

U.K. Consumer Confidence Drops the Most in a Year

U.K. consumer confidence fell in December by the most in more than a year as expectations for the economy deteriorated, Nationwide Building Society said. The index of consumer sentiment declined five points from the previous month to 69, the biggest drop since November 2008, the customer-owned lender said in an e-mailed statement today. A measure of consumers' economic expectations in the next six months fell eight points to 101. With December marking the annual Christmas season peak for shopping, the report may signal a setback for retail spending as consumers brace for higher taxes to curb Britain's record budget deficit. Prime Minister Gordon Brown is trying to revive the economy and restore support among voters in time for an election due by June. "An element of caution may have begun to creep back into the minds of consumers," Nationwide Chief Economist Martin Gahbauer said in the statement. "Lower expectations may foreshadow a more sluggish consumer outlook in 2010 as stimulus measures are withdrawn."