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Britain’s food service sector records a fifth straight quarterly decline

A 0.6% rise in September failed to reverse a 1.9% third-quarter drop in restaurants, pubs and cafes

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Britain’s food and beverage service industry extended its downturn in the third quarter, even as accommodation businesses grew and the sector posted a small monthly rebound in September.

Data released by the Office for National Statistics on Thursday, November 12, showed that real value added in food and beverage service activities fell 1.9% in July through September compared with April through June, using seasonally adjusted chain volume measures. The decline marked a fifth straight drop in the rolling three-month comparison for the industry.

The weakness in restaurants, pubs, cafes and other food and drink service businesses outweighed growth in accommodation. Real value added in accommodation rose 2.5% in July through September from the previous three-month period, but that increase did not offset the decline in food services. Across the broader accommodation and food service category, real value added fell 0.5% from the second quarter.

The September figures showed some improvement from August, but not enough to change the broader trend. The ONS said the food and beverage services index rose to 98.5 in September from 97.9 in August, a monthly increase of 0.6%. Even after that rise, the index remained 4.4 points below its level in September 2025, a decline of 4.3% on the year.

The industry also stayed below its performance earlier in the year. Based on the monthly indexes published by the ONS, the average level of food and beverage services from January through September was 1.9% lower than in the same period of 2025.

The figures point to a widening split inside one of Britain’s consumer-facing service industries. Hotels and other accommodation providers expanded in the third quarter, while businesses tied more directly to eating and drinking out continued to contract. Because food and beverage services account for a large part of the combined category, their decline pulled the broader sector lower despite the gain in accommodation.

The ONS published the data as part of its monthly gross domestic product estimate and its index for food and beverage service activities. The measures are adjusted for seasonal patterns and expressed in chained volume terms, which are designed to show changes in output after stripping out the effect of price movements.

The quarterly fall in food services matters beyond the sector itself because hospitality is closely tied to household spending and discretionary demand. A rise in the monthly index in September suggests some stabilization at the end of the quarter, but the annual comparison shows activity remained well below the level seen a year earlier.

The latest release does not change the underlying picture that has formed through most of 2026. Food and beverage service activity has weakened on both a rolling quarterly basis and over the first nine months of the year, while accommodation has shown greater resilience. That divergence left the broader hospitality measure in negative territory for the third quarter.