



PRESS RELEASE

MAJORITY OF BLACK BUSINESS OWNERS LACK TRUST IN BANKS TO SUPPORT THEIR BUSINESS GOALS

- **Less than half (43%) of Black business owners trust banks to have the best interests of Black entrepreneurs in mind, even fewer (27%) trust the government**
- **Despite recognising the role that banks can play in growing their businesses, only 13% of Black-owned businesses look to banks when seeking financial support**
- **More than half (53%) of respondents have experienced societal racism**

Financial institutions are failing the Black business community as less than half (43%) of Black entrepreneurs trust banks to have their best interests in mind. Findings are based on research from the Black Business Network sponsored by Lloyds Bank and undertaken by Savanta. More than 800 participants from Black communities in Britain completed the survey, the majority (65%) of which were female.

The survey outlines a trust gap between the Black business community and two of the biggest institutions in the UK, banks and the government. While trust in banks is low, Black business owners also revealed their sentiment towards the political players of the country. Only around a quarter (27%) trust the national government to have their best interests in mind.

This low level of trust in banks is influencing Black business owners' borrowing habits. They are far more likely to be self-financed (34%) than use financing from banks (13%). This means entrepreneurs are not only missing out on financial support from traditional lenders, but also access to mentoring and business networks that banks can provide.

Reasons for this include the importance Black business owners place on sources of support understanding their culture and lived experience (79%). The way that Black entrepreneurs are treated is also another reason for these findings. More than half (53%) of Black business owners have experienced negative societal discrimination.

Despite feeling alienated by the main institutions in the UK, the 'Black pound' holds significant value, with firms owned by people of African and Caribbean origin contributing £25 billion annually to the British economy. This further outlines how the needs of Black business owners are not being met*. Based on this research, Lloyds Bank worked with their Black Business Advisory Committee to create a set of recommendations to increase the trust of Black business owners.



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These include partnering with local communities to gain trust, collaborating with schools and universities to encourage entrepreneurship and creating a bespoke mentoring programme.

Shari Leigh, Founder of Black Business Network and member of the Black Business Advisory Committee said: “For the Black business community these findings are nothing new. The legacy of ties to the slave industry and unaddressed structural racism remain at the forefront of conversations within the Black British community.

“It's commonplace to balance the idea of want versus need when engaging with traditional financial institutions, questioning the importance of our feelings and visibility. It just shouldn't be this way.

“We use, work for and contribute to these institutions and we should be seen and heard. This research is important because it quantifies Black business communities' unapologetic thoughts and experiences and outlines tangible steps that Lloyds Bank and other institutions can take to address this lack of trust in real, tangible ways.”

Paul Gordon, Managing Director, SME and Mid Corporates, Lloyds Bank Commercial Banking said: “These findings make uncomfortable reading, from which we cannot and will not shy away. We're taking steps to better understand the needs of Black colleagues and customers through our Race Action Plan, and by working with our partners including the Black Business Network, Foundervine and the Black Business Advisory Committee.

“Banks have a vital role to play in creating a more diverse and inclusive business community in the UK which will benefit the country. We know we still have a long way to go, and this is not an easy fix or a matter of better signposting what we do. We are committed to large-scale change and collective action to help pave a way for Black-owned businesses to thrive.”

ENDS



Notes to editors:

Research conducted by Savanta, a UK-based data, market research and advisory company. Savanta interviewed 808 Black entrepreneurs (345 Black business owners and 218 Black employees, 245 Black students) in the UK, on 12th April to 24th May 2021. The research findings have been shared and discussed with the Lloyds Bank Black Business Advisory Committee, Black community leaders and business owners to inform the following recommendations and actions:

1. Improve cultural awareness and Black representation in banking
2. Partner with grass roots and local community organisations to gain trust
3. Provide ringfenced support to create equity
4. Provide opportunities to improve knowledge and skills core to entrepreneurship
5. Create a central hub of support available from trusted sources
6. Collaborate with schools and universities to encourage entrepreneurship
7. Provide networking opportunities
8. Create a bespoke mentoring programme
9. Promote the support that is available and relevant case studies
10. Provide fair and equitable opportunities to be part of supply chains and business ecosystem

*Findings from The Centre for Research of Ethnic and Minority Entrepreneurship, based on Federation of Small Business (2020)

[Foundervine](#) aims to build opportunities in underserved communities that help tomorrow's leaders shape the future. By connecting today's leaders with mission-led organisations, they are transforming society by making innovation open to anyone, anywhere.

Lloyds Bank is committed to a multi-year plan of research and actions to move the dial for Black entrepreneurial success. [The Lloyds Bank supporting Black-owned business](#) is a central hub for support available and will be kept live with new initiatives.

[Lloyds Banking Group's Race Action Plan](#) focuses on three key areas of Culture, Recruitment and Progression to drive change internally and externally to accelerate the aim of creating an inclusive environment for everyone in the bank.

Media contacts:

Sarika.thanki@lloydsbanking.com
0778 921 4982

Antoniafagbohun@coldr.london
07568 581 693