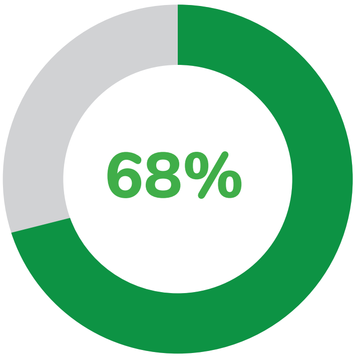
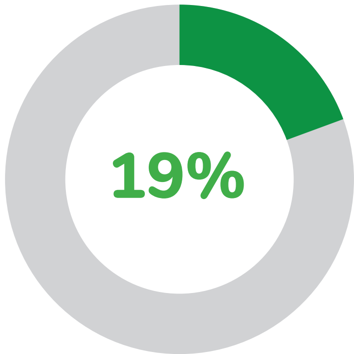
Winter Trade Survey:

Quarter 3 2025 vs Quarter 4 2025

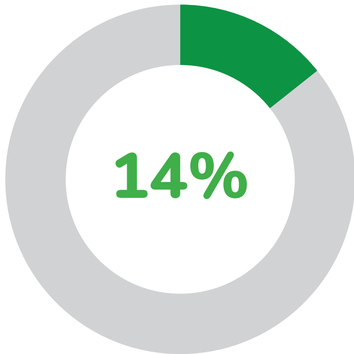
Headline survey results:



68% said Q4 2025 was WORSE than Q3 2025



19% said Q4 2025 was BETTER than Q3 2025



14% said trading was about the same

On the surface, a drop from Q3 to Q4 is expected for most mobile caterers. Summer is peak season – fewer events, worse weather, and lower footfall are all structural features of the autumn-winter trading period. However, the scale of the reported decline, and the open-text comments that accompany it, suggest this is more than seasonal pattern.

NCASS asked: Why was Q4 better, worse, or the same?

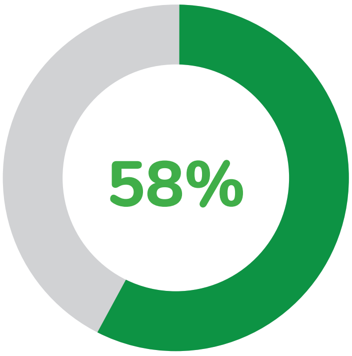
- Seasonality cited as expected context – tourist areas, outdoor-heavy operators, and event-dependent businesses all noted summer is naturally stronger. This is normal.
- Consumer spend collapse – multiple respondents mentioned customers physically attending events but failing to spend. This is distinct from footfall decline and suggests active belt-tightening at point of purchase.
- Fewer events overall – event cancellations, clashing dates, and reduced number of bookings reported.
- Economic uncertainty explicitly named – references to cost-of-living, disposable income, and people ‘being broke’ appear across multiple responses.
- A small cluster reported positive growth – one member up 30% following a rebrand, another completing their first year in business with additional evening events.

Members said:

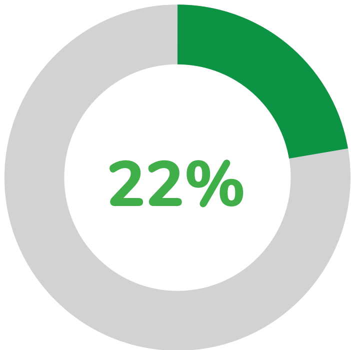
‘Sales were so much worse, some days we only took £80, even at festive times nobody was spending money.’

‘People attended the events but spent very little this time.’

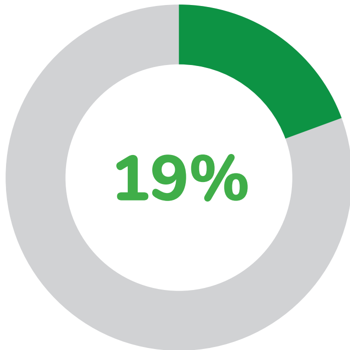
NCASS asked: How was trade in Q4 2025 vs Q4 2024 (year-on-year)



58% said Q4 2025 was WORSE



22% said trading was about the same



19% said Q4 2025 was BETTER

Over half of respondents are trading worse than the same period a year ago. This cannot be explained by seasonality. It points to a structural deterioration in trading conditions for independent food and drink operators.

NCASS asked: Why the year-on-year change?

Some of the themes in year-on-year commentary:

- Lower footfall as a baseline – not just at events but in areas where operators trade from fixed or semi-fixed locations.
- Reduced average transaction value – customers spending less per visit even when they do attend.
- Rising operating costs eating into margins – ingredients, wages, and general business costs all up, while menu prices are capped by consumer sensitivity.
- Corporate market holding up for those with access – those with corporate catering relationships are insulated. Those reliant on public events are not.
- Public funding withdrawn from events – one respondent specifically noted that events which ran in 2024 did not happen in 2025 due to funding cuts, directly impacting their trade.
- Storm and weather disruption named as a material factor in some cases.

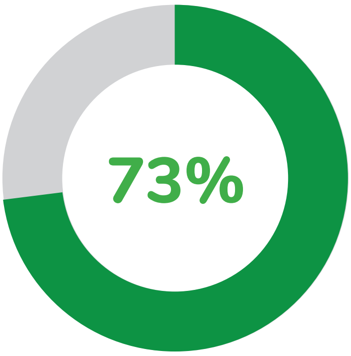
Members said:

‘The economy / high street is in a bad state. People just not going out.’

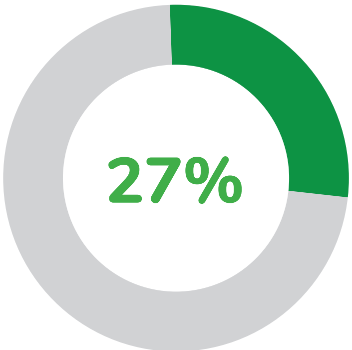
‘Costs are so much higher it is hard to maintain the same profit margins.’

‘Thankfully, I do a lot of corporate catering so the work and turnover is there regardless. But at markets and small public events, sales are generally 20 to 30% down.’

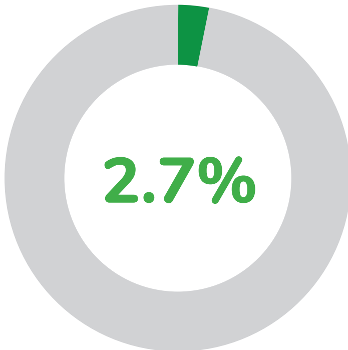
Confidence levels for 2026



73% are either NOT CONFIDENT or UNSURE



27% are CONFIDENT about trading in the year ahead



2.7% believe their business WILL CLOSE

What else did the survey reveal?

VAT – the dominant unprompted issue

Multiple members raised VAT spontaneously and with considerable frustration.

The specific concerns are:

- The VAT threshold has not risen in line with inflation, acting as a stealth tax on growing small businesses.
- The threshold applies from the first pound of turnover – not just on amounts above it – which creates a cliff edge.
- At least two members were paying more in VAT than they were paying themselves.

Members said:

‘VAT is killing my business. I paid myself £16,000 in 2025 and paid £24,000 in VAT. This is not right. And I am on the reduced rate of 12%.’

‘The VAT limit not rising is effectively another stealth tax on small businesses. All our costs increase, we need to raise our prices, therefore we are at greater risk from the VAT threshold.’

‘VAT reduction required, or the payment kicks in on over £90k and only on amounts over the threshold, not from zero.’

Running costs and wage pressures

The combination of ingredient price rises and the national living wage increase is compressing margins severely. Several operators describe being unable to absorb costs or raise prices – a no-exit squeeze.

Members said:

‘Raw ingredient price rises mean we have to increase our prices. Soon, people are not going to want to pay £5 for a coffee, but we cannot continue to absorb price increases.’

‘Significantly decreased sales in the year overall. The added pressure of increases in national wages has meant that despite operating for three years with only two people, we are unable to pay ourselves a wage.’

Deteriorating outlook – personal and long-term

Several respondents articulated a longer-term deterioration that goes beyond one bad quarter. The language is strikingly bleak in places.

Members said:

‘Two or three years ago I was thinking about expanding. Now I have given up on expanding and I am wondering if I will last until the lease ends. Things have deteriorated very quickly in the last year or so.’

‘So far January 2026 has been the worst start of year in my 25 years of experience.’

‘Each year is just getting worse since 2021.’

Bright spots

A small number of positive signals emerged from the survey:

- Growth linked to rebranding efforts, showing the impact of refreshing brand and offer
- Increased trade for businesses becoming more established, particularly in their early years
- Signs of expansion, including moves into larger premises
- Stronger, more consistent performance for those with access to corporate catering opportunities
- Reports of healthy forward bookings, providing some stability going into the next period

Key Insights

Five headline narratives emerged from the survey data. Each is supported by survey evidence, and we believe to be representative of wider issues faced by independent hospitality businesses.

Insight 1: It is not just seasonality: year-on-year decline tells the real story
The Q3 to Q4 drop is expected and partially explainable by the nature of mobile and event-based catering. The more significant finding is the Q4 2025 vs Q4 2024 comparison: 58% are trading worse on a like-for-like basis. This strips out seasonal noise and reveals a structural deterioration in trading conditions. Over the last year, the market for independent food and drink operators – particularly those reliant on public events and markets – has materially worsened.

Insight 2: The VAT threshold is a live crisis, not a policy footnote
Multiple members raised VAT spontaneously, without being prompted. The emotional intensity of these responses is unlike anything else in the survey. Some were paying 50% more in VAT than in personal income. Another describes it as a stealth tax. A third has a specific, detailed policy ask: tax on amounts above the threshold only, not from zero.

Insight 3: Consumer behaviour has fundamentally shifted, not just slowed
The subtlest but most important economic signal in the data is the separation of footfall and spend. Respondents are not just reporting fewer customers — they are reporting customers attending and choosing not to buy, or buying less. This is different from the 2020 to 2022 period where physical absence (lockdowns, restrictions) was the driver. People are present but not spending. This points to sustained, structural consumer caution rather than a temporary squeeze.

Insight 4: Corporate catering is creating a two-tier market
Operators with corporate relationships are describing a materially different experience to those relying on public events and markets. Some report that by branching into corporate work, sales are 'there regardless' and describe the model as the 'holy grail.' Others report 20 to 30% drops at exactly the same types of event.

Insight 5: The 73% who are uncertain or not confident are a retention risk
Nearly three quarters of survey respondents are not confident, or actively unsure, about trading in 2026. One member expects to close. This is not just a market insight – it's a legitimate issue faced by many other independent food and drink businesses if action isn't taken.

NCASS thoughts:

These results confirm what many of our members are already feeling day to day – this isn't just a seasonal dip, it's a much tougher trading environment overall. While a slowdown from summer to winter is expected, the year-on-year decline shows something more fundamental is happening. Customers are still out there, but they're spending less, events are fewer, and rising costs continue to squeeze already tight margins. For many independent operators, it's becoming increasingly difficult to balance rising overheads with what customers are willing or able to pay.

What's particularly striking is the level of concern about the future. With nearly three quarters of members feeling uncertain or not confident about 2026, it's clear that businesses need both practical support and strong representation. Issues like VAT, rising wage costs, and access to consistent trading opportunities, such as corporate catering, must be addressed. At NCASS, we'll continue to push these concerns at a national level while also providing members with the tools, guidance and opportunities they need to adapt and stay resilient in a challenging market.

Henry Poultney, NCASS Public Affairs Lead comment:

“Independent hospitality and catering businesses reported a clear deterioration in trading conditions in late 2025, beyond the usual seasonal slowdown from summer to winter. Recent global events have further weakened both business and consumer confidence, while rising fuel and food costs continue to place immediate pressure on operations.

NCASS members highlighted a range of challenges, including reduced customer spending, fewer or cancelled events, declining footfall, and increasing costs for ingredients, wages, and overheads. VAT remains the most significant policy concern, with many businesses paying more in tax than they are able to pay themselves.

Looking ahead, confidence for 2026 is low. Around three-quarters of respondents report a lack of confidence, with a concerning proportion expecting to cease trading altogether.

Despite these challenges, independent hospitality businesses remain resilient. They continue to play a vital role in communities across the UK – driving local economies, championing creativity, and delivering the personal, high-quality experiences that consumers value most. Their contribution to high street footfall, local venues, and the wider events industry is essential.

However, without meaningful support, the sector faces further decline. NCASS members are calling for immediate action, particularly around VAT reform, alongside a stronger commitment from Government to understand and support the needs of small, independent food businesses.”

Henry Poultney,
Public Affairs Lead for NCASS

For more information on how we represent your needs as an NCASS member, speak to Henry Polutney: henry.poultney@ncass.org.uk