



Holiday Spending Report 2024

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

After paying for food, energy and other household essentials, the latest consumer research from Post Office Travel Money reveals that Britons are prioritising overseas holidays over other areas of expenditure. The numbers planning trips abroad in 2024 has risen for the fourth consecutive year from 57 per cent 12 months ago to 61 per cent now, while the percentage of families intending to travel overseas is even higher: 68 per cent compared with 66 per cent a year ago¹.

City breaks remain the most popular type of holiday overall for more than two-in-five (42 per cent) Britons, with plenty of affordable destinations across Europe according to Post Office’s latest City Costs Barometer. However, almost half of families – a big rise from 38 per cent a year ago to 47 per cent now – intend to go on an all-inclusive holiday to rein in their spending.

Against this backdrop, the Post Office research reveals that concerns about costs persist – especially relating to food and drink prices abroad. As a result, holiday destination choice is likely to be determined by perceptions of value for money.

However, attitudes vary dramatically between holidaymakers who have visited a destination and those who rely on reputation to guide them.

For example, 94 per cent of past visitors rated Greece good value, while this score drops to 85 per cent for those with no experience of the country but believe it offers value for money. At the other end of the spectrum, over half (51 per cent) of Britons who had visited Dubai rated the Emirate good value, compared with just 35 per cent who had never been there.

Holidaymakers are continuing to get caught out when budgeting for their holiday. While they cut their budgets for their last trip abroad, overspending reached a record high, according to the research. Almost three-quarters of families who set a budget on their last holiday admitted spending over 50 per cent more once they got to their resort. Similarly, most Britons on all-inclusive packages spent hundreds of pounds extra in their hotel and in local resorts.

There are two possible explanations for the budget trap. It could be that holidaymakers simply do not know – or remember – how much things like food, drinks and kids’ items cost. Alternatively, it could be that, once abroad, they are prepared to spend more to maximise their holiday experience.

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

	All respondents	Families
Total planning an overseas holiday	61%	68%
Type of holiday planned by those taking trips abroad:		
City break	42%	35%
All Inclusive holiday	35%	47%
European beach holiday	34%	35%
Long haul holiday outside Europe	28%	24%
Self-catering holiday	21%	20%
Winter sports holiday	6%	7%
Other	12%	6%

Weighted base: From 2,067 UK adults surveyed, 1,262 in total and 379 families are planning a holiday abroad this year.

Holiday money habits

Budgeting remains a thorny issue but there are encouraging signs that holidaymakers are spending more time planning their trips abroad well in advance of travel and allocating funds to pay for them.

In research conducted for Post Office partner First Rate Exchange², over half (55 per cent) of holidaymakers said they are making overseas holidays their most important priority after paying for food, energy and other household essentials. Two-in-five (41 per cent) of them expect to spend more on their next trip, while over half (52 per cent) intend to calculate how much money they will need while abroad. Almost as many, 49 per cent, will be putting money aside to ensure they have saved enough to afford their trip.

Figure 2: Holiday money behaviour

	%		%
I changed all my money in advance and did not need to get any more overseas	23%	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	8%
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	23%	I didn't plan to use an ATM but ran out of cash so I had to withdraw cash at one	6%
I did not take cash with me as I use my debit/credit card overseas	20%	I changed money at a hotel or local bureau de change and received a poor rate	6%
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	4%
I incurred bank charges for withdrawing money from an ATM	11%	I tried to withdraw money at an ATM but it refused to supply the cash/was out of order	3%
I did not take cash with me, so I used ATMs to withdraw foreign currency	9%	I couldn't find an ATM to withdraw money	2%

Weighted base: All respondents who have been on an overseas holiday in the last five years (1,382).

Over three-in-five (61 per cent) holidaymakers say they will travel outside the peak holiday season to cut costs. Sterling's buoyancy may be influencing destination choice too because half of those surveyed now check exchange rates to see how much foreign currency they will get for their pounds.

Looking at holiday money habits, the Post Office Holiday Spending Report research found that fewer people who have been overseas in the last five years chose to change all their money in advance and did not need to get any more while overseas – 23 per cent compared with 29 per cent previously.

Instead, a growing number – 23 per cent up from 21 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.

One-in-five said they took no cash at all, instead preferring to pay for purchases on plastic. However, those who did so often encountered problems. Four per cent who tried to pay for items with a credit card found that these were not accepted. One-in-12 (8 per cent) agreed to pay bills in sterling rather than local currency – a practice known as Dynamic Currency Conversion – and would have incurred unnecessary transaction charges as a result.

ATMs were another source of difficulty. Over one-in-ten (11 per cent) said they incurred unexpected bank charges for withdrawing money abroad using an ATM. Others found that ATMs were out of order (3 per cent) or could not find one (2 per cent).



Overspending hits a record high

Despite the greater degree of holiday pre-planning, overspending remains endemic. The latest research shows that spending more than budgeted has reached its highest level in a decade, with a growing gap between budgets set and cash spent.

On their most recent trip abroad, almost four-in-five (78 per cent) of holidaymakers set a budget averaging £334.47 (figure 3) – a slight reduction on their previous holiday. Only a third (33 per cent) stuck to it and the remainder overspent by an average of £154.62 – 46 per cent more than planned (figure 4). This compares with an overspend of 39 per cent on the previous holiday.

The same pattern of behaviour applies to families. Over three-quarters (76 per cent) set a budget for their last holiday but only 27 per cent of these families stuck to it. The 73 per cent who bust their budget did so by 55 per cent, spending around £312 more than the average budget of £566.26.

There were big regional differences too. Scottish families overspent the least, around £147, while Londoners splashed out significantly more than the national average and exceeded their budget by over £508.

It looks as though overspending on holidays abroad is now the established norm, particularly for families. Five years ago, before the Covid-19 pandemic, families allocated a spending budget of £630 – significantly more than the £566 average

now – and overspent this by around £159. This means that overspending levels have almost doubled in that space of time.

When asked which items of expenditure were most responsible for their overspending, well over half (57 per cent) of holidaymakers laid the blame on restaurant



meals, while 32 per cent named food and drinks that they had bought from a local shop or supermarket. Over a third (36 per cent) attributed their overspending to the cost of drinks and 44 per cent said they overspent on sightseeing and excursions. This chimes with earlier research by Post Office for the 2024 Holiday Money Report in which 84 per cent of holidaymakers expressed concern about the cost of meals, drinks and other tourist items in overseas resorts and cities.

Food and drinks were also named by families as the biggest factor in their overspending, but many of them blamed 'pester power' as well. A third (34 per cent) said that splashing out on kids' extras like ice creams, water rides and beach items had contributed to their unplanned spending.

Figure 3: Average budget spent in resorts abroad on last overseas holiday

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

	Adult budget per person	Family budget
Under £100	7%	1%
£101-£200	17%	2%
£201-£300	20%	9%
£301-£400	12%	7%
£401-£500	14%	9%
£501-£600	11%	13%
£601-£700	5%	6%
£701-£800	3%	8%
£801-£900	2%	4%
£901-£1000	4%	15%
Over £1000	6%	25%
Average budget	£334.47	£566.25

Weighted base: Adults who have been on a non-all inclusive overseas holiday in the last five years excluding those who did not set a budget (941); families (247 excluding those who did not set a budget).

Figure 4: Average amount overspent in resorts abroad on last overseas holiday

	Individual adults	Families
£1-£20	4%	2%
£21-£40	8%	3%
£41-£60	7%	10%
£61-£80	5%	4%
£81-£100	11%	6%
£101-£150	9%	11%
£151-£200	5%	5%
£201-£250	4%	6%
£251-£300	4%	3%
£301-£400	4%	3%
£401-£500	3%	3%
Over £500	3%	16%
Percentage who stuck to their budget	33%	27%
Average amount overspent	£154.62	£311.74

Weighted base: 882 holidaymakers (247 families) who set a budget on their last non-all inclusive holiday abroad. Of these, 67% (73% of families) overspent their budget.

Good value holiday destinations

In view of the widely held concerns about costs in overseas resorts and cities, Post Office asked holidaymakers to assess 28 international destinations for value – whether good or bad. From this it became clear that perceptions differ significantly between Britons who had actually visited a destination and those who based their opinions solely on what they had read or heard.

Interestingly, most destinations achieved higher good value ratings among past visitors than among those who had never holidayed in the country (figure 5). This was certainly true for the five countries with the highest approval ratings. Greece was given the highest score of 94 per cent from past visitors but slipped to 85 per cent of those yet to visit the country. The same pattern emerged for Spain (93 per cent versus 85 per cent), the Canary Islands (93 per cent versus 79 per cent), Portugal (92 per cent versus 86 per cent) and Turkey (92 per cent versus 84 per cent).

The most marked differences between the two groups were for South Africa and Egypt. Both scored approval ratings of 85 per cent among past holidaymakers but around 20 per cent less among those who had not visited the countries. Significantly, both feature among the 10 destinations offering best value in this year’s Post Office worldwide barometer of holiday costs.



At the other end of the spectrum, the two destinations rated least favourably by past visitors were given higher approval ratings by the holidaymakers who had no direct experience of these countries. Switzerland and Scandinavia were bottom of the poll with good value ratings of just 38 per cent from past visitors – arguably a more informed opinion – but this improved to 52 per cent for Scandinavia and 45 per cent for Switzerland among Britons who had not visited these countries. By contrast, although Dubai scored the worst rating of 35 per cent from non-visitors, over half (52 per cent) of those who had visited the Emirate felt it had offered them good value.

Figure 5: Overseas destinations rated good value by past visitors and by those who have never holidayed in the country

	Past visitors	Never visited
Greece	94%	85%
Spain mainland	93%	85%
Canary Islands	93%	79%
Portugal	92%	86%
Turkey	92%	84%
Bulgaria	89%	88%
Thailand	89%	87%
Balearic Islands	87%	76%
Mexico	87%	77%
Malta	86%	80%
Cyprus	85%	76%
South Africa	85%	65%
Egypt	85%	66%
Vietnam	84%	82%
Croatia	83%	86%
Canada	79%	70%
Italy	79%	69%
New Zealand	79%	70%
Caribbean	79%	71%
Australia	74%	62%
Sri Lanka	73%	79%
Kenya	73%	72%
Mauritius	68%	65%
USA	67%	55%
France	65%	59%
Dubai	51%	35%
Switzerland	38%	45%
Scandinavia	38%	52%

Weighted base: All respondents who have been on an overseas holiday in the last five years or are planning to go on one in 2024 (1462)

The changing face of all-inclusive holidays

There is little doubt of the enduring appeal of all-inclusive holidays, particularly among families. Nearly half (47 per cent) of families going on an overseas holiday this year plan to go all-inclusive. At the same time, it is clear that they are now accustomed to paying significantly more for items that were not included in their all-inclusive package.

Spending within all-inclusive resorts

Post Office Travel Money has been tracking extra spending over and above paid-for all-inclusive holiday packages for the past decade and in that time the numbers of holidaymakers who admit paying extra for food and drink items has more than quadrupled (figure 6).

In particular, the 'free drinks' promise originally made by all-inclusive resorts is now a thing of the past. On their last trip, around half (51 per cent) of holidaymakers said they paid for local brands of alcohol, once the cornerstone of all-inclusive packages. This is eight times as many as 10 years ago. Nearly half (49 per cent) also paid for international alcohol brands, more than double the volume in 2014. Almost nine times as many holidaymakers now pay for soft drinks and snacks, while spending on meals has more than trebled.

On their last trip, nearly two-thirds (63 per cent) of holidaymakers said they paid for extras within All Inclusive resorts. Although spending levels fell marginally, the amount they paid for a la carte dining increased by 12 per cent to an average of almost £78. Spending on excursions also rose to an average of more than £93, a rise of 14.7 per cent.

Spending by families in all-inclusive resorts also fell for most of the items surveyed. However, they splashed out an average of almost £55 on branded alcoholic drinks, a rise of 23 per cent, and around £64 on spa treatments, an increase of seven per cent.

Figure 6: Percentage of holidaymakers who paid extra for food and drink items in All Inclusive resorts: 2024 compared with 2014

	2024	2014
Bottled water	57%	11%
Snacks	57%	8%
Local soft drinks	52%	6%
International brand soft drinks	52%	10%
Local brand alcohol	51%	6%
International brand alcoholic drinks	49%	23%
À la carte dining	46%	14%
Bottles of wine	46%	13%
Cocktails	45%	14%

Weighted base: 522 UK adults surveyed in 2024 who had been on an all-inclusive holiday in the last five years compared with 582 who had done so when surveyed in 2014.

However, there is evidence of belt-tightening. Compared with a year ago, spending levels have fallen for most food and drink items. Holidaymakers spent an average of around £373 on nine items of food and drinks, a fall of almost seven per cent. Families spent an average of £394, six per cent less than reported last year.

Figure 7: Spending on meals and drinks within 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	46%	£77.82	57%	£69.22
International brand alcoholic drinks	49%	£51.87	50%	£54.87
Local brand alcoholic drinks	51%	£41.99	50%	£44.36
Cocktails	45%	£41.86	48%	£46.63
Bottles of wine	46%	£38.90	46%	£39.31
Snacks	57%	£37.10	58%	£44.30
International brand soft drinks	52%	£31.04	56%	£34.60
Local brand soft drinks	52%	£29.68	55%	£32.35
Bottled water	57%	£22.56	59%	£28.34
Average total		£372.82		£393.98

Weighted base: 522 UK adults (193 families) who had been on an all-inclusive holiday in the last five years excluding those who spent nothing.

Extra spending in local resorts

These days few all-inclusive holidaymakers remain within their resort throughout their holiday. Almost four-in-five (78 per cent) of those surveyed for the Holiday Spending Report ventured into local resorts and paid for a wide range of items on their last trip abroad.

Although the numbers of all-inclusive holidaymakers spending money on food and drinks in local resorts rose to 68 per cent (70 per cent of families), the amount they spent in restaurants, bars and shops fell by over six per cent from £293 last year to almost £274. Families spent over nine per cent less – £300 compared with £331 reported a year ago.



Figure 8: Spending on food and drinks in local restaurants, bars and shops

	All holidaymakers		Families	
	% who spent extra outside resort/hotel	Average spent outside resort/hotel	% who spent extra outside resort/hotel	Average spent outside resort/hotel
Eating out	77%	£66.89	75%	£62.30
Alcoholic drinks	67%	£48.28	63%	£49.28
Bottles of wine	46%	£37.07	48%	£40.81
Snacks at a bar/cafe/ restaurant	65%	£34.33	67%	£37.30
Snacks from a shop	76%	£25.50	81%	£31.52
Soft drinks	75%	£23.17	77%	£28.64
Ice cream	69%	£19.48	73%	£27.35
Bottled water	72%	£19.10	74%	£22.76
Average total		£273.82		£299.96

Weighted base: 522 UK adults (193 families) who had been on an all-inclusive holiday in the last five years excluding those who spent nothing.

Laura Plunkett, Head of Travel Money at Post Office, which accounts for one-in-four UK foreign exchange transactions, said: *“The evidence provided by holidaymakers who have travelled abroad in recent years makes it clear that most people set inadequate budgets and end up overspending as a result. Given the rising concerns about resort costs, we urge holidaymakers to think back to the overall cost of their last holiday and set a budget based on that experience. This will be the most practical way to avoid incurring extra fees for paying with a debit or credit card or having to withdraw cash from an ATM. A good solution is to carry a combination of cash and money held on a pre-paid Travel Money Card that will not incur extra transaction charges.”*

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Sources:

- Consumer research by Yonder for Post Office Travel Money among 2,067 UK adults (28-30 April 2024), of whom 1,382 have been on a holiday abroad in the past five years and 1,262 are planning to do so this year (533 of the survey sample were parents and 405 of these had been on a family holiday in the past five years, with 378 planning to do so this year). Weighted bases were used throughout the report.
- Research commissioned by First Rate Exchange Services and conducted by Jigsaw Research among 2,000 regular UK travellers in February 2024.