



Breaking the Investment Barrier

Recent research by Equals Money reveals that 90% of financial leaders were impacted by the Chancellor's Autumn Budget, with over two-thirds (70%) choosing to delay or cancel planned investments.

Steve Paul, Deputy Chief Financial Officer, Equals Money

The message from the Chancellor in the Autumn Budget was loud and clear: Britain must “invest, invest, invest” to grow the economy, outlining the Labour Government’s plans for a National Wealth Fund and a new modern industrial strategy. But in the fallout from the headline announcement of a £40 billion tax rise, with £25 billion to come from increases in employer national insurance contributions, the reaction from the business community has largely been negative.

The investment deficit

Research of 400 financial leaders¹ commissioned by Equals Money in September 2024 revealed that 90% have been impacted by Budget uncertainty, with 70% delaying or cancelling planned investments in 2024 as they awaited clarity.

The hesitancy to invest is understandable given recent energy price shocks, rising geo-political tensions and a change in government. But the cautiousness reflects a broader trend. UK business investment has historically been low, ranking only 28 out of 31 OECD countries in business investment², with the UK having the lowest level of investment of G7 economies in 24 of the last 30 years.

Meanwhile, despite having a thriving fintech sector, the UK sits in 18th place out of 67 economies in the World Digital Competitiveness rankings³, which measures the capacity to adopt and explore digital technologies as a key driver for economic transformation in business, government and society.

Indeed, of the financial leaders surveyed by Equals Money, only 45% currently use budgeting and forecasting software and 26% still rely on manual

tracking methods. This is despite 30% saying data and financial insight are critical for all decisions and 58% saying data is used regularly in decision making.

The figures paint a stark picture of chronic underinvestment. As long as digital adoption remains patchy, businesses will remain vulnerable to changes outside of their control and experience barriers to growth.

Financial clarity through digital tools

Investing in digital tools is no longer optional for businesses that wish to compete in increasingly overcrowded markets, where speed and agility are essential to respond to frequent changes.

Digital financial tools enable businesses to gain financial visibility, enhance operational efficiency, minimize risk, and drive productivity gains. With real-time payments and multi-currency account⁴ options, for example, businesses can accelerate cash flow, streamline international transactions, and reduce costs through competitive exchange rates. Instant transfers provide immediate financial flexibility, allowing companies to make timely decisions and maintain stronger liquidity.

Automated expense management⁵ is another advantage, offering real-time tracking and seamless transaction monitoring. By digitizing expense tracking, businesses reduce manual errors and save valuable administrative time, gaining instant visibility into spending patterns to manage budgets more effectively.

Predictive analytics and AI-driven insights take this a step further, empowering financial leaders with



From data to decisions: Smarter spending amid market uncertainty

Improving financial visibility can help businesses navigate market uncertainty. But are financial leaders fully utilising the data available to them?

By adopting or upgrading financial tools and software, businesses can make data-driven decisions on their spending and avoid cancelling growth-fuelling investment.



advanced forecasting and spend analysis. With AI-powered cashflow forecasting, companies can anticipate liquidity needs and identify cost-saving opportunities, enabling them to make data-driven, proactive decisions.

These insights are vital for setting strategic priorities and building a resilient financial foundation. Businesses that continue to rely on manual processes leave themselves at a competitive disadvantage, remaining reactive rather than proactive. Effectively, they're operating in the dark.

Encouragingly, there are signs of change. The Equals Money survey revealed that 81% of financial leaders plan to upgrade their financial tools in 2025.

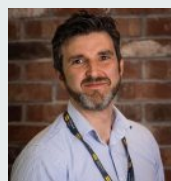
While financial leaders can make individual investment decisions, the wider UK business community also needs to undergo a fundamental cultural change and be far more open and proactive in adopting digital technologies if it is to avoid falling further behind international competitors.

Market behaviour and consumer expectations have shifted, and attitudes need to shift with them. Without that digital-first mindset, business growth will continue to lag. If businesses are to overcome uncertainty and plan for the future, then gaining financial clarity is fundamental. The tools are there, it's the investment that's missing.

More information on using data-driven decisions for managing business expenses can be found at <https://equalsmoney.com/business-expenses/financial-leaders>

Reference

- 1 Financial Leaders' Top 5 Priorities For Managing Business Expenses in 2025 (29 October 2024). Available at: <https://equalsmoney.com/business-expenses/financial-leaders>
- 2 Investment in UK is lowest in G7 for third year in a row, new data shows (18 June 2024). IPPR. Available at: <https://www.ippr.org/media-office/revealed-investment-in-uk-is-lowest-in-g7-for-third-year-in-a-row-new-data-shows>
- 3 IMD World Digital Competitiveness Ranking 2024 - The digital divide: risks and opportunities (November 2024). IMD: Institute for Management Development. Available at: <https://imd.widen.net/s/xvhldkrrkw/20241111-wcc-digital-report-2024-wip>
- 4 <https://equalsmoney.com/accounts/multi-currency-business-account>
- 5 <https://equalsmoney.com/expense-management>



Steve Paul
Deputy Chief Financial Officer
Equals Money

LinkedIn: <https://www.linkedin.com/in/steve-paul-01b435102/>

www.equalsmoney.com/currency-news

Steve Paul joined the Equals Money after a career in the commercial and financial sector, leading change projects at major UK banks such as TSB and Lloyds Bank.

He has significant experience in leading teams through listed company audits, commercial business partnering of market leading product launches, renegotiation of contracts in excess of £100 million, finance and MI support for £1 billion divestment, company sale process & IPO. In May 2023, he became the Deputy CFO of Equals Money.