

HSBC Financing for Growth report

From uncertainty to action: how UK businesses are embracing finance to fund growth

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Foreword

Welcome to our 2025 Financing for Growth report.

This year, the message is clear: ambitious businesses aren't just setting their sights on growth – they're taking decisive action to make it happen.

Drawing on insights from over 1,500 businesses, ranging from agile SMEs (£0-25 million turnover) to established corporates (£25 million+ turnover), this report offers a fresh perspective on how companies are navigating today's volatile economic landscape to unlock growth opportunities.

As business needs evolve, HSBC UK is committed to working hand-in-hand with brokers to deliver innovative, flexible financing solutions.

This report is more than a snapshot – it's a roadmap. It highlights the shifting priorities of UK businesses and underscores the critical role brokers can play in connecting clients with innovative, tailored financial solutions that foster resilience and drive success.

What emerges is a story of determination and adaptability. Despite ongoing uncertainty, UK businesses are embracing a 'push on through'

mindset, treating volatility as a challenge to manage rather than a barrier to progress.

An impressive 86% of growth-focused companies plan to invest significantly in the next 12 months, rising to 95% among the most ambitious. Productivity gains and technology investments, particularly in AI, are at the forefront of these plans – areas where brokers can assist clients in unlocking transformative potential.

Unlocking growth opportunities

The report also uncovers key challenges. Many businesses, especially SMEs, remain reliant on traditional finance products, often overlooking more flexible, bespoke solutions that could better support their long-term ambitions.

There's untapped potential in sustainable finance options, for example, with accessibility and awareness remaining barriers. As the transition to net

86% of growth-focused companies plan to invest significantly in the next 12 months

95% of businesses aiming for significant growth plan to make major investments in the next 12 months

zero accelerates, sustainable finance will be a key tool for many businesses. Brokers can help to guide businesses through this shift, helping them access the right tools to align growth with sustainability.

The human element

In a world of rapid change, one constant remains: the value of trusted relationships. Businesses are seeking expert advice to navigate a complex financial landscape, and brokers are at the heart of these conversations.

This report features actionable insights from HSBC UK experts on emerging trends, from innovative debt solutions to working capital optimisation and sustainable investment strategies. Real-world client case studies showcase how tailored financial solutions can unlock growth and resilience, demonstrating the power of collaboration between brokers, businesses, and financial institutions.

Partnering for success

HSBC Commercial Brokerage is dedicated to supporting brokers to deliver innovative, flexible financing solutions. Broking the right deal for your client to ensure they have access to finance, insights and expertise to support their growth journey is important to us.

Drawing on over 160 years' experience we are passionate about opening up a world of opportunity for our clients, with a range of funding solutions to help your clients achieve their business goals.

We look forward to partnering with you to support ambitious businesses on their journey to success.

Today we finance a number of industries that significantly contribute to greenhouse gas emissions. We have a strategy to help our customers to reduce their emissions and to reduce our own. For more information visit www.hsbc.com/sustainability



Ian Coulson
Head of Commercial Brokerage,
HSBC UK

Data at a glance

Resilient UK businesses are strategically investing in growth, leveraging lending to achieve their ambitions



Finance options [→](#)

36%

of growth businesses have considered a government support scheme, rising to 43% among growth-focused corporates

45%

of manufacturing firms are using invoice financing, the highest of any sector

Outlook [→](#)

22%

of businesses are pursuing significant growth over the next one to two years, rising to 28% among corporates

Investment [→](#)

86%

of growth-oriented firms expect to invest significantly in the next 12 months, with London leading on growth ambitions

72%

of companies who view tech investments as important plan to prioritise AI

Lending trends [→](#)

84%

of growth-focused businesses are comfortable borrowing to grow

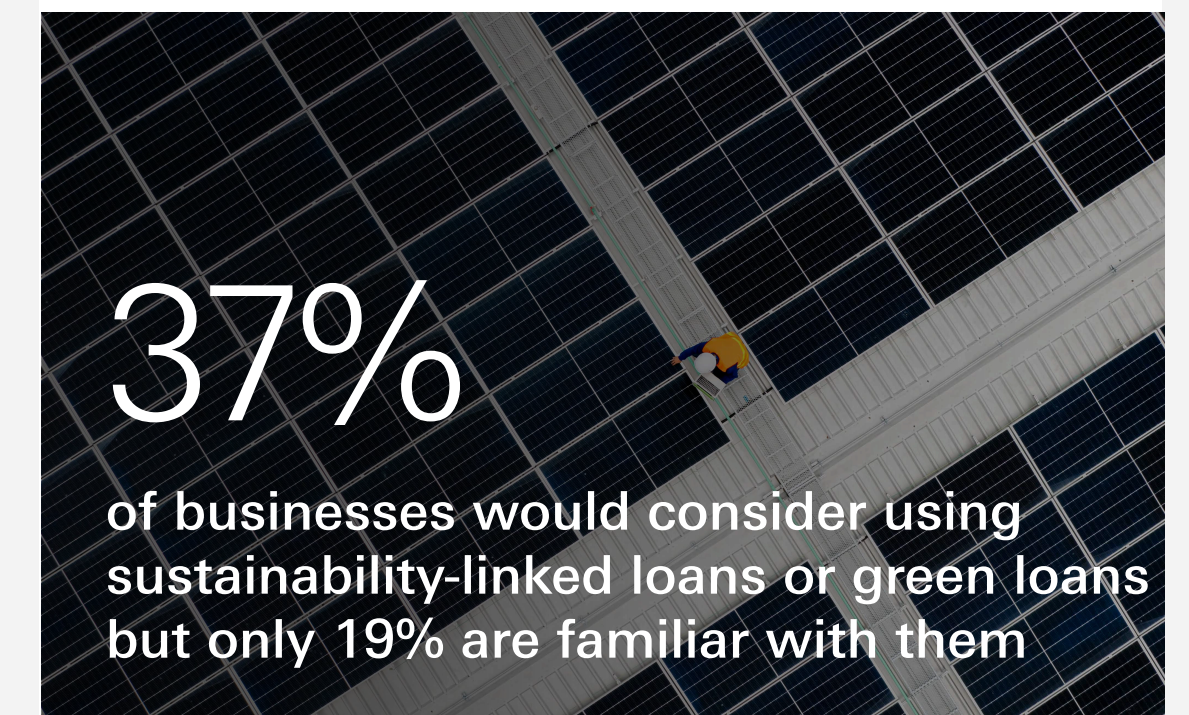
63%

of growth companies favour their main bank for borrowing



45%

of businesses are aiming for steady growth over the next one to two years



37%

of businesses would consider using sustainability-linked loans or green loans but only 19% are familiar with them

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The big picture

Lingering uncertainty is no barrier to businesses' growth ambitions

At a time when uncertainty is the only constant, growth businesses are refusing to stand still. Remarkably, one year on from our Capex 2024 report, the level of growth ambition remains largely unchanged, despite evolving economic conditions.

Instead, a 'push on through' mindset continues to help businesses stay focused on progress and act decisively when windows of opportunity emerge. This resilience is shaping business strategies, as organisations balance caution with the need to keep moving forward.

This momentum is taking place against a backdrop of mixed economic signals. Although the broader economic outlook remains uncertain, there are signs of stabilisation and cautious optimism, according to HSBC Global Investment Research. Inflation is still proving stubborn, while at the time of writing interest rates are holding at 4% (with any future cuts to be made "gradually and carefully", says the Bank of England).¹ Wage growth and energy prices have also eased, and there is progress on international trade deals with the US, India, EU and Gulf Cooperation Council, among others.

Alongside a more favourable US-UK tariff deal compared to Europe, there are other encouraging signs for future growth, with the announcement of a £150 billion inward investment by US companies.²

Meanwhile, Richard Lewis, Head of Debt Finance Origination, HSBC UK, notes a subtle but meaningful shift in strategy among CFOs: "There is



a modest tilt towards expansionary strategies, with increased merger and acquisition (M&A) activity and greater investment in capital expenditure."

He adds: "Some businesses are seeing it as a timely opportunity to take on additional balance sheet risk in pursuit of longer-term growth. However, trade sellers and private equity are still looking for higher valuations. This mismatch with buyer expectations is tempering activity, despite the strength of the financing markets."

Key takeaways

A resilient, growth-first mindset prevails, despite macro uncertainty

Productivity, tech innovation, and AI are driving optimism

Corporates show a tilt towards expansionary strategies



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Rather than waiting for obstacles to disappear, they are adapting and continuing to pursue growth with a real dogged persistence, despite the odds."

Jagdeep Rai, UK Head of Client Coverage, SME Business Banking, HSBC UK

Positive yet pragmatic

Around two-thirds of our survey respondents are aiming for growth over the next one to two years – virtually unchanged from 2024, with corporates and growth-focused businesses particularly upbeat. SMEs anticipate slightly less growth than a year ago.

At the same time, there is a greater awareness of economic headwinds. This year, just over half of those surveyed expect the UK economic climate to negatively impact their business over the next 12 months – a 16% rise year-on-year. Yet positive sentiment has also grown, with a third seeing potential in the economic climate, up from 21% in 2024. The rise in both positive and negative sentiment indicates increased divergence among businesses, with a subset prepared to press ahead and capitalise on opportunities.

Among corporates, Lewis senses an eagerness for growth, adding: "Even if the economic outlook is mixed, businesses now feel they understand the playing field – and that's enough to press ahead." For SMEs, Jagdeep Rai, UK Head of Client Coverage, SME Business Banking, HSBC UK, says this cohort recognises the macroeconomic challenges, but are not standing still.

Measured ambitions

Nearly one in two respondents (45%) are aiming for steady growth (up to 20% growth) over the next one to two years, and 22% are pursuing significant growth (more than 20% growth). Among corporates, this rises to 58% focused on steady growth, and 28% on significant growth, with similar figures among businesses operating internationally. For SMEs, 43% are aiming for steady growth compared to 20% focused on significant growth. While the SME figures are lower than corporate numbers, it does mean that over one million UK SMEs are looking to grow significantly over the next year or two.

45% of businesses are aiming for steady growth over the next one to two years

22% of businesses are pursuing significant growth over the next one to two years

For growth-oriented businesses, the perceived drivers of growth over the next 12 months are clear: they are most optimistic about the impact of improved productivity (77%), technological innovation on their operations (64%), and AI (54%).

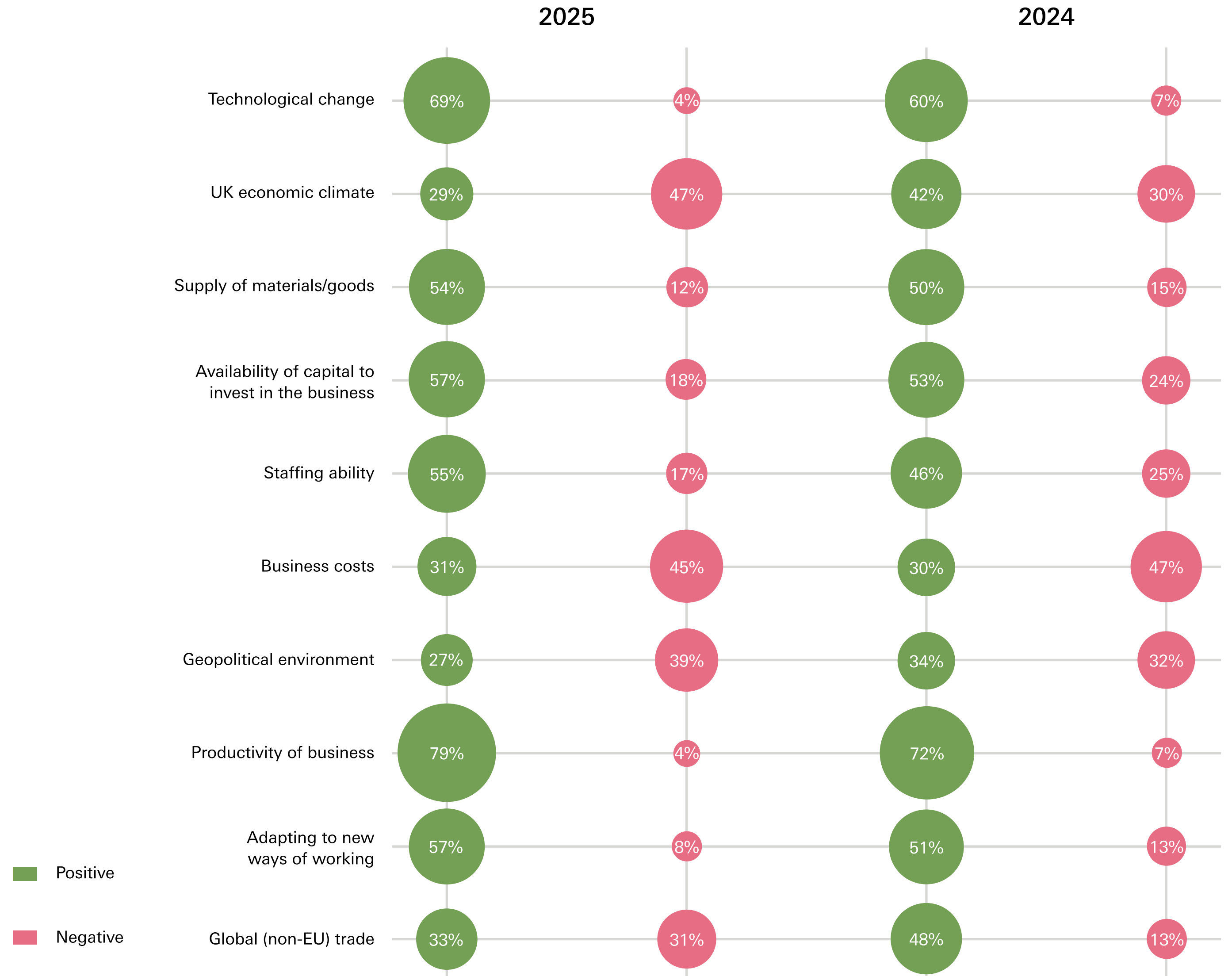
Sacha Balachandran, Head of Equipment Finance, HSBC UK, senses that ambitious companies are not waiting around for perfect conditions. "Businesses had been holding off, waiting for greater clarity," he notes. "But as time has gone on, many have come to accept that this may be as much certainty as they'll get – and they're moving ahead with their growth plans. There is a recognition of the risk that standing still may result in you falling behind."



We have to grow to survive in our industry and we have bold plans to reach 100 restaurants within five years."

Hospitality business,
£25.1m–£100m, Midlands/East

Sentiment among growth companies about the expected impacts of key areas within the next 12 months



Case study: Armstrong Watson

How the northern powerhouse of accountancy is fuelling people-first growth

Armstrong Watson, an award-winning accounting and financial advisory firm headquartered in Carlisle, is enjoying rapid expansion, driven by organic growth, lateral hires, and strategic acquisitions. With 19 offices from Glasgow to Manchester, and a projected annual turnover nearing £60 million, the firm sought a financial partner to fuel its ambitions.

Agile acquisition funding

Armstrong Watson's previous banking arrangements lacked the agility the business needed to move more quickly on strategic acquisition opportunities. HSBC UK stepped in, offering a holistic solution beyond traditional lending. HSBC UK Relationship Manager Ben Foster and his team invested time to understand Armstrong Watson's vision, providing deep sector expertise and quick execution. Paul Dickson, Managing Partner at Armstrong Watson, says: "HSBC UK's support and understanding of our sector have been brilliant."

In March 2025, a comprehensive refinance package established HSBC UK as Armstrong Watson's sole banker. This included a large Revolving Credit Facility (RCF) for strategic acquisitions, an overdraft for working capital, and term debt for a commercial mortgage. The RCF provides a flexible pool of capital, allowing Armstrong Watson to act quickly on M&A opportunities without needing individual transaction approvals.

Expanding horizons

The partnership is about much more than lending, with Armstrong Watson now integrated into HSBC UK's broker pilot programme, fostering reciprocal business. Discussions are also underway for asset finance, insurance, and financing for an electric vehicle salary sacrifice scheme. HSBC UK also leverages its network to facilitate strategic introductions, such as potential consolidation opportunities with other accountancy firms. Armstrong Watson's future strategy includes continued expansion and significant investment in tech, such as AI-linked platforms. The funding solutions from HSBC UK are designed to provide the necessary headroom for this ambitious roadmap.

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This isn't just a package for the here and now. It's about buying into where the firm wants to go longer term and making sure it has a funding structure that can grow with the business."

Ben Foster, HSBC UK Relationship Manager

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The investment landscape

Businesses are moving beyond aspiration to back ambition with investment



Business investment in the last 12 months has been marked by sharp swings, echoing the wider mood of economic uncertainty. A downturn in Q4 2024 was followed by a strong surge in Q1 2025 – reaching the highest levels seen in two years before stalling in Q2.³ However, business investment in Q2 2025 is still 3% above the level seen in the same quarter a year ago. Beneath these fluctuations, our survey points to a clear thread of resilience. Many businesses are staying alert to emerging opportunities and continuing to invest with a long-term view, signalling confidence in future growth despite the shifting conditions.

A solid 86% of businesses with growth ambitions expect to make significant investments in the next 12 months, rising to 95% among those targeting more substantial growth. Put simply, ambitious businesses aren't just planning for growth – they're actively putting money behind the ambition.

Investment priorities

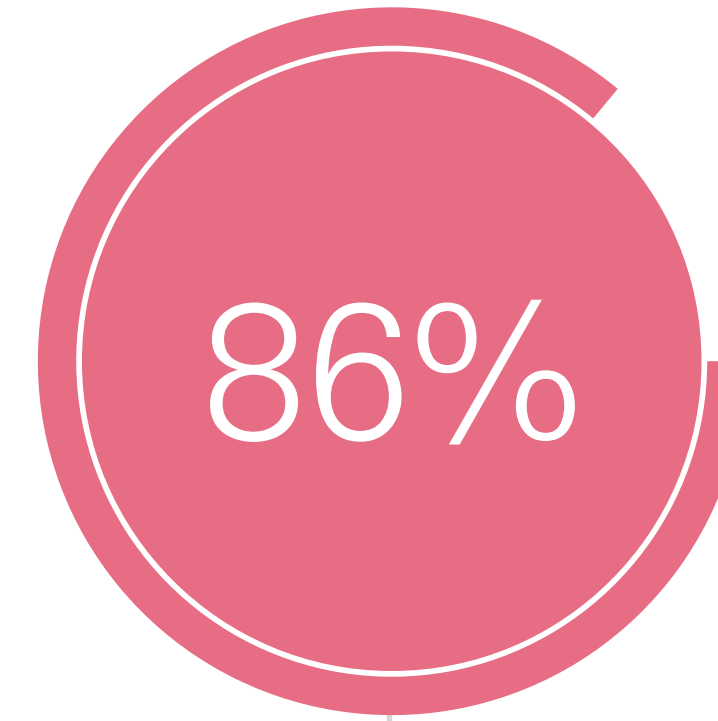
Among corporates, aside from investment clearly supporting growth, customer experience investments remain an important area of focus as part of business diversification. Enhancing product and service offerings and personalising customer interactions – aimed at building stronger brand loyalty and improving customer retention – are a key priority.

Partnerships and collaborations are also growing in importance, as corporates look to form alliances that provide access to new markets, technologies, and expertise. SMEs are also looking to invest for growth and expansion. However, their strategic priorities are more focused on improving operational efficiency, enhancing productivity, reducing costs, and building greater resilience.

Despite the broader UK landscape indicating a subdued job market, workforce development, from recruitment to skills and training, remains a focus area for businesses, including SMEs looking to build the right teams to handle growth.

Jagdeep Rai, UK Head of Client Coverage, SME Business Banking, HSBC UK, says: "For small and medium businesses, investment often goes into equipment. But more than anything, it's about finding the right people. Access to skilled, quality staff is a big focus and it's something that's really front of mind for a lot of SMEs."

Of the SME businesses with growth goals, 17% state that they can't commit to any major investment over the next year. Almost a third of this group cite cost pressures as a major concern, suggesting that tight cash flow and rising costs are holding some companies back, not lack of ambition.



86% of businesses with growth ambitions expect to make significant investments in the next 12 months



95% of businesses targeting more substantial growth expect to make significant investments in the next 12 months

Key takeaways

Ambitious growth plans are backed by significant capital allocation

Businesses are staying agile, ready to seize emerging market windows

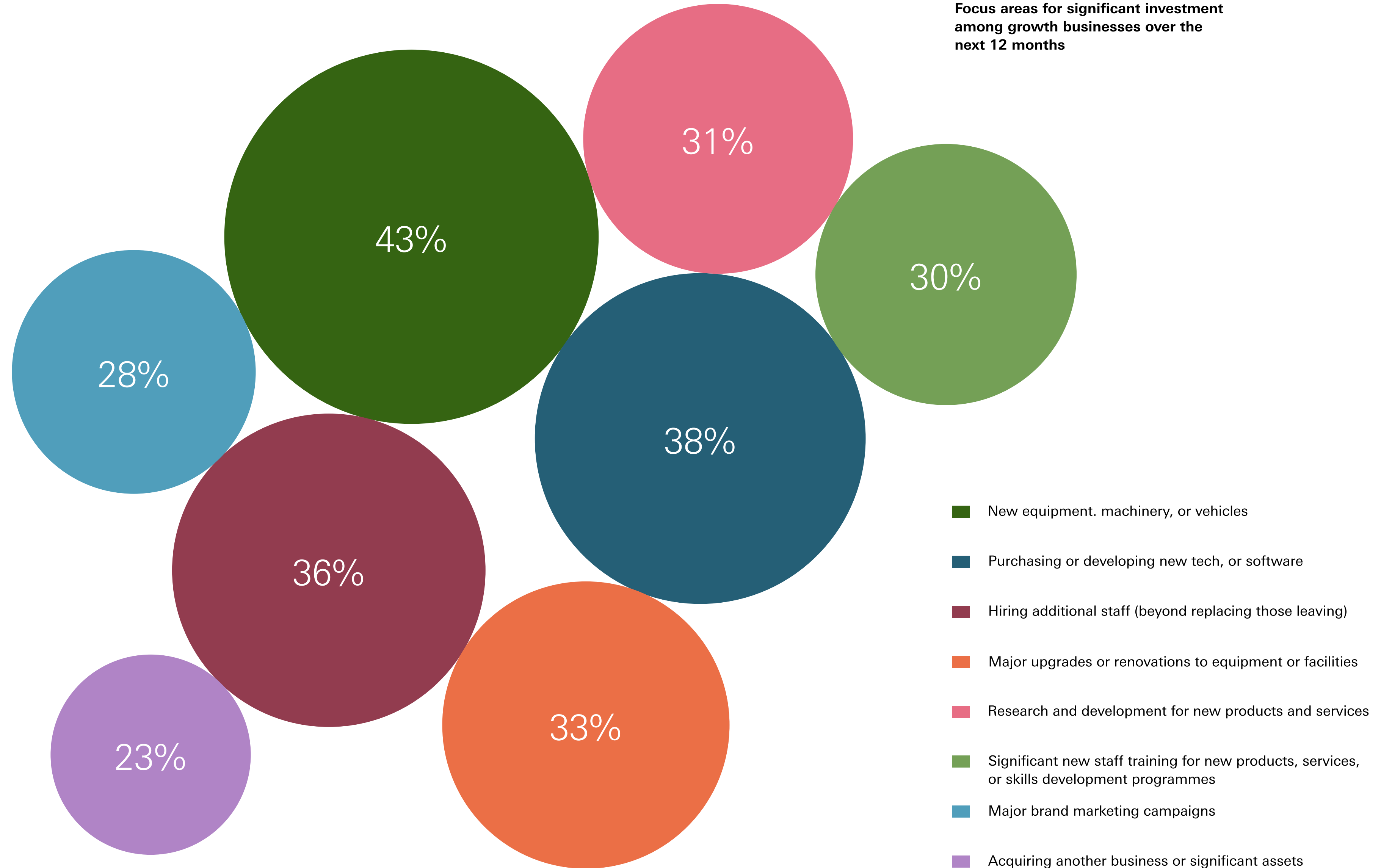
AI is a clear investment priority, yet a skills gap remains a critical concern



We need to invest heavily in next-generation tech in order to stay relevant in these fast-moving times."

Financial Services,
£15.1m–£25m, London

Focus areas for significant investment among growth businesses over the next 12 months

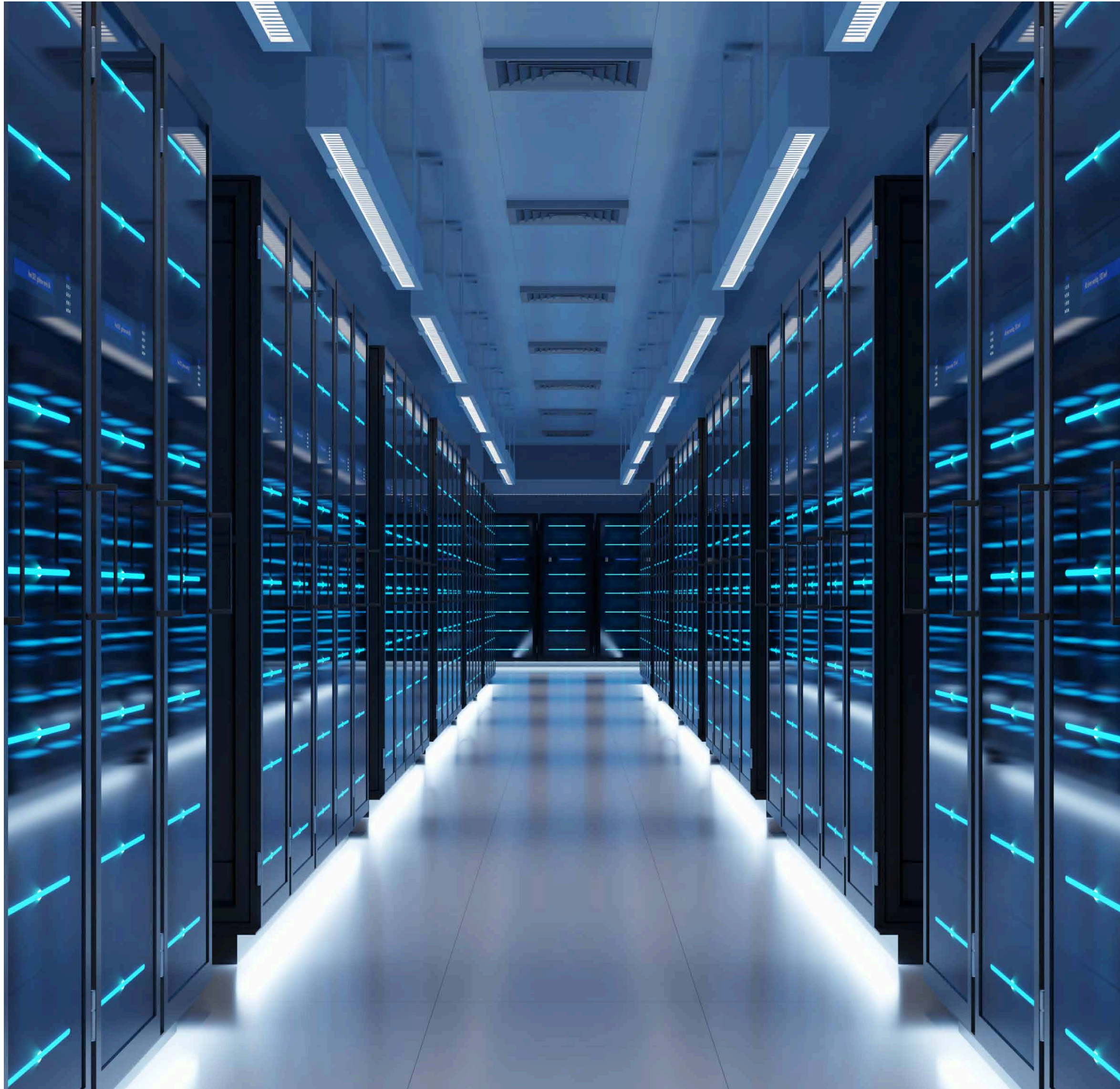


Overall, equipment, vehicles, and machinery top the list of planned investments for businesses. Among businesses looking to grow, 43% are looking to make significant purchases in these areas. Purchasing or developing new technology or software follows closely at 38%, while more than a third (36%) are looking to bring in more staff – jumping to 48% for firms chasing significant growth.

29% of growth-focused corporates want to acquire another business or significant assets

21% of growth-oriented SMEs are looking to acquire another business or significant assets

Nearly one in four (23%) of businesses looking to grow want to invest in acquiring another business or significant assets, increasing to one in three (32%) among those looking to significantly grow. Of those planning to grow, corporate businesses are more likely than SMEs to be targeting acquisition, at 29% and 21% respectively.



Sector trends

The survey offers an insight into the investment appetite and priorities among growth businesses in different sectors, including:

- **Agriculture and manufacturing**
 Unsurprisingly, these sectors are investing in new equipment. In agriculture, there is a notable focus on upgrading existing machinery and facilities, with less emphasis on hiring and R&D, suggesting concerns around costs. (See Case study: [Fabulosa](#))
- **Tech and IT**
 Tech businesses show the strongest investment appetite. Among businesses looking to grow, they are the sector most inclined to consider acquiring other businesses. There is also a clear focus on innovation and upskilling the workforce, reflecting the sector's fast pace of change and need for talent development. (See Case study: [Glasswall](#))
- **Hospitality (hotels/restaurants)**
 More than half of hotels and restaurants surveyed are upgrading facilities or buying new equipment. There is also strong investment in hiring staff and providing training. These are encouraging signs for a sector that is a big employer. (See Case study: [Sandwich Sandwich](#))
- **Professional services**
 In this sector, 48% of growth businesses are aiming to hire additional staff and 37% are investing in new staff training. 42% are also investing in new tech or software, demonstrating how critical this area is for people-first businesses. (See Case study: [Armstrong Watson](#))

48% of growth businesses in professional services want to hire extra staff

Regional differences

Investment plans vary sharply by region. London leads on several fronts: only 9% of companies with growth plans are not planning to invest – the lowest proportion nationwide. More than double this figure (21%) in the South East say they won't be making significant purchases. This is particularly surprising given the region's proximity to London.

London firms are also much more likely to invest in tech and R&D, with 50% looking at new tech and 43% exploring new product or service development. This compares with just 16% R&D investment in the South West, which is likely a reflection of the capital's larger tech presence.

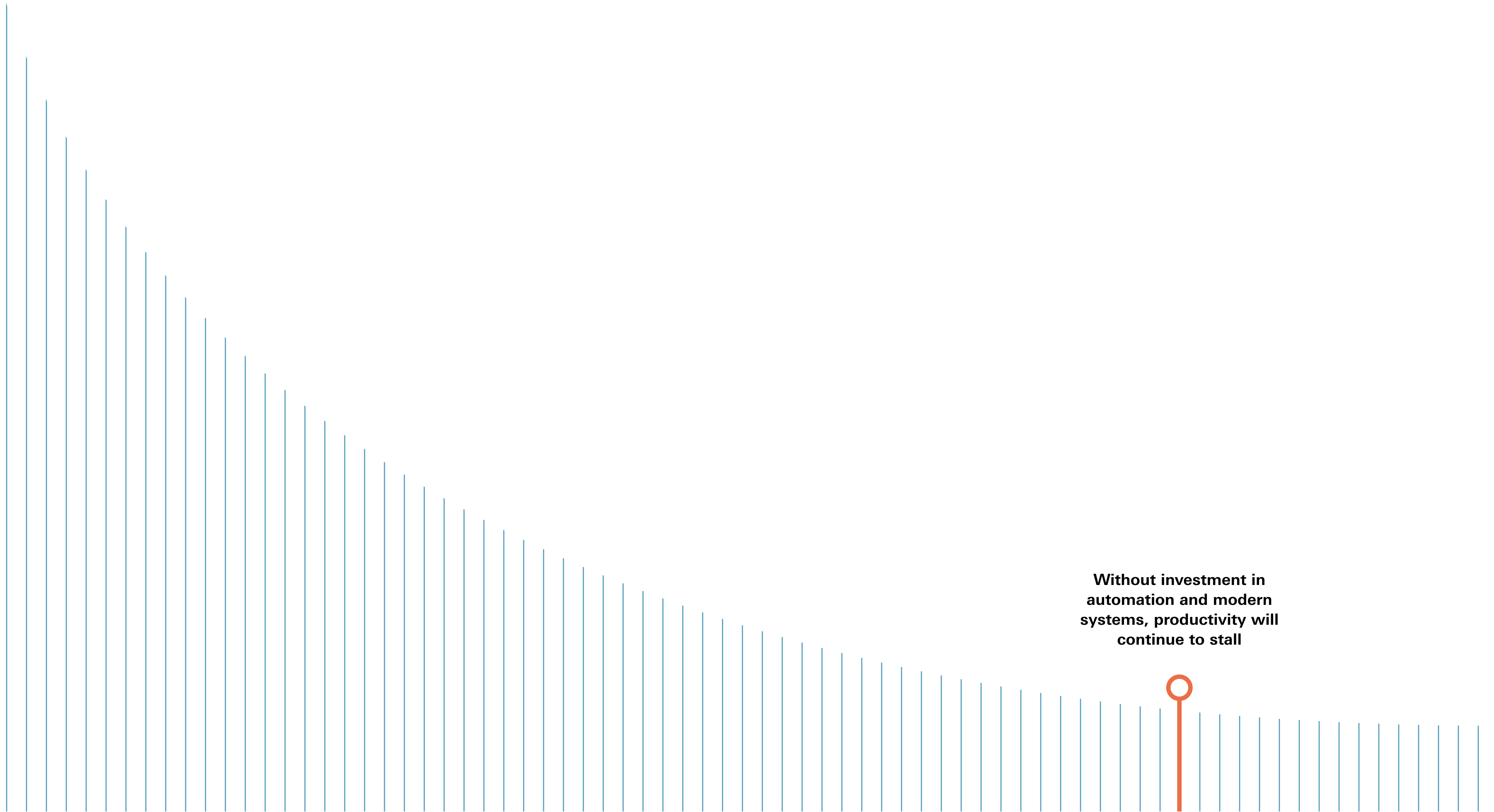
Scotland and Wales are more focused on new equipment, machinery, and vehicles, with investment in physical assets hovering at 50% and 52% of respondents respectively, well above the 43% average. In the North, 50% of businesses are also focused on these tangible assets.

50% of London firms are looking to invest in new tech

21% of growth businesses in the South East don't plan to make significant purchases

52% of respondents in Wales are investing in new equipment, machinery, and vehicles

The starring role for tech



Tech, AI, and new equipment remain top investment priorities for our survey respondents. Overall, one in five businesses are deploying these tools to enhance productivity, improve customer service, and streamline operations. A quarter of corporates plan to undertake digital transformation initiatives to unlock future growth, while in sectors like manufacturing, automation and robotics are taking centre stage.

While the majority of respondents are positive about the productivity of their business, 60% overall (and 69% of growth businesses) cite improving productivity as an important strategic priority over the next 12 months. Survey respondents frequently cite the need to improve productivity through investments, including in R&D and new product and service offerings, highlighting a continued productivity paradox. Across the UK labour market, national output still lags, with productivity in Q2 2025 0.8% lower compared with Q2 2024, and down by 0.6% compared with the previous quarter, according to the latest ONS figures.⁴

Reflecting on why UK productivity lags behind other countries, Richard Lewis, Head of Debt Finance Origination, HSBC UK, says: “At the heart of it is business investment. The UK has consistently underinvested, whether in infrastructure like transport and roads or within businesses themselves. Many companies have held back from investing in automation and modern systems. Without this investment, productivity will continue to stall.”

Among businesses prioritising tech investments, 31% plan to focus on automation and robotics in the next 12 months. Survey respondents widely identify process automation as a key driver for operational efficiency and cost reduction. Across all business sizes, automation is also considered vital for competitive advantage.

AI as a catalyst for growth

For businesses who say tech investments are important, AI is the biggest priority, alongside cybersecurity and risk. A number of recent high-profile cyberattacks in the UK are a reminder that the ripple effect of business-focused cybercrime can impact whole ecosystems, including supply chains and customers.

Tech and AI are even more fundamental among businesses looking to grow. Twice as many of these respondents are positive about the impact of tech and AI compared with businesses not looking to grow. When focusing on businesses aiming for significant growth, AI emerges as even more essential, with nearly three quarters (73%) feeling positive about its impact, compared with 40% of the market overall.

Across the UK, businesses are increasingly embracing AI on their tech journeys, whether they're overhauling legacy systems or investing in supply chain changes and automation. Among our survey respondents, nearly three quarters expect to prioritise AI over the next 12 months compared with 41% from the previous year.

However, deeper analysis for 2025 reveals that while most businesses remain inclined to view AI as a

positive force, some are more circumspect. For example, nearly half of SMEs are neutral on AI, yet 91% of this group cite cost reduction as a key strategic focus – an area where AI could play a major role. This underscores a critical opportunity to ensure businesses truly understand how to effectively implement AI-driven change to help drive efficiencies, reduce overheads, and fuel growth, particularly for smaller organisations.

People and skills gaps

Despite growing interest and investment in AI, many businesses may be underestimating the need to align their workforce with these changes. Only four in 10 businesses prioritising tech investment plan to make significant investments in staff training or skills development. This reveals a critical gap: while tech strategies are advancing, the people strategies required to support them often fall behind.

This disconnect could limit the impact of AI adoption, particularly as the tech shifts from ideation to implementation. For AI to deliver on its promise, businesses need to consider how to evolve not just their systems but their workforce – equipping teams with the right skills to adapt, manage, and maximise the value of intelligent tools.

72%

of businesses who view tech investments as important plan to prioritise AI

40%

of businesses prioritising tech investments plan to make significant investments in staff training or skills



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Investing in cutting-edge tech is only half the battle. Successful growth and transformation for businesses hinges on equally robust people strategies, ensuring workforces are equipped to leverage these powerful new tools.”

James Cundy, Head of Corporate Banking and Leveraged Finance, HSBC UK



Case study: Glasswall

Fuelling the global growth of a UK tech pioneer

With cyberattacks on the rise, Glasswall has pioneered a form of cybersecurity trusted by major international organisations from NATO to the NSA. The journey from UK tech startup to global cybersecurity provider has been swift, demanding significant financing. HSBC UK supported Glasswall's expansion into new markets with Growth Lending and a suite of complementary services.

The battle against cybercrime is intensifying and traditional antivirus software is constantly playing catch-up. Glasswall's solution, Content Disarm and Reconstruction (CDR), takes a different approach. "We take files, break them apart, and rebuild them based on everything that we know is good about that file," explains Danny Lopez, CEO of Glasswall. "The objective is to deliver a safe file to the user."

Glasswall's product has rapidly grown in popularity, but staying at the forefront requires substantial investment in tech and talent. "The funding piece is really important to a business like ours," says Lopez. "We're not a business that stays still." Glasswall needed a financing partner who understood its business, especially given the long lead times of government contracts.

Scaling ambitions

Sanjeevan Lingeswaran, Relationship Director at HSBC UK, identified Glasswall as ideal for its Growth Lending proposition – a debt solution for high-growth, well-equitised businesses on a pathway to profitability. He reached out to Anna O'Brien, Director UK Tech Sector & Growth Lending at HSBC UK. "We aren't there just to put the debt solution in place and say goodbye," says O'Brien. "We have regular catchups with the business and support them along the way."

The financing has enabled Glasswall to expand internationally, and the company's relationship with HSBC UK has grown in tandem. As the business has looked to move into the commercial market and new countries, HSBC UK has been providing parallel support on currency hedging, FX products, international bank accounts, and even wealth management advice for the firm's early shareholders.

"You just see that they completely get where you are at as a business," says Lopez. "It feels more like we're all in it together."

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You have ups and downs as a business. Nothing really goes according to plan, but that's just the way it is in the tech space. Having a trusted partner like HSBC UK is crucial."

Danny Lopez, CEO of Glasswall

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Lending for ambition

A rise in lending is powering the shift from intention to progress

UK business borrowing is picking up pace. The latest Bank of England data shows strong momentum: net borrowing by large businesses rose from 8.1% in July to 8.6% in August 2025, while SME borrowing grew from 1.0% to 1.2% – the highest rate since August 2021.⁵ LSEG Loan Connector data backs this up, with UK loan volumes in H1 2025 already hitting 65% of the total for 2024, and year-on-year volumes up 66%.

Richard Lewis, Head of Debt Finance Origination, HSBC UK, confirms that borrowing demand has strengthened. “Post pandemic, there has been an extended period of waiting but the market is starting to shift,” he says. “We are seeing that in our new business volumes, with lending activity in June, July, and August about as high as it has ever been.”

Our survey reveals that 26% of growth-focused businesses plan to take on borrowing within the next 12 months.

Key takeaways

Comfort with borrowing is high among growth-focused businesses

Trusted, personal bank relationships are still central to borrowing decisions

Lending is a key lever for achieving diverse growth objectives



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Finance barriers have slowed growth, delayed key investments, and limited our ability to pursue strategic opportunities.”

IT company, £15.1m–£25m, Wales

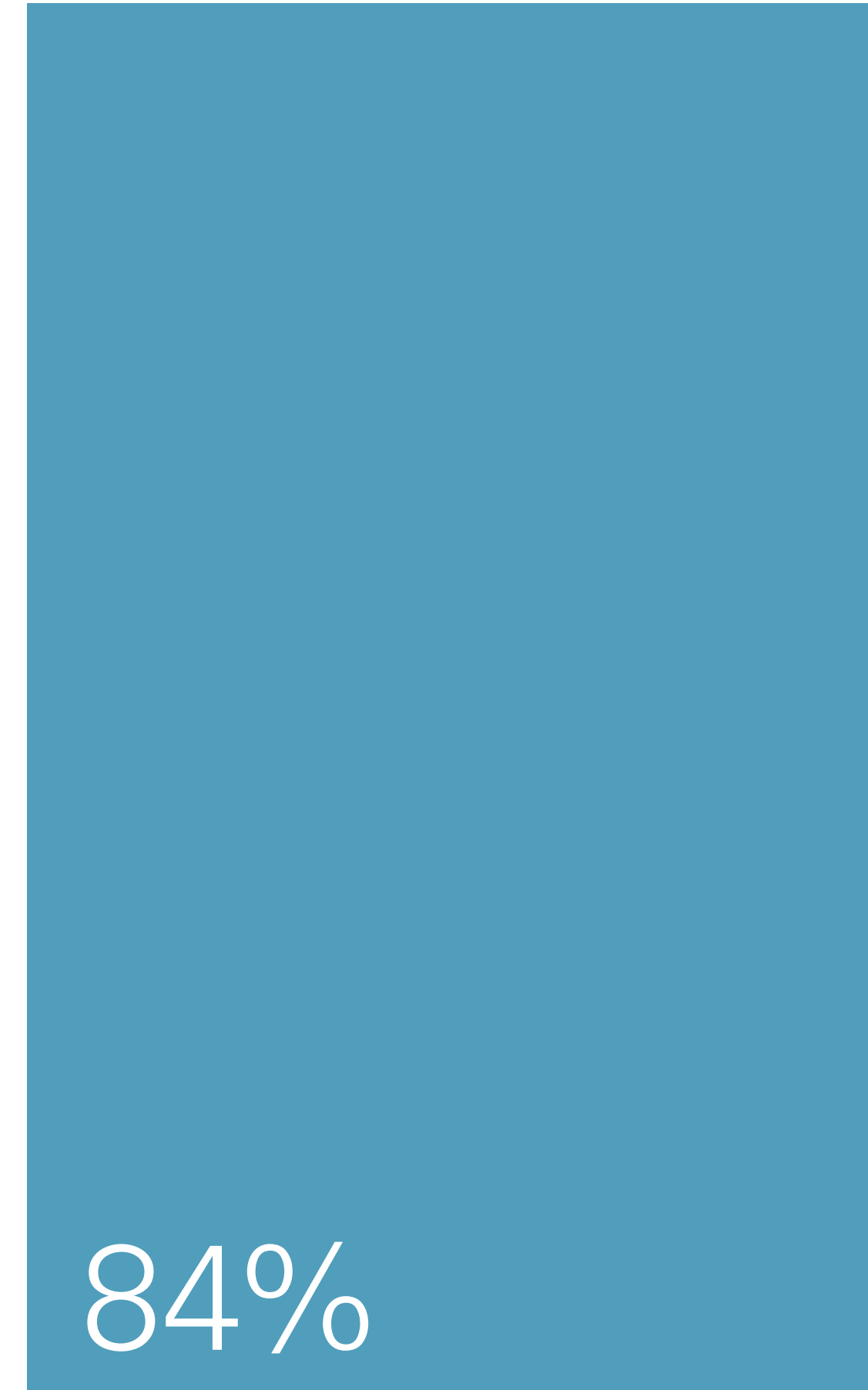
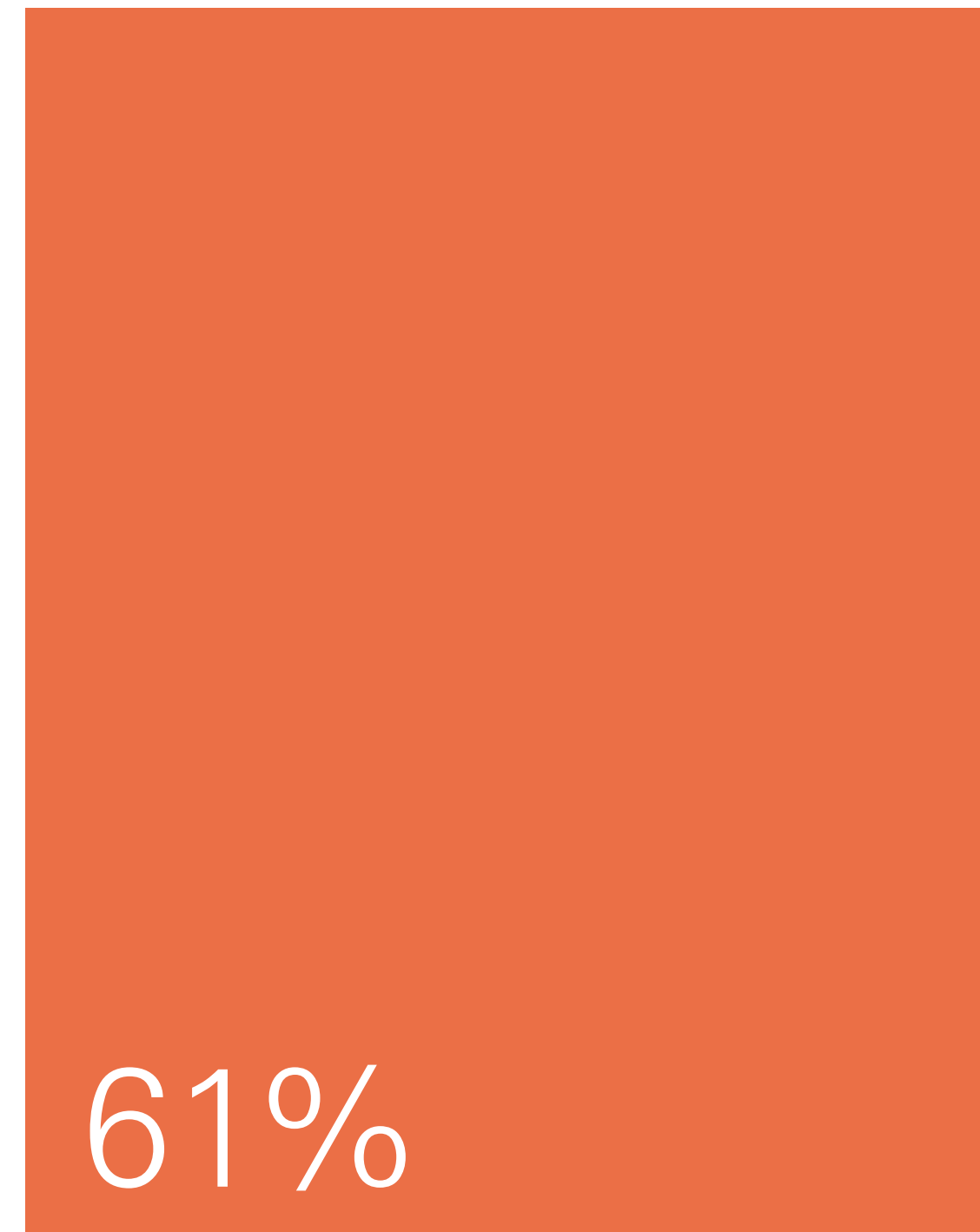
26% More than one in four growth businesses plan to borrow within the next 12 months

Comfort levels towards borrowing among businesses pursuing growth strategies

The growth-lending nexus

Borrowing is intrinsically linked to growth ambitions. The majority (84%) of businesses actively pursuing growth strategies say they are (or would be) comfortable borrowing to grow. Among corporates looking to grow, confidence levels align, with 84% also expressing comfort with borrowing. For growth-focused SMEs, the figure is 61%.

This high level of comfort with borrowing is reflected in how businesses are applying debt to support a broad range of strategic objectives. Buying or upgrading machinery or equipment is the most common use among growth businesses (43%), while 36% have used or plan to use borrowing for property. Some growth businesses are also turning to borrowing to fund more immediate needs, with 30% using it to support day-to-day operations.



- of growth-focused corporates are (or would be) comfortable borrowing to grow
- of growth-focused SMEs are (or would be) comfortable with borrowing to grow

Beyond these more traditional uses, borrowing is progressively being seen by growth-focused businesses as a tool for future-focused initiatives. Around 18% of these businesses have borrowed or would consider borrowing to finance M&As or buying another business, while 24% are using or exploring borrowing for R&D or new product launches. This broadening of lending purposes underscores its role as a lever for growth and innovation.

Sacha Balachandran, Head of Equipment Finance, HSBC UK, notes significant growth in the bank’s asset-based lending proposition: “The breadth of asset finance has been growing over the years, both from an HSBC UK and a market point of view. Even the largest corporates are using it, where years ago people might think it was only used by SMEs and mid-sized companies.

“This shift also reflects the increase in types of assets being funded by asset finance and the flexibility it can provide.” He also highlights how asset finance for technology assets, automation, and renewables is accelerating, reflecting investment in greater efficiency and sustainability.

Interest rates

With the need for growth becoming increasingly critical for the UK economy and Treasury purses, the future landscape of interest movements will be key to unlocking more investment (borrowing) to support growth. According to HSBC Global Investment Research: "While interest rates are on pause for now (likely until April 2026), we think the market is underpricing how much the Bank of England will eventually cut. If we are right, that's good news for mortgage rates and business loan rates."



While interest rates are on pause for now (likely until April 2026), we think the market is underpricing how much the Bank of England will eventually cut. If we are right, that's good news for mortgage rates and business loan rates."

HSBC Global Investment Research

Access to lending

Growth businesses are more inclined to be positive than negative about how access to lending will affect their operations over the next 12 months (50% are positive versus 19% negative). The latter express concerns due to specific barriers.

High interest rates and fees are a shared challenge, cited by 47% of growth businesses with a negative outlook about access to lending, compared to 42% of those feeling positive.

Processes and availability of information make a critical difference. Growth companies with a negative outlook are significantly more likely to cite complex applications (57% versus 36% positive) and a lack of awareness about available options (29% versus 22% positive) as barriers to access.

This expected decline in interest rates could be key to driving more investment, with 29% of growth businesses saying they would borrow more when interest rates/bank rates are low, increasing to 33% of growth-focused corporates.

While corporates respond more readily to interest rate cuts, SMEs may not benefit unless capital cost barriers are also addressed. This emphasises the need for better support and clearer financial solutions for SMEs, helping them understand and take advantage of lower interest rates to fuel growth.

57% of growth firms with a negative view of access to lending cite complex applications as a barrier

36% of growth firms with a positive outlook on access to lending see complex applications as a barrier



Crucially, this information gap extends to advisory support. Our survey reveals that 41% of growth businesses who face lending challenges highlight limited bank guidance – more than double the proportion among positive respondents (18%). This is driven largely by SMEs, who may feel they lack a route to relationship guidance. The data shows that even in a digital era, clear, human-led advice from financial institutions is essential for many businesses navigating the lending landscape.

41% of growth businesses who face lending challenges highlight limited bank guidance

The first port of call

Even with the variety of channels available, the main bank remains the primary route for borrowing among 63% of businesses pursuing growth – far outpacing specialist finance providers, such as asset finance (at 10%), and digital supplier platforms (4%).

These findings resonate with Jagdeep Rai, UK Head of Client Coverage, SME Business Banking, HSBC UK: “SMEs’ borrowing requirements are all about speed and choice – but the emotional anchor of trust to a traditional bank is still very strong.”

While the main bank is the primary route, 31% of companies with growth ambitions would also speak to multiple lenders directly. And around one in five (19%) said they would use a broker, advisor or intermediary.

63% of growth-focused businesses say the main bank is their primary lending route

31% of companies with growth ambitions would also speak to multiple lenders directly

Businesses targeting growth lean more towards appropriate expertise, with only 13% saying they would use an online marketplace or digital comparison tool. These findings suggest that while digital channels offer efficiency, the perceived value of direct, expert advice, particularly from a trusted banking relationship, remains paramount.

“Banks are in a unique position,” says Karl Reid, Head of Lending, HSBC UK. “We can mix and match different financial tools to create solutions that are tailored very specifically to our clients’ needs. These solutions can sometimes be complex, which is why communication and a people-led approach are so important.”

Case study: Fabulosa

The father-and-son cleaning brand on a global growth journey

In a cleaning products market dominated by established household names, family company Fabulosa has carved out a vibrant niche with fresh, luxurious fragrances. Launched in 2019 by father-and-son duo Mike and James Sharpe, the UK-based manufacturer now boasts 22 product categories and ambitious plans for further international expansion. HSBC UK is partnering with Fabulosa, providing trade financing, strategic guidance, and access to its global network.

Fabulosa's first disinfectant products launched just before COVID-19, gaining traction as demand for cleaning soared, at a time when everyone was at home. Distinctive fragrances, quality, and good value quickly established the brand with Europe and later the US, presenting major growth opportunities. As international orders grew, the existing finance structure began to show its limitations. Fabulosa's previous lender lacked appetite for overseas trade. "This was starting to restrict our cash flow, limit our capacity and put us in a position where we were making the wrong decisions," says Tom Mitten, the company's Group Finance Director.

Beyond lending

Global Relationship Director Zubayr Atcha worked closely with Fabulosa to grow the partnership,

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This partnership has really allowed us to thrive and make the most of our potential as a business."

Tom Mitten, Group Finance Director, Fabulosa

building on long-established trust and HSBC UK's deep knowledge of its business to enable sustainable, long-term growth. "We provided a £10 million receivable finance facility on day one for UK and overseas buyers," says Atcha. This improved liquidity and confidence to pursue international sales. A new TradePay facility allowed the business to increase stock levels, securing a 12-month contract with a major European retailer.

HSBC UK also facilitated an innovative £9 million lease for a fully automated production line, which is expected to quadruple manufacturing capacity and is unlocking new retail partnerships. Beyond these core financing solutions, strategic FX hedging is protecting margins, while HSBC UK's network connected Fabulosa to US market experts and supported legal and banking setup in new territories.

The future is Fabulosa

With HSBC UK's multi-faceted support, Fabulosa is poised for US expansion and exploring European TikTok Shop operations. "We want to keep pushing and growing the brand," says Mitten. "Five years ago, we probably didn't think we would get to where we are now."

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Financing the future

Alternative finance could unlock greater flexibility and resilience

Traditional products like overdrafts and loans continue to dominate lending, despite growing interest in more flexible and innovative finance solutions. In an environment where cash flow optimisation and cost efficiency are paramount, relying only on familiar avenues could inadvertently limit a business's true growth potential. Cultivating a broader understanding of the financial landscape is critical for businesses to access the capital required for their growth objectives.

Our survey data also reflects an indifferent awareness towards alternative finance sources, with a relatively low proportion of growth businesses considering these solutions.

For example, 18% have considered supplier finance platforms, crowdfunding, or peer-to-peer lending.

The same proportion have considered private equity or venture capital, and angel investors is at 14%.

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Beyond the overdraft

Cash flow and liquidity is always a strong priority among business, with nearly four out of five (78%) of growth businesses saying this is an area of strategic priority, rising to 81% among those looking for significant growth.

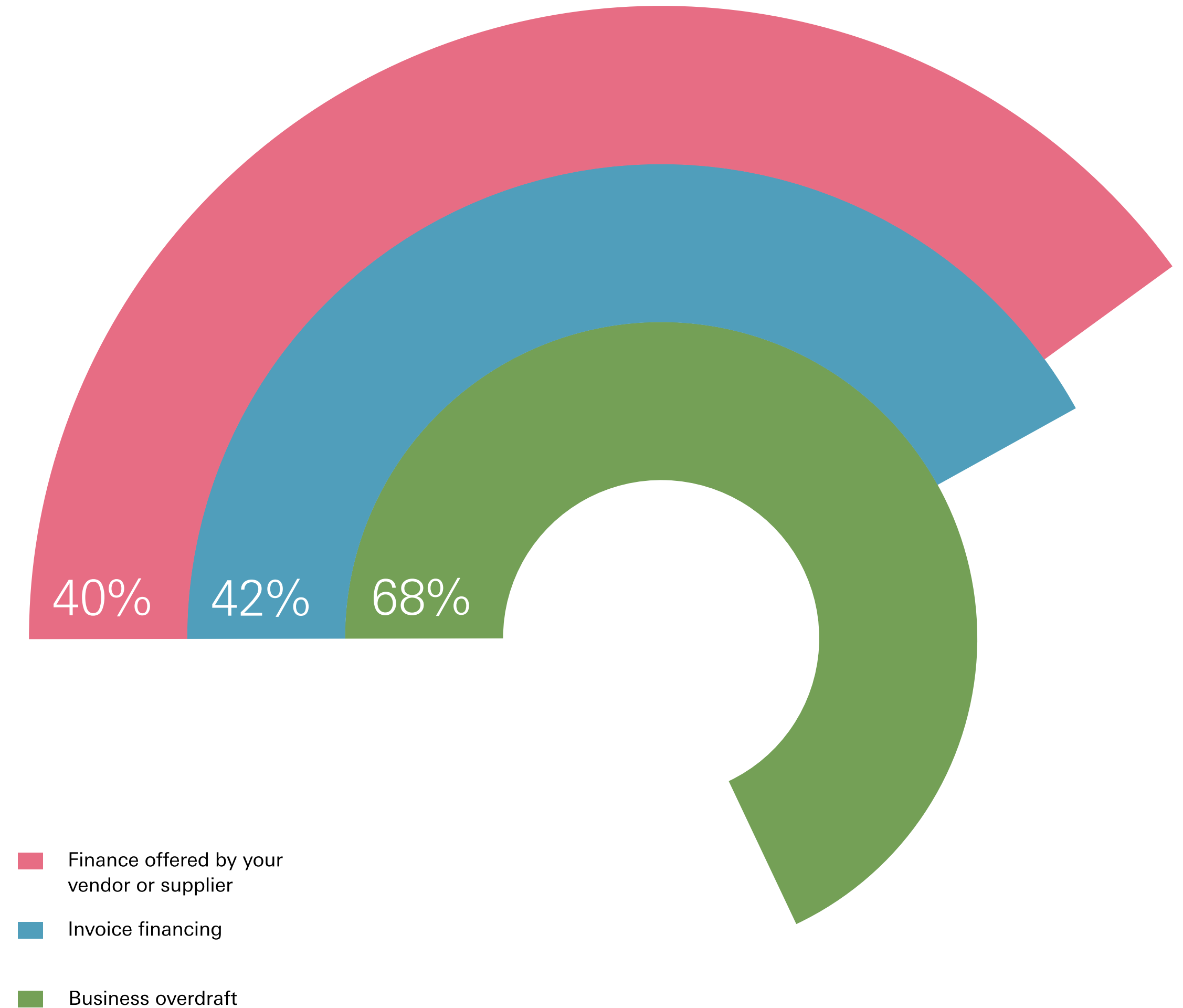
Although familiarity with overdrafts is relatively strong at 71% (extremely/very), familiarity with other working capital solutions is lower. A total of 42% of businesses looking to grow are extremely/very familiar with invoice financing – this only increases to 48% among those looking to significantly grow, which is when liquidity can become even more problematic.

Familiarity is even lower among SMEs, where cash flow is understood to be of even higher importance and the ability to absorb financial shocks and manage capital outflows can be even more challenging. For international businesses targeting significant growth, cash-flow optimisation is even more critical. Around 86% deem it extremely or very important, reflecting the inherent volatility of trade flow and supply chains.

As Stephanie Betant, Head of Global Trade Solutions, HSBC UK, says: "Working capital used to be a conversation that was held at the treasurer level; it has now made it to the boardroom. "Ultimately it is about understanding the cash that is trapped in your payables, receivables (invoice), and inventory – this has a direct correlation with cash. Everyone is in someone else's supply chain; understanding this and the impact it has on your working capital is an important tool."

Finance offered by suppliers or vendors, which is often used by international trading businesses, also has relatively muted familiarity, with only 48% of businesses trading internationally and looking to grow very aware of this solution.

Familiarity with key borrowing options among growth businesses



Key takeaways

Many businesses remain unaware of alternative finance options

Low awareness and uptake of government-backed schemes

Missed opportunities are evident in sustainability-linked lending and green loans

The survey also reveals significant sectoral disparities. Tech and IT firms, for instance, demonstrate strong awareness of all working capital-based solutions, likely a reflection of their robust growth. In the tech sector, around 19% of companies have used invoice financing. Crucially, another 19% would consider it despite not having used it – potentially doubling market utilisation. A significant 38% remain unsure, highlighting a clear opportunity for improved familiarity. Manufacturing, conversely, leads in invoice financing adoption (45%). However, it also presents a notable resistance, with 33% having no intention of using it.

Considering options

Corporates are significantly more likely to explore alternatives beyond traditional lending. Nearly half (48%) have considered private equity or venture capital, while 36% have used invoice financing – and another 32% say they are open to it. The greater uptake reflects an inherent advantage among many larger businesses: in-house expertise or dedicated finance teams which enable them to navigate complex funding options more confidently. However, there is still a high proportion of corporates who are not considering alternative financing solutions.

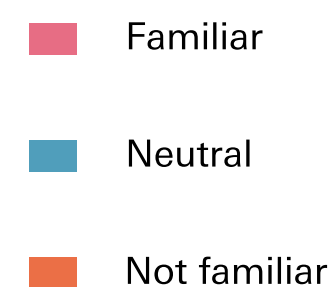
In contrast, SMEs remain anchored to traditional finance products, namely bank loans and overdrafts. More than half (52%) of SMEs report not having explored any alternative finance options. Even growth-focused SMEs are much less inclined than corporates to consider alternative routes, highlighting the continued need to help smaller businesses understand the variety of available funding avenues.

This chimes with the experience of UK Head of Client Coverage, SME Business Banking, HSBC UK, Jagdeep Rai. She sees a clear need for education on the basics of the different funding routes available. “Often when businesses want funding, they will just go for your standard loan and they're not necessarily aware of the niche products,” Rai explains. “That’s why we focus on having deep conversations, encouraging customers to consider a range of options and find the right solution.”

36% of corporate businesses have used invoice financing

19% of tech companies have used invoice financing

33% of manufacturing firms have no intention of using invoice financing



Familiarity with key support programmes among growth businesses

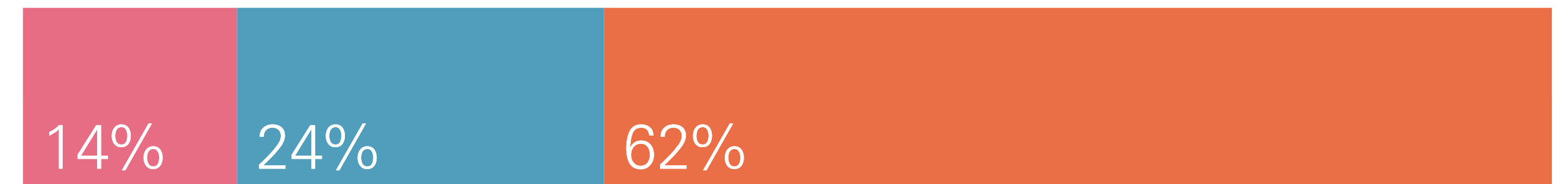
British Business Bank (BBB) loan guarantee schemes



Regional enterprise grants or development agency funds



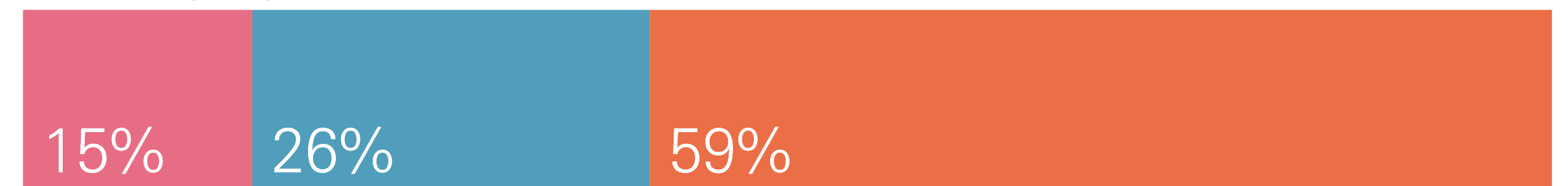
UK BEIS energy-saving and low-carbon innovation grants



European Investment Banking financing facilities



Export credit agency guarantees or insurance





Support schemes

Government-backed support schemes can offer valuable financial backing, risk mitigation, and growth opportunities that may not be available through commercial channels alone. These schemes are specifically designed to address common barriers such as limited collateral, export risk, or high upfront costs for innovation and sustainability projects.

However, our findings show that these schemes are flying under the radar. Just 36% of growth businesses overall have contemplated a support scheme, rising to 43% among corporates targeting growth. Importantly, optimistic businesses are far more likely to consider government schemes. This underscores how confidence can be a key driver of financial engagement – and how support schemes may unlock improved outlook and performance for more cautious firms.

When it comes to specific initiatives, there is a substantial knowledge gap. Across the five support programmes survey respondents were asked about, awareness (extremely/very familiar) among growth-focused businesses ranged from 21% for British Business Bank (BBB) loan guarantees to 14% for European Investment Bank financing facilities. This suggests that while the support infrastructure exists, it is not being effectively communicated or promoted to the businesses that might benefit most.

While these schemes may not be front of mind, the data points to a latent demand. Respondents, particularly SMEs, also flag a clear need for more government support, including easier access to funding, grants, mentorship programmes, and reduced red tape.

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There is a great deal of education needed for businesses of all sizes around the alternatives to basic cash flow lending, to help them unlock the funding they need to grow."

Richard Lewis, Head of Debt Finance Origination, HSBC UK

19% of growth businesses have challenges accessing finance solutions

Unlocking opportunity

With 19% of growth businesses in our survey reporting challenges accessing finance, it's no surprise that uptake of certain products remains low. But beyond access, the key issue is uncertainty about the full range of funding solutions available.

The finance landscape is evolving rapidly, with innovative options like private credit, hybrid instruments, and venture debt becoming more prominent – alongside the emergence of regional debt funds and more flexible financing models.

"The range of funding options is so much more diverse than it was just two or three years ago," says Richard Lewis, Head of Debt Finance Origination, HSBC UK. "There is a great deal of education needed for businesses of all sizes around the alternatives to basic cash flow lending, to help them unlock the funding they need to grow."



Case study: Sandwich Sandwich

The family business with growth ambitions as big as its sandwiches

When the credit crunch hit in 2008, Nick Kleiner's fine dining restaurant in Bristol struggled. He and his wife began selling sandwiches in a small kiosk next door — the start of a growth story that's seen Sandwich Sandwich gain national attention. Today, the brand has big expansion plans, with HSBC UK supporting every step.

The first shop opened in 2012 in a tiny, almost unlettable space next door to their restaurant. "We began selling some really nice sandwiches, that's where it all began," says Kleiner. Success led to three more Bristol sites. In 2016, Kleiner's son Josh joined, spearheading their social media. The result was their distinctive "cross-section big sandwich", boosting recognition locally and beyond.

While COVID-19 forced the business to adapt and diversify, a partnership with Uber Eats culminated in the accolade of Uber Eats Restaurant of the Year in 2023. Moving to a showcase Bristol space sparked viral social media, national press, celebrity chef visits, and more online followers than major sandwich brands — a springboard for its London expansion.

Funding the leap

While Sandwich Sandwich already had a long-term banking relationship with HSBC UK, Relationship Manager Seb Rosengren approached the business in 2023, keen to support expansion. He helped shape a plan to open 20 sites in five years.

To fund the initial London site, Rosengren recommended the government's Growth Guarantee Scheme — loans for viable businesses lacking traditional security — which give the lender a 70% guarantee.



We had a very supportive team at HSBC that bought into the product before it even started. It didn't feel like we'd gone to a bank to ask for finance. It felt like the bank came to us."

Nick Kleiner, Founder of Sandwich Sandwich

The Gresham Street store opened in 2024 — to 200 people queuing on day one. A second London location followed in the West End. As the business grows, HSBC UK's support is evolving with the company, from providing digital payroll to franchise expertise, and alternative financing. "Having someone like Seb is so important because he gets us, he believes in us, and knows when to say: 'We need to move from this to this now.' That's all you could want from a banking partner," says Kleiner.

Sustainability focus



Some of the more forward-thinking businesses are thinking about sustainability as a business resilience and growth lever, making long-term plans to anticipate future demand or regulation."

Robert King, Head of Commercial Banking Sustainability, HSBC UK

Is sustainability the underused asset? Last year, our annual Capex report suggested that there had been a resurgence of interest in sustainability investment. In 2025, the data indicates that it has maintained its place on the business agenda.

Top of the list of sustainability priorities are energy efficiency, waste management, and business processes or production. "Many businesses are really focused on material things and doubling down on what they can do right now," observes Robert King, Head of Commercial Banking Sustainability, HSBC UK. "Although, some of the more forward-thinking businesses are thinking about sustainability as a business resilience and growth lever, making long-term plans to anticipate future demand or regulation."

There is, however, also a sense that when it comes to sustainability efforts, businesses have already picked off the quick wins, putting next level, more ambitious initiatives on hold for some. As Sacha Balachandran, Head of Equipment Finance, HSBC UK, notes: "Investment into the sustainability space has been going on for some time. So, you could argue that some of the low hanging fruit, such as sustainability-linked loans (SLLs), has already been prioritised."

From King's perspective, larger businesses have generally made good progress on measuring their baseline impact and reducing scope 1 and 2 emissions. But it has proven more challenging for

many to take the first steps in reducing scope 3 emissions across their value chain. "Some businesses are, however, starting to engage closely with their supply chain and encouraging suppliers to sign up to science-based reduction targets," he adds.

For banks, the focus should now be on supporting clients to transition their business to be more sustainable, says Richard Lewis, Head of Debt Finance Origination, HSBC UK. "Finance acts as a catalyst to support them on their transition journeys," he notes.

Today we finance a number of industries that significantly contribute to greenhouse gas emissions. We have a strategy to help our customers to reduce their emissions and to reduce our own. For more information visit www.hsbc.com/sustainability

From awareness to action

There is a surprising lack of awareness around SLLs and green loans across the business landscape. Just 19% of businesses looking to grow have strong familiarity with these loans. Although largely driven by even lower awareness among SMEs, only half of respondents in the corporate market are familiar with these lending facilities.

Drilling deeper into the findings, we see that awareness is only 30% even among businesses citing environmental sustainability as an important strategic focus. More encouragingly, when asked whether they would consider using an SLL or green loan, 37% of these respondents indicate that they would, with a further 20% unsure.

19% of growth-focused businesses are strongly familiar with sustainability-linked loans



At a sector level, the picture is mixed. In agriculture, 68% of businesses remain unfamiliar with green or sustainability-linked loans. Manufacturing shows moderate awareness, though more than half (52%) still lack knowledge. IT and technology lead the way, with 61% familiar with these financial products, indicating that newer or more innovation-led sectors may be more engaged with sustainability finance.

This limited understanding extends beyond lending to other financial solutions supporting sustainability. For example, only 14% of businesses looking to grow have strong familiarity with UK BEIS energy-efficiency and low-carbon innovation grants. Awareness is particularly low among SMEs, but does increase to 37% for corporates.

14%

of businesses looking to grow have strong familiarity with UK BEIS energy-efficiency and low-carbon innovation grants

37%

of corporates are aware of UK BEIS energy-efficiency and low-carbon innovation grants

Finding the right solution

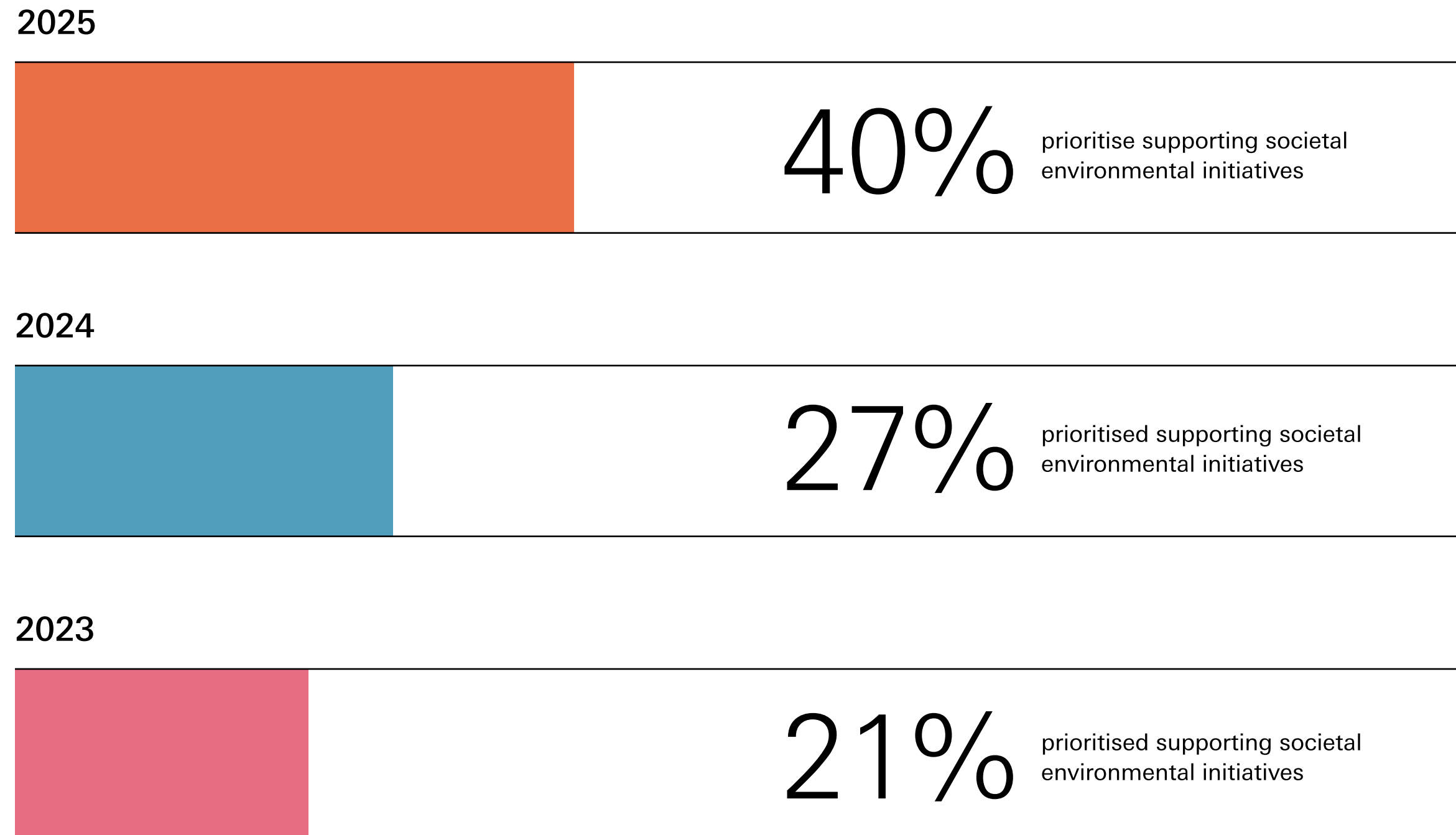
King is not surprised by the low levels of consideration and usage. “Sustainability-linked loans come with incentives, but they are performance linked, and the performance needs to be assured. So, for smaller businesses, the costs around assuring performance may outweigh the benefits, deterring consideration and uptake.” The HSBC Sustainability Improvement Loan (SIL) addresses some of these issues for SMEs. “By linking performance to an EcoVadis sustainability rating, which a client may already have or can opt to get, it eliminates the additional assurance cost for the loan.”

The experience of Inpress Precision Ltd, a manufacturing SME committed to reaching net zero by 2030, illustrates the potential impact of a SIL. With HSBC’s support, the company has improved its facilities’ energy ratings, significantly cutting energy costs. Inpress also helped develop Sharpak Zero, a line of reusable medical waste bins that reduce carbon footprint by 87% compared with traditional single-use products.

In the corporate space, Richard Lewis, Head of Debt Finance Origination, HSBC UK, sees a shift to more bespoke, mid-market-focused sustainable finance. “Sustainability financing is becoming more tailored and accessible for mid-sized corporates, often structured as simpler bilateral deals linked to ESG ratings – rather than complex, syndicated loans requiring full alignment around targets across multiple banks.”

With so many businesses still unaware of dedicated lending solutions that can help accelerate progress in key areas like environmental sustainability, more must be done to drive awareness – wherever businesses are on their sustainability journey.

Year-on-year rise in growth firms thinking beyond their own business to their broader role in society



”

Our main business bank would be the first option because we already have an established relationship...

They are also familiar with our business model, cash flow patterns, and growth plans, making it easier to tailor borrowing solutions.”

Financial services company, £5.1m–25m, South West

The long view

What should businesses have on their radar in the current lending landscape? Senior HSBC UK experts share some practical tips.

◆ Asset finance

Strategically funding your tech evolution

“

In an era where technology investments – from AI infrastructure to automation and sustainable solutions – are central to strategic priorities, operational efficiency, and capital planning, asset finance is a critical (and flexible) enabler. It allows you to match funding terms with asset lifecycles, spreading repayments to optimise cash flow. Crucially, this type of finance also mitigates the risks of obsolescence and enables you to manage the full cost of ownership, ensuring your tech investments remain agile and growth-oriented.”



Sacha Balachandran, Head of Equipment Finance, HSBC UK

◆ International expansion

Building resilience in a global ecosystem

“

Whether or not you see yourself as international, your supply chain almost certainly is. In today's hyper-connected world, participation in global commerce is not a choice, it's almost an inevitability. This inherent interconnectedness means trade disruptions and capital challenges cascade through the entire value chain. An understanding of the complexities and true costs involved is crucial, as is aligning working capital closely with operations. Leveraging solutions like trade finance, for instance, or foreign exchange can help. These can be delivered as part of a structured arrangement tailored to specific business needs.”



Stephanie Betant, Head of Global Trade Solutions, HSBC UK

◆ Sustainability

Tuning into transition opportunities

“

Think of sustainability as part of the day-to-day running of your business. It should be embedded into operations, with a focus on areas that are most material – such as energy efficiency, supplier management, and risk assessment. By doing so, businesses can unlock opportunities for cost savings, drive innovation through new solutions, and gain access to evolving markets and customer segments. The resource, time, and expertise required to develop a sustainability strategy can be a barrier to meaningful change, particularly for SMEs, which is why tailored financing solutions are available to facilitate this essential transition and demonstrate commitment.”



Robert King, Head of Commercial Banking Sustainability, HSBC UK

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How HSBC UK can help

Driving growth by lending more than money

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In an increasingly digital world, the value of real human connection hasn't diminished – if anything, it's become more critical. We take the time to really understand our clients. This insight, combined with our lending expertise, allows us to offer meaningful support, helping businesses to grow with confidence."

James Cundy, Managing Director, Head of Corporate Banking and Leveraged Finance, HSBC UK

At HSBC UK, we have a 160-year history of backing ambitious businesses, helping them access the capital and banking expertise they need to grow and stay future-fit. We support businesses of all sizes – from start-ups to large corporates – throughout every stage of their lifecycle.

A relationship to truly invest in

Our survey reveals that people-led interactions and expertise still play a vital role in how growth-oriented businesses navigate borrowing decisions. This aligns with our experience and the emphasis we place on forging long-term relationships with our customers. We pride ourselves on the longevity of these partnerships, some of which go back nearly half a century.

With a network spanning more than 50 markets, we can draw on teams all over the world as well as in regional hubs around the UK. This means we are uniquely placed to connect businesses to growth-driving opportunities both at home and internationally. With deep sector capabilities, we understand your business and your sector, which makes it easier to support you with financing and innovative solutions, and help you adapt to new business models.

160 years of history backing ambitious businesses

50+ markets with an HSBC presence complement our regional UK hubs



Our teams work closely with customers to build a detailed picture of their business and operating environment. This insight allows us to identify borrowing needs at an early stage and recommend solutions tailored to the specific context – whether that is managing day-to-day liquidity, planning for growth or navigating strategic change. This relationship-driven approach means we’re able to take a long-term view and provide consistent lending support, even in times of uncertainty.

#1 bank for UK MLA transactions
10 years running⁶

Our solutions

Beyond core lending, we offer a broad set of financing options, including asset and invoice finance, M&A support, and sustainable finance. We can also help businesses access a range of alternative funding options, whether directly through HSBC UK and via partnerships, government schemes, or other lenders.

Our commitment has been recognised within the industry with awards that include being voted UK’s Best Bank for Corporates by Euromoney in 2024 and 2025.⁷ HSBC UK supports the highest number of multi-bank lending transactions (#1 Bank for UK MLA transactions 10 years running) and we are also increasingly active in export finance and private credit collaborations.

With trusted relationships at the heart of what we do, we aim to help businesses grow and move forward with confidence.





Talk to us today about your growth plans