# Next to trial self-service tills amid rising wage costs



Next, a prominent UK retailer, is set to trial self-service tills in selected stores beginning in February and March this year. This initiative follows warnings from Chief Executive Lord Simon Wolfson regarding a £67 million increase in wage costs due to recent governmental budget adjustments. Speaking to Retail Gazette, Lord Wolfson noted that the rollout of these self-service machines could include functionalities such as allowing customers to scan and return unwanted products, ultimately enhancing convenience by enabling returns to secure lockers instead of traditional tills.

The decision to implement self-service tills is rooted in Next's strategy to adapt to financial pressures such as the impending rise in employer National Insurance contributions from 13.8% to 15%, and a decrease in the earnings threshold, which will shift from £9,100 to £5,000. Concurrently, the minimum wage is set to increase by 6.7%, leading to new hourly rates: for those aged 21 and over, the rate will rise from £11.44 to £12.21; ages 18 to 20 will experience an increase from £8.60 to £10; while individuals under 18 and apprentices will see their hourly wage rise from £6.40 to £7.55.

In light of these financial adjustments, Next announced the need to implement a 1% price increase on its products, which is expected to alleviate approximately £13 million of the additional wage expenses. While the retailer has clarified that it will not be pursuing mass redundancies, Lord Wolfson explained the approach to managing employment levels: as natural staff turnover occurs, the company will opt to bring on fewer new hires as it introduces operational efficiencies.

Despite these challenges, Next has reported a 5.7% increase in underlying full-price sales for the fourth quarter and has once again raised its pre-tax profit outlook to £1.010 billion, representing a 10% increase from previous forecasts. However, expectations for the financial year ending January 2026 indicate a slowdown in sales growth to around 3.5%, with a more modest group profit rise of 3.6% to £1.05 billion. The company stated, “We believe that UK growth is likely to slow, as employer tax increases, and their potential impact on prices and employment, begin to filter through into the economy.” As a result, Next has adjusted its expectations in response to the evolving economic landscape and operational demands.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Corroborates Next's plan to trial self-service tills in selected stores starting in February and March, and the reasons behind this initiative, including the £67 million increase in wage costs.
2. <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Supports the information about the functionalities of the self-service machines, such as allowing customers to scan and return unwanted products to secure lockers.
3. <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Details the financial pressures Next is facing, including the increase in employer National Insurance contributions and the minimum wage rise.
4. <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Explains the impact of the financial adjustments on Next's employment strategy, including not pursuing mass redundancies and managing staff levels through natural turnover.
5. <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Reports on Next's decision to implement a 1% price increase to alleviate some of the additional wage expenses.
6. <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Provides information on Next's financial performance, including the 5.7% increase in underlying full-price sales for the fourth quarter and the raised pre-tax profit outlook.
7. <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Discusses the expected slowdown in sales growth and the adjusted profit expectations for the financial year ending January 2026.
8. <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Mentions the broader economic impact of employer tax increases on prices and employment, as stated by Next.
9. <https://www.gov.uk/government/news/national-insurance-contributions-changes-from-april-2025> - Could corroborate the changes in employer National Insurance contributions and the minimum wage increases, though this specific link is not provided in the sources, it is a relevant external source.
10. <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Reiterates Next's commitment to not closing any stores despite the financial challenges and the focus on operational efficiencies.
11. <https://www.mirror.co.uk/money/next-making-major-change-checkouts-34440925> - Please view link - unable to able to access data