



**Novuna**<sup>®</sup>  
Business Finance

# Brexit at 10

## Small businesses views on Brexit over the last decade

A Business Barometer insight report  
by Novuna Business Finance

Tomorrow. Together

# Introduction

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**On 23 June 2016, the UK held a referendum on whether to remain in or leave the European Union. The public voted to leave.**

In January 2017, over half of small business owners (56%) said they thought Brexit would create opportunities for their business.

At 11pm on 31 December 2020, the Brexit transition period ended. The UK then officially left the EU single market and customs union.

Ten years after the referendum, in June 2026, one in five small businesses said Brexit had become a barrier to growth.

“To mark the 10th anniversary of the EU referendum, we look back at what our tracking research has told us about small businesses' attitudes to Brexit, the perceived opportunities, and the long-term impact on growth forecasts.

This report brings together a decade of insight from our Business Barometer study, offering an analysis of small business viewpoints and reflecting the perspectives of owners and leaders across the UK on how they have perceived and responded to the changes around them.

Our research has examined a wide range of events and issues that small business owners have had to anticipate and navigate. Brexit has been a consistent backdrop to many of these findings, and here, for the first time, we draw these strands together to reflect on 10 years of Brexit through the lens of the UK small business community.

We hope you find the data and insights valuable.”

**Geoff Maleham**  
Managing Director  
Novuna Business Finance

# Chapter 1:

## The early years 2016-19

Two months before the Brexit vote, in early April 2016, small business owners were asked whether they faced any difficulties exporting goods from the UK. Two thirds said they did. The main problems were paperwork (26%), rules and laws in other countries (24%), lack of experience with exporting (23%), and shipping and logistics (19%).

Set against this, less than a third of small business owners (31%) said they faced no barriers when exporting internationally from the UK. This was most common among firms in construction (33%), manufacturing (30%), and retail (29%).

Fast forward to January 2017, six months after the Brexit vote, and 56% of small business owners believed Brexit would create opportunities for their business. The main reason was the view that the UK Government would have to do more to support British businesses (22%). Others felt there would be less red tape (21%), that UK consumers would be more likely

to buy British goods (18%), and that the weak pound would help exporters compete overseas (18%). When the survey was repeated six months later, in July 2017, the results were very similar. Set against those that believed in an optimistic, liberated future, 44% of small businesses in January 2017 said they did not think Brexit would create opportunities for their business. By July 2017, that had risen to 48%. Less than six months after the referendum, small businesses were, therefore, almost evenly split on whether Brexit would help or hurt them commercially.

The sectors least likely to see any benefits from Brexit were construction (49%), agriculture (47%), hospitality (39%), and transport and distribution (36%).

The regions least likely to expect business benefits were the West Midlands (51%), Scotland (47%), Wales (46%), and London (46%).

### Which, if any, of the following do you think are opportunities for your business, as a result of the UK voting to leave the EU?

|                                                                                                                                | Jan 17 | July 17 |
|--------------------------------------------------------------------------------------------------------------------------------|--------|---------|
| Fewer EU businesses to compete with in the UK                                                                                  | 8%     | 8%      |
| UK consumers will be more likely to buy from British businesses                                                                | 18%    | 17%     |
| Less red tape holding my business back                                                                                         | 21%    | 17%     |
| Being able to take market share from bigger UK competitors who are distracted by Brexit issues                                 | 7%     | 7%      |
| Being able to attract top talent from people leaving larger companies                                                          | 3%     | 2%      |
| The weak pound is good news for exporting and building our overseas market share                                               | 18%    | 13%     |
| Customers accepting that we have to increase prices                                                                            | 12%    | 11%     |
| The UK Government will be obliged to do more to support British businesses                                                     | 22%    | 21%     |
| Being able to develop business partnerships with non-EU-based partners                                                         | 8%     | 6%      |
| Being able to grow our distribution/ customer base in non-EU countries                                                         | 8%     | 5%      |
| Other                                                                                                                          | 2%     | 2%      |
| Don't know                                                                                                                     | 6%     | 6%      |
| N/A - I don't think anything in particular will be an opportunity for my business as a result of the UK voting to leave the EU | 44%    | 48%     |

## May 2017: General Election countdown

A month before the 8 June 2017 General Election, small business owners were asked what a new government could do to help their business grow. Alongside calls to cut red tape (40%) and lower taxes (35%), Brexit was also a major concern. Twenty-nine per cent wanted strong leadership on managing the UK's exit from the EU, while 31% wanted the new government to reverse Brexit. Another 24% said the priority should be negotiating favourable trade deals outside the EU. A year after the referendum, the lack of progress was creating uncertainty for small businesses that needed clarity to plan ahead.

In June 2017, businesses in construction (30%) and retail (29%) were the most likely to want the new government to reverse Brexit. By contrast, firms in manufacturing (37%) and transport and distribution were the most likely to want faster progress on securing favourable trade deals beyond the EU.

## December 2017: Unsettled views going into the New Year

The Novuna Business Finance quarterly survey of December 2017 asked small business owners to look back on the year and reflect on the factors or events that had the biggest negative impact on their business in 2017. Brexit topped the list, with 30% saying uncertainty about the future had a negative impact. The next most common concern was the falling value of sterling (16%), followed by the rising cost of imports (12%). By the end of 2017, only 24% of small businesses said that nothing had negatively affected their business during the year.

Business Barometer research showed that small businesses remained unsettled throughout 2019. Then, in the months before the UK left the EU single market and customs union, attention shifted to a more immediate crisis—COVID.

### Which, if any, of the following do you think are opportunities for your business, as a result of the UK voting to leave the EU?

|                                                                         |     |
|-------------------------------------------------------------------------|-----|
| Abolish recent changes to business rates                                | 20% |
| Simplify regulation and red tape                                        | 40% |
| Lower taxes                                                             | 35% |
| Improve access to finance                                               | 13% |
| Encourage banks to lend to more small businesses                        | 21% |
| Strong leadership on managing the UK's exit from the EU                 | 29% |
| Reverse the decision on Brexit                                          | 31% |
| Keep interest rates on hold                                             | 27% |
| More grants and investments in our sector                               | 16% |
| Greater support with apprenticeships/ training                          | 12% |
| Negotiate favourable trade deals beyond the EU                          | 24% |
| A clear and final position on Scottish independence                     | 12% |
| Clamp down on cyber crime                                               | 17% |
| Greater rewards and incentives for environmentally friendly initiatives | 13% |
| Other                                                                   | 6%  |
| Don't know                                                              | 8%  |

# Chapter 2: The legacy years 2020-26

Before COVID, around 72% to 74% of small business owners typically said they faced barriers to growth each quarter. That jumped to 91% in 2020, during the first year of lockdown. Since then, the figure has stayed higher than it was before the pandemic, ranging from 81% in 2022 to 84% this year.

Barriers do not stop growth altogether, and many small businesses still find ways to adapt and move forward. But they can make growth harder by adding more pressure on time, costs and profit margins.

Since 2016, our Business Barometer research has identified a wide range of barriers to growth, including the cost of skilled labour, red tape, unpredictable cash flow and, more recently, the effect of overseas conflict on UK energy and fuel prices. One issue that has remained constant since 2020 is the legacy of Brexit and its economic impact on businesses. We started tracking this in 2021, after the UK formally left

the EU single market and customs union. By 2022, 27% of small businesses reporting barriers to growth mentioned Brexit. By Spring 2026, this figure still stood at 20%. For the past five years, the legacy of Brexit has remained one of the top five barriers to growth for small businesses, never dropping below one in five.

## Sector and regional impact around the UK

As the table shows, manufacturing businesses were among the hardest hit by Brexit as a barrier to growth between 2021 and 2024. In most sectors, the intensity of the shockwaves felt during 2021 and 2022 have eased. Even so, five industry sectors still have at least one in five small business owners saying Brexit remains a barrier to growth this year. For many firms, the effects of Brexit have lasted longer than the effects of COVID.

**Percentage of small businesses, by sector that cite the impact of Brexit as a barrier to growth**

|                         | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|-------------------------|------|------|------|------|------|------|
| Manufacturing           | 43   | 36   | 39   | 42   | 21   | 27   |
| Construction            | 26   | 31   | 19   | 14   | 10   | 17   |
| Retail                  | 38   | 44   | 28   | 32   | 32   | 23   |
| Financial Services      | 10   | 19   | 11   | 17   | 8    | 16   |
| Hospitality             | 25   | 27   | 31   | 24   | 18   | 23   |
| Legal                   | 23   | 25   | 15   | 11   | 13   | 18   |
| IT / telecoms           | 28   | 40   | 28   | 19   | 19   | 27   |
| Media                   | 29   | 26   | 36   | 22   | 21   | 27   |
| Medical                 | 17   | 12   | 11   | 21   | 11   | 7    |
| Education               | 11   | 24   | 13   | 18   | 18   | 13   |
| Transport/ distribution | 33   | 34   | 31   | 17   | 24   | 22   |
| Real estate             | 10   | 27   | 9    | 15   | 10   | 15   |
| Agriculture             | 29   | 15   | 16   | 17   | 11   | 8    |

In the North East and the East of England, Brexit re-emerged as a growth concern around four years after its first impact. In Wales, Scotland, and London—all areas that originally voted to remain in the EU—small business owners still report strong concerns about Brexit’s effect on their businesses, even six years after the UK left the EU single market and customs union.

## The impact on growth forecasts

The graph below shows how Brexit and Covid have affected small business growth forecasts, which the Business Barometer has tracked since 2015. Each quarter, it measures the percentage of small businesses expecting growth over the next three months. Before Covid, that figure was usually between 40% and 50%. After Covid, it settled in the low to mid-30s – falling below 30% for the first time in 2025 and again in 2026.

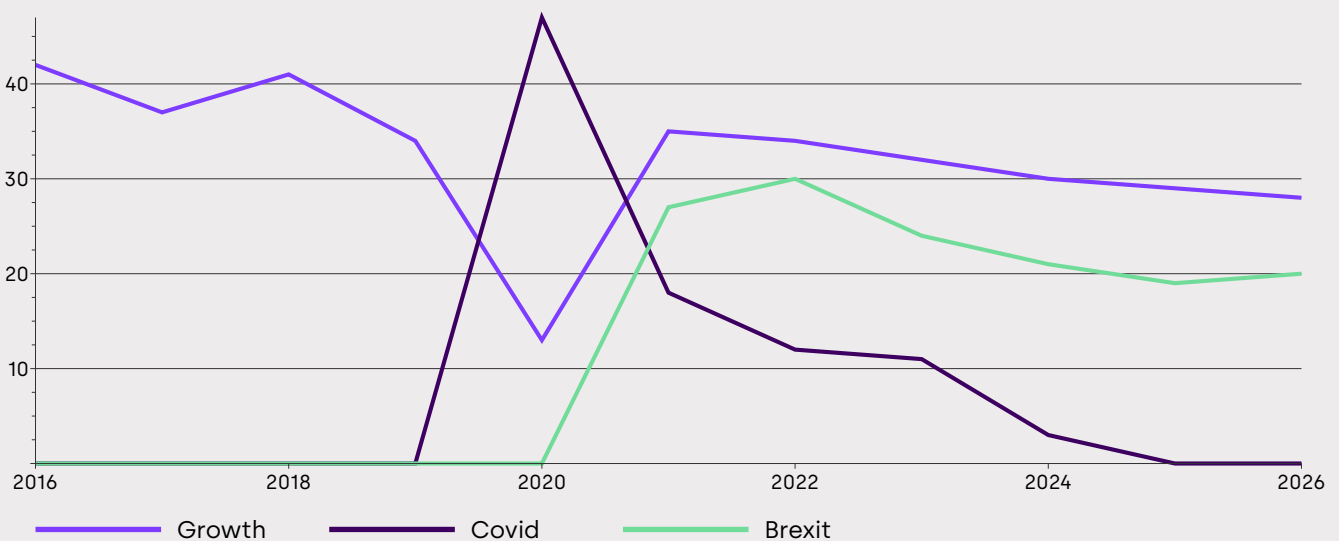
The ‘normal’ level for expected growth is clearly different before and after Covid. When these forecasts are compared with the share of businesses citing Covid and Brexit as barriers to growth, the contrast is clear. Covid had a dramatic impact in 2020, but its effect faded relatively quickly and fell to below 10% after 2023. Brexit, by contrast, has had a longer-lasting effect, with the proportion of small businesses citing it as a barrier still not far below where it stood in 2021.

This does not prove that Brexit caused lower growth forecasts, because many factors influence business confidence and expectations. But the two trends do move together over the same period, which suggests there may be a relationship worth noting.

### Percentage of small businesses, by region, which cite the impact of Brexit as a barrier to growth

|                  | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|------------------|------|------|------|------|------|------|
| North East       | 23   | 13   | 15   | 24   | 26   | 10   |
| North West       | 21   | 28   | 26   | 17   | 15   | 15   |
| Yorkshire/Humber | 22   | 32   | 24   | 10   | 20   | 14   |
| East Midlands    | 28   | 31   | 16   | 18   | 8    | 17   |
| West Midlands    | 30   | 23   | 22   | 20   | 11   | 14   |
| East             | 31   | 30   | 25   | 31   | 15   | 15   |
| London           | 28   | 44   | 26   | 23   | 22   | 26   |
| South East       | 21   | 27   | 25   | 18   | 23   | 22   |
| South West       | 28   | 26   | 22   | 25   | 19   | 14   |
| Wales            | 33   | 24   | 26   | 17   | 25   | 22   |
| Scotland         | 32   | 40   | 25   | 30   | 22   | 26   |

### Percentage of small businesses predicting growth over time Vs the percentage of enterprises that cite Covid legacy and Brexit legacy as barriers to growth



## Positive growth: Expanding into new markets

Part of our ongoing tracking of growth forecasts involves monitoring the markets where small businesses want to expand. One clear trend over the past decade has been a growing reliance of small businesses on finding new customers and markets within the UK. Interest in expanding into EU markets has fallen, with the main exception of manufacturing businesses. On the surface, this stronger domestic focus could benefit the UK economy. However, it also creates risk if small businesses

### Percentage of small businesses that see growth opportunities to expand in the UK

|                          | Q3 2017 | Q1 2020 | Q3 2022 | Q3 2025 |
|--------------------------|---------|---------|---------|---------|
| Manufacturing            | 43      | 75      | 68      | 67      |
| Construction             | 52      | 90      | 94      | 96      |
| Retail                   | 41      | 84      | 76      | 86      |
| Hospitality              | 49      | 73      | 87      | 57      |
| IT / telecoms            | 51      | 71      | 79      | 63      |
| Transport & distribution | 41      | 81      | 71      | 64      |
| Agriculture              | 51      | 94      | 88      | 54      |

### Percentage of small businesses that see growth opportunities to expand in EU countries

|                          | Q3 2017 | Q1 2020 | Q3 2022 | Q3 2025 |
|--------------------------|---------|---------|---------|---------|
| Manufacturing            | 34      | 35      | 38      | 32      |
| Construction             | 8       | 0       | 0       | 0       |
| Retail                   | 25      | 23      | 22      | 18      |
| Hospitality              | 17      | 19      | 13      | 8       |
| IT / telecoms            | 39      | 23      | 28      | 24      |
| Transport & distribution | 39      | 18      | 23      | 15      |
| Agriculture              | 13      | 21      | 19      | 5       |

become too dependent on one market and the UK economy slows. That may help explain why Business Barometer research before the last two Budget announcements found strong concern about the possibility of higher taxes or interest rates.



# Concluding remarks

by Joanna Morris, Head of Insight  
at Novuna Business Finance

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This report is not a comprehensive study on Brexit, nor does it aim to be. The main focus of our Business Barometer research is understanding business growth sentiment and how, as a funder, we can support this. Inevitably any meaningful study will capture insights on the big issues of the day as the research evolves.

One benefit of studying small business sentiment over the past 12 years is that the data captures the full timeline of major events. We can see how the pandemic affected business outlook before, during and after it happened. We can track how views changed ahead of different General Elections, and we have followed the impact of the cost-of-living crisis since it began in 2022.

This long-term view helps us understand the events and issues that small businesses have had to respond to, and the trends that have developed over time. Brexit has been a constant background factor in much of our research — not always the focus, but always part of the wider picture. As we mark 10 years since the UK left the EU, this felt like the right moment to bring our different strands of Brexit research together.

We hope you found this report to be useful and insightful. There are differing views on Brexit today, as there were in 2016. For some small businesses, it has been greeted as an opportunity, for others Brexit is still viewed as a challenge. The one thing that hasn't changed in 10 years is that people continue to disagree on whether Brexit was a good or a bad idea.



Joanna Morris  
June 2026