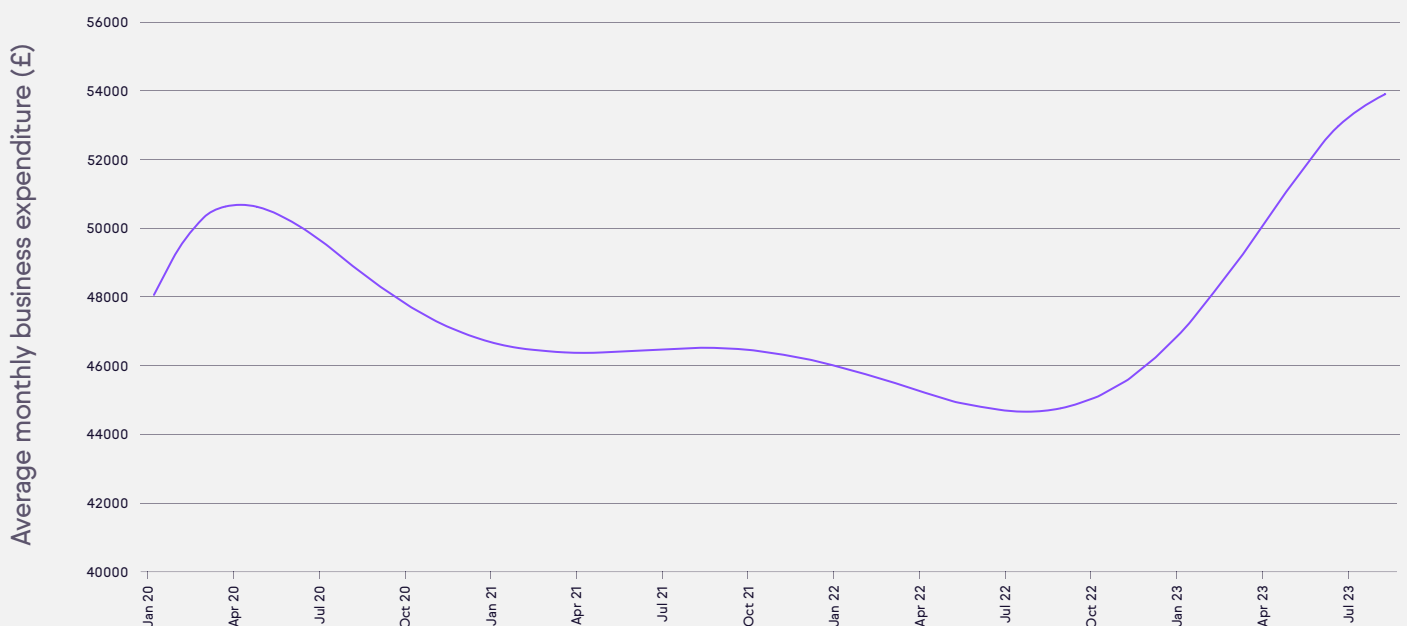


Since the onset of the COVID-19 pandemic in 2020, the UK economy has experienced one of the most significant inflationary challenges in four decades. While extensive attention has been given to individuals and households amidst the Cost of Living crisis, there has been relatively sparse coverage of the rapidly escalating Cost of Doing Business. This surge in costs has presented numerous hurdles for these businesses, progressively impeding their ability to grow and thrive.

At Liberis, we understand the urgent need to support small businesses in such a challenging environment. That's why we turned to Open Banking, which allows consumers and businesses to share their financial data with third-parties with a few clicks, giving us a holistic view of a business's health. Crucially, Open Banking offers insights not only into a business's revenue but also its expenditures.

Using this data, we possess a comprehensive perspective on the overall health of the UK's small business economy. And though small businesses have shown remarkable resilience thus far, the current trends are cause for concern. Our research indicates that the average small business now faces costs that are £10,000 higher than they were at this time last year.

UK Business Costs Reach New High



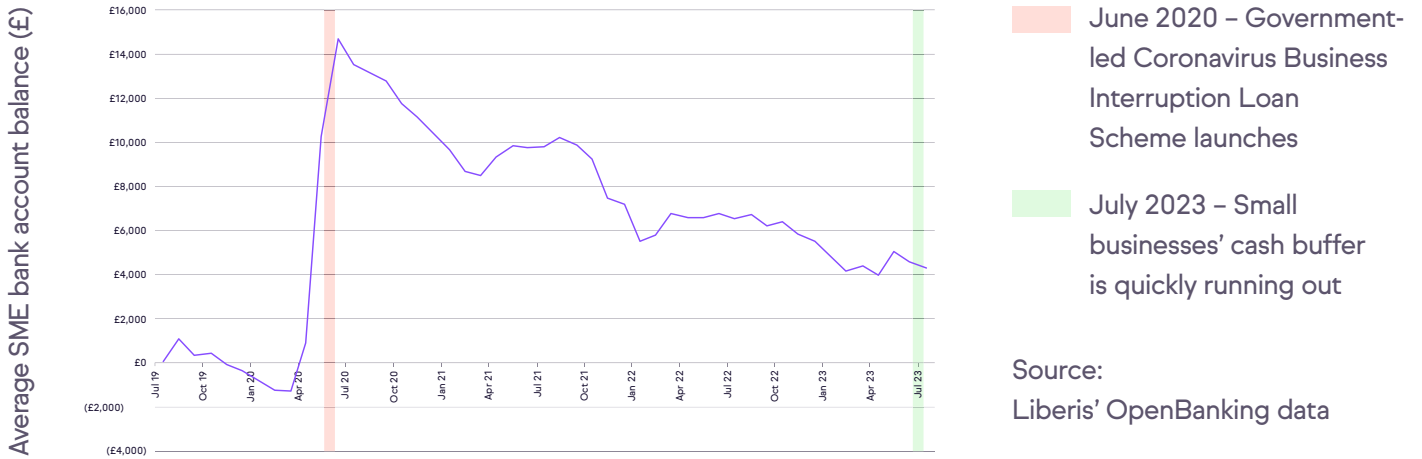
Source:
Liberis' OpenBanking data

Is Britain in a 'Cost of Doing Business' crisis?



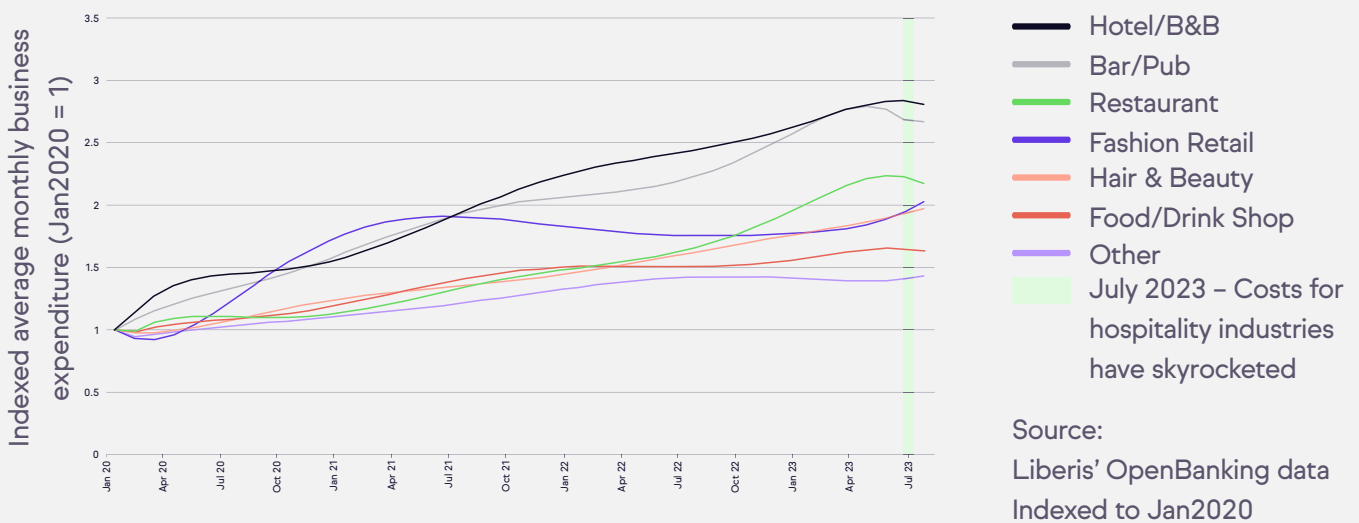
Our research also indicated that cash buffer provided by various government-led Covid Business Interruption Loans is quickly running out.

Average SME Bank Account Balance



The rise in expenses has been unevenly experienced. Our research shows that small businesses in the hospitality industry are experiencing the worst of the cost of doing business crisis. A tight labour market, higher energy costs, and rising food prices have meant these businesses' average costs have **more than doubled** since 2020.

Rising Business Costs Across Industries

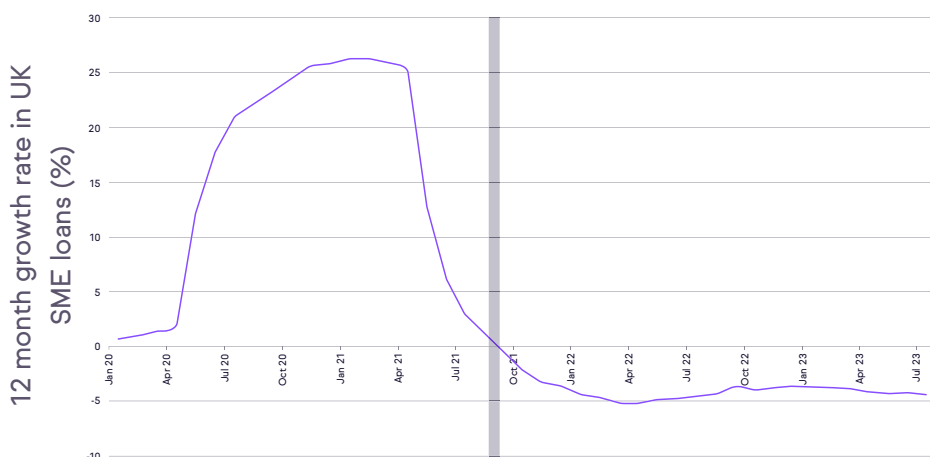


Is Britain in a 'Cost of Doing Business' crisis?



To make matters worse, the Bank of England reports that mainstream lenders are increasingly withdrawing credit to small businesses, further exacerbating the financial strain they face.

12 Month Growth Rate in Loans to SMEs



September 2021 – Major credit institutions begin reducing credit to SMEs

Source:
Bank of England

<https://www.bankofengland.co.uk/statistics/visual-summaries/businesses-finance-raised>

At Liberis, we are committed to supporting small businesses during these challenging times and beyond. We leverage Open Banking in order to more fairly provide revenue-based finance to merchants who need it. The data enables us to tailor our product to best suit their needs, which ensures we can provide much-needed financial support to underserved merchants quickly and fairly, promoting financial inclusion and empowering small businesses to thrive.



✉ Get in touch

If you would like to learn more about how we help merchants with our platform or would like discuss a partnership with us, please get in touch with us through the website.