

# Newsletter

January 2025

## A word from the CEO

Overview of the market, economic confidence, and the challenge of uncertainty

The last twelve months have been quite the journey for people and businesses up and down the UK. There is now a new Government in Westminster and we are starting to see the roll-out of policies as it looks to enact its vision for Britain.

But throughout this political change, the importance of growth and supporting business has remained a constant. Domestically, the economic data is one of a healing economy. We've seen interest rates start ticking down from a high of 5.5%, and inflation has generally continued its downward trajectory, easing pressures on businesses and households alike.

With increasing certainty around the economic landscape, SMEs can more confidently take those necessary steps to grasp those growth opportunities. For Simply, the key is how we are able to best support them - being by their side through thick and thin.

**“ This means delivering value; being able to pivot when times are tough, move quickly and decisively to enable them to capitalise on opportunity or solve problems fast. But above all it's about trust.”** ▶



Only 36% of UK SMEs are not expecting to use external finance over the next 12 months. So whether it's investing in technology (25%), expanding to new markets (19%), or investing in machinery (15%), our team is on hand to help ensure that these ambitions can be met.

Greater focus is also being placed on the service, skills, and insight that providers bring to the table - prompted in no small part by the ongoing discussion around the commission disclosure requirements. The asset finance industry, with its pivotal role in fueling economic growth, has once again shown that it can evolve and thrive under pressure - proving that adaptability is not just an asset, it's a necessity.

Crucially, for those businesses that are unafraid to back their expertise, it is an opportunity to unashamedly champion the valuable and tangible impact that we can achieve by working together.

Our role is to be a reliable partner. We are proud of the impact that our work has, and the longevity of our customer relationships demonstrates that they value that too. Above all it's about building and retaining trust.

Turning attention to the next twelve months, our research and on-the-ground insight shows that there's a huge amount of potential and optimism across the SME community - we want to help transform it into reality.

For larger SMEs in particular, growth is top of the agenda for 2025. Our ambition is to work alongside them to help achieve that, but to also help build up the confidence among those businesses that might be more uncertain about having the resources to grow.

**“Whether it's productivity, the journey to Net-Zero, or rebuilding the UKs infrastructure, businesses still face ongoing challenges in their journey to growth.”**

Up to 80% of SMEs are committed to sustainability (Rimm Sustainability), but the high cost of green technologies is still holding them back. Meanwhile, many are looking to tackle productivity through investment in training for staff, digital capabilities, and machinery to deliver better products and services.

As we move into the New Year, it will be our collective responsibility as financial partners to help navigate these challenges through a keen understanding of their businesses, and opening up opportunities for investment when they need it the most.

The Government has also announced significant infrastructure investment over the course of the next parliament, so there is also a challenge to ensure that UK SMEs are primed to seize the opportunities that this will bring. While these initiatives have the potential to offer growth opportunities to businesses across the country, we look forward to seeing how the Government will put them into action, and the benefits SMEs could see as a result.

As we continue to invest in our people and our technology, we are excited by what lies ahead in 2025, and how we can help support our customers achieve their ambitions - whatever form they take.



**Mike Randall**  
CEO at Simply

# A milestone year

As we look toward 2025, the business has grown significantly. The year has also seen a series of significant milestones.

Loan book growth **479,743** (2023) vs **504,455** (2024) **5.2%** increase

Headcount **155** (2023) vs **162** (2024) **4.3%** increase

Total number of customers **7,488** (2023) vs **9,182** (2024) **18.4%** increase

Total number of agreements **15,161** (2023) vs **18,757** (2024) **19.2%** increase

## Local strength

In Liverpool, the team has marked its one year anniversary, doubling in size since its creation.

It has also succeeded in working with over **302** customers across the North West **and beyond**. And as we come up to our five year anniversary in Belfast, our Northern Ireland office has now surpassed £100 million in total loan origination - a milestone achievement for the business' growth.

The team has now successfully financed over **3,086** loan agreements for more than **1,098** SME and microbusiness customers across Northern Ireland. Finally, in Scotland, our total number of customers has surpassed a thousand, over 4,000 assets have been financed, and origination has also reached nearly **£248 million**.

This phenomenal performance is testament to the talented teams and their commitment to support SMEs in their region.



## Tech investment

Our commitment to readying for the future has also been underscored over the past 12 months as we build for change. To remain a front runner when it comes to technology, our platform has been built with scalability, and readiness in mind; helping us to capture new business opportunities when they present themselves to us.

By recently switching our core platform technology to Landscape, a new market-leading contract management system, we have been able to invest in new technology while remaining lean, and scaling our revenue sustainably. This has allowed us us to serve more customers, more efficiently, while tapping into new opportunities and not be held back by operational constraints.



## Funding commitments

Earlier in the year we announced a significant next step in our growth this month in the form of a £120 million new funding facility with Bank of America. This agreement consolidated Bank of America's position as a leading player in UK asset finance and enabled Simply to significantly increase its lending to UK businesses.

In a real vote of confidence from the British Business Bank (BBB), it was announced in July that Simply had been accredited to lend to new and existing customers under the Growth Guarantee Scheme (GGS), the new iteration of the Recovery Loan Scheme (RLS). The scheme helps to provide a wide range of finance for smaller businesses.

Toward the end of the year, we were also able to announce an increase in the British Business Bank's ENABLE Funding commitment to Simply Asset Finance.

**“This increased facility will allow Simply to provide more than £175m of finance to smaller businesses across the UK.”**

Simply has been a participant in the ENABLE Funding programme since December 2017 and has provided more than £300m of funding to smaller businesses across the UK via the programme.

## Product innovation

We pride ourselves in not just being extremely close to the market, but also responding to the challenges within it. Our team was hearing from businesses across the UK that cash flow was tight in the market, and that it was needlessly hampering ambition.

SMEs need the confidence to invest and drive productivity, something that is vital to the broader UK economy too. In response, we announced that we no longer required deposits for customers who met a certain criteria.

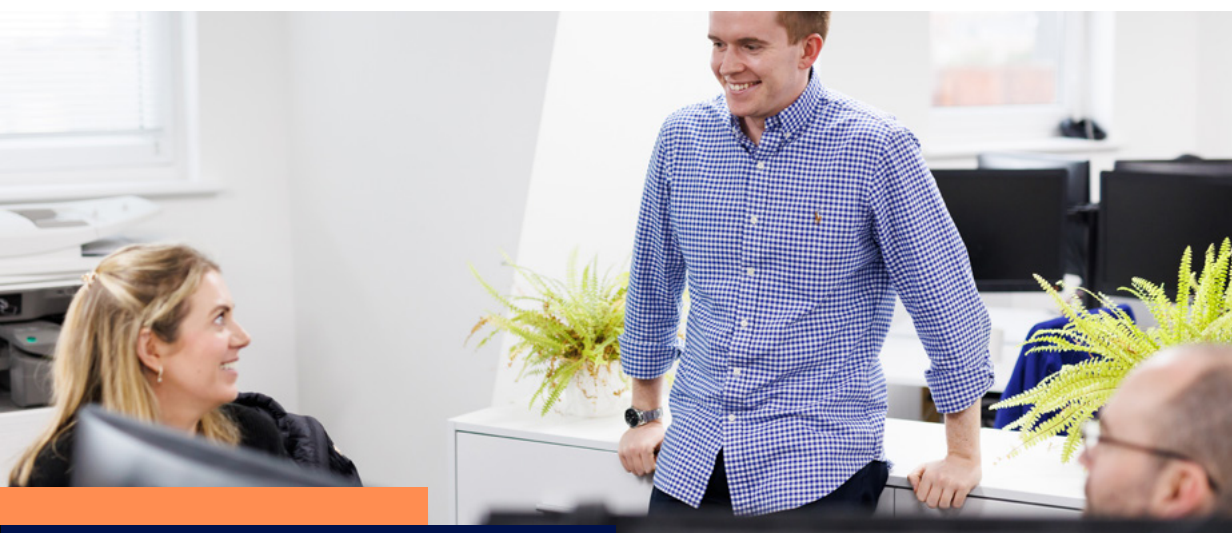
All in all, the year has been one of success, further underscoring the businesses' ongoing commitment to supporting SMEs across the regions with agile products designed to flex according to need.

Simply has never been more prepared to help support current and future customers, wherever challenges and opportunities 2025 has in store.



**Stefan Wolvaardt**

CFO at Simply



## From stability to growth



**Accounting for 99.9% of the UK business population<sup>1</sup> and approximately 61% of total employment across the country, the success of SMEs is a crucial factor for the UK's economic stability and growth prospects.**

Now, as headline inflation continues to fall from its recent double-digit highs, there are hopes the UK is on the path to recovery, with the Organisation for Economic Co-operation and Development (OECD) updating its growth predictions for the UK to 1.1% - up from 0.4% in May.

The issues facing UK SMEs are not new —they have been raised for a long time and are well-known levers that can make a significant difference by creating conditions that enable growth. But now is the time to really focus on SMEs.

The stakes are high, as clearly evidenced by the somewhat muted growth forecasts. This is an opportunity the new government needs to grasp with both hands.

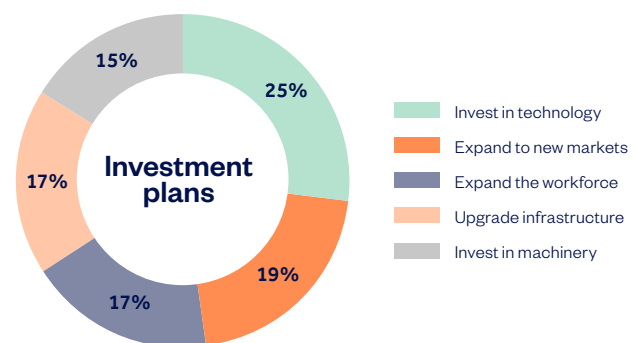
In the run-up to the Budget, we took the opportunity to take the temperature among UK SMEs.

The optimism and enthusiasm for growth among SMEs across the UK remains clear. More than two

in five (42%) are optimistic - 30% said they think it's going to be a 'pretty good year' and 12% are 'really excited' about the year ahead and growth prospects. There is also a notable cohort (18%) that say while they're not worried, they might not grow as much as they'd like.

Crucially, we found that three quarters of UK SMEs (74%) said that the upcoming budget would directly impact their future growth plans. Just 15% expect the budget to have no impact on their future growth plans.

But creating an environment that encourages investment is fundamental to converting this into reality.



Furthermore, just over one in ten UK SMEs (11%) have targeted investing in R&D innovation as the use case for external finance and 14% say they'll use it to upskill/train their workforce.

<sup>1</sup> <https://www.gov.uk/government/statistics/business-population-estimates-2024/business-population-estimates-for-the-uk-and-regions-2024statistical-release>

## The Budget aftermath

In terms of the key issues that SMEs said they wanted the government to address, these were:

- Help with high energy costs (33%)
- reducing red tape (28%)
- more tax incentives for innovation (27%)

It would be fair to say that the budget received a somewhat muted response. In its wake, almost half of SMEs (47%) said that there was nothing in there to help solve the challenges facing their business. Furthermore, having seen the Budget announcements, just 31% of businesses said they were confident that the government will drive a 'pro-business' agenda.

When it comes to creating an environment where SMEs thrive, driving economic growth and innovation, it is the SMEs themselves that know what they need the most. It remains essential that industry and government stakeholders listen carefully and make a concerted effort to remove or at least mitigate those barriers still hampering growth and ambition.



## What does this mean for Simply?

“ From the perspective of finance providers, part of that is about increasing awareness of the vast suite of finance options available, and the flexibility that each can provide.

A great example of this is seasonalisation - that enables a business to fluctuate its payments in line with its cyclical performance. Such options can free up much needed capital, giving either a bit more breathing room or a springboard for ambition.”

“ But what is perhaps most valuable is stability.”

“ After so much uncertainty, businesses now understand the landscape in which they are operating.

Whether it's kick-starting that training programme, upgrading IT, or adding additional manufacturing capacity, SMEs across the UK are finally able to make those decisions that they have been putting off, and ready themselves for growth in 2025.”



**John Wiles**

Managing Director at Simply



## The value of expertise

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The commission disclosure challenge continues to reshape how all parts of the financial services industry operate and communicate. But the asset finance industry, with its pivotal role in fueling economic growth, has once again shown that it can evolve and thrive under pressure.

In October, the rulebook was changed overnight. What the industry had considered right was now in question, and required a change in processes and documentation to be implemented at the drop of a hat.

As an industry built on the enablement of actions - facilitating asset purchases, funding business investments, and launching new product lines - we sought to maintain businesses' access to those vital services. We witnessed extraordinary collaboration between our partners and peers in the asset finance sector, to get this done.



Over the course of a weekend, Simply successfully adapted its processes and was able to be open for business come Monday morning.

With a laser focus on the customer, we've seen brokers and lenders working hand-in-hand to ensure that disruption to their clients remains minimal.

Crucially, the rapid and successful response highlighted an essential truth: adaptability is not just an asset—it's a necessity. And it encapsulates the culture of an industry built for change, prepared to pivot quickly when needed.

**“The impact on the industry continues to evolve. But what is clear is that greater transparency towards the customer in articulating the tangible value of distribution channels is vital.”**

For Simply, this only reinforces the benefit of having a direct salesforce that are able to build relationships and are adept at securing repeat business provided there is a balanced value exchange.

Our practice of owning relationships from start to finish is also hugely beneficial. By not handing over to someone else, our team is much better placed to create customer trust and longevity. This is supplemented by having a select panel of brokers, built up over time, that properly understands and shares our principles of customer value. This further extends our reach into additional layers of the SME community, maintaining the importance of transparency and trust.

The excellence of our team means that they are reliably on hand, ready to spring into action so as to ensure customers get access to the right finance for their business, when they need it. A truly bespoke and market leading service.

## Arrears management

The picture for SMEs is not unanimously optimistic. For many up and down the country, the next 12 months promise to be an uphill battle. Their ambitions are not growth, but reviewing their finances and remaining on track.

**“At Simply, we understand that all businesses have ups and downs. And we take great pride in our ability to support businesses through both.”**

For those that might be falling into arrears, we work hand in glove with them to mitigate their financial challenges. Our aim is to find the best resolution and if possible restructure lending to allow the customer

to move forward. With representatives across the country, we take a personal approach to what is a very sensitive topic - and whether that means discussing a payment plan, restructuring of debt or forbearance - we take time to understand their situation and determine how we can help manage their cash flow.

Should the need arise, we can also expertly manage the value of assets that come back to us. By marketing assets directly via our sales team and wider network, we can maximise sales value as well as supporting our customers by giving them access to assets they need

It is because of this skill-set that the quality of our book is so good.





## Case study

### The rewarding of resilience

Recently, we had the pleasure of working with a long-established, multi-generational family business in construction and civil engineering, which has been trading since 1958. Historically, as a key player in the sector, its performance has been significantly influenced by government decisions to commit to or cut infrastructure projects.

During Covid, Simply worked closely with them to help them navigate an incredibly tricky period. Operating in one of our specialist sectors, we understood their kit – trucks, diggers, cranes. With lockdowns, furloughing and a situation which was no fault of their own – the business needed help on cashflow and a long-term plan.

As previous lenders turned their back on them, and all their main income generating contracts and sites were being restricted, our team listened and worked with them to find a suitable solution that has enabled them to refinance and restructure their business.

We identified a mix of trucks and yellow plants from their fleet that we could re-finance quickly and we transacted a £250k agreement on CBILS. This allowed them to benefit from government support in the first 12 months of the agreement and we had the funds in their account just a couple of days after the initial enquiry. This vital funding allowed the business to get back to full output much quicker, putting their business on the right path for solid footing and strong performance following the pandemic.

Central to this process were our digital capabilities including open banking integration, electronic documents, e-signature, and digital checks to allow

our representative to deal with the customer as we would normally, but remotely, in line with government restrictions at the time. Not only did we find a deal that suited them, we were able to do it quickly, so they could focus on running their business and keeping their staff at work.

More recently, we built upon our relationship with this business further by helping them to set a pathway through the downturn in the construction industry. Again, we re-wrote some exposure with other lenders and also were able to inject some cash into the business with asset equity release, ensuring that they were once again back on a stable footing.



This is an example of the type of company that will help to rebuild our future and we are proud to support them.

With the new government committing significant capital to bolstering the UK's infrastructure, and with the news that GB energy headquarters will be in Aberdeen, the outlook for the business is positive. Now, it is primed and ready to seize upon those opportunities as they arise.

We look forward to helping them achieve their future growth ambitions.

## Priorities for 2025



### 1. Evolving partnerships & products:

Our determination to deliver excellence for customers means that our partnerships and products are constantly evolving, ready to meet the changing needs of the UK's SMEs.



### 2. Scaling up origination:

The success of our origination programme is the bedrock of our businesses success. Simply's continued commitment to diversify channels and capabilities ensures that this will continue in 2025.



### 3. Innovating processes:

We continue to lead the way in adopting new technology, utilising the opportunities afforded by AI to improve and streamline the customer experience.



### 4. Investing in expertise:

We're continuing to support and grow our teams on the ground, ensuring that customers have ready access to experts able to help them achieve their goals.



### 5. Supporting fair payment:

Recognising the importance of healthy cash flow for SMEs, Simply has signed up to the Small Business Commission's 'Fair Payment Code'. The Code is an aspirational, robust and ambitious approach to changing the business to business payment culture in the UK.



## More from us

For more on how we are driving change in the asset financing industry through innovation, please visit [our website](#)

Simply