

## Small Business Banking - UK - September 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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“The small business banking market is taking steps to address the concerns raised by the CMA by increasing competition and differentiation, particularly through the introduction of innovative and useful digital tools.

However, there is a long way to go.”

– **Rich Shepherd, Senior Financial Services Research Analyst**

This report looks at the following areas:

- **Increasing switching activity will be a tough task**
- **Opportunities for digital banks**
- **Small business owners are starting to dig in ahead of Brexit**

According to the Department for Business, Energy and Industrial Strategy (BEIS), the UK was home to 5.46 million small businesses in 2016. This makes the small business community a huge target customer base for retail banks offering business accounts.

Small business banking is a growing sector, with the value of deposits having grown significantly in the last five years. However, there are challenges to overcome. Notably, the market suffers from a distinct lack of differentiation and customer engagement, as noted by the Competition and Markets Authority’s (CMA) Retail Banking Investigation. At the same time, concerns over the uncertainty caused by Brexit are spreading caution among small business owners.

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### DID YOU KNOW?

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Opportunities for digital banks

The facts

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Small business owners are starting to dig in ahead of Brexit

The facts

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## The Market – What You Need to Know

Small business balances are forecast to reach £135 billion by 2022

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Government agrees deal to support post-Brexit exports

## Companies and Brands – What You Need to Know

The Big Five banking groups hold 88% of small business accounts  
 Challengers and incumbents seek to improve their digital services  
 Business banking adspend totalled £31.7 million in 2016/17

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The Big Five banking groups hold 88% of small business accounts...

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Nielsen Ad Intel coverage

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 Three in 10 business owners plan to increase their cash reserves  
 Push factors hold more sway than pull factors  
 Online banking is the preferred channel for most tasks

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Banks suffer from a serious lack of differentiation

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Online banking is the preferred channel for most tasks...

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