

# SME Confidence Stalls

The Q4 2025 GECS indicators continue to point to a very downbeat business climate for UK SMEs, with confidence struggling to recover from its historic low in 2024 as the sector continues to grapple with the impact of weak growth and rising costs.

## UK SMEs GECS Confidence Index



Source ACCA / IMA 2026

## How is SME sentiment changing?

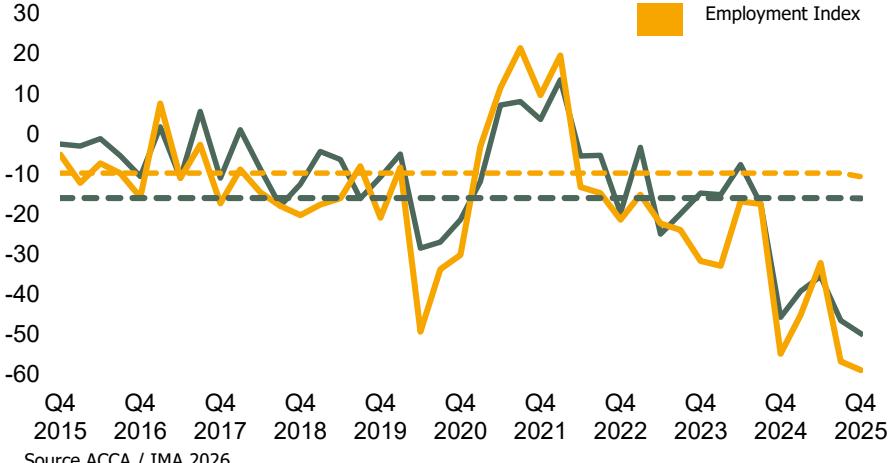
Confidence among UK SMEs declined slightly in Q4, falling to its second lowest score in the survey's history. Confidence has remained very close to its historical low for the whole of 2025.

The Capital Expenditure and Employment indices demonstrated heightened caution among smaller firms, where the former is at its second lowest in the series history, while the latter is at a record low.

2026 looks set to be another challenging year, amid sluggish UK economic growth and massive global uncertainty.

## Investment in people falls

Average  
Investment in Staff  
Employment Index



Source ACCA / IMA 2026

## Challenging times for SMEs

The only slight positive was from the forward-looking New Orders Index, which slightly improved in Q4 – though it remains low level by historical standards.

Cost pressures remain intense – with over 80% of respondents reporting increased operating costs in Q4. Meanwhile, looking at our early indicators of corporate stress, problems securing prompt payment, concerns about customers going out of business, and concerns about suppliers going out of business, all remained elevated by historical standards.

## What this means for policy makers



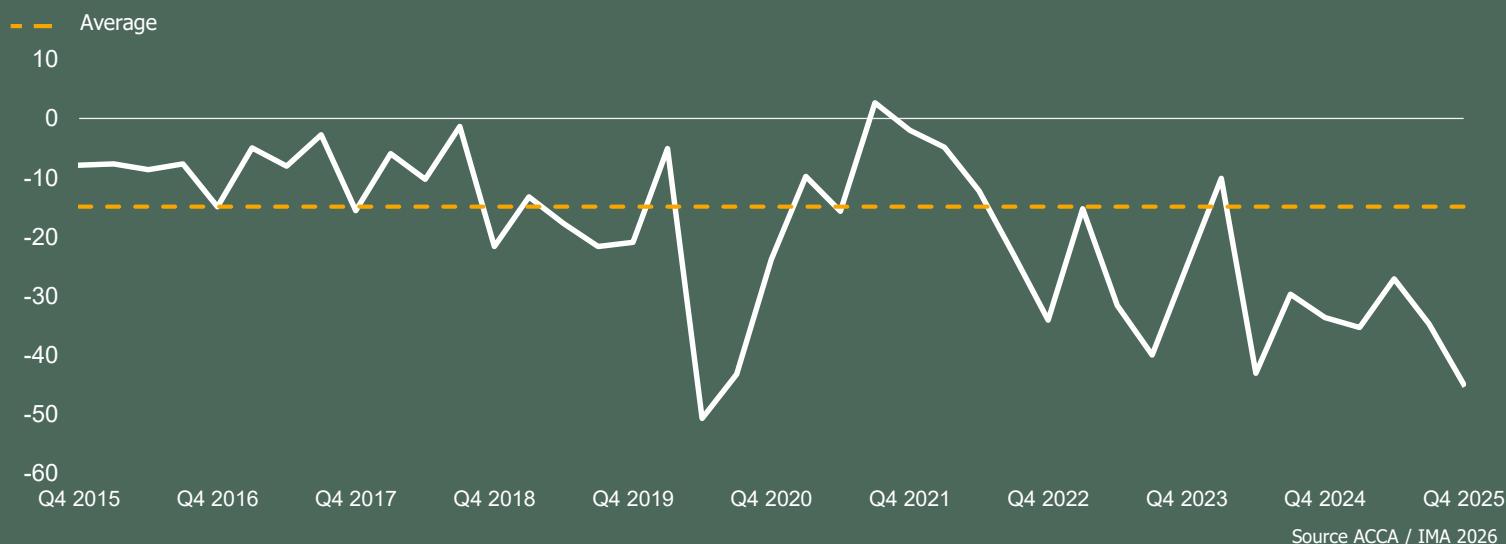
Business confidence is fragile, from a dramatic fall in confidence following the 2024 Budget, little improvement has been made, and while the falls after the 2025 Budget are smaller in comparison, the impact on SMEs and the economy is quite stark. While there is a small improvement in the new orders index, the continuing declines in our employment and investment in people index are particularly concerning. With economic growth a key mission for this government, businesses need simplicity, certainty and stability.

Glenn Collins, Head of Technical and Strategic Engagement, ACCA

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ACCA conducts the Global Economic Conditions Survey (GECS), jointly with the Institute of Management Accountants (IMA), and it is the world's largest regular survey of accountants, both in terms of the number of respondents and the range of economic variables monitored. Access the full report: [Global Economic Conditions Survey: Q4 2025](#)

## UK SMEs GECs Capital Expenditure Index



Source ACCA / IMA 2026

## UK SMEs GECs Increased operating costs



Source ACCA / IMA 2026

## UK SMEs GECS Problems securing prompt payment



Source ACCA / IMA 2026