

2022 Consumer Digital Index

The UK's largest study of digital and financial lives



LLOYDS BANK

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The 2022 UK Consumer Digital Index is the seventh in its series. The study uses the behavioural and transactional data of one million consumers to build a view of digital and financial capability across the UK.

Join the conversation:

#ConsumerDigitalIndex

#EssentialDigitalSkills

@LBGplc

DigitalSkillsInclusion@lloydsbanking.com

Headlines from the report:

99% of the UK
are online

(see page 8)

c.14.0m (27%) have
the lowest level
of digital capability

(see page 9)

One-third of the offline
struggle to interact with
healthcare services

(see page 15)

The Digital Dividend:
Tech unlocks £659
per year

(see page 18)

c.2.4m (4%) cannot do
any of the digital basics

(see page 37)

About us

Over the last seven years, the Lloyds Banking Group team have used a unique dataset, analytical capabilities and research partnerships, to understand the UK's digital and financial capability. By sharing this data, Lloyds has always committed to a partnering for progress approach, working with industry partners, think tanks and Government. The insight has shaped a number of policy outcomes, community interventions and broader awareness of the impact that digital confidence and capability can have on UK plc.

It has also shaped our own work. Our Lloyds Bank Academy* programme was launched as a pilot in Manchester, with Greater Manchester Combined Authority, libraries and charities as key partners. Since then, we have expanded to Bristol, London, Leeds, Yorkshire and the South West. We've also created the Bank of Scotland** and Scottish Widows*** Academies, ensuring that more of our customer base has access to free digital and financial capability support. Small business owners and jobseekers alike, have benefited from free financial, digital resilience and skills support

and with partners, our breadth of content and scale has increased.

During the pandemic we delivered through webinars and via community organisations. However, recognising the necessity to help those digitally excluded, the team partnered with We Are Digital to launch a brand-new free Digital Helpline, supporting people with over-the-phone expert training, devices and data. With almost 16,000 digitally excluded people supported, the service has provided much needed support at a time and place where people feel most comfortable. Through the initiatives, we're able to see and understand the value and impact that digital skills and tech adoption can have.

This year, we have once again combined the Consumer Digital Index with the Essential Digital Skills Benchmark. The Essential Digital Skills Framework has been measured by Lloyds Banking Group, on behalf of the Department for Education, for the last three years (2019-2021). This year, with a cross-sector representative

group of partners, the Framework has been reviewed, refreshing it to ensure it remains fit for purpose and reflective in an ever more tech-dominated world.

This report is designed with and for partners. We hope it will encourage readers to understand that as we digitise our societies and economies, it is crucial that no one is left behind. The link between digital and financial capability continues to be clear, and with the potential cost-of-living challenges possibly increasing, encouraging people to use these skills for their own benefit, as well as their friends and family, will be crucial. Thank you to everyone who continues to use this report to close the digital divide across the UK.

If you have any questions on the Consumer Digital Index, the Essential Digital Skills Benchmark, our propositions or partnership work, please contact us at:

 DigitalSkillsInclusion@lloydsbanking.com
 @LBGplc via Twitter.

Catherine Rutter

Group Customer
Inclusion Director,
Lloyds Banking Group



“Digital underpins daily life in the UK. No one can deny that we’re living in a digital-first world. Our workplaces, homes and essential services are becoming increasingly digitised. As one of the UK’s largest financial services organisations, our Consumer Digital Index plays a vital role in helping us to understand the UK’s digital and financial capability, as we strive to ensure that digital is not only available, but accessible to all our customers.”

* lloydsbankacademy.co.uk

** bankofscotlandacademy.co.uk

*** scottishwidowsbemoneywell.co.uk

Executive summary

The 2022 Lloyds Bank Consumer Digital Index paints a complex picture.

99% of the UK have now been online in the last three months; a significant change from the 89% in 2016 when this benchmark began. The pandemic has undoubtedly been a large catalyst; 65% say they have tried something new online since the beginning of the pandemic and 90% have continued these new activities.

Though digitisation has accelerated rapidly, continued access, digital confidence and capability cannot be taken for granted. Already by May this year, c.18.7 million people (35%) shared that the rising cost of living was impacting their ability to go online*. 27% (c.14.0 million) also still have low digital capability. New analysis explores the behaviours of those who were in the very low segment in 2019 – 71% of this group have remained in ‘very low’, signalling a lack of ability or motivation to change.

* This data is from the Essential Digital Skills 2022 study.

** ofcom.org.uk

*** See page 38 for full task wording.

Where are the sticking points?

As expected, these differ by age, income and circumstance, but centre around three key themes (i) affordability (ii) capability and confidence and (iii) trust in digital systems and services.

Some examples include:

Affordability: By May of this year, 18% (c.9.4 million) anticipated needing to look for alternative solutions to connect to the Internet and 6% (c.3.0 million) were worried about having to give up the Internet and their mobile data altogether*. By September, Ofcom confirmed an estimated eight million households (29%) are choosing to step back from broadband and digital bills to save money**.

Capability and confidence: c.10.2 million (20%) lack the digital foundations – c.5.0 million (10%) cannot use an app*** and c.4.5 million (8%) cannot turn on a device and enter login information by themselves*. Overall, c.5.3 million (10%) of the UK, lack both the digital basics and the essential digital skills for everyday life*.

Trust in digital systems and services:

The 27% who remain digitally disadvantaged and under-confident, are more likely to have been scammed multiple times and are more likely to have been victim to impersonation scams, compared to those with the highest digital skills as fraudsters exploit their lack of confidence online.

More than one-in-four with the lowest digital skills are missing out on the digital dividend and this manifests itself in a number of ways:

■ **Higher earnings:** Comparing individuals in a similar job at a similar level, those with high digital capability are making up to £442 more per month.

■ **Financial wellbeing:** The most digital check their balance more often, save more money, and save more frequently. This results in greater feelings of confidence – they are almost three times more likely to feel confident when managing their money online.

■ **Access to core services:** This year the offline have reported the organisation they find most difficult to interact with, due to not using the Internet, is the NHS; followed by local council or government services, financial services, and utility providers.

■ **Financial resilience:** Over the last five years, the Consumer Digital Index has measured consumer sentiment around saving reserves and how digitisation impacts this. Engagement with online banking services has enabled the most digitally capable to save up to £659 more per year, than those with the lowest digital skills.

As the report shows, people with the highest digital capability are twice as likely to have shown improvements in their financial capability and wellbeing in the last 12 months. This is particularly important against the backdrop of a challenging economic climate, and the current levels of UK financial capability. Only c.4.7 million (9%) of the UK have very high financial capability – more than half (54%, c.27.9 million) have low financial capability.

Those earning less than £20,000 per year manage their finances more effectively (avoiding credit

card fees and not relying on their overdraft) and are much more likely to proactively reprioritise their day-to-day spending, compared to those on higher salaries. However, when asked about becoming debt-free, there was little difference across income bands – this remains a priority regardless of how much you earn.

And who are reaping these rewards?

Since last year, c.2.6 million more people have become ‘digital dynamos’. 24% of all adults are digital-first and are growing in confidence and capability. Largely, digital improvements are due to the continued expectations from the workplace, and interests in improving future job prospects. For the first time, the Essential Digital Skills study profiles the work-related challenges befalling those currently out of employment; people out of work are four times more likely to lack the digital skills needed for today’s UK workplaces and in fact 20% (c.1.6 million) cannot do any of the digital tasks required to be proficient at work.

Reading this report, there are key areas to reflect on. The rising cost of living, digital poverty and the cost of connectivity, all remain significant concerns. The 2022 report evidences that, for the first time this year, higher financial and digital skills are not able to improve energy bill savings.

The impact of the pace of change is also cause for concern. With information changing rapidly, it is difficult for consumers to maintain trust and understanding. Finally, with millions more people doing more online and being more exposed to scams and fraud, this means online safety and security skills must remain a priority.

Calls to action

The report aims to support organisations with shaping better lives for UK citizens. Individuals have so much to navigate with both the rapidly changing financial markets, and the digitisation of society, services and the support landscape. With onus being placed on people to build their skills and understanding, this year's Index recommendations focus on how the system needs to step up and support.

Inclusive design

With millions of people unable to complete the digital fundamentals to get online, it is important that when they get there, the digital front-door is welcoming. Service providers and system influencers must leverage research and lived-experience to shape their service, products and experience designs to be intuitive and inclusive.

Ensuring accessibility and availability across both on and offline channels is important to avoid exclusion and putting people at risk of harm.

How? Ensuring inclusive design principles are applied throughout service development is essential, as well as continued embedding of security features like two-factor authentication.

Educate

Against the backdrop of online harms and with consistent data security concerns being raised, the newly-online and the under-confident must be supported with understanding and not just the benefits of being online, but also the potential risks they face.

Organisations must support people with continued prompts and opportunities to build and renew their capability and confidence. With 27% of the UK still with the lowest digital capability, proficiency cannot be taken for granted.

How? Embedding capability support in key journeys, and proactively profiling to consumers based on their point of need.

Communicate

As campaigns mobilise across regions and nations to support individuals with rising costs, it is important that they reach all citizens with clear and consistent messaging, and a 'hook'. This is an important moment in time to profile the financial benefits digital capability brings – they are a huge incentive. Skills are the means but not the end goal. It is imperative consumers understand what is in it for them, in a complex and overwhelming landscape.

How? Organisations need to play to collective strengths, signposting to resources, support and government grants through their own communication channels.

Innovate

Innovation is normally synonymous with cutting-edge technology and brand-new approaches. However, the Consumer Digital Index indicates that user-led innovation, co-creating with under-represented communities, and with those who have newly adopted digital, would pay dividends for digital experience and engagement.

How? Investing time and resources to bring diversity into design processes, and to ongoing testing once launched.

Hear from our partners

"This year's findings mark an important shift – with 99% of the population now online, and one-quarter of the UK now having the highest levels of digital capability. But we mustn't fall into the trap of ignoring either the realities people face throughout their daily lives, or the regional disparities that are clear in the report. Although the pandemic was a catalyst for digital services and workplaces going online, keeping up with the diverse needs of people on the lowest incomes or those not in employment needs to be a priority – especially as the UK heads into a cost-of-living crisis."

Ellie Bradley, Managing Director, Registry and Public Benefit, Nominet

"The Consumer Digital Index has been crucial in tracking how people across the UK are benefitting from being online in recent years. The fact Internet use is now almost universal is striking, but perhaps unsurprising given how essential it has become for learning, life and work; particularly since the start of the pandemic. However, as more services are delivered digitally, it is important to recognise that more than one-quarter of the population have very low digital capability. Digital access doesn't equal digital capability. We all have a role to play in building confidence and skills in our workplaces and communities."

David McNeill, Digital Director, Scottish Council for Voluntary Organisations

"Thanks to Lloyds Banking Group for another rich and fascinating report. The finding that 'more people are online' is welcome, but must be viewed alongside cautionary messages that 'digital capability is not a fixed state'. There's more clear evidence here that digital exclusion compounds other forms of exclusion, as well as 'simply' disadvantaging people in a digital world. The greenest shoots for Digital Unite, are in the calls for digital skills support from all areas; friends and family, colleagues, community, and, for the first time, a welcoming of the role businesses and brands could play too. If we are to continue and maintain robust upward trajectories in terms of online access and digital skills, we should heed this and nourish extensive, collective, creative delivery and support capacity."

Emma Weston, CEO, Digital Unite

"Fixing the digital divide has never been more important. Internet is now critical to our lives. We are a digital nation, and we are also a digitally divided nation. It is not okay that one-in-five adults still don't feel capable or safe online. Or that one-in-four people could be missing out on a 'digital dividend' worth hundreds of pounds each year. Or that one-in-five unemployed adults lack the digital basics for work. That's why, at Good Things Foundation, we're focusing all of our energy on creating a national infrastructure for digital inclusion: National Digital Inclusion Network, National Databank and National Device Bank. Together – with commitment and collaboration – we can fix the digital divide – for good."

Helen Milner OBE, Group CEO, Good Things Foundation

"The data gathered in this year's report is rich and revealing. While 99% of the population are now online – large numbers are worried about privacy and security; and a staggering 5.3 million people in this country don't know how to keep log-in details and passwords secure. There is clearly still so much more to be done in empowering people with the confidence and skills they need to protect themselves and make the most of the digital world. As Chair of techUK's Local Digital Capital Working Group, I am particularly grateful to Lloyds Banking Group for allowing us to include the data in our Local Digital Capital Index this year. This enables local and devolved governments to progress policies that will help make a difference to lives of people all across the UK."

Professor Kerensa Jennings, Data Platforms Director, BT Group

"It is great to see more people are online, but still worrying that there is a large percentage of the population that will struggle to engage digitally. Our own research shows one million families could find themselves on the wrong side of the digital divide in the next three months due to the cost-of-living crisis. We cannot allow this to happen. As a business, we have put closing the digital divide gap at the heart of our business, and as part of our everyone.connected programme, we are committed to providing connectivity, skills and technology to those most in need."

Nicki Lyons, Corporate Affairs & Sustainability Director, Vodafone UK

"Whilst I'm uplifted by the progress being made, a serious issue with basic digital capability and confidence remains, holding back productivity and prosperity. Millions in the UK remain digitally underpowered. Many of these people are in work and, as this report shows, many others are currently out of work. Too many are struggling to build the digital basics at the pace needed. This represents a huge opportunity. By providing people with training to help them build these skills, businesses can unblock the digital talent pipeline. Not everyone with the digital basics will progress into more advanced tech roles, but no one can do so without them. FutureDotNow is working with industry to close the Essential Digital Skills gap and I hope many more businesses will be inspired to join us and act."

Liz Williams MBE, CEO, FutureDotNow

The digital and financial capability segments

Individuals are allocated to digital and financial capability segments based on their score ([see page 57](#) for more information), and ultimately their digital and financial behaviours.

The segments allow the report to distinguish these behaviours, tailor analysis and provide a more detailed profile on how digitally engaged consumers are, and how the UK are managing their finances.

The segments are ranked from very low through to very high, from the least to the most digitally or financially capable.

Figure 1 illustrates the segment definitions and a few examples of what this means for people's digital and financial lives in 2022.

Throughout the report 'low' and 'high' digital or financial capability may be referred to which are the equivalent of the combined segments very low and low, and high and very high.

The least and most digitally or financially capable, refers to the very low or very high segments.

Figure 1. UK digital capability segment characteristics, 2022

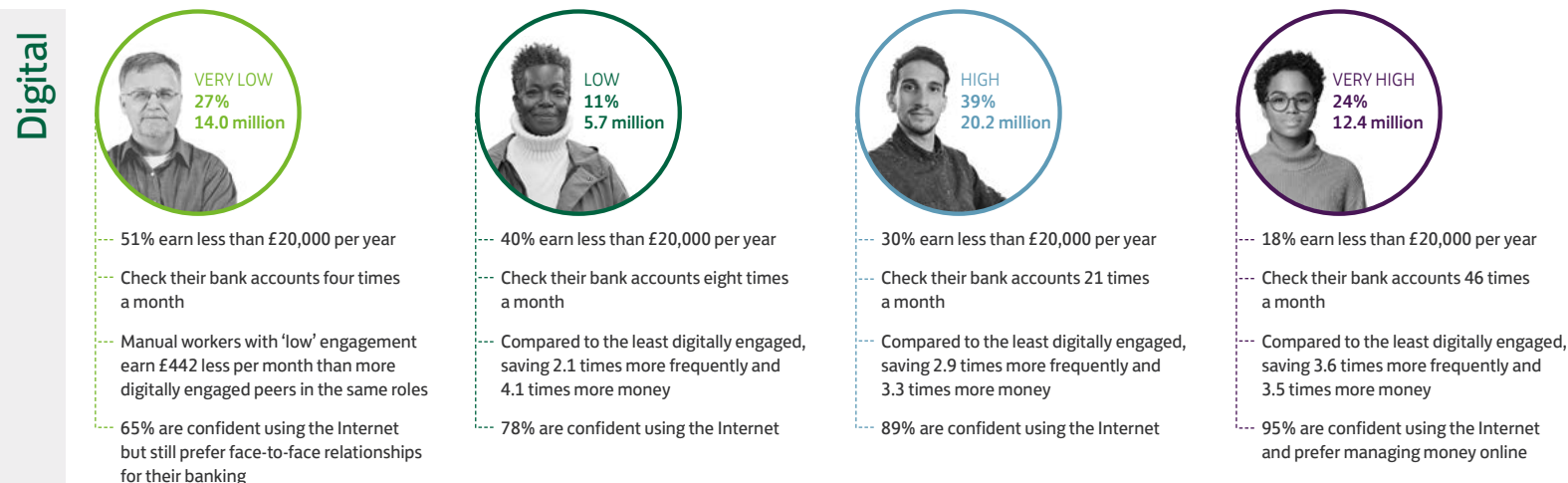
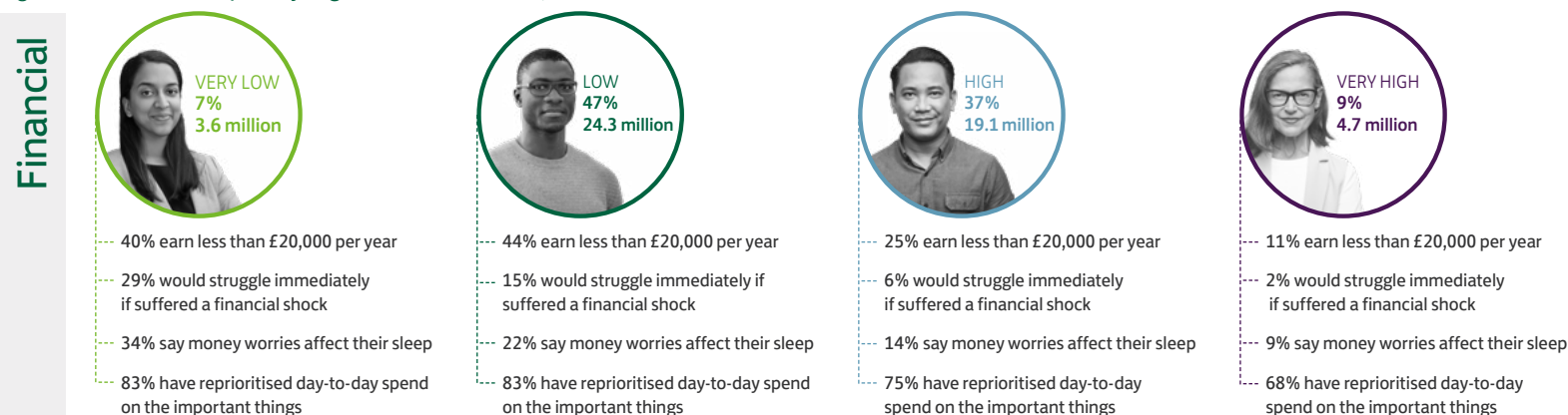


Figure 2. UK financial capability segment characteristics, 2022



UK Digital Lives

99% of the UK are now online

Since the first Consumer Digital Index report was published in 2016, seven million more people (increase of ten percentage points), in the UK are now online. The last year has seen the single biggest increase in those going online.

Since the beginning of the pandemic, two-thirds (65%) of those online tried something new for the first time, such as shopping and paying their bills online, or working from home. More importantly, 90% are continuing these new habits, demonstrating a sustained change in behaviour.

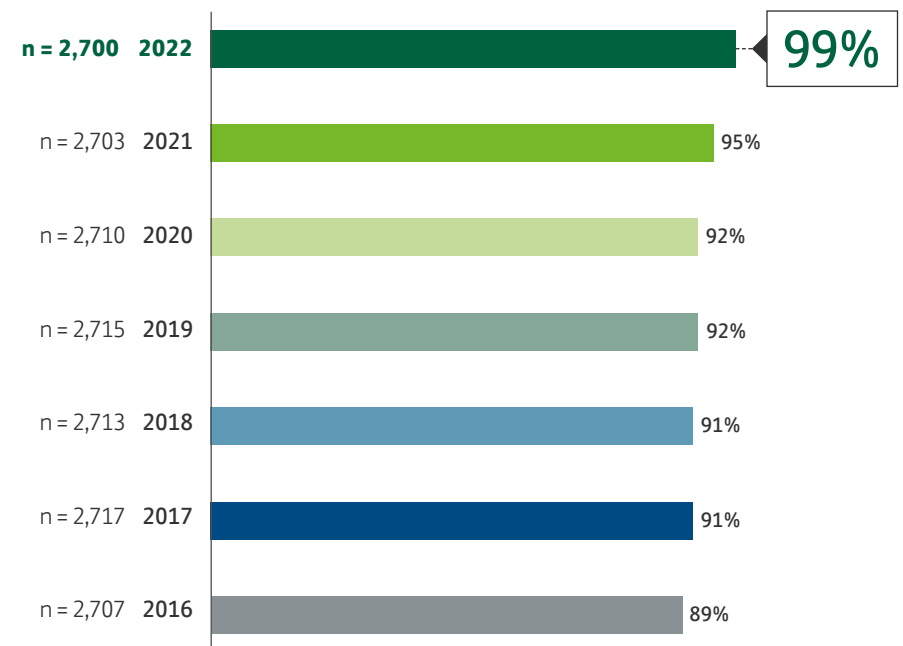
Of the 90% who say they have continued new habits online since the pandemic, they have a higher digital engagement score and have seen double the increase in score, compared to the remaining 10%.

When looking at the transactional dataset* of one million people and their digital behaviours, this also evidences positive shifts. The digital engagement score has increased from 48.5 in 2021, to 50.9 (5% increase), the score shows that more people are interacting online and using technology, than ever before.

The ONS** definition of 'online' is having engaged with the Internet in the last three months. Whilst this remains industry definition, arguably, the necessity to engage with the Internet is now daily.

Seven million more people in the UK are now online since 2016

Figure 3. 'Have you used the Internet in the last three months? (e.g. desktop, laptop, mobile or tablet)', 2016–2022



* For more information on the transactional dataset and the digital engagement score, [see page 57](#)

** ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2020

12.4 million (24%) now have the highest digital capability

The digital engagement score relates to four distinct digital segments (see page 7 for more information).

Figure 4 shows the distribution of the UK's digital capability across the last three years, and how this has changed.

Just under one-quarter (24%) of the population now have the highest level of digital capability, an increase of 2.6 million people (five percentage points) in the last 12 months. All other digital segments have either decreased or stayed the same, implying a positive shift.

However despite this progress, and the fact that 99% of the UK are now online (figure 3), 14 million people (27%) still have the lowest digital capability. This means they are likely to struggle interacting with online services and are at risk of being left behind and left out from society.

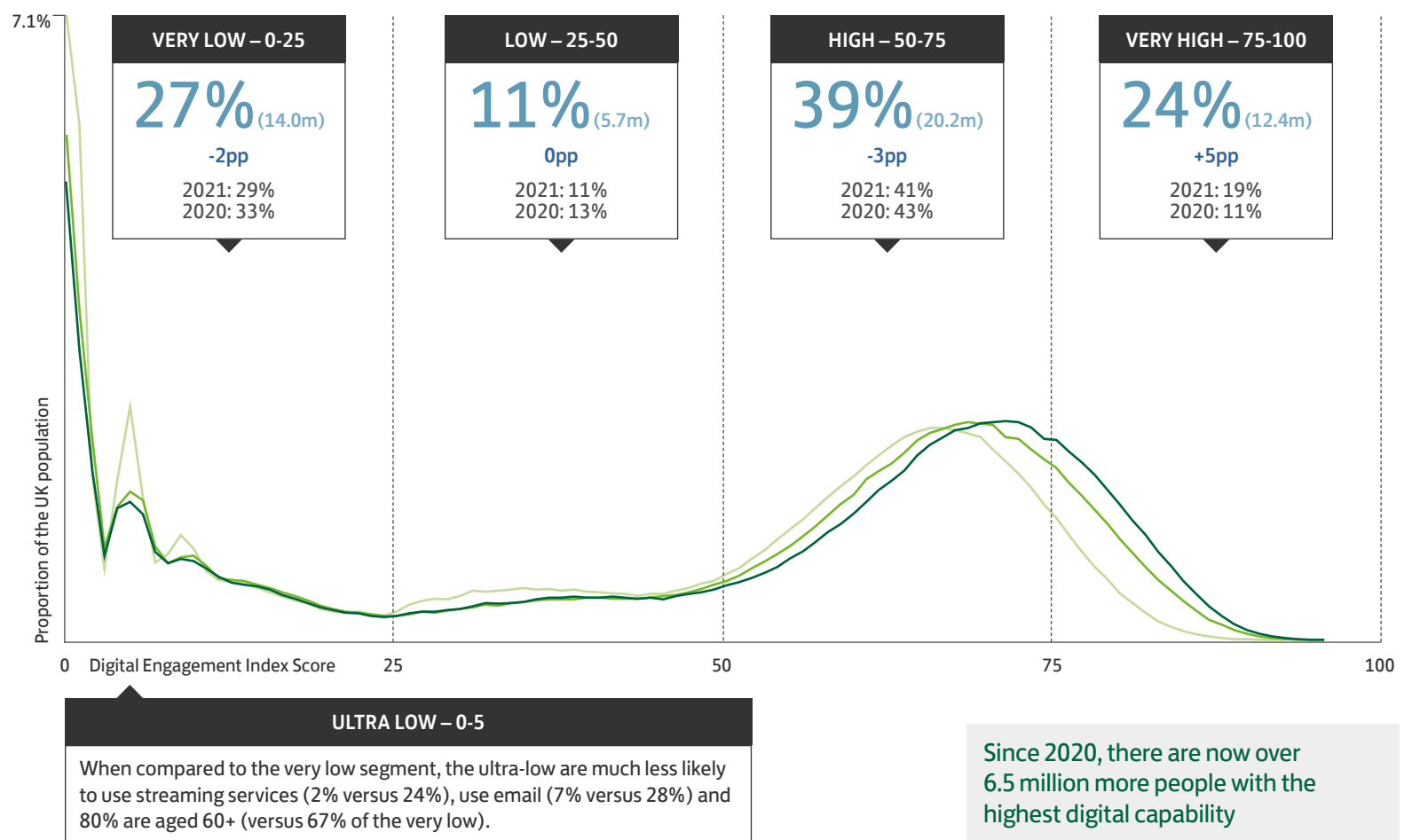
New analysis explores the behaviours of those who were the very low segment in 2019 – 71% of this group have remained in 'very low', signalling a lack of ability or motivation to change

The 'ultra-low' group

There are 6.7 million (13%) people with an ultra-low digital engagement score (0-5), they have very different digital behaviours to those in the very low digital segment.

Figure 4. Distribution of the UK's digital engagement score, 2022, 2021 and 2020

Key 2020 n = 999,298 2021 n = 999,149 2022 n = 999,077



Digital capability is not a permanent state

Figure 5 visualises how digital behaviours and capability have changed over 12 months, for the same group. Whilst the majority have maintained their level of digital capability, the graph illustrates this is not always the case. For example, only 84% of those in the very high segment in 2021 have maintained this level, 16% are now in the high segment.

Overall, 6% have reduced their digital capabilities in the last year

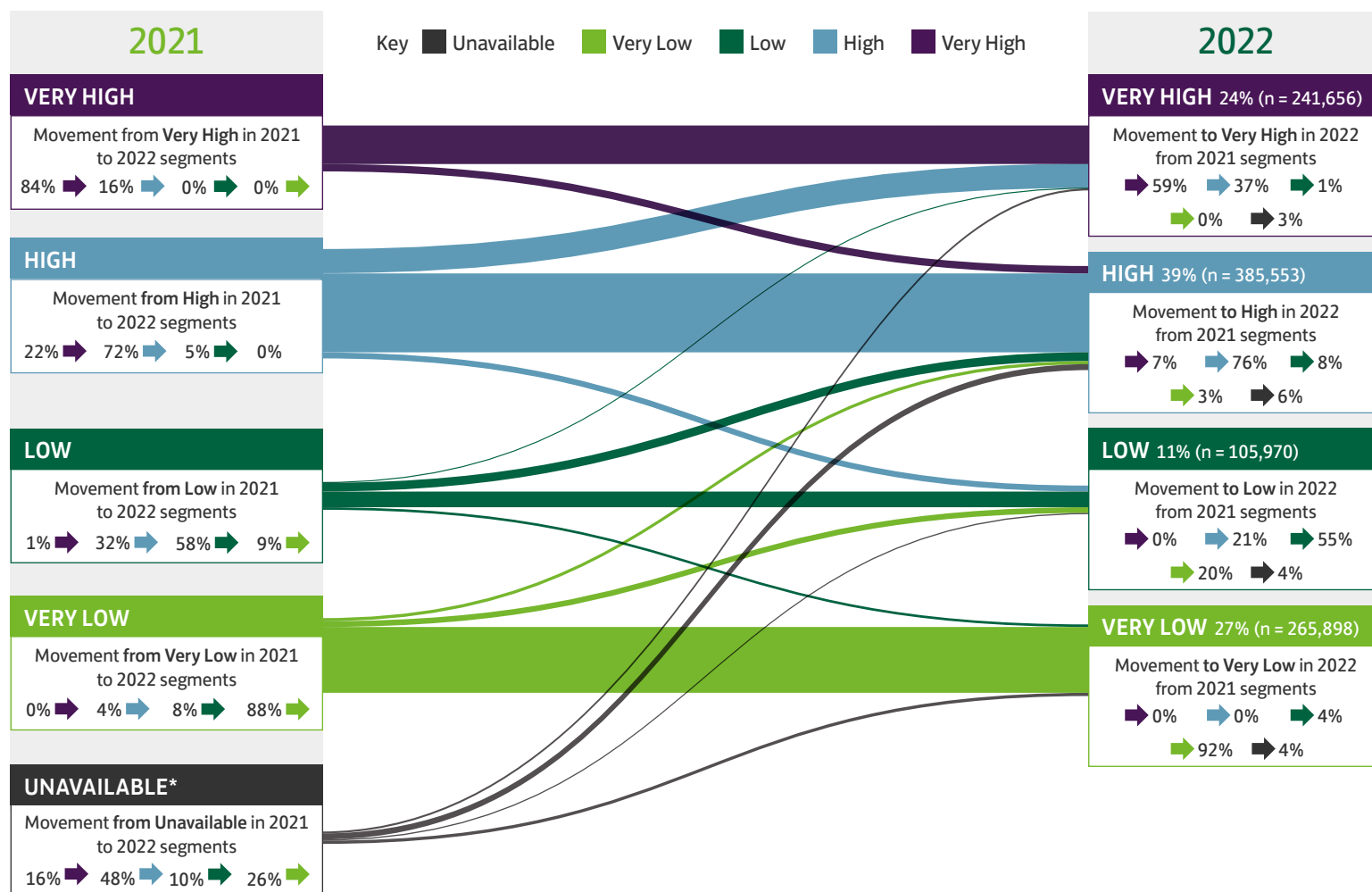
Those aged 60+ have driven progress in digital engagement

The Consumer Digital Index data has always indicated the greatest determinant of digital capability, is age. One-in-ten of the 70-79 population improved, compared to one-in-four in the 18-24 age band. However, almost one-quarter (24%) of those who moved up two or more digital segments were aged 60+.

Higher income is also likely to result in an individual upgrading their digital segment, with those in the £50,000+ income tier the most likely to have improved. The lower income bands are most likely to have downgraded their capability.

Figure 5. Movement of the UK population between digital engagement segments from 2021 to 2022

n = 999,077



Digital capability across the UK

2022 sees London with the regional lead, ten percentage points above the UK average, followed by Northern Ireland (70%), East of England and the South East (both 64%) (also above the UK average). This indicates that the North-South divide (with the exception of Northern Ireland) is still prevalent.

Wales however lags behind all regions and nations, with only 59% having high digital capability. Wales launched its Digital Strategy last year, outlining a vision for digital skills, inclusion and services. The Digital Communities Wales programme has been established to reduce digital exclusion and is providing community-led support to those offline. Digital infrastructure and connectivity remain both a challenge and priority for Wales, though responsibility sits with UK Government.

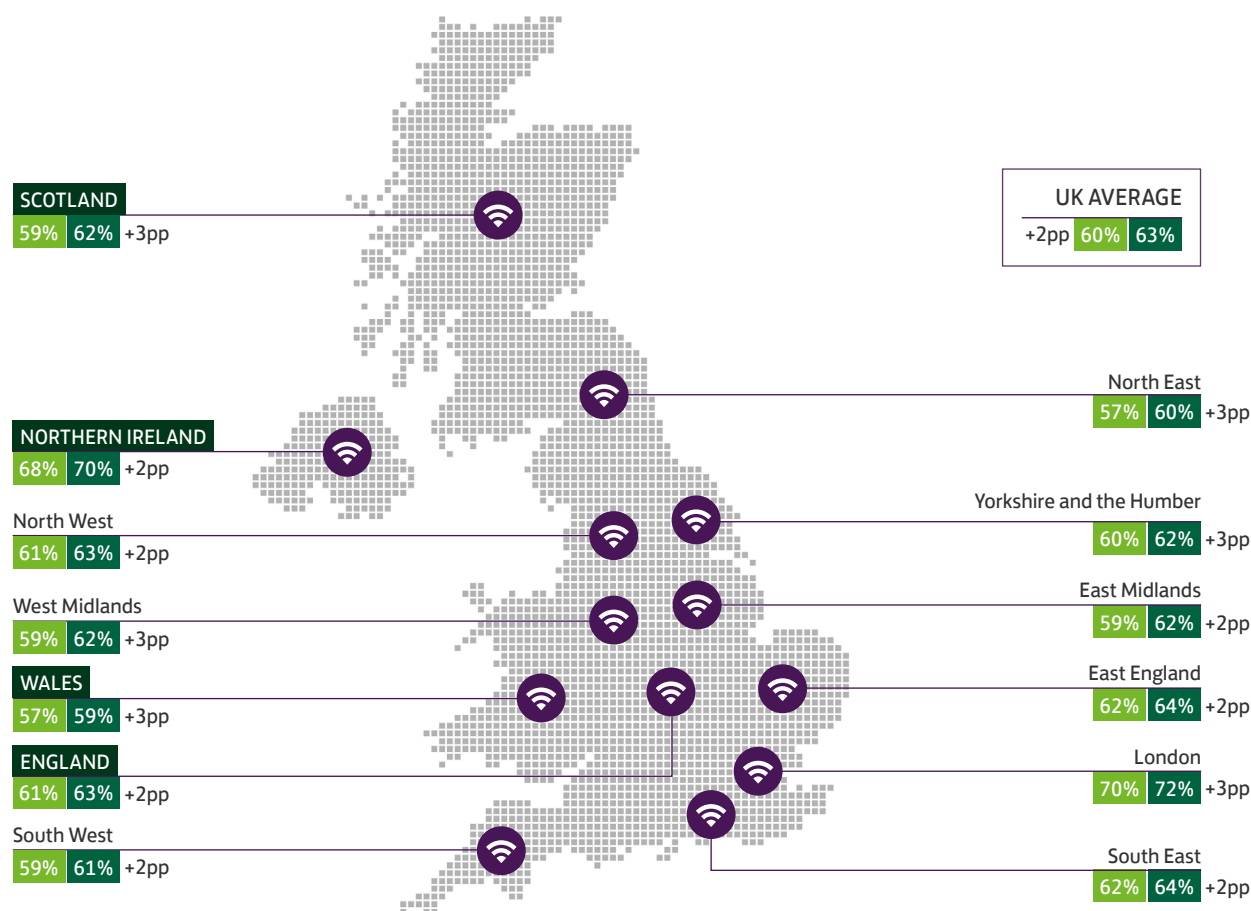
Despite ranking highly, the East of England and the South East have made the least amount of progress since 2021. The North East however, has the second lowest digital capability, but is the region that has made the most progress in 12 months.

The North-South divide
is still prevalent



Figure 6. High digital capability (high and very high digital segments combined), split by region, 2022 and 2021

Key ■ 2021 n = 999,149 ■ 2022 n = 999,077



What are the UK doing online?

Email, buying products and services and managing money online, continue to be the top online activities.

Just under one-third (32%) of those online are looking for jobs using the Internet, which has decreased three percentage points year-on-year.

With 1.25 million job vacancies in the UK*, around nine-in-ten companies are using online social platforms, such as LinkedIn, in their hiring process**. It's vital people are digitally equipped to access the online job market, and equally important they have the skills needed for a digital workforce. Three-quarters of jobs at all levels now demand digital skills***.

As figure 7 shows, those aged 18-24 are more likely to undertake activities online than those older, however they are much less likely to shop around to save money on energy bills or access local council or government information, suggesting some digital activities are linked to life stage and circumstance.

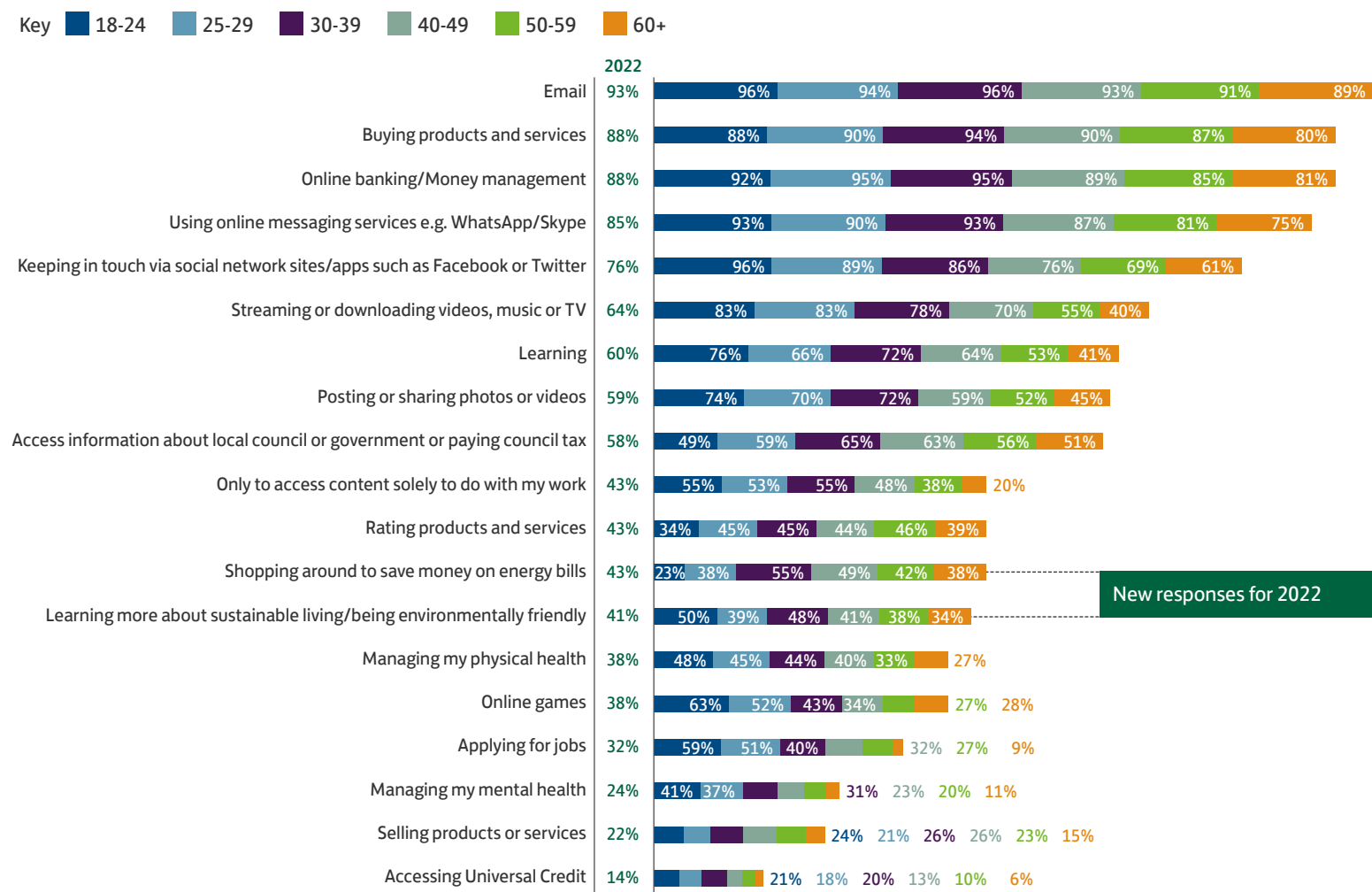
* ons.gov.uk

** standout-cv.com

*** assets.publishing.service.gov.uk

Figure 7. 'For which of the following do you use the Internet?', split by age, 2022

n = 2,675



10% of the UK recognise their digital skills need improving

Whilst the UK has made large strides of progress in digital capability, parts of the picture are not as positive.

Figure 8 shows the majority of those online are confident in their abilities when using the Internet (87%), however 6.7 million (13%) have a wavering, or lack of confidence when online. It is important to remember regular touchpoints of support are necessary to grow and maintain skills and confidence, as digital tools are constantly evolving.

41% of those online think their digital skills have improved in the last 12 months (figure 9). For almost two-thirds of this group this proves true, however 31% have seen their digital engagement score worsen in the last 12 months. This is also the case for those who haven't recently improved their digital skills, but don't think they need improving.

For those in the very low digital segment, they are four times more likely to say their digital skills have not improved but feel they need to, compared to those with very high digital capability. Those in the very low segment are also less likely to say their skills have improved in the last 12 months.

Figure 8. 'How confident would you say you are using the Internet?', 2022

n = 2,675

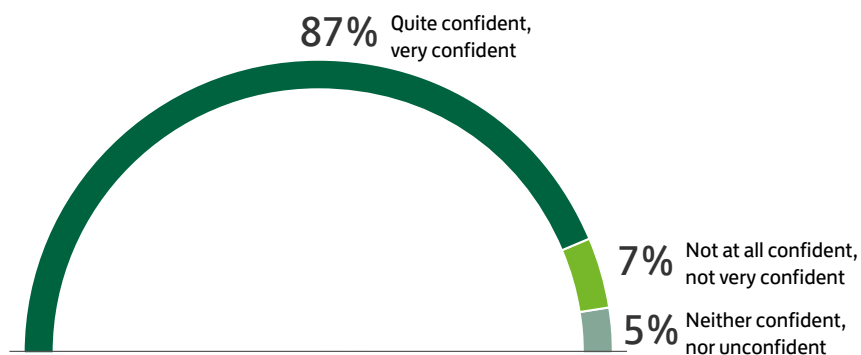
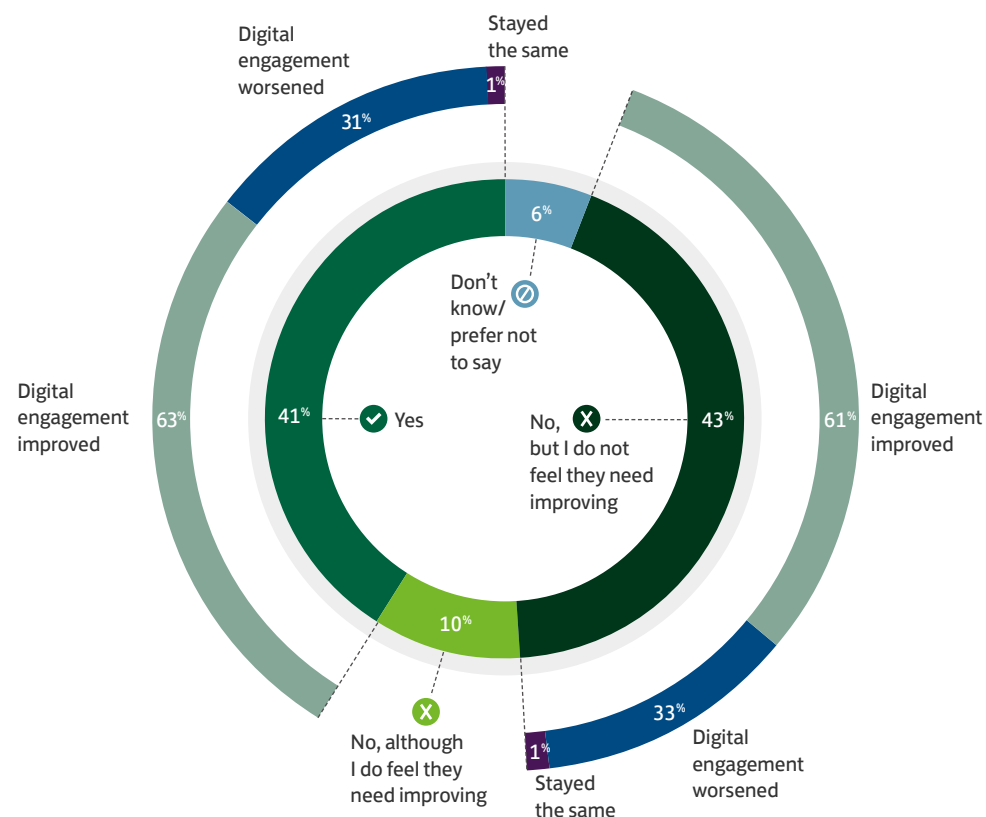


Figure 9. 'Do you think your digital skills have improved in the last 12 months?', compared to digital engagement score change (using transactional data), 2022

n = 2,675



Spotlight: Those offline

0.5 million are offline

This year, half a million (1%) people in the UK are offline having not used the Internet in the last three months. With the improvements in digital capability, a decision was made to boost the 2022 survey sample to ensure the views of this group could still be understood (please note year-on-year comparisons are not possible).

The Consumer Digital Index has presented the barriers for those offline since 2016, however it is being reported for the first time that 86% say it is their personal choice not to use the Internet.

Similar barriers exist in 2022, however other reasons for being offline rise to the surface

Privacy and security concerns continue to persist for this group, as well as worries around identity and how organisations will use their data. However just under two-thirds say the Internet doesn't interest them and 58% think the Internet is too complicated to use.

Over half say they would rather spend their money on other things, and [page 22](#) echoes this sentiment, as over one-third of the broader UK sample evidences the rising cost of living will impact their ability to go online.

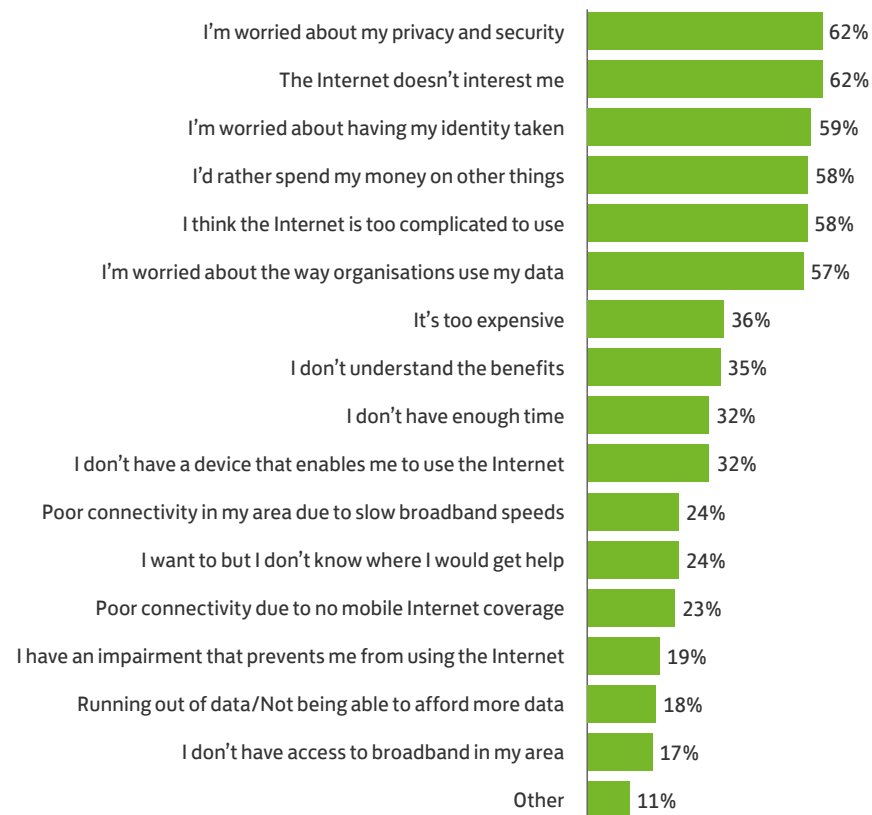
At least 62,000 have someone do something online for them, that they wish they could do themselves

Almost two-thirds of those offline do not have anyone else in their household that use the Internet – considering figure 11 and 29 shows that peer-to-peer support is so important for digital upskilling, this puts this group at a disadvantage. 12% (62,000) receive help from those they live with to do things online for them, but wish they could do the activity themselves.

86% say it is their personal choice to be offline

Over half are not using the Internet due to wanting to spend their money on other things

Figure 10. 'You have said that you have not used the Internet in the last 3 months. Please choose from the following options to say why you have not', 2022 n=125



119,000 could be encouraged online if support, devices and data were provided

Despite these barriers, 119,000 (23%) people say they could be encouraged to use the Internet if they had everything they needed, such as support, devices and data, however 70% still couldn't be enticed.

When asked about the different elements of support that could encourage someone online,

the ability to easily stop organisations using their data is the top motivator, however it is also one of the most prevalent barriers (figure 10) – clarity on consumer control of their data could be a real enabler for those offline.

39% are keen for websites and apps to be easier to use and understand, reiterating the importance of inclusive design. One-third would be encouraged if there was clearer guidance on how and where to get help, demonstrating the need for offline signposting for digital skills support.

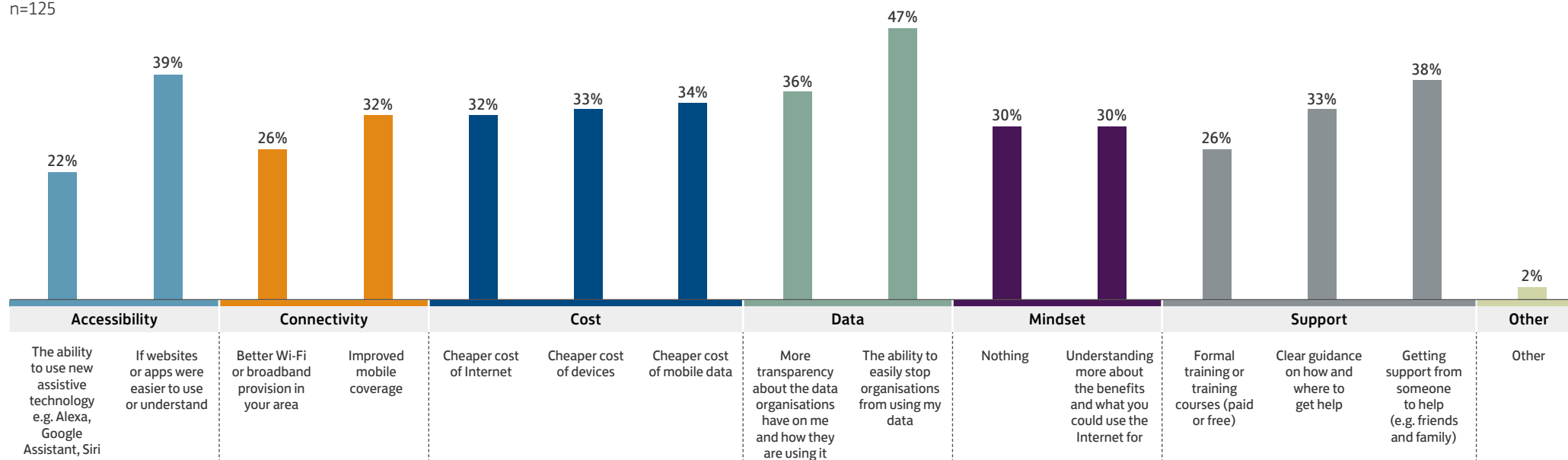
Those offline struggle to interact with health services the most

For the first time, the question was asked about which organisations are the most difficult to interact with, due to not using the Internet. Positively just under half don't have any issues using the services specified. However for those who do struggle, health services are the most difficult, which perhaps comes as no surprise, as online booking and triage systems are becoming more common and the first port of call.

Council and local government services and financial and utility providers are also within the top three.

All service providers should ensure they are catering for everyone, particularly during the current cost-of-living crisis, when consumers may have more of a need to contact them than in the past.

Figure 11. 'Could any of the following encourage you to use the Internet?', 2022
n=125





“I would prefer to learn digital skills in a group setting – this would feel less formal, and it would give me comfort knowing that I am not alone. It is also important to have the support and understanding of others, who truly know what it feels like not being able to do things online”

Hannah's story

Hannah, 32, lives with her husband in Bridgend, Wales, and is a full-time stay-at-home mum of two.

Hannah studied for a Health and Social Care degree, and developed fundamental digital skills as part of it, however she feels very inexperienced when it comes to the Internet and really lacks the confidence to use it.

Hannah has dyslexia and has always struggled with online activities, finding the Internet complicated to use and as a result was given extra time and support to complete her university assignments. Following graduation, Hannah made the decision to put her family first being a full-time caregiver, meaning she has heavily relied on friends and family for digital and tech support, as she isn't practicing her skills in a workplace on a regular basis.

Hannah has a smart phone, although she only uses it for text messages, phone calls and interactions on Facebook. She manages all of her day-to-day tasks with a paper diary and takes it with her everywhere she goes.

“I can't do anything without my diary. I write absolutely everything down from my daughters' dance classes, shopping lists and even my passwords, which I know I shouldn't... but I just don't know how else I would keep a track of them.”

Like many, Hannah was faced with several challenges during lockdown. Having little digital capability proved very difficult when trying to support her children with virtual school learning and homework. She was unable to set up the laptop to access the work provided by her children's schoolteachers, which resulted in her children falling behind. Hannah's daughter's dance classes also moved online via Zoom as the local community centre was forced to close, resulting in her daughter missing out on dance training.

Over the past couple of years Hannah's motivation to improve her digital skills has increased, influenced by how fast society is adopting digital and how isolated and left behind her and her family have felt.

Currently, the reason Hannah hasn't done more online, is because she doesn't know where to start, or how, or where to look for support. She

would welcome the opportunity to learn how to stay safe online, as she believes this would give her the confidence to explore digital even more and would give her the peace of mind that she's doing everything possible to stay safe from fraud and scams.

“It's the fear of having big brother watching. I mean, with so many hackers and the different scams you hear of these days, it's worrying thinking about what could happen, and the consequences. It's scary knowing anyone could potentially have access to my personal data if I'm not careful.”

Hannah thinks there needs to be more support available in local communities to help people like her, as she knows she's not the only one in this situation. She also thinks there should be more awareness created and advertising for existing digital training.

How is digitisation impacting UK finances?

This chapter will focus on how technology use and digital engagement can impact financial wellbeing and behaviours.

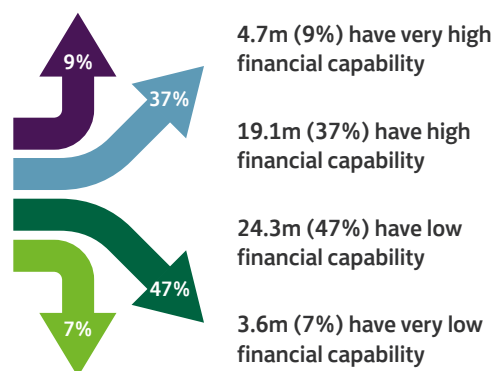
Across the last six years, the reports have evidenced that digital skills can result in the most tangible benefits such as having access to a better range of deals, saving more money via online-only discounts, having greater visibility of spending habits or the ability to keep up with changing financial product offers.

In order to provide a richer understanding of financial behaviours and wellbeing, new analysis has been undertaken. In line with the Financial Capability Strategy for the UK*, the data has been segmented through a new lens – this considers a number of different factors, including:

- Control over day-to-day finances
- Capability to absorb a financial shock
- The financial freedom to make choices to enjoy life
- Being on track to meet your financial goals

For more information on the financial capability segments, please [see page 7](#).

Similarly to the digital capability segmentation, the UK population are spread across four groups:



Alarmingly, only 4.7 million (9%) of the UK have very high financial capability and more than half (54%, 27.9 million) have low financial wellbeing

Figure 12 demonstrates the proportion of the UK that sit within the extremes of combined digital and financial capability segments and who they are most likely to be.

Figure 12. Percentage of the UK with a combination of low to high digital and financial capability, 2022
n=999,077

		Digital capability segments	
		Very Low	Very High
Financial capability segments	Very Low	1% (0.5m)	3% (1.6m)
	Very High	1% (0.5m)	3% (1.6m)

Who are those with low and high digital and financial capability?

When looking at either end of the spectrum, the 1% and 3% are most likely to be (but not limited to):

Very low digital and financial capability (1%)

- Earning less than £20,000 (60%)
- Male (54%)
- Claiming benefits (53%)
- Aged 50-59 (25%)

Very high digital and financial capability (3%)

- Not claiming benefits (87%)
- Earning £50,000 plus (52%)
- Female (50%)
- Aged 30-39 (27%)

* fincap.org.uk/en/articles/what-is-financial-capability

People with high digital capability are twice as likely to have improved their financial capability in last 12 months

When looking at the same group of individuals over the last 12 months, overlaying their financial capability segments with digital capability, this shows that those with the highest digital skills (compared to those with the lowest) are twice as likely to have improved their financial wellbeing.

This also means the most digital are (in comparison to those with the lowest digital capability):

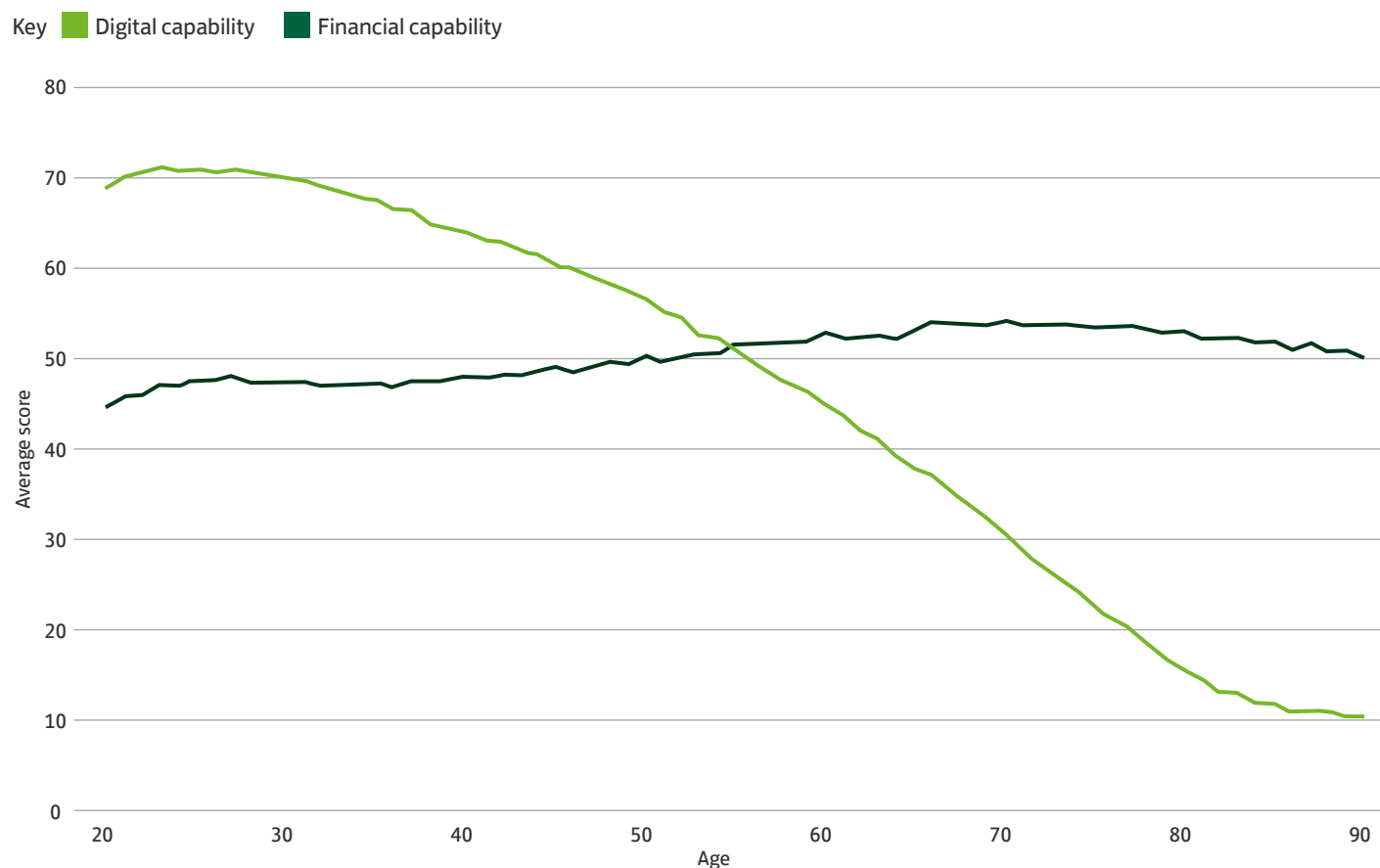
- 11 times more likely to check their bank balance
- Saving 3.6 times more frequently
- Saving 3.5 times more money

On average, people with very high digital capability are saving £659 more than those in the very low segment

The Index has consistently evidenced that younger age is the greatest correlating factor with digital capability and older age correlates to increasing financial capability and reserves. As seen in figure 13, there is a much larger difference for the digital capability scale by age, than for financial wellbeing.

Figure 13. Financial and digital capability, by age, 2022

n=979,546



Regardless of age and income, digital capability has a positive impact on personal finances

As figure 14 shows the difference that digital capability can make is more stark for those aged 70-79, as the digital disparity for this age range is wider and therefore the benefits are more acute.

Figure 15 shows that digital skills benefit individuals regardless of how much they earn.

The Consumer Digital Index data also evidences those on a lower income manage their finances more effectively (such as avoiding credit card fees and not relying on their overdraft), and those earning less than £20,000 per year, are much more likely to reprioritise their day-to-day spending on what is important to them, compared to those on higher salaries.

However, when focusing on becoming debt-free, there is little difference across income bands, highlighting that this is a priority for everyone, regardless of how much money an individual earns.

Figure 14. The most digitally capable are [X] times more likely to check their bank balance, are saving [X] times more frequently and saving [X] times more money, compared to those with the lowest digital capability, split by those aged 18-29, 40-49, 70-79, 2022

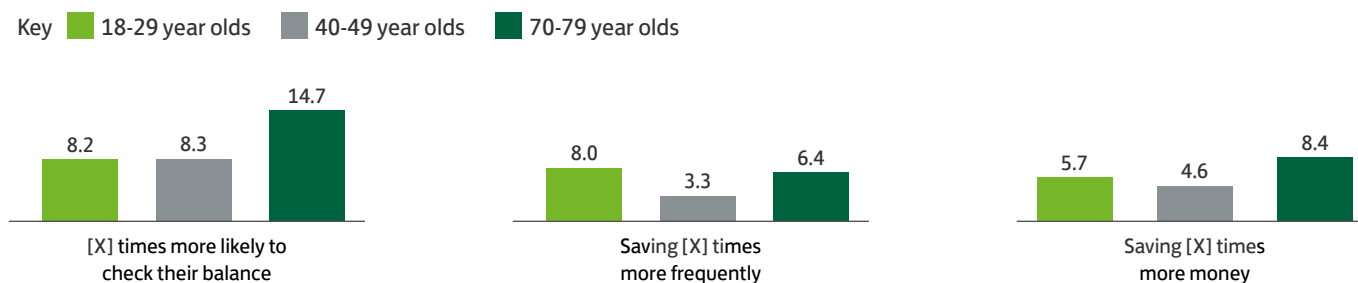
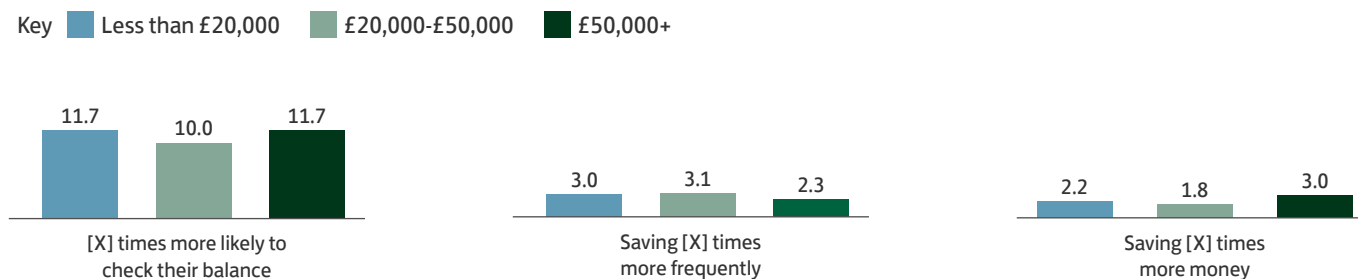


Figure 15. The most digitally capable are, [X] times more likely to check their bank balance, are saving [X] times more frequently and saving [X] times more money, compared to those with the lowest digital capability, split by personal annual income, 2022

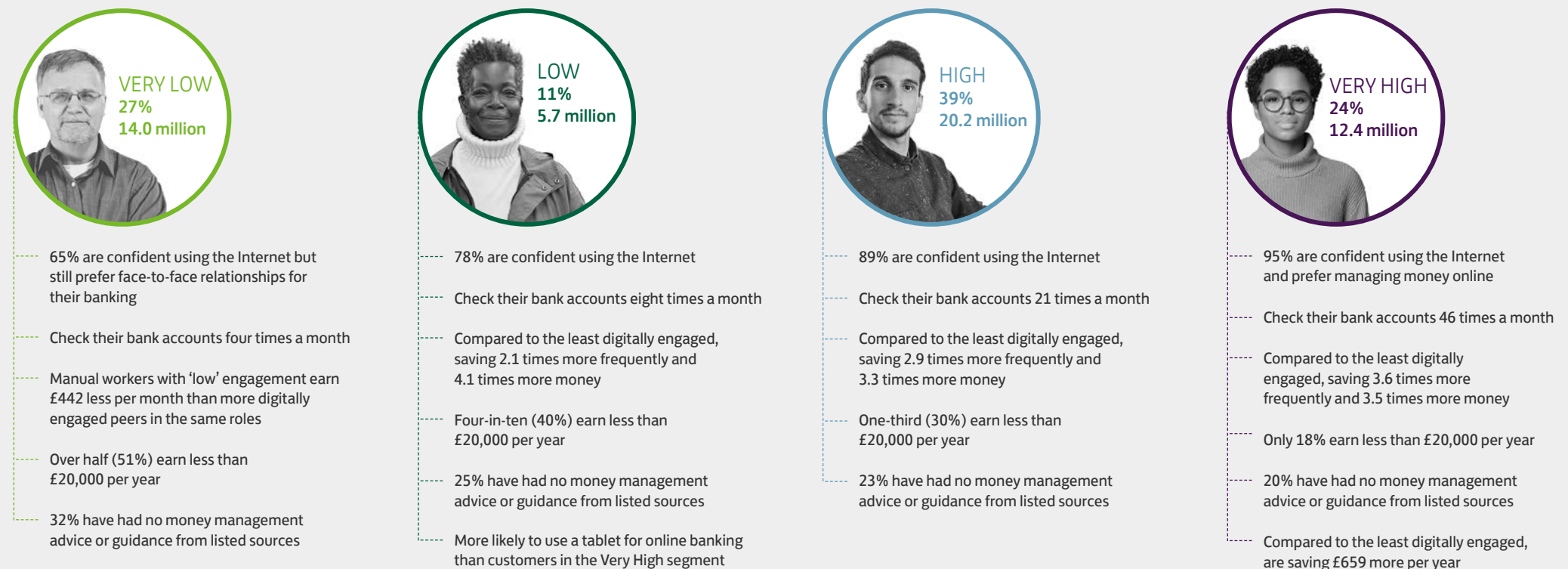


How is digitisation impacting UK finances?

Figure 16 demonstrates how those with greater digital capability see more benefits from being online – the ‘Digital Dividend’.

Within each digital segment, we can see the impact that digital confidence and capability can have on financial behaviours and the fiscal wellbeing of UK citizens.

Figure 16. High level trends in people's financial lives, split by Digital Engagement Segment, 2022



Skills are not changing the bills

In previous reports, there has been a consistent link between people with higher digital skills spending less on their utilities – irrespective of their income size or household differences. This, owing to the ability to shop around for different prices and better deals.

In light of the recent energy crisis, the data shows that digital and also financial capability are having no impact on the value of energy bill payments. This is perhaps to be expected as comparison websites are no longer featuring energy deals, and advice from influential experts such as Martin Lewis, is to stay with current energy providers.

When comparing average monthly energy payments between 2021 and 2022, 8% have continued to pay a similar amount and nearly 70% have seen an increase of up to 80% in their energy bill payments

When looking at the number of payments made per month, those making more than one payment are more likely to pay a higher amount compared to those making just one payment a month (and likely to be paying via direct debit), however this group are likely to have seen a smaller increase in their energy payments overall.

Those making multiple payments across a month period are more likely to be female, highly digitally engaged, but have lower financial wellbeing (personal income was less of a factor than might be expected). Whilst their financial score indicates that they could struggle to manage their finances, their higher digital skills could enable them to shop around and set up direct debits in the future.

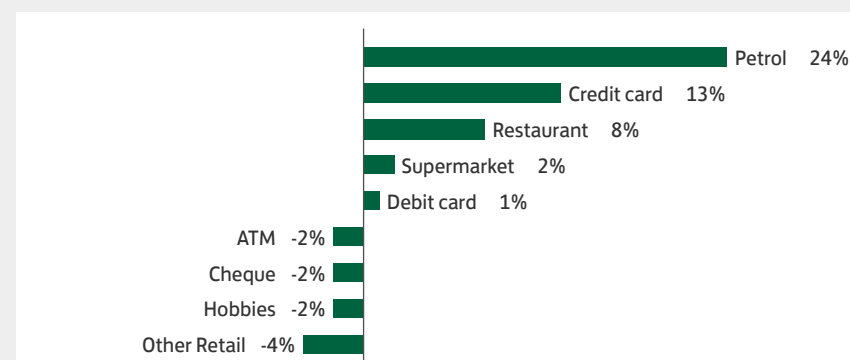
How are spending habits changing?

The Office for National Statistics (ONS) reports inflation at 10.1% for the 12 months up to September (up from 9.9% in August), the highest it's been in almost 40 years (the government's target for inflation is 2%)*. A deeper dive into spending habits has been carried out to understand what this means in reality for consumers.

Across the last 12 months, the largest increase in spend was fuel, with individuals spending almost one-quarter more than they had previously

Considering the increasing cost of living, supermarket spend has only increased by two percent, and non-essentials such as retail shops and hobbies have decreased by four and two percent respectively. However, restaurant spend has increased considerably, indicating people may be taking advantage of post pandemic circumstances.

Figure 17. Transaction category spend value percentage change, 2022, 2021

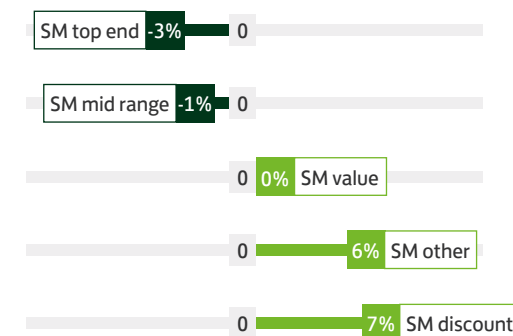


UK is turning to discount supermarkets

Supermarket and food spend is an essential cost for any UK citizen. Overall, food shop spend is on the rise (2%), however when looking at spending habits, there is an increase in use of discount supermarkets (e.g. Aldi and Lidl). Discount spend has risen by seven percent compared to a decline of three percent for top-end supermarkets (e.g. Waitrose and Ocado).

For those with low financial and low digital capability, their highest increase in supermarket spend is for discount shops (seven percent increase). This is perhaps due to these supermarkets providing more cost-effective options, and other suppliers pushing their discount and reward schemes online via apps, making it harder for those with little digital knowhow to benefit.

Figure 18. Supermarket (SM) type and change in average monthly spend, 2022, 2021



* [forbes.com/uk/advisor/energy/cost-of-living-crisis/](https://www.forbes.com/uk/advisor/energy/cost-of-living-crisis/)

The rising cost-of-living will impact people's ability to go online

As part of the 2022 Essential Digital Skills survey, a specific question was asked in relation to the cost of living and how this will affect consumers ability to go online. c.18.7 million people (35%) have acknowledged that the rise in cost of living will impact their ability to go online.

By May 2022, c.11.5 million (22%) had already taken steps to reduce costs associated with going online to help them afford other household bills and c.9.4 million (18%) say they will have to look for other alternative solutions to connect to the Internet.

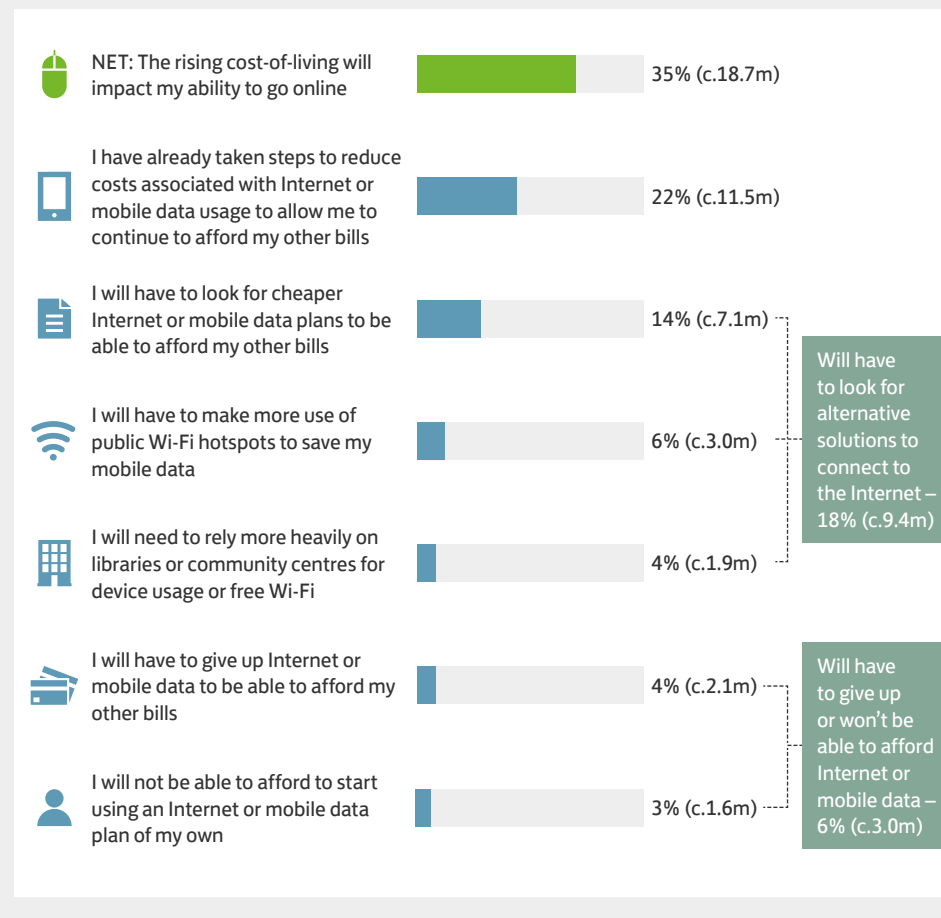
Amongst those who will have to look for alternative solutions to connect to the Internet, c.1.9 million (4%) anticipate becoming more reliant on libraries or community centres to use the free devices and Wi-Fi available.

c.3.0 million (6%) UK adults say they will either have to give up or won't be able to afford to start an Internet or mobile data plan of their own.

Recent data from Ofcom*, suggests that around eight million (29%) UK households struggle to afford services such as home broadband, a mobile phone, a landline or TV services

Around 3.5% of those who are eligible for cheaper broadband tariffs, are currently on one – meaning four million UK households are missing out**.

Figure 19. Proportion of adults aged 18+, and the impact the increased cost-of-living will have on their Internet usage, 2022 n = 4,099



Online money management and scams

Given the rapidly changing nature of digital behaviours, the importance of being safe online has never been more crucial. Those online with higher digital skills, are more exposed and have a greater chance of falling foul to scams – those with the highest digital engagement are over 11 times more likely to be scammed than those with the lowest digital capability (of those scammed, 46% were in the very high segment and 4% were in the very low segment).

While people with very low digital capability are less likely to have been scammed, they more likely to have been defrauded multiple times (compared to those in the highest digital segment). This group are also more likely to have been victim to impersonation scamming, with fraudsters exploiting their lack of confidence online.

Consumers aged 70+ are nearly twice as likely to have been scammed multiple times, however over two-thirds who have been scammed are under the age of 50.

Romance or dating scams, have risen by 16% since 2021 and each victim lost around £8,650 on average***

* ofcom.org.uk/research-and-data/multi-sector-research/affordability-of-communications-services ** bbc.co.uk/news/business-63287452

*** lloydsbankinggroup.com/media/press-releases/2022/lloyds-bank/romance-scams-on-the-rise-as-victims-get-younger.html

One-third of the UK feel stressed or overwhelmed by their finances

When it comes to how people think and feel about their finances, 33% feel stressed, which has increased by four percentage points in the last 12 months. Digital capability continues to have a bearing on this – the more digitally capable are more likely to feel overwhelmed (37%), compared to those with lower digital capability, perhaps due to having greater awareness of their bank balance and it can be viewed anytime anywhere – however those with the least digital skills have seen more of an increase in feeling stressed year-on-year (plus five percentage points).

Younger people, aged between 18-24, are more than twice as likely to be in this group than those aged 60-79 (42% versus 20%).

Income is also a correlating factor, with over one-third of those who feel stressed earning less than £20,000 per year.

Figure 21 shows one-in-five (19%) of the population also say that worrying about money often affects their sleep.

41.4 million have a positive financial outlook

However, figure 21 also shows around 80% (41.4 million) have a positive outlook on their finances, and feel on top of their money, also agreeing the way they are managing their

finances means they can enjoy life. Significantly less, but still a majority, 63% say they are on track to have enough money for their future needs. This does mean there is a large proportion of the UK who don't feel as on track for future plans.

Those not on track to have enough money to meet their future needs are most likely to be (but not limited to, compared to UK sample):

- Have low financial capability (60% versus 46%)
- Aged 40-59 (53% versus 41%)
- Earn up to £20,000 a year (41% versus 32%)
- Have very high digital capability (34% versus 31%)

Figure 20. 'Does your current financial situation cause you to feel stressed or overwhelmed?', 2022, 2021

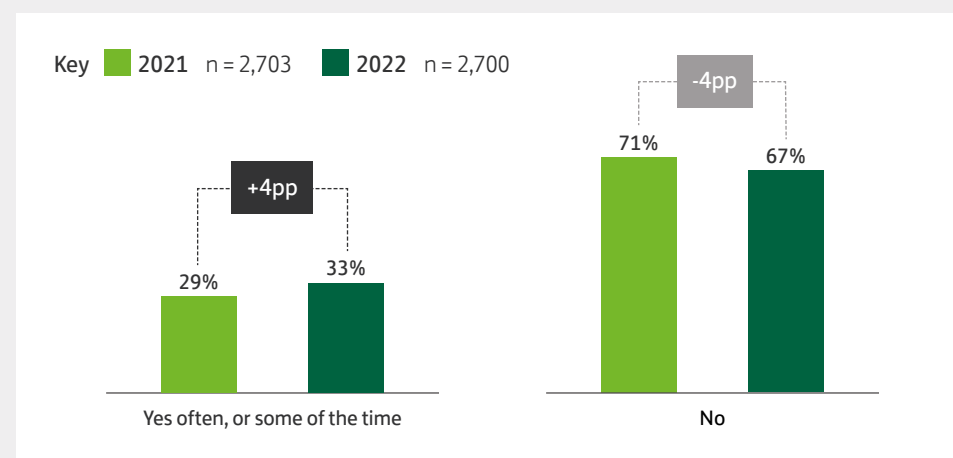
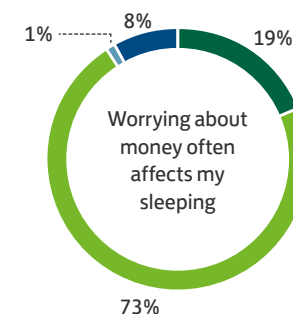
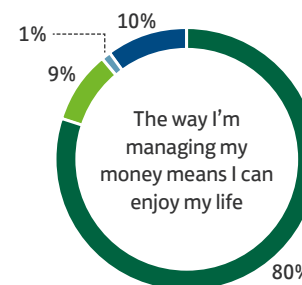
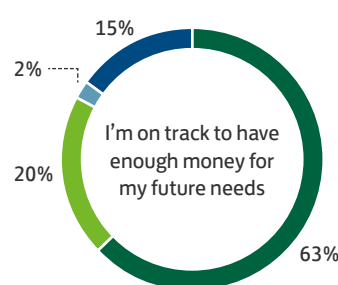
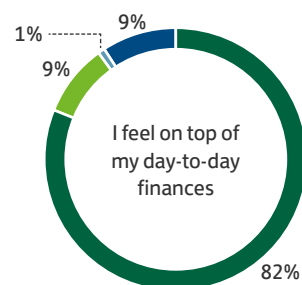


Figure 21. When it comes to how you think and feel about your finances, how much do you agree or disagree with these statements?, 2022

n=2,700

Key: Agree/strongly agree, Disagree/strongly disagree, Don't know/prefer not to say, Neither agree nor disagree



Rising financial uncertainty

Due to the current economic crisis, people in the UK are likely to need to turn to their financial reserves or are possibly more likely to receive a financial shock, as many day-to-day expenses increase.

Figure 22 shows that 12% (6.2 million) continue to say they would struggle immediately if they were to be subject to a sudden unexpected bill or loss of income. These people are largely likely to be (but not limited to, compared to UK sample):

- Benefit claimants (61% versus 31%)
- Have very high digital capability (42% versus 31%)
- Have an impairment (32% versus 16%)
- Aged 30-39 (24% versus 18%)

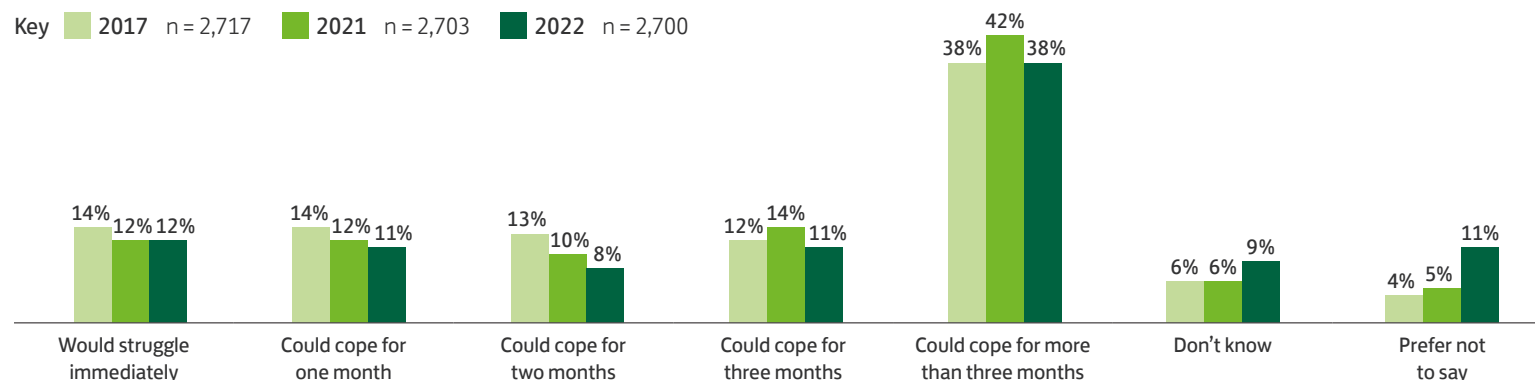
Since 2017, there has been a decrease in those who would struggle immediately or could cope for one to three months. There has been an increase in those who weren't able to specify an exact time period, indicating a rise in financial uncertainty.

Those who don't know how long they could cope are most likely to be (but not limited to):

- Female (56% versus 47%)
- Are in the high digital capability segment (53% versus 47%)
- Benefit claimants (39% versus 31%)
- Aged 18-29 (28% versus 19%)

Figure 22. Imagine now that you suffered a financial shock and you suddenly lost your regular income. Based on financial reserves you have in place, for how many months do you think you could cope, i.e. paying living expenses like food and bills, if no replacement income was immediately available?, 2022

Key 2017 n = 2,717 2021 n = 2,703 2022 n = 2,700



41.9 million are focusing on becoming debt-free

Around four-fifths (41.9 million) are focusing on becoming debt-free and are reprioritising their day-to-day spend, to perhaps ensure they can maximise their disposable income due to other rising bills to enjoy life or save for unexpected future needs.

Over one-third of the UK are spending without thinking about the consequences, and are most likely to be (but not limited to):

- Aged 18-24 (47%)
- Earn £60,000-£70,000 (46%)
- Male (40%)
- Have very low digital capability (40%)
- Have very low financial capability (39%)

Figure 23. 'Thinking about your financial priorities and how these have changed in the past 12 months, would you say that...', 2022

n = 2,700

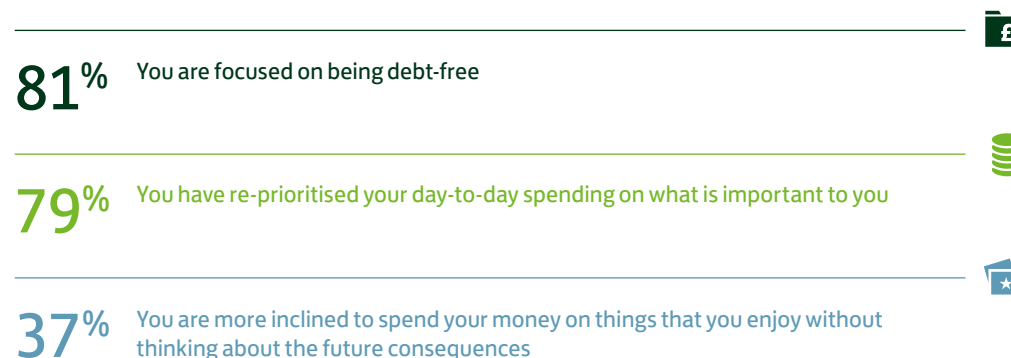
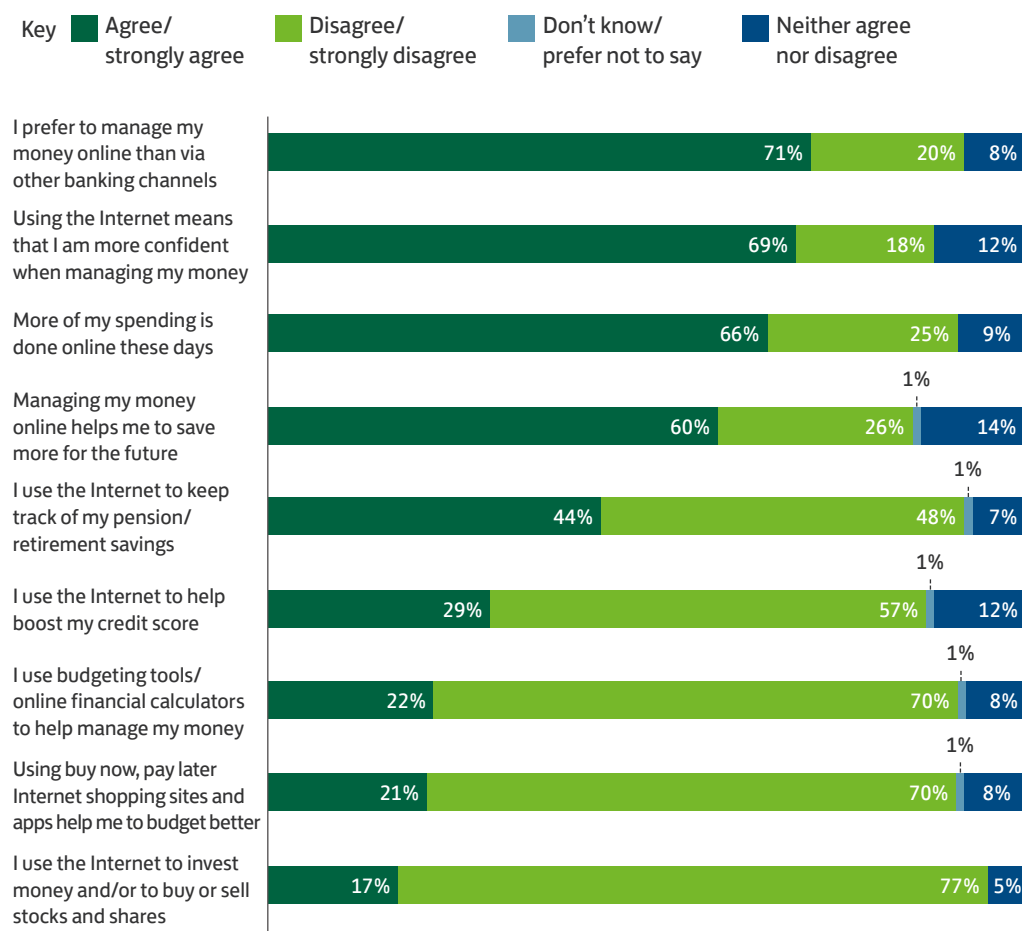


Figure 24. 'To what degree do you personally agree or disagree with each of the following statements about using the Internet to help manage your finances?' 2022 n=2,675



The benefits of managing money online

Using the Internet has many benefits financially – those who manage their money online (in comparison to those who don't) are:

- 2.6 times more likely to check their balance
- Saving 2.2 times more frequently
- Saving 5.1 times more money

Over two-thirds (69%) agree that using the Internet means they are more confident when managing their money. However, there is still the opportunity for further support. Around one-fifth use online budgeting tools or calculators to support with their finances and under 29% are using the Internet to their advantage to boost their credit score. An individual's credit score can potentially have a large impact on someone's life, and the choices they have available, so should be considered a key opportunity for improving financial wellbeing.

The majority of the responses in figure 24 are more highly correlated with younger age, with the exception of keeping a track of pension and retirement savings online, as this is more life-stage specific. For those aged 18-29, the largest differences compared to those aged 60+, are using online money management to help them save more for the future and using the Internet to boost their credit score. Using the Internet to invest money or buy stocks and shares has the smallest difference.

By income, the majority of the responses in figure 24 are more highly correlated with higher annual income, with the exception of using buy now pay later shopping sites and apps to help budget better, assumedly due to having less disposable income and needing to use other means. For those earning more than £50,000, the largest differences compared to those earning less than £20,000 per year, are using the Internet to keep track of pension and retirement savings and more spend now being done online. Using buy now pay later facilities has the smallest difference.

There is similar use of buy now pay later facilities to help budget, across all income bands

Financial help and support

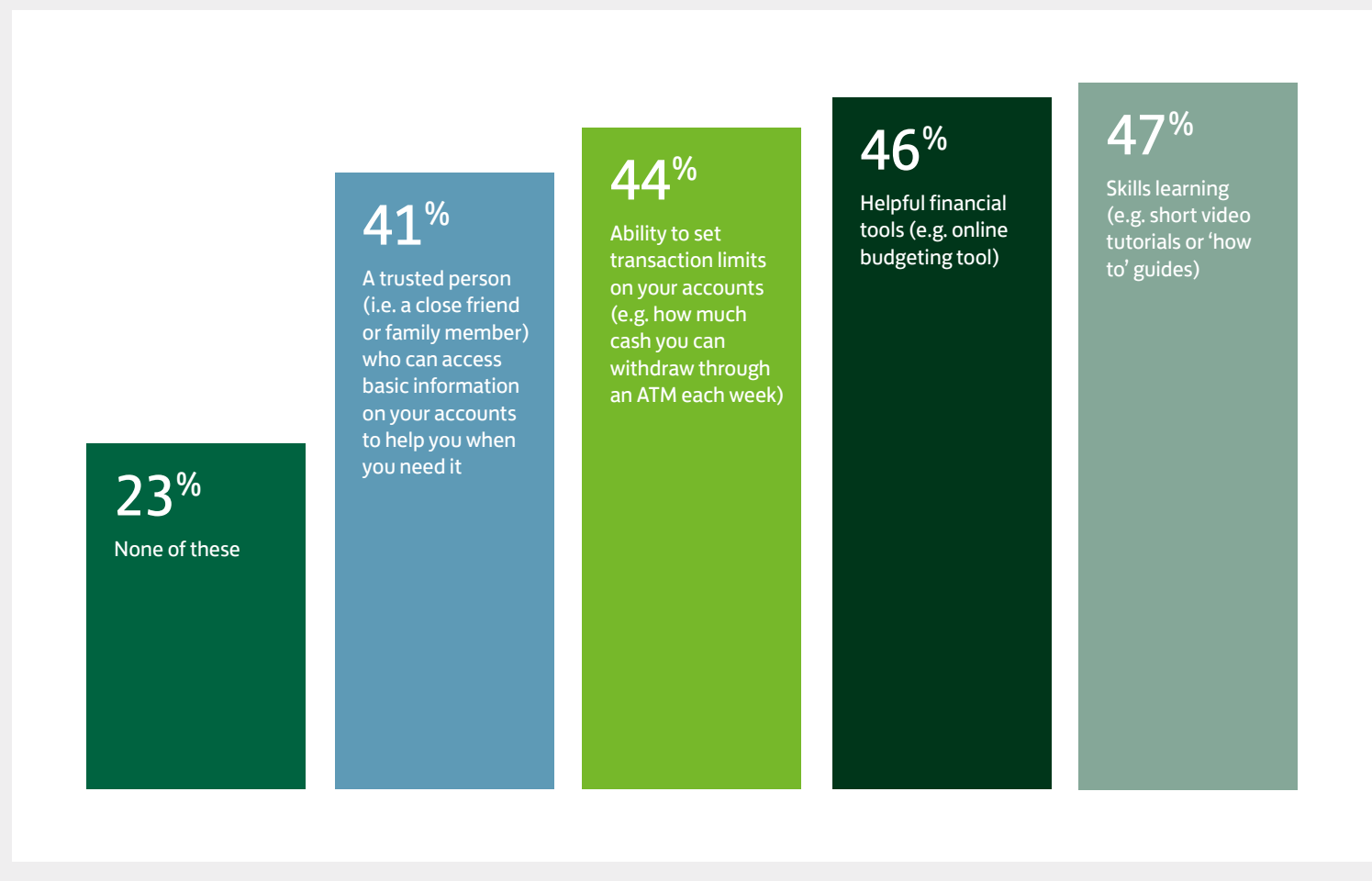
Figure 25 shows the means and methods that would support the UK in becoming more financially confident, considering 27.9 million (54%) have low financial capability, this should be a real focus for industry.

Looking across different demographics, there is a strong correlation with younger age and each of the means for becoming more financially confident. Those with a lower income prefer turning to a trusted person whereas those on higher income prefer using helpful financial tools.

A trusted person is important regardless of someone's digital capability, is more heavily favoured by someone living with two or more impairments, or someone claiming benefits.

For those claiming benefits, they are also more likely to prefer having the ability to set transaction limits, compared to those not claiming benefits, however budgeting tools and skills learning are much lower down their priority list.

Figure 25. 'Which of the following ideas, if available, would help you to manage your finances or become more financially confident?', 2022 n = 2,700





Mariam's story

Mariam and her husband have recently become new parents. Her husband, Ali, works in a warehouse six days a week to support his young family, and Mariam is a stay-at-home Mum.

In the early months of parenthood, Mariam began to feel isolated, and she had no family support. To help with her loneliness she started to spend more time shopping online, particularly during the night feeds. The habit spiralled and Mariam was soon hiding parcels of baby clothes from Ali.

During a visit to the Health Centre, Mariam asked about joining mother and baby groups to make new friends. She was referred to Get Families Talking*, an Online Centre run by Smartlyte.

Mariam took part in the 'Families Talk Money' programme, which was not only a great way to meet other Mums, but also provided the chance to learn new skills on managing household finances.

Mariam quickly made new friends and soon felt at ease discussing her spending habits. She shared that she had three mobile phones, all with separate contracts, which she used for different purposes. Discussing this with the group, Mariam realised that she could make immediate savings by reducing her phone contracts down to one.

Mariam was also introduced to comparison websites and learnt how to shop around for better deals. As her online confidence grew, she also started to explore how she could increase her income by selling the baby clothes online that she no longer needed. She learnt how to download apps to help her sell and soon found herself recouping some of the money she had initially spent.

As Mariam was doing more online, she was keen to learn how to stay safe, especially whilst managing her money through online banking. Mariam now sees the benefit of banking online as she can immediately see how much she has, and how much she is spending, which makes it easier to save for things such as family days out.

Mariam now sets herself a strict monthly budget to manage the household finances and talks more openly with her husband about how to better manage their money together.

"By attending these sessions, I have made friends and developed new skills. I am more confident in how to manage my finances online. I now see a future for myself and my family. Seeing my savings increase, gives me the motivation to keep learning and to share what I have learnt with friends and family"

During lockdown, Ali unfortunately lost his job which reduced the family income. Mariam was able to apply the skills she had learnt at the online centre to help Ali with searching for jobs online. He soon found work again.

"I continue to use my learning to my advantage, whether it's shopping for deals and selling items online, or managing my money through online banking, I cannot express how upskilling on the Internet has empowered me to take ownership of my family's money"

Mariam is also using her newfound skills to upcycle her wardrobe. Through watching YouTube videos, she is discovering practical ways to alter her clothes, rather than buying brand new.

Motivation, digital upskilling and support

Motivation is an important ingredient for inclusion

Without personal incentive, there is little chance of upskilling and digital engagement.

91% of the UK are choosing to improve their digital skills for personal reasons, and almost two-thirds (64%) say they are upskilling for work (over half, 56%, are upskilling for both life and work). Work and employment related reasons continue to be a key driving factor, a trend maintained from last year.

The workplace continues to move the UK online

Whether it is the ongoing need to work from home, boosting employment prospects or encouragement from employers, collectively, work remains a key reason for digital engagement.

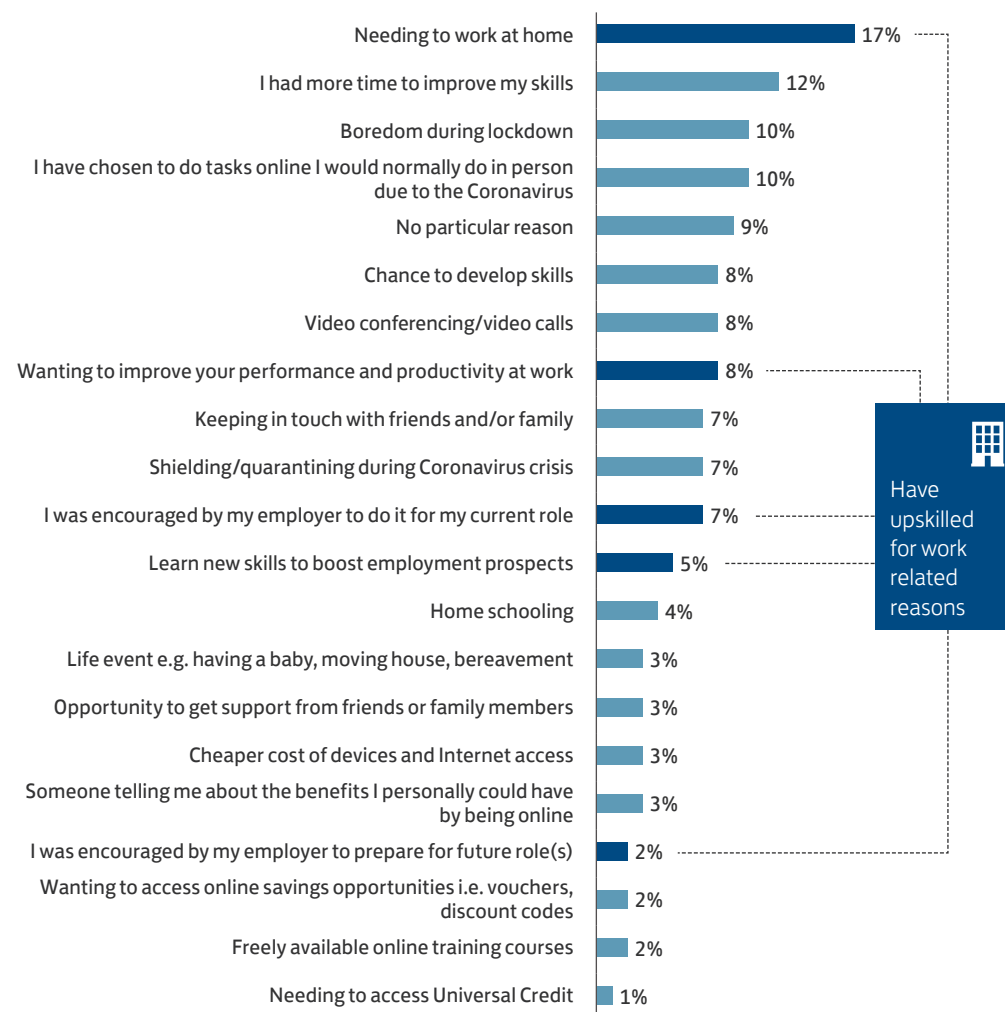
Figure 26 shows the need to work from home was a stimulus for 17% of the population to gain digital skills. Whilst during the first UK lockdown in April 2020, 47% of people worked from home, hybrid working is now on the rise, and in 2022, around 36% of the workforce now work remotely*.

Of those who specifically selected work-related reasons (26%):

- 63% selected needing to work from home
- 29% wanted to improve their performance and productivity at work
- 25% said they were encouraged by their employer to do it for their current role.

Figure 26. 'What was the trigger or motivation for improving your digital skills?', 2022

n = 1,089



41% of respondents also gave another response beyond what is captured in figure 26. Some of those reasons include:

"Everything is online these days"

"I can do things more easily online"

"My quality of life is improved by being online"

"I started my own business"

"Because I was lonely"

"I'm always motivated by curiosity"

"Due to being hacked"

"Helping out my parents with mobile banking and shopping"

"I had no option"

The following demographic sub-groups were the most likely to give a work-related answer, in comparison to the UK average (26%):

**Aged 25-29
(41%)**



**From the East Midlands
(33%), North West (31%)
or London (31%)**



**Do not claim benefits
(29%)**



**Earning £20,000+ per year
(32%)**



**Have the highest digital
capability (31%)**



**Do not have an impairment
(28%)**



**Female
(30%)**

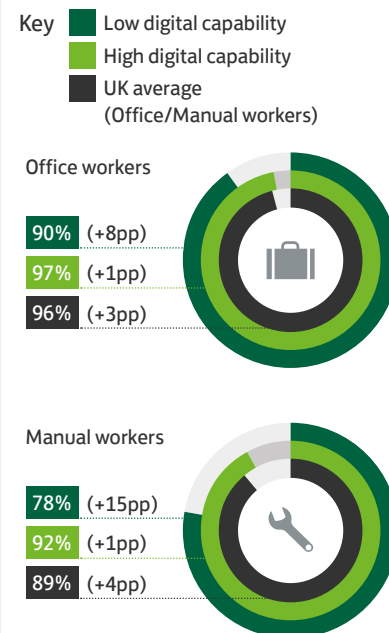


As shown in Figure 29 (page 31) the workplace also provides one of the most effective ways to improve capability for two-thirds (63%) of the UK – this increases to 83% for 18-24 year olds.

People's role types also influence their attitudes to digital upskilling. Office workers are more likely to cite 'upskilling for work-related reasons' regardless of their digital capability. 96% of them have also said they are digitally confident.

This is not the case for 'manual' workers – those already exhibiting higher digital capability are more likely to want to improve their digital abilities for work and 89% are confident online.

Figure 27. Manual and office workers who are confident using the Internet, split by low and high digital capability, 2022 versus 2021



Manual and office workers with lower digital capability have seen the most progress in their online confidence

External environments shape motivations for digital engagement

Having more time due to lockdown constraints has been a key factor in the improvement of digital skills. 'Having more time to improve my skills' and 'boredom during lockdown' are within the top three triggers for moving online. As such, as the UK transitions out of the pandemic, it is key that motivations continue to be monitored and understood.

Just as the pandemic was an incentive, so now is the rising cost of living. The benefit to financial capability is evidenced – those with the highest digital capability say the following about being online, compared to those with very low digital abilities:

- 78% say they are more confident managing their money (compared to 27%)
- 69% say by managing their money online, it helps them to save money for the future (compared to 20%)
- 44% say it helps them to boost their credit score (compared to 9%).

Which skills do people want to improve?

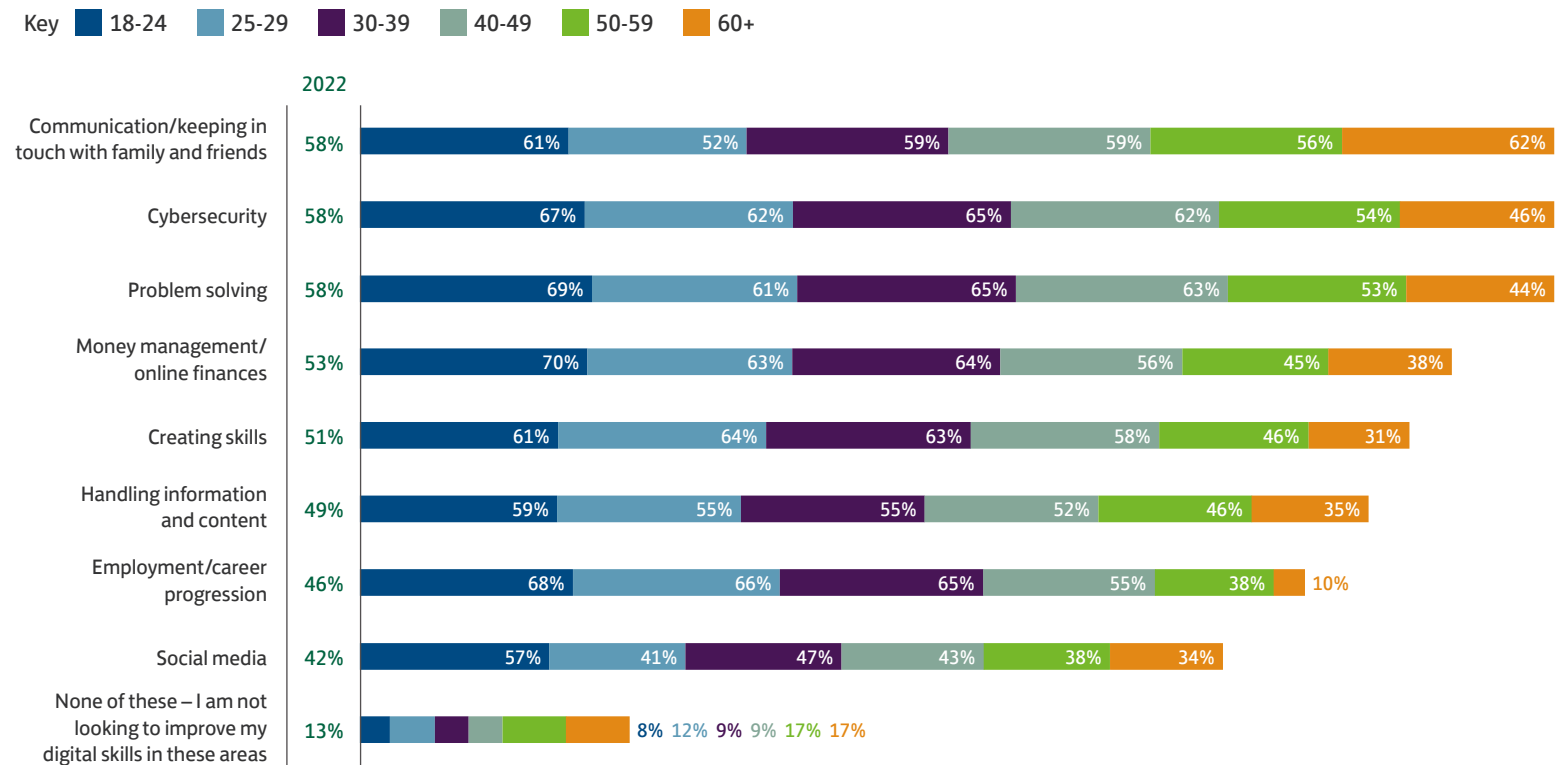
Figure 28 demonstrates the key areas that those online, are looking to improve. Understanding that age is a key determining factor, figure 28 shows how age influences skill needs.

46% of those online are looking to improve their digital use for employment and career progression

Those with the highest digital capability are twice as likely than those with very low digital capability to want to improve their career prospects

Figure 28. 'Which of the following areas, if any, would be of interest if looking to improve your digital skills?', split by age, 2022

n = 2,675



Online, self-led learning pips family and friends to the post

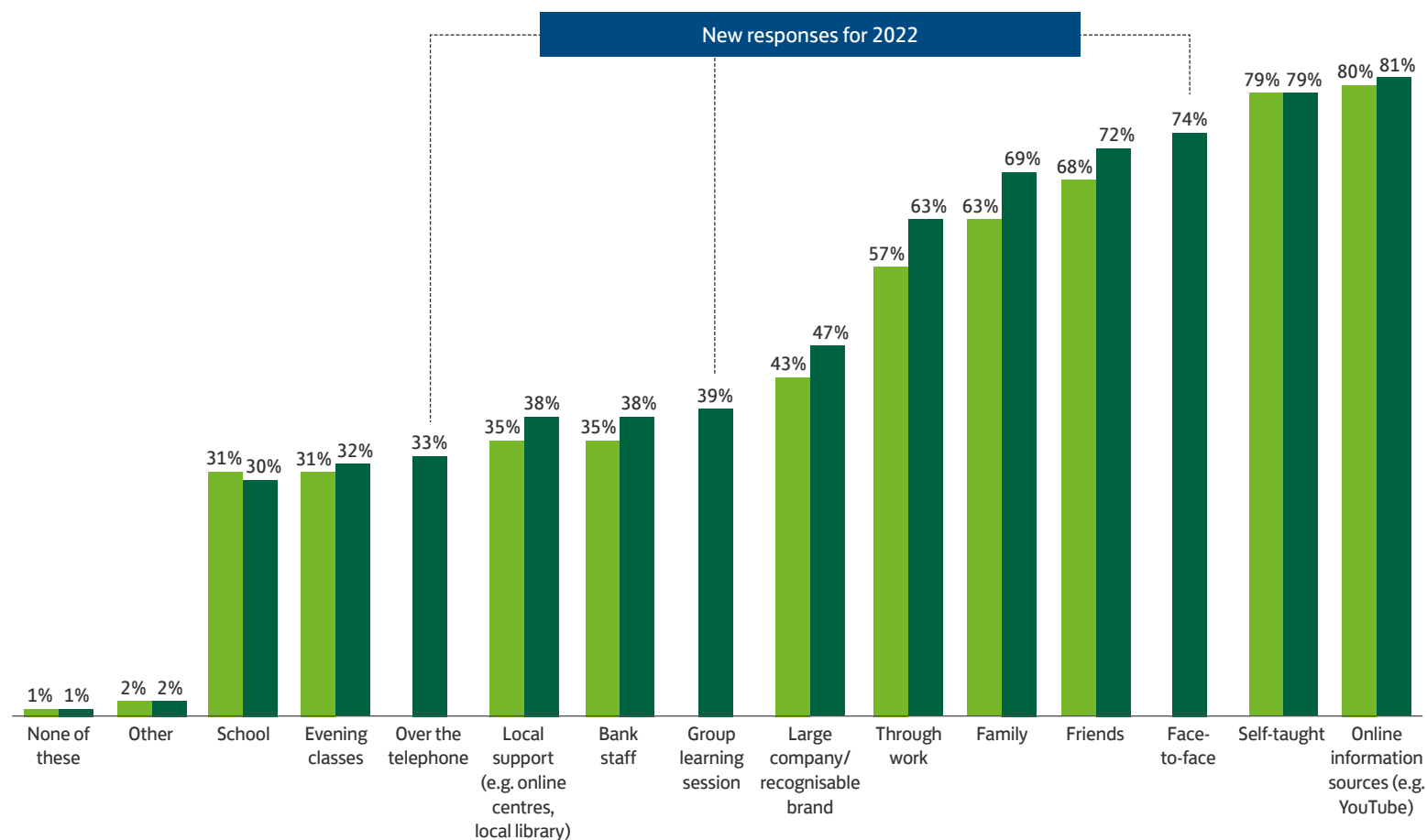
Figure 29 shows the methods through which people find it easiest to learn new tech skills (individuals could select multiple responses). 81% of people identified that online information, including sources such as YouTube, would be the easiest way to learn new digital skills, remaining the most popular year-on-year.

Similarly, 79% of people would rather be self-taught, preferring to learn at their own pace as this provides the flexibility to pick and choose materials that suit individual needs.

Family and friends continue to be an important route to upskilling and enables digital learning to start at home (69% and 72% respectively). They have also both increased by six and five percentage points respectively since 2021, highlighting the growing role of familiar faces.

Figure 29. 'What would be the easiest way for you to learn new skills?', 2022

Key ■ 2021 n = 2,559 ■ 2022 n = 2,675



Large brands and local support centres are vital

There is an increasing importance for organisations of different shapes and sizes to continue to provide digital skills support, such as large recognisable brands (47%), bank staff (38%) and local support providers such as online centres and local libraries (38%) – each have increased by three percentage points since last year.

Multi-channel support remains important

It is no secret that a blended approach to learning is preferable, and given that figure 29 allowed multiple answers from respondents, this provides a helpful steer for the learning preferences of the UK today. Having an environment that suits the learner and their needs, and a variety of options available is crucial.

- 81% of people use online learning
- 74% find face-to-face support valuable
- 63% get digital learning through work
- 33% use telephony services for digital support

New responses were asked this year, including group learning (39%) and receiving support over the telephone (33%) – those with the highest digital capability prefer group learning compared to those with the lowest digital capability. Both people with high and low digital capability find telephony support helpful.

Confidence influences learning styles

Learning preferences vary when people already have digital confidence and capability, versus when they do not. There is a clear preference for those who are more confident for self-led learning, either finding the information online, or teaching themselves.

For those who are less confident, their top preferences tend to be through more informal networks such as friends and family and face-to-face. These channels are still important for the more confident population.

Top learning preferences for those more confident online



- Online information 85%
- Self-taught 83%
- Face-to-face 75%

Top learning preferences for those less confident online



- Family 68%
- Face-to-face 64%
- Friends 59%

Three-quarters prefer shorter, sharper learning

Recognising the different learning methods now available, from YouTube to formalised courses, this year has included the first survey of learning duration preferences. 56% responded 'don't know' as duration is subject to the topic and learning outcomes.

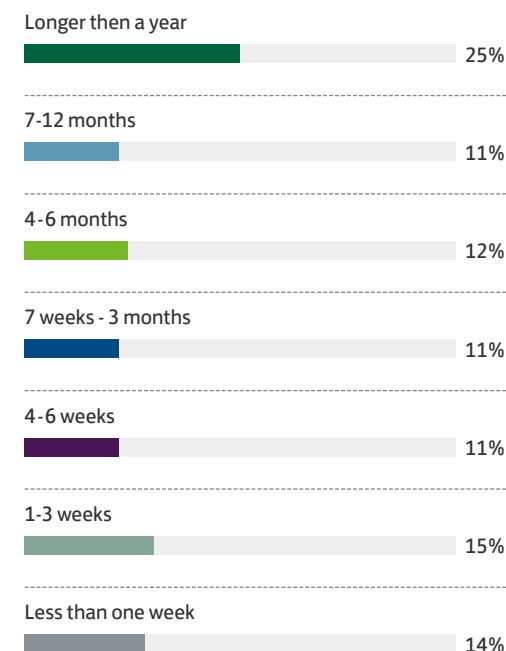
However, when removing this response from the dataset, three-quarters are interested in learning periods of less than a year, and prefer to consume information in shorter, sharper bursts.

Digital capability doesn't have much bearing on the learning duration preferences, although those with the lowest digital capability are more likely to want to learn information for longer than a year (14%) compared to the most digital (9%).

Figure 30. 'Over what time period would you be looking to improve your digital skills in these areas (Areas relate to those in figure 28)?', 2022

n = 1,036

Scale 0-50%





“I have gone from feeling anxious and totally relying on my children, to having the confidence myself to teach others and support my community. My motivation to keep improving my skills comes from seeing the impact this has on my children, our finances and our future and the potential I have to help others”

Sana's story

Sana is 42 years old and lives in Leicester with her three children. She came to the UK from Yemen with her husband. He did everything to set the family up for their new life, taking care of all paperwork and finances.

He unfortunately passed away in 2019, and Sana struggled with depression and anxiety, only venturing out for the school run and had to heavily rely on her eldest 17-year-old son for support.

Sana registered her family for Universal Credit to help them cope, and it was suggested by a Jobcentre Plus representative that she could take advantage of free English language classes. She was signposted to Get Families Talking*, an Online Centre run by Smartlyte, for help and support.

Sana attended a few of the Get Families Talking sessions. To begin with, she was understandably quite withdrawn and felt extremely out of her comfort zone. She slowly started to come out of her shell and began to practice her English more frequently, interacting with other women who attended. Sana started to join other learning sessions available that would help her to manage her finances better. Her confidence slowly grew as she became more comfortable with the processes and how to track her expenditure and bills.

[*getfamielstalking.co.uk](http://getfamielstalking.co.uk)

Previously, Sana's family were using a pay-as-you-go sim to access the Internet, which was very costly and never enough for what the family needed to do. Sana also didn't really know how to use the Internet to her advantage. Attending a local databank surgery, Sana was given a free data card, which made things much easier and was one less thing for her to worry about – the children were able to complete their homework, she could interact with her GP online, log onto her children's school website, and the family could video call their grandparents in Yemen. Get Families Talking also showed Sana how to access and manage her Universal Credit and view her bank balance online.

As Sana's confidence grew, she also felt strong enough to take herself to the park whilst the children were at school, for some fresh air and a change of scenery that she needed. On days she feels unable to go out, she is now able to shop online to get supplies, and when her anxiety is severe, she watches news updates and YouTube videos of Yemen to help calm her down.

Life is still a struggle trying to balance bills, and Sana relies on her overdraft every month, but now has the skills to monitor it and is aware of when her Universal Credit payment has been received to put her account back in credit.

Her newfound skills and confidence have also put Sana and her family in a better position when dealing with the rising cost of living. She has signed up to various supermarket loyalty apps to ensure she is saving money on food where she can and shares the deals that she finds with friends and family on WhatsApp. She also now knows when she can afford something, and when she needs to put her card away.

Essential Digital Skills

The Essential Digital Skills framework was created in 2018 and has been measured by Lloyds Banking Group, on behalf of the Department for Education, since 2019.

Following three years of the Essential Digital Skills (EDS) benchmark being published, working with the Department for Education and 40 cross-sector partners, Lloyds Banking Group led a review of the EDS framework to ensure it remained fit for purpose for today's digital society.



The Essential Digital Skills framework 2.0

Following the last three years of measuring Essential Digital Skills (EDS), working with the Department for Education, Lloyds Banking Group led a review of the EDS framework to ensure it remained fit for purpose for today's digital society. Lloyds Banking Group surveyed 40 cross-sector partners, collating thoughts across industry on how digital capability demands may have evolved since 2018 (when the EDS framework was first created).

As a result of this, the tasks, language, hierarchy and how EDS for an individual is measured for different parts of the framework have all been simplified.

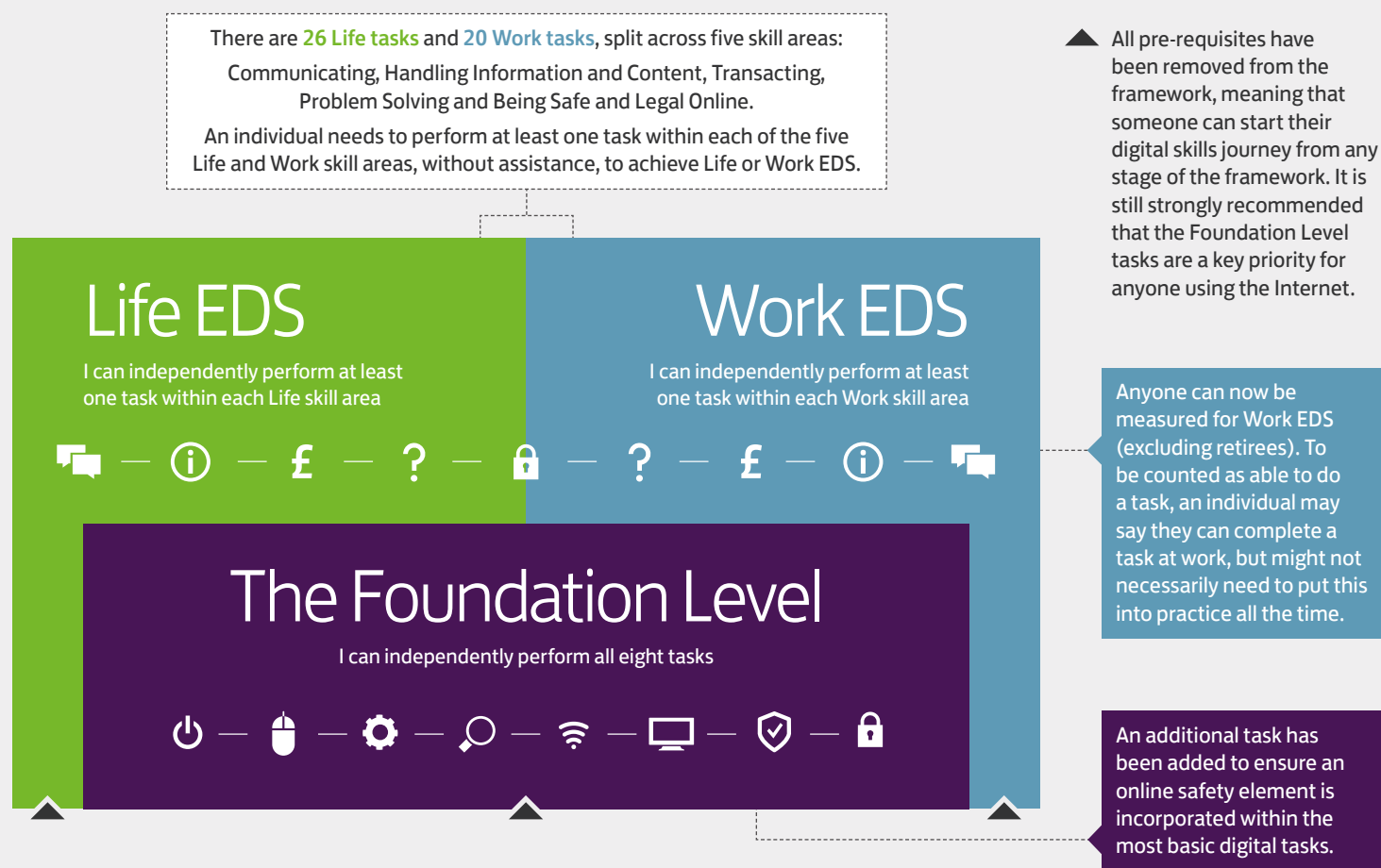
As a result of the amendments, comparisons to 2019, 2020 and 2021 data are not viable.

For the full list of tasks and skills, [see pages 58-59](#)

For a full list of key terminology, please [see page 60](#) in the appendix

For more information on the methodology and sample sizes, refer to [pages 61-65](#) in the appendix

Figure 31. The Essential Digital Skills framework



The Essential Digital Skills Framework FAQs

Following the recent changes to the framework, how does an individual achieve the different areas?

This year the pre-requisites have been removed. Previously, an individual had to have the Foundation Level to be eligible for EDS for Life, and had to have Life EDS to be eligible for Work EDS. Now, someone can start their digital journey in any of the framework areas, and will be counted within the measure.

Why were pre-requisites removed from the EDS Framework?

No longer having pre-requisites can uncover a more holistic view of UK capability. The Foundation Level is still the most fundamental set of tasks in getting an individual set up for success online. However, it was recognised that an individual's digital journey is not always linear, and their first point of entry may be through Life or Work, which was not previously captured.

Are comparisons to previous year's data possible?

Direct comparisons to 2019, 2020 or 2021 data cannot be made and are not featured in this report. However, annual readers can make anecdotal comparisons if they wish, noting the changes to the framework. All previous reports are still available on the Consumer Digital Index website* as well as the EDS data tables**.

How has the Foundation Level changed?

The Foundation tasks have been updated. There are now eight Foundation tasks, instead of seven. Other elements of achieving the Foundation Level remain the same. All eight tasks must be completed without assistance, to achieve the Foundation Level. [\(see page 58 for more information\).](#)

How has Essential Digital Skills for Life changed?

The set of Life tasks have been changed. There are now 26 Life tasks across five skill areas, instead of 29 tasks. Other elements of achieving Life EDS remain the same [\(see page 59 for more information\).](#)

An individual needs to perform at least one task within each of the five Life skill areas, without assistance, to achieve Life EDS.

How has Essential Digital Skills for Work changed?

The set of Work tasks have been changed. There are now 20 Work tasks across five skill areas, instead of 17 tasks [\(see page 59 for more information\).](#)

An individual needs to perform at least one task within each of the five Work skill areas, without assistance, to achieve Work EDS.

Being in employment is no longer a requirement for Work EDS, as it was considered important to measure work skills for those who are out of work and potentially job seeking. Therefore, all participants who are not retired (known as the labour force sample) are eligible for Work EDS.

Additionally, participants do not have to actively be doing a work task at a place of employment to be counted as able to do the task.

Are the tasks the same across Essential Digital Skills for Life and Work?

The nine Being Safe and Legal Online tasks are the same for both Life and Work EDS – they represent core activities to keep someone safe whilst using the Internet in day-to-day life and the workplace. The rest of the tasks across the remaining four skill areas are unique to Life and Work EDS.

* loydsbank.com/banking-with-us/whats-happening/consumer-digital-index/tools-resources.html

** loydsbank.com/banking-with-us/whats-happening/consumer-digital-index/essential-digital-skills.html

The Foundation Level

The Foundation Level consists of the most fundamental tasks to set up an individual for success online. For 2022, an eighth task has been added to incorporate an important safety element, focusing on keeping device and account login information and passwords secure.

A person must be able to complete all eight tasks independently, to achieve the Foundation Level.

c.42.7 million

(80%) people have the Foundation Level

c.10.2 million

(20%) people do not have the Foundation Level

c.2.4 million

(4%) people cannot do any of the digital basics

One-fifth of UK adults lack the digital basics

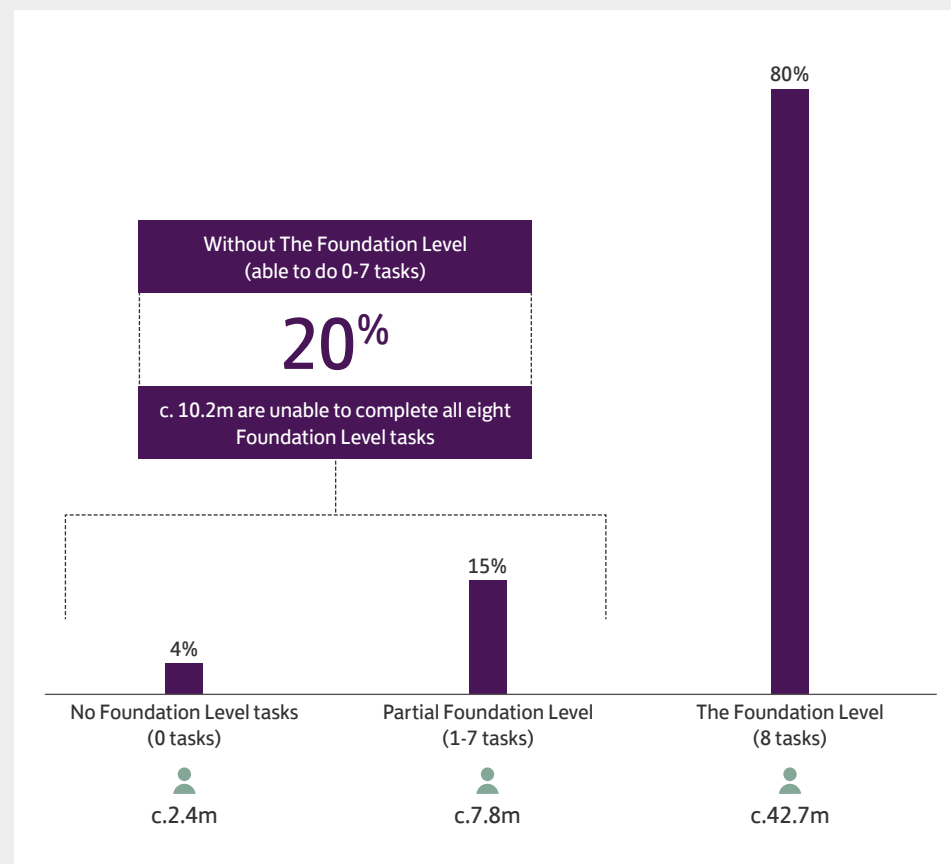
In the UK today, c.10.2 million adults (20%) are without the Foundation Level and c.2.4 million (4%) are not able to do any of these core tasks. Considering last year's EDS Benchmark evidenced 6% of the UK could do zero tasks, and there is now an additional task, this shows positive signs for the most basic digital capability and indicates more of the population are now equipped to get online.

Yet c.4.8 million are on the cusp

When looking at the individual number of tasks, c.4.8 million (9%) people are on the cusp of achieving all eight tasks (can do 6-7): 7% can do 7 tasks, and 3% can do 6 tasks.

Figure 32. Proportion of adults aged 18+ that can do the listed number of the Foundation Level tasks, 2022

n = 4,099



Foundation Level task view

Figure 33 shows the ability of UK adults to complete the most fundamental digital tasks. The most likely task a person can complete is using the available controls on their device (93%) versus the least likely, setting up a connection to a Wi-Fi network (87%).

Considering the ongoing cost-of-living-crisis in 2022, free access to Wi-Fi will be crucial for some. There is an even greater importance to equip UK adults with the ability to connect to the Internet inside or outside of the home. Half (52%) of those who claim they are unable to afford to start using an Internet or mobile data plan of their own do not have the Foundation Level (versus 20% UK average).

Connecting to a Wi-Fi network continues to be a potential hurdle in connecting to the online world

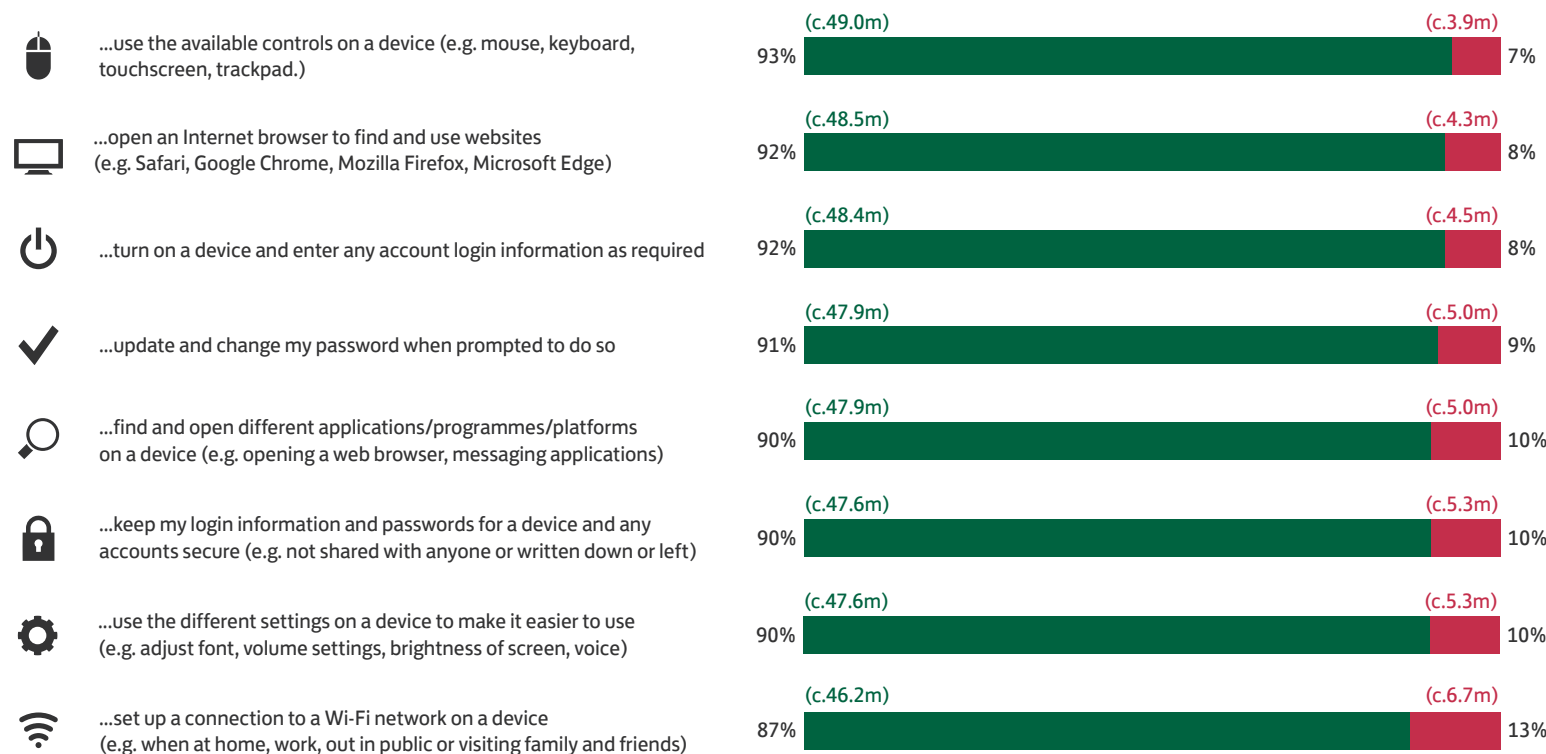
One-in-ten adults are cyber-vulnerable

c.5.3 million (10%) people are unable to complete the new task, keeping login information and passwords safe. With instances of online scams and fraud up by 14% compared to this time last year*, ensuring everyone can protect their information is more important than ever.

Figure 33. Proportion of adults aged 18+ who can/cannot do each of the eight Foundation Level tasks, 2022

n= 4,099

Key ■ I can... ■ I cannot...



Those with an impairment are 2.5 times more likely to lack the Foundation Level

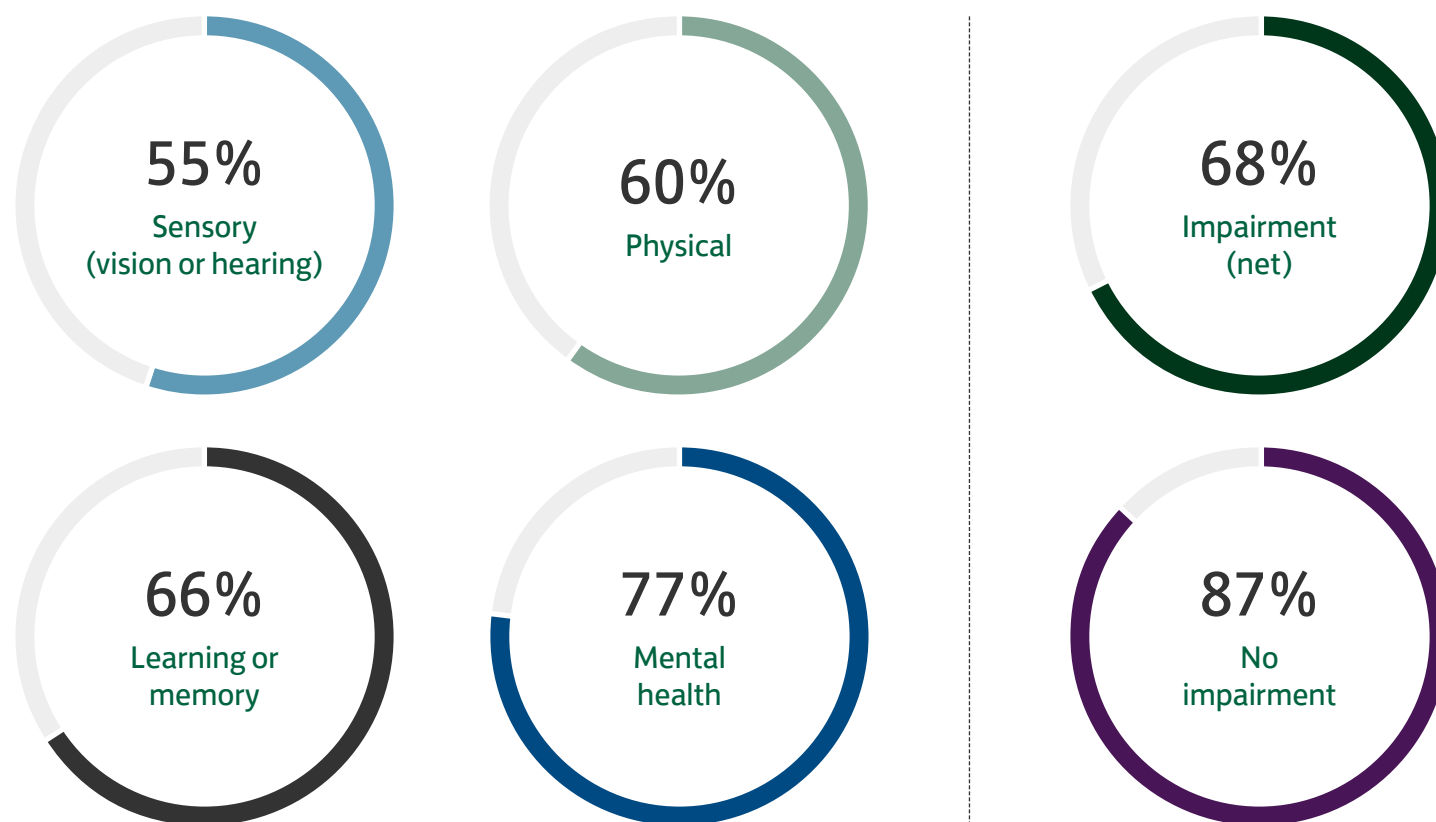
Figure 34 shows that having an impairment continues to have a bearing on someone's ability to do the basic digital tasks. Amongst those with no impairment, just 13% lack the Foundation Level compared to 32% with an impairment.

The type of impairment can also have a significant impact – those with a sensory impairment compared to mental health, are much less likely to have the online fundamentals (55% versus 77%). Furthermore, having more than one impairment also compounds this as 62% of those with multiple impairments can do the digital basics, compared to 74% who have one impairment.



Figure 34. Proportion of adults aged 18+ that have the Foundation Level, with or without an impairment, and impairment types, 2022

n=4,099



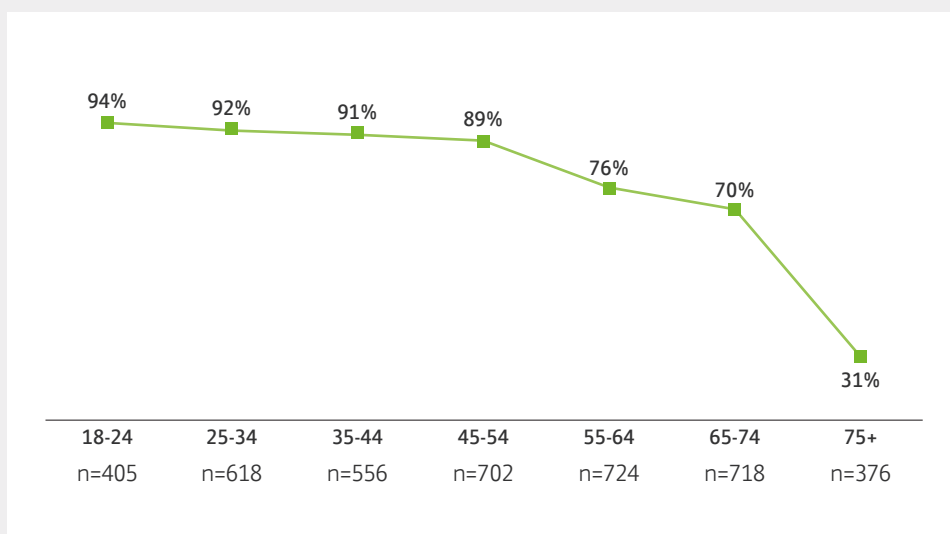
Age continues to be the largest correlating factor of basic digital capability

Figure 35 shows that basic digital capability is negatively correlated with age. There is a clear cluster of two groups – the youngest age group is by far the most proficient in the digital basics, however the range in Foundation Level attainment between those aged 18-24 and those aged 45-54 is minimal (five percentage points).

Those aged 55-74 are in a second cluster, and are up to 24 percentage points behind the youngest age group. Less than one-third (31%) of those aged 75+ have the Foundation Level and are the group requiring the most intervention.

Those aged 75+ are three times less likely to have the most basic level of digital skills, than those aged 18-24

Figure 35. Proportion of adults aged 18+ that have the Foundation Level (can do all eight tasks), split by age, 2022

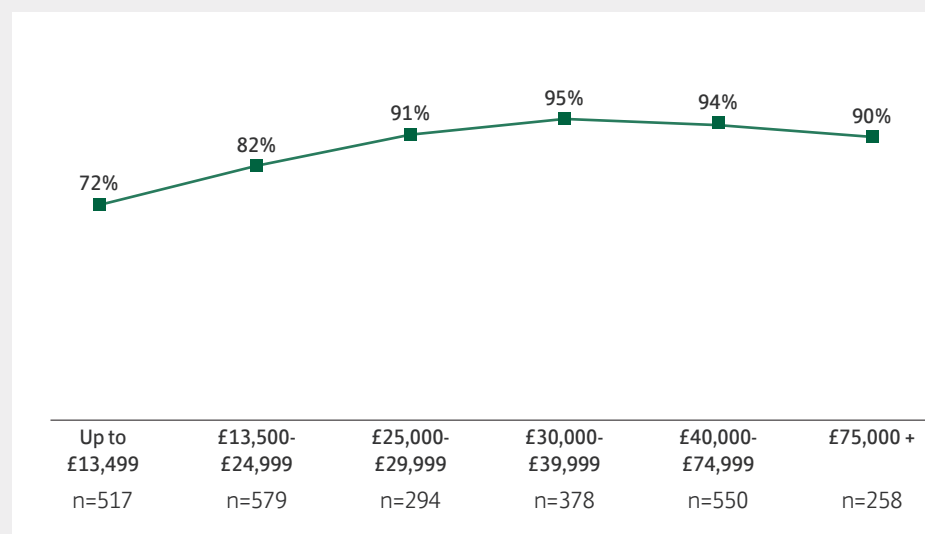


UK average salary earners are most likely to have the Foundation Level

Figure 36 shows an overall positive correlation with those earning more money and whether someone is equipped with the skills to access the Internet. Those earning £30,000-39,999 are the most likely to have the Foundation Level – this bracket includes the UK average full time salary earners (£31,408*).

People earning up to £13,499 are the only salary range below the UK average, and possibly represent some of the lower socioeconomic groups in society – coupled with the lowest level of digital skills, they could be at a double disadvantage.

Figure 36. Proportion of adults aged 18+ that have the Foundation Level (can do all eight tasks), split by personal income, 2022

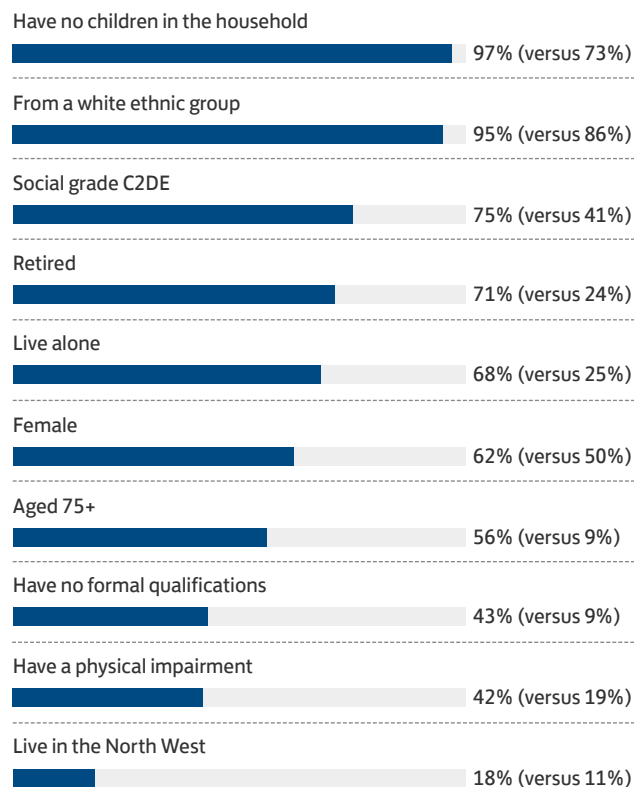


Profile of the digitally disengaged and those on ‘the cusp’

In order to make the findings more targeted and actionable, two key groups have been brought to life, when considering how to improve the most basic digital tasks for the UK.

The Digitally Disengaged

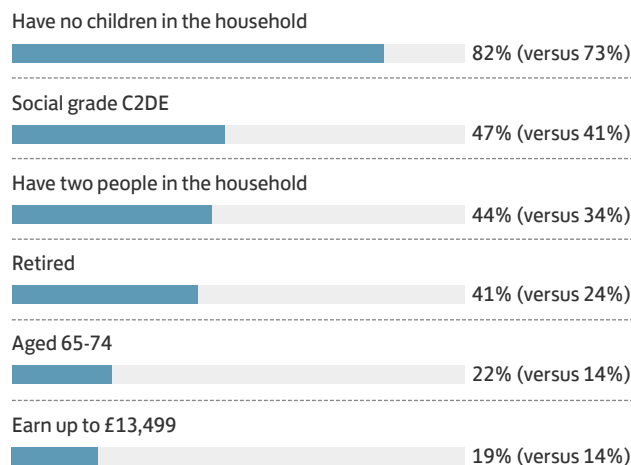
The c.2.4 million (4%) digitally disengaged group (can do 0 Foundation Level tasks) are most likely to be (in comparison to the UK average):



From one end of the spectrum to another, it is important to understand who it is that only need to accomplish one or two new fundamental tasks, to have the Foundation Level.

On the ‘cusp’

The c.4.8 million (9%) who are on the cusp of having the Foundation Level (can do 6-7 tasks) are most likely to be (in comparison of the UK average):



While there are some similarities between the demographics distinct to the digitally disengaged and on the cusp groups, there are key differences specific to the digitally disengaged. This includes those living alone, having no formal qualifications and living with an impairment and therefore means these groups are less likely to have the digital fundamentals to set them up for success online.

Device usage

The question is often asked about groups with lower levels of digital skills, whether they have the means and motivation to use the Internet. This year the Consumer Digital Index report has shown 86% of the offline population say it is their personal choice not to be online ([see page 14](#) for more information).

When looking at Internet-connected device usage for the digitally disengaged and those on the cusp, there are some stark differences.

79% of the digitally disengaged group do not have a smartphone or computer device in the household available for them to use (versus 7% UK average). 17% have a smartphone and 8% have a tablet, laptop or PC.

Only 5% of those on the cusp are without smartphone or computer devices – 77% have a smartphone, 72% have a laptop or PC, and 56% have a tablet.

Overall, this indicates that those with lower digital skills are also less likely to have a device. The CDI 2022 data ([page 15](#)) also indicates around one-third say they could be encouraged to use the Internet if devices and data were cheaper – if this became a reality this could also result in a shift in the UK’s Foundation Level abilities.



Barbara's story

Barbara is 59 and has been a self-employed curtain maker for over 30 years. She has always been dependent on her children to support her when it comes to anything digital for the business – she was scared of being scammed, clicking on something she shouldn't or ordering the wrong items.

Barbara relied on her family to help with online purchases for materials, sending emails, connecting with clients and much more. She also had limited skills when it came to using devices, only being able to send text messages from her mobile phone, for example.

Barbara's daughter Amber would visit at least once a week to support with simple online tasks. Barbara began to feel she was becoming too dependent on her grown up children and was motivated to change her ways, and wanted to try using the Internet by herself. Amber referred her to the Digital Helpline (run in partnership with We Are Digital and Lloyds Bank) to help her build her skills and confidence to get online.

Barbara initially called the Digital Helpline to ask for help with online banking and making online purchases, in the hope it would improve her confidence to use more digital services for her business, and in her personal life. She was gifted a device through the helpline to support with accessing a variety of digital tools, and putting her new found skills into practice.

Following on from the training, Barbara now uses Internet Banking regularly to check her account balance and make faster payments, she can now confidently send emails with attachments and feels like she has a much better understanding on how to stay safe online. As a result of her online activities, Barbara has been able to save money by having access to a variety of suppliers online at more competitive prices, saving her over five hours a week, as she no longer has to wait on the phone.

"I now have the confidence and know-how to do more things myself on the Internet, and I don't pester my children much anymore for help. If it's a quick question, I will ring one of the kids, but for a larger task or trying something new, I know I can ring the helpline. Whenever my children come to visit, we have more quality time together, rather than the focus being on the support I need to run the business online"

"I feel more independent and much less reliant on others – I'm now even shopping online with the likes of Amazon to help with our house renovations"

By upskilling digitally, Barbara now has the skills and motivation to do a lot more online, positively impacting the business, her confidence and family life.

The Lloyds Bank Digital Helpline*
0345 222 0333

For more information, please visit:

[lloydsbank.com/help-guidance/
get-skills-and-support-near-you](https://lloydsbank.com/help-guidance/get-skills-and-support-near-you)



* The Digital Helpline is a free service, providing anyone with the opportunity to have digital help from an expert. Whether it's needing help to set up a device for the first time, booking a GP appointment or using Internet banking, trained experts provide support.

Essential Digital Skills for Life

88% of the UK have Essential Digital Skills for Life

Nearly nine-in-ten (88%), c.46.5 million, have the digital skills needed to thrive in a digital society.

7% (c.3.7m) of UK adults have partial life skills, indicating some degree of digital engagement. The remaining 5% (c.2.7m) have zero Life skills and are therefore unable to do any of the 26 Life tasks.

c.46.5 million

(88%) have Essential Digital Skills for Life

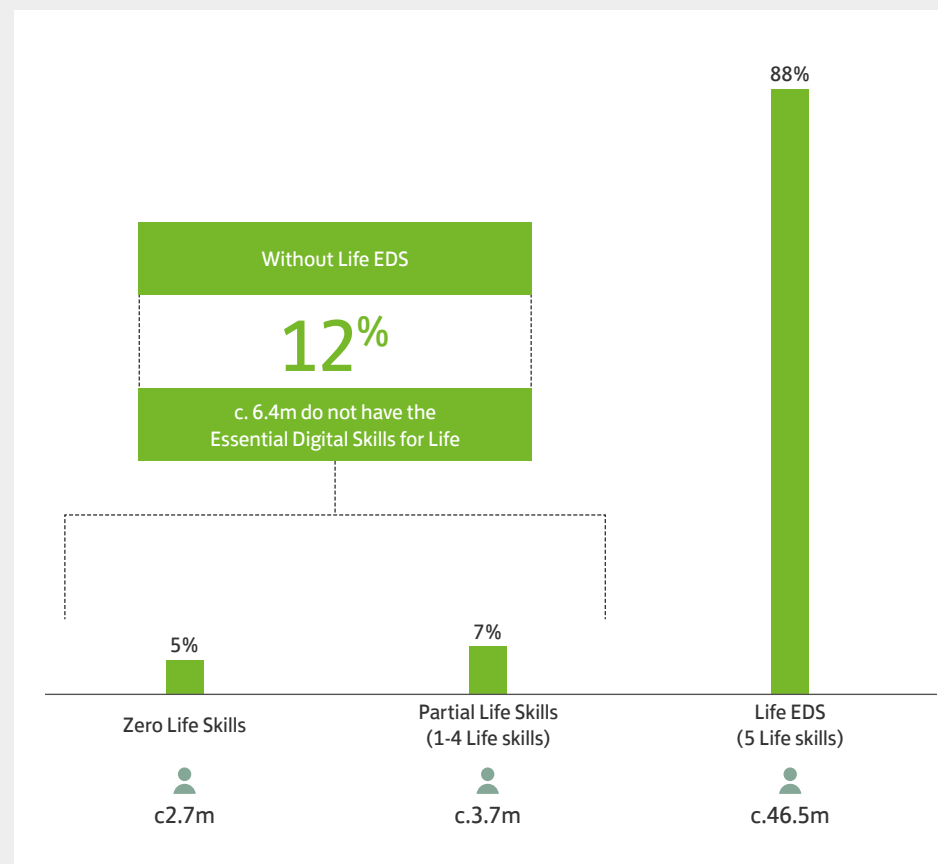
c.6.4 million

(12%) lack the Essential Digital Skills needed for everyday life

c.2.7 million

(5%) do not have any of the Life skills

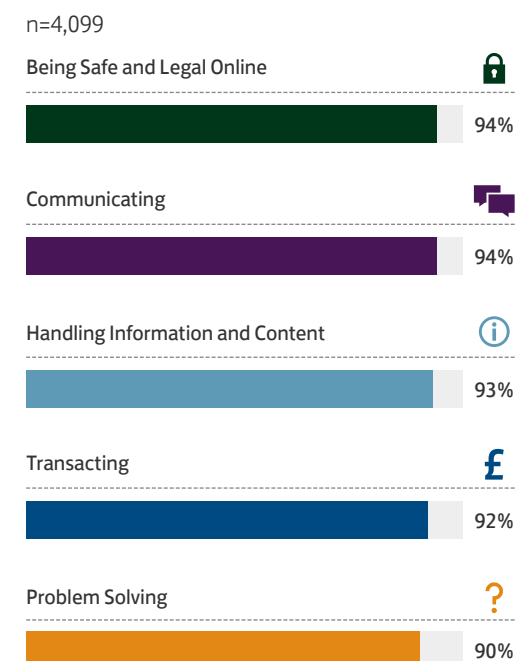
Figure 37. Proportion of adults aged 18+ and their level of Essential Digital Skills for Life, 2022
n = 4,099



The Life EDS skills

There is a range of four percentage points amongst the highest and lowest ranking Life skills. Being Safe and Legal Online is one of the stronger skills along with Communicating. Problem Solving is the skill set the UK struggle with the most, the same pattern seen in 2021.

Figure 38. Proportion of adults aged 18+ who can do each of the five Life EDS skills, 2022
n=4,099



The top ten digital tasks people can do

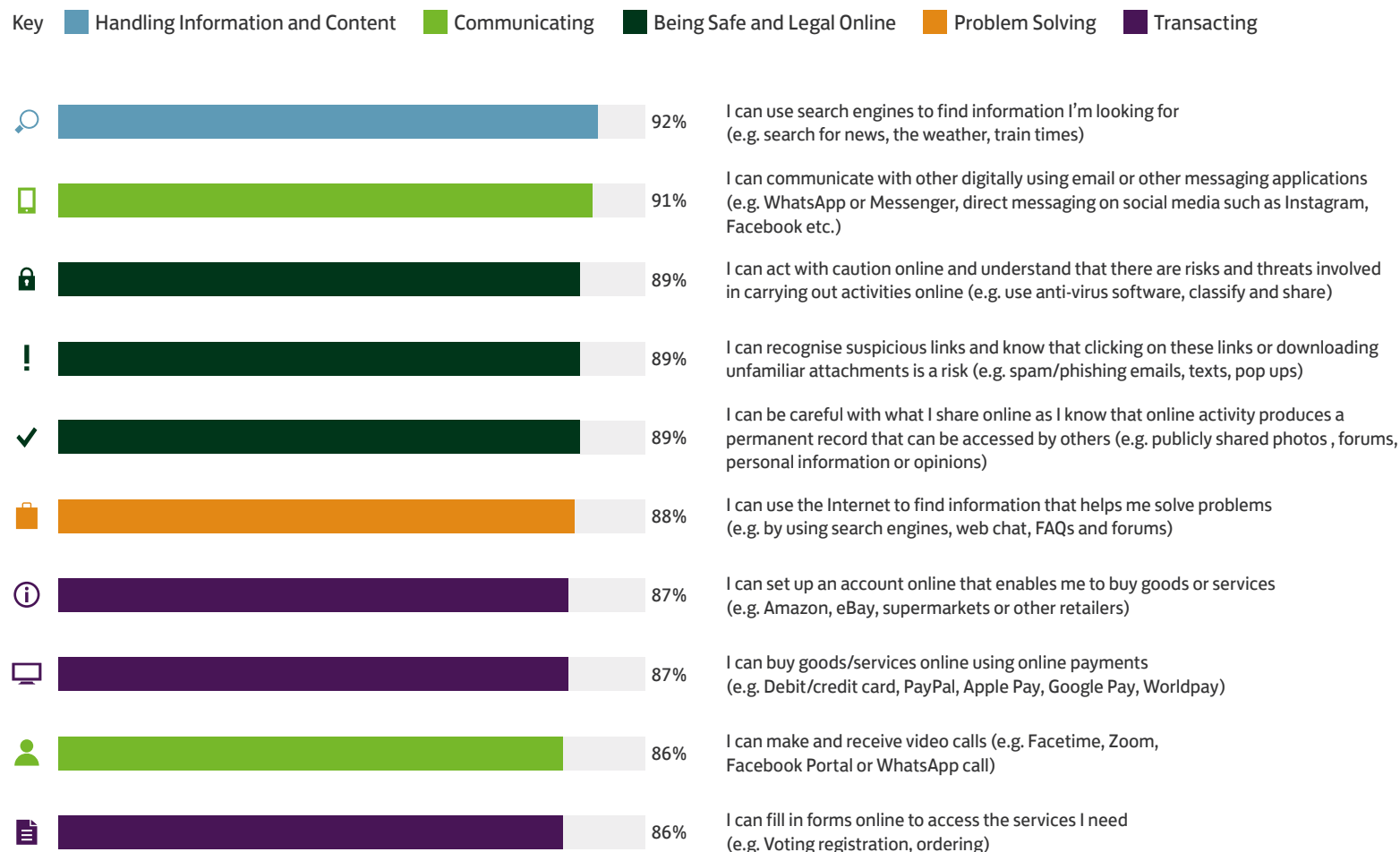
Figure 39 shows the ten Life tasks UK adults are most likely to be able to do. Three of the nine Being Safe and Legal Online tasks feature in the top five, each at 89% respectively.

Despite being ranked fourth out of the five skills, three of the four Transacting tasks also appear in the top ten, demonstrating proficiency across the breadth of the skill. This replicates behaviours seen in the transactional dataset from the Consumer Digital Index (CDI) report ([see page 9](#) for more information). The CDI report evidences an increase in digital spend and broader online financial behaviours.

92% The strongest Life task for the UK is using search engines to find information

Figure 39. Proportion of adults 18+ and the ten Life tasks across the five Life skills they are most likely to be able to do, 2022

n=4,099



The ten digital tasks requiring the most focus

Figure 40 shows the ten Life tasks UK adults are least likely to be able to do. Although some tasks are stronger than others, positively 22 of the 26 Life tasks are within the 80-90% range overall.

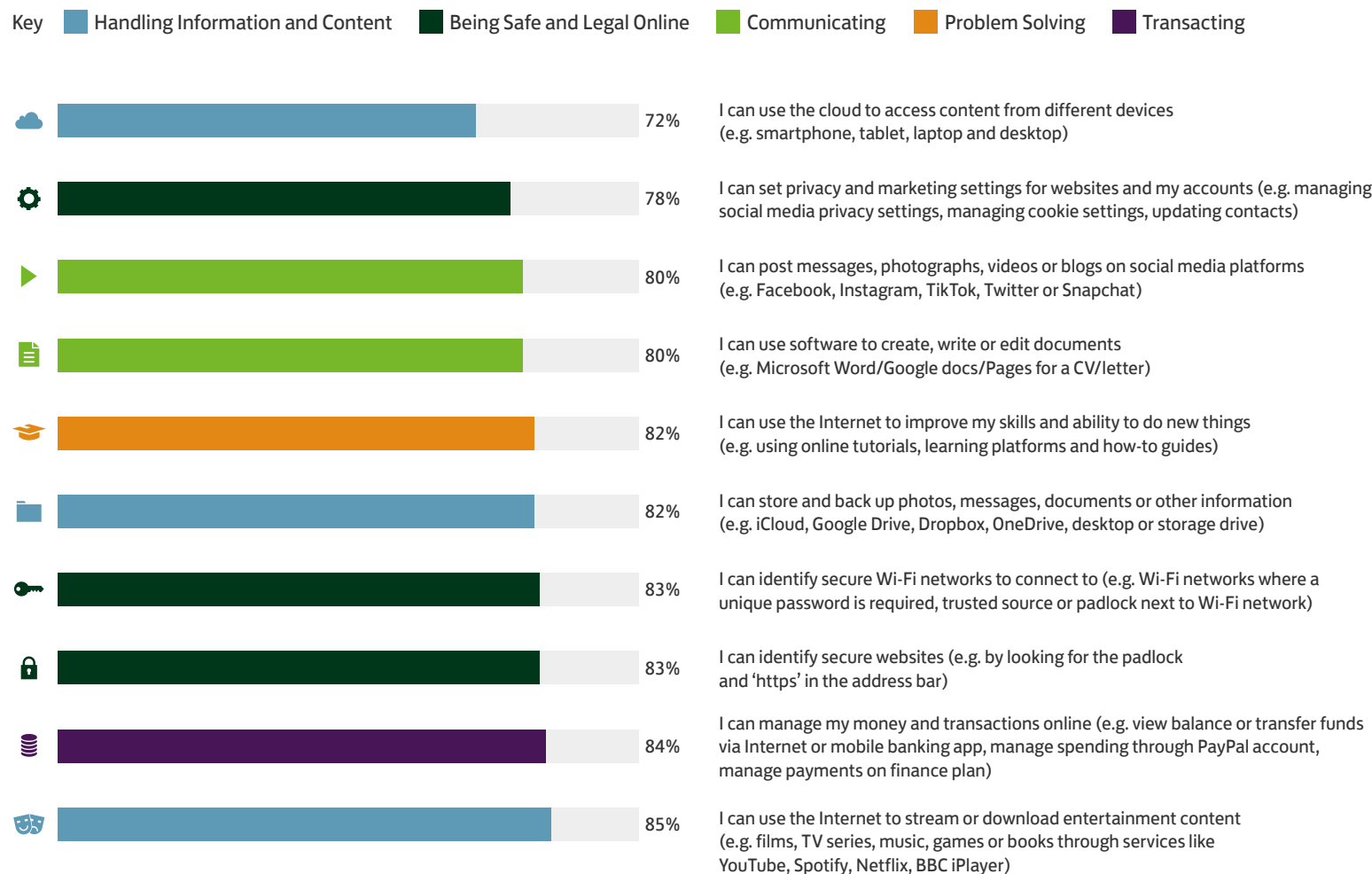
As figure 40 indicates, tasks from the Handling Information and Content, Being Safe and Legal Online and Communicating skill areas, have the lowest attainment and the greatest areas of opportunity.

Being Safe and Legal Online features at either end of the Life task spectrum, therefore showing strengths and weaknesses within the skill, but this is perhaps to be expected as it has the most tasks (nine in total).

72% The weakest Life task for the UK is using the cloud to access content from different devices

Figure 40. Proportion of adults 18+ and the ten Life tasks across the five Life skills they are least likely to be able to do, 2022

n=4,099



Privacy and security concerns continue

'I can set privacy and marketing settings for websites and my accounts' is the second lowest-ranking task (78%). The Consumer Digital Index data has shown security and privacy concerns continue to act as barriers ([figure 10, page 14](#)) to people using the Internet, with uncertainty on personal information usage being a key factor.

As shown in figure 40, three of the five Handling Information and Content tasks are also amongst the hardest to obtain, including 'using the cloud to access content from different devices', which is the task people are least likely to be able to do overall. As the cloud becomes more embedded into operating systems, users may not be aware that they are using it, which could necessitate the need for more signposting and messaging to make consumers aware of how their information is being stored and used.

Most difficult tasks for the more digitally capable

On average, the UK population can complete 22 of 26 tasks (85% of all Life tasks surveyed) and 47% of the UK adult population are able to do all 26 tasks.

More than one-quarter of adults (29%) are on the cusp of being able to do all 26 tasks (currently they can do 22-25) but are most likely to lack the following:

71% I can use the cloud to access content from different devices
(Handling Information and Content)

82% I can post messages, photographs, videos or blogs on social media platforms
(Communicating)

85% I can set privacy and marketing settings for websites and my accounts
(Being Safe and Legal Online)

Most difficult tasks for the least digitally capable

For those who are in the bracket of being able to do 1-15 tasks, the three tasks they are more likely to struggle with are:

8% I can use the cloud to access content from different devices
(Handling Information and Content)

15% I can set privacy and marketing settings for websites and my accounts
(Being Safe and Legal Online)

19% I can identify secure Wi-Fi networks to connect to
(Being Safe and Legal Online)

Boosting skills and confidence in these activities could be the key to a more digitally capable UK. Using the cloud and privacy and marketing settings, are common gaps for both those who can do 1-15 tasks and 22-25 tasks – regardless of how many or how few tasks the UK can do, these tasks are a universal opportunity to improve digital skills.

c.2.7 million people cannot do any of the Life tasks

If someone is unable to do any of the 26 Life tasks, they may be at risk of feeling left out from society and left behind – this will hamper their ability to engage with online services, such as online banking, booking GP appointments, requesting prescriptions, online grocery shopping and scanning QR codes, for example.

Figure 41 demonstrates those who are most likely to fall into this group. The demographics with the largest difference compared to the UK average are, those aged 75+, retired, and live alone (46, 45, and 44 percentage points difference respectively).

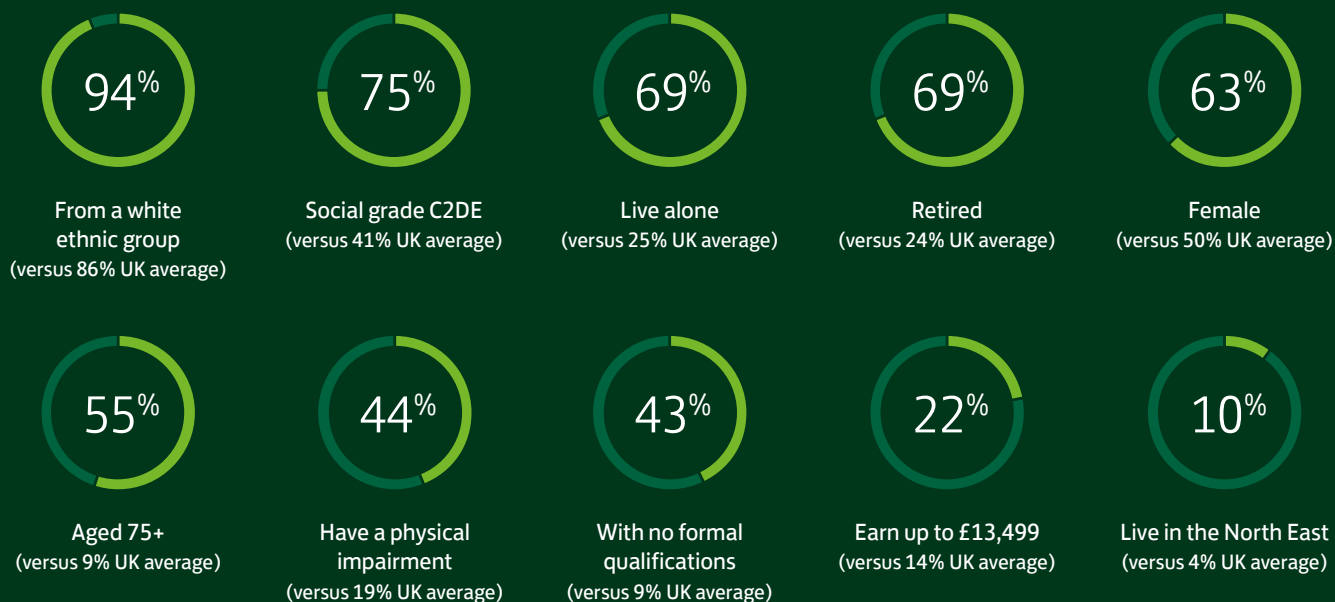
51% of those who cannot do any of the Life tasks do not have a smartphone or computer device in the household



Figure 41. Profile of adults 18+ that cannot do any of the 26 Life tasks – key demographics, 2022

n=119

Those who cannot do any of the 26 Life tasks, compared to the UK average, are more likely to be:



Please note: these are key characteristics – a segmentation has not been created.

c.25.1 million people can do all of the Life tasks

Those who can do all of the 26 Life tasks have the most in-depth level of digital skills for everyday life – they can do each task within each of the five skills. This group are most likely to exhibit demographics and circumstances that are usually correlated with high levels of digital skills such as younger age, not having an impairment and a more affluent social grade.

The demographics with the largest difference compared to the UK average are, having a Degree/Masters/PHD as the highest qualification level, working full-time, and earning at least £30,000 a year (nine percentage points difference each).

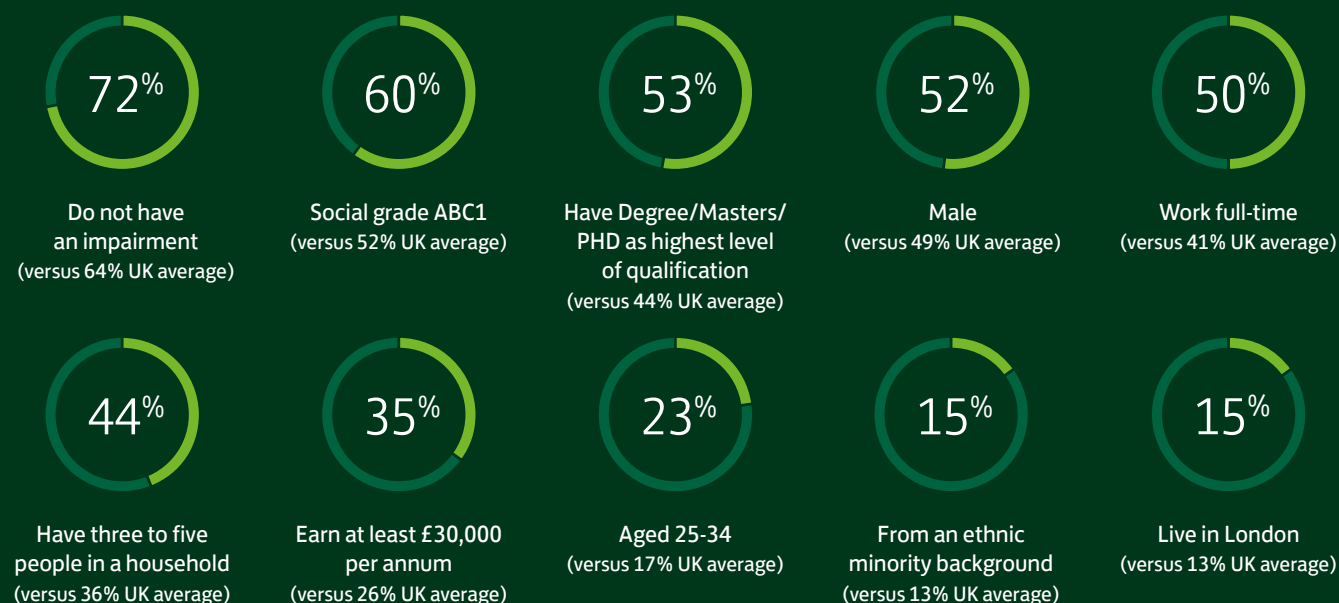
11% of those with all 26 Life tasks do not have a smartphone or computer device in the household. The device they are most likely to have is a tablet (54%)



Figure 42. Profile of adults 18+ that can do all 26 Life tasks – key demographics, 2022

n=2,029

Those who can do all of the 26 Life tasks, compared to the UK average, are more likely to be:



Please note: these are key characteristics – a segmentation has not been created.



“I never thought all this would have been possible, and I have surprised myself with how much I have achieved. It’s made me think about what more I could do – I am keen to never stop learning”

Patrick’s story

Having worked for the police for 32 years, now-retired Patrick took on the task of building an online presence for his daughter-in-law’s baking business, www.scrumptiousbylucy.com during lockdown.

The business had been purely customer facing prior to the pandemic, selling baked goods at local food market stalls and festivals. When the pandemic struck, the business needed to boost its online presence to survive, which led to Patrick teaching himself how to build an ecommerce site.

Patrick had some fundamental digital skills already, having used computers during his career, but this task took him completely out of his comfort zone. Rising to the challenge, he googled “how to build a website” and started with basic web building template applications. He also found Digital Boost which offered skills specific online mentoring support.

Signing up to the mentoring site, he entered – “I just need to build a website”.

He received his first offer of help shortly after and was matched with a volunteer. The volunteer supported him through several stages of the

website build, and as the website developed so did his confidence to try new things. With this new found confidence, he went on to investigate and implement search engine optimisation and a social media strategy.

Further research resulted in Patrick securing grant funding from Sheffield Hallam University and he now has an intern supporting with social media. Since grasping the online world, the business has grown and has now taken on two additional employees, to cope with the increasing demand that an online presence is generating.

Patrick’s new-found confidence has led to him realising the benefits in his personal life, as well as for the business.

In the past he had very little trust and interest in managing his money online. Following his positive experiences with making the business more digital, he decided to give it another go. He now

manages his own finances online and opened an online business account. This has enabled the business to move away from very manual spreadsheets, and he feels more on top of day-to-day personal and business finances, managing payments more easily and checking a balance on the go. He can now transfer money much more easily, and confidently.

Patrick’s online know how has also extended to him interacting and communicating with family and friends online, and sharing content and photos using social media and software such as drop box.

For more information on Digital Boost*, please visit

digitalboost.org.uk/partner-org/lbg



Spotlight: Those not in employment

The Consumer Digital Index (CDI) research has previously evidenced that those not in employment are more likely to lack the skills needed for the online world.

For the first time, the Essential Digital Skills (EDS) study includes a view of those who are not employed and their digital skills*. This group consists of those who are not in paid work but are not retired, and will be the focus of this chapter.

Figure 43 shows the 2022 results for Work EDS overall. Figure 44 shows how being in employment has a higher correlation with digital skills across Foundation, Life and Work.

Figure 43. Proportion of the labour force adults aged 18+ and their level of Essential Digital Skills for Work, 2022 n=2,981

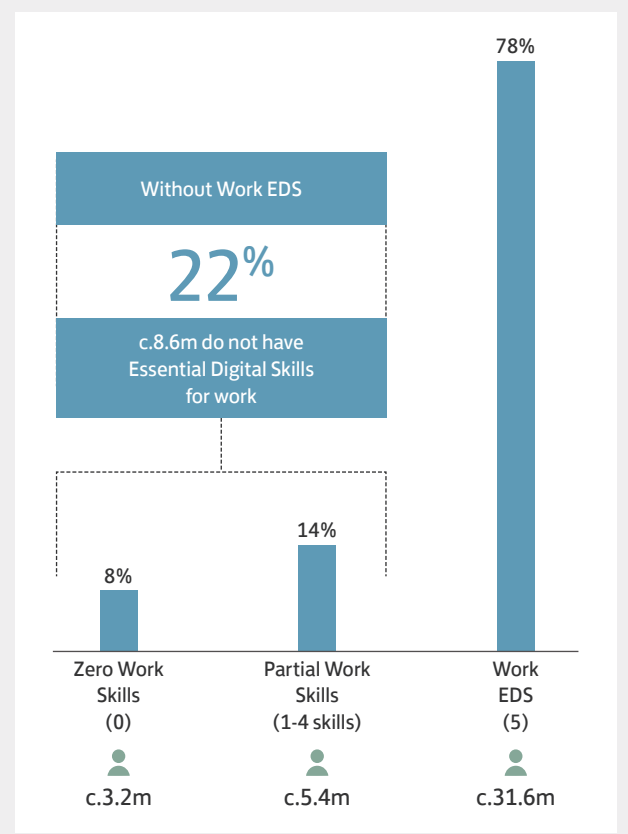
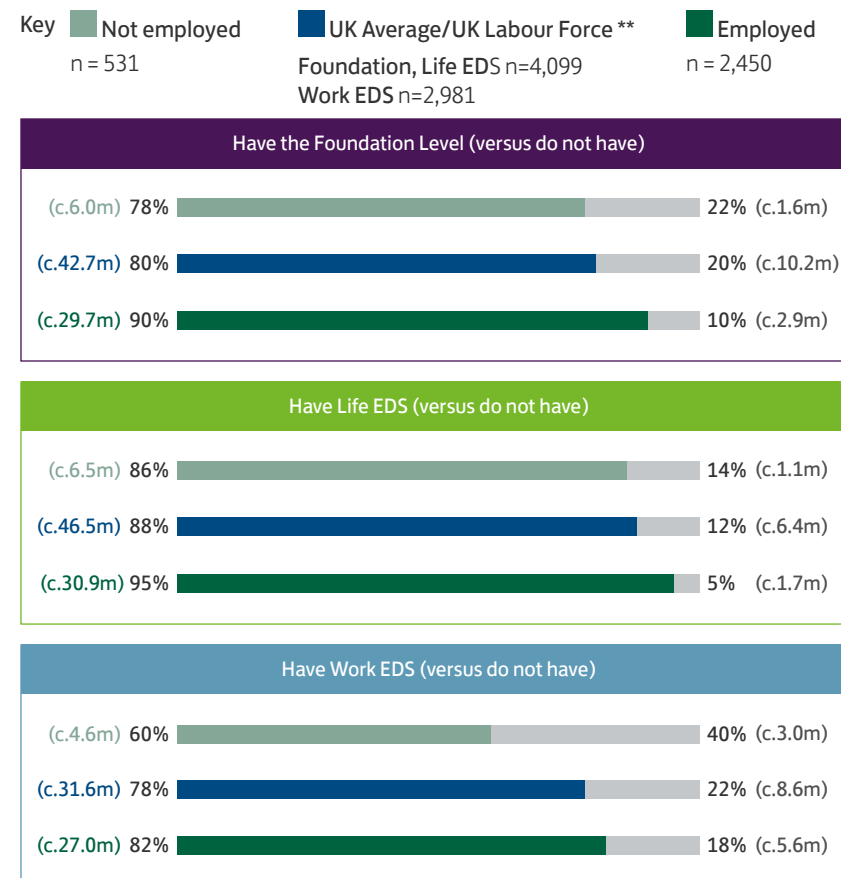


Figure 44. Proportion of adults aged 18+ who have or do not have the Foundation Level, Life EDS and Work EDS, split by UK average, those not employed and the employed, 2022



*In 2022, the Work EDS dataset has expanded to include not only those in employment, but other groups such as those who stay-at-home and are not working, students, those seeking work and others not in paid work for reasons such as disability. See page 36 for more information on the changes.

**UK Average base sizes are used for the Foundation Level and Life EDS data, UK Labour Force base size is used for Work EDS data.

The Foundation Level

Over three-in-four people who are not employed (78%) have the Foundation Level, meaning c.1.6 million (22%) of those without a job are without the digital basics, and are at a disadvantage. Lack of ability to access and engage with the Internet could prohibit them from interacting with key services and possibly applying for jobs, particularly as around nine-in-ten companies are using online social platforms, such as LinkedIn, in their hiring process*.

Whilst one-in-five of those not in employment lack the Foundation Level, within this, c.0.3 million (4%) are unable to do any of the eight Foundation tasks. However, there are very few who are unable to do all of the tasks, on average they can do 7.2 tasks of eight, overall demonstrating there are only a few tasks that hold them back.

The tasks they are most likely to lack are:



I can set up a connection to a Wi-Fi network on my devices – 88%



I can keep my login information and passwords for a device and any accounts secure – 89%

Connecting to a Wi-Fi network is the biggest blocker for those not employed and the UK average.

* standout-cv.com

Life EDS

Similar to the UK average, 86% of those not employed have Essential Digital Skills for Life, meaning c.1.1 million (14%) do not have the digital skills for day-to-day life.

The top three Life tasks they are most likely to struggle with are:



I can use the cloud to access content from different devices – 75% (Handling information and content)



I can set privacy and marketing settings for websites and my account – 77% (Being safe and legal online)



I can use software to create, write or edit documents – 80% (Communicating)

Work EDS

Those not in employment are twenty-two percentage points behind those in employment for workplace digital skills (60% versus 82%), and are over twice as likely as the employed to lack the essential digital skills needed for work in the UK today (40% versus 18%). This puts them at risk of securing a job or falling behind if they were to re-join the workplace (c.3.0 million adults not in employment lack work EDS).

One-third (33%, equivalent to c.2.5 million) can do all 20 Work tasks (compared to 43% for those working) whereas 20% (c.1.6 million) cannot do any (compared to 5% for those working). On average, those not employed can do 12.9 tasks in total, compared to 16.3 (of the possible 20) for those who are working.

The top three Work tasks they are most likely to struggle with are:



I can improve my own and/or the organisation's productivity using digital tools – 53% (Problem Solving)



I can access salary and tax information digitally – 54% (Transacting)



I can complete digital records on behalf of, or within my organisation – 58% (Transacting)

Work EDS is the component of the framework where there is the greatest disparity between the employed and those not in employment.

Who are those not in employment most likely to be? (compared to the UK labour force average)

Female
62% (versus 49%)



Aged 18-24
33% (versus 15%)



Live in the West Midlands
12% (versus 9%)



Have an impairment
57% (versus 31%)



Have A-Levels or equivalent as highest level of qualification
28% (versus 21%)



The full Work EDS results will be published in early 2023.

Essential Digital Skills across the regions and nations

Consistently across all regions, people are most likely to have Essential Digital Skills for Life, relative to the other skill sets.

The East Midlands, London, South East and Scotland are all ahead of the UK average across all three areas of the EDS framework. London is the leading region for the Foundation Level (86%) and digital skills for work (82%), however the East Midlands, South East and Scotland nudge ahead for life skills (91% vs. 90%).

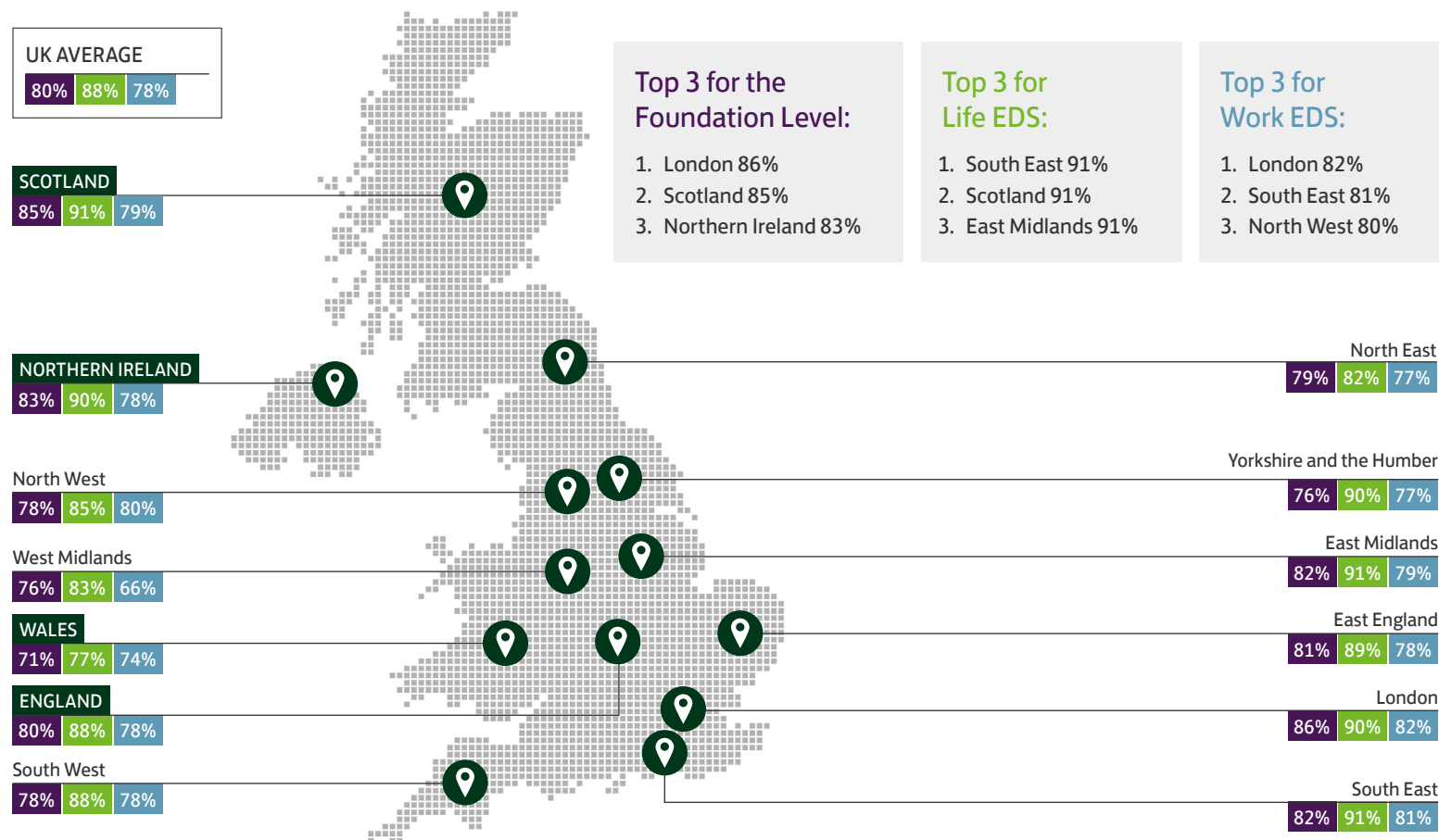
Conversely, the North East, West Midlands and Wales all rank below the UK average. Wales is the region scoring lowest for the Foundation Level (71%) and Life EDS (77%), however when it comes to Work EDS, it's the West Midlands who are lagging behind (66%).

Wales bucks the trend seen across most of the UK, as its level of workplace digital skills are higher than the foundation level skills – the most basic digital skills are fundamental in terms of access and staying safe online, and are an enabler for the broader framework.

For the UK average skill levels, capability ranges from 78% (EDS for Work) to 88% (EDS for Life). The West Midlands has the greatest disparity of skills (a difference of 17-percentage-points), driven by a considerably lower level of workplace skills. In contrast, this range is far less in the North East of just five-percentage-points.

Figure 45. Proportion of total and working populations per region who have Foundation skills, Essential Digital Skills for life or work, 2022

Key ■ The Foundation Level n=4,099 ■ Life EDS n=4,099 ■ Work EDS n=2,981





Soul Food

Soul Food is an Edinburgh based charity, offering meals to people who are facing homelessness, poverty, or loneliness. The charity is committed to helping people in need and collaborates with local organisations to provide holistic support, such as money advice and accessing online services.

Jenny is the lead at Soul Food and works closely with some of the most vulnerable people in Edinburgh, witnessing the daily challenges they are facing whilst trying to help improve their circumstances.

Being active online is a large part of Jenny's role at Soul Food, helping her to form partnerships with local support organisations and access research and data needed to shape and evolve their activity. The Internet better enables Jenny to refer those she supports to other organisations, providing a more holistic support system. A money advice organisation runs drop-in sessions throughout the week, for example.

Since the pandemic, Jenny has become more creative with online content as a way of engaging with the local community and encouraging people in need to come along to Soul Food. As a result, a hub of content has been created across their website, Facebook and Twitter pages.

Jenny was concerned using social media would exclude those who are without Wi-Fi and a device. However, it turned out to be the opposite, having more of a social media presence has resulted in more people accessing Soul Food's information and coming along to receive vital support.

Over the next 12 months Jenny will use digital to introduce a new project at Soul Food, to support people during the cost-of-living crisis. The aim is to help people to understand more about their bills, their financial options, and how to seek support using the Internet. Jenny will use the pilot to engage with Scottish Government to help ensure they prioritise tackling poverty and digital exclusion, at the heart of their policies.

Many visiting Soul Food struggle to afford a device to use the Internet to find information for themselves, access support and seek employment, which is why they are so reliant on the charity.

"It's not that those visiting us don't have the skills to create a CV or apply for a job online. Often, the biggest challenge faced by these groups is not their capability to use a digital device, but their ability to afford to keep a device permanently. Without access to a device, people can suddenly find themselves completely cut off from society as essential services and support continuously move online."







"Being online is absolutely crucial for everything we do at Soul Food. Social media has helped us to reach more people in need, connect with other organisations and be aware of what else is going on in the local area, so we can better help the people who come through our doors. It saves me a significant amount of time each day, which I can now use to develop meaningful partnerships, improve our services, and secure much needed funding"

Thank you to our partners



Lloyds Bank Consumer Digital Index 2022

Join the conversation:

-  The report and other content can be found online:
lloydsbank.com/consumerdigitalindex
-  Please refer to our website for appendices, national and regional data and helpful links and resources
-  Please get in touch at:
DigitalSkillsInclusion@lloydsbanking.com
-  For more information on the Lloyds Bank Academy please visit:
lloydsbankacademy.co.uk
-  For more information on the Lloyds Bank Digital Helpline please visit:
lloydsbank.com/help-guidance/get-skills-and-support-near-you
-  Join the conversation:
#ConsumerDigitalIndex
#EssentialDigitalSkills
@LBGplc

If you need this communication in another format, such as large print, Braille or audio CD, please contact us.

Great care has been taken to ensure that the information used here cannot be in any way traced to a specific individual. This report has used aggregated data across social and demographic groups to highlight the trends and insights that will help consumers, charities and UK Government to understand more about our nation's digital and financial inclusion landscape.

Lloyds Banking Group is a financial services group that incorporates a number of brands including Lloyds Bank. More information on Lloyds Banking Group can be found at lloydsbankinggroup.com.



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Issue date: November 2022

2022 Consumer Digital Index Appendix



Methodology

The Lloyds Bank Consumer Digital Index is the largest measure of digital and financial capability for UK consumers. The report draws from two different datasets:

Transactional data

The largest dataset holds the behavioural and transactional data for one million UK consumers. Using this dataset alone, digital and financial engagement scores and capability segments are created, to measure the extent to which people are engaged with the digital world and managing their day-to-day finances.

Telephone survey

Secondly, a subset of the one million sample is taken and c.2,700 people, aged 18-70 from across the UK, are surveyed via telephone.

2022 fieldwork dates:
10th January-28th February 2022

Data matching

Each of the c.2,700 individuals surveyed are anonymously matched with their transactional data to allow a richer, more in-depth level of analysis and comparison of actual behaviour versus attitudes and perceptions.

Digital capability

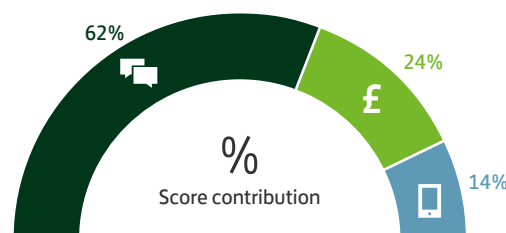
Since 2016, Lloyds Bank has benchmarked UK digital engagement using a behavioural dataset of more than one million people. In 2020 the methodology was reviewed to ensure it was up-to-date.

Digital capability is measured by three weighted categories, each with its own set of relevant variables:

If the data shows that people are exhibiting behaviour(s) within one of these categories, they are awarded a score.

Key

- Interactions
- Spend
- Technology



Financial capability

Financial capability is an indicator of financial health rather than wealth, using actual behaviours, indicating the efficiency with which consumers use the money available to them, rather than simply measuring their total resources. In line with the Financial Capability Strategy for the UK*, a number of different factors are considered (and are equally weighted):



If the data shows that people are exhibiting behaviour(s) within one of these categories, they are awarded a score.

Benchmarking

The Consumer Digital Index is an annual report, first commissioned in 2016. This iteration is the seventh in its series.

The data in this report is often benchmarked against the first baseline year in 2016 and includes a two-year comparison where possible, between 2021 and 2022. If feasible, all seven years are referred to.

Population source

Extrapolations in this report use the latest available 18+ UK population estimates released by the Office for National Statistics. The survey data has been weighted to be nationally representative in terms of age, gender and region.

Please note: Across the report, some figures may not sum to 100% or calculated differences may not look exact due to rounding discrepancies

Appendix

The full appendix will be available in late November 2022.

Getting in touch

Should you have any questions about the methodology or report findings, please contact the Lloyds Bank Digital Impact and Inclusion team at

DigitalSkillsInclusion@lloydsbanking.com

* fincap.org.uk/en/articles/what-is-financial-capability

The Essential Digital Skills Framework 2.0 – Tasks and Skills

The Essential Digital Skills Advisory Panel

Following three years of the Essential Digital Skills (EDS) benchmark being published, working with the Department for Education, Lloyds Banking Group led a review of the EDS framework to ensure it remained fit for purpose for today's digital society.

During late 2021, an Advisory Panel was convened and a survey was circulated, receiving inputs from 40 cross-sector partners to collate thoughts across industry on how the demands for digital capability may have evolved during the last three years. The Advisory Panel reviewed, ratified and collectively agreed the updates to the Framework.

Thank you to the organisations who contributed to the shaping of the Framework:



There continues to be three components to the Essential Digital Skills Framework, the Foundation Level, Essential Digital Skills for Life and Work.

Please see below and on the next page for the complete list of skill areas and the tasks within.

The Foundation Level

The Foundation Level consists of the most fundamental tasks to set up an individual for success online. There are eight tasks that comprise the Foundation Level. An individual needs to perform all eight tasks without assistance to have the Foundation Level.

1. You can turn on the device and enter any account login information as required
2. You can use the available controls on your device (e.g. mouse, keyboard, touchscreen, trackpad)
3. You can use the different settings on your device to make it easier to use (e.g. adjust font size, volume settings, brightness of screen, voice activation or screen readers)
4. You can find and open different applications/programmes/platforms on your devices (e.g. opening a web browser, messaging applications)
5. You can set up a connection to a Wi-Fi network on your devices (e.g. when at home, work, out in public or visiting family and friends)
6. You can open an Internet browser to find and use websites (e.g. Safari, Google Chrome, Mozilla Firefox, Microsoft Edge)
7. You can keep your login information and passwords for a device and any accounts secure (e.g. not shared with anyone or written down or left prominently near a device)
8. You can update and change your password when prompted to do so

Life EDS

Essential Digital Skills for Life are the tasks/ skills required to be digitally proficient in day-to-day life. An individual must be able to do at least one task within each of the five Life skills to have Life EDS.

Work EDS

Essential Digital Skills for Work are the tasks/skills required to be digitally proficient in the workplace. An individual must be able to do at least one task within each of the five Work skills to have Work EDS.

Communicating

1. You can set up accounts which help you communicate online (e.g. email, social media, forums)
2. You can communicate with others digitally using email or other messaging applications (e.g. WhatsApp or Messenger, direct messaging on social media such as Instagram, Facebook etc)
3. You can use software to create, write or edit documents (e.g. Microsoft Word/ Google docs/Pages for a CV/letter)
4. You can share files or links with others by attaching to an email, uploading to a website or an application (e.g. proof of address/identity, sharing an image, or link via WhatsApp)
5. You can make and receive video calls (e.g. Facetime, Zoom, Facebook Portal or WhatsApp call)
6. You can post messages, photographs, videos or blogs on social media platforms (e.g. Facebook, Instagram, TikTok, Twitter or Snapchat)

1. You can communicate in the workplace digitally using messaging applications (e.g. Email, Microsoft Teams, Zoom, Slack, internal Intranet, WhatsApp)
2. You can use workplace digital tools to create, share and collaborate with colleagues (e.g. Microsoft Teams, OneDrive, G-Suite, Office 365, WeTransfer, DropBox, WebEx, Slack)
3. You can set up and manage an account on a professional online network/ community/job site (e.g. LinkedIn, Total Jobs, Indeed)

Handling Information and Content

1. You can recognise what information or content online may, or may not, be trustworthy (e.g. fact checked information, "fake news" or assess the trustworthiness of a company based on customer reviews)
2. You can use search engines to find information you're looking for (e.g. search for news, the weather, train times)
3. You can store and back up photos, messages, documents or other information (e.g. iCloud, Google Drive, Dropbox, OneDrive, desktop or storage drive)
4. You can use the cloud to access content from different devices (e.g. smartphone, tablet, laptop and desktop)
5. You can use the Internet to stream or download entertainment content (e.g. films, TV series, music, games or books through services like YouTube, Spotify, Netflix, BBC iPlayer)

1. You can follow your organisation's IT policies when sharing information internally and externally (e.g. classifying emails/documents, encrypting sensitive information, sharing appropriate information on social media)
2. You can securely access, synchronise and share information at work across different devices (e.g. manage email, calendar or appointment system via different devices)

Transacting

1. You can set up an account online that enables you to buy goods or services (e.g. Amazon, eBay, supermarkets or other retailers)
2. You can fill in forms online to access the services you need (e.g. Voting registration, ordering repeat prescriptions, booking doctor appointments, booking train tickets or beauty appointments)
3. You can buy goods/services online using online payments (e.g. Debit/credit card, PayPal, Apple Pay, Google Pay, Worldpay)
4. You can manage your money and transactions online (e.g. View balance or transfer funds via Internet or mobile banking app, manage spending through PayPal account, manage payments on finance plan)

1. You can complete digital records on behalf of, or within my organisation (e.g. absence management, holidays, timesheets, expenses, tax returns)
2. You can access salary and tax information digitally (e.g. password protected payslips, P60, P45)

Problem solving

1. You can use the Internet to find information that helps you solve problems (e.g. by using search engines, web chat, FAQs and forums)
2. You can use the Internet to improve yours and ability to do new things (e.g. using online tutorials, learning platforms and how-to guides)

1. You can find information online that helps you solve work related problems (e.g. Search Engines, IT helpdesk, software providers, peer networks)
2. You can use appropriate software that is required of your day-to-day job (e.g. spreadsheets, online booking systems, HR management, workflow or sales management)
3. You can improve your skills and ability to do new things at work using online tutorials, learning platforms and how-to guides (e.g. LinkedIn Learning, YouTube, iDEA, Skillsoft, internal learning platforms)
4. You can improve your own and/or the organisation's productivity using digital tools (e.g. Trello, Microsoft Projects and Planner, Slack)

Being Safe and Legal Online

1. You can act with caution online and understand that there are risks and threats involved in carrying out activities online (e.g. use anti-virus software, classify and share information securely or avoid certain types of websites such as piracy websites)
2. You can set privacy and marketing settings for websites and your accounts (e.g. managing social media privacy settings, managing cookie settings, updating contact preferences)
3. You can follow data protection guidelines online (e.g. following data storage and retention guidelines, not sharing or using other people's data or media such as movies or music without their consent)
4. You can respond to requests for authentication for online accounts (e.g. resetting your password when you've forgotten it, two factor authentication, using a remote access key or an authenticator app)
5. You can identify secure websites (e.g. by looking for the padlock and 'https' in the address bar)
6. You can recognise suspicious links and know that clicking on these links or downloading unfamiliar attachments is a risk (e.g. Spam/phishing emails, texts, pop ups)
7. You can update your device software/ operating systems when necessary to prevent viruses and other risks (e.g. enabling automatic updates, or installing when prompted to do so)
8. You can identify secure Wi-Fi networks to connect to (e.g. Wi-Fi networks where a unique password is required, trusted source or padlock next to Wi-Fi network)
9. You can be careful with what you share online as you know that online activity produces a permanent record that can be accessed by others (e.g. publicly shared photos, forums, personal information or opinions)

Key terminology

Due to the nuances of the framework, a number of key terms have been defined to clarify the different definitions within the framework and how this relates to the tasks, skills and levels.

In 2022, the Essential Digital Skills Framework was updated to reflect more accurately the current technological landscape and opportunity for digital activities. Thus, definitions for key terminology have changed compared to 2019-2021.

Level

There are three levels within the Essential Digital Skills Framework:

- **The Foundation Level**
- **Life Essential Digital Skills (EDS)**
- **Work Essential Digital Skills (EDS)**

Each level is standalone and pre-requisites are no longer in place within the framework.

Skills

The same five skill areas are used within Life and Work EDS:

- 🗨️ **Communicating**
- 📄 **Handling information and content**
- £ **Transacting**
- ❓ **Problem solving**
- 🔒 **Being safe and legal online**

Tasks

There are specific tasks that demonstrate an individual's proficiency across different levels:

- **Eight tasks within Foundation**
(also referred to as fundamental tasks)
- **26 tasks within Life**
- **20 tasks within Work**

Glossary Term	Definition	Level Summary
Without the Foundation Level	I do not have the Foundation Level – I can do 0-7 of the Foundation tasks by myself	There are eight Foundation tasks that comprise the Foundation Level (digital basics). An individual needs to perform all eight tasks without assistance to have the Foundation Level. The Foundation Level is no longer a pre-requisite for Life and Work EDS. 'On the cusp' refers to those who can do 6-7 of the eight Foundation Level tasks.
No Foundation tasks	I cannot do any of the eight Foundation tasks by myself	
Partial Foundation Level	I can do 1-7 of the Foundation tasks by myself	
The Foundation Level	I can do all eight Foundation tasks by myself	
Without Life EDS	I do not have Life EDS – this means I have only 0-4 of the Life skills	There are 26 Life tasks in total, split across five skill areas: Communicating, Handling Information and Content, Transacting, Problem Solving and Being Safe and Legal Online. All 26 Life tasks are not required to have Life EDS. An individual needs to perform at least one task within each of the five Life skill areas. 'On the cusp' refers to those who can do 22-25 of the 26 Life tasks.
Zero Life Skills	I do not have any of the five Life skills – this means I cannot do any of the 26 Life tasks	
Partial Life Skills	I have 1-4 of the five Life skills – this means I can do at least one task in 1-4 of the five Life skill areas	
Life EDS or Essential Digital Skills for Life (EDS for Life)	I have all five Life skills – this means I can do at least one task in each of the five Life skill areas	
Without Work EDS	I do not have Work EDS – this means I have only 0-4 of the Work skills	There are 20 Work tasks in total, split across five skill areas: Communicating, Handling Information and Content, Transacting, Problem Solving and Being Safe and Legal Online. All 20 Work tasks are not required to have Work EDS. An individual needs to perform at least one task within each of the five Work skill areas without assistance. Anyone can be measured for Work EDS as long as they are not retired. They also may be able to perform the task in their working life but not need to use it. 'On the cusp' refers to those who can do 17-19 of the 20 Work tasks.
Zero Work Skills	I do not have any of the five Work skills – this means I cannot do any of the 20 Work tasks	
Partial Work Skills	I have 1-4 of the Work skills – this means I can do at least one task in 1-4 of the five Work skill areas	
Work EDS or Essential Digital Skills for Work (EDS for Work)	I have all five Work skills – this means I can do at least one task in each of the five Work skill areas	

Essential Digital Skills Methodology

Sample

Ipsos interviewed 4,099 participants aged 18+ years in the UK (Great Britain and Northern Ireland) via their telephone Omnibus. The data has been weighted to represent the UK population in terms of age, social grade, region and working status within the gender variable and additional profiles on tenure and ethnicity using PAMCo data. The data is further weighted on device ownership using data derived from a robust national survey.

Fieldwork dates

13th April – 13th May 2022

Fieldwork methodology

The Ipsos telephone Omnibus (also known as CATIBUS), was used for a second year as the methodology for the Essential Digital Skills (EDS) study. CATIBUS interviews a nationally representative sample of those aged 18+ in Great Britain. An additional sample of interviews in Northern Ireland (n=150) was then conducted to ensure UK representivity. CATIBUS uses telephone interviewing to ensure no online bias, with responses entered directly into an electronic questionnaire by the interviewer conducting the interview.

The sample design incorporates a range of variables to ensure a robust, representative and consistent sample is achieved each week of fieldwork. CATIBUS uses a rigorous sampling method – robust samples of telephone leads are purchased from specialist sample providers as well as Random Digit Dialling, and consumer

sample lists of over 10 million people in the UK which can be targeted locally and nationally. Approximately 60% of interviews are conducted on a mobile and 40% via landline.

Only a limited amount of corrective weighting is needed to adjust the results on the Omnibus survey so that they are in line with the national demographic profile.

Between 2019-2020, Ipsos conducted the EDS survey through the face-to-face Omnibus (CAPIBUS) which was able to reach those aged 15+ in Great Britain and Northern Ireland. Due to the COVID-19 pandemic compromising the safety of participants and interviewers and prompting local lockdowns throughout the UK, the survey was carried out by telephone for the first time in 2021, rather than face-to-face interviewing. Questions were asked in the same way. CATIBUS is now the chosen methodology for the EDS survey for the foreseeable future.

Caveats to changing framework

The Essential Digital Skills report is based on data collected to help understand if people would be able to do a range of tasks without assistance in either a work setting or in their personal lives. These are grouped into 6 questions: Foundation, Communicating, Handling Information and Content, Transacting, Problem Solving and Being Safe and Legal Online.

In previous years (2019-2021), to achieve **the Foundation Level**, you had to be able to complete all of the seven 'tasks' included in this question. To achieve any of the skills in a 'Life' context you only needed to be able to complete one task from that skill question in your personal life, but you also must have had the Foundation Level. If you had all 5 Life Skills (as well as the Foundation Level), you were classed as having **'Life EDS'**. Across all 5 Skills there were a total of 29 Life tasks. If you were employed, for each of the Life Skills you had achieved, you were then able to achieve the equivalent work skill question, by being able to complete one task from that skill question by actively using that skill within your working environment. As with Life EDS, if you could complete all 5 Work Skills then you had achieved **'Work EDS'**. Across all 5 Skills there were a total of 17 Work tasks.

In 2022, the Essential Digital Skills calculation and list of tasks within the framework were updated to reflect more accurately the current technological landscape and opportunity for digital activities.

Essential Digital Skills Calculation

The number of tasks for each level has now been updated such that the Foundation Level has 8 tasks; across the 5 Skills there are 26 Life tasks; and across the 5 Skills there are 20 Work tasks.

For the Essential Digital Skill calculation, pre-requisites have been removed at the 'Life' and 'Work' levels.

Achievement of the Foundation Level is calculated by a respondent being able to do all eight of the Foundation tasks.

Achievement of Life EDS is calculated by a respondent being able to do one task from each of the five Life skill areas, and is no longer dependent on achieving the Foundation Level.

Achievement of Work EDS is calculated by a respondent being able to do one task from each of the five Work skill areas and is no longer dependent on achieving the Foundation Level and Life EDS. Unlike last year, participants do not have to be employed to be measured for being able to do Work tasks. This year, all participants who are not retired (known as the labour force sample) are eligible for doing Work tasks.

Creation of this labour force sample group is defined by working status, and not age. This sample consists of participants who:

- Have paid job – Full-time (30+ hours per week)
- Have paid job – Part-time (8-29 hours per week)
- Have paid job – Part-time (Under 8 hours per week)
- Not working
- Self-employed (full-time)
- Self-employed (part-time)
- Full-time student
- Still at school
- Not in employment and seeking work
- Not in paid work for other reason
- Not in paid work because of long term illness or disability.

Thus, the criteria for being able to do a Work task has also been updated. In previous years, participants had to be actively doing the Work tasks at their place of employment to be calculated as doing that task. In 2022, participants are instead classified as doing the task if they can do it, regardless of if they do it at work or not. This provides a new opportunity to capture a group of the population who are not employed but can still do a Work task, allowing

Work skills to be measured for UK adults who are out of work and potentially job seeking. On the scale used to measure ability to do a task, participants are now classified as being able to do a task if they code 2, 3 or 4 (whereas between 2019-2021, participants had to code 2 or 3).

1. Yes – you can do this task in your personal life
2. [IF EMPLOYED] Yes – you can do this task in your working life/[IF NOT EMPLOYED BUT NOT RETIRED] Yes – you would be able to do this task if you were in work [EXCLUSIVE]
3. [IF EMPLOYED] Yes – you can do this task in both your personal and working life/[IF NOT EMPLOYED BUT NOT RETIRED] Yes – you can do this task in your personal life and would be able to do this task if you were in work [EXCLUSIVE]
4. Yes – you can do this task in your working life but you don't need to use it
5. No – you can't do this task [EXCLUSIVE]
6. [IF NOT EMPLOYED BUT NOT RETIRED] Unable to consider a working life [DO NOT READ OUT – DO NOT CODE WITH 2-5]

As the framework for Essential Digital Skills has changed, any 2022 data collected cannot be compared to EDS results reported in the years 2019-2021. Thus, there is no trended data in the 2022 Essential Digital Skills report.

UK Representivity and Population Estimates

This report includes the numbers of adults 18+ that have been inferred to be in a particular group by extrapolating from our research data (for example, the number of those 18+ in the UK with all 8 Foundation tasks is 80% which has been extrapolated to represent an estimated 42.7m people). Total population figures are taken from the most recently published estimates provided by the Office for National Statistics (2020 mid-year stats for the UK). For the Essential Digital Skills data, percentages are applied to a population base aged 18+ (52,890,044). Total working population figures are taken from the most recently published estimates provided by the Office for National Statistics (2020 mid-year stats for the UK), weighted to the Labour Force Survey stats (Labour Force Study Jan-Mar 2022). For the Essential Digital Skills data, percentages are applied to a working population base aged 18+ (32,596,000). Sources can be found below:

ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2020

ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics

The technical appendices can be found here: loydsbank.com/assets/media/pdfs/banking-with-us/whats-happening/221101-loyds-ipsos-mori-essential-digital-skills-technical-note.pdf

Whilst every care has been taken to ensure the robustness of our data, our data accuracy is limited by its sample size, and therefore there is a margin of error that exists around any figures reported. All significance testing is calculated at the 95% confidence level, with the 95% confidence level to be used for all population extrapolations. This means that the population size of any group lies in a range which has been calculated and included in this set of appendices. For example, it is reported on [page 37](#) that 80% of UK adults (estimated 42.7 million people) have all 8 Foundation tasks; however, the true population value will be ± 1.2 with a 95% confidence interval. Thus, there is 95% confidence that the correct figure is between 41.8 million and 43.1 million. Full details of the range of extrapolation based on the margin of errors are available online in the Technical note.

Impairment classification

The following question was asked to the respondents in the survey to establish impairment status:

‘Do any of these condition(s) or illness(es) affect your ability to carry out day-to-day activities? Select all that apply’

1. Addiction, e.g. drugs, alcohol, gambling
2. Vision, e.g. blindness or partial sight
3. Hearing, e.g. deafness or partial hearing
4. Mobility, e.g. walking short distances or climbing stairs
5. Dexterity, e.g. lifting and carrying objects, or using a keyboard

6. Learning, understanding or concentrating
7. Memory, e.g. forgetting conversations or appointments
8. Mental health e.g. depression, anxiety, obsessive compulsive disorder (OCD)
9. Stamina, breathing or fatigue
10. Socially or behaviourally (associated with a mental health condition, or with a developmental disorder like autism or ADHD (attention deficit hyperactivity disorder)
11. None of these conditions severely affect my ability to carry out day-to-day activities
99. Don't know
97. Prefer not to say

In the report, nets were created such that “Has any impairment” is a combination of any impairments (codes 1-10); “Sensory (sight or sound)” is a combination of vision and hearing (codes 2 or 3), “Physical” is a combination of mobility, dexterity and stamina, breathing or fatigue (codes 4, 5 or 9) and “Learning or memory” is a combination of learning and memory (codes 6 or 7).

Ethnicity classification

The following question was asked to the respondents in the survey to establish a respondent's ethnicity group:

Which group do you consider yourself to belong to?

1. White – English / Welsh / Scottish / Northern Irish / British

2. White – Irish
3. White – Gypsy or Irish Traveller
4. White – Any other White background
5. Mixed – White and Black Caribbean
6. Mixed – White and Black African
7. Mixed – White and Asian
8. Mixed – Any other Mixed / multiple ethnic background
9. Asian / Asian British – Indian
10. Asian / Asian British – Pakistani
11. Asian / Asian British – Bangladeshi
12. Asian / Asian British – Chinese
13. Asian / Asian British – Any other Asian background
14. Black / Black British – African
15. Black / Black British – Caribbean
16. Black / Black British – Any other Black / African / Caribbean background
17. Arab
18. Any other ethnic group
- Don't know
- Refused

In the report, nets were created such that “White” is a combination of White ethnic groups (codes 1-4) and “Ethnic minorities” refers to Black, Asian and Minority Ethnic groups (codes 5-18). Note that the ethnic minorities group does not include White minorities such as Irish Travellers.

Employment classification

The following question was asked to the working respondents in the survey to understand their workplace:

Which of the following best describes the industry your company operates in?

1. Telecommunications
2. Technology
3. CPG / FMCG
4. Retail
5. Financial Services
6. Not for Profit
7. Manufacturing & Automotive
8. Travel
9. Media & Advertising
10. Government
11. Education
12. Medical
13. Public service
14. Engineering
15. Service industry
16. Something else (specify) [FIXED]

Internet access

The following question was asked to the respondents in the survey to understand how they access the Internet:

Which of these best describes your use of the Internet? Please include all use of the Internet, including sending and receiving emails

1. Several times a day
2. Around once a day
3. 4 or 5 times a week
4. 2 or 3 times a week
5. Around once a week
6. 2 or 3 times a month
7. Around once a month
8. Less than around once a month
9. Never but you have access
10. Never but you do not have access

In the report, a net was created such that 'Has Internet access' is a combination of codes 1-9.

Impact of higher cost of living

A new question was asked to participants in the 2022 survey to understand how they perceive that the ongoing cost-of-living crisis in the UK has impacted their use of the Internet and other online activities:

Given the increasing cost of living in the UK driven by higher prices on goods and services such as food, energy and fuel, which of the following apply to you?

1. I will have to give up Internet or mobile data to be able to afford my other bills
2. I will have to look for cheaper Internet or mobile data plans to be able to afford my other bills
3. I have already taken steps to reduce costs associated with Internet or mobile data usage to allow me to continue to afford my other bills
4. I will have to make more use of public Wi-Fi hotspots to save my mobile data
5. I will need to rely more heavily on libraries or community centres for device usage or free Wi-Fi
6. I will not be able to afford to start using an Internet or mobile data plan of my own
7. The rising cost of living has no impact on my ability to go online.

In the report, a net was created such that 'The rising cost-of-living will impact my ability to go online' is a combination of codes 1-6.

Essential Digital Skills Survey Unweighted Sample Sizes

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Sensory (vision or hearing) **n=476**

Physical **n=748**

Learning or memory **n=541**

Mental health **n=440**

Impairment (net) **n=1362**

No impairment **n=2682**

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Digitally Disengaged (0 tasks for Foundation)
n=110

On the cusp (6-7 Foundation Level tasks) **n=370**

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On the cusp of EDS for Life (22-25 tasks) **n=1233**

Can do 1-15 Life tasks **n=309**

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Cannot do any 26 Life tasks **n=119**

Page 48

Can do all 26 Life tasks **n=2029**

Page 50

Unemployed group **n=531**

UK Labour Force group **n=2981**

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Foundation and Life EDS total: **n=4,099**

Work EDS total **n=2,891**

Foundation and Life EDS by region:

East Midlands **n=271**

East England **n=366**

London **n=488**

North East **n=141**

North West **n=436**

South East **n=552**

South West **n=305**

West Midlands **n=324**

Yorkshire and the Humber **n=323**

Scotland **n=467**

Wales **n=248**

England **n=3206**

Northern Ireland **n=178**

Work EDS by region:

East Midlands **n=207**

East England **n=266**

London **n=409**

North East **n=102**

North West **n=326**

South East **n=388**

South West **n=203**

West Midlands **n=253**

Yorkshire and the Humber **n=224**

Scotland **n=318**







Wales **n=145**

England **n=2378**

Northern Ireland **n=140**

Lloyds Bank Consumer Digital Index 2022

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Great care has been taken to ensure that the information used here cannot be in any way traced to a specific individual. This report has used aggregated data across social and demographic groups to highlight the trends and insights that will help consumers, charities and UK Government to understand more about our nation's digital and financial inclusion landscape.

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Issue date: November 2022