



# Holiday Spending Report 2025

## Post Office Travel Money’s annual report on holiday spending and behaviour

Volatility in the international money markets sparked by the US government’s announcement of global trade tariffs may have given sterling a bumpy ride earlier in the year, but the UK pound has proved remarkably resilient and is now stronger than a year ago against most major holiday currencies.

That is welcome news for Britons planning trips abroad because over three-quarters of those surveyed for this year’s Holiday Spending Report told Post Office Travel Money that exchange rates are a major concern. Even more of them are worried about the impact the new US tariffs might have on the cost of their holiday and prices in overseas destinations.

But have these concerns put them off planning and booking trips abroad? Not at all. For the fifth year running, there has been a healthy increase in the numbers of Britons who say they will be taking a holiday abroad. Two-thirds (66 per cent) – up from 61 per cent a year ago – intend to travel overseas and this rises to an unprecedented four-in-five (78 per cent) families, 10 per cent more than last year.

Over half of holidaymakers will be taking city breaks, a higher proportion than in past years. A key factor in their popularity may be that many Britons are also planning to reduce the length of their holiday and city breaks provide a solution as they tend to be shorter than other types of holiday.

This year’s Holiday Spending Report examines the financial intentions expressed by British holidaymakers and compares these with past behaviour. Plans for bigger budgets and the high booking levels already seen this year are a good indication that holidays remain a top priority. Yet there is also growing concern about affordability and the high levels of overspending by a majority of holidaymakers last year suggest that plans do not necessarily translate into action.

One thing looks certain from the opinions expressed by the vast majority of holidaymakers. Over three-in-five will be watching exchange rates carefully and will not only purchase holiday money when sterling looks strong but, if still to book, will choose a destination where the pound is likely to stretch further. The Post Office’s Exchange Rate Monitor, included in the report for the first time, reveals where Britons will get more holiday cash for their pounds.

**Figure 1: Percentages of UK adults planning holidays abroad this year and the types of holidays they plan to book**

	All respondents	Families
<b>Total planning an overseas holiday</b>	<b>66%</b>	<b>78%</b>
<b>Type of holiday planned by those taking trips abroad:</b>		
City break	52%	50%
All Inclusive holiday	40%	48%
European beach holiday	36%	34%
Long haul holiday outside Europe	29%	29%
Self-catering holiday	26%	31%
Winter sports holiday	8%	11%
Other	11%	7%

From 2,121 UK adults surveyed by Yonder in May 2025, 1,396 in total and 378 families plan to take a holiday abroad (weighted base).

# Booking and spending

Not only are significant numbers of Britons committed to taking an overseas holiday this year, but many of those planning to go abroad have also booked their trip. In January 44 per cent of those questioned for Post Office Travel Insights research had already booked their break away. By April 54 per cent (figure 2) had done so – although a minority are waiting to see what happens to the economy or to prices in destinations they are considering once higher import tariffs kick in.

**Figure 2: Booking plans by Britons planning holidays abroad**

	%
Already booked a holiday abroad	54%
Waiting for late booking discounts	19%
Need to save more money before booking	14%
Waiting to see what happens to the economy	5%
Waiting to see impact on prices of US tariffs	4%

Post Office Research & Insights April 2025: From 2,000 UK adults surveyed, 1162 are travelling abroad

In a change to previous years, over half of Britons say they will budget more for their next holiday due to increased costs. When asked about this in January, only one-in-five (22 per cent) said they would set more money aside for their holiday. By April over half (52 per cent) said they would be increasing their budget (figure 3). If those intentions are followed through, then it could be that levels of overspending in resorts will finally fall from the high levels they hit a year ago.

**Figure 3: Holiday budgeting plans by Britons planning holidays abroad**

	%
Will budget more to allow for increased costs	52%
Will budget around the same as in past years	38%
Have less to spend so will be cutting my holiday budget	6%

Post Office Research & Insights April 2025: From 2,000 UK adults surveyed, 1162 are travelling abroad

On their last trip abroad, more than four-in-five (82 per cent) of holidaymakers said that they had set a budget averaging £377 (figure 4) but seven-in-ten (71 per cent) of them admitted overspending this by £140 (figure 5), busting their budget by 37 per cent.

Similarly, almost three-quarters (74 per cent) of families also bust the average budget of £766 by £323 – an overspend of 42 per cent on the budget they had set.

Laura Plunkett, Head of Travel Money at Post Office, which accounts for one-in-four UK foreign exchange transactions, said: **“This year’s holiday spending research again demonstrates that holidaymakers don’t always set a realistic budget and overspend by large amounts as a result. It’s great to hear that holidaymakers are already planning to budget more for their holidays this year, to avoid coming unstuck when they arrive at their destination.”**

The same pattern of overspending applies to all-inclusive holidays – the package trip of choice this year for two-in-five Britons and almost half (48 per cent) of families. As in previous years, the Post Office research showed that most holidaymakers spent significant amounts over and above their paid for all-inclusive packages inside their hotels on their last all-inclusive holiday. Two-thirds of them – rising to 78 per cent of families – spent more than a year ago and paid hundreds of pounds for a wide range of chargeable extras.

Specifically, well over half (54 per cent) of all-inclusive holidaymakers spent an average of £395 on a range of nine food and drink items – a rise of almost six per cent year-on-year. Even more families splashed out on these items. Over three-in-five (62 per cent) paid an average of almost £425 on food and drinks in their All Inclusive resort, 7.9 per cent more than a year ago.



# Overspending habits

**Figure 4: Average budget set for resort spending on last overseas holiday**

	Adult budget per person	Family budget
Under £100	9%	2%
£101-£200	19%	6%
£201-£300	22%	7%
£301-£400	11%	7%
£401-£500	16%	6%
£501-£600	8%	9%
£601-£700	2%	5%
£701-£800	3%	9%
£801-£900	2%	6%
£901-£1000	3%	11%
Over £1000	4%	31%
<b>Average budget</b>	<b>£377</b>	<b>£766</b>

Includes meals, drinks, sightseeing and other extras, but excludes accommodation and travel to/from destination

1027 adults (weighted base) surveyed by Yonder in May 2025 who have been on a non-all-inclusive overseas holiday in the last five years excluding those who did not set a budget; families (310 excluding those who did not set a budget).

In the 11 years since Post Office Travel Money began tracking extra spending on top of paid-for all-inclusive packages, the numbers of holidaymakers who admit paying extra for food and drink items has almost quintupled. The most dramatic increase has been for local brands of alcohol,

**Figure 5: Average amount overspent in resorts abroad on last overseas holiday**

	Individual adults	Families
£1-£20	6%	1%
£21-£40	7%	4%
£41-£60	10%	6%
£61-£80	6%	7%
£81-£100	12%	6%
£101-£200	14%	17%
£201-£300	6%	12%
£301-£400	2%	3%
£401-£500	3%	6%
Over £500	3%	14%
<b>Percentage who stuck to their budget</b>	<b>29%</b>	<b>26%</b>
<b>Average amount overspent</b>	<b>£140</b>	<b>£323</b>

966 holidaymakers (323 families) surveyed by Yonder in May 2025 who set a budget on their last non-all-inclusive overseas holiday abroad. Of these, 71% (74% of families) overspent their budget (weighted base).

once the cornerstone of all-inclusive packages. Half of all-inclusive holidaymakers now pay extra for local alcoholic drinks compared with just six per cent 11 years ago. Almost four times as many Britons (52 per cent) pay to eat à la carte compared with the 14 per cent who did so a decade ago.

**Figure 6: Extra spending on meals and drinks in all-inclusive resorts**

	All holidaymakers		Families	
	% who spent extra in hotel	Average spent in hotel	% who spent extra in hotel	Average spent in hotel
À la carte dining	52%	£83.68	56%	£82.23
Local brand alcoholic drinks	51%	£45.37	61%	£46.31
International brand alcoholic drinks	50%	£51.78	56%	£55.78
Bottles of wine	45%	£41.76	56%	£48.57
Cocktails	48%	£48.19	58%	£49.15
Local brand soft drinks	55%	£31.25	61%	£37.50
Snacks	67%	£37.32	78%	£36.24
International brand soft drinks	56%	£32.78	62%	£39.72
Bottled water	61%	£22.64	65%	£29.43
<b>Average total</b>		<b>£394.77</b>		<b>£424.93</b>

620 UK adults (245 families) surveyed by Yonder in May 2025 (weighted base) who had been on an all-inclusive holiday in the last five years.

# Holidaymakers' concerns

Among many concerns voiced by holidaymakers (figure 7), the biggest were having enough money to afford their trip (89 per cent) and related to this, the cost of flights or ferries to their destination (88 per cent) and the prices they faced when they got there (85 per cent). Over three-in-four (78 per cent) were worried about the higher prices they might face as a result of the US trade tariffs and nearly as many, 77 per cent, were concerned about the strength or weakness of the UK pound.

As a result, over half (53 per cent) will actively avoid destinations where they think the tariffs could affect prices in restaurants and shops, while two-in-five 39 per cent will not travel to the USA even though they had previously been considering doing so. Almost half (48 per cent) will choose their destination based on where sterling is strongest.

**Figure 7: Holidaymakers' biggest concerns**

	%
Having enough money to afford the trip	89%
Cost of flights or ferries	88%
Costs of meals, drinks and other tourist items	85%
Safety from terrorist attacks	84%
Higher prices caused by US tariffs	78%
Strength or weakness of the pound	77%
Package holiday price discounts	75%
Poor weather in the UK	67%
Concerns about own or partner's job security	55%

Post Office Research & Insights April 2025: concerns of 1162 holidaymakers.

When asked which destinations they felt offered good value for money from a list of 39 holiday hotspots across the globe, Spain achieved the best score (figure 8). Over two-in-five said it was good value for money, while 35 per cent expressed positive views about Turkey. Thailand was the best-rated long haul destination. Portugal and Greece made up the top five best value destinations. At the other end of the table, Scandinavia (four per cent) and Kenya (seven per cent) scored worst.

Given the concerns expressed about the strength of sterling, the latest Exchange Rate Monitor (figure 9) reveals how the UK pound is performing against Post Office Travel Money's 30 bestselling currencies compared with 12 and three months ago. This shows that sterling is stronger than a year ago against 25 of the 30 currencies and has gained ground against 80 per cent of them since March.

However, it has lost most ground – 5.2 per cent year-on-year – against the Thai baht, which means that although Thailand was rated the best value long haul destination by holidaymakers, visitors will this year receive £27.64 less this year on a typical £500 currency transaction.

By comparison, two other Far Eastern destinations will offer Britons more for their money. Visitors to Vietnam, which took seventh place in the Post Office's Worldwide Holiday Costs Barometer earlier this year, will find their pounds stretch over nine per cent further than a year ago. This means they will get the equivalent of £42.01 extra on a £500 purchase of Vietnamese dong. Similarly, Britons choosing Bali, fourth-placed in the barometer, can expect around £33 (7.1 per cent) more in Indonesian rupiah than a year ago.

Visitors to Eurozone countries will get slightly more for their money, both compared with last year and three months ago. However, this is dwarfed by the ongoing long term collapse of the Turkish lira. The scale of this is shown by the 12.9 per cent fall of the lira against the pound over the past three months. Compared with last June, visitors can now expect to receive around around £116 (+30.2 per cent) more when they buy £500 worth of lira.

Sterling has also bounced back against the US dollar and is currently 6.6 per cent stronger than a year ago as well as having gained 4.9 per cent in the past three months. This recovery extends to the Caribbean and Middle East currencies that are pegged to the dollar. It means Britons planning trips to Barbados, Antigua, Dubai and other favourites will also get more for their pounds.

**Figure 8: Best value destinations rated by holidaymakers**

	%
Spain	41%
Turkey	35%
Thailand	31%
Portugal	30%
Greece	30%
Italy	24%
Bulgaria	23%
Poland	23%
Vietnam	20%
France	20%

Post Office Research & Insights April 2025: opinions of 1162 holidaymakers.

# Exchange Rate Monitor

**Figure 9: Sterling's gains and losses against bestselling currencies**

June 2025 compared with June 2024 and March 2025

	June 2025 vs June 2024		June 2025 vs March 2025	
	% year-on-year gain/loss	£500 buys £ more/less	% three month gain/loss	£500 buys £ more/less
Turkish lira	+30.2%	+£116.02	+12.9%	+£57.27
Mexican peso	+12.8%	+£56.73	-1.2%	-£6.20
Brazilian real	+12.5%	+£55.42	+1.0%	+£5.16
Egyptian pound	+11.3%	+£50.79	+2.8%	+£13.50
Jamaican dollar	+9.8%	+£44.75	+6.5%	+£30.70
Vietnamese dong	+9.2%	+£42.01	+7.2%	+£33.38
Chilean peso	+8.6%	+£39.61	+5.9%	+£27.92
New Zealand dollar	+8.0%	+£37.19	-0.6%	-£3.18
Australian dollar	+7.9%	+£36.66	+1.7%	+£8.54
Indonesian rupiah	+7.1%	+£33.14	+4.8%	+£22.91
Kenyan shilling	+6.6%	+£30.83	+5.0%	+£23.86
US dollar	+6.6%	+£30.81	+4.9%	+£23.50
Barbados dollar	+6.6%	+£30.76	+4.9%	+£23.44
Canadian dollar	+6.5%	+£30.55	+0.4%	+£1.93
UAE dirham	+6.5%	+£30.52	+4.9%	+£23.29
East Caribbean dollar	+6.2%	+£29.08	+4.9%	+£23.50
Hungarian forint	+4.2%	+£20.29	+0.9%	+£4.34
Peru nuevo sol	+3.7%	+£18.00	+4.7%	+£22.63
Czech koruna	+1.7%	+£8.12	-1.0%	-£5.12
Bulgarian lev	+0.9%	+£4.63	+0.1%	+£0.39
Danish kroner	+0.9%	+£4.58	-0.3%	-£1.36
Euro	+0.9%	+£4.50	+0.1%	+£0.26
Polish zloty	+0.7%	+£3.47	+2.4%	+£11.72
Norwegian krone	+0.7%	+£3.38	-2.2%	-£11.17
South African rand	+0.4%	+£1.94	+2.2%	+£10.99
Japanese yen	-2.0%	-£10.17	+2.6%	+£12.72
Swiss franc	-2.5%	-£12.65	-2.1%	-£10.78
Swedish kronor	-2.6%	-£13.45	+0.3%	+£1.25
Malaysian ringgit	-3.7%	-£19.36	+0.7%	+£3.58
Thai baht	-5.2%	-£27.64	+2.0%	+£9.63

# Plans to save money

Given that affordability is likely to be the main concern for holidaymakers this year and raising their budgets is not an option for over two-in-five (44 per cent) of them, savvy travellers told Post Office Travel Money they will be employing a range of tactics to reduce costs. By far the greatest number – 44 per cent – intend to travel away from busy periods so that packages and flights will cost them less. Others will book cheaper accommodation or choose a lower-priced destination, take fewer or shorter holidays and even cut back on drinks.

Turning to holiday money habits, some worrying habits still persist. Looking back to their last trip abroad, only a quarter (27 per cent) of holidaymakers changed enough money into foreign currency in advance of travel and did not need to get any more while overseas.

A growing number – 27 per cent up from 23 per cent last year – chose to change less than £100 into foreign currency before leaving home, with the intention of using ATMs or debit and credit cards overseas. Furthermore, while it is well recognised that it is advisable to carry some cash overseas, one-in-five (21 per cent) relied solely on plastic to pay for their purchases.

The consequences of having no cash or needing to top up limited amounts taken were that more holidaymakers ran into difficulties when using cards abroad. Seven per cent tried to pay a restaurant, shop or bar bill with a credit card, only to find that it was not accepted. More than one-in-ten (11 per cent) also fell foul of a practice known as Dynamic Currency Conversion by agreeing to pay on their card in sterling rather than local currency, incurring unnecessary transaction charges as a result.

14 per cent withdrew money at an ATM and incurred bank transaction charges as a result. This was most likely to happen to younger holidaymakers. 17 per cent of those in the 25-34 age group and 19 per cent of 35-54 year-olds admitted paying transaction charges on cash withdrawals.

**Figure 10: Cost cutting holiday strategies**

	%
Travel away from busy periods so flights or package costs are lower	44%
Book cheaper accommodation	23%
Travel to a cheaper destination	22%
Take fewer holidays	20%
Take a shorter holiday than usual	17%
Cut back on drinks	15%
Go self-catering and avoid eating out	14%

Post Office Research & Insights April 2025: views expressed by 515 holidaymakers.

Five per cent said they could not find an ATM, while four per cent found that the machine was out of order or would not supply them with cash.

A good way to avoid this is to load cash onto a prepaid travel money card, which does not incur transaction charges when used. One-in-eight (13 per cent) chose this route, rising to over one-in-five (21 per cent) of older travellers aged 55-64.



# How people get caught out

**Figure 11: Holiday money behaviour**

	%		%
I changed all my money in advance and did not need to get any more overseas	27%	I didn't plan to use an ATM but ran out of cash so I had to withdraw cash at one	10%
I only changed a small amount of money (under £100) in advance on the UK high street) with the intention of using ATMs or debit/credit cards overseas	27%	I changed money at a hotel or local bureau de change and received a poor rate	9%
I did not take cash with me as I use my debit/credit card overseas	21%	I got my foreign currency at the airport	8%
I incurred bank charges for withdrawing money from an ATM	14%	I did not take cash with me, so I used ATMs to withdraw foreign currency	7%
I put my holiday cash onto a pre-paid Travel Money Card	13%	I tried to pay a restaurant/bar/shop bill with a credit card but found that credit cards weren't accepted	7%
When using my credit or debit card, I agreed to pay a bill in a restaurant, bar or shop in sterling when this was suggested, rather than in the local currency	11%	I tried to pay a restaurant/bar/shop bill with cash but found that it was not accepted	6%
		I couldn't find an ATM to withdraw money	5%
		I tried to withdraw money at an ATM but it refused to supply the cash/was out of order	4%

All respondents to survey by Yonder in May 2025 who have been on an overseas holiday in the last five years (1,409, weighted base).

Laura Plunkett, Head of Travel Money at Post Office said: **"Paying on a debit or credit card may seem like a convenient way to pay for things while abroad, but our research suggests that this can be a costly practice. Far too many holidaymakers told us that they paid significantly more than they anticipated because of the transaction charges made for using credit and debit cards at an overseas ATM.**

**"Using a prepaid card abroad, such as the Post Office Travel Money Card is likely to be a better solution. Not only can money be loaded onto it at home when exchange rates are looking positive, but it does not incur transaction charges when used abroad. What's more, the money left on it at the end of a holiday can be converted into any one of 22 different currencies for your next holiday."**



For further information please contact:

Emma Hancock, Post Office Press Office  
 T: 07922 844352  
 E: Emma.Hancock@postoffice.co.uk

Christine Ball PR  
 T: 07976 285997  
 E: cball@cballpr.co.uk