Media Release 11/02/2026

Over 38 million Britons at risk of overestimating their financial security, new Index finds

- **Only 11% of Britons (4.7m) meet the benchmarks of true financial security**
- **Mid-life households (35–44) particularly exposed as a result of financial pressures**
- **Misguided confidence masks underlying vulnerability as cost-of-living pressures persist**
- **Financial advice and education are key to addressing the nation's financial readiness shortfall**

Financial technology company Iress' inaugural Financial Readiness Index highlights that while 46% of Britons say they feel financially secure, only 11% (4.7 million people) meet the basic benchmarks of true financial security, such as holding emergency savings, keeping on top of bills, having sufficient protection and building long-term financial resilience.

The Index gives the UK an overall score of 44.2 out of 100, placing the nation firmly in the 'financially uncertain' category. The data shows that although many households feel they are coping day to day, far fewer are actually well placed to manage rising living costs, or changes in employment or longer-term needs like retirement. To put the figure into perspective, a score of 71 or above would indicate someone who is 'financially confident' and manages their money consistently well.

Iress created the Financial Readiness Index as a practical tool to understand this disconnect. The Index measures how well people can meet their current and future financial needs by combining confidence about their finances with real behaviours such as saving, investing, protection and retirement planning. It brings together perceptions, day-to-day financial actions and long-term preparation into a single score from 0 to 100, showing whether people are financially vulnerable, uncertain, stable, confident or empowered.

Media Release 11/02/2026

Iress CEO for the UK, Alistair Morgan, said: "Understanding how prepared people really are to meet their financial needs has never been more important. We created the Iress Financial Readiness Index to provide a clear 'reality check' of the nation's finances.

"The research shows that while 46% of people feel financially secure, only 11% meet true security benchmarks, which is concerning.

"The Index shows that large numbers of people are navigating financial complexity without the financial foundations they need to negotiate bumps in the road. The worrying issue is that people think they are more financially secure than they actually are, leaving them underprepared and underprovided for when they hit a financial crunch point.

"Engaging with a financial adviser or seeking guidance through education and tools could make all the difference in helping people achieve true financial security.

"We hope the Financial Readiness Index findings spark valuable conversations both within households and among the advice community."

Confidence is high, preparedness is not

The research shows a sharp divide between perceived security and real readiness. While almost half of the respondents reported feeling financially secure, actual preparedness was far more polarised. Responses indicated that just 19% of people were fully prepared to meet all their financial needs now and in the future, while worryingly, 17% were not ready to meet any of their needs at all. When asked to rate their overall financial readiness on a scale of 0 to 10, people gave an average score of 5.6, showing more confidence than their true vulnerability suggests.

Confidence in being able to live the lifestyle people want, whether that means travel, leisure or work-life balance, was also evenly split, with almost equal numbers confident (49%) and not confident (48%). Higher income did not guarantee greater readiness, with a notable proportion of households earning over £100,000 still reporting insecurity (18%) and 23% saying they are not confident in being able to live the life they want.

Everyday pressures behind the numbers

The Index highlights the everyday pressures driving this lack of readiness. The biggest short-term concerns were unexpected bills and rising living costs, followed by worries about covering essential household expenses. Longer-term concerns focused on rising costs affecting future plans, a lack of savings and fears around job security.

These pressures vary by life stage and gender. Women were more likely to be concerned about long-term financial security, particularly savings and family stability. Younger adults tended to focus on housing and investing, while older groups were more concerned about retirement adequacy.

Financial Readiness varies sharply by gender and age

The Financial Readiness Index shows clear differences in how prepared people feel and behave across gender and life stages.

Men scored higher than women on overall readiness, with scores of 47.0 and 41.5, respectively, reflecting greater confidence and reporting more consistent financial behaviours. This mirrors wider findings in the research, which showed women were less likely to feel financially secure and more likely to report gaps in long-term planning.

Readiness also changed noticeably with age. Scores were lowest among 18 to 24-year-olds (37.4), who are still building financial foundations, before rising to 45.9 for those aged 25 to 34. However, readiness dipped again for 35 to 44-year-olds (41.5), a group facing some of the greatest financial pressures from mortgages, childcare and rising costs. The highest scores were seen among those aged 55 and over (48.3), reflecting more established savings habits, lower debt levels and clearer long-term plans.

Iress will be releasing more data and insight from the Index over the coming months. More information on the research can be found at:
https://info.iress.com/uk-financial-readiness-index

Ends

About the research

The Financial Readiness Index (FRI) provides a quantitative measure of how well an individual can meet their current and future financial needs. It combines how people feel about their finances with what they actually do, helping identify strengths and areas for improvement.

The FRI integrates three core parts of our overall research:

- Perception (30%) – an individual's confidence and sense of security about their present and future finances. This reflects how self-belief influences financial decisions and the gap between perceived and actual readiness.
- Behaviours (50%) – practical actions, such as saving, investing, paying bills on time, contributing to pensions and having appropriate protection policies in place. This carries the most weight because it directly affects financial readiness.
- Retirement (20%) – long-term financial planning, including current retirement savings and the intention to seek professional advice. This captures both confidence and concrete preparation for later life.

Scores are normalised to a 0-100 scale using:

FRI = (perception x 0.30) + (behaviour x 0.50) + (retirement x 0.20)

To support interpretation and track progress, scores fall into the following benchmark categories:

0-30: Financially vulnerable – high risk, low financial readiness

31-50: Financially uncertain – some progress, inconsistent habits

51-70: Financially stable – solid foundation, medium financial readiness

71-85: Financially confident – proactive, consistent financial management

86-100: Financially empowered – high levels of short- and long-term financial readiness

The online survey was completed by YouGov Plc on Iress' behalf, among 2,103 UK adults. Fieldwork was undertaken between 10-13 October 2025. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+). Additional analysis and benchmarking was independently carried out by the lang cat.

Media Release 11/02/2026

For further details, please contact:

Ollie Thring
Lansons
Mobile: +44 (0) 7481119910
iress@lansons.com

About Iress
Iress (IRE.ASX) is a technology company providing software to the financial services industry. We provide software and services for trading & market data, financial advice, investment management, life & pensions and data intelligence in Asia-Pacific, North America, Africa, the UK and Europe.
www.iress.com