

News Release

UK dividends fell 1.4% in Q3 to £24.6bn: few large cuts made disproportionate impact

- UK companies paid £24.6bn in dividends during Q3: down 1.4% year-on-year; one-off special dividends dropped to multi-year lows
- The underlying decline of 0.6% was slightly better than forecast
- Five large cuts by top 100 companies impacted the growth rate by 5.7 percentage points during Q3
- Buybacks remain a major factor dragging on dividend growth
- Median dividend growth was a modest 3.0%
- 2025 forecast: reduced on lower special dividends and weaker outlook for Q4
- 2025 forecast: UK dividends projected to fall 2.3% on an underlying basis in 2025

Bristol, 23 October 2025 — UK-listed companies paid their shareholders £24.6bn during the third quarter of 2025 — down 1.4% year-on-year on a headline basis — according to the latest Dividend Monitor from Computershare.

The global financial services company said that unusually low one-off special dividends had affected the headline total, though the underlying picture was also weak.

The report added that regular dividends of £24.5bn (which exclude special payments) also fell, down 0.6% on a constant-currency basis, though this beat its forecast of -0.9%.

A handful of companies making big cuts — knocking 5.7 percentage points off the Q3 growth rate between them — accounted for the overall decline (see [report](#) for detail).

17 out of 21 sectors saw higher payouts year-on-year on an underlying basis, and 8 companies in ten either increased dividends or held them steady year-on-year.

Mark Cleland, CEO Issuer Services United Kingdom, Channel Islands, Ireland and Africa at Computershare, said: “We are seeing some further cuts for Q4, and little prospect of higher payouts from global multinationals like those in the oil sector.

“The combined effect of widely reported falls in business and consumer confidence, sticky inflation and high market interest rates also make for a challenging economic backdrop for domestically-focused companies.

“In addition, companies are diverting a lot of cash to share buybacks, and this is a significant factor slowing dividend growth – around 160 companies now have active programmes, and some are very sizeable.

“All this adds up to a projected unusual second consecutive annual decline in dividends for 2025, leaving payouts a long way short of the pre-pandemic highs.”

Mining

The mining sector saw payouts fall by a quarter as profits among the biggest companies came under further pressure.

Key dividend payers

Dividend cuts by Vodafone and Burberry also made a significant impact, according to the report.

For the second consecutive quarter Rolls-Royce made the largest positive contribution with its first interim payment since before the pandemic, adding 1.5 percentage points to Q3 growth.

Across the wider market, median per-share dividend growth was a relatively modest 3.0%, but there were pockets of real strength.

Banking

NatWest raised its dividend by more than half on the back of strong earnings growth, and Lloyds also made a large increase.

Q4 outlook

The report points out that the outlook for the fourth quarter has worsened, with a greater drag from share buybacks, slower median dividend growth and some new cuts in the pipeline.

For example, Shell has spent twice almost as much on buybacks over the last year than on dividends – before 2022 the company's dividends had always been larger.

The report now projects underlying, constant-currency growth of 2.5% for the full year of 2025 (down from 2.8% three months ago), yielding regular dividends of £84.7bn.

At the headline level, one-off special dividends are proving unusually rare this year.

As a result, the report has lowered Q4 projections for them, taking the annual total to £2.5bn, down (£2.7bn) from £5.2bn in 2024.

Along with the effect of the strong pound, the report anticipates total UK dividends falling to £87.2bn in 2025: down 2.3% on a headline basis (compared to a projected 1.4% decline three months ago).

The combination of surging UK share prices and a slightly lower report forecast means the prospective yield on UK equities for the next 12 months has dipped to 3.3%, down from 3.4% three months ago.

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Notes

1. For high resolution images of spokespeople, visit <http://cpu.vg/spokespeople>.
2. The Dividend Monitor calculates underlying dividend growth by deducting one-off special dividends from the headline figure and adjusting for movements in exchange rates.
3. The Dividend Monitor is a publication produced by Computershare Investor Services PLC in association with 5i Research UK. This publication is intended for general information purposes only. It is under no circumstances intended to be used or considered as financial or investment advice, a recommendation, or an offer to sell, or a solicitation of any offer to buy any securities or other form of financial asset or to be relied on by the reader in any way.
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