



Overall business confidence

44%



Monthly change

0 points



Trading Prospects

53%



Economic optimism

36%

UK business confidence holds steady

- Overall business confidence remained steady with no change in February
- Optimism in the wider economy rose, reversing January's fall
- Construction sector saw confidence boost, up 14 points
- Pricing expectations rise again for the second time in six months
- Strong regional gains seen in South East, East Midlands and the North East

Overall business confidence held in February at 44%, with increased optimism in the wider economy offset by lower confidence in businesses' own trading prospects, according to the latest Lloyds Business Barometer.

In February, optimism in the wider economy strengthened, rising eight points to 36%, regaining part of the softening seen in January. Firms' confidence in their own trading reduced by six points to 53%, back to levels seen at the end of 2025, meaning overall business confidence remained at 44%, which remains significantly above the long-term average of 30%.

The survey of 1,200 businesses from across the UK was conducted between 2-19 February.

Hiring intentions soften

Firms' hiring plans for the year ahead reduced this month, with the net balance falling six points to 35%, the lowest level since January last year. 51% now plan to increase headcount and 16% plan to reduce, nearing the figure that was seen in December 2025.

Wage growth expectations eased slightly, with nearing half (45%) of firms expecting pay increases between 2-4%, while 16% (down five points) expecting salaries to grow by 4% or more in 2026.

Price expectations rise

Businesses' price expectations moderately increased again for the second time in six months, with 67% of businesses, up from 64%, expecting to raise prices with 2% planning to reduce them resulting in a net balance of 65%.

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Amanda Murphy, CEO for Lloyds Business and Commercial Banking said:

“Business confidence holding steady at 44% is a sign of the resilience we’re seeing across the UK and it’s encouraging that firms are feeling more upbeat about the wider economic environment. Although businesses confidence in their own trading expectations eased slightly, many are preparing for growth, pointing to a more assured year ahead.

“It’s also positive to see more firms rebuilding their margins as price expectations ticked up in February. While some cost pressures remain, the fact that businesses plan to adjust prices responsibly shows a growing sense of confidence and a firmer footing for future investment.”

Sector Highlights

The construction sector saw strong gains in overall confidence. In February, confidence was up 14 points to 60%, with manufacturing also seeing a boost, up five points to 37%. Confidence for retail and service sector firms softened slightly, each down two and three points respectively.

Regional Outlook

Seven of the UK’s twelve regions and nations saw a rise in confidence in February. The strongest monthly gains were seen in the South East, North East and East Midlands. London remains the most confident region at 59%, with the North West sitting at the number two spot with 58%.

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

“It’s encouraging to see optimism in the wider economy returning, although with a small reduction in firms’ confidence in their own trading prospects. The majority of the survey results were collected following the Bank of England’s close decision to hold interest rates at its February meeting, signalling potential easing ahead, which may have alleviated business concerns, including those around cost pressures. While the rise in pricing expectations to a six month high may indicate firms are looking to rebuild their margins in 2026.

“It’s also great to see confidence increase for manufacturers and construction firms as they are key for UK growth.”

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Ends

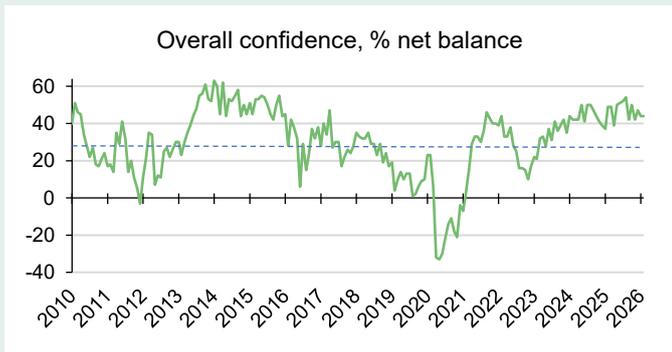
Notes to Editors

- The fieldwork for the Lloyds Bank Business Barometer was conducted during **2-19 February** by Ipsos.
- 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 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.
- 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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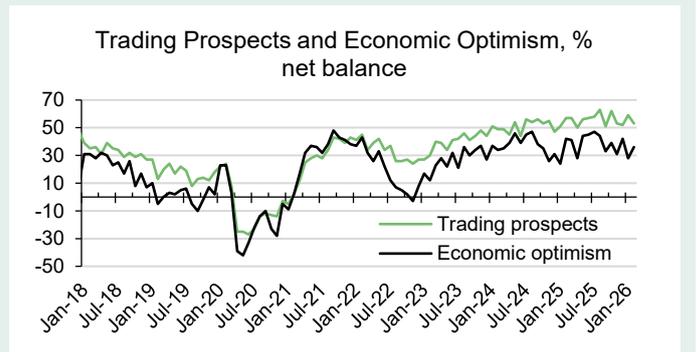
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Chart 1: Confidence stays well above average reading...



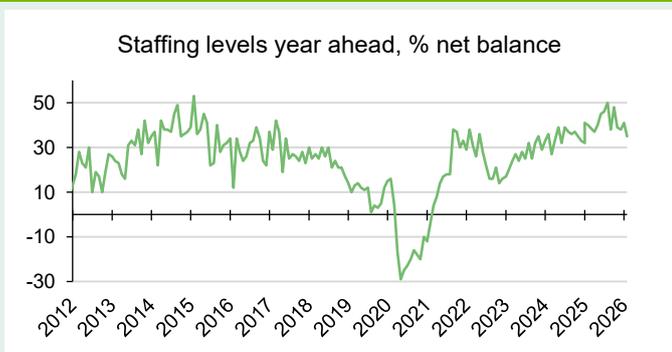
Source: Lloyds Business Barometer (February 2026), Ipsos

Chart 2: ...but trading prospects soften modestly



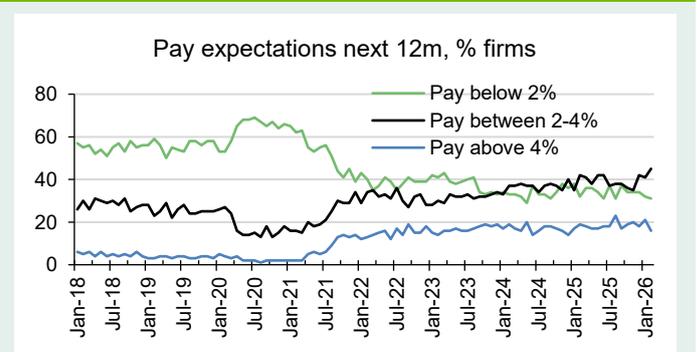
Source: Lloyds Business Barometer (February 2026), Ipsos

Chart 3: Hiring intentions ease to lowest level in a year



Source: Lloyds Business Barometer (February 2026), Ipsos

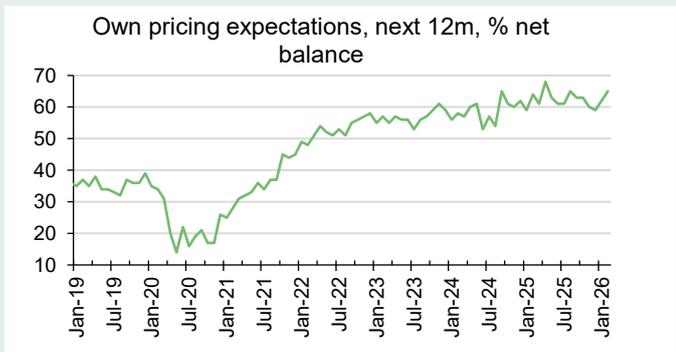
Chart 4: Middle-range pay expectations strengthen



Source: Lloyds Business Barometer (February 2026), Ipsos

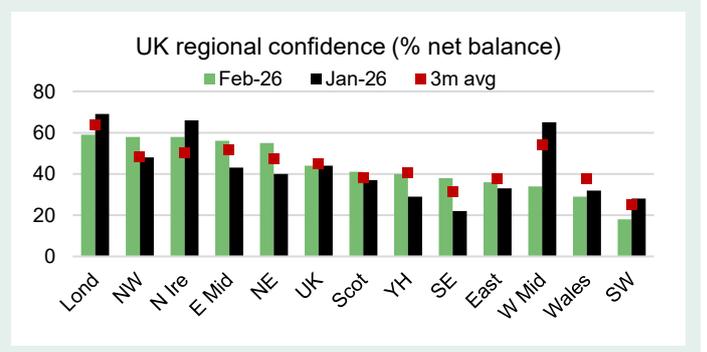
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Chart 5: Price expectations reach six-month high



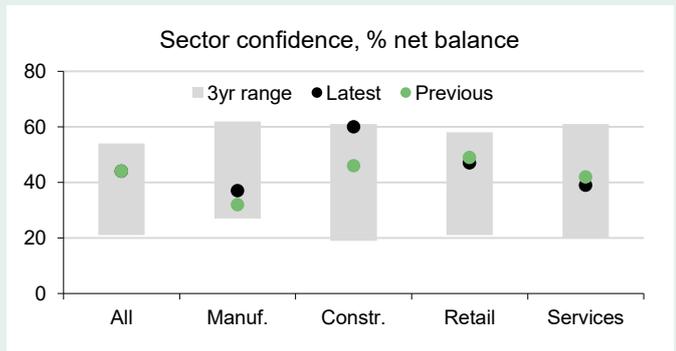
Source: Lloyds Business Barometer (February 2026), Ipsos

Chart 6: London most confident region despite monthly fall



Source: Lloyds Business Barometer (February 2026), Ipsos

Chart 7: Manufacturing optimism rises from a low base



Source: Lloyds Business Barometer (February 2026), Ipsos