Northern Ireland SME Access to Finance Report

Sub-National and Devolved Nation analysis

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About British Business Bank

The British Business Bank is the UK government's economic development bank. Established in November 2014, its mission is to drive sustainable growth and prosperity across the UK and to enable the transition to a net zero economy, by improving access to finance for smaller businesses.

Its remit is to design, deliver and efficiently manage UK-wide smaller business access to finance programmes for the UK government. The British Business Bank's core programmes support over £23bn of finance to almost 64,000 smaller businesses (as at end March 2025).

As well as increasing the supply and diversity of finance for UK smaller businesses through its programmes, the Bank works to raise awareness and understanding of finance options available to smaller businesses.

In 2025, the Bank was given an increased permanent financial capacity of £25.6bn, and more flexibility to deliver. The Bank's Five Year Strategic Plan outlines how the Bank will act through its Investment and Banking businesses, and its Business Development function, to deliver the commitments in the plan. The Bank's planned activity over the next five years is expected to fund around 180,000 businesses, support the creation of around 370,000 new jobs, crowd in £26bn of additional private capital and help deliver £68bn of benefit to the economy.

About Enterprise Northern Ireland

Enterprise Northern Ireland (ENI) is the representative organisation for the region's 27 Local Enterprise Agencies (LEA's). ENI supports the dynamic LEA network to provide aspirant entrepreneurs and existing micro and small businesses with access to finance, business development services, access to workspace, and the informed support they need to start, sustain, and grow their business. As a network, ENI engage with more than 3,500 businesses and individuals every week. This means that the right business support is available close to the entrepreneur, at the right time, wherever they work or live. Enterprise Northern Ireland lobbies on behalf of self-employed, micro, and small businesses. ENI ensure the Northern Ireland Executive, UK Government, Northern Ireland Office, MPs, MLAs, Local Councils, Development Agencies, and other stakeholders are fully briefed in relation to enterprise and entrepreneurship in Northern Ireland. As part of continued lobbying, Enterprise Northern Ireland launched the inaugural Enterprise Barometer in 2019, surveying and reporting the needs and opinions of small, micro, and self-employed business owners. The Enterprise Barometer, now in its seventh year, is proving to be a critically important data set for Central and Local Government in shaping future policy and intervention.

Project overview

Devolved Nation project overview

The make-up of sub-regional economies can vary significantly within a particular nation. Factors such as location (urban / rural / coastal), the background of business owners (gender, age and ethnicity), the local business base, the size / maturity of businesses, and the sectoral make up all impact the nature of sub-regional economies. This project seeks to understand the extent to which these differing characteristics affect or influence attitudes towards the use of external finance amongst the SME population.

Having supported the Northern Ireland Enterprise Barometer since 2021, the British Business Bank has worked with Enterprise Northern Ireland to better understand the differences between sub-regional access to finance economies and developed bespoke interventions accordingly. This project seeks to adopt a similar approach across Scotland and Wales, whilst simultaneously undertaking a devolved nations comparison. This is the third year the Bank has supported this project, after publishing a first suite of nation specific sub-regional access to finance reports in 2024.

Carrying out access to finance surveys with a minimum of c.500 SME respondents and applying quotas to ensure the sample is representative of each Devolved Nation, the British Business Bank is working alongside the Scottish Government's Business Gateway, Economic Intelligence Wales and Enterprise Northern Ireland to produce a third edition of the reports. This is the latest report for Northern Ireland, published alongside one for Scotland and one for Wales.

Northern Ireland project methodology

The survey findings build on 859 online responses from SMEs located in Northern Ireland, of which 669 could be assigned to individual local authorities within the nation.

For the second year running, the analysis is also complemented by the qualitative insights gathered via a virtual focus group. This focus group was held on 7 November 2025 with a group of small business owners from across Northern Ireland.

The survey fieldwork targeted small and medium sized businesses with employees of up to 250, and in particular any individuals within these businesses that identified as owners, directors or senior decision-makers. This was achieved by Enterprise Northern Ireland distributing the survey across their network, including local enterprise agencies, councils and other business organisations via a range of outreach tools including social media activity and the Enterprise Northern Ireland website

The online survey questionnaire was administered by Enterprise Northern Ireland during September and October 2025, as part of their seventh annual NI Enterprise Barometer Survey. The Enterprise Barometer provides an overview of how SMEs in Northern Ireland are doing and what is required to ensure they get the right support at the right time, covering SMEs of all sizes, in all sectors and across all parts of the nation. Table 1 shows the geographical profile of the sample. The six regions presented are described in the next section.

Table 1
SME sample composition

Region	Sample	% Sample
Belfast	69	10%
Fermanagh	31	5%
Mid Ulster	37	6%
North East/East	343	51%
North West	67	10%
South	122	16%
Total	**669**	**100%**

Regional overview

Map number	Region	Local Authority
1	Belfast	Belfast City Council
2	Fermanagh	Fermanagh & Omagh Council
3	Mid Ulster	Mid Ulster Council
4	North-East/East	Causeway Coast & Glens Council Ards & North Down Council Antrim & Newtownabbey Borough Council Lisburn & Castlereagh Council Mid & East Antrim Council
5	North West	Derry & Strabane Council
6	South	Newry, Mourne & Down Council Armagh City, Banbridge & Craigavon Borough Council

1. Belfast

Belfast, the capital and economic hub of Northern Ireland, boasts a thriving ecosystem with SMEs making up 14%[1] of Northern Ireland's business population. As the largest city in Northern Ireland by population, Belfast has experienced significant economic rejuvenation in recent years. It has positioned itself as a leading destination for multiple sectors, capitalising on its highly educated and skilled workforce. The technology sector continues to flourish, with a focus on cybersecurity, software development, and digital innovation. Additionally, Belfast has emerged as a healthcare and life sciences leader, pushing the boundaries of medical advancements. The city's infrastructure, including well-connected transportation networks and well established ecosystem, further enhances its appeal. Home to Queens University and Ulster University, Belfast is highlighted as the Nations and Regions Tracker 2023[2] innovation-led cluster in Northern Ireland and claims the majority of the nation's active Innovation Driven Enterprises population.

2. Fermanagh

Fermanagh possesses a distinctive business ecosystem shaped by its rural character and economic resilience. Located in the southwest of Northern Ireland, covering all of County Fermanagh and parts of County Tyrone the area reflects 11%[1] of NI's SME population with a mix of traditional industries and emerging sectors. With a notable emphasis on tourism, agriculture and manufacturing, the region's stunning landscapes sustains a local tourism industry that encompasses accommodation, hospitality, and recreational activities. Agriculture also remains a significant contributor to the local economy, with businesses leveraging the land for farming and food production. Business support offered throughout the area contributes to an ever emerging and collaborative business ecosystem.

3. Mid Ulster

Mid Ulster's SME scene is vibrant, with strong ties to the local community and representing 12%[1] of NI's business population. The business landscape is a mix of urban and rural enterprises with SMEs contributing significantly to the regional economy. As an area with strong sectoral strengths in advanced manufacturing, engineering and construction it is recognised as a local leader in these fields. Agriculture also continues to play a significant role in the area, with a strong focus on agri-food businesses that capitalise on the region's fertile land. The business landscape in Mid Ulster ultimately reflects a balance between preserving the region's agricultural heritage and embracing innovation in manufacturing, creating a unique economic identity for Mid Ulster.

4. North East and East

Encompassing five council areas, SMEs collectively make up a third[1] of the overall business population in Northern Ireland. With lots of stunning coastline and iconic natural attractions, this area boasts a diverse business population that combines traditional strengths with innovative opportunities. Sectoral strengths in the area range from tourism and hospitality through to aerospace, manufacturing and renewable energy. The supportive business ecosystem across the geography, encourages innovation and entrepreneurship, embracing both established industries and emerging sectors. The infrastructure alongside the proximity to Belfast also enhances connectivity and accessibility, contributing to the area's allure for businesses.

5. North-West

The North-West region's SMEs are diverse, with particular strengths in manufacturing and professional & financial services. The area makes up 7%[1] of NI's business population, with Derry-Londonderry recognised as a key economic hub. The ecosystem plays a crucial role in bridging the economic gap between urban and rural communities, offering strong entrepreneurial support and contributing to a vibrant start up culture in the area. The area embraces innovation, fostering collaboration between industry and academia, seeking to propel business innovation through adoption of technologies, robotics and automation. Additionally, manufacturing remains a significant contributor, with companies capitalising on the strategic location and well-connected infrastructure.

6. South

Featuring two council areas, SMEs in this southern area of Northern Ireland make up a quarter[1] of the overall business population and with the area's infrastructure benefitting from the linkage via the Belfast-Dublin economic corridor. The economy is diverse, with a large proportion of service businesses and is recognised as having sectoral strengths in agriculture and manufacturing. Alongside local businesses leveraging the area's natural resources and skilled workforce, it also benefits from picturesque coastal areas attracting businesses in hospitality, tourism and leisure. Together, these council areas reflect a business ecosystem that harmonises traditional strengths with innovative opportunities, demonstrating resilience and a strategic approach to economic development, bolstered by strong business support on the ground.

Executive summary

Overall findings

56% of SMEs in Northern Ireland were using external finance in late 2025. Covid-19 loans remained the most commonly used finance form among smaller businesses in Northern Ireland, with a 18% usage rate. The second and third most commonly used finance forms were both business and personal credit cards (16% and 15% respectively).

Just under one in five smaller businesses (18%) in Northern Ireland reported they experienced barriers to accessing finance, with the highest shares of respondents that identified barriers mentioning ability to obtain/repay finance (49%) and lack of awareness or availability of options/support (22%).

Around 7 in 10 (69%) Northern Ireland-based smaller businesses perceived their cash flow as positive. Of those with negative cash flow perceptions, weak demand/sales pipeline was identified by more than half of respondents (55%) as the biggest contributing factor, followed by increased cost of doing business (49%).

42% of smaller businesses in Northern Ireland as a whole reported requiring additional financing over the next 12 months. Of these, three quarters (75%) said they had a requirement at or below £50k, with another 16% of eligible respondents stating a requirement between £50k-£250k and the remaining 9% a larger requirement.

The most common finance forms that Northern Ireland-based businesses with a finance need anticipated accessing over the next year were grants and business loans, mentioned by 45% and 43% of respondents respectively. More than half (54%) of smaller businesses that anticipated needing finance over the coming year intended to use it for working capital, while a similar share (52%) also indicated they would use it for capital expenditure. Among Northern Ireland-based businesses that anticipated needing it over the next year, 53% felt confident in their ability to secure it.

Just under six in ten (56%) of Northern Ireland-based smaller businesses in 2025 expected growth, whereas 3 in 10 expected stability and the rest a contraction or difficult trading conditions/risk of closure, at 8% and 6% respectively.

Over half **(56%)** of Northern Ireland-based SMEs reported using finance

18% experienced barriers to accessing finance

42% requiring additional financing over the next year

53% requiring finance felt confident about securing it

Sub-national findings

Overall finance usage rates were highest in the South region, where just over 6 in 10 businesses (61%) reported using any finance at the time of the survey. The difference with other regions was not found to be statistically significant.

Usage levels for various external finance types show statistically significant differences in relation to business overdrafts (22%) and credit cards (25%) in the South, as well as grants (20%) and equity finance (6%) in Belfast, with it being the highest among all regions in the latter. Likewise, a high propensity to using asset finance was detected from businesses in Mid Ulster (11%). On the other hand, businesses in the North West were much more disinclined to utilise business credit cards than any other region (7% compared to 16% across Northern Ireland).

Smaller businesses' views on whether they experienced barriers to accessing finance did not differ in a statistically significant way in any region, although it was applicable to respondents in Belfast that identified no barriers (38%), slightly above the national average.

The share of smaller businesses that perceived their cash flow as positive varied across regions, with the highest proportion of reported cash flow positivity occurring in Fermanagh (77%), while Belfast emerged as the region with the lowest share, represented by 62% of respondents. Of those reporting a negative cash flow position, a statistically significant difference was identified by businesses in the North-East/East regarding weak demand/sales pipeline (64%).

Respondents based in the North West appeared far more likely to report they expected to require additional finance over the next 12 months than their counterparts elsewhere in a statistically significant way (60%), while those based in the South region were much less likely to report this (34%).

There were statistically significant differences detected across different regions of Northern Ireland associated with the share of businesses that anticipated requiring amounts over £250k, suggesting that respondents in the South were the most likely to report they had a finance requirement in this bracket. Smaller firms based in the Mid Ulster region were also particularly inclined to report an additional finance requirement between £50k and £250k.

Further statistically significant regional differences were identified on the types of finance businesses anticipated accessing. For example, the North West had a considerably higher share of businesses that anticipated accessing grants (68%), while Mid Ulster represented this in relation to business overdrafts and asset finance (37% and 26% respectively). When it came to seeking equity finance, Belfast (23%) and the South (21%) were the most likely to do so, while businesses in the North-East/East were the least inclined (5%) to anticipate such.

Businesses in the six regions of Northern Ireland had slightly different views on how they planned to use any additional financing required over the next 12 months, some of which were statistically significant.

North West businesses were least likely to currently use finance

North West businesses most likely to require finance over the next year

Namely, respondents in Mid Ulster were particularly inclined to mention requiring additional finance in order to invest in capital, while those based in Belfast were most likely to mention refinancing purposes.

Smaller businesses' confidence in securing additional finance over the next 12 months did not differ in a statistically significant way across Northern Ireland, although the only region to remain in line on a year-to-year basis was the South (60% v. 61% in 2024).

Smaller businesses' expectations of their performance over the next year were fairly similar across the six regions with no statistically significant differences detected, although a higher proportion of respondents in the North West (63%) expected to grow, while proportionally more respondents in Fermanagh anticipated stability than in other regions.

Devolved Nations comparison

Northern Ireland had the lowest proportion of smaller businesses using external finance (56%) compared to the other two Devolved Nations of the UK (69% in Scotland and 66% in Wales). Patterns of finance usage by type among Northern Irish smaller businesses were similar to either of the other Devolved Nations regarding most finance types except for business overdrafts and business credit cards, where usage rates were proportionally much lower (14% and 16% respectively).

Northern Ireland was in line with Wales concerning the share of SMEs reporting any barriers (18% and 19% respectively), with both nations scoring higher on this dimension than Scotland (13%).

Meanwhile, the response patterns of businesses that reported at least one barrier were slightly different across the Devolved Nations. More specifically, the ability to obtain/repay finance and poor perceptions of/relationships with finance providers were more prevalent in Northern Ireland than in Wales and Scotland, whereas the reverse was true for time/complexity of finance applications, as it was much less of a widespread concern.

Compared to the other Devolved Nations, Northern Ireland-based smaller businesses had the lowest proportion of positive perceptions regarding their cash flow position (69% compared to 85% and 80% in Scotland and Wales respectively). Amongst those with a negative perception of their cash flow position within the Devolved Nations, SMEs in Northern Ireland were the most inclined to attribute this to weak demand/sales pipeline (55%), while they were the least likely to cite poor supplier terms, an increased cost of borrowing or tariff cost increases.

When compared with the other Devolved Nations of the UK, the overall proportion of SMEs in Northern Ireland that anticipated requiring additional financing over the next 12 months was the second highest (42%), as it was 5 percentage points lower than Scotland (47%) but more than double the rate in Wales (17%). Differences can also be observed in the size of the additional financing need, with three in four (75%) smaller businesses in Northern Ireland expecting a finance requirement at or below £50k (compared to 58% and 63% in the other two nations), a continuation of trends seen in the previous two years.

75%
of NI businesses requiring finance planned to seek £50k or less

Northern Ireland-based businesses were the most positive about their growth prospects over the next 12 months

Compared with their counterparts in the other Devolved Nations of the UK, SMEs in Northern Ireland showcased a greater disposition towards anticipating access to grants over the next year, as well as other finance types. In relation to the other listed finance types, the share of Northern Ireland-based businesses planning to access them was generally higher than in Wales and lower than in Scotland. Both observations were consistent with survey results from the previous two years.

Relative to SMEs in Scotland and Wales, those in Northern Ireland were generally more intent on using their additional finance for working capital (54%) and capital expenditure (52%) purposes, as they reported the highest share of respondents within these two categories, in line with 2024 trends. On the other hand, they expressed the least desire for refinancing/managing existing debt or decarbonising operations. Confidence in their ability to secure the finance they needed over the next 12 months was the lowest of all the Devolved Nations, with just over half (53%) expecting to be able to access the additional finance that they require.

As was the case last year, Northern-Ireland based smaller businesses were the most optimistic about their growth prospects over the next 12 months relative to their counterparts in the other Devolved Nations (56% compared to 49% in Scotland and 30% in Wales).

Data analysis

1. External finance usage
2. Barriers to external finance
3. Cash flow perceptions
4. Future finance needs
5. Future finance needs (type)
6. Future finance needs (purpose)
7. Future finance needs (confidence)
8. Anticipated business performance

1. External finance usage

The results show that 56% of businesses in Northern Ireland were using external finance at the time of the survey, in line with the share that reported usage in the 2024 edition (57%) (Figure B1.1).

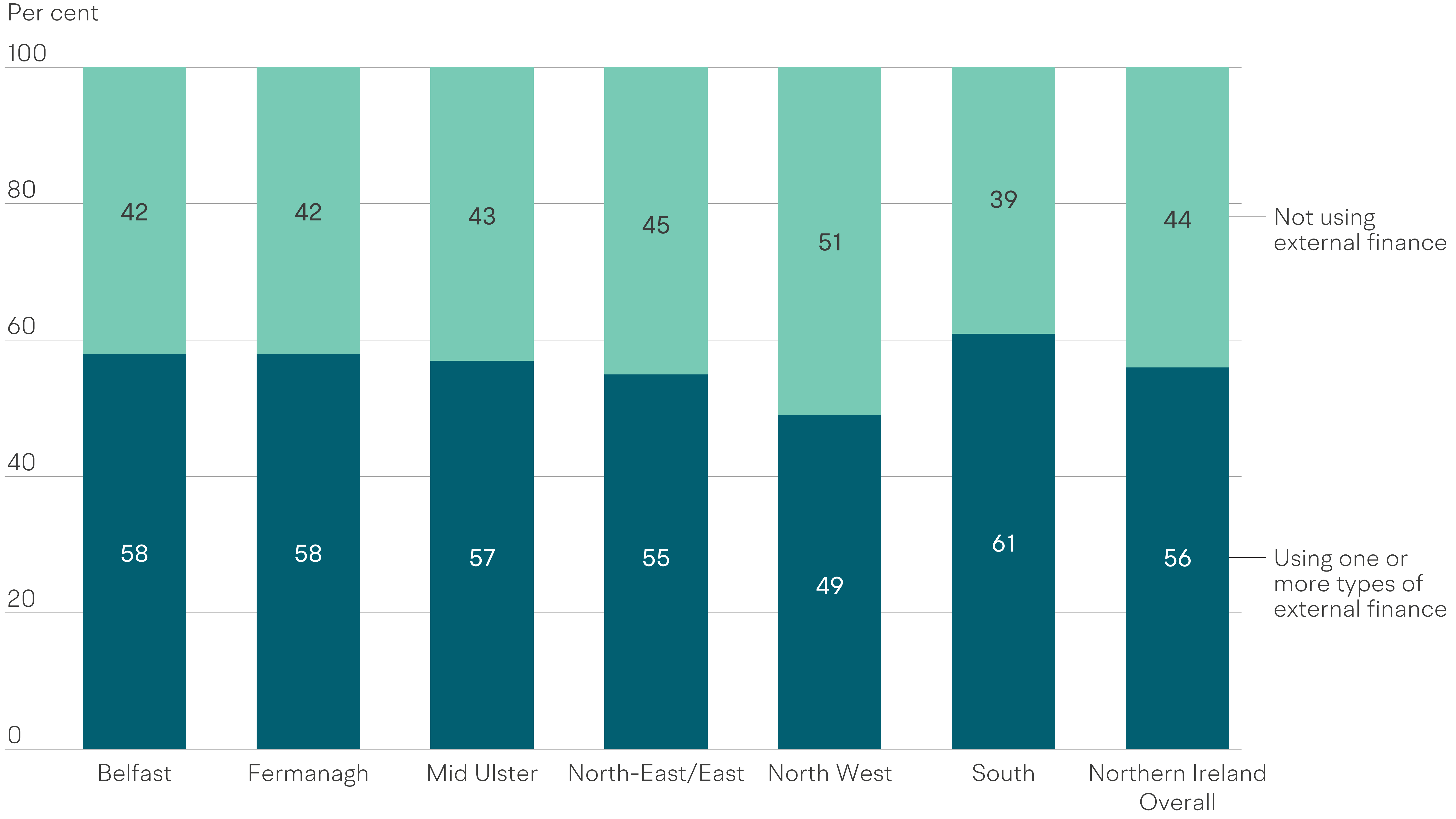
Overall finance usage rates were highest in the South region, at 61%, representing a turnaround of last year's trends where they had the joint lowest share of finance use (53%). A reversal in the opposite direction occurred in the North West, as just under half (49%) were using external finance, despite having the second highest share of usage in 2024 (71%). However, none of the differences between regions satisfied statistical significance criteria, suggesting that these changes are more transient and less likely to be reflective of structural imbalances in these areas.

Within the focus group discussion with businesses, a range of practical and perceptual barriers affecting access to finance were highlighted. Several participants described difficulties securing basic banking services, including being unable to open a business account with mainstream lenders, which forced some to rely on digital-

Figure B1.1

Use of external finance among businesses based in Northern Ireland, by region

Unweighted sample sizes: Northern Ireland Total (669), Belfast (69), Fermanagh (31), Mid Ulster (37), North East/East (343), North West (67), South (122).



only providers or personal accounts to manage business transactions. Location was also noted as having an impact, as those situated outside of urban areas were met with inconsistent signposting and a general difficulty navigating the wider finance landscape, characterised by fragmented or contradictory information and reliance on informal networks to identify viable options. In such instances, it was felt that existing support did not align with their needs, particularly where funding required upfront expenditure they could not afford. Nonetheless, some were able to benefit from tailored initiatives, such as grants offered by Go Succeed, helping them secure funding that they otherwise may not have been able to.

As was the case in the last two years, Covid-19 loans remained the most commonly used finance form among smaller businesses in Northern Ireland, albeit at a lower rate, having been used by 18% of respondents across the nation (compared to 24% in the Autumn 2024 survey (Fig B1.2)). Since applications for pandemic-era loan schemes ended in March 2021, this share reflects businesses still using or repaying funds received before then, hence the continued decline on an annual basis. Nonetheless, the North West stands out for its particularly limited uptake, as the 6% usage rate differed in a statistically significant manner from the other regions. The second and third most commonly used finance forms were business and personal credit cards, although both had a slightly lower usage rate (16% and 15% respectively) than that of overall credit cards in the 2024 survey (17%). Business overdrafts, other loans and grants were used by 14%, 13% and 11% of smaller firms respectively. The proportion of SMEs using other finance types – such as equity or asset/invoice finance – was much smaller (5% or less) throughout Northern Ireland.

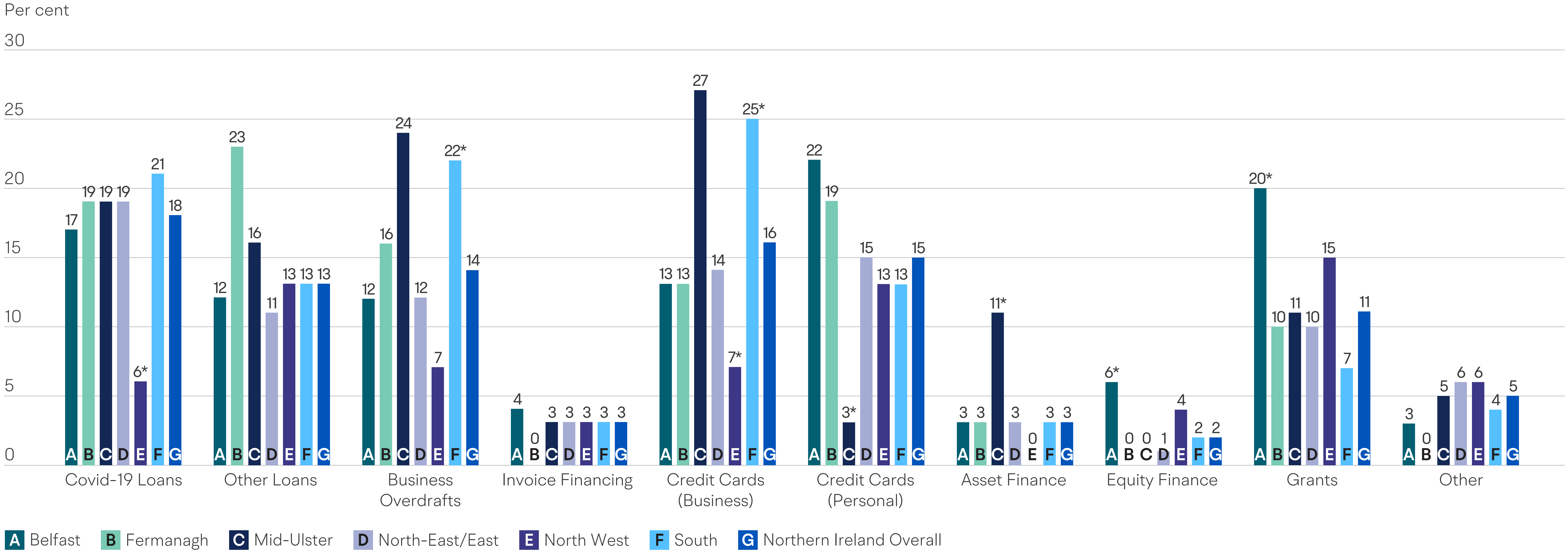
Use of finance varied considerably across focus group participants, shaped by business model, cash-flow patterns and past experiences with lenders. Several businesses reported relying heavily on self-funding or personal borrowing, either during the start-up phase or when external finance could not be secured in time to support growth or manage working-capital gaps. Credit cards and overdrafts were used selectively, often as short-term tools to bridge delays in income or project payments, particularly where lead times were long or cash flow volatile. Some participants avoided credit cards entirely, while others acknowledged using them when "under pressure" because of their immediacy and ease of access relative to formal lending routes. As previously alluded to, some accessed grants through the Go Succeed programme or university bursaries, typically covering 50% of eligible expenditure, though businesses noted that needing funds upfront limited accessibility for those already cash-constrained. Alternative finance products—such as point-of-sale-based advances—were oftentimes relied upon and valued as a last resort, providing responsiveness and repayment structures that corresponded with daily revenue.

Usage levels for various external finance types display some variations across smaller businesses located in different regions of Northern Ireland, with several of them meeting statistical significance criteria. This was the case in the South region as it pertained to business overdrafts and business credit cards, at 22% and 25% respectively, suggesting an underlying disposition towards these products. A high propensity to using asset finance and grants was detected from businesses in Mid Ulster and Belfast (11% and 20% respectively), potentially reflecting the composition of agriculturally and manufacturing-focused businesses in the former. Use of equity finance in Belfast (6%) also showcased a statistically significant difference with the rest of the nation, highlighting the prevalence of technology-focused, innovation-led businesses.

Figure B1.2

Use of external finance among businesses based in Northern Ireland, by region and by finance type

Unweighted sample sizes: Northern Ireland Total (669), Belfast (69), Fermanagh (31), Mid Ulster (37), North East/East (343), North West (67), South (122).



*Correlation is significant at the 0.05 level.

Contrarily, the under-utilisation of business credit cards in the North West (7%) relative to the other regions indicates a structural lack of adoption, similarly evident in Mid Ulster regarding use of personal credit cards (3%). However, this is offset by greater take-up of business credit cards at 27%, the highest of all regions, signalling better access to this variant of the finance type.

Northern Ireland had the lowest proportion of smaller businesses using external finance (56%) compared to the other two Devolved Nations of the UK (Fig B1.3). Patterns of finance usage by type among Northern Irish smaller businesses were similar to either of the other Devolved Nations regarding most finance types except for business overdrafts and business credit cards, where usage rates were proportionally much lower (14% and 16% respectively) (Fig B1.4).

Figure B1.3

Use of external finance among businesses based in Northern Ireland, Scotland and Wales

Unweighted sample sizes: Northern Ireland (669), Scotland (501), Wales (476).

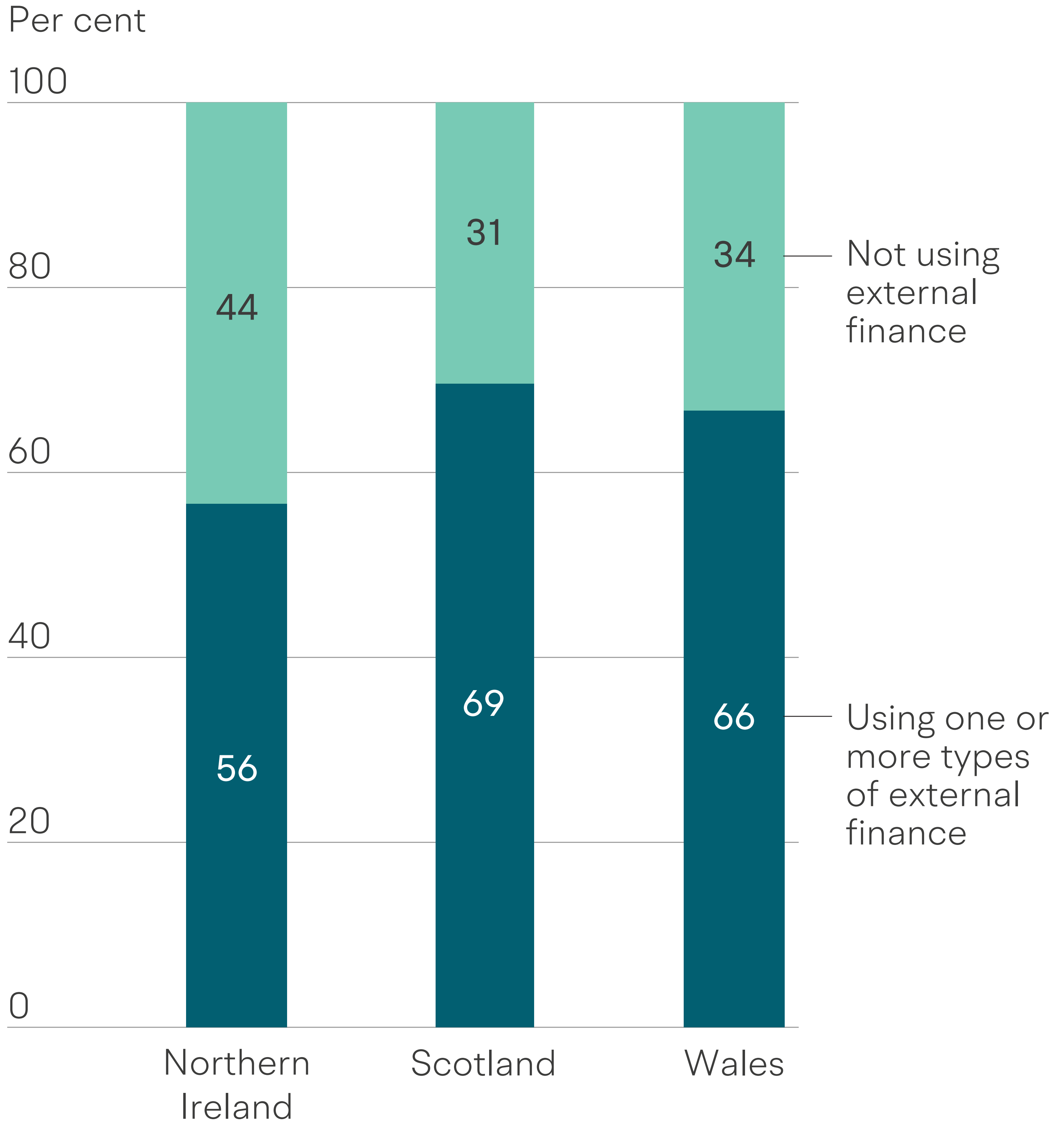
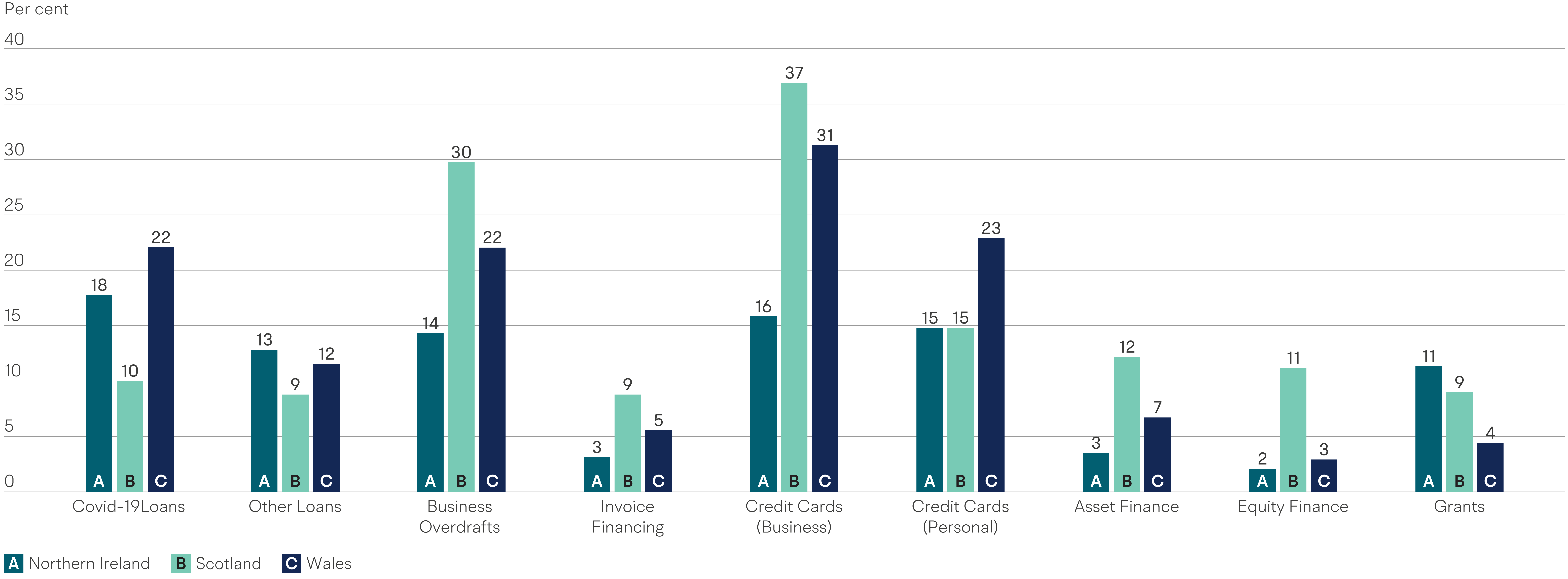


Figure B1.4

Use of external finance among businesses based in Northern Ireland, Scotland and Wales, by finance type

Unweighted sample sizes: Northern Ireland (669), Scotland (501), Wales (476).



2. Barriers to external finance

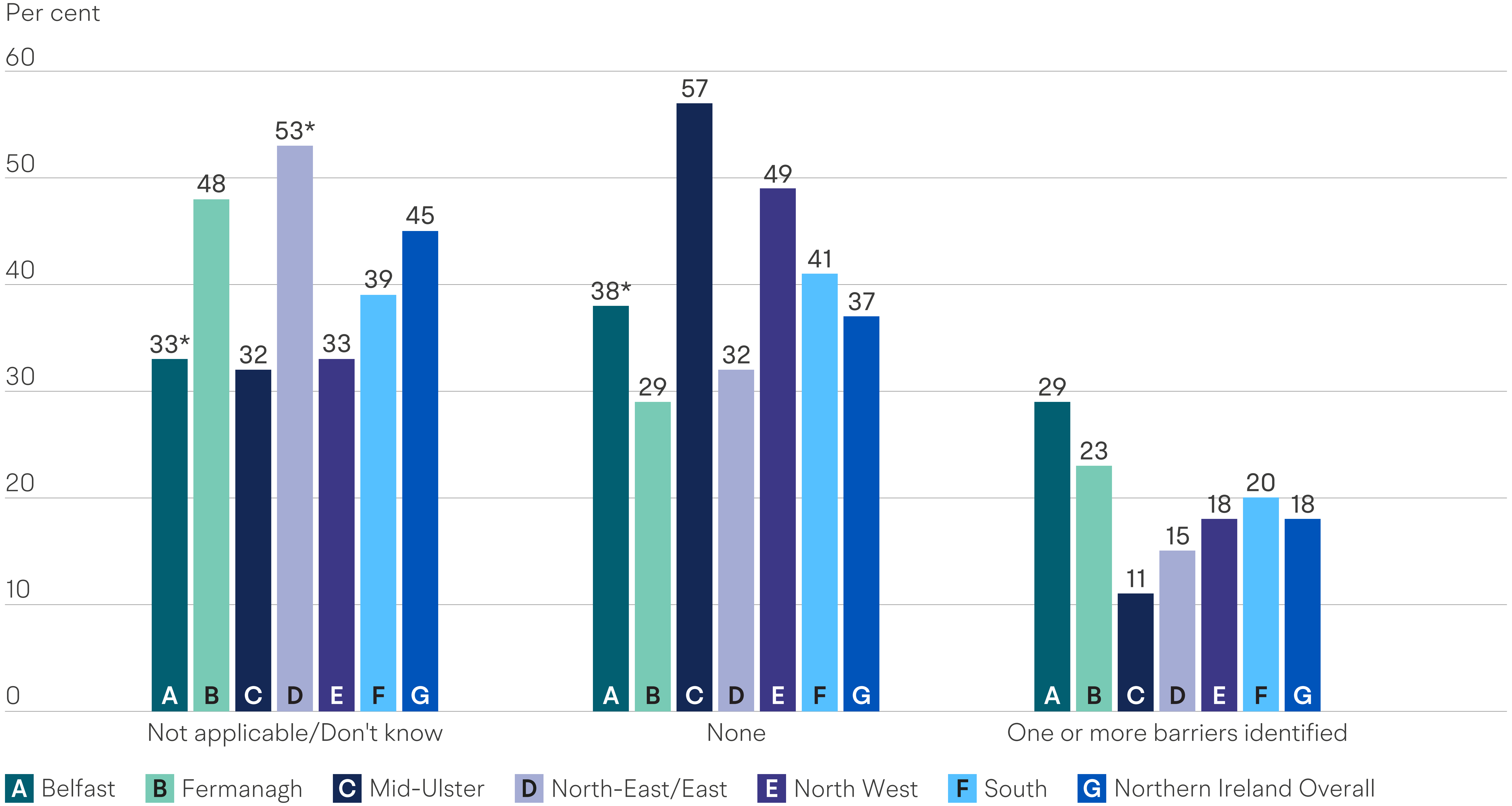
As shown in Fig B2.1, just under one in five smaller businesses (18%) in Northern Ireland reported they experienced barriers to accessing finance, with the rest of the respondents mentioning “None” (37%) or “N/A” (45%). The share of respondents reporting barriers was fewer than in the 2024 survey (20%).

In terms of statistical significance, there weren’t any regions which met the threshold for respondents which identified at least one barrier, however it was applicable to Belfast regarding those that identified no barriers, at 38%, slightly above the national average. It was also evident in Belfast for respondents citing no need for finance/not applicable, at 33%, while the North-East/East stood out in this category at the other end of the spectrum, with the highest share (53%).

Figure B2.1

Barriers to external finance access among businesses based in Northern Ireland, by region

Unweighted sample sizes: Northern Ireland Total (669), Belfast (69), Fermanagh (31), Mid Ulster (37), North East/East (343), North West (67), South (122).



*Correlation is significant at the 0.05 level.

The responses of businesses that agreed they experienced barriers to external finance access covered numerous themes, which have been grouped into five broader categories in order to streamline interpretation, as presented in Fig B2.2.

Of these, the most frequently reported by businesses in Northern Ireland as a whole were:

– **Ability to obtain/repay finance (49%):** The share of respondents citing this barrier increased by 8 percentage points from the 2024 results. The key barriers under this theme related to a lack of confidence in obtaining or repaying finance, typically driven by business characteristics/performance or past rejection. These encompass (High) Interest rates; Ineligibility/rejected; issues with overdraft; issues related to being self-employed; irregular cash flow/turnover; difficult for small company/low turnover. This was also the most frequently mentioned barrier theme in 2024, although it was reported by a lower share of respondents (41%).

  Our focus group with smaller businesses noted challenges in this regard, even for relatively small amounts. Some reported repeated refusals from their banks, including cases where applications for modest loans were rejected on the basis of existing cash-flow pressures—the very issue the finance was intended to address. Several businesses felt lenders lacked “vision” regarding growth potential and were overly risk-averse, remarking that approaching their bank “didn’t even come into the equation” after prior unsuccessful attempts. Administrative burdens were also experienced by many, complicating the ability to demonstrate financial stability to potential lenders. For some, the lack of available working capital or the need to self-fund significant early-stage costs left them without the buffer required to meet repayment expectations, ultimately constraining their willingness or ability to seek external finance.

– **Lack of awareness or availability of finance options/ support (22%):** This category encompasses all barriers that stem from a lack of awareness of finance options among businesses, or difficulties in finding information and advice that can help them access available and relevant finance solutions. Although this was also the second most frequently reported barrier theme in 2024, it was mentioned by a higher share of respondents at that time (27%) than in the latest survey.

  It was also a recurring theme across the focus group, with many businesses relying on informal networks, peer advice, or online searches that often produced conflicting or incomplete information. Several commented that signposting was poor and that they struggled to identify which schemes they were eligible for, with eligibility criteria frequently described as confusing or restrictive.

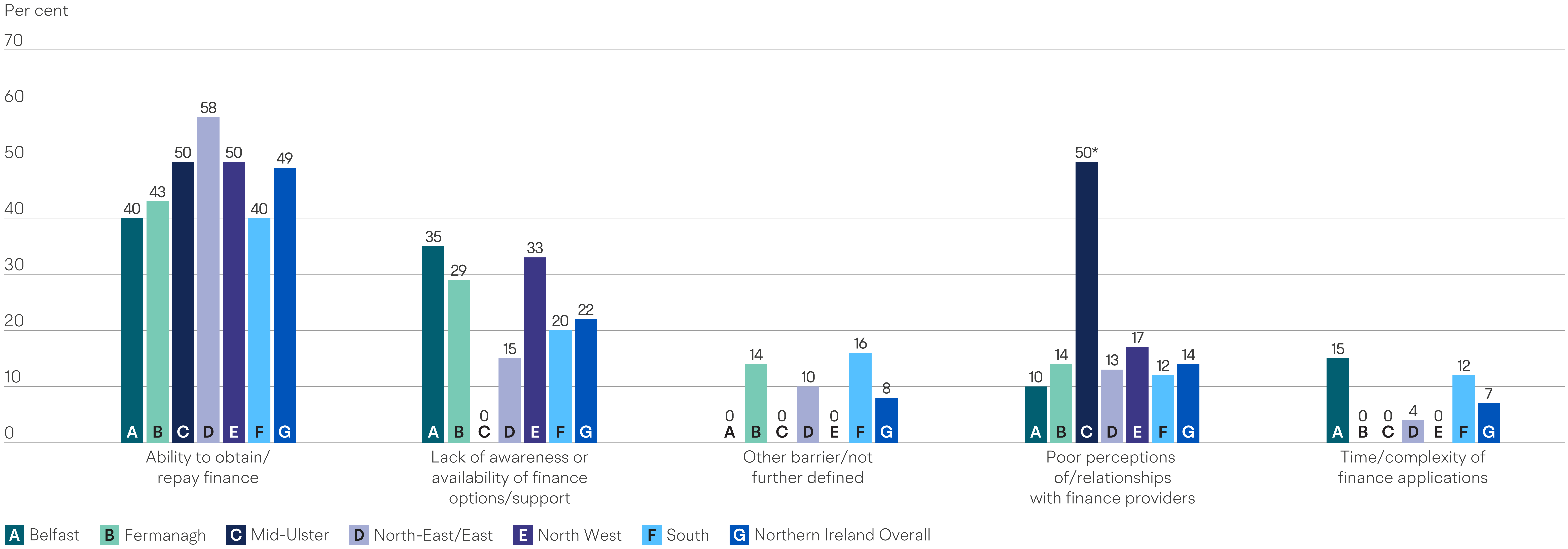
– **Poor perceptions of/relationships with finance providers (14%):** The key barriers mentioned in this context related to negative perceptions or past experiences of interacting with finance providers, such as: Lack of (local) bank/banks closing/can’t see a manager/speak face to face; Reluctance to lend/lack of finance; Lack of communication; General negative comment re: banks (unhelpful, lack of knowledge etc.). Poor perceptions of/relationships with finance providers were slightly more troublesome in the 2025 survey than in the previous year’s one, where it had been mentioned by 11% of respondents.

  For instance, this was articulated during our focus group discussion in the form of “slow no” responses from banks, with decisions taking months despite the funding being needed urgently to support operations or investment plans.

Figure B2.2

Barriers to external finance access among businesses based in Northern Ireland, by theme and region

Unweighted sample sizes: Northern Ireland Total (120), Belfast (20), Fermanagh (7), Mid Ulster (4), North East/East (52), North West (12), South (25).



*Correlation is significant at the 0.05 level.

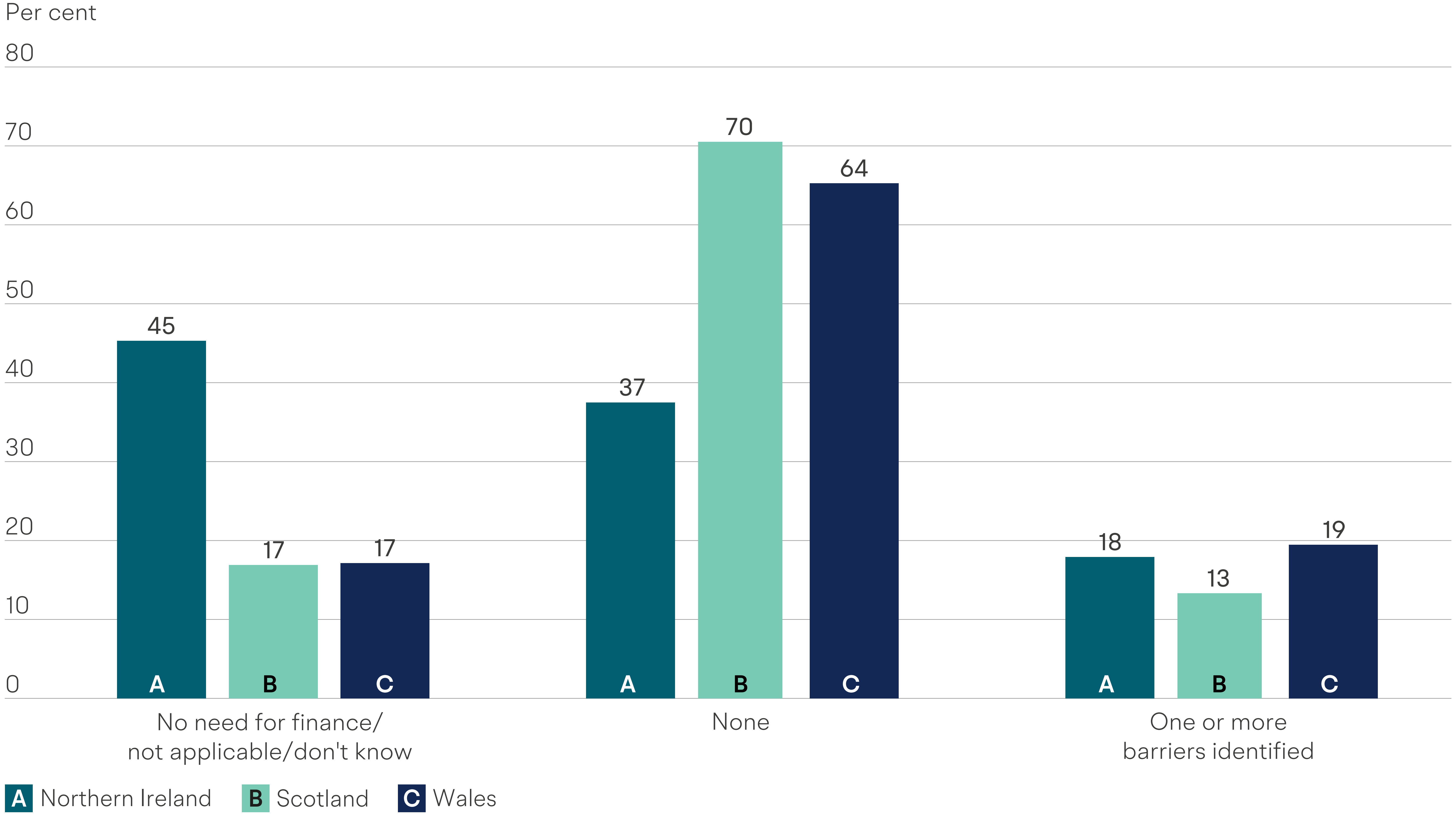
A smaller proportion of respondents also cited other types of barriers (8% in Northern Ireland overall, compared to 11% in 2024) as well as barriers linked with the time/complexity of finance applications (7% compared to 9% in 2024).

Participants within the focus group also felt that application processes for both loans and grants required substantial administrative effort, often disproportionate to the level of funding available. Some reported difficulties navigating terminology, criteria, and compliance requirements- particularly where they lacked prior experience or financial expertise. For early-stage firms, the combination of heavy documentation, protracted timelines and limited internal capacity meant that pursuing external finance diverted significant time away from core business activity. It was also felt that despite a growing landscape of alternative finance providers, it was difficult to determine the relevance and reliability of different products without specialist guidance. Some noted that support often depended on chance encounters or personal connections, rather than systematic outreach, especially in more remote/rural conurbations. For firms already constrained by limited time and resources, this lack of accessible, accurate information made it difficult to navigate the full range of finance pathways, contributing to a perception that viable options were either scarce or difficult to access.

Figure B2.3

Barriers to external finance access among businesses based in Northern Ireland, Scotland and Wales

Unweighted sample sizes: Northern Ireland (669), Wales (476), Scotland (501).

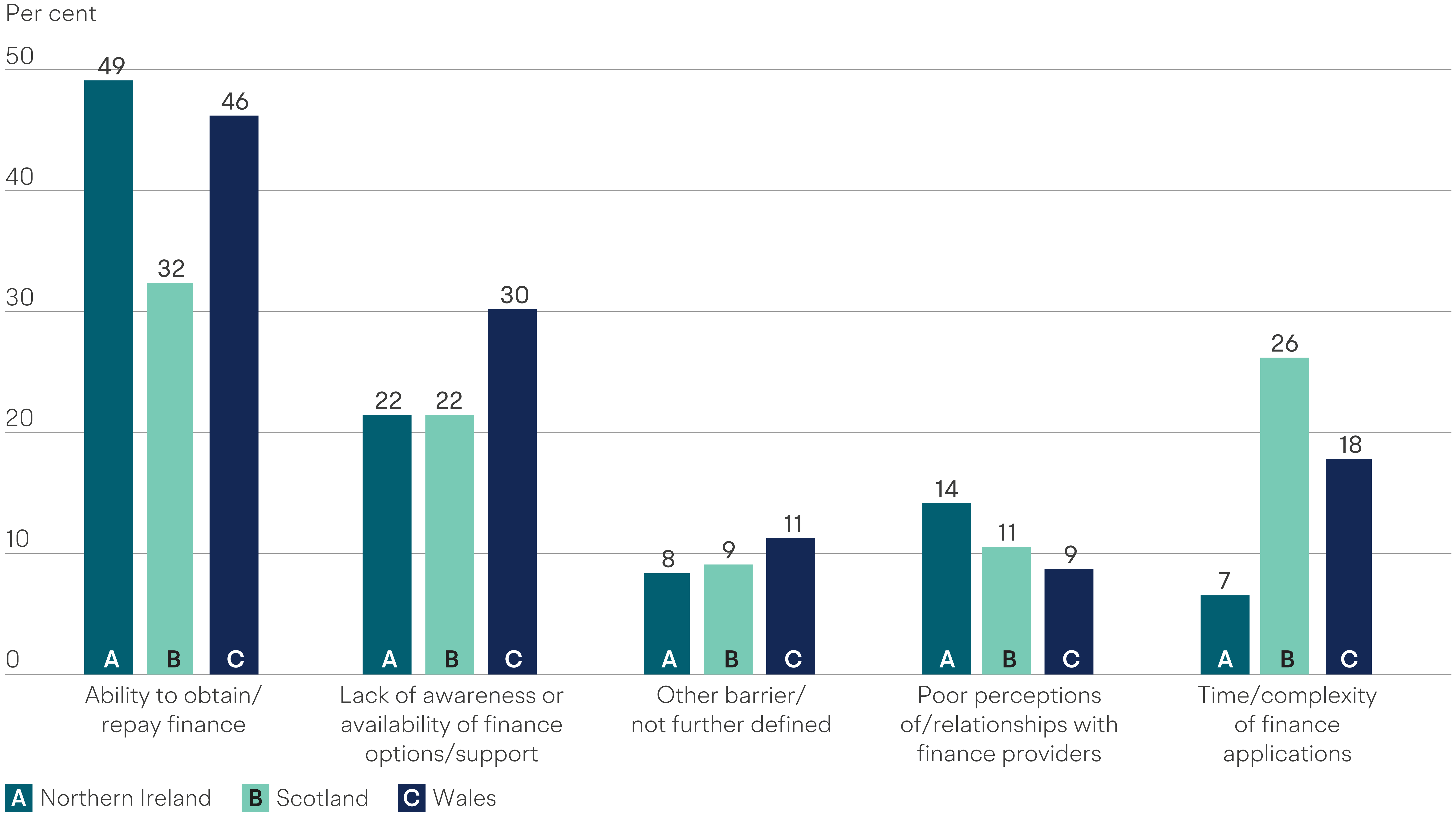


Northern Ireland was in line with Wales concerning the share of SMEs reporting any barriers (18% and 19% respectively), with both nations scoring higher on this dimension than Scotland (13%) (Fig B2.3). Meanwhile, the response patterns of businesses that reported at least one barrier were slightly different across the Devolved Nations. More specifically, the ability to obtain/repay finance and poor perceptions of/relationships with finance providers were more prevalent in Northern Ireland than in Wales and Scotland, whereas the reverse was true for time/complexity of finance applications, as it was much less of a widespread concern (Fig B2.4).

Figure B2.4

Barriers to external finance access among businesses based in Northern Ireland, Scotland and Wales, by theme

Unweighted sample sizes: Northern Ireland (120), Wales (89), Scotland (65).



3. Cash flow perceptions

This question was asked to all survey respondents in order to gain a view on perceptions of their cash flow at the time of asking. It replaces the question on debt manageability that was asked in previous versions of the survey. Results are shown in Figure B3.1.

Around 7 in 10 (69%) Northern Ireland-based smaller businesses perceived their cash flow as positive. The region with the highest proportion of reported cash flow positivity was Fermanagh at 77%, while Belfast emerged as the region with the lowest share, represented by 62% of respondents. The less optimistic sentiment expressed in this region somewhat aligns with findings in 2024 related to manageability of debt levels, as Belfast also had the lowest share of smaller businesses that found it to be manageable, reported by 85% of respondents compared to 91% in the nation overall.

Figure B3.1

Perceptions of cash flow position among businesses based in Northern Ireland, by region

Unweighted sample sizes: Northern Ireland Total (669), Belfast (69), Fermanagh (31), Mid Ulster (37), North East/East (343), North West (67), South (122)

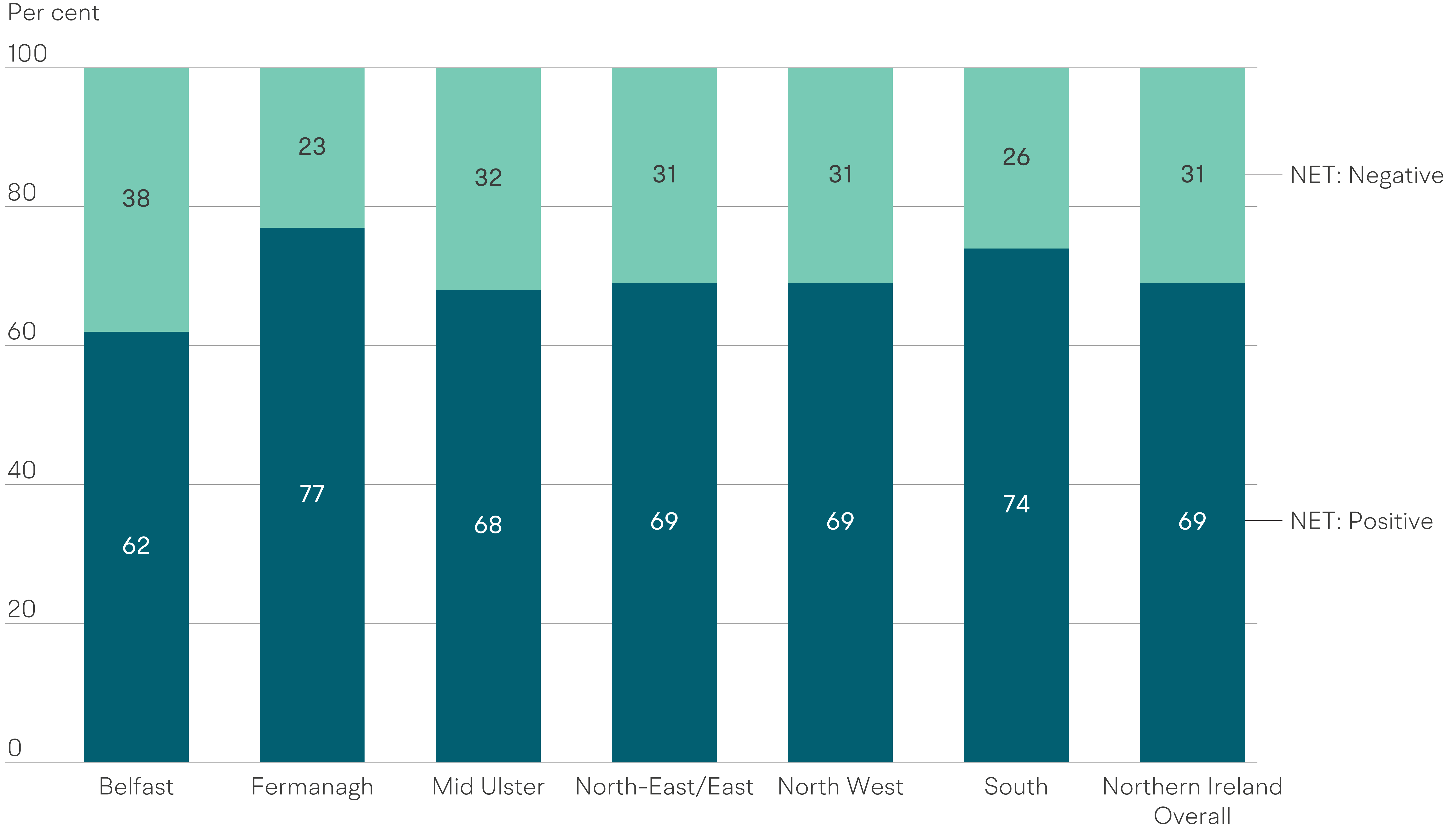
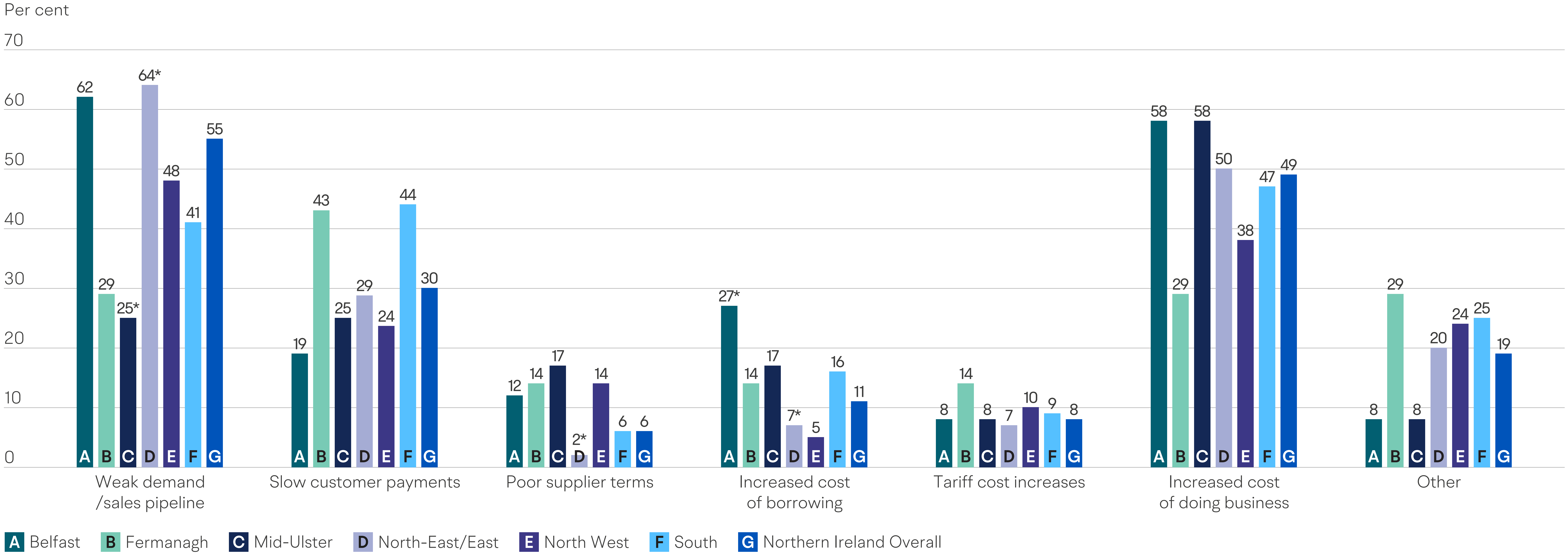


Figure B3.2

Negative perceptions of cash flow position by theme among businesses based in Northern Ireland, by region

Unweighted sample sizes: Northern Ireland Total (205), Belfast (26), Fermanagh (7), Mid Ulster (12), North East/East (107), North West (21), South (32).



*Correlation is significant at the 0.05 level.

According to our focus group discussion, for some businesses, cash-flow resilience was supported by stable recurring revenue models. They operate on contract-based or monthly-invoiced work that allows for consistently positive cash flow and fewer issues related to payment delays or cost shocks, in contrast to firms with more variable or project-based income profiles.

As it pertains to businesses that reported a negative perception of their cash flow position, the reasons behind their pessimistic sentiment were stratified into 7 broad categories (Fig B3.2).

Across Northern Ireland overall, the prevailing factor contributing towards negative cash flow sentiment was weak demand/sales pipeline, stated by more than half of businesses (55%). Some small and statistically significant regional variations were present, with respondents in the North-East/East displaying the highest share of businesses reporting this (64%), while those in Mid Ulster expressed this at the lowest rate (25%), underlining the variation in the impact of this component across the nation. During focus group discussions, weak demand or a poor sales pipeline were cited as directly contributing to negative cash flow, with businesses in low-footfall locations with more limited business activity noting that daily trading was required in order to generate additional revenue streams to maintain viability.

The second most frequently cited factor was increased cost of doing business (49%), while the third was slow customer payments (30%). Additionally, statistical significance was detected with regard to an increased cost of borrowing in Belfast, where the 27% of respondents were by far the most represented, and conversely in the North-East/East, which had a below average share of businesses reporting this (7%). This region was also accounted for in this regard as it related to poor supplier terms, as the 2% of respondents that reported it was notably below the national average (6%). These costs were also revealed as a prominent theme within the focus group, highlighted by firms that faced sharp rises in the price of inputs such as foodstuffs, consumables and wages. This led to compressed margins and more intensified cash-flow pressures, as businesses were left with little scope to adjust prices to offset higher costs, due to a potential knock-on effect in lower demand.

In several cases, focus group participants recognised that slow customer payments or long project lead times created significant gaps between upfront costs and eventual income, particularly where materials and labour had to be paid well in advance of final client payment. These delays could span many months, necessitating short-term borrowing to bridge the gap. Other factors—such as heavy upfront investment requirements, seasonal fluctuations, or the need to self-fund growth due to limited access to external finance—were also reported as contributing towards ongoing pressure on cash flow, leaving some businesses unable to sufficiently sustain operations without additional support or a change in strategy.

Compared to the other Devolved Nations, Northern Ireland-based smaller businesses had the lowest proportion of positive perceptions regarding their cash flow position (69% compared to 85% and 80% in Scotland and Wales respectively) (Fig B3.3). Amongst those with a negative perception of their cash flow position within the Devolved Nations, SMEs in Northern Ireland were the most inclined to attribute this to weak demand/sales pipeline (55%), while they were the least likely to cite poor supplier terms, an increased cost of borrowing or tariff cost increases (Fig B3.4).

Figure B3.3

Perceptions of cash flow position among businesses based in Northern Ireland, Scotland and Wales

Unweighted sample sizes: Northern Ireland (669), Scotland (501), Wales (476)

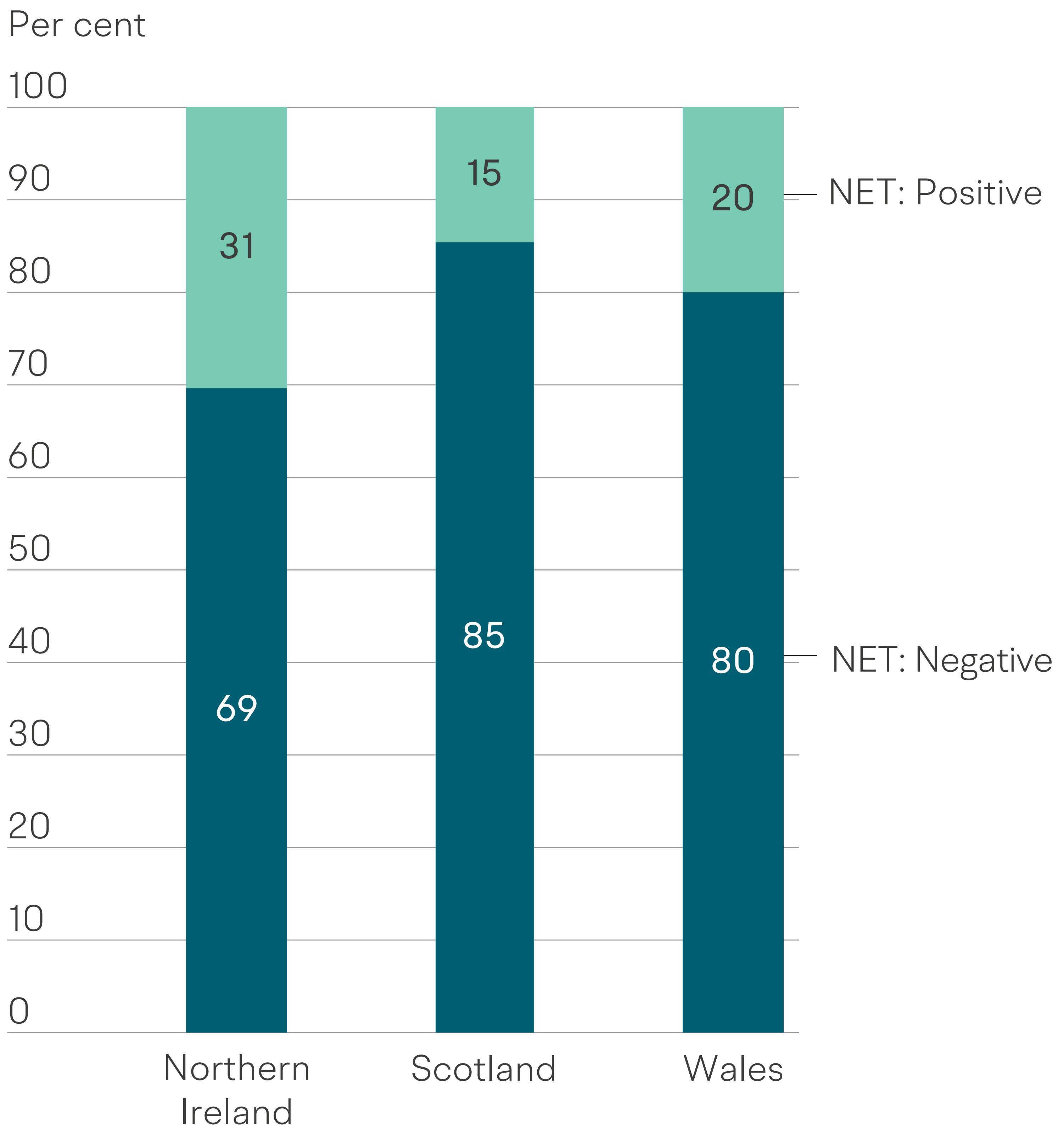
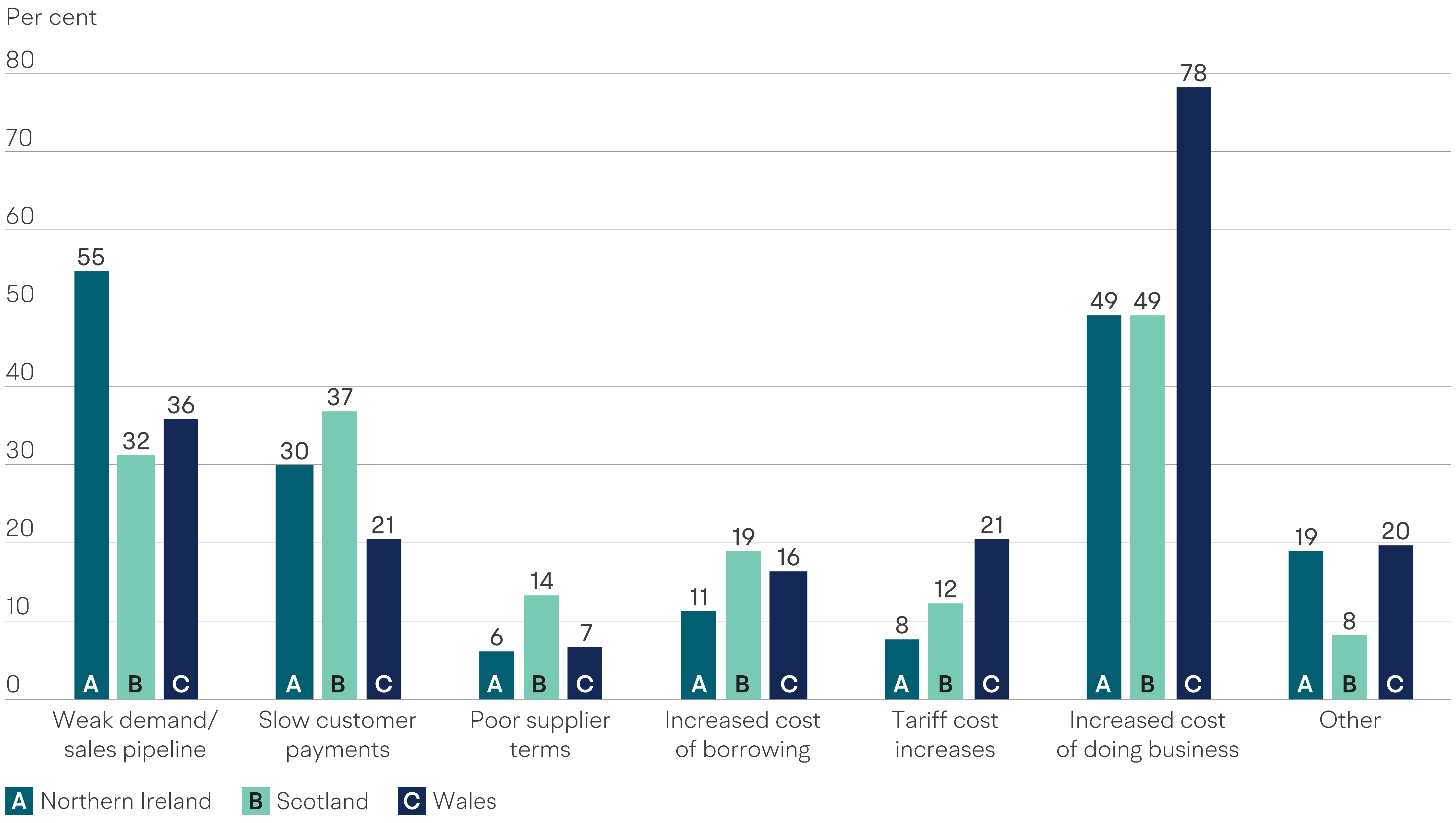


Figure B3.4

Negative perceptions of cash flow position by theme among businesses based in Northern Ireland, Scotland and Wales

Unweighted sample sizes: Northern Ireland (205), Scotland (73), Wales (92),



4. Future finance needs

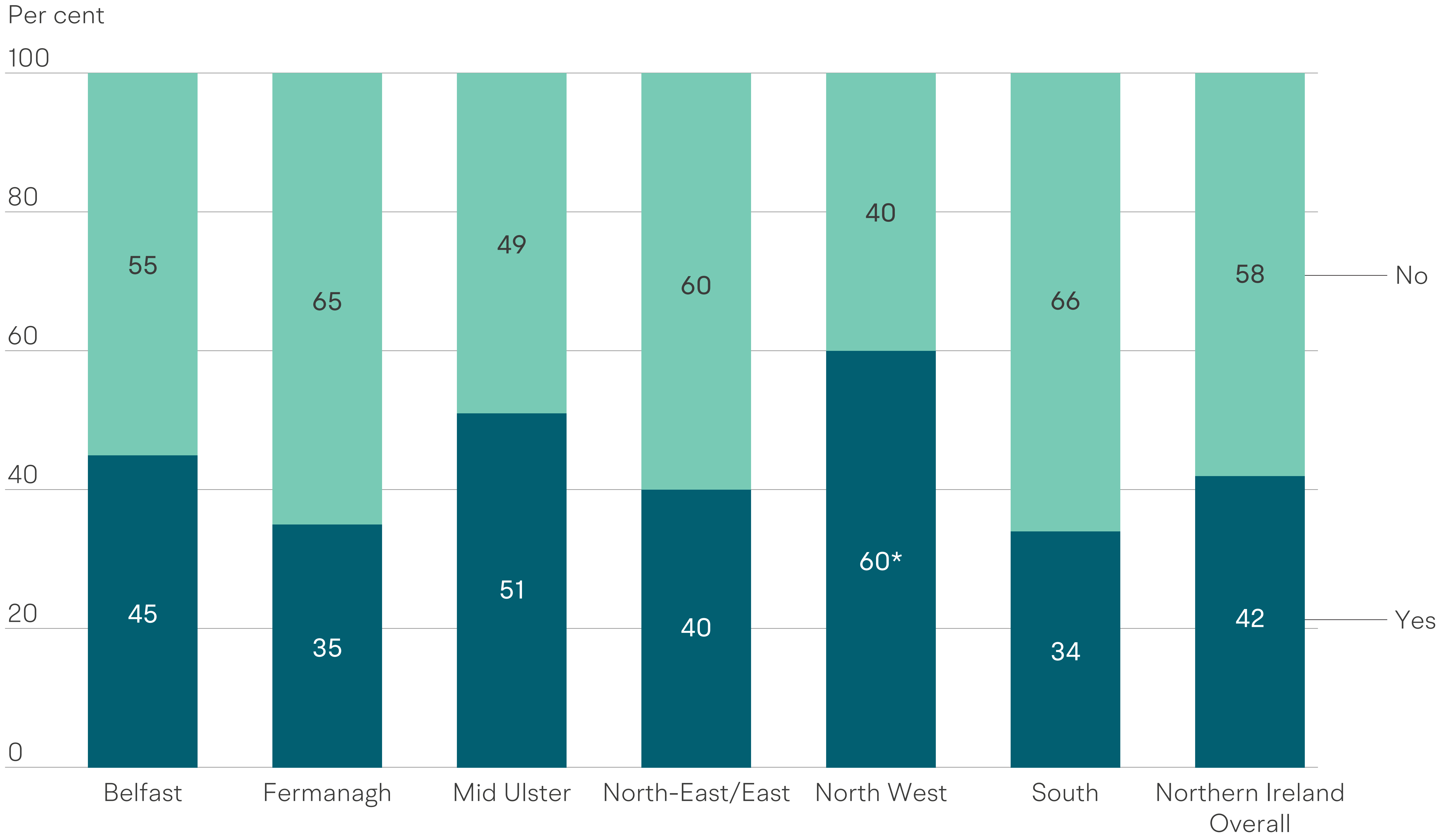
42% of smaller businesses in Northern Ireland as a whole reported requiring additional financing over the next 12 months (Figure B4.1). This was a lower share than in the 2024 survey (48%).

Respondents in the North West were far more likely to express a need for finance than their counterparts elsewhere in a statistically significant manner, at 60%, while those in the South were the least likely to do so, as only expressed by a third (34%) of businesses.

Figure B4.1

Proportion of SMEs in Northern Ireland that anticipate needing additional financing over the next year, by region

Unweighted sample sizes: Northern Ireland Total (669), Belfast (69), Fermanagh (31), Mid Ulster (37), North East/East (343), North West (67), South (122)



*Correlation is significant at the 0.05 level.

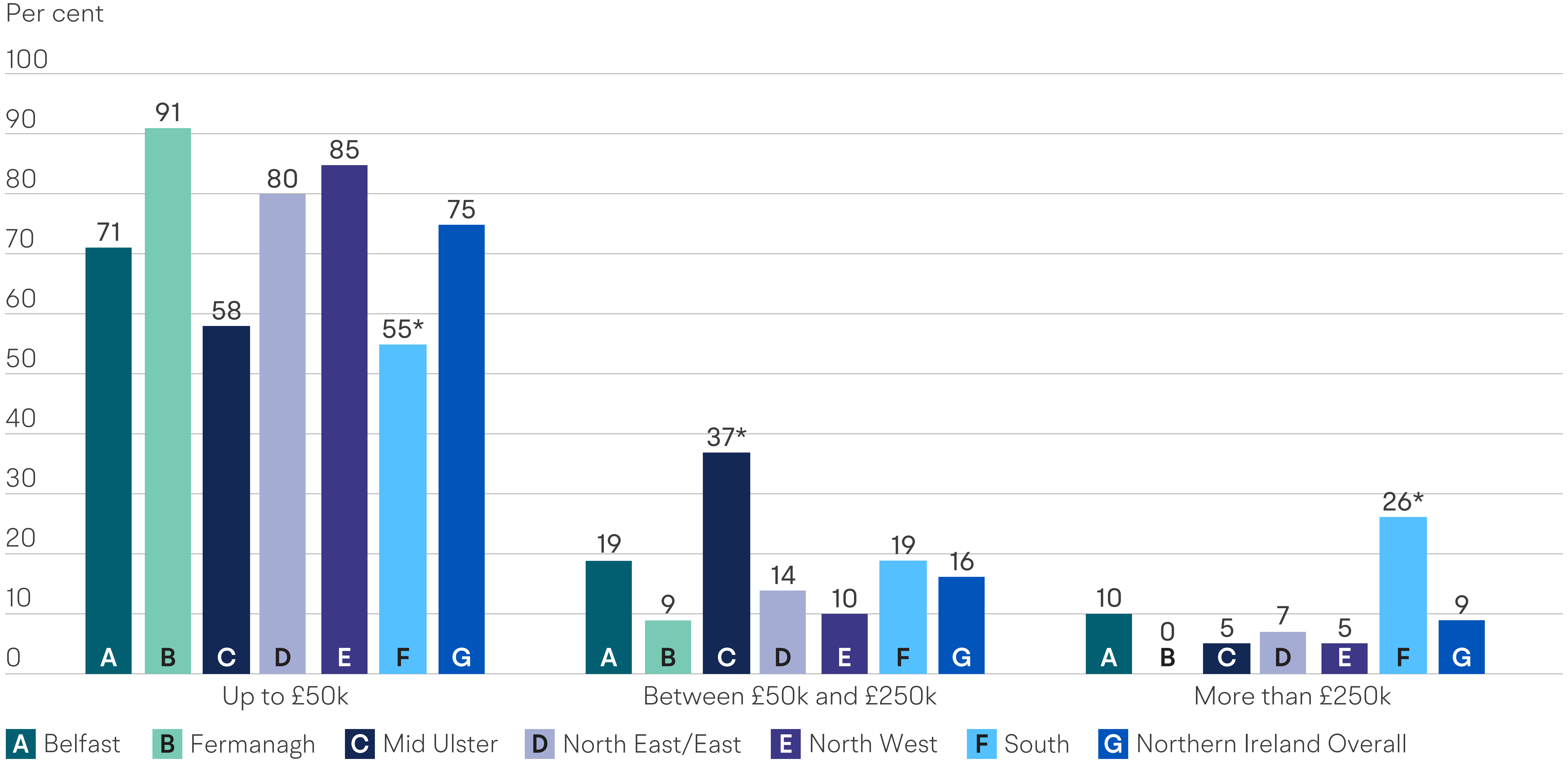
Moreover, the question captured the scale of the additional financing potentially being required by businesses, categorised within six bands. In our analysis however, these six bands have been combined into three to boost sample sizes for each option and align with the pattern of responses received.

Of the Northern Ireland-based businesses which anticipate needing additional financing over the next year, three-quarters (75%) said they had a requirement at or below £50k, with another 16% of eligible respondents stating a requirement between £50k and £250k and then the remaining 9% needing more than £250k (Fig B4.2). There were notable statistically significant differences detected across Northern Ireland on amounts between £50k and £250k, as Mid Ulster (37%) emerged as the predominant area in this category for a second year running, highlighting the well-established tendency towards finance of this size, possibly reflecting the types of businesses within the region. Similarly, for amounts above £250k, the South had by far the highest share of respondents reporting this (26%).

Figure B4.2

Size of financing requirement of SMEs in Northern Ireland that anticipate needing additional financing over the next year, by region

Unweighted sample sizes: Northern Ireland Total (281), Belfast (31), Fermanagh (11), Mid Ulster (19), North East/East (138), North West (40), South (42)



*Correlation is significant at the 0.05 level.

When compared with the other Devolved Nations of the UK, the overall proportion of SMEs in Northern Ireland that anticipated requiring additional financing over the next 12 months was the second highest (42%), as it was 5 percentage points lower than Scotland (47%) but more than double the rate in Wales (17%) (Fig B4.3). Differences can also be observed in the size of the additional financing need, with three in four (75%) smaller businesses in Northern Ireland expecting a finance requirement at or below £50k (compared to 58% and 63% in the other two nations) (Fig B4.4). This signalled a continuation of trends seen in the previous two years.

Figure B4.3

Proportion of SMEs in Northern Ireland, Scotland and Wales that anticipate needing additional financing over the next year

Unweighted sample sizes: Northern Ireland (669), Scotland (501), Wales (476)

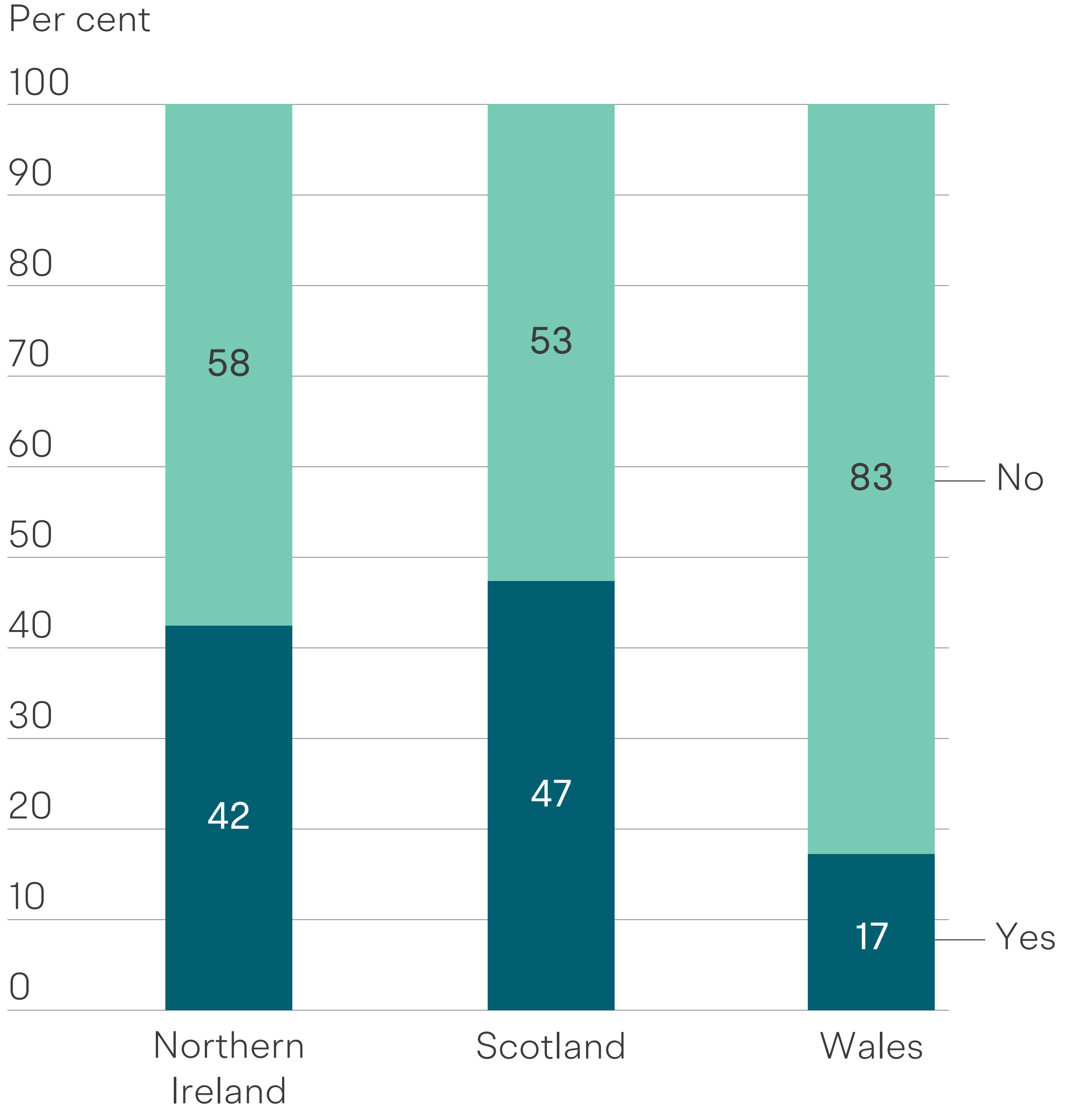
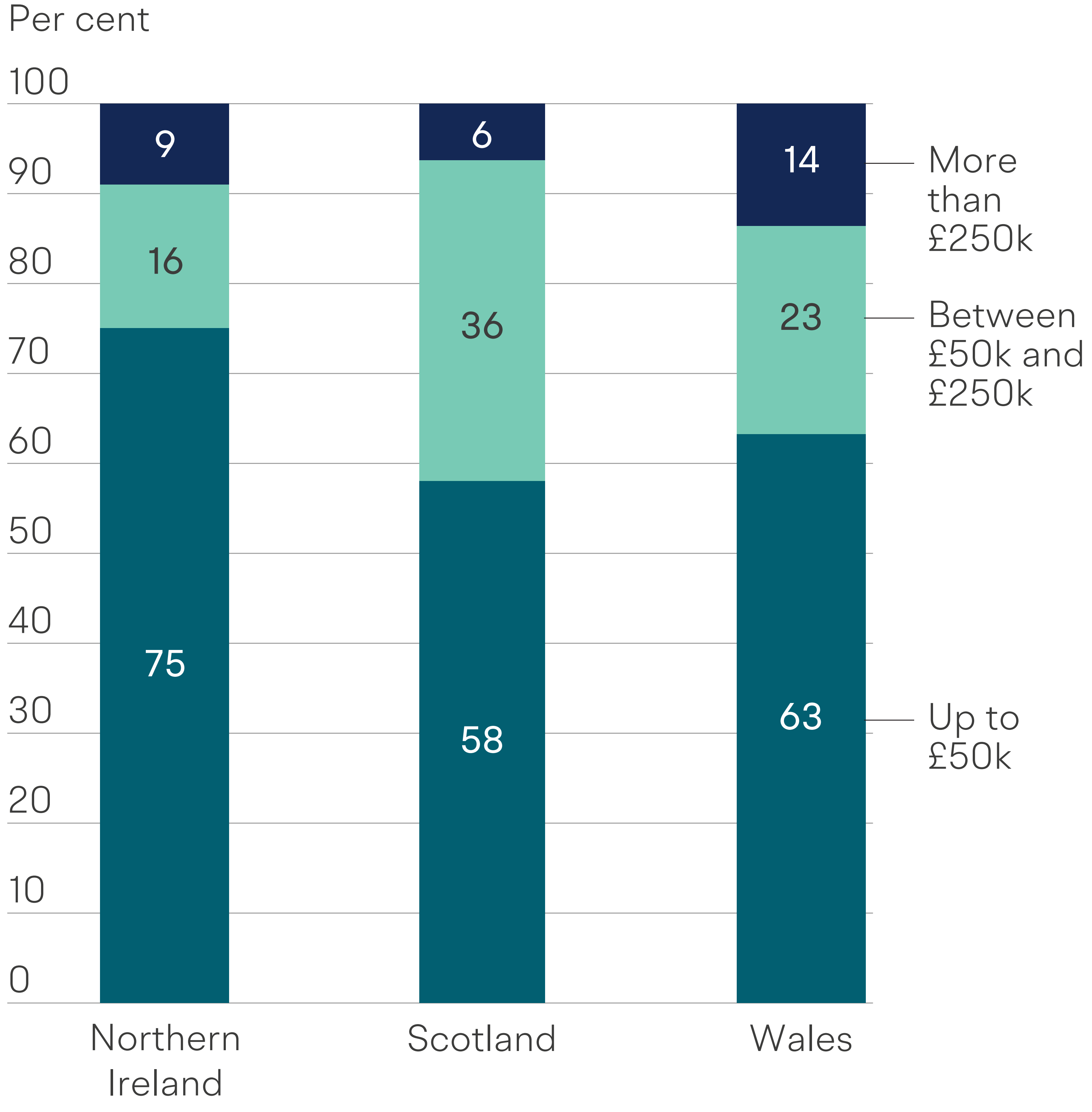


Figure B4.4

Size of financing requirement of SMEs in Northern Ireland, Scotland and Wales that anticipate needing additional financing over the next year

Unweighted sample sizes: Northern Ireland (281), Wales (79), Scotland (237)



5. Future finance needs (type)

Consistent with our previous survey findings, the most common finance form that Northern Ireland based businesses with a finance need anticipated accessing over the next year were grants (45%), closely followed by business loans (43%) (Figure B5.1).

Anticipated use of grants remained at the same level as 2024, while it declined slightly for business loans (45% in 2024). Business overdrafts (20%) were the next most cited, potentially hinting at a foreseen stagnation or worsening in cash flows, while other finance types, business credit cards, asset and equity finance were also relatively popular, mentioned by 14%, 12%, 11% and 11% respectively. Personal credit cards and invoice financing were the only options selected by 10% or less of businesses.

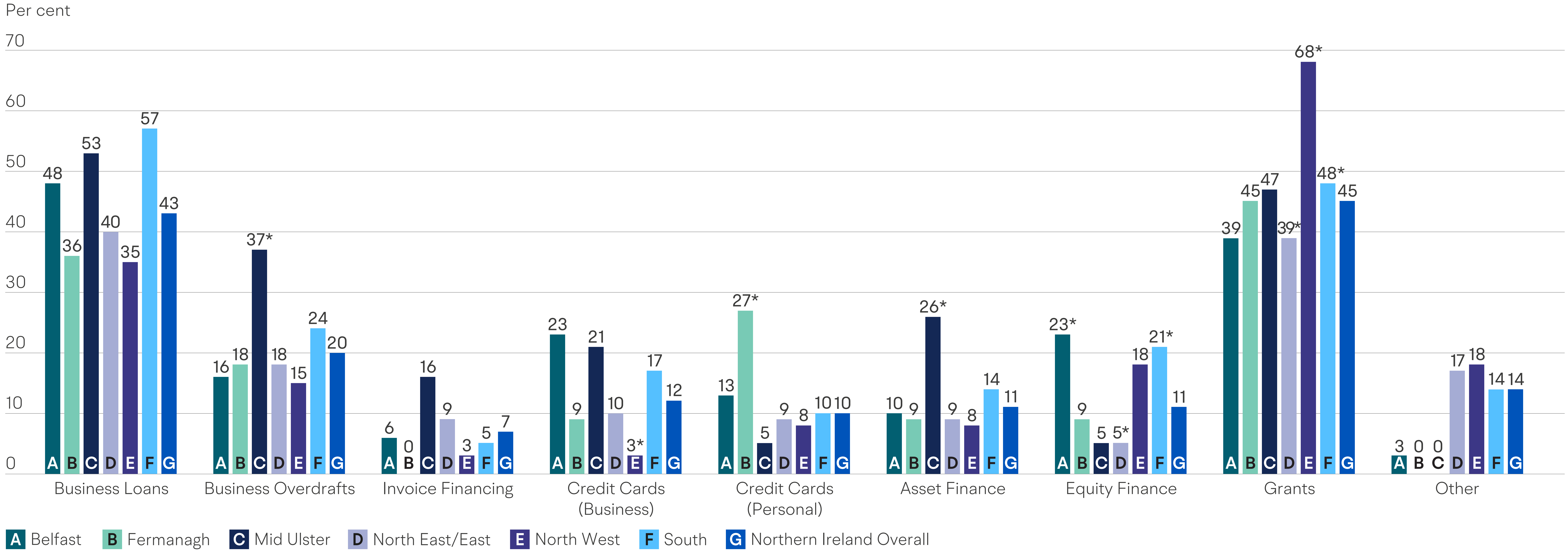
Some regions of Northern Ireland stood out for their high propensity to report considering some of these finance forms, which differed in a statistically significant way from the corresponding values in the rest of the nation. For instance, the North West had a considerably higher share of businesses that anticipated accessing grants (68%), with Mid Ulster reflecting this in relation to business overdrafts and asset finance (37% and 26% respectively). When it came to seeking equity finance, Belfast (23%) and the South (21%) were the most likely to do so, while businesses in the North-East/East were the least inclined (5%) to anticipate such. Similarly, the North West stood out as a region with a particularly low inclination concerning future use of business credit cards.

The SMEs participating in our focus group considered equity investment or government-backed loans as potential routes after traditional lending avenues had been exhausted, in addition to utilising existing channels (mainly grants) facilitated by Go Succeed or Invest NI.

Figure B5.1

Types of finance sought by SMEs in Northern Ireland that anticipate needing additional financing over the next year, by region

Unweighted sample sizes: Northern Ireland Total (281), Belfast (31), Fermanagh (11), Mid Ulster (19), North East/East (138), North West (40), South (42)



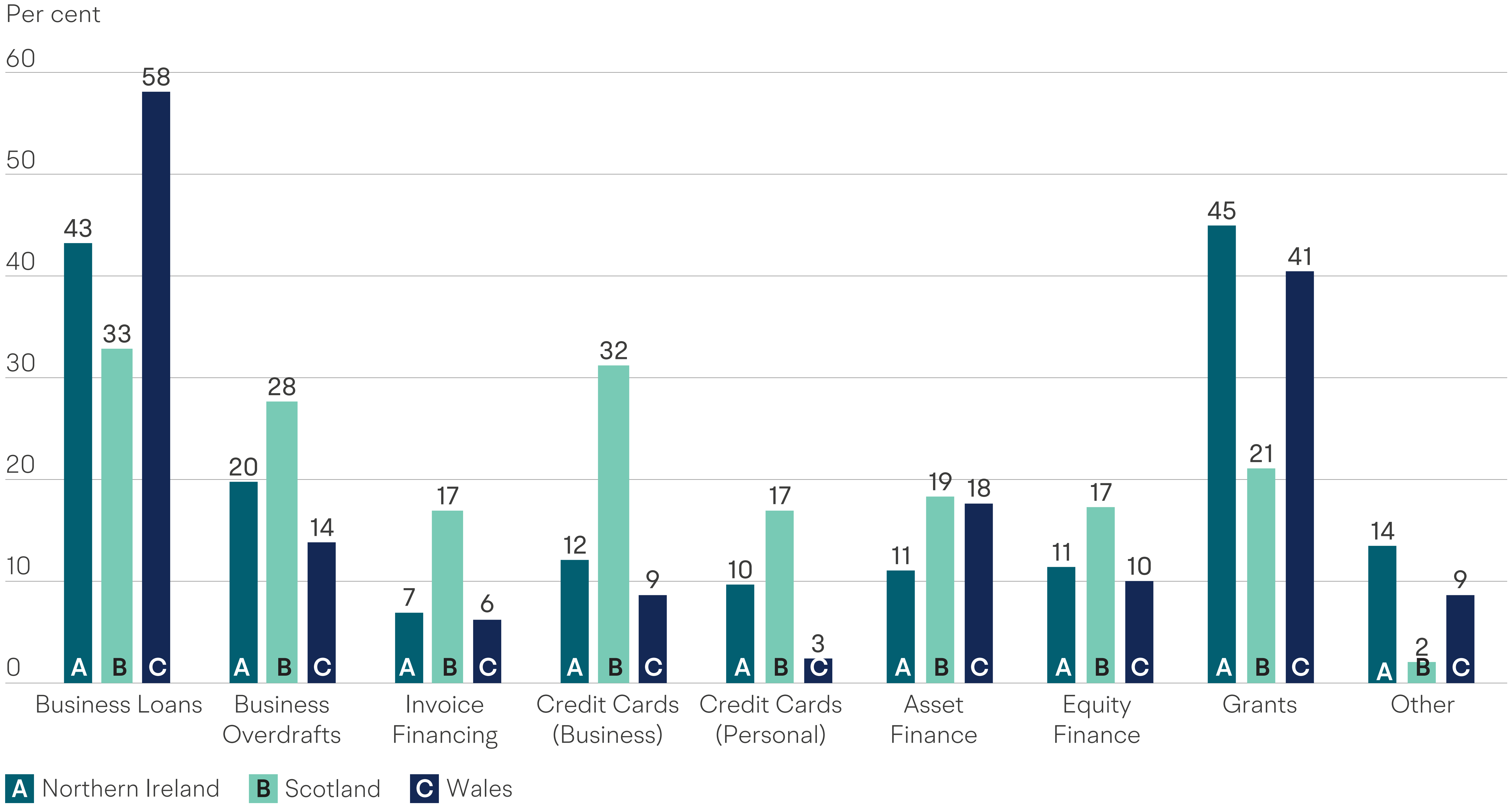
*Correlation is significant at the 0.05 level.

Compared with their counterparts in the other Devolved Nations of the UK, SMEs in Northern Ireland showcased a greater disposition towards anticipating access to grants over the next year, as well as other finance types (Fig B5.2). In relation to the other listed finance types, the share of Northern Ireland-based businesses planning to access them was generally higher than in Wales and lower than in Scotland. Both observations accorded with survey results from the previous two years.

Figure B5.2

Types of finance sought by SMEs in Northern Ireland, Scotland and Wales that anticipate needing additional financing over the next year

Unweighted sample sizes: Northern Ireland (281), Wales (79), Scotland (237)



6. Future finance needs (purpose)

In Northern Ireland as a whole (Figure B6.1), 54% of smaller businesses that anticipated needing finance over the coming year intended to use it for working capital (down from 59% in the 2024 survey), while a similar proportion (52%) indicated they would use it for capital expenditure (down from 58% in 2024).

Other planned uses, such as investment in R&D/process improvements/significant maintenance, refinancing or managing existing debt and actions relating to environmental sustainability, were mentioned by 39%, 6% and 4% of respondents each. This marks an increase for the former, in that 30% of Northern Ireland based smaller businesses had considered using finance for this purpose in the previous year's survey.

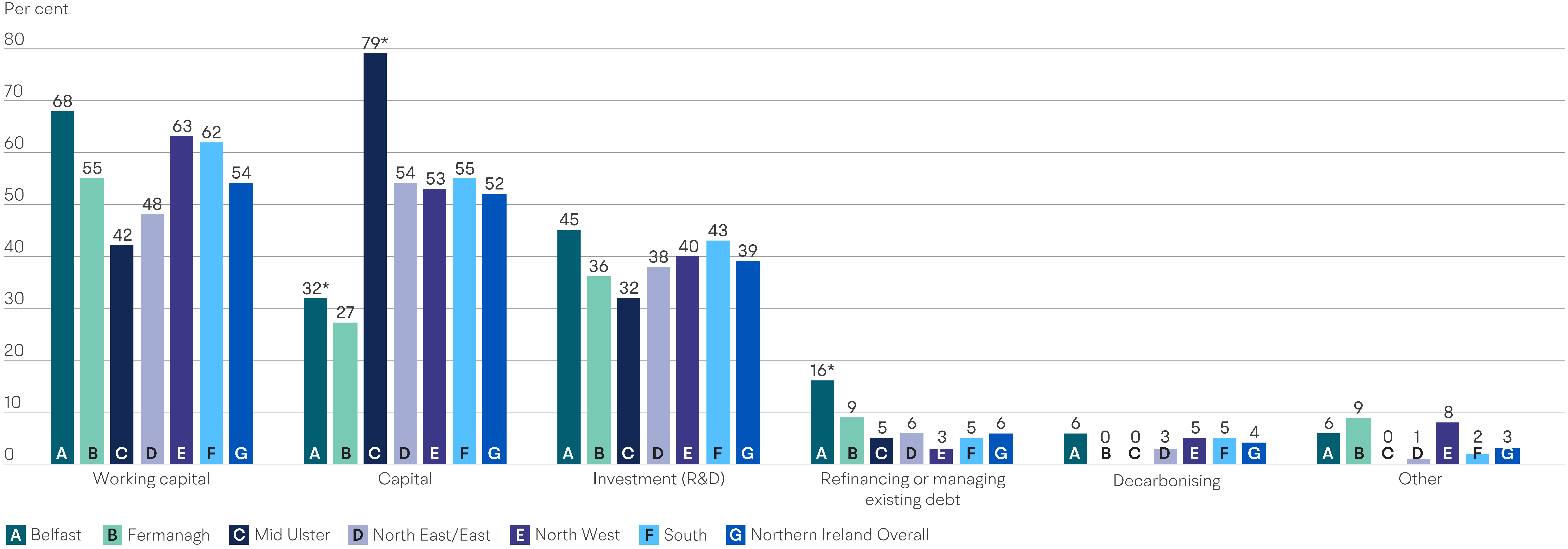
As it relates to the regional landscape, Mid Ulster had a conspicuously high and statistically significant share of respondents citing anticipated use of finance for capital expenditure purposes (79%), whereas the statistically significant difference in Belfast stood out in the opposite direction, as the 32% of smaller businesses reporting it was well below the national average (52%). Nevertheless, Belfast was highlighted as a region with positive statistical significance with regard to refinancing or managing existing debt, reported by 16% of respondents, the highest of all regions.

Businesses within our focus group expressed a clear expectation of needing additional finance in the year ahead, particularly to bridge early-stage working-capital gaps, fund growth opportunities, or secure essential equipment. Some firms anticipated requiring substantial external support to sustain operations, noting that without new finance they would be unable to cover ongoing fixed costs or maintain momentum in expanding service lines. Others highlighted specific capital requirements—such as financing machinery, expanding product lines, or increasing staff capacity—where current cash flow was insufficient to support further investment.

Figure B6.1

Planned use of finance by SMEs in Northern Ireland that anticipate needing additional financing over the next year, by region

Unweighted sample sizes: Northern Ireland Total (281), Belfast (31), Fermanagh (11), Mid Ulster (19), North East/East (138), North West (40), South (42)



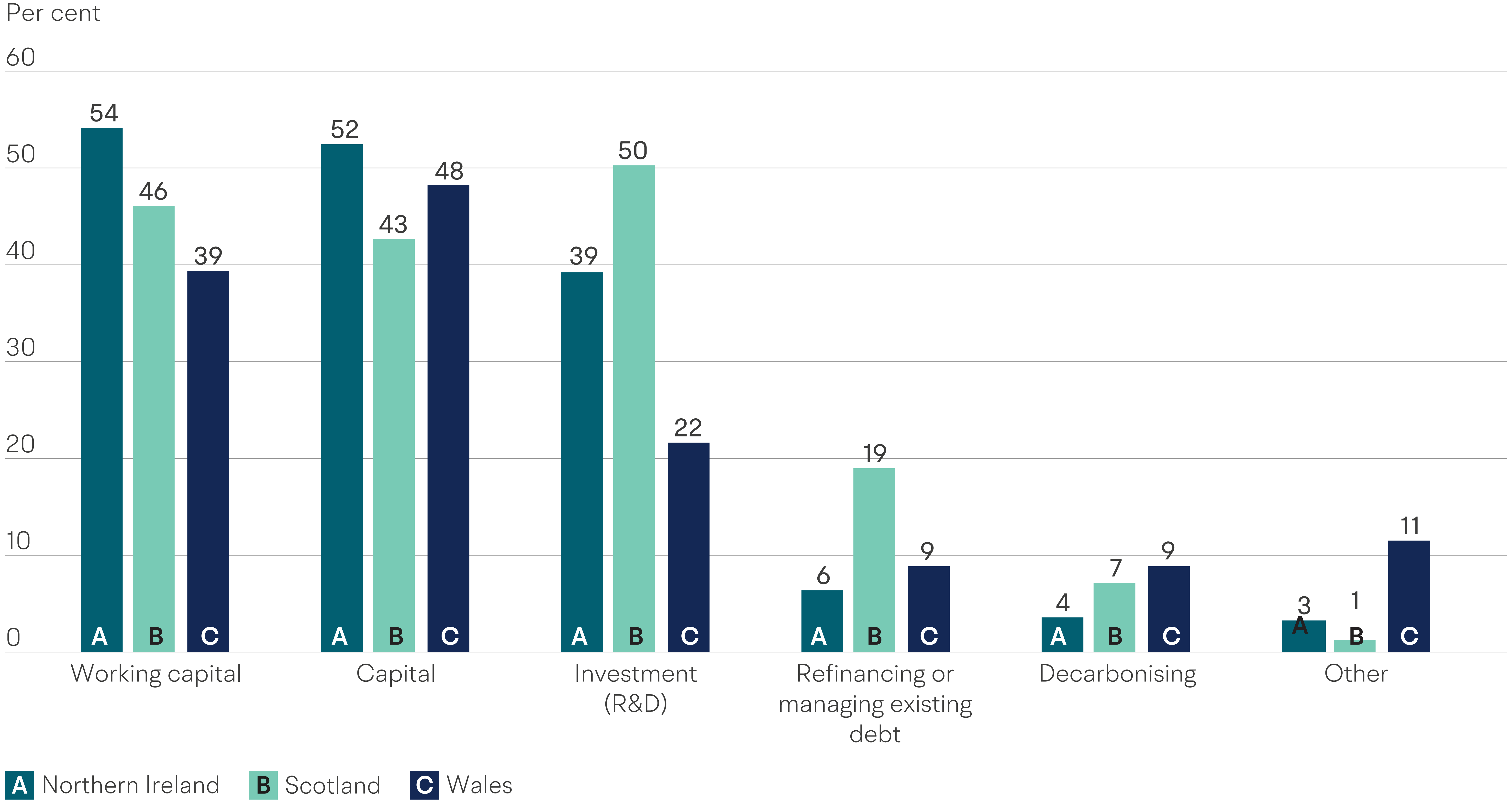
*Correlation is significant at the 0.05 level.

Relative to SMEs in Scotland and Wales, those in Northern Ireland were generally more intent on using their additional finance for working capital (54%) and capital expenditure (52%) purposes, as they reported the highest share of respondents within these two categories, in line with 2024 trends (Fig B6.2). On the other hand, they expressed the least desire for refinancing/managing existing debt or decarbonising operations (6% and 4% respectively).

Figure B6.2

Planned use of finance by SMEs in Northern Ireland, Scotland and Wales that anticipate needing additional financing over the next year

Unweighted sample sizes: Northern Ireland (281), Wales (79), Scotland (237)



7. Future finance needs (confidence)

Confidence in getting finance among Northern Ireland-based businesses that anticipated needing it over the next year was at 53%, a lower share than in the previous year's survey (61%) but slightly higher than in 2023 (51%) (Figure B7.1).

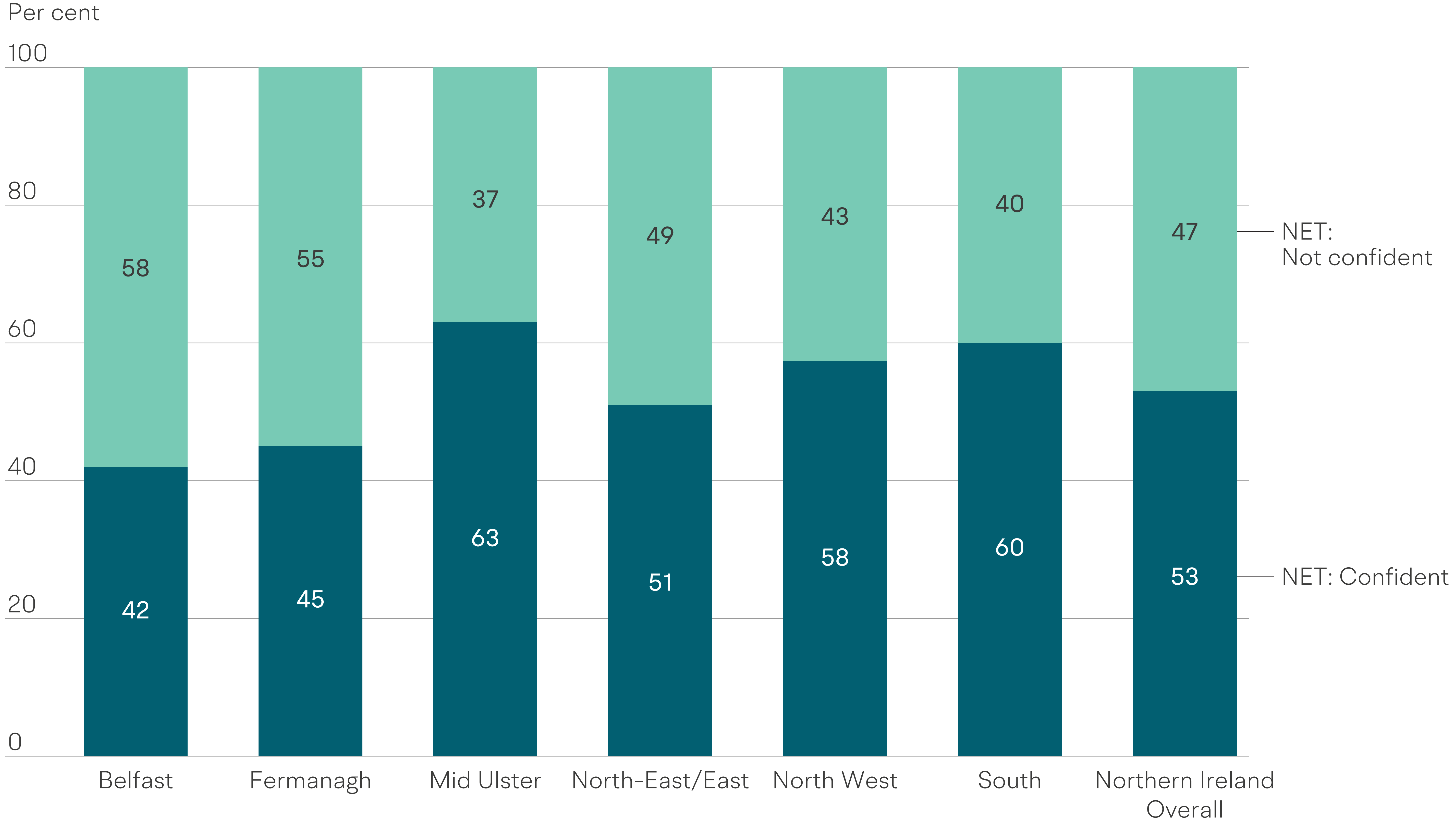
From a regional standpoint, confidence levels didn't differ in a statistically significant way, with the only region remaining in line on a year-to-year basis being the South (61% in 2024).

Focus group participants expressed uncertainty about their ability to attain finance, citing past refusals, opaque eligibility criteria and an absence of tailored support. Even where demand for their services was strong, business owners noted that the length of time required to access finance and the difficulty navigating providers undermined confidence that future applications would be successful.

Figure B7.1

Confidence in accessing additional financing for SMEs in Northern Ireland that anticipate needing it over the next year, by region

Unweighted sample sizes: Northern Ireland Total (281), Belfast (31), Fermanagh (11), Mid Ulster (19), North East/East (138), North West (40), South (42)

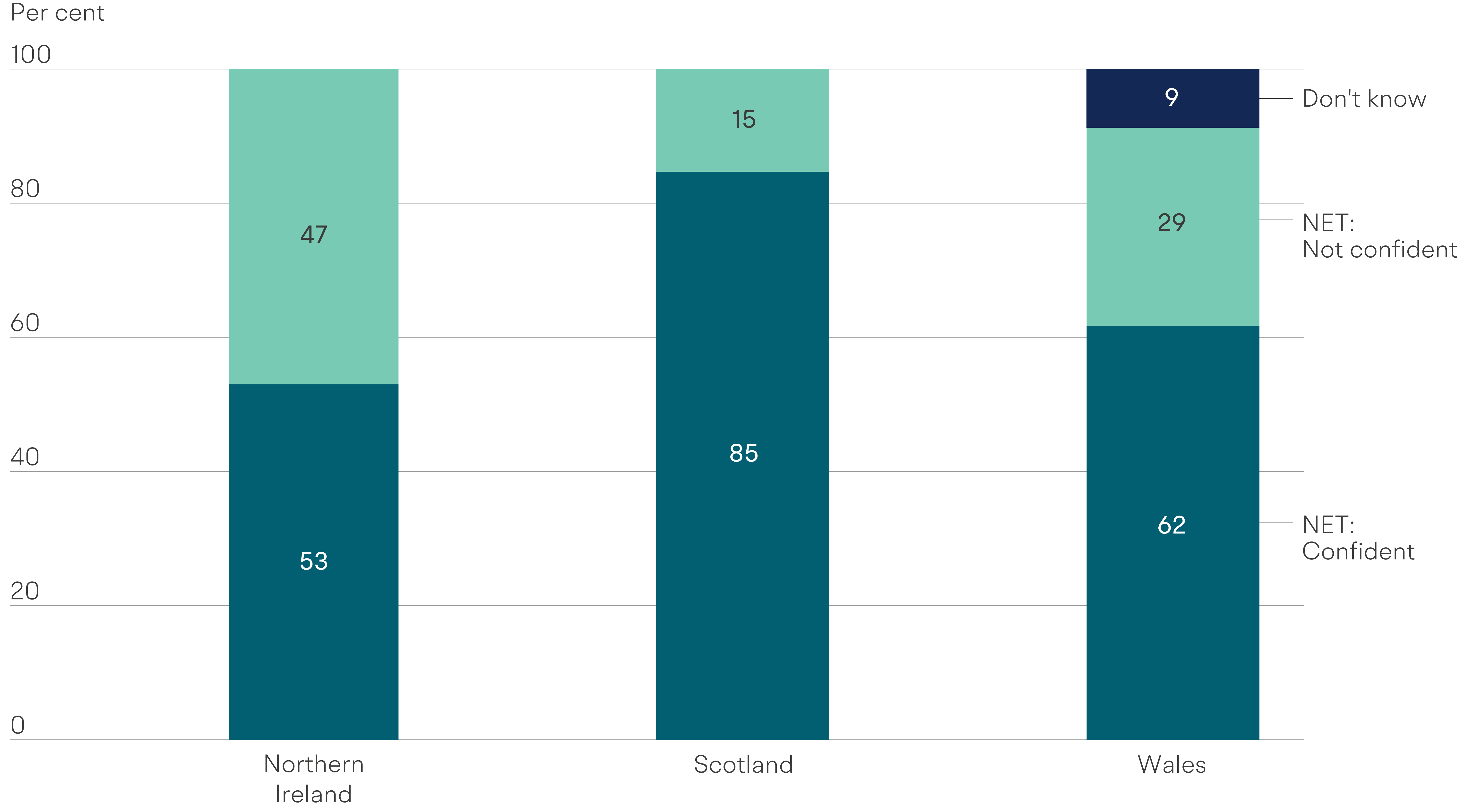


Confidence levels in Northern Ireland as a whole were the lowest of all the Devolved Nations, with just over half (53%) expecting to be able to access the additional finance that they require (Fig B7.2). This is somewhat of a continuation of previous trends, as they had the joint lowest confidence levels in 2024 alongside Wales.

Figure B7.2

Confidence in accessing additional financing for SMEs in Northern Ireland, Scotland and Wales that anticipate needing it over the next year

Unweighted sample sizes: Northern Ireland (281), Wales (79), Scotland (237)



8. Anticipated business performance

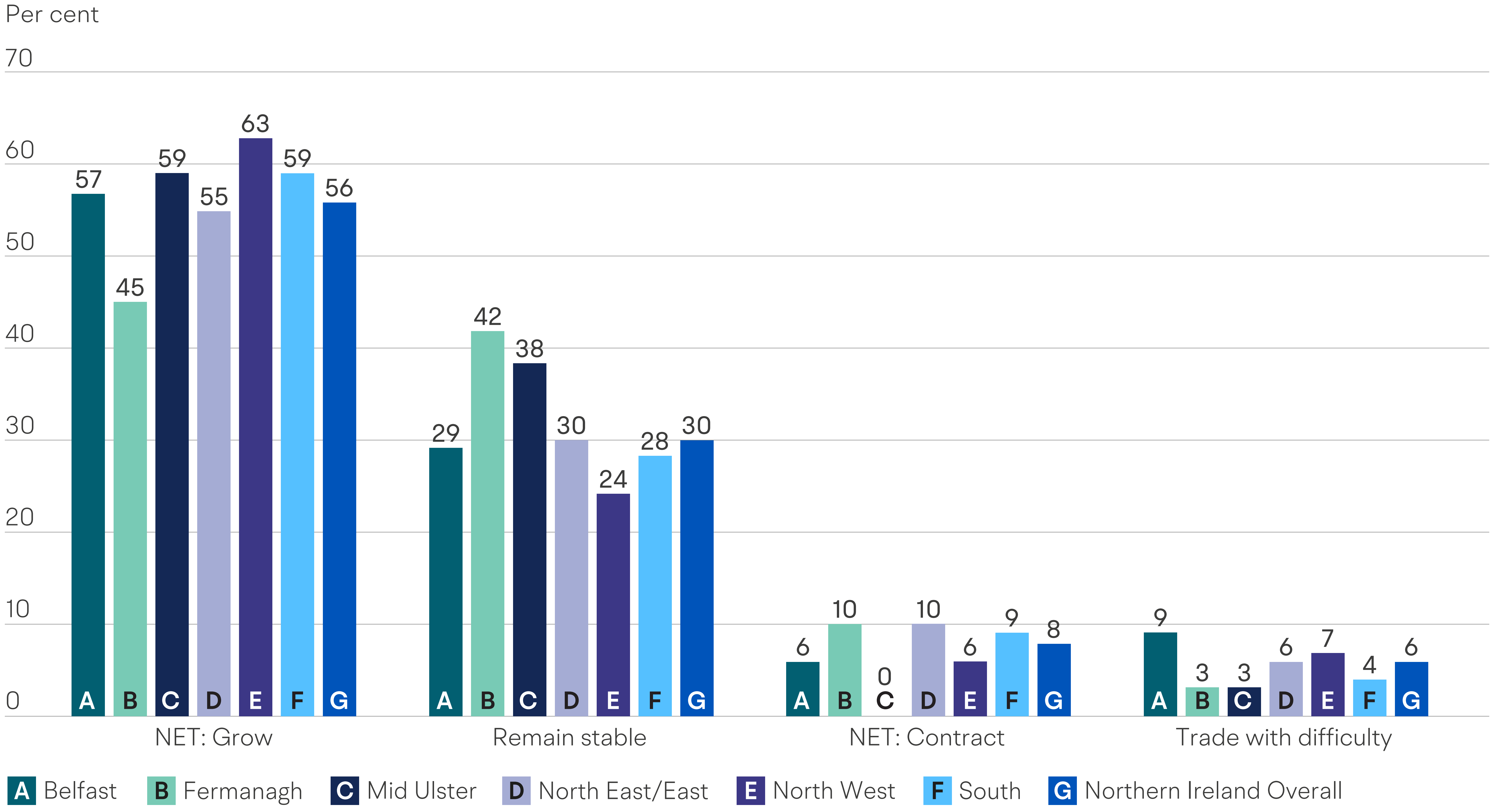
56% of Northern Ireland based smaller businesses expect growth over the next 12 months, whereas 30% expect stability and the rest a contraction or difficult trading conditions/risk of closure, at 8% and 6% respectively (Figure B8.1). This reflects a slightly less positive picture than the 2024 survey, where 61% expected growth and 12% a negative performance.

Results were fairly similar across the six regions with no statistically significant differences detected, although a higher proportion of respondents in the North West expected to grow, reflecting a perpetuation of last year's trends, while proportionally more respondents in Fermanagh anticipated stability than in other regions.

Figure B8.1

Expected performance over the next 12 months of SMEs in Northern Ireland, by region

Unweighted sample sizes: Northern Ireland Total (669), Belfast (69), Fermanagh (31), Mid Ulster (37), North East/East (343), North West (67), South (122)



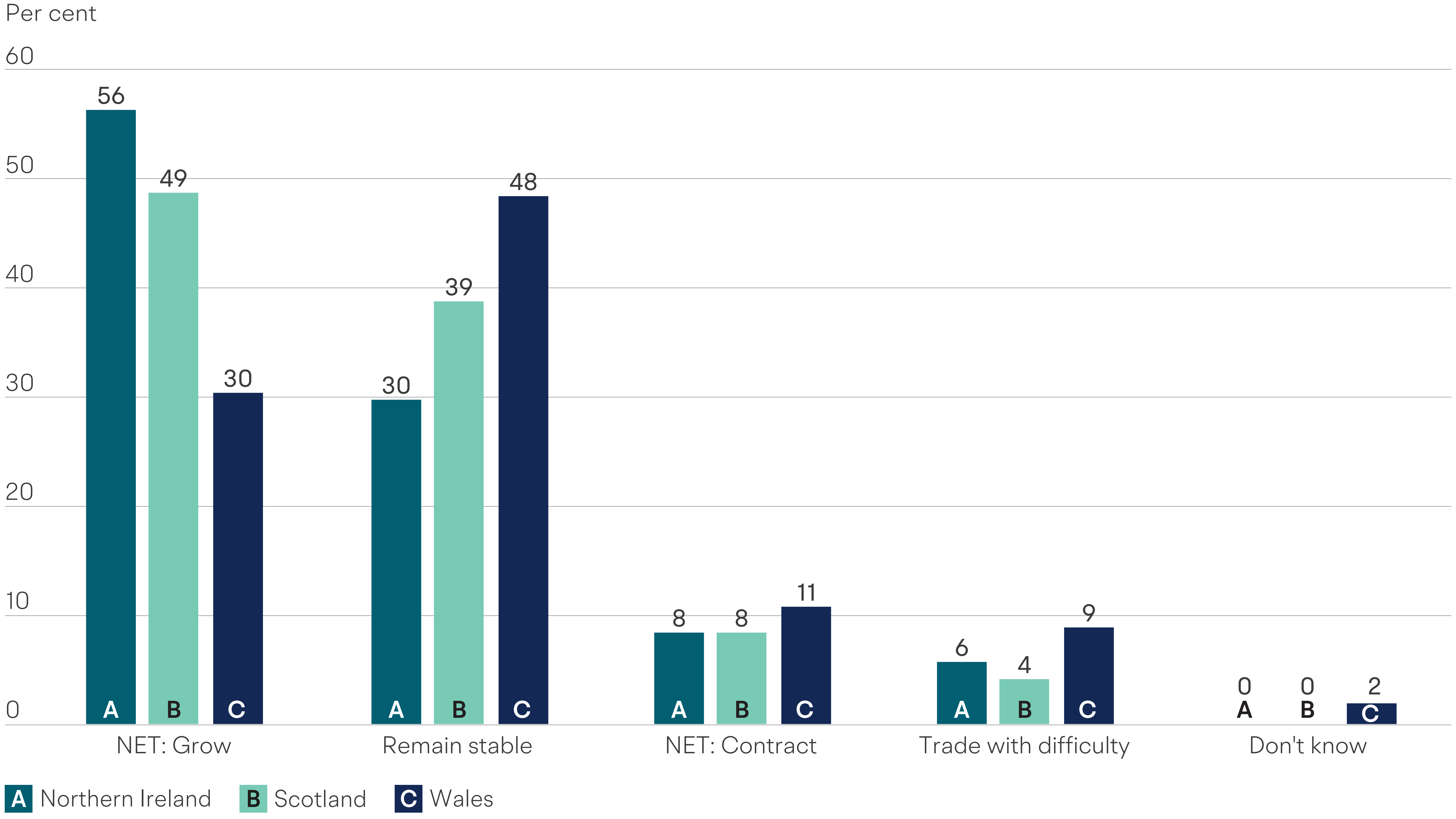
Despite ongoing financial pressures, a sense of cautious optimism was evident amongst focus group participants regarding future performance, noting strong interest in services, expanding product lines and new opportunities for wider customer engagement. Even where current cash flow was constrained, participants believed that demand for their offer remained robust and that additional capacity or investment—if obtained—would allow them to capitalise on these potential developments.

As was the case last year, Northern Ireland-based smaller businesses were the most optimistic about their growth prospects over the next 12 months relative to their counterparts in the other Devolved Nations (56% compared to 49% in Scotland and 30% in Wales) (Fig B8.2). This was consistent with the previous two surveys.

Figure B8.2

Expected performance over the next 12 months of SMEs in Northern Ireland, Scotland and Wales

Unweighted sample sizes: Northern Ireland (669), Scotland (501), Wales (476)



Acknowledgements

This report along with its accompanying analysis was produced by the British Business Bank in collaboration with Enterprise Northern Ireland. We would like to thank co-authors Irvine Mwiti and Dominic Prendergast, in the British Business Bank Economics Team and Susan Nightingale and Susan McKane, in the British Business Bank UK Network Team. We extend our gratitude to economist Maureen O'Reilly and our partner in Enterprise Northern Ireland, Michael McQuillan. We would also like to thank all participants of our focus group discussion.

Annex 1:

Question set and variables analysed

Table 2

Overview and description of the NI Enterprise Barometer variables/questions

Variable name/Survey question	Description
Q1 – Is your business presently using any of the following finance options?	Whether the business was using any of the following finance types at the time of the interview: asset finance; business overdrafts; Covid-19 loans; credit cards; grants; invoice financing; other loan products; none of the above.
Q2 - What, if any, difficulties or barriers (actual or perceived) have you experienced when accessing finance?	Any access finance barriers the business had experienced; answers were collected in an open-ended format and subsequently coded into 22 categories.
Q3 - How would you describe the current cash flow position of your business?	The extent to which the business regarded the current cash flow position of their business, rated on a 4-point scale from strong to critical.
Q4 - Are you likely to require additional financing for your business, during the next 12 months?	Whether the business anticipated a finance need over the 12 months following the interview, including an estimated size range (less than £10k; £10-£50k; £100k to £250k; £250k to £1m; more than £1m).
Q5 - What type of finance do you anticipate accessing?	Whether the business anticipated using any of the following finance types to meet their additional financing needs: asset finance; business overdrafts; business loans; credit cards; grants; invoice financing or other working capital product; other.
Q6 - What do you plan to use this finance for?	Whether the business anticipated using any of the additional financing accessed for the following purposes: working capital (supplies/operational costs/business development); capital (new equipment/premises/software); investment (research/process improvement/significant maintenance); refinancing or managing existing debt; decarbonising operations/transition to net zero; other.
Q7 - How confident are you that you will be able to access additional financing for your business?	Confidence in the business's ability to access the additional financing required, rated on a 4-point scale from 1= Not at all confident to 4= Very confident.
Q8 - How do you anticipate your business will perform during the year ahead?	Whether the business anticipated their performance over the 12 months following the interview to fit one of the following categories: grow significantly; grow moderately; remain stable; contract moderately; contract significantly; trade with difficulty; at risk of closure.

Table 2 (continued)

Overview and description of the NI Enterprise Barometer variables/questions

Variable name/Survey question	Description
Local Authority	The local authority in which the business was located at the time of the survey. This information was then used to assign respondents to one of six geographical regions within Northern Ireland: Belfast; Fermanagh; Mid Ulster; North East/East; North West; South. For further information, see the relevant section of the report.
Number of employees	Range for all part time and full time employees permanently employed at the business's named location, including the respondent.
Activity group	The business's main sector of operation at the time of the interview, based on the SIC 2007 section classification. Answers were then further aggregated into the following macro-sectors: agriculture, mining and utilities (SIC 2007 sections A-B-D-E); construction/transport (F-H-J.61 only); wholesale/retail (G); hotels and other services (I, J.58-59-60 only, R, S.95-96 only); manufacturing (C); finance and business services (J. 62-63 only, K, L. M. N).
Turnover	Turnover range for the last financial year, in relation to the business's named location only (under £100k: E101k-£500k; £500k+).
When started	The time range in which the business was set up, relative to the time of the interview (20 years ago or less: 20-40 years ago; 40+ years ago).
Business structure	The responding business's legal status (sole trader; partnership; limited company).
Gender (respondent)	The respondent's gender (male; female; other/prefer not to say).
Gender (management team)	Gender mix among the responding business's Owners/Partners/Directors team (all male, all female, or mixed).
Ethnic group	The respondent's ethnic group (white; mixed or multiple ethnic groups; Asian or Asian British: Black African, Caribbean or Black British; other ethnic group).

Annex 2:

Methodological caveats

This survey provides a larger sample of responses for Northern Ireland than would be possible to collect via UK-wide surveys (which have bigger constraints in terms of the extent of the fieldwork they can complete in any individual UK Nation and region). As such, it provides unprecedented opportunities to analyse the Northern Irish SME finance landscape at a very granular level.

Despite this large sample size, the data is still subject to a range of limitations. Firstly, the more granular the analysis, the greater the risk of drawing suboptimal conclusions based on insufficient sample sizes. For instance, disaggregating a question with six answer options across six regions of Northern Ireland can result in the 500 responses being broken down into 36 data points, some or all of which may contain less than 10 responses each. This can make interpretation of the data at such granular levels uncertain.

To help interpretation, we therefore test all of our comparisons for statistical significance and share this information as appropriate throughout the analysis. We describe comparisons as statistically significant when we can establish (with a reasonable level of confidence) that any differences detected across categories in the survey sample reflects genuine differences in the business population, rather than “noise” from sampling imperfections or other sources of survey bias. This has important implications for navigating report. In particular, charts should always be considered alongside the accompanying commentary and data annotation, since those will clarify which of the differences in values that are visible in the chart are likely to reflect genuine differences in the SME population, and which are not.

Caveats also apply to the comparisons with similar surveys from the other devolved nations of the UK. While we have made every effort to collect data in a consistent way across Wales, Northern Ireland and Scotland, there are some slight methodological differences in the design, sampling and administration of each survey, which make it essential for readers to review the “project methodology” section included at the beginning of each report. As a result, we take a cautious approach to comparing results across the three nations, focusing on the broader differences only.

Endnotes

1. Population statistics from the Enterprise Dashboard.
2. Nations and Regions Tracker 2023.

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