

Small Business Banking - UK - June 2015

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"Banks have a larger potential customer base for small business banking products than ever before. However, there are gaps in the market that must be addressed.

Convincing sole traders of the benefits of business accounts over personal ones is key to growing account numbers."

– Rich Shepherd, Financial Services Research Analyst

This report looks at the following areas:

- Satisfaction may be high, but trust is low
- Banks need a new approach to self-employed workers

There are more small businesses trading in the UK now than ever before. The number of small businesses has grown from 4.4 million in 2010 to 5.2 million in 2014. This has given banks a huge opportunity to build larger small business banking portfolios. However, the number of small business bank accounts increased by just 0.5% in 2014, with the size of the market broadly stagnant since 2011. While the value of the accounts that have been set up has soared in the last year, providers need to improve their reach, especially among sole traders and start-ups.

This report examines the UK market for small business banking, specifically small business current accounts. This includes discussion of the size of the market for small business current accounts, with a forecast for the next five years, and a look at major factors which influence the market. The report also examines lending to small businesses.

The report looks at the key players in the market, including market share, company strategies and promotional activity. Finally, Mintel's exclusive consumer research covers the market in detail. This includes looking at the rates of ownership of small business bank accounts, the services that small business owners use and how satisfied they are with their current bank. The report also examines the length of business owners' relationships with their banks and their switching intentions, what other products they have, and experience of borrowing and how confident business owners are of obtaining credit now. Finally, the report looks at consumers' attitudes towards business banking, and towards borrowing.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Satisfaction may be high, but trust is low

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Banks need a new approach to self-employed workers

The facts

The implications

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The Market – What You Need to Know

- 17.5% growth in business current account balances
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"The lending bank"

HSBC

Barclays

Lloyds Banking Group

RBS Group

"The helping bank"

HSBC

Barclays

Lloyds Banking Group

RBS Group

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