

Key facts

about UK-based financial and related professional services 2026



About TheCityUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. We champion and support the success of the ecosystem, and thereby our members, promoting policies in the UK and internationally that drive competitiveness, support job creation and enable long-term economic growth. The industry contributes over 11% of the UK’s total economic output and employs almost 2.5 million people – with two thirds of these jobs outside London across the country’s regions and nations. It is a major contributor to the government tax revenue and the largest net exporting industry. The industry plays an important role in enabling the transition to net zero and driving economic growth across the wider economy through its provision of capital, investment, professional advice and insurance. It also makes a real difference to people in their daily lives, helping them save for the future, buy a home, invest in a business and manage risk.

Contents

Foreword	4
Executive summary	4
Introduction	5
A source of macroeconomic strength	5
Making a positive difference to people’s lives	9
Supporting businesses	12
Providing professional services, supporting services, and wider social benefit	15
Conclusion	16



Key facts about UK-based financial and related professional services



Almost **2.5 MILLION** people in the UK worked in financial and related professional services in 2024

Financial services had **1.1M** people in employment:

- Banking – **388,000**
- Insurance – **314,000**
- Fund management – **77,000**
- Other financial services – **314,000**

Related professional services had almost **1.4M** people in employment:

- Management consultancy - **522,000**
- Accountancy - **496,000**
- Legal services - **368,000**



UK-based financial and related professional services generated a **trade surplus** of **£119.1BN** in 2024



The **outstanding amount of loans** made available by major banks to UK businesses was **£582BN** as of February 2026, **34%** of this was lent to SMEs



Financial and related professional services contributed **11%** of total real GVA* (**£290bn**) in 2025

*Gross value added



Financial services sector **productivity** is **2.6 times** that of whole-economy productivity



UK fund managers helped to protect and grow around **£12TRN** in financial assets in 2024



The UK is a **global LawTech hub**, with more than **370** companies in this sector



Sales of annuities increased to over **18,000** in 2025, up **10%** from 2024



AIM-listed companies raised **£2.7BN** through share issues in 2025, up **27%** from 2024



Mortgage lending increased by **20.4%** to **£296BN** in 2025



Financial services was the **second largest source of charitable donations** accounting for **20.7%** of the total in 2024

Foreword

I am pleased to present the latest edition of our flagship research annual assessing the contribution of the UK-based financial and related professional services industry: its scale, structure and positive impact on the wider domestic economy.

The industry continues to make a substantial contribution to UK economic activity. Its employment contribution remains as strong as ever, and the industry remains both a major national employer and an important source of economic support across the regions and nations of the UK. In output terms, financial and related professional services contributed £290bn to UK real gross value added in 2025, equivalent to approximately 11% of total economic output. Alongside this, it remains a major contributor to public finances, with its total tax contribution exceeding £100bn.

Beyond these headline macroeconomic indicators, the data in our report underline the industry's broader enabling role within the economy. UK-based financial and related professional services support households through savings, pensions and mortgage provision, and support businesses through lending, capital markets and advisory services. For example, major banks had £582bn of lending outstanding to UK businesses as of early 2026, with over a third directed to SMEs. UK fund managers were responsible for managing £12.1trn of assets in 2024, reflecting the sector's central role in long-term savings and investment. They invested £54bn of this in UK infrastructure projects related to renewable energy, transport and public health, among other infrastructure classes.

As in previous editions of this research, this report uses the latest available data to provide a factual, evidence-based understanding of the role of the industry in the UK economy. The figures presented here highlight both the scale of that contribution and its breadth across different sectors and regions. As such, it is intended to support informed discussion among policymakers, industry participants and other stakeholders. This is especially important at a time when the broader economic environment remains uncertain, shaped by geopolitical developments, technological change and rapidly evolving market conditions. In this context, maintaining a clear understanding of the industry's contribution – and the factors that support its competitiveness is critical.

Anjalika Bardalai

Chief Economist & Director, Economic Research,
TheCityUK



Executive summary

- The UK-based financial and related professional services industry makes a crucial contribution to the UK economy and supports individuals and businesses in their day-to-day activities through services like savings, mortgage provision, and business lending. This report uses the latest available data to highlight the enabling role of the industry in driving economic growth.
- In 2024, almost 2.5 million people worked across the UK in financial and related professional services, accounting for 7.5% of total UK employment. Two thirds of this employment was based outside London, with Birmingham, Edinburgh and Manchester being some of the leading industry employment centres besides London.
- Financial and related professional services contributed £290bn to UK real gross value added (GVA) in 2025, equivalent to around £10,000 for every household in the UK. This represented around £11 of every £100 of total economic output.
- The industry supports customers with services such as mortgage lending, pension saving, life assurance policies and other investment services. For example, UK fund managers helped to protect and grow around £12.1trn in financial assets in 2024, representing savings through pensions, life assurance policies and other investments.
- The industry supports businesses in myriad ways, ranging from providing current accounts for day-to-day expenditures to insurance cover for assets to growth capital for investment. For example, the outstanding amount of loans made available by major banks to UK businesses totalled £582bn as of February 2026. Of this total, 34.3% was lent to SMEs.
- In 2024, the UK private equity and venture capital sector managed assets totalling around £580bn. Regionally, London accounted for 55.8% of total amount of capital invested, followed by the South West (11.2%), the North West (7.1%), and the South East (4.9%).
- Small caps from across the UK enjoy access to one of the largest share markets for small companies in Europe, with 619 companies quoted on the AIM by the end of 2025. AIM companies raised £2.7bn through new and further issues of shares.
- The UK has high quality professional services related to financial services (accounting, management consulting and legal services). These three sectors contributed £31.7bn, £20.2bn and £38.1bn respectively to UK real output in 2025.
- The financial and related professional services industry is also involved in financial education programmes, social initiatives and alternative finance solutions for businesses and clients.
- Among FTSE 100 companies, the financial services sector was the second largest source of charitable donations in 2024, after healthcare. It accounted for 20.7% of total donations.

Introduction

The UK-based financial and related professional services industry makes a vital and multi-faceted domestic contribution. It is a major macroeconomic force, supporting output, employment, tax receipts and trade. In addition, it helps individuals manage their day-to-day finances and plan for the future through products and services such as payments, savings, mortgages, pensions and insurance. The industry also underpins business activity across the economy by providing finance, investment and specialist professional advice that enable firms to start up, scale and manage risk. Alongside these economic roles, the industry contributes to society more widely through financial education initiatives and philanthropic giving, reinforcing its broader social value.

A source of macroeconomic strength

The financial and related professional services industry is a key source of macroeconomic strength for the UK. It supports the broader economy in several ways, from creating jobs to maintaining a large trade surplus. It is a major driver of UK GVA growth and generates significant tax revenue used to fund essential public services and infrastructure. Additionally, by attracting steady foreign direct investment (FDI), the industry brings in capital that fuels domestic business growth and supports the development of local infrastructure across the country.

A significant employer

According to the latest data available from the Office for National Statistics (ONS) and the Northern Ireland Statistics and Research Agency (NISRA), in 2024 almost 2.5 million people worked across the UK in financial and related professional services – the latter comprising legal services, accounting services and management consultancy. This accounted for 7.5% of total UK employment, or almost 1 in 13 workers.^{1, 2} Analysing data by the international territorial levels (ITLs) 1 and 3³, employment in the industry stands out for the following key points:⁴

1

TheCityUK calculations based on Nomis, ‘Business register and employment survey: open access’, (October 2025), available at: <https://www.nomisweb.co.uk/query/select/getdatasetbytheme.asp?opt=3&theme=&subgrp=>

2

TheCityUK estimates based on data from NISRA, ‘Business Register and Employment Survey’, (October 2025), available at: <https://www.nisra.gov.uk/statistics/annual-employee-jobs-surveys/business-register-and-employment-survey>

3

International Territorial Levels (ITLs) are a classification system used for dividing the UK territory into regions for statistical purposes, replacing the previous Nomenclature of Units for Territorial Statistics (NUTS) system – the classification standard used across the European Union for dividing countries into regions for statistical purposes.

4

2024 data is provisional and the Office for National Statistics will revise it as part of the annual update in October 2026. Earlier years will not be revised, as BRES provides point-in-time estimates and is not designed for time-series analysis.

- Almost two thirds of this employment is based outside London. Birmingham has over 63,000 people in employment followed by Edinburgh and Manchester, each with around 60,000 people. Bristol, Leeds and Glasgow each have between 46,000 and 51,000 people in employment.
- Twenty-four areas (ITLs 3) in the UK each have over 20,000 people in employment in the industry.

Financial services have 1.1 million people in employment, the majority of whom are in banking (388,000), and insurance services and other financial services (314,000 each). Fund management provides employment for a further 77,000 people.

Related professional services have almost 1.4 million people in employment divided among management consultancy (522,000), accountancy (496,000) and legal services (368,000); for more information see Figure 1.

FIGURE 1: Employment by sector in UK financial and related professional services, % of total industry employment, 2024

Source: TheCityUK calculations based on data from Nomis and the Northern Ireland Business Register and Employment Survey

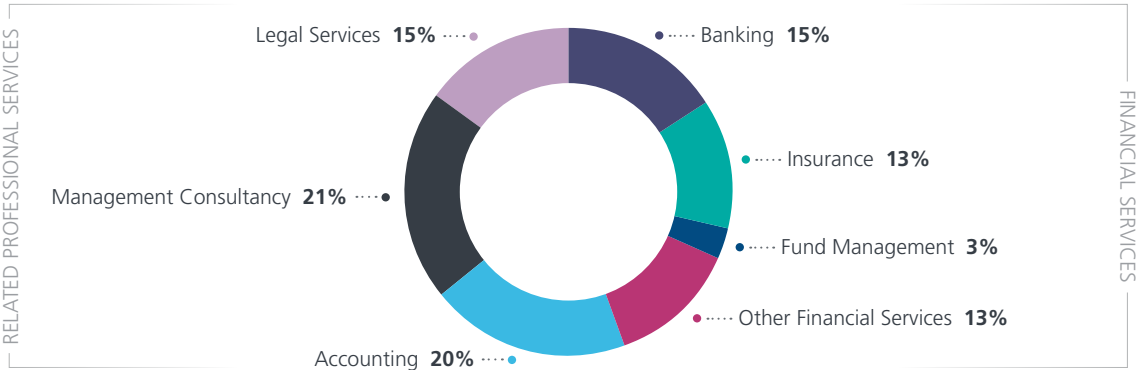
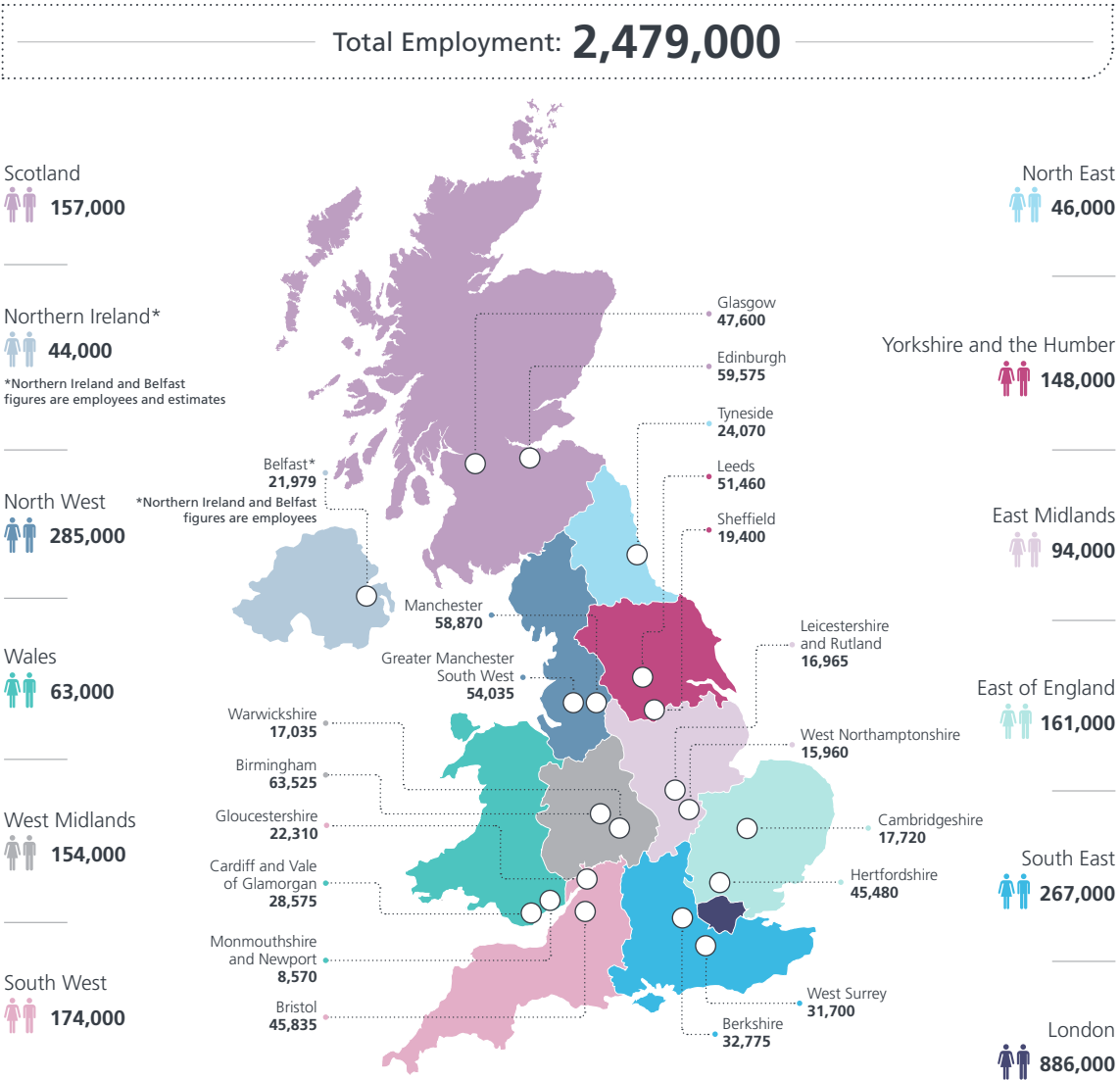


FIGURE 2: Employment in UK-based financial and related professional services industry by ITLs 1 and 3, 2024

Source: TheCityUK calculations based on data from Nomis and the Northern Ireland Business Register and Employment Survey



Note: Figures for regions are rounded to the nearest thousand

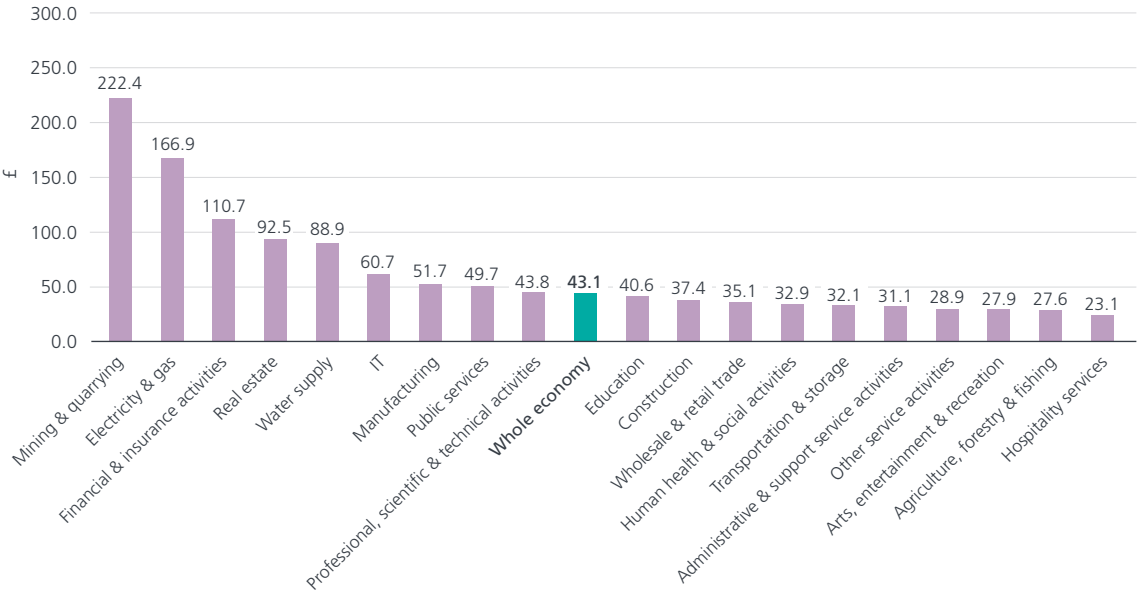
A leading contributor to UK economic output

According to the latest available data from the ONS, across their domestic and international activities, financial and related professional services contributed £290bn to UK real (inflation-adjusted) gross value added (GVA) in 2025, representing around £11 of every £100 of economic output. Financial and related professional services is among the UK's largest industries as measured by GVA.⁵ Compared with 2024, financial and related professional services GVA increased by 0.7% in real terms.

Financial services sector productivity is 2.6 times that of whole-economy productivity in terms of nominal output per hour. Output per hour for the financial services sector was £110.7 in 2025, compared with whole-economy productivity of £43.1. On this metric, the sector ranks third, behind mining and quarrying (£222.4), and electricity and gas (£166.9); and ahead of real estate (£92.5), water supply (£88.9), and IT (£60.7); for more information see Figure 3.⁶

FIGURE 3: UK nominal output per hour by sector, £, 2025

Source: Office for National Statistics



5 TheCityUK estimates based on the Office for National Statistics, 'GDP output approach - low-level aggregates', (14 May 2026), available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/ukgdpolowlevelaggregates>

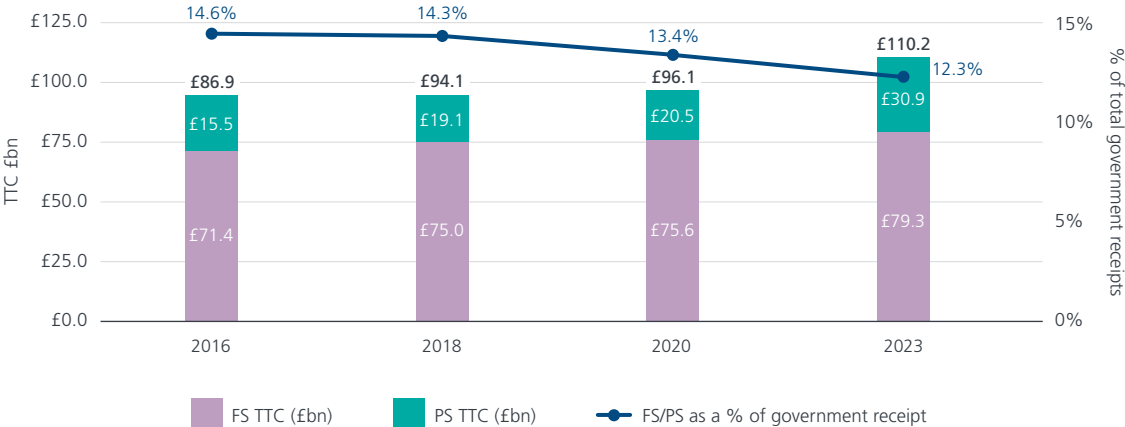
6 Office for National Statistics, 'Output per hour worked, UK', (19 May 2026), available at: <https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/datasets/outputperhourworkeduk>

A large provider of tax receipts

The financial and related professional services industry is a major contributor to government tax revenue. The total tax contribution (TTC) of the industry was estimated to be £110.2bn, the highest on record, for the year ending 31 March 2023 (latest available data).⁷ The financial services sector made a tax contribution of £79.3bn, and the related professional service sector, £30.9bn; this represents the highest estimated tax contribution on record for both sectors individually. There was an increase in TTC of over a quarter (by £23.3bn) between 2016 and 2023. (Figure 4).⁸

FIGURE 4: Total tax contribution of the UK financial and related professional services industry, 2016 – 2023 (selected years)

Source: TheCityUK and City of London Corporation, 'The total tax contribution of UK-based financial and related professional services' (May 2024)



A source of crucial support to the trade balance

UK-based financial and related professional services firms are the face of British businesses across the globe, contributing 'soft power' as well as economic and commercial success. UK-based financial and related professional services generated a trade surplus which we estimate to have been £119.1bn in 2024, based on data from the

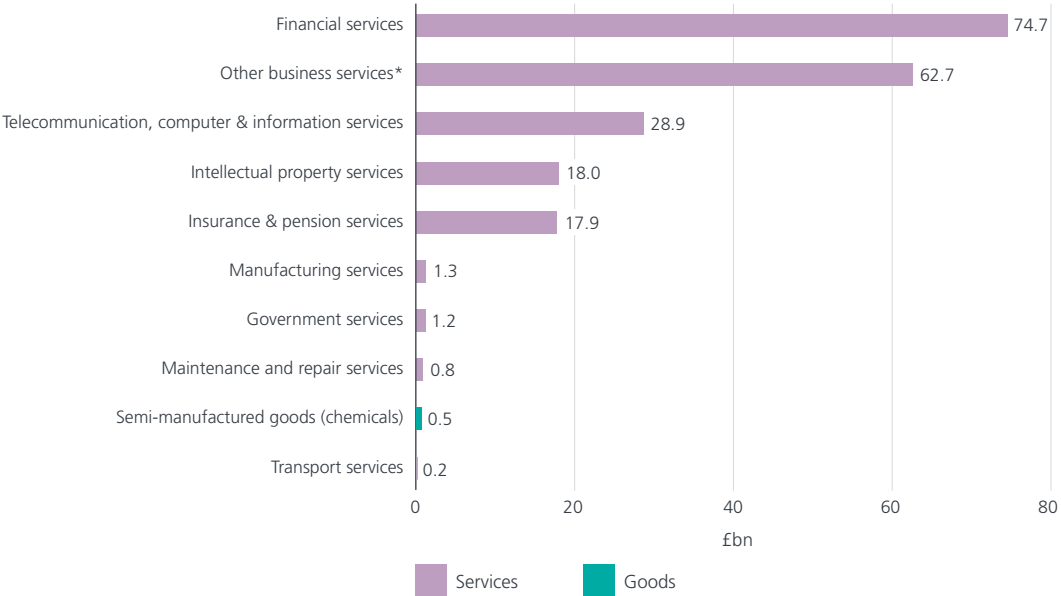
7 Related professional services broadly refer to companies and firms which undertake commercial activities in the accounting, legal, and management consultancy industries. However, these estimates correspond to extrapolated figures that only include the legal and accounting industries.

8 TheCityUK and City of London Corporation, 'The Total Tax Contribution of UK-based Financial and Related Professional Services', (May 2024), p.8-9, available at: <https://www.thecityuk.com/our-work/the-total-tax-contribution-of-uk-based-financial-andrelated-professional-services/>

ONS.⁹ This was equivalent to 3.2% of GDP.¹⁰ Financial and related professional services' trade surpluses help to partly offset the UK's trade in-goods deficit of £210.7bn.¹¹ Financial services (financial activities + insurance services) generated the largest trade surplus of any sector in the UK, at £92.6bn in 2024. Among related professional services, management consulting services generated a trade surplus of £14.7bn; see Figure 5 for details.¹²

FIGURE 5: UK sectors generating trade surpluses, £bn, 2024

Source: Office for National Statistics



*Research and development, Professional and management consulting services, and Technical, trade-related and other business services

Note: Travel, Personal, cultural and recreational services, Construction services, and all goods industries (except Semi-manufactured goods) ran a trade deficit in 2024

9 TheCityUK estimates based on the Office for National Statistics, '03 Trade in services, the Pink Book', (31 October 2025), available at: <https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/3tradeinservicesthepinkbook2016>

10 TheCityUK calculations based on the Office for National Statistics, 'Gross Domestic Product at market prices: current price: seasonally adjusted £m', (31 March 2026), available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/ybha/qna>

11 Office for National Statistics, '02 Trade in goods, the Pink Book', (31 October 2025), available at: <https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/2tradeingoodsthepinkbook2016>

12 TheCityUK calculations based on the Office for National Statistics, '03 Trade in services, the Pink Book', (31 October 2025), available at: <https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/3tradeinservicesthepinkbook2016>

Attracting foreign direct investment to the UK

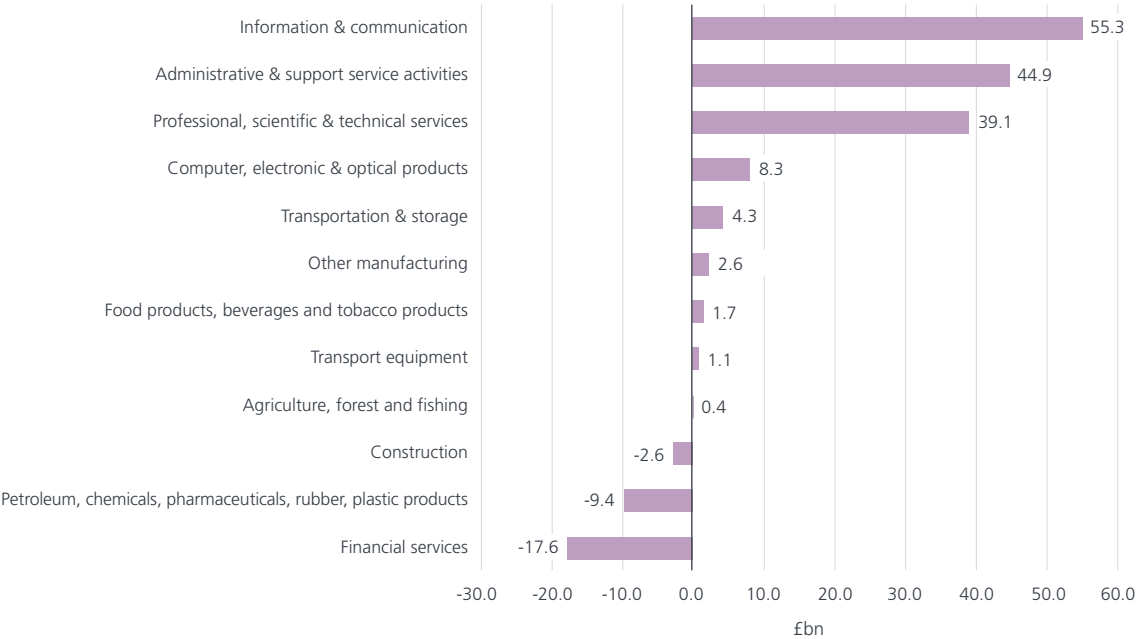
The UK is key destination for financial and related professional services investment. A standard measure of such investment, inward FDI, is a volatile indicator that can show significant changes from year to year; in any given year the figure may be distorted by a particularly large deal(s).

In 2024, the financial services sector registered negative FDI inflow ((in other words, net disinvestment in this sector) of -£21.4bn; the professional, scientific and technical services sector that includes TheCityUK’s defined related professional services attracted £4.5bn in FDI inflows.

Cumulative inflows over the past four years (2021-2024) show that the professional, scientific and technical services was the third-largest sector that most attracted FDI over the same period, with a total of £39.1bn in cumulative inflows, equivalent to 30% of overall FDI; see Figure 6.¹³ The financial services sector registered a net disinvestment of -£17.6bn.

FIGURE 6: Cumulative inward FDI flow by top sector, £bn, 2021-2024*

Source: Office for National Statistics



*Total for mining and quarrying, textiles and wood activities, metal and machinery products, electricity services, and other services sectors are not presented because for some years data is classed as 'confidential'.
Note: A negative sign indicates a net disinvestment in the UK which means that direct investment interests were sold, and/or reinvested earnings were negative

13 TheCityUK calculations based on Office for National Statistics, 'Foreign direct investment involving UK companies (directional): inward', (27 January 2026), available at: <https://www.ons.gov.uk/businessindustryandtrade/business/businessinnovation/datasets/foreigndirectinvestmentinvolvingukcompanies2013inwardtables/current>

Making a positive difference to people’s lives

The financial and related professional industry plays an essential role in the daily life of millions of people across the UK. It provides the vital infrastructure that allows individuals to manage their everyday finances, from securing a mortgage to protecting households through insurance to growing savings for retirement and other life goals.

Safeguarding savings and managing investments for the future

UK fund managers helped to protect and grow around £12.1trn in financial assets in 2024, up 11% from 2023, representing savings through pensions, life assurance policies and other investments.¹⁴ Pension providers have a key role in delivering cost effective and accessible pensions in the future, which for most people in the private sector are defined contribution (DC). Under DC schemes, pension payments are derived from the total value of contributions to pension pots made by individuals and their employers, with the value of the fund determined by the performance of investments.

Pension participation has been increased, partly because of automatic enrolment that was introduced in 2012; pension participation among private sector employees has increased significantly, rising from just over 40% in 2012 to over 80% in 2024.¹⁵ According to the latest available personal pension statistics published by HM Revenue & Customs in July 2025, contributions to personal pension pots totalled £14.6bn in 2023/24, up 14.1% from 2022/23.¹⁶ Personal pensions help savers to achieve their aspirations for financially independent retirement years. Personal pensions supplement state and occupational pension schemes.

Annuities have often been used to provide a guaranteed income in retirement. Annuity sales declined considerably from 2015, when the requirement to buy an annuity was abolished, until 2021. However, as high interest rates and economic uncertainty drive individuals towards products with guaranteed income streams, and more people seek reliable retirement income for life, annuities have increased in popularity in recent years. According to the ABI, the total value of premiums paid into individual pension annuities in the UK reached £7.4bn in 2025, the highest since 2014, despite a 2% drop in the number of annuities sold. Larger pension pots are being annuitised, with sales of annuities over £250,000 rising by 31% and those over £500,000 up by 54%, pushing the average annuity value to £84,000.

14 The Investment Association, ‘Investment management in the UK 2024-2025: The Investment Association annual survey’, (October 2025), p.19, available at: https://www.theia.org/sites/default/files/2025-10/Investment%20Management%20in%20the%20UK%202024-2025_0.pdf

15 The Investment Association, ‘Investment management in the UK 2024-2025: The Investment Association annual survey’, (October 2025), p.64,available at: https://www.theia.org/sites/default/files/2025-10/Investment%20Management%20in%20the%20UK%202024-2025_0.pdf

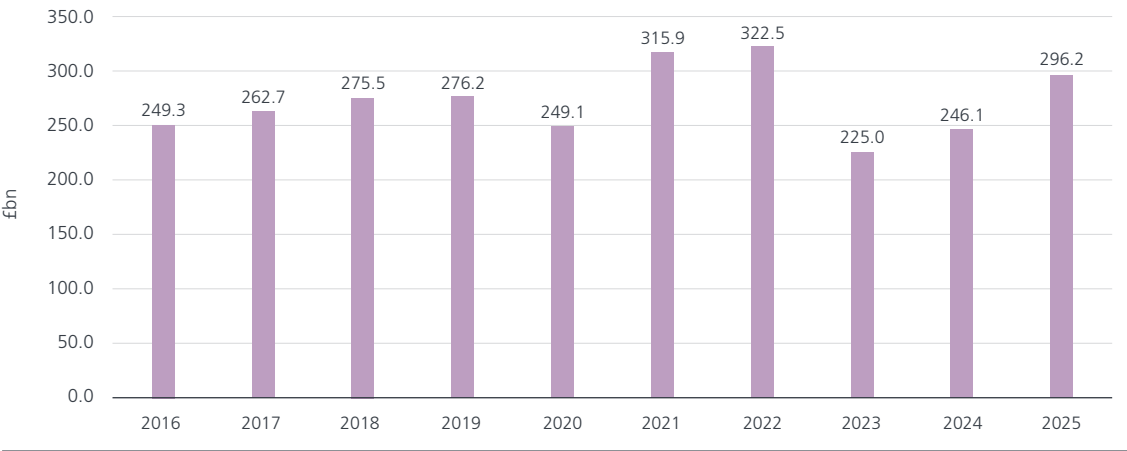
16 HM Revenue & Customs, ‘Private pension statistics commentary: July 2025’, (31 July 2025), available at: <https://www.gov.uk/government/statistics/personal-and-stakeholder-pensions-statistics/private-pension-statistics-commentary>

Sales of annuities increased to over 18,000 in 2025, up 10% from 2024, the highest level recorded since 2013.¹⁷ In addition, according to ABI data, an estimated £17bn was withdrawn from pension pots through drawdown payments, cash withdrawals and pension commencement lump sums in 2023. For the general insurance sector, motor and property insurance processed around 10,260 claims per day in 2024; travel insurers paid out £472m in claims; and protection insurers paid out £7.91bn in 2024.¹⁸

Providing mortgage finance

In 2024-25, 29% of households in England enjoyed the security of home ownership thanks to mortgages.¹⁹ The mortgage market grew at an average annual growth rate of 3.2% over the last decade, but with important fluctuations. For example, in 2023 it experienced a decline because of high interest rates, but has recovered gradually since 2024, supported by the Bank of England’s decision in August 2024 to cut interest rates for the first time since 2021. In 2025, the UK mortgage market showed a significant year-on-year increase, with the value of gross mortgage lending growing by 20.4% to £296.2bn (Figure 7).²⁰

FIGURE 7: UK gross mortgage lending, £bn, 2016-2025
Source: FCA and Bank of England



17 Association of British Insurers, ‘Larger pension pots drive record-breaking year for individual annuity premiums’, (12 February 2026), available at: <https://www.abi.org.uk/news/news-articles/2026/2/2026-annuity-data/>

18 Data provided by the Association of British Insurers.

19 Ministry of Housing, Communities and Local Government, ‘English housing survey 2024-2025: headline report’, (29 January 2026), p.3, available at: [https://assets.publishing.service.gov.uk/media/6930595d4bedc0e762303ffa/2024-25_EHS_Headline_Report.pdf#:~:text=While%20the%20overall%20proportion%20of%20owner%20occupiers,of%20households%20were%20mortgagors%20\(30%25%20in%202014%2D15\).](https://assets.publishing.service.gov.uk/media/6930595d4bedc0e762303ffa/2024-25_EHS_Headline_Report.pdf#:~:text=While%20the%20overall%20proportion%20of%20owner%20occupiers,of%20households%20were%20mortgagors%20(30%25%20in%202014%2D15).)

20 Financial Conduct Authority, ‘Mortgage lending statistics – Q4 2025’, (10 March 2026), available at: <https://www.fca.org.uk/data/commentary-mortgage-lending-statistics-q4-2025>

Enhancing consumer welfare and convenience

Financial services firms have continued to make substantial multi-billion pound investments, enhancing their digital banking capabilities and integrating advanced payment systems to better serve their customers’ evolving needs. For example:

- In 2024, cash stopped being the second-most-used payment method representing 9% of all payments, where direct debits, faster payments and credit cards took over. In 2024, cash payments in the UK fell significantly by 26.6% to 4.4bn payments.²¹
- Contactless payments have become the most used payment method in recent years, especially since the Covid-19 pandemic. According to data from UK Finance, the number of annual transactions made with contactless payment cards reached 18.9bn in 2024, up 3.3% from a year earlier.²²
- At the end of 2024, there were 153m contactless cards in circulation. Eighty-nine per cent of cards in circulation had contactless functionality.²³
- The number of cheque payments continues declining. In 2024 cheque payments declined to 91m, down from 627m a decade earlier.²⁴
- Eighty-eight per cent of the population used at least one form of remote banking during 2024; 75% used mobile banking.²⁵
- During 2024, the number of payments via the Faster Payments Services (FPS) reached 5.6bn, up 14% from 2023. Faster Payments and other remote banking methods became the UK’s second most commonly used payment type in 2024, surpassing both cash and Direct Debit. Fifty per cent of all payments made by businesses were done using FPS or other remote banking system.²⁶
- Traditional banks have embraced online and mobile banking, but the UK also serves as a major hub for challenger banks. Among the largest challenger banks globally, Atom Bank, Monese, Monzo, Revolut, Starling Bank and Zempier Bank (formerly CashPlus) are all based in the UK.

For more information about the methods of payment in the UK in 2024, see Figure 8.²⁷

21 UK Finance, ‘UK payment markets summary 2025’, (July 2025), p.9, available at: <https://www.ukfinance.org.uk/system/files/2025-10/Payment%20Markets%20Report%20Summary.pdf>

22 UK Finance, ‘UK payment markets summary 2025’, (2025), p.7, available at: <https://www.ukfinance.org.uk/system/files/2025-10/Payment%20Markets%20Report%20Summary.pdf>

23 Ibid.

24 UK Finance, ‘UK payment markets summary 2025’, (July 2025), p.12, available at: <https://www.ukfinance.org.uk/system/files/2025-10/Payment%20Markets%20Report%20Summary.pdf>

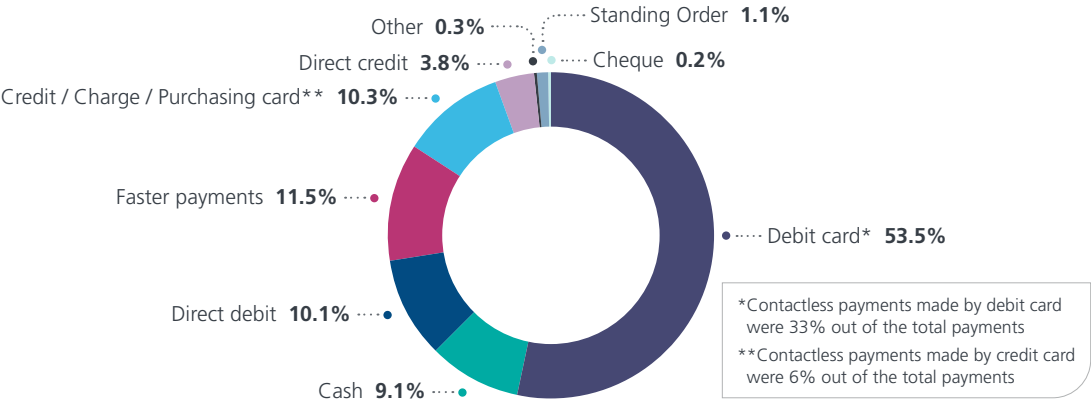
25 UK Finance, ‘UK payment markets summary 2025’, (July 2025), p.10, available at: <https://www.ukfinance.org.uk/system/files/2025-10/Payment%20Markets%20Report%20Summary.pdf>

26 UK Finance, ‘UK payment markets summary 2025’, (July 2025), p.10,11, available at: <https://www.ukfinance.org.uk/system/files/2025-10/Payment%20Markets%20Report%20Summary.pdf>

27 UK Finance, ‘UK payment markets summary 2025’, (July 2025), p.13, available at: <https://www.ukfinance.org.uk/system/files/2025-10/Payment%20Markets%20Report%20Summary.pdf>

FIGURE 8: Methods of payments in the UK, % share, 2024

Source: UK Finance



Broadening access to related professional services

Like the financial services sector, related professional services have also made increasing use of technology in recent years in order to become more accessible to individuals.

Legal services, for example, is making greater use of artificial intelligence (AI). A LexisNexis survey found that as of September 2025, over 60% of UK lawyers had adopted AI tools to automate document review, contract analysis, and legal research, helping not only to lower costs, but also to improve work-life balance of people working in the sector.²⁸ Additionally, the internet facilitates the provision of very basic legal services at low cost, bringing such services within the reach of individuals who may not otherwise be able to afford them. LawTech, the sector that uses new technologies to provide legal services, is now worth at least \$30bn globally. The UK has become a global LawTech hub, with more than 370 companies in this sector, 270 of which are UK-founded with investment of more than £1.7bn. Of this, £139.6m was secured in 2024 alone, representing nearly 10% of the total.²⁹

The UK benefits from a highly developed legal market, a technology talent pipeline, a competitive tax system, and a liberal regulatory regime. Whereas most jurisdictions continue to bar nonlawyers from involvement in legal services firms, the UK’s Legal Services Act 2007 permitted Alternative Business Structures (ABS), business models that allow investment, ownership and management by non-lawyers. A 2025 study published by Thomson Reuters found that around one-third of law firms use Alternative Legal Service Providers (ALSPs), mostly large firms (54%) due to their scale and resources. Moreover, law firms and corporate law departments are increasingly appreciating ALSPs for their specialised knowledge, cost-effectiveness, and capacity to handle large volumes of work.³⁰

28 LexisNexis, ‘The AI culture clash’, (September 2025), available at: <https://www.lexisnexis.co.uk/insights/the-ai-culture-clash/index.html>

29 TheCityUK, ‘Legal excellence, internationally renowned 2025’, (9 December 2025), p.22, available at: <https://www.thecityuk.com/media/k3ldlq22/uk-legal-services-2025-legal-excellence-internationally-renowned.pdf>

30 Thomson Reuters, ‘Alternative legal services providers 2025’, (2025), p.3,17. available at: <https://www.thomsonreuters.com/en-us/posts/wp-content/uploads/sites/20/2025/01/ALSP-Report-2025.pdf>

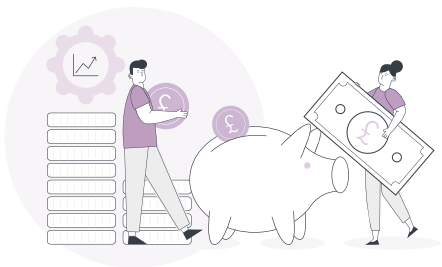
An example of how financial and related professional services help people and businesses in important day-to-day transactions

In this illustrative case study, we demonstrate how the financial and related professional services industry enabled the Green Meadows* development to be built, and helped Anita and David successfully purchase their new home.

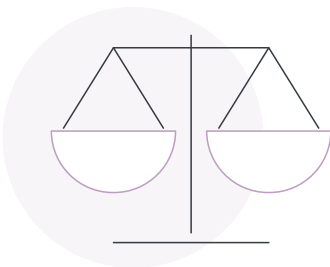
Anita and David saved for their new home through a mix of **cash ISAs**, **investment ISAs** and **savings accounts**



The Housing Development Company planning and building the Green Meadows development called on a range of experts from across the **financial and related professional services** industry to initiate the project, including:



Insurance played a critical role in safeguarding the Green Meadows project from unforeseen events. Comprehensive insurance policies were secured to cover various risks, including construction delays, damage to property, and liability claims.



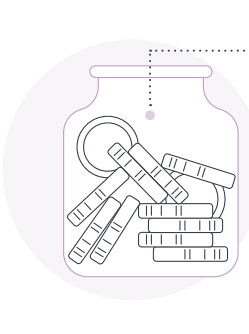
A **legal team** helped with everything from understanding planning laws and acquiring land to making sure all contracts were airtight.



Accountants advised on the financial plan created by the development's director. The plan considered the cost of the land and the construction borrowing requirements, and projected the return on that investment to ensure the plan was financially viable.



With legal and financial plans in place, the next step was to **gather the money needed to develop** the Green Meadows site



Anita's parents, Alice and Sam, had contributed over their working years to **pension savings**. Their savings became part of a wider pool of money managed by a **pension fund**. The pension fund invested some of its pool of funds in the Housing Development Company by buying its **shares listed on the stock exchange**.

In this way, Alice and Sam's savings **helped provide financing for the Green Meadows development**—indirectly through the pension fund's investment in the development company.



Another portion of the financing was provided by a **bank**, through a **development finance loan**.



- Accessed **mortgage financing** from their banking provider.
- Engaged **legal services** for conveyancing and agreeing contracts (or similar).
- Secured **insurance** for their home.

*Case Study for illustrative purposes only. The names of individuals and institutions, as well as the scenario, are not real.

Supporting businesses

Most businesses would not be able to operate without the financial and related professional services industry. It supports businesses in myriad ways, ranging from providing current accounts for day-to-day expenditures, insurance cover for assets to growth capital for investment, to providing specialist services (legal, accounting and management consultancy services) necessary to run businesses.

The funds businesses need can come from a number of sources. The most common options for companies looking to raise money include bank finance, bonds, equities on stock markets and private equity. Other forms of finance include asset finance, business angel investment, insurance company and pension fund lending, crowdfunding, and private placements. Provision of finance enables companies to invest in creating jobs, training and developing people, and developing their products and services.

Bank lending

The outstanding amount of loans made available by major banks to UK businesses totalled £582bn as of February 2026, 8% more than in February 2025. Of this total, 34.3% was lent to SMEs.³¹

Equity financing

Public equity: UK and international companies raised £9.2bn in issues of shares on the London Stock Exchange in 2025, around half of the amount raised in 2024 (£17.2bn). In 2025, issuance of shares on UK markets (main market plus AIM) totalled around £8bn, and £1.2bn in international main market (Figures 9 and 10).³²

Small caps from across the UK enjoy access to one of the largest share markets for small companies in Europe, with 619 companies quoted on the AIM in 2025 (down by 66 from 2024). However, in 2025, AIM companies raised £2.7bn through new and further issues of shares, up 27% from 2024.³³

Aquis Stock Exchange (AQSE) is another important UK-based stock market providing primary and secondary markets for equity and debt products. In 2025, a total of 146 companies were listed on the AQSE, an increase of 38 compared to 2024. These companies raised around £311m through both new and additional share issues, marking a 163% increase from the previous year.³⁴

31 Bank of England, 'Monetary financial institutions' loan to UK non-financial business, by size of business', (2026), available at: <https://www.bankofengland.co.uk/boeapps/database/index.asp?first=yes&SectionRequired=A&HideNums=-1&ExtraInfo=false&Travel=NlxSTx>
32 London Stock Exchange, 'New issues and IPO, and further issues', (31 March 2026), available at: <https://www.londonstockexchange.com/reports?tab=further-issues>
33 London Stock Exchange, 'AIM statistics', (March 2026), available at: <https://www.londonstockexchange.com/reports?tab=aim>
34 AQSE, 'AQSE Market Statistics and Trading Data-Primary Statistics', (December 2025), available at: <https://www.aquis.eu/stock-exchange/statistics>

FIGURE 9: Issues of shares on the London Stock Exchange, £bn, 2025

Source: London Stock Exchange

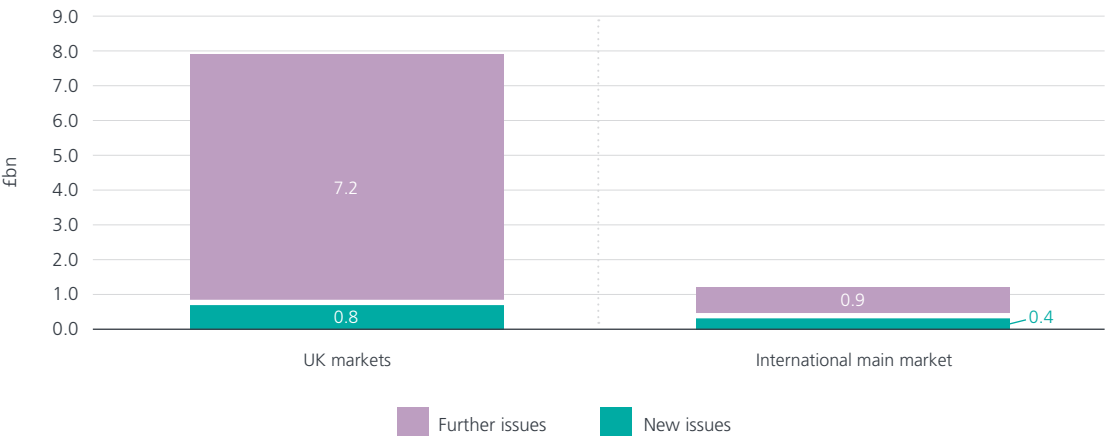
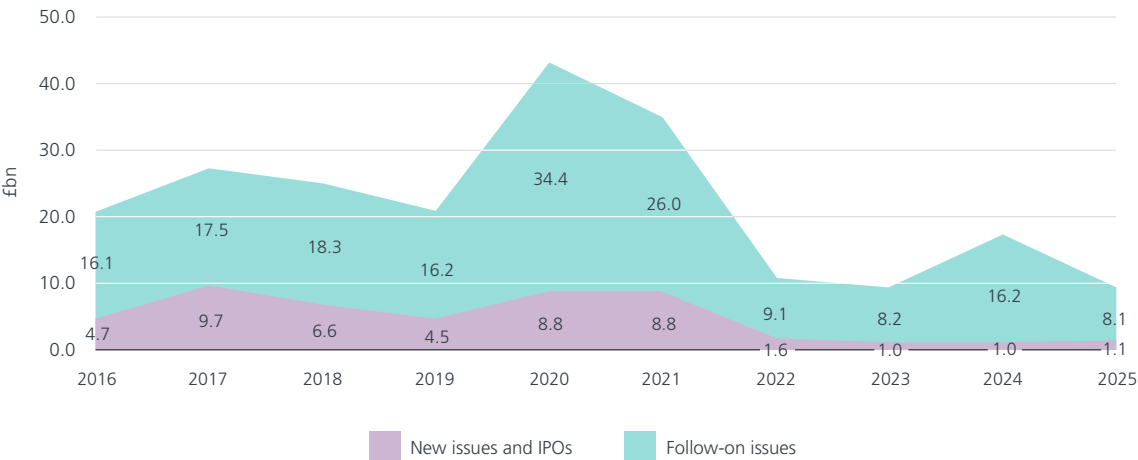


FIGURE 10: Equity issuance on the London Stock Exchange, £bn, 2016-2025

Source: London Stock Exchange

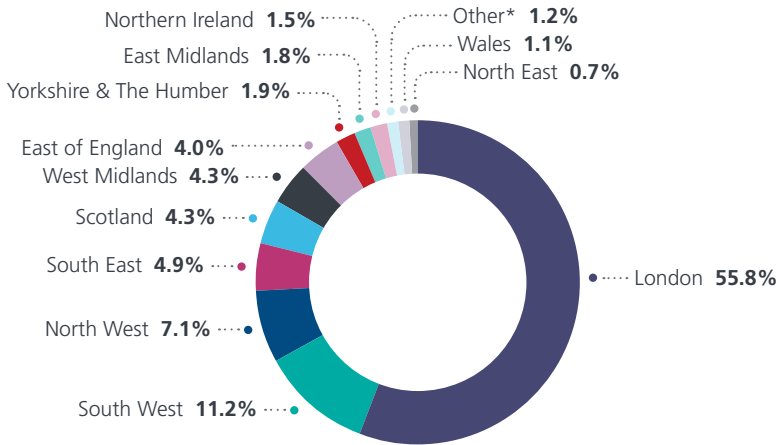


Private equity: The UK private equity and venture capital (VC) sector managed assets totalling around £580bn in 2024, according to the latest available data from the Investment Association.³⁵ In 2025, the sector's total fundraising reached £58.7bn – the highest amount raised on record. Meanwhile, the amount of private equity and venture capital investment in UK companies was £25bn in 2025, down from £29.4bn in 2024, while the number of companies backed decreased by 10%, according to data from UK Private Capital. Regionally, London accounted for 55.8% of total amount of capital invested, followed by the South West (11.2%), the North West (7.1%), and the South East (4.9%)³⁶; for more information see Figure 11.

The UK is a hub for VC, and indeed the largest VC market in Europe. According to Dealroom.co data, total VC invested in the UK increased almost by threefold over the decade to 2025 and up 35% year on year, reaching \$23.6bn in 2025.³⁷

FIGURE 11: UK private equity and venture capital investments, % of amounts invested, 2025

Source: UK Private Capital



*This value includes investment in unknown territories, Channel Islands, Isle of Man, Gibraltar, Bermuda and British Virgin Islands

35 The Investment Association, 'Investment management in the UK 2024-2025: The Investment Association annual survey', (October 2025), p.19, available at: https://www.theia.org/sites/default/files/2025-10/Investment%20Management%20in%20the%20UK%202024-2025_0.pdf

36 UK Private Capital, 'Report on Investment Activity 2025', (May 2026), p.5&74, available at: <https://www.ukprivatecapital.co.uk/static/4069e5a7-78af-4613-ac61fb938d3ca65a/UK-Private-Capital-Report-on-Investment-Activity-2025.pdf>

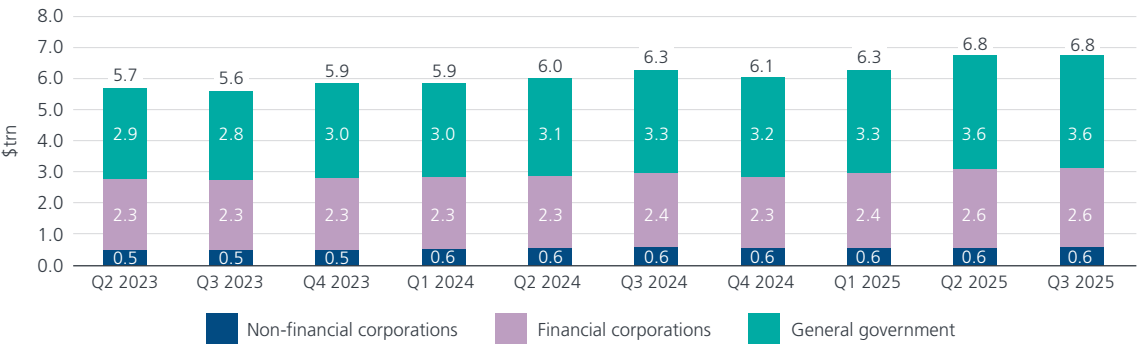
37 Dealroom.co, 'United Kingdom-Venture Capital', available at: <https://dealroom.co/guides/united-kingdom>

Bond financing

The UK bond market serves as an important engine for the domestic economy, providing the essential financial source for UK economic and social development. For example, this market acts as a primary funding channel for the government to finance large-scale public projects, such as transport, healthcare, and green energy – without relying solely on immediate tax revenue. Meanwhile, corporate bonds serve as an important capital-raising instrument for larger firms. According to data from the Bank for International Settlements, the total amount of debt securities outstanding (including non-financial corporations, financial corporations, and general government debt) in the UK was \$6.8trn in the third quarter of 2025, the same as the previous quarter, and up 7% from the year-earlier period. Of this total, non-financial corporations debt was \$591.6bn; for more information see Figure 12.³⁸

FIGURE 12: UK debt securities outstanding, \$trn, Q2 2023 - Q3 2025

Source: Bank for International Settlements



Alternative finance

Alternative finance refers to financial channels and instruments that have emerged outside the traditional banking system, such as crowdfunding, peer-to-peer lending, and cryptocurrency. These methods provide innovative ways for individuals and businesses to raise capital, often using technology and complementing traditional methods such as equity and bond financing by offering additional sources of capital and diversifying financial strategies.

The cryptocurrency market acts as a form of alternative finance by providing decentralised, digital-only, peer-to-peer alternatives to traditional banking, payments, and asset management. According to The Data City estimates, as of 2025, the UK sector had a turnover of £24.3bn and has received £4bn of investment.³⁹

There are also a number of promising opportunities in alternative finance to complement bank lending, such as the development of private placement markets, the re-opening of SME loan securitisation markets as a mechanism to

38 Bank for International Settlements, 'C1 Summary of debt securities outstanding-Q3-2025', (April 2026), available at: https://data.bis.org/topics/IDS/tables-and-dashboards/BIS_SEC_C1_1.0?time_period=2025-Q4

39 The Data City, 'UK Cryptocurrency market', (2026), available at: <https://thedatacity.com/rtics/cryptocurrency-economy-rtic0061/>

increase (especially longer term) funding to SMEs, the establishment of an institutional market in untranched whole loan conduits, the encouragement of credit rating services for mid-market companies, and the provision of a credit information exchange for SMEs and mid-market companies.

Private credit is a form of alternative finance where non-bank lenders provide debt financing directly to companies, especially SMEs. However, in private credit, banks could serve as strategic partners and financial backers to private credit funds, instead of lending directly. According to UK Finance, between 2013 and 2024, private credit in the UK grew on a 43% compound annual basis. In 2024, conventional bank financing made up £487bn of the total private debt market, while non-bank sources, such as private credit funds, contributed with £59.5bn.⁴⁰

The UK is considered one of the world’s leading FinTech markets. According to Innovate Finance, over the past decade, the UK’s FinTech sector has grown significantly; between 2016 and 2021 the market showed an increasing trend in both deal count and capital invested. However, although in 2022 deal activity remained strong it was less than the previous year; in the three following years, and deal volumes dropped to 534, and capital invested declined to \$3.6bn in 2025, partially explained by the increase of the interest rates, geopolitical instability, and a reduction of VC funding (Figure 13).⁴¹

FIGURE 13: Total FinTech activity in the UK by deal count and capital invested, 2016-2025

Source: Innovate Finance



40 UK Finance, ‘UK public and private capital markets’, (March 2025), p.10, 15, available at: <https://www.ukfinance.org.uk/system/files/2025-03/UK%20Public%20and%20Private%20Markets%20Report.pdf>

41 Innovate Finance, ‘FinTech Investment Landscape 2025’, (2026), available at: <https://www.innovatefinance.com/capital/fintech-investment-landscape-2025/>

Investing in business to enable infrastructure development

The financial and related professional services industry supports infrastructure investment through various mechanisms such as project financing, public-private partnerships, and investment funds. According to the Investment Association’s estimates, in 2024, UK asset managers invested £54bn in UK infrastructure projects related to renewable energy, utilities, transport and telecommunications, public health, education and building, and construction and maintenance. Around two thirds of these investments were directed towards economic infrastructure, while the remaining amount supported social infrastructure initiatives. Investment in infrastructure grew by 20% year on year, and it was higher than in any of the past four years.⁴²

In October 2024, the incoming UK government rebranded the UK Infrastructure Bank (UKIB), (established in 2021) as the National Wealth Fund (NWF). The NWF has a total capitalisation of £27.8bn, with £5.8bn in new capital being added to the £22bn it inherited from UKIB.⁴³ The NWF aims to drive over £100bn of investment into UK companies, infrastructure, and supply chains, fostering growth and a cleaner, more resilient future. Its plan focuses on creating over 200,000 jobs, and its ambitions include accelerating clean energy investment, boosting regional development across the UK, and strengthening national capabilities in key sectors such as critical minerals, defence, green steel, and AI. As of December 2025, the NWF had deployed around one third of the capital (£8.4bn), investing in over 70 companies, projects and local authorities across the UK. This mobilised over £17bn of private finance.⁴⁴

The financial and related professional services industry can contribute in various ways, including offering ways to invest, making transactions easier, and giving financial advice. For example, in October 2024, the NWF announced financial guarantees enabling Barclays UK Corporate Bank and Lloyds Banking Group to provide £1bn for retrofitting social housing in the UK, supporting both short and mid-to-long duration loans.⁴⁵

42 The Investment Association, ‘Investment management in the UK 2024-2025: The Investment Association annual survey’, (October 2025), p.50, available at: https://www.theia.org/sites/default/files/2025-10/Investment%20Management%20in%20the%20UK%202024-2025_1.pdf

43 HM Treasury, ‘National Wealth Fund: mobilising private investment’ (October 2024), available at: https://assets.publishing.service.gov.uk/media/670d0d873b919067bb4830df/NWF_IIS_Publication.pdf

44 National Wealth Fund, ‘Unlocking the UK’s Future’, (January 2026), p.5, available at: <https://www.nationalwealthfund.org.uk/media/ca1pvtjp/national-wealth-fund-five-year-strategic-plan.pdf>

45 National Wealth Fund, ‘National Wealth Fund, Barclays UK Corporate Bank and Lloyds Banking Group join forces to unleash £1bn to retrofit social housing’, (October 17, 2024), available at: <https://www.ukib.org.uk/news/national-wealth-fund-barclays-uk-corporate-bank-and-lloydsbanking-group-join-forces-unleash>

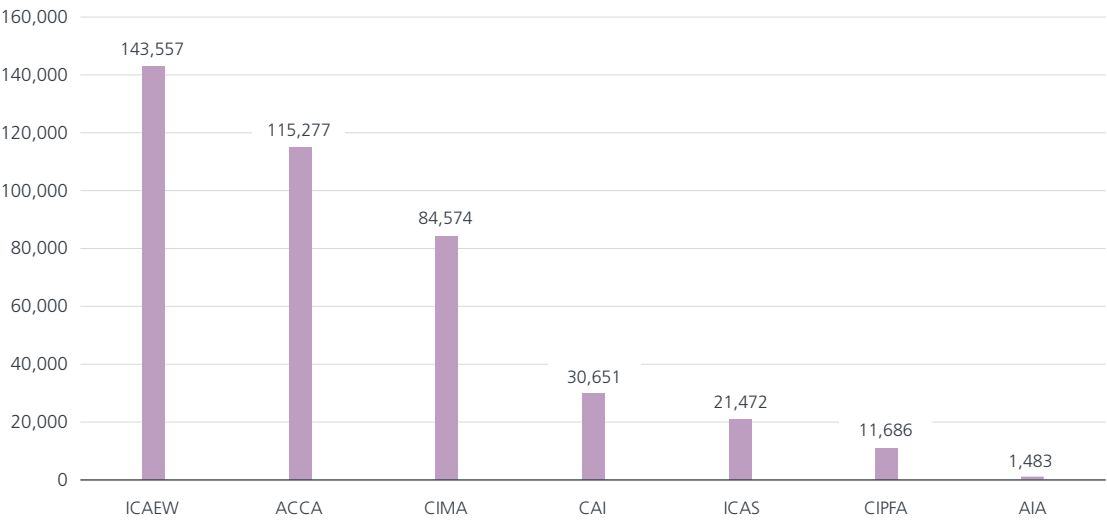
Providing professional services, supporting services, and wider social benefit

Professional support services

The UK has high quality professional and support services; it has the largest and most developed market in Europe for professional services related to financial services (accounting, management consulting and legal services). These three sectors contributed £31.7bn, £20.2bn and £38.1bn respectively to UK real output in 2025. Compared to the previous year, the legal services sector saw an increase of 1.4% and management consulting services grew by 6.4%, while accounting services experienced a decline of 0.5%.⁴⁶

According to data from the Financial Reporting Council, there were 408,000 members and students in seven main accountancy bodies (which are structured as membership organisations) in the UK and the Republic of Ireland in 2024, up 0.8% from previous year; in addition, the number of members and students has increased constantly at a compound annual rate of 1.7% since 2020. The ICAEW was the largest of these, with 143,557 members and students, followed by the ACCA (115,277); for more information see Figure 14.⁴⁷

FIGURE 14: Members and students in the UK and Ireland, 2024
Source: Financial Reporting Council



The Policy & Reputation Group (PRG) is a cross-firm industry group made up of representatives from the seven largest UK accountancy firms: EY, KPMG, Deloitte, PwC, Grant Thornton, BDO and Forvis Mazars. The PRG seeks to develop an understanding of evolving public interest issues and how these might be addressed to help maintain confidence in the profession to support the UK economy, and to participate constructively in shaping public policy. In 2025, these seven firms employed around 100,907 people across the UK and had around 166 offices in the UK.⁴⁸

Financial education

In keeping with its role as a facilitator of wider economic growth, the financial and related professional services industry also plays a role in relevant social initiatives such as financial education. Examples include:

- Money Heroes platform from Young Money, supported by HSBC, is a free programme aimed at improving financial capability skills, knowledge and confidence in decision making about money, for children aged 3 to 11. The platform enables teachers and parents to collaborate, to deliver joint home and school learning, and allows both parties to track progression of children on the platform. To date, Money Heroes has reached over 920,000 young people by working with over 5,100 schools and organisations, and supporting over 16,700 parents.⁴⁹

46 TheCityUK estimates based on the Office for National Statistics, ‘GDP output approach - low-level aggregates’, (31 March 2026), available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/ukgdpolowlevelaggregates>

47 Financial Reporting Council, ‘Key Facts and Trends in the Accountancy Profession 2025 (Excel)’, (October 2025), available at: <https://www.frc.org.uk/library/supervision/professional-bodies-supervision/key-facts-and-trends-in-the-accountancy-profession/key-facts-and-trends-in-the-accountancy-profession-2025/>

48 Figures compiled based on firms’ 2025 and/or most recent Transparency reports

49 Young Enterprise, ‘Money Heroes’, available at: <https://www.young-enterprise.org.uk/what-we-do/programmes/money-heroes>

- LifeSkills is a programme by Barclays aimed at helping individuals, particularly young people, develop essential skills for the workplace and life. It provides resources, workshops, and training on topics such as financial management, employability skills, and digital literacy. Launched in 2013, the programme has supported millions of people and continues to evolve to support underserved communities.⁵⁰ In 2025, Barclays reported that 1.7m people were upskilled through LifeSkills.⁵¹
- Lloyds Bank created a series of free financial skills resources, organised by age, to help support young people aged 5-16 and 16+ in learning how to stay in control of their financial wellbeing. The content is primarily digital and underpinned by the importance of developing a healthy relationship with money, with topics targeted at different ages that have been designed to be inclusive.⁵²
- NatWest Group has been offering complimentary financial education resources to schools since 1994, with the MoneySense programme which aimed to assist young people up to the age of 18 in preparing for the shift from school to independent living. In 2025, NatWest expanded and rebranded MoneySense and related initiatives into “NatWest Thrive”, a new online platform that brings together three decades worth of community programmes (MoneySense, CareerSense, Dream Bigger) in one place. This initiative continues to support children and teens in preparing for the transition from school to independent living.^{53, 54, 55}
- Some initiatives are designed to improve consumer welfare through financial services firms themselves. For example, the Equity Release Council has recently developed and introduced ‘Safe Steps’, an interactive guidance framework designed to support advisers and firms in better identifying and supporting customers experiencing vulnerability when navigating later life financial decisions. The initiative was created to improve consumer understanding, accessibility and inclusion across later life finance, while also helping build adviser capability and confidence when supporting customers with a wide range of needs and circumstances.

Philanthropic activity

The financial services sector is also an important source of philanthropic activity. In 2024, among FTSE 100 companies, the sector was the second largest source of charitable donations, accounting for 20.7% of the total, after the healthcare sector (27%), and ahead of the basic materials sector (17%); see Figure 15 for detail.⁵⁶

50 Barclays, ‘LifeSkills’, available at: <https://home.barclays/our-sustainability-supporting-our-communities/lifeskills/>

51 Barclays, ‘Barclays PLC: Annual Report 2025’, available at: <https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2025/Barclays-PLC-Annual-Report-2025.pdf>

52 Lloyds Bank Academy, ‘Financial skills’, available at: <https://www.lloydsbankacademy.co.uk/financial-skills>

53 NatWest Group, ‘MoneySense’, available at: <https://natwest.mymoneysense.com/home/>

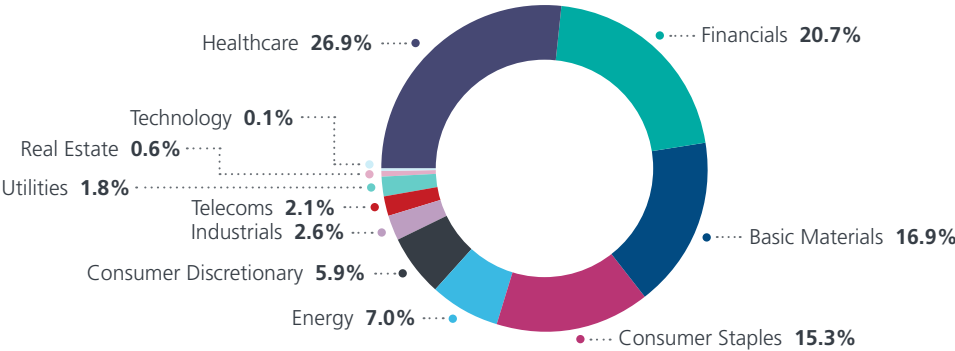
54 NatWest Group, ‘NatWest Thrive launches online toolkit to help young people take control of their financial futures’, available at: <https://www.natwestgroup.com/news-and-insights/news-room/press-releases/financial-capability-and-learning/2025/may/natwest-thrive-launches-online-toolkit-to-help-young-people-take.html>

55 UK Finance, ‘Financial education report’, (2024), p.20, available at: <https://www.ukfinance.org.uk/system/files/2024-09/Financial%20Education%20Report%202024.pdf>

56 TheCityUK calculations based on Charities Aid Foundation data, ‘Corporate Giving 2025-The FTSE 100 and beyond’, available at: <https://www.cafonline.org/insights/research/corporate-giving-report-2025>

FIGURE 15: FTSE 100 charitable donations by source sector, 2024

Source: TheCityUK calculations based on Charities Aid Foundation



Conclusion

The financial and related professional services industry has continued to demonstrate its resilience during the past several tumultuous years. It continues to play an enabling role in driving economic growth, and supporting businesses and individuals through banking, insurance, fund management, accounting, management consulting and legal services, among others. The industry makes a strong contribution to employment, GVA and other macroeconomic indicators.

The industry’s traditional service models are also evolving. Through technology development, consumers benefit from digital financial services such as online banking, banking apps and contactless payments. Businesses are supported through bank lending, equity and bond financing, alternative finance and private equity, as well as accounting, management consulting and legal services. In its role as a catalyst for broader economic growth, the industry actively engages in social initiatives, such as financial education, and stands as an important source of philanthropic activity.

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