

Jobs cull in UK retail industry set to continue in 2026

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The UK retails industry continued to bleed jobs last year and the cull is not expected to abate in 2026. According to the Centre for Retail Research, the final tally by the end of 2025 is 17,349 store closures and 201,953 redundancies.

In the first days of this year, high street retailer Claire's—a favourite for children aged 8-12 for its bright accessories—and the Original Factory Shop—a discount department store chain established in 1969—announced they were going into administration, threatening 2,500 jobs. Modella Capital, which owns both, blamed low Christmas sales, “government fiscal policies... and inflation,” with stiff competition from Chinese online retailers among others.

Modella only recently took over Claire's remaining 154 stores in September, after it previously went into bankruptcy with the loss of 145 stores and 1,000 jobs. It bought out the Original Factory Shop earlier last year and now its 140 stores are at risk.

Modella is a predatory investment firm, scouring the industry for buyouts. Last year, it took ownership of high street stationery chain WHSmith's and arts and crafts Hobbycraft stores.

According to the *Guardian*, in the four years since it was established, Modella has taken over 900 shops employing 10,000 staff. It bought out Hobbycraft and The Original Factory Shop through company voluntary arrangements and then proceeded to restructure. This involved the closure of 18 stores at Hobbycraft, shedding 600 jobs, and 41 store closures at the Original Factory Shop. Twenty WHSmith's outlets were closed out of its 500.

So many jobs have gone in the industry that Helen Dickinson, Chief Executive at the British Retail Consortium, said in December: “The number of retail jobs is now at a record low, and more have been lost in

the last year than are employed in the fishing and steel manufacturing industries combined.”

There were just over 2.8 million jobs in retail in September 2025, 74,000 fewer than the previous year.

This followed a dismal 2024 which saw the closure of major high street names including Lloyds Pharmacy, Carpetright, Homebase, The Bodyshop and Ted Baker. The redundancy fallout totalled 172,485 job losses as 13,639 stores shuttered, meaning almost 400,000 jobs have gone in the sector in just two years.

Many of the store closures are in the retail fashion sector. Between 2024 and 2025, Zara closed over 100 stores across the globe including its Swansea and Old Trafford locations in England, to concentrate on online sales. The rise of online shopping has had a devastating impact on the high street, which has the added costs of rental, in-store staff and, at the higher end, maintenance of glitzy interiors.

River Island is expected to close the doors to 33 of its 250 stores by the end of February as part of a restructuring plan.

At the beginning of 2025, fashion chain Quiz, prominent on the high street in Scotland, went into administration, closing 23 stores with 191 redundancies. An uptick in sales and the announcement of 5-10 new stores in October still left a net loss of stores and jobs.

Select Fashion collapsed in April, leading to the closure of 35 shops. In August, fashion chain New Look joined the list of retailers in difficulty, leading to the closure of 41 outlets out of 338.

Beauty Chain Bodycare closed 32 stores out of 147 and laid off 250 employees. The brand has now been taken over by an investment firm led by former Bodyshop CEO Charles Denton.

H&M fashion retailer closed seven shops under its

Monki brand.

Discount chain Poundland was bought out last June by Gordon Brothers for £1 in a rescue plan that meant the closure of 68 out of its 825 stores and 1,000 job losses.

In July, Scottish craft brewery BrewDog shut 10 of its sites.

The list is endless, hitting small and large businesses alike. Seraphine, a retailer specialising in maternity fashion, entered administration in July. There were 95 redundancies after Next jumped in to buy the brand for £600,000. Even the fact that Kate Middleton—wife of the heir to the throne Prince William—wore the brand during her pregnancies failed to boost sales.

Fired Earth, luxury design and tile maker, went into administration in October, losing 133 employees and closing 20 showrooms. Hardware chain Coopers of Beccles shut shop in October—four stores and 45 jobs gone.

Food chains are also affected. Leon will close 20 of its restaurants in the new year. Ubiquitous coffee shop chain Starbucks began a jobs cull with the closure of 10 cafes in October. The same month, Pizza Hut announced 68 of its restaurants would shutter plus 11 delivery sites—1,210 redundancy threats.

The assault on jobs in the retail industry is just one piece of a broader unemployment crisis. In its new year outlook report, the Resolution Foundation (RF) think tank warned that job losses are set to rise across different sectors this year due to interest rates at 3.75 percent, rising energy prices and a pitiful increase in the minimum wage (to £12.71 an hour for over 21s). Overall unemployment reached 5.1 percent in October.

Rising unemployment in Britain is part of a global restructuring by corporations, using AI and new technologies to cut labour costs and drive-up profits. RF chief Ruth Curtice commented that multiple struggling “zombie” firms marked by low productivity could go under this year, and “leave the door open for new, more productive ones to replace them.”

In the US, RETAILDIVE reported a 35 percent rise in retail job between October and November. According to data compiled by Challenger, Grey and Christmas, over 11 months the number of job cuts rose 140 percent to almost 92,000 by November 2025. Overall unemployment in the US rose to 4.6 percent in 2025, the highest in five years, affecting many sectors

including the auto industry, logistics and federal employment.

In Germany, the auto industry eliminated 55,000 jobs in 2025. Overall unemployment increased by 161,000 people to 2.948 million—the highest annual figure since 2013. Joblessness in the EU reached 6.3 percent last November, an additional 416,000 people compared to a year earlier.

The trade union bureaucracy mounts no defence against job cuts and openly defend the nationalist agenda of governments pitting workers in different countries against each other. When they are forced to call strikes, the unions keep workers isolated and push through concessions.

USDAW is the main union representing retail workers in the UK. Out of a total of close to three million workers in the sector, around 10.4 percent are USDAW members, according to Statistica. Notoriously poorly paid, a significant proportion of retail workers rely on in-work benefits. According to a recent USDAW survey of its members, 83 percent who do so reported being worse off over the previous 12 months.

USDAW has made no attempt to mobilize its members across the sector in unified strikes to defend jobs, wages and conditions. It calls on the Labour government to pursue a corporatist strategy “to work with them [USDAW] and employers to develop a retail industrial strategy to tackle longstanding and ongoing difficulties in the sector and help save our shops.”

Retail workers can expect nothing from this bankrupt programme; they must take matters into their own hands. The first step is to begin building rank-and-file committees in every workplace which can then organise the fight to defend retail workers’ interests which the union bureaucracy will not. Allies and advice can be found through the International Workers Alliance of Rank-and-File Committees.



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