



Productivity
+82%



Profitability
+76%



AI investments in 2026
56%

AI BOOSTS PRODUCTIVITY AND PROFITABILITY FOR UK BUSINESSES

- **More than four in five (82%) UK businesses using AI report increased productivity**
- **Over three-quarters (76%) say it has boosted their profitability**
- **More than half (56%) of UK businesses plan to make fresh investments in AI over the coming year, with a quarter of non-adopters expected to start using the technology.**

The vast majority of businesses using AI say the technology has helped them to boost their productivity and profitability, new research from Lloyds' Business Barometer reveals. Of the 59% of UK companies currently using AI, more than three quarters say it has improved their productivity (82%) or profitability (76%).

Productivity benefits have been seen most widely among retailers (84%), while manufacturers have seen the most widespread profitability increases (79%). Regionally, businesses in Northern Ireland have seen the most widespread productivity benefits (95%), while firms in the North West has seen the widest impact in terms of profitability (89%).

Looking ahead, 56% of UK businesses plan to make new investments in AI over the next year, with a quarter (25%) of non-adopters planning to use AI for the first time.

Over a third (37%) of businesses are looking to start or increase their AI investment to win new customers. Firms said the biggest drivers of AI investment were productivity (46%) and profitability (41%), but many are also turning to the technology to attract new customers (37%) and compete with larger rivals (31%). To support their AI adoption plans, one in six UK businesses (17%) plan to create new AI-specific roles over the next 12 months.

However, barriers remain as the cost of the technology (42%), a lack of AI-specific skills (32%) and concerns over data privacy and energy consumption (31%) are still holding some businesses back. Firms said having a better understanding of what AI is and how it could specifically benefit their business (48%), along with examples of how other companies are using it successfully (16%), would make them more likely to increase their AI investments.

Hann-Ju Ho, Senior Economist at Lloyds, said: "AI is enhancing two pillars of business growth: productivity and

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profitability. Our data suggests that up to a quarter of businesses not currently using AI adopt it by this time next year, with significant degrees of follow-on investment planned from current adopters.

“As businesses explore how to unlock more of AI’s benefits, they will look to others for inspiration and support. Collaboration and experience-sharing will play a central role in fully capitalising on the technology’s potential while keeping up to date with the latest iterations.”

ENDS

Notes to Editors

¹ Overall business confidence is a measure of responses from surveyed companies, which is calculated as an average based on their views on business prospects and optimism on the UK economy.

² The long-term average for business confidence is calculated as the average since the survey began in 2002, taking into account the expansion of the survey’s sample size at the start of 2018 when firms with turnover below £1m were included for the first time.

- The Business Barometer results provide early signals about UK economic trends. The survey started in January 2002 and research is carried out monthly on behalf of Lloyds Bank by BVA BDRC. This survey was conducted with 1,200 companies between 1st and 16th May 2025.
- 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.
- The overall ‘balance’ of business confidence opinion weighs up the percentage of firms that are positive in outlook against those that are negative and gives a net balance on a scale of -100% to 100%, where a score of 0 would mean there was an even balance of positive and negative sentiment.
- For further summaries and infographics, see #BusinessBarometer or follow @LBGplc on Twitter.

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