025. Younger people are also the highest proportion of those who have already booked two or more trips in the next year - 14% compared with 7% of the general population. This may reflect a desire to see the world while young, with possibly more flexibility to travel.

Number of holidays people already have booked for 2025

- 1 holiday
- 2 holidays
- More than 2 holidays
- None



What types of trips are people planning?





Who we travel with

More than one in 10 (11%) holidaymakers plan to travel alone, while a further 3% plan to join a group trip with other solo travellers. This trend seems to be spread across all age groups, with 10% of 16-24-year-olds, 12% of 45-54-year-olds and 13% of 64-74-year-olds planning a solo trip.

More than two-fifths of those planning a holiday intend to travel with their partner or spouse.

As people get older, they take fewer trips with friends, preferring to travel with their significant other. These generational differences are evident through the How We Live data: 56% of Baby Boomers (60-78-year-olds) are planning a trip with their partner, compared with 28% of Generation Z (16-27-year-olds). A quarter (26%) of Generation Z are planning a trip with a group of friends, compared with just 6% of Baby Boomers.

These findings are probably influenced by relationship statuses at different ages, with younger people less likely to be living as part of a couple. For example, ONS data finds that 61.3% of the England and Wales population aged 16 years and over was either living with a legal partner or cohabiting in 2022; this varied by age, with 27.6% of 16-to 29-year-olds living in a couple compared with 78% of 40-to 44-year-olds.

11%

By themselves



42%

With partners



16%

With children



22%

With immediate family



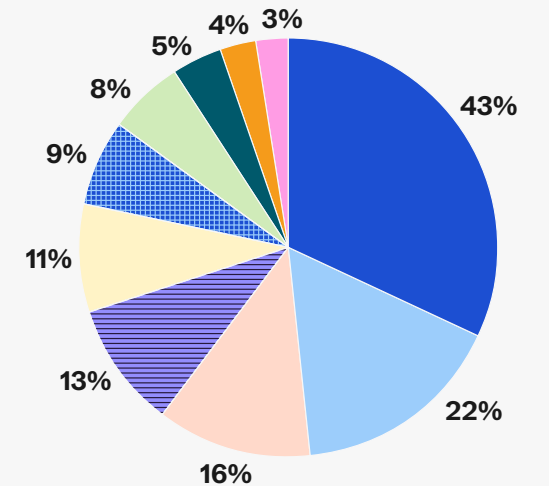
13%

With extended family



Who people are planning to travel with in 2025

- Partners
- Immediate family
- Children
- Extended family
- Small group of friends (6<)
- Large group of friends (>6)
- A friend
- Group tour
- Unsure yet
- By themselves

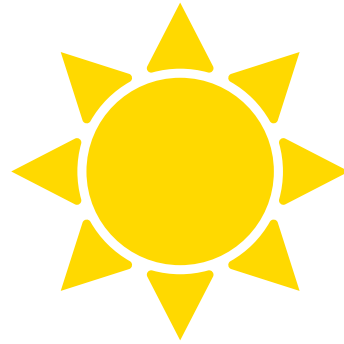


What influences where we travel?

As well as a generational divide regarding travel buddies, there are differences when it comes to how people decide where to go. Older generations are more likely to return to a place they have visited and enjoyed previously, with 27% of Baby Boomers and 31% of the Silent Generation (those aged 79 and older) saying they chose their destination based on a previous trip. Conversely, younger generations are far more likely to choose a destination based on places they have seen on screen.

Social media has become a major factor in how people decide where to travel, with nearly one in 10 (9%) holidaymakers deciding on this basis. The most digitally-enabled generations are far more likely to choose a destination this way, with 17% of Generation Z and 14% of Millennials (28-43-year-olds) choosing based on their newsfeeds, compared with 8% of Generation X (44-59-year-olds) and just 3% of Baby Boomers.

Younger people are also more likely to book based on places they have seen on popular TV shows. Almost one in ten - 9% - of Generation Z decide based on a TV show, compared with just 4% of Baby Boomers.



24%

want to go somewhere **hot**

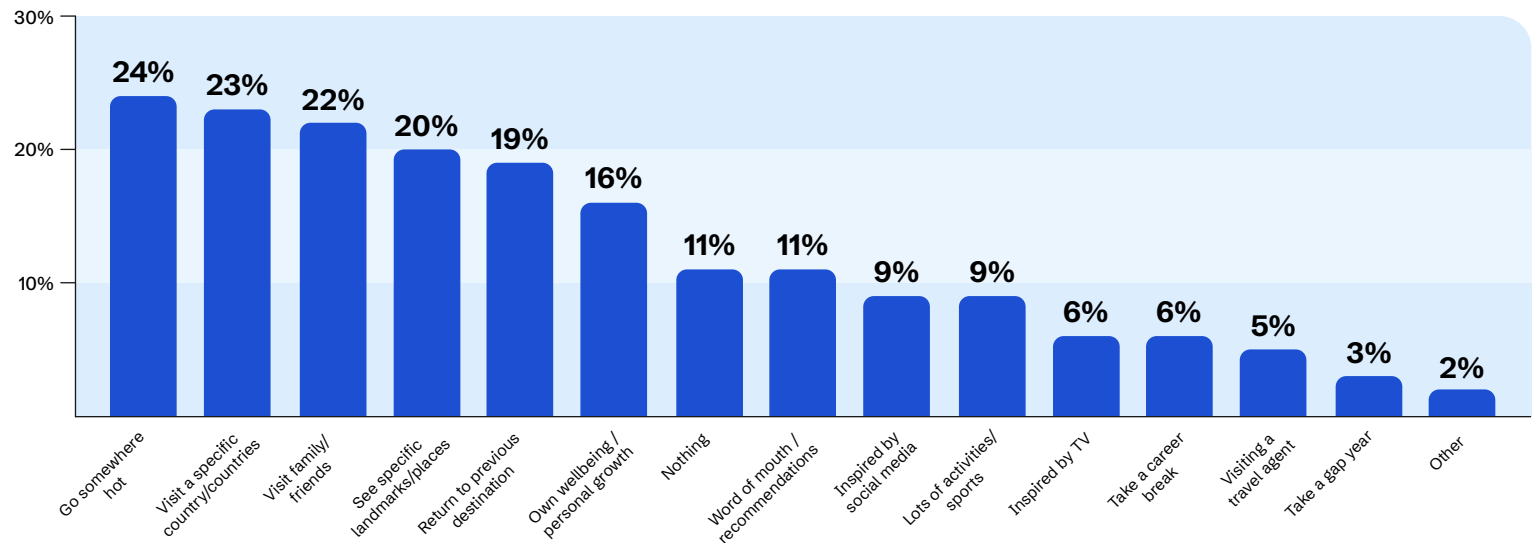
23%

want to visit specific countries



22%

want to visit friends / family





Two fifths of holidaymakers expect to spend up to £1,000 more on average per holiday than they did last year

More than two in five (41%) holidaymakers plan to spend more on their holidays in 2025 than they did in 2024. Once again, this is led by younger generations, with 47% of Generation Z and 46% of Millennials intending to increase spending.

The amount of additional spending varies widely. The median expected increase among those surveyed is £751-£1,000, though more than two fifths (40%) of holidaymakers plan to spend more than this figure (£1,001- £5,000). In fact, some plan to spend as much as £30,000 more per trip, potentially accounting for once-in-a-lifetime trips, cruises, or expeditions. In mean average terms, people in the UK plan to spend nearly £3,000 (£2,982) more per holiday.

For UK trips, a small number of big spenders skew the average figure upwards, leading to an average of £2,025 for staycations.

The average figure for overseas holidays is significantly higher at £4,264, reflecting a far greater willingness – and possibly a need – to spend more when travelling overseas.

Spending on holidays peaks at a young age – at £5,401 for 25-34-year-olds – before falling sharply for older age groups, potentially reflecting a desire to see the world when they can, as well as the availability of disposable income at a younger age.

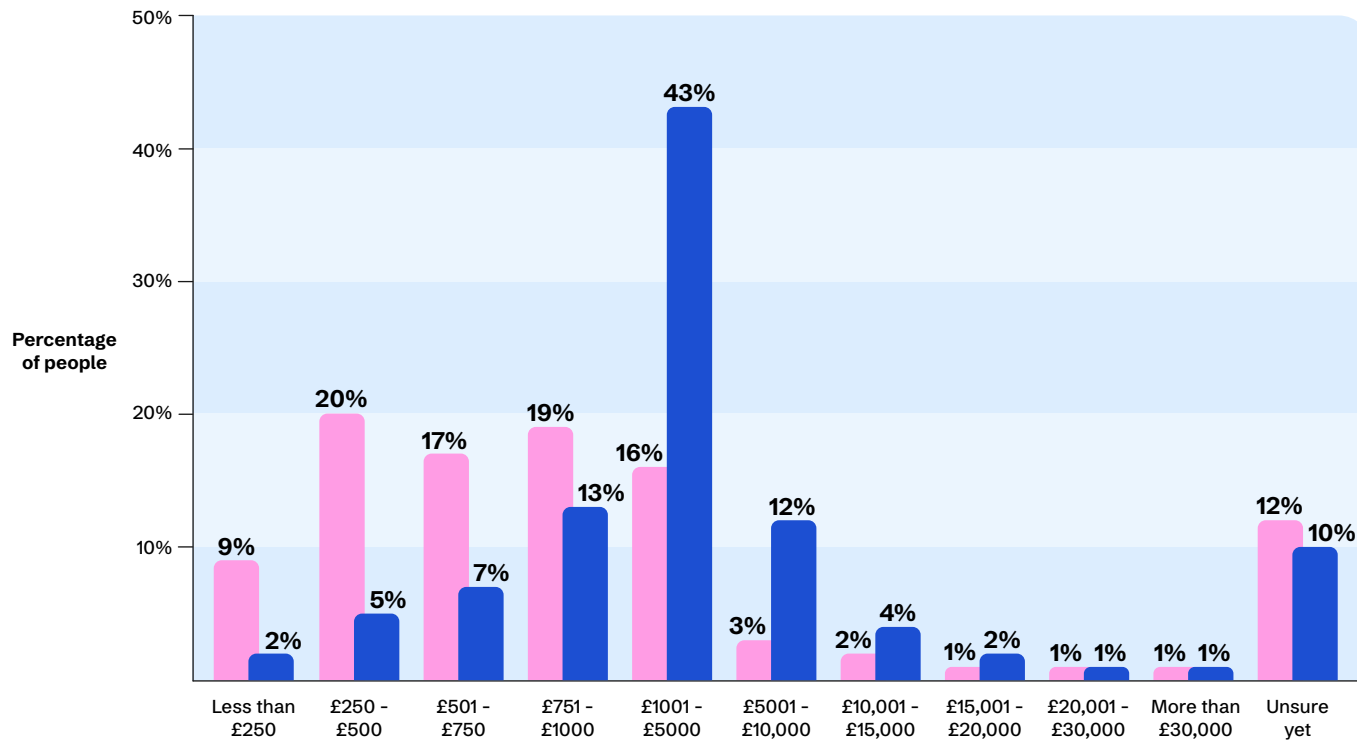




How much people are planning to spend

UK

Abroad



Over two million more now opt for travel insurance, but many still lack cover

The research shows that more than half of holidaymakers (57%) plan to purchase travel insurance for their holiday or holidays in 2025. 57% say they have - or will have - travel insurance in place. A further 13% have an annual policy and 6% have cover through a bank, bank account or credit card arrangement. In fact, previous How we live research conducted in 2019 found 16% of holidaymakers said they never bought travel insurance. This has fallen to 11%, an improvement of around two million more people in the UK, who are now opting to protect themselves while travelling.

This is positive news, as travel insurance is designed to protect holidaymakers in the lead up to their holiday and while away on the trip itself.

For example, travel insurance can provide cover if a person becomes unwell and is no longer able to travel. With Aviva data showing the average cost of a cancelled holiday is over £900, this is a valuable lifeline should the worst happen.

Travel insurance can also provide cover while people are away, including medical treatment for emergencies. According to Aviva data, medical bills abroad can run into the thousands, if not tens of thousands of pounds. Without insurance, holidaymakers can find themselves on the hook to cover these costs themselves, adding a significant amount to the cost of their trip.

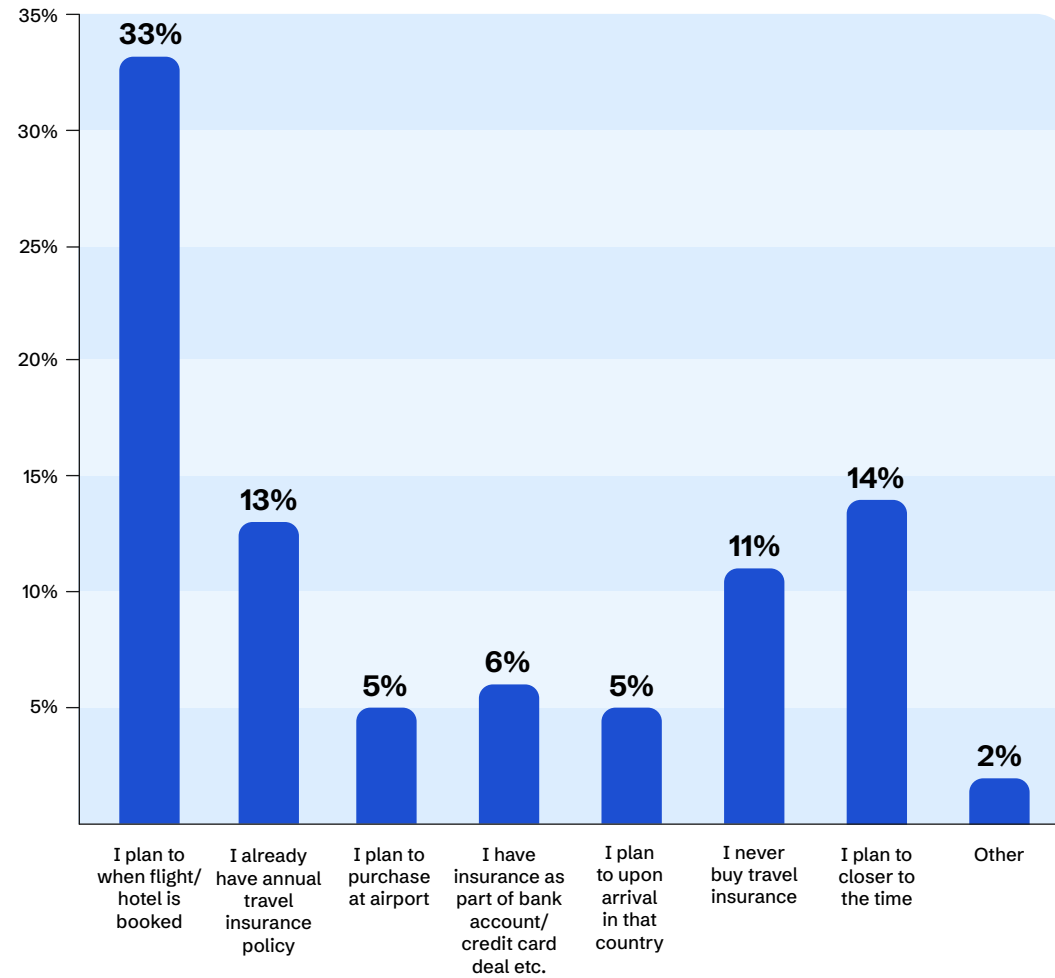
Anyone going on holiday should also speak to their insurer regarding any existing or pre-existing medical conditions as well as ongoing medical investigations. Every insurer has different requirements and so it's important that people speak to their insurer to check they are covered.

Though it is positive to see a decrease in people travelling without cover there is still a substantial risk for those holidaymakers who do not take out travel insurance.

It is crucial that people take out cover as soon as they book their holiday, so that they are protected from the get-go. Buying it at the airport, train, bus or ferry station means that a claim may not be covered, as most policies will need to be in place as soon as the traveller leaves home for their trip.



People's plans in regards to purchasing travel insurance in 2025





“

People’s passion for travel is clear. Whether at home or abroad, people are keen to take a break and it’s heartening to see so many people already planning to get away in the coming year.

When planning a trip, it’s important that people check that their policy has the right level of cover for their needs. In some cases, travellers may need a specific policy or add-on for an extended holiday or winter sports holiday, for example. There may also be a limit on the amount you can claim in the event of having to cancel or abandon your trip, which is worth paying close attention to if you’re planning a big or costly trip.

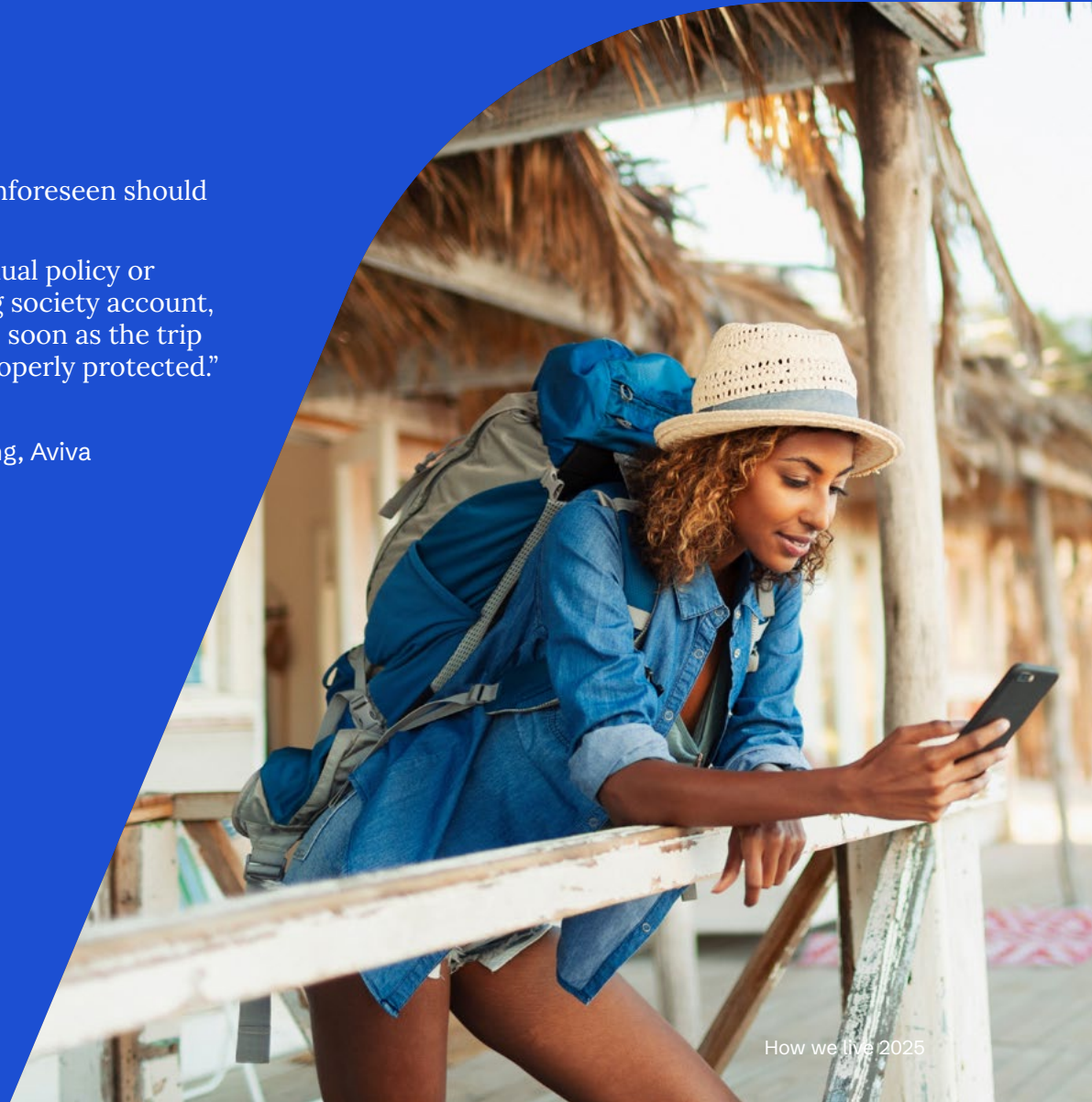
While it is great to discover that so many more people are opting to take out travel insurance when they book a trip, the number continuing to forgo this remains worryingly high. Travelling without insurance can leave people not knowing how to get the help and assistance they need and facing significant medical bills in the event of suffering illness or injury while overseas. And even before the holiday starts, our figures show the average cost of cancelling a holiday

is more than £900 if something unforeseen should go wrong in the lead up to a trip.

For those who do not have an annual policy or cover as part of a bank or building society account, insurance should be purchased as soon as the trip is booked to ensure people are properly protected.”

Carolyn Scott

Head of Home and Travel Underwriting, Aviva





05

Conclusion

“

The fifth edition of Aviva's How we live report highlights a cautiously optimistic outlook among UK residents regarding their economic future.

While there are encouraging signs of increased spending on home renovations, car purchases, and travel plans, it's reassuring to see that, for many, this is balanced with financial prudence.

This latest study suggests that many households remain reticent when it comes to the largest expenses, such as moving house. Similarly, cost is a significant factor when people consider what type of car they intend to buy, or ongoing costs such as rent for their home.

That aside, there's a growing sense that improvements in personal finances will boost optimism. A key part of fostering this positive outlook is having protection against unexpected risks. Knowing there are plans in place for when things go wrong can provide peace of mind.

This is where Aviva plays a vital role in helping people get ready for the unexpected. By supporting customers during tough times, we can help people recover faster and get back to enjoying their lives with confidence.”

Jason Storah

CEO, UK & Ireland General Insurance, Aviva



Methodology

The Aviva How we live report 2025 was developed using data from a survey of 4,000 randomly selected UK adults aged 16 and above in November 2024. The research was carried out by Censuswide Research on behalf of Aviva.

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