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Overall business confidence	Monthly change	Trading prospects	Economic Optimism
50%	**+8 points**	**62%**	**39%**

Business confidence regains ground at start of fourth quarter

- Business confidence rose eight points to 50% in October
- Nearing two-thirds of businesses plan to grow workforce
- Nine of the UK's regions and nations saw business confidence improve
- Confidence rose most notably in the manufacturing, construction and retail sectors.

Business confidence rose in October, increasing eight points to 50%, according to the latest Lloyds Business Barometer. The rise follows a dip in September, with the uplift marked by increased confidence across several regions and sectors.

Confidence in businesses' own trading prospects increased by 11 points to 62%, while economic optimism improved for the first time in three months, up six points to 39%.

Hiring intentions strengthen

Businesses' hiring intentions for the next 12 months also improved, with 60% of all businesses surveyed expecting to hire more staff in the coming year, up from 55% in September. 12% anticipate reducing staffing levels, down from 17%, resulting in a net balance of 48%.

Wage growth expectations remained steady in October, with 32% of UK businesses forecasting average pay increases of 3% or more.

Prices pressures hold steady

Businesses' price expectations remained unchanged in October, with a net balance of 63% of firms expecting to raise prices over the next year. 65% of firms said they would raise prices in the coming year, while those anticipating price reductions remained at 2%.

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Hann-Ju Ho, Senior Economist, Lloyds Commercial Banking, said:

“Business confidence has risen following a fall in September, with trading prospects and economic optimism nearing the levels reported in the summer. Pricing pressures appear to have eased but continue to be driven primarily by general inflation and rising input and staffing costs.

“Over the course of this year, firms have demonstrated their resilience by adapting to challenges, despite higher labour costs, by focusing on hiring and workforce development.”

Sector Highlights: Manufacturing on the rise

October saw the manufacturing sector’s confidence increase by 31 points to 62%, indicating stronger momentum in the sector. Retail firms also reported a rise in confidence, with the figure increasing by 13 points to 53%. Construction saw a confidence gain for the first time in five months, increasing 23 points to 58%. However, the service sector saw a decline for a third consecutive month, falling three points to 44%.

Regional Outlook: North East most optimistic

Nine of the UK’s twelve regions and nations saw a rise in confidence in October. The North East, West Midlands and London were the most upbeat while Scotland remained above the UK average.

Paul Kempster, Managing Director for Commercial Banking Coverage, Lloyds Business & Commercial said:

“It’s encouraging to see confidence returning to manufacturing and construction sectors. Both play a key role in our national prosperity. As we look towards the end of the year, we can hope that this confidence continues and materialises into further gains for the economy both at a regional, but also national, level.

“As we head into the busiest time of year for retailers, it’s positive to see their confidence rise at the start of the ‘golden quarter’. More broadly, it’s good to see confidence across all sectors higher on average this year than last year.”

Ends

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Notes to Editors

- The fieldwork for the Lloyds Bank Business Barometer was conducted during **1–15 October** by BVA BDRC.
- To understand more about how the Business Barometer compares to other confidence surveys, read our report here.
- The survey covers the online responses of a sample of 1,200 UK companies each month from all industry sectors, regions and firm sizes with annual turnover above £250,000.
- The results are re-weighted to match proportions by sector, region and size of the total business population, as published by the Department for Business, Energy and Industrial Strategy and the Office for National Statistics.
- Net balances are calculated by deducting the percentage of negative responses from the percentage of positive responses.
- Prior to January 2018, the fieldwork was based on telephone responses of 200-300 companies with annual turnover above £1 million.

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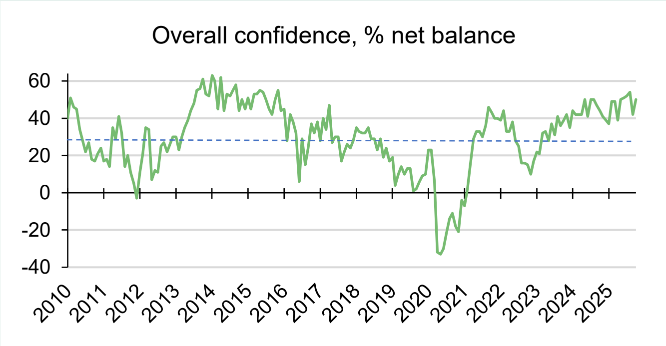
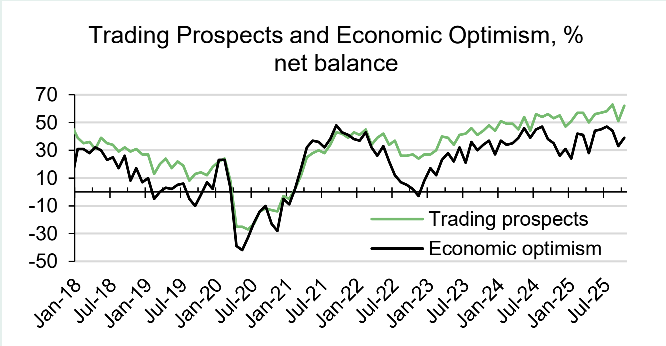
Chart 1: Firms turn positive after September decline



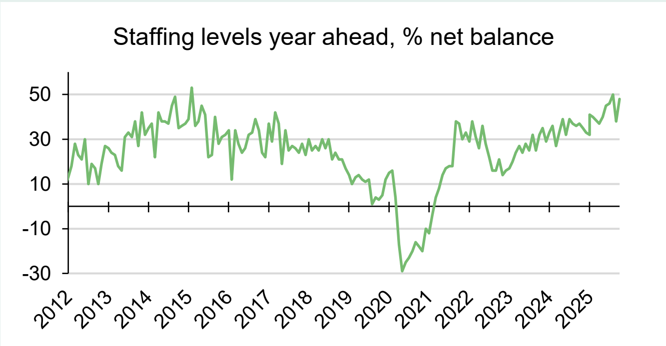
Source: Lloyds Business Barometer (October 2025), BVA BDRC

Chart 2: Economic optimism rises after two-month dip



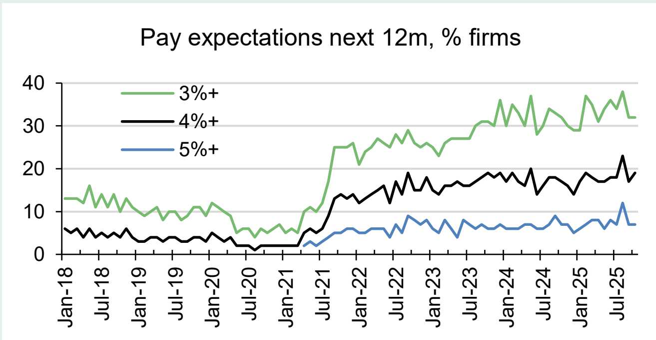
Source: Lloyds Business Barometer (October 2025), BVA BDRC

Chart 3: Staffing prospects brighten as confidence returns



Source: Lloyds Business Barometer (October 2025), BVA BDRC

Chart 4: Sticky pay expectations



Source: Lloyds Business Barometer (October 2025), BVA BDRC

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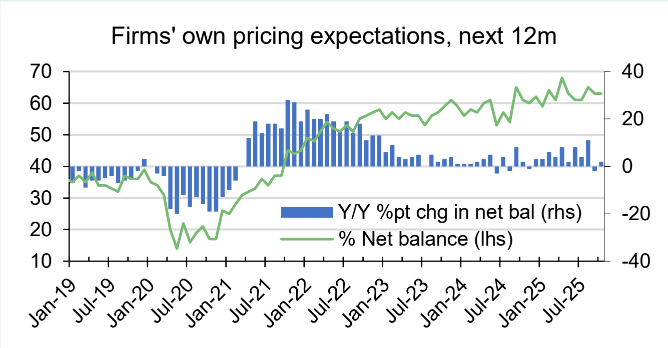
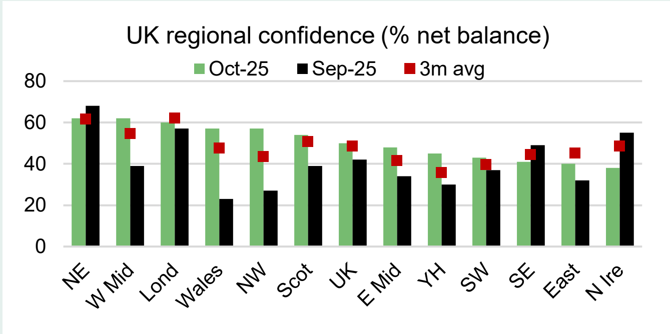
Chart 5: Price expectations hold steady at elevated levels



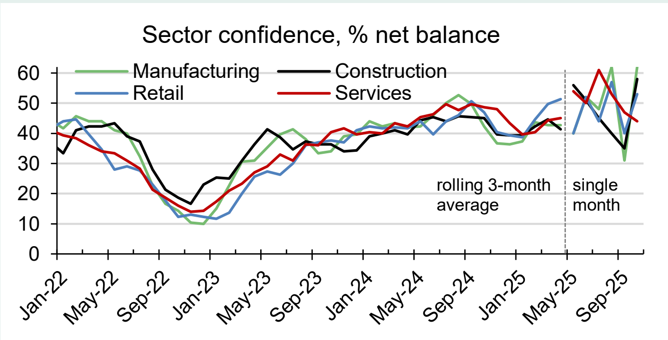
Source: Lloyds Business Barometer (October 2025), BVA BDRC

Chart 6: West Midlands and North East top confidence league



Source: Lloyds Business Barometer (October 2025), BVA BDRC

Chart 7: Sentiment improves in most sectors



Source: Lloyds Business Barometer (October 2025), BVA BDRC

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