



The financial security gap

Iress Financial Readiness Index 2026



Introduction

In an era where the cost of living continues to rise and economic uncertainty has become the norm, understanding how prepared people really are to meet their financial needs has never been more important.

Iress commissioned the Financial Readiness Index (FRI) to give advisers a clear, data-led view of how consumers are feeling about their finances, how they're actually behaving and how ready they are for what lies ahead.

Covering financial confidence, day-to-day habits, protection, home ownership and long-term retirement

planning, the research creates a rounded picture of financial readiness, and the gaps that exist, across the UK. Built on nationally representative research, it offers a consistent and credible measure of readiness across different demographic groups and also highlights the barriers holding people back, to help better understand their behaviours and expectations.

In this short report, we explore just one aspect of the research - [the financial security gap](#).

Research methodology

The online survey was done by YouGov Plc on our behalf, among 2,103 UK adults. Fieldwork was undertaken between 10-13 October 2025. The survey was carried out online.

All figures, unless otherwise stated, are from YouGov Plc. The figures have been weighted and are representative of all UK adults (aged 18+). They may not add up to 100%

due to rounding, some questions having more than one answer and respondents declining to answer or not knowing the answer to certain questions.

The gaps use survey data from YouGov and additional analysis and benchmarking independently carried out by the lang cat.

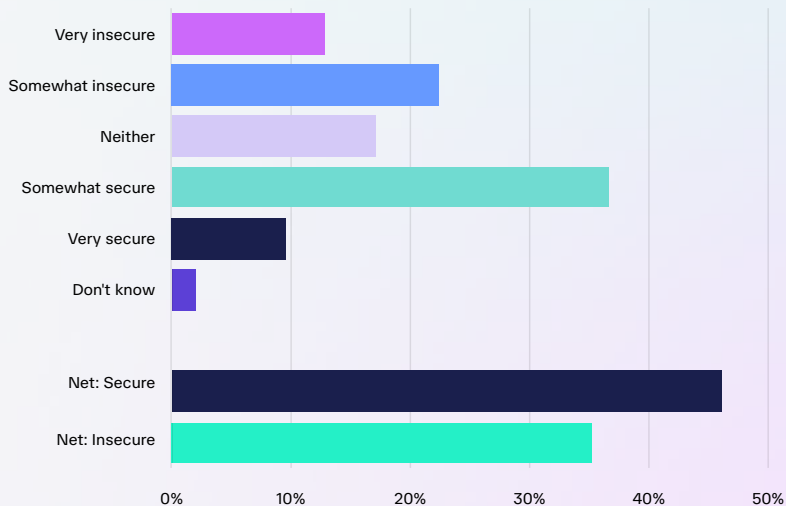
The financial security gap

A key part of assessing the UK's financial readiness is understanding how financially secure people really are. To build a clearer view of the financial situation of UK consumers, we explored three dimensions of financial security: perceived day-to-day stability, confidence in

achieving the lifestyle they want and preparedness for current and future financial needs. Together, these give us a better idea of how people see their financial position as well as the underlying strengths and vulnerabilities that shape their everyday decisions and long-term resilience.

Security and confidence

How financially secure or insecure do you feel today

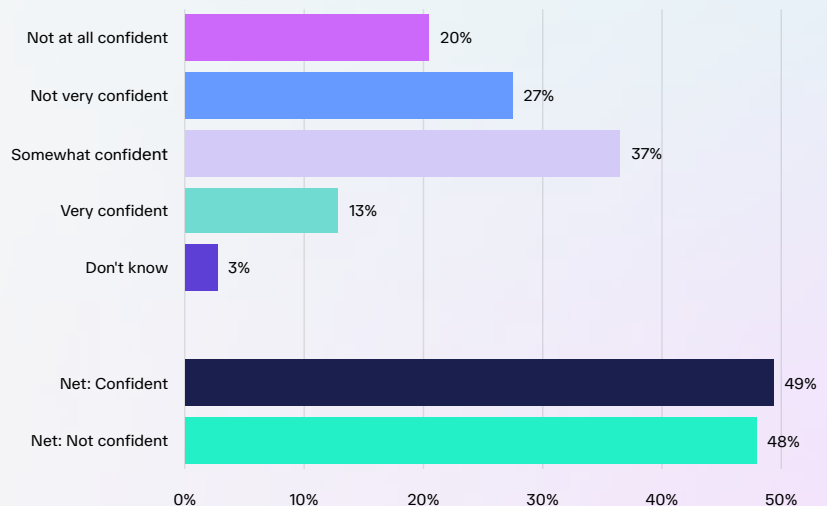


Overall, fewer than half (46%) of individuals feel financially secure, while around a third (35%) feel insecure.



Confidence in the ability to live the lifestyle you want, whether that means travel, leisure or having a healthy work-life balance, follows a similar pattern, with an even divide between confident and not confident (49% v 48%).

How confident are you in your ability to live the lifestyle you want?

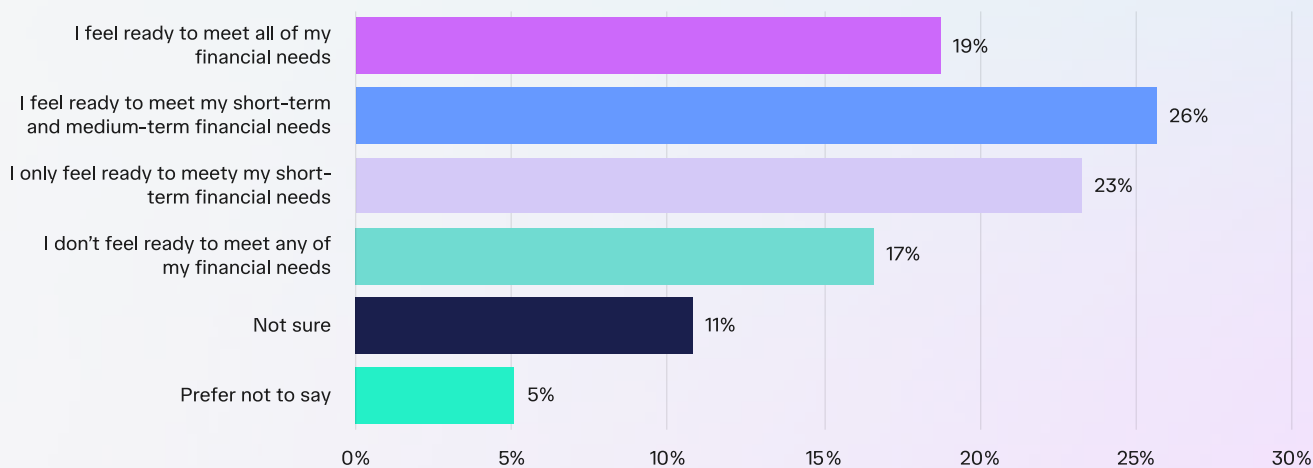




Preparedness

Readiness to meet financial needs is more polarised. Just 19% feel fully prepared to meet all their financial needs, both now and in the future, while 17% say they do not feel ready to meet any of their financial needs.

How financially ready do you feel?





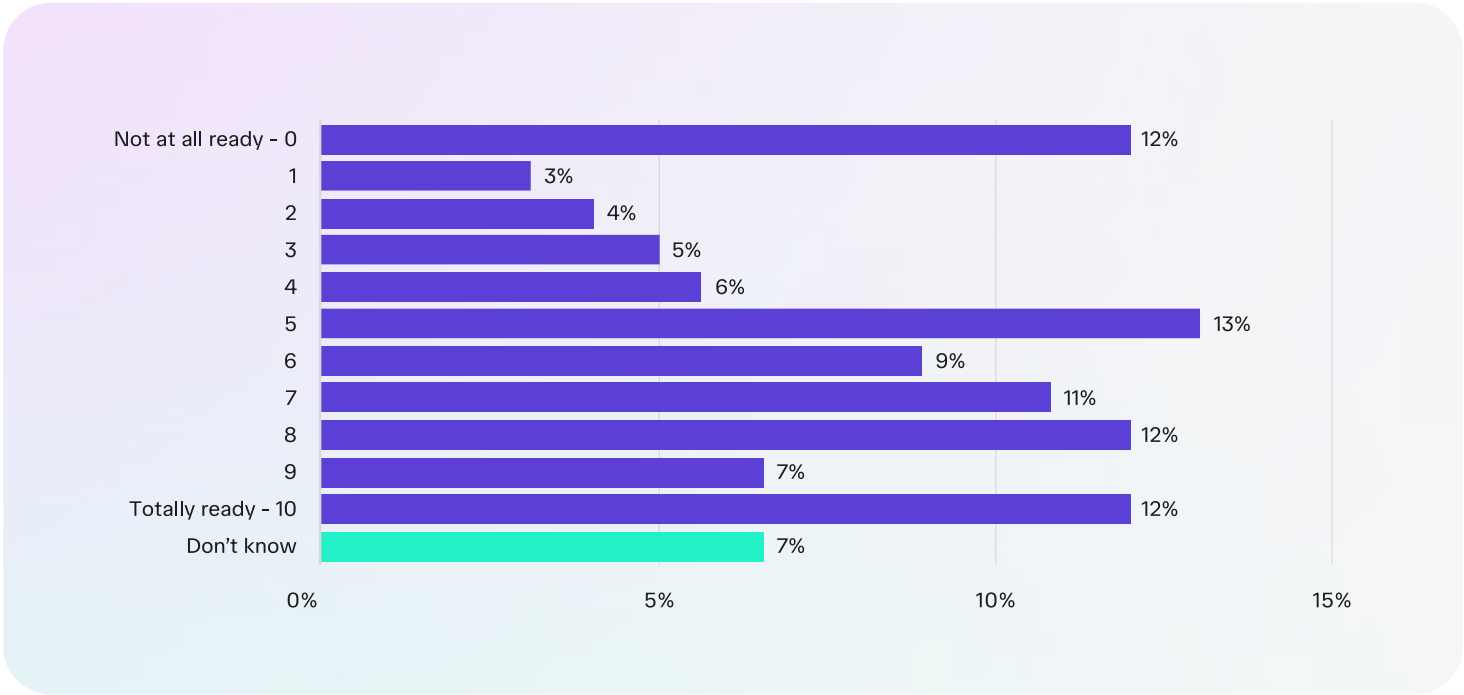
Exploring the idea of readiness further, we asked our respondents to rate their overall financial readiness on a scale from 0 (not at all ready) to 10 (totally ready). The responses paint a strikingly mixed picture, evidenced by the average score of 5.6. At the extremes, 12% say they are totally ready and 12% don't feel at all ready to meet their current financial needs. The responses are weighted towards the higher end of the scale, with 42% selecting 7 to 10, but a quarter (24%) sit in the 0 to 3 range and a similar number (27%) rate themselves 4 to 6. A further 7% say they are unsure how ready they feel.

Across all these measures, we can see that household composition has a significant impact on perceptions. People without children living in their household feel more financially secure (49%) and more confident about their lifestyle (53%) than those with children living in

their household (40% and 42% respectively). However, these measures both show a marked rise among those whose children are over 18 (54% and 57%), reflecting the easing of financial dependence.

Income is also important, but perceptions of security, confidence and readiness do not follow a linear scale. Worries persist even among higher earners, with 18% of those with gross household income over £100,000 still feeling financially insecure and 23% not confident in being able to live the life they want. On the readiness scale, a quarter (25%) rate themselves as 10, but as many (24%) sit in the 4 to 6 range and 3% say they are 0. This suggests that higher income does not guarantee financial confidence or perceived preparedness, and financial wellbeing is as much about resilience and future-proofing as it is about earnings.

How ready do you feel to meet your current financial needs?



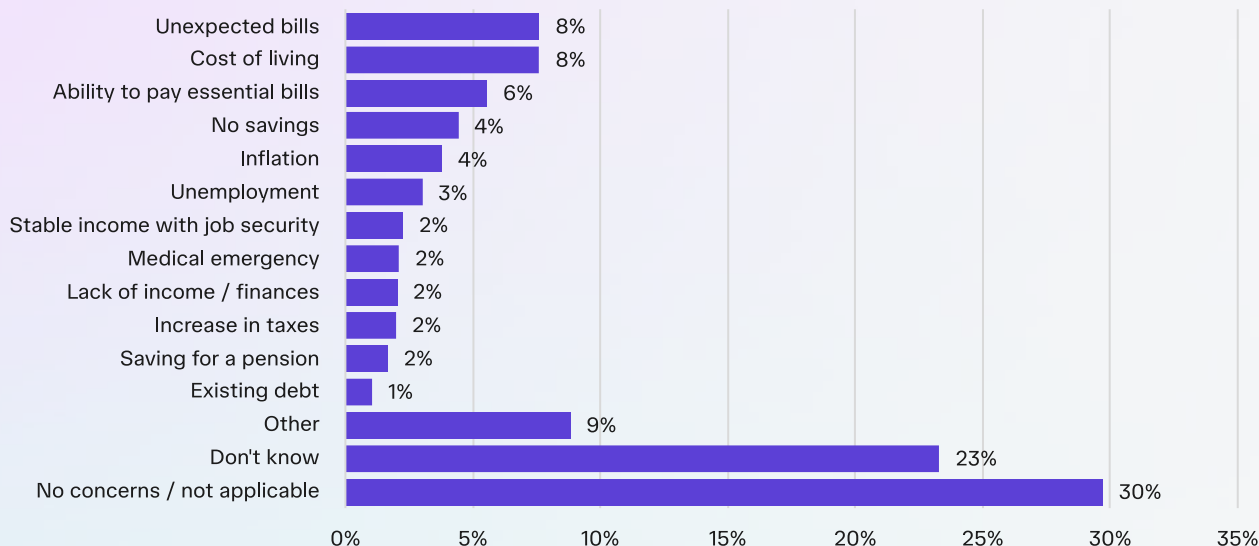
Barriers to readiness

To better understand why so many people feel unable to meet their current needs, we asked two open questions about respondents' biggest concerns when managing

their short and long-term financial commitments. Several clear themes emerged, with notable differences by gender, age, household type and income.

Short-term financial concerns

What is your biggest concern about meeting your short-term financial commitments?



One in three people (30%) said “not applicable”, suggesting they have no short-term financial concerns. The most frequently mentioned worry was the risk of unexpected bills (8%). As one respondent noted: “Honestly, my biggest concern is unexpected expenses like a sudden car repair, medical bill, or rising utility costs. My monthly budget usually covers rent, bills, and essentials, but anything unexpected can throw things off a bit.” Another said: “If a big bill came up, I would have to choose between that and my normal monthly expenses.”

Concerns about the rising cost of living are also significant (8%). At the time of the survey, inflation was 3.8%, in part driven by increases in food prices. One respondent shared: “My biggest concern is the rising cost of living things like food, transport, and bills keep getting more.” Another explained: “The cost of everything [is] going up, but my wages aren’t at the same rate.”

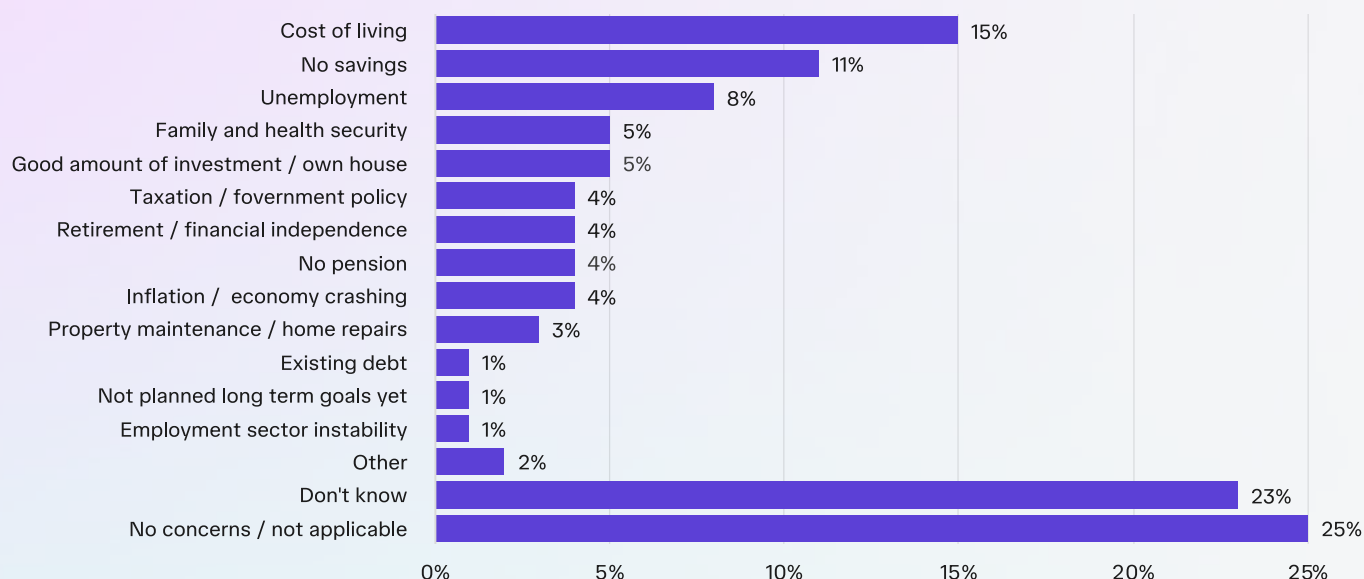
A further 6% of respondents are worried about being able to cover essential bills. As one person commented: “Concerned about not having enough money for family each month and having to gradually use up all savings, which means we would have to make further quality of life cuts just to pay bills.”

Short-term concerns varied across demographic groups. Men are more likely to say they had no concerns (33%) compared with women (26%). Cost-of-living pressures are strongest for those aged 45 to 54 (10%) and lowest among those aged 55 and above (6%), who are also the least likely to worry overall, with 47% not concerned about their short-term finances, compared with just 15% of those aged 25 to 34. Unexpected bills and expenses are a particular issue for 25 to 34 and 35 to 44-year-olds (11% and 10% respectively), compared with 6% of 18 to 24-year-olds. People aged 35 to 44 are the most concerned about affording essentials such as food, rent and other bills, while only 3% of those aged 55 and over specified this. Those with children in their household are more likely to be concerned about the cost of living (10% v 7%) and their ability to meet essential bills (9% v 4%) than those without children.

Having a higher income does not necessarily eliminate short-term concern. Among households earning over £100,000, 12% worry about the cost of living, 6% about unexpected bills and 6% about their ability to pay for essentials. While this group is least likely to worry about their short-term needs, with 39% choosing not applicable, this is not significantly higher than those with a household income of £40,000 to £49,999, where 35% reported no concerns.

Long-term financial concerns

What is your biggest concern about meeting your short-term financial commitments?



When thinking about their long-term financial goals, a quarter (25%) don't have any concerns. The most common worry was the impact of rising costs (15%). Respondents describe how increasing prices are outpacing their income growth, making it harder to plan for the future. As one person put it: "The growth rate of income cannot keep up with the gap between the rising cost of living and the funds required for long-term goals." Another said: "Cost of living keeps going up and wages are behind inflation. It is impossible to save." Others echoed this pressure, for example: "Our income is fixed, but the cost of living is outgrowing our fixed income."

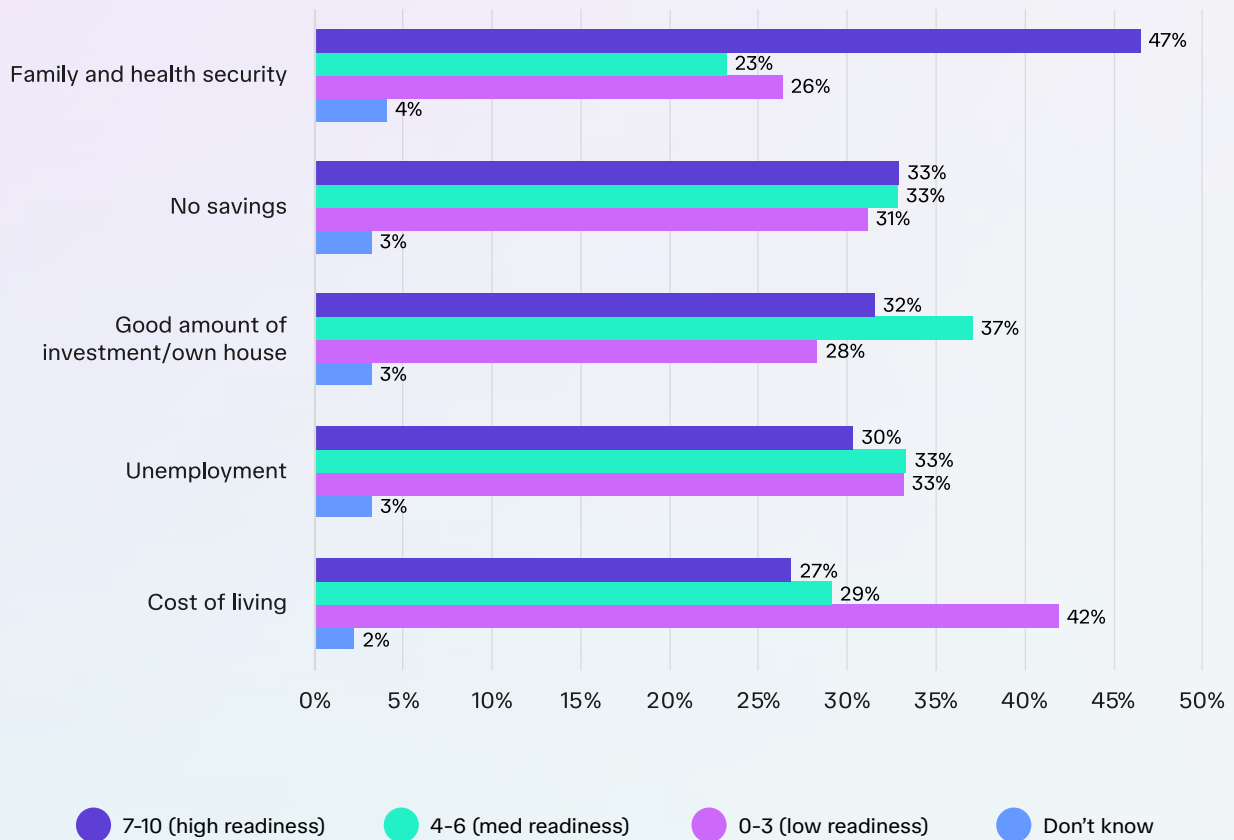
A lack of savings was also a key issue (11%). One person shared: "I have no savings because my job as a teaching assistant is low-paid." Another commented: "Everything is getting more expensive, so I need a pay rise because we have no savings, although we get by on our wages, we can't really save."

Unemployment was raised by 8% of respondents. Concerns ranged from the changing job market to new risks emerging from technology. One person was worried about their "Job security due to AI putting jobs at risk." Another highlighted their fear of "Redundancy and stagnant job market."

The long-term concerns also showed demographic differences. Men are more likely to have no worries than women overall (27% v 23%), but are more concerned about the economy crashing (5% v 3% women). Women are more worried about not having any savings (13% v 9%) and their family or health security (7% v 4%). Life stage also has an impact, with 8% of 18 to 24-year-olds concerned about investing and owning a house, compared to just 2% of those aged 55 and over. Just 2% of 18 to 24-year-olds are concerned about retirement, compared to 7% of 45 to 54-year-olds. Parents are more likely to worry overall about their long-term finances, with only 17% saying they had no concerns, compared to 28% of those without children in their household. Having substantial wealth or assets reduced anxiety but did not eliminate it entirely; just a third (34%) of those with a total wealth of £750,000 or over had no concerns.

Looking at these concerns by how people rated themselves on the financial readiness scale, we see that those at the lower end (0-3) are more likely to be focused on short-term concerns, for example 42% are worried about the cost of living. Those at the other end of the scale (7-10) who feel more confident that they can meet their current financial needs, are most concerned about the security of their family and health.

Concerns over ability to meet long-term financial goals by financial readiness score



The financial security gap

We calculate the financial security gap to be **35%**. Almost half (**46%**) of respondents believe they are very or somewhat financially secure, but just 11% meet all the financial security benchmarks.

46% Perceived financial security

11% Meet requirements

35% Financial security gap



The advice opportunity

The Financial Readiness Index highlights that financial preparedness across the UK is uneven, with notable gaps between perception and reality. While many people feel confident in their financial position, fewer meet the benchmarks for true financial security. Shortfalls in protection, home ownership inclinations and retirement planning show that, for a significant portion of the population, future financial needs are not fully anticipated or planned for.

The research also underscores the role of life events and personal circumstances in shaping financial behaviour. Major milestones, such as buying a home, starting a family, or approaching retirement, are key triggers for action, yet engagement and advice-seeking vary widely across different groups and age ranges. Confidence, gender, and life stage all influence how people perceive

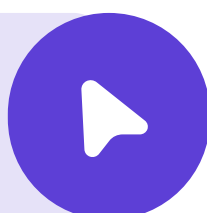
their readiness, and the data highlights that some of those who could benefit most from support are the least likely to access it.

Taken together, these insights provide a comprehensive snapshot of financial readiness today. By capturing both people's perceptions of their finances and the reality of their behaviour, the Financial Readiness Index offers a view of where support can have the biggest impact.

We hope the findings spark conversations, helping the advice profession and others across the sector understand where people feel prepared, where gaps persist and where there may be opportunities to engage in ways that genuinely make a difference to consumers in an ever-changing financial landscape.

More information

Explore the Iress Financial Readiness Index and download other reports in the series



Keep the conversation going

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