



Overall business
confidence

42%



Monthly
change

-8 points



Trading
prospects

53%



Economic
Optimism

31%

UK business confidence softens but remains above long-term average

- Business confidence fell eight points to 42% in November
- Hiring intentions remain positive despite falling slightly from October
- Price pressures show signs of easing with lowest levels since January 2025
- Retail confidence remains higher than this time last year
- Survey data was collected ahead of the Budget

Business confidence fell in November by eight points to 42%, according to the latest Lloyds Business Barometer, but remains above the long-term average of 30%. The survey was conducted between 3 – 17 November, ahead of the Budget.

In addition, the November barometer found that:

- **Trading Prospects:** Confidence in businesses' own trading prospects fell nine points to 53%, while economic optimism fell eight points to 31%.
- **Hiring Intentions:** 56% of firms expect to increase headcount over the next 12 months, down from 60% in October. Those anticipating reductions rose to 17%, leaving a net balance of 39%.
- **Wage growth:** Firms expect slightly lower wage growth, with over a third (35%) expecting pay rises of 3% or more in the next 12 months, fewer than the 39% who found pay had risen 3% or more in the past 12 months.
- **Price pressures:** Businesses' saw prices easing, with the net balance of firms planning price increases falling to 60%. 64% of firms said they would raise prices in the coming year, while those anticipating price reductions rose to 4%, up from 2%.

Contact



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

“Business confidence has eased, with trading and economic prospects softening, though both remain above their long-term averages.

“Firms will need to remain adaptable and resilient as we head into the New Year. Many are already thinking ahead and are considering workforce developments such as additional training or upskilling, as well as adopting new technologies.”

Sector highlights:

Retail confidence remains higher than this time last year, at 45%, 12 points higher than November 2024. The service sector broadly held steady at 42% while confidence in manufacturing and construction saw slightly sharper declines to 44% and 39% respectively.

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

“While business confidence has tempered this month, a wide range of metrics remain above the long-term average.

“As businesses plan for 2026, many will be thinking about opportunity to upskill their workforce, innovate products or explore new markets all with a view of support their growth ambitions as we head into the new year. At Lloyds we are here to support businesses with those growth ambitions, providing regional and sectoral insights.”

Ends

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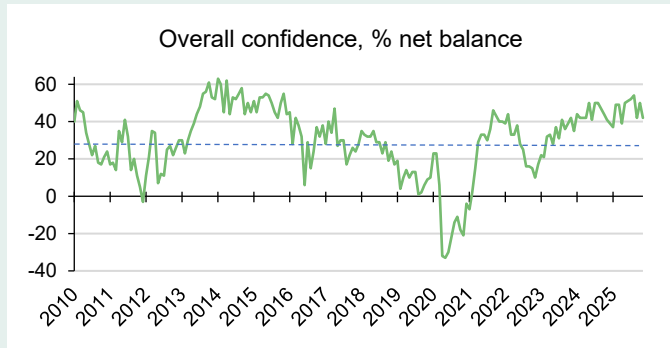
Notes to Editors

- The fieldwork for the Lloyds Bank Business Barometer was conducted during **3–17 November** ahead of the Budget 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.

Contact

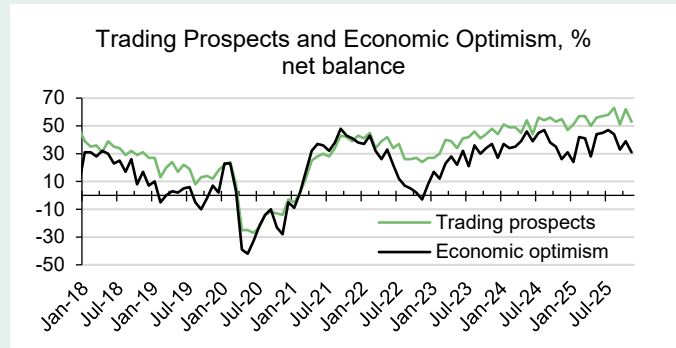
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Chart 1: Confidence slips below recent highs



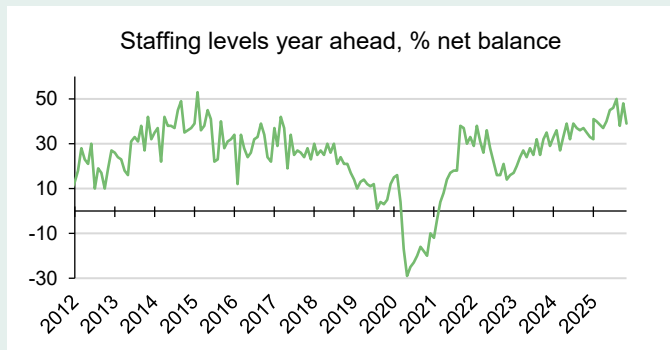
Source: Lloyds Business Barometer (November 2025), BVA BDRC

Chart 2: Trading momentum eases back



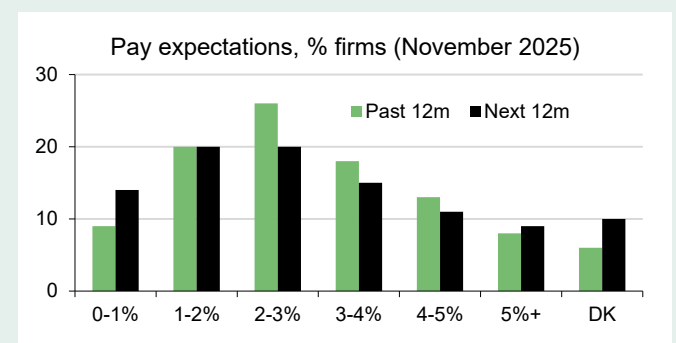
Source: Lloyds Business Barometer (November 2025), BVA BDRC

Chart 3: Net hiring confidence dips



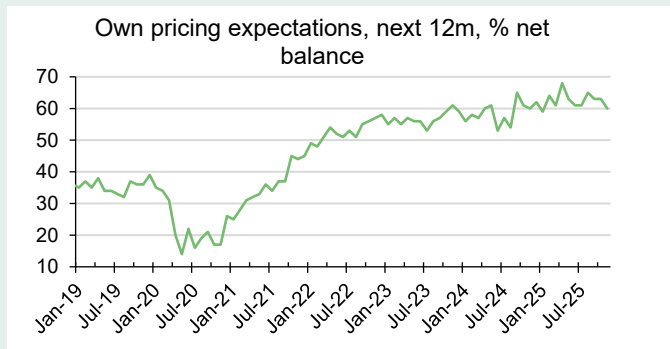
Source: Lloyds Business Barometer (November 2025), BVA BDRC

Chart 4: Cooling pay pressures with upper-end persistence



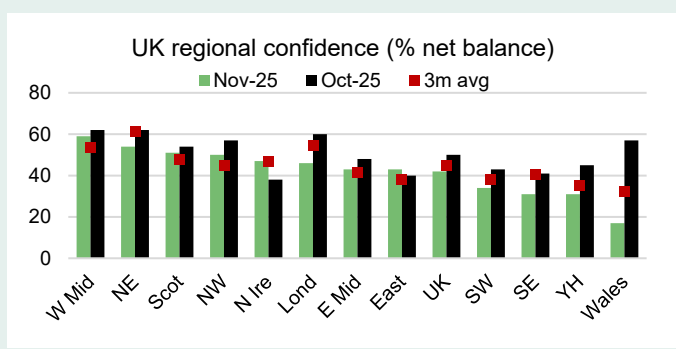
Source: Lloyds Business Barometer (November 2025), BVA BDRC

Chart 5: Majority still plan price increases



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

Chart 6: West Midlands and North East the most upbeat

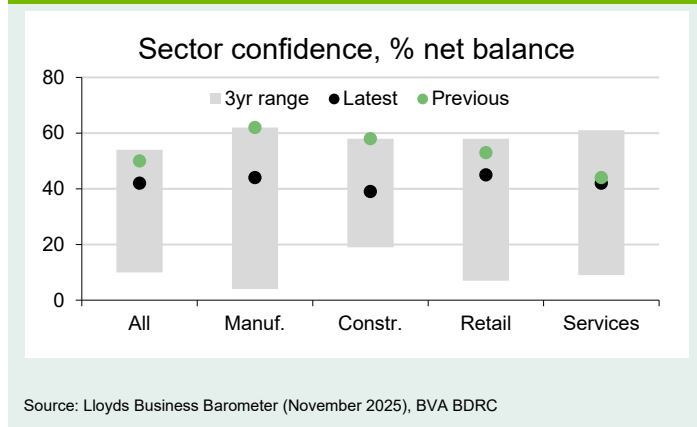


Source: Lloyds Business Barometer (November 2025), BVA BDRC

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Chart 7: Broad-based sector confidence falls



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