



**48% see boost in profits**



**87% see improved productivity**



**32% investing in AI skills**

## UK BUSINESSES ADOPTING AI SEE STRONG GAINS IN PROFITABILITY AND PRODUCTIVITY

- Half of firms that saw a profit boost from AI recorded an 11% uplift
- Two thirds of businesses have invested in AI, most spent less than £25,000
- Companies in London and West Midlands lead the UK on AI usage and investment

New findings from the Lloyds Business Barometer show that AI is helping firms work more efficiently and unlock new opportunities for growth. UK businesses integrating AI into their operations are reporting significant financial benefits, with almost nine in ten (87%) seeing increased productivity and almost half (48%) reporting higher profits over the past 12 months.

### Positive Impact on Profits

Of those who reported a profit boost from using AI (48%), almost half (48%) recorded an uplift of 11% or more with 38% saying profits increased by 6-10%, and 13% with profits increasing between 0-5%.

The findings come as investment in AI accelerates, with two thirds (66%) of UK businesses confirming they have invested in AI. The research from Lloyds found that most firms spent less than £25,000 (33%) to enhance their AI capabilities, followed by 18% of firms who spent between £25,000-100,000, 8% spending between £100,000-250,000 and 7% spending £250,000 or more.

### Amanda Murphy, CEO for Lloyds Business & Commercial Banking said:

“Businesses recognise AI as a powerful driver of growth, with gains that are delivering a competitive edge. As companies increase their investment and adopt this new technology more widely, they will need clear oversight and robust processes to ensure these tools are used responsibly and transparently. It’s clear that companies are seeing AI as a strategic advantage that is key to fulfilling their long-term ambitions.”

### Sector Insights

AI usage is particularly strong in the Services sector (70%), followed by Retail (60%), Construction (59%) and Manufacturing (55%). AI investment, however, is led by firms in the Retail sector (70%), followed by Services (68%), Construction (60%) and Manufacturing.

### Regional Insights

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London and West Midlands stood out as the regions with the most businesses using AI as well as seeing the highest proportion of firms investing in AI.

Rank	Region / Nation	Using AI	Rank	Region / Nation	Investing in AI
1	West Midlands	83%	1	London	83%
2	London	78%	2	West Midlands	78%
3	North East	72%	3	North West	75%
3	Northern Ireland	72%	4	North East	69%
5	North West	68%	5	East Midlands	67%
6	South West	66%	5	Northern Ireland	67%
7	East of England	64%	7	East of England	62%
8	Yorkshire & Humber	61%	8	Yorkshire & Humber	61%
9	East Midlands	52%	9	South West	58%
10	South East	50%	10	South East	51%
11	Wales	48%	11	Wales	48%
12	Scotland	46%	12	Scotland	46%

## Investment in Skills and Capability

Alongside these gains, businesses are investing in the skills needed to make AI adoption effective. The survey shows that Customer Service roles have been upskilled the most by AI (43%), followed by Sales teams (29%).

## AI in Action

Lloyds is also seeing the benefits of its investment in AI. For example, earlier this year, Lloyds developed a Generative AI tool, 'CRE AI', which processes complex real estate tenancy schedules in minutes, rather than the 75 hours previously required. While it doesn't make decisions, the tool streamlines preparation so teams can focus on judgement-based work and supporting clients.

Lloyds Banking Group this year launched the AI Academy, a programme designed to provide practical AI skills for all colleagues, no matter their role or level. The aim is to equip colleagues with the skills and knowledge to implement AI solutions in their day-to-day work, boosting efficiency and allowing colleagues to focus their time on high-value tasks. By putting new capabilities into practice, it creates opportunities to provide customers with enhanced and innovative new services, and open potential new revenue streams for the business.

Ends

## Notes to Editors

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- 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 IPSOS. This survey was conducted with 1,200 companies between 5 – 20<sup>th</sup> January 2026, with a minimum turnover of £250,000.
- To understand more about how the Business Barometer compares to other confidence surveys, read our report [here](#).
- 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 and Trade and the Office for National Statistics. Net balances are calculated by deducting the percentage of negative responses from the percentage of positive responses.

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