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#### 16 January 2025

#### Data from 1 November 2016 to 30 September 2024



# Bank Referral Scheme: Official Statistics

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**Headlines:**

* **Since November 2016, just under 111,000 small businesses who were rejected for finance from one of the designated banks have been referred under the scheme.**
* **Just under 5,400 of these businesses have secured more than £128.7m of funding, with an average loan size of just under £24,000.**
* **The number of deals and funding secured through the BRS dropped during the pandemic but has since recovered.**
* **The year ending Q4 2022 recorded the highest amount of funding secured through the BRS (£21.8m).**

# Introduction

The Government’s Bank Referral Scheme is designed to help improve SME access to finance and competition in the SME lending market.

Launched in November 2016, the scheme requires 9 of the UK’s biggest banks to pass on the details of small businesses they have turned down for finance to three Government designated finance platforms: Alternative Business Funding, Funding Options and Funding Xchange. These platforms are, in turn, required to share their details, in anonymous form, with alternative finance providers, helping to facilitate a conversation between the business and any provider who expresses an interest in supplying finance to them.

The scheme was introduced in response to evidence which shows that SMEs tend to approach their main bank when seeking finance and that, if rejected, many simply give up rather than seek alternative options. As other finance providers with different business models or risk appetites may be more willing to lend to these SMEs, this represents both an informational market failure and a barrier to entry for competitors in the SME lending market. The Bank Referral Scheme helps to address this by giving businesses that are viable, but do not fit the risk appetite of the traditional banks, access to the finance they need to grow and thrive.

The Government published headline figures for the policy, alongside a press notice, in August 2017. This statistical release provides a more comprehensive set of data on the Bank Referral Scheme since the scheme went live on 1 November 2016[[1]](#footnote-2), including:

* value of quarterly funding;
* quarterly referral rates;
* quarterly conversion rates;
* referrals made by location;
* deals made by location;
* funding value distribution; and
* average deal size by location.

The numbers include data across all four platforms that have been designated during the lifetime of the scheme (Alternative Business Funding, Business Finance Technology[[2]](#footnote-3), Funding Options and Funding Xchange).

Following a recommendation from the Centre of Finance, Innovation and Technology (CFIT), HM Treasury has decided to bring forward a mandatory review of the scheme from October 2025 to October 2024. Following the conclusions of the [review](https://assets.publishing.service.gov.uk/media/67210f6d3758e4604742a8cf/BRS_Post-Implementation_Review_2024.pdf), HM Treasury now intends to launch a consultation to better assess the options available in order to enhance the scheme.

HM Treasury intends to update these statistics on an annual basis; however, the timing for future releases will be established following the future consultation on the scheme, due to be published by end of spring 2025. The statistics calendar will be updated in due course at the link below:

<https://www.gov.uk/government/statistics/standards-and-policies-for-hm-treasury-statistics>

In this publication, ‘contact data’ – where an SME has made contact with a designated platform and signed up for their services – has not been included, due to the way the data is now collected. As the contact data is now anonymised for reasons of data privacy, there is no way to tell whether an SME has contacted multiple delivery partners of the BRS. Therefore, the contact data would be likely to have issues of double counting which we are unable to address.

# Quarterly funding

Table 1 shows the value of quarterly funding provided under the scheme, broken down by the number of deals, the total value, the average value of the loan and the cumulative number of deals through the lifetime of the scheme. As of Q3 2024, there have been 5,387 deals completed since the scheme began in November 2016, with an average value of £23,887. The total value of finance provided under the scheme is over £128m.

**Table 1: Total quarterly funding, including number of deals, total value and the average value of the loan**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Number of Deals | Value (£) | Average (£) | Cumulative Deals |
| **Q4 2016\*** | 26 | 399,000 | 15,346 | 26 |
| **Q1 2017** | 112 | 1,850,912 | 16,526 | 138 |
| **Q2 2017** | 81 | 1,232,350 | 15,214 | 219 |
| **Q3 2017** | 127 | 1,362,890 | 10,731 | 346 |
| **Q4 2017** | 162 | 2,223,194 | 13,723 | 508 |
| **Q1 2018** | 224 | 4,608,310 | 20,573 | 732 |
| **Q2 2018** | 167 | 4,380,003 | 26,228 | 899 |
| **Q3 2018** | 169 | 4,625,997 | 27,373 | 1,068 |
| **Q4 2018** | 211 | 4,210,887 | 19,957 | 1,279 |
| **Q1 2019** | 220 | 3,847,205 | 17,487 | 1,499 |
| **Q2 2019** | 196 | 4,140,207 | 21,124 | 1,695 |
| **Q3 2019** | 280 | 5,102,098 | 18,222 | 1,975 |
| **Q4 2019** | 260 | 6,369,742 | 24,499 | 2,235 |
| **Q1 2020** | 234 | 4,216,990 | 18,021 | 2,469 |
| **Q2 2020** | 43 | 2,341,665 | 54,457 | 2,512 |
| **Q3 2020** | 72 | 5,397,957 | 74,972 | 2,584 |
| **Q4 2020** | 88 | 3,491,483 | 39,676 | 2,672 |
| **Q1 2021** | 76 | 3,093,342 | 40,702 | 2,748 |
| **Q2 2021** | 113 | 3,956,458 | 35,013 | 2,861 |
| **Q3 2021** | 146 | 3,748,406 | 25,674 | 3,007 |
| **Q4 2021** | 154 | 3,429,735 | 22,271 | 3,161 |
| **Q1 2022** | 159 | 6,714,075 | 42,227 | 3,320 |
| **Q2 2022** | 165 | 4,238,267 | 25,686 | 3,485 |
| **Q3 2022** | 187 | 6,225,650 | 33,292 | 3,672 |
| **Q4 2022** | 173 | 4,661,135 | 26,943 | 3,845 |
| **Q1 2023** | 260 | 5,464,126 | 21,016 | 4,105 |
| **Q2 2023** | 208 | 4,221,584 | 20,296 | 4,313 |
| **Q3 2023** | 232 | 4,414,060 | 19,026 | 4,545 |
| **Q4 2023** | 196 | 4,517,544 | 23,049 | 4,741 |
| **Q1 2024** | 234 | 5,228,992 | 22,346 | 4,975 |
| **Q2 2024** | 193 | 4,615,760 | 23,916 | 5,168 |
| **Q3 2024** | 219 | 4,348,333 | 19,855 | 5,387 |
| **Total** | **5,387** | **128,678,355** | **23,887** |  |

# Quarterly referrals

Table 2 shows the number of SMEs referred under the scheme. As of Q3 2024, there have been 110,985 referrals made by designated banks to the designated finance platforms.

Q1 2024 recorded the highest amount of referrals in a quarter since the scheme began. Referrals in Q2 and Q3 2024 were lower, consistent with typical trends observed in non-pandemic years. The amount of referrals in Q2 and Q3 of 2024 were noticeably lower than Q2 and Q3 of 2023. Although we do not consider this statistically significant, in general we would expect quarterly referrals to increase as the scheme becomes more embedded in the SME lending journey and awareness of the scheme grows amongst SMEs. HMT intends to launch a consultation in the Spring to better assess the options available, in order to enhance scheme performance.

**Table 2: Quarterly number of referrals, including a breakdown of overall referrals made through the lifetime of the scheme.**

|  |  |  |
| --- | --- | --- |
|  | **Quarterly referrals** | **Cumulative referrals** |
| **Q4 2016** | 1753 | 1753 |
| **Q1 2017** | 3390 | 5143 |
| **Q2 2017** | 2447 | 7590 |
| **Q3 2017** | 2508 | 10,098 |
| **Q4 2017** | 2735 | 12,833 |
| **Q1 2018** | 3221 | 16,054 |
| **Q2 2018** | 2827 | 18,881 |
| **Q3 2018** | 2663 | 21,544 |
| **Q4 2018** | 2730 | 24,274 |
| **Q1 2019** | 3043 | 27,317 |
| **Q2 2019** | 2647 | 29,964 |
| **Q3 2019** | 2702 | 32,666 |
| **Q4 2019** | 2587 | 35,253 |
| **Q1 2020** | 3853 | 39,106 |
| **Q2 2020** | 3741 | 42,847 |
| **Q3 2020** | 2660 | 45,507 |
| **Q4 2020** | 2754 | 48,261 |
| **Q1 2021** | 2741 | 51,002 |
| **Q2 2021** | 4608 | 55,610 |
| **Q3 2021** | 3760 | 59,370 |
| **Q4 2021** | 3510 | 62,880 |
| **Q1 2022** | 4771 | 67,651 |
| **Q2 2022** | 4553 | 72,204 |
| **Q3 2022** | 3630 | 75,834 |
| **Q4 2022** | 4119 | 79,953 |
| **Q1 2023** | 4935 | 84,888 |
| **Q2 2023** | 4682 | 89,570 |
| **Q3 2023** | 4568 | 94,138 |
| **Q4 2023** | 4192 | 98,330 |
| **Q1 2024** | 5382 | 103,712 |
| **Q2 2024** | 3454 | 107,166 |
| **Q3 2024** | 3819 | 110,985 |
| **Total** | 110,985 |  |

# Quarterly conversion rates

Table 3 shows the quarterly and cumulative conversion rates for referrals with the platforms.

The quarterly conversion rate shows the amount of referrals from the 9 participating banks to the scheme as a percentage of small businesses rejected for finance by those banks. It is therefore a metric of engagement from participating banks. The quarterly conversion rate was on an increasing trend from the inception of the scheme up until the pandemic, reaching a high of 10.4% in Q3 2019. This shows that participating banks referred over 1 in 10 small businesses they rejected for finance in that quarter. In Q3 2024, the cumulative conversion rate for referrals was 4.9%. Therefore, over the lifetime of the scheme, the participating banks have referred just under 1 in 20 small businesses they rejected for finance to the scheme.

**Table 3: Quarterly and cumulative conversion rate for referrals[[3]](#footnote-4)**

|  |  |  |
| --- | --- | --- |
|  | **Quarterly conversion rate – Referrals (%)** | **Cumulative conversion rate - Referrals (%)** |
| **Q4 2016** | 1.5 | 1.5 |
| **Q1 2017** | 3.3 | 2.7 |
| **Q2 2017** | 3.3 | 2.9 |
| **Q3 2017** | 5.1 | 3.4 |
| **Q4 2017** | 5.9 | 4.0 |
| **Q1 2018** | 7.0 | 4.6 |
| **Q2 2018** | 5.9 | 4.8 |
| **Q3 2018** | 6.3 | 5.0 |
| **Q4 2018** | 7.7 | 5.3 |
| **Q1 2019** | 7.2 | 5.5 |
| **Q2 2019** | 7.4 | 5.7 |
| **Q3 2019** | 10.4 | 6.0 |
| **Q4 2019** | 10.1 | 6.3 |
| **Q1 2020** | 6.1 | 6.3 |
| **Q2 2020** | 1.1 | 5.9 |
| **Q3 2020** | 2.7 | 5.7 |
| **Q4 2020** | 3.2 | 5.5 |
| **Q1 2021** | 2.8 | 5.4 |
| **Q2 2021** | 2.5 | 5.1 |
| **Q3 2021** | 3.9 | 5.1 |
| **Q4 2021** | 4.4 | 5.0 |
| **Q1 2022** | 3.3 | 4.9 |
| **Q2 2022** | 3.6 | 4.8 |
| **Q3 2022** | 5.2 | 4.8 |
| **Q4 2022** | 4.2 | 4.8 |
| **Q1 2023** | 5.3 | 4.8 |
| **Q2 2023** | 4.4 | 4.8 |
| **Q3 2023** | 5.1 | 4.8 |
| **Q4 2023** | 4.7 | 4.8 |
| **Q1 2024** | 4.3 | 4.8 |
| **Q2 2024** | 5.6 | 4.8 |
| **Q3 2024** | 5.7 | 4.9 |

# Referrals by location

Table 4 shows the number of referrals made by location, compared to the distribution of the SME population across the UK and Northern Ireland. The SME population data is based on Department for Business and Trade (DBT) population estimates.

Table 4: Percentage of referrals made by location[[4]](#footnote-5)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Region** | **SME distribution (%)** | **Referrals Distribution** | **Referrals Distribution (% - excl. Not recorded)** | **Referrals distribution (% inc. Not Recorded)** |
| **Greater London** | 17.9% | 25,786 | 25.7 | 23.2 |
| **South East** | 16.5% | 11,953 | 11.9 | 10.8 |
| **East of England** | 9.6% | 8,727 | 8.7 | 7.9 |
| **South West** | 9.7% | 8,484 | 8.5 | 7.6 |
| **North West** | 9.0% | 9,479 | 9.5 | 8.5 |
| **West Midlands** | 7.9% | 9,968 | 9.9 | 9.0 |
| **Yorkshire and the Humber** | 7.1% | 7,113 | 7.1 | 6.4 |
| **East Midlands** | 6.5% | 4,955 | 4.9 | 4.5 |
| **North East** | 3.0% | 3,324 | 3.3 | 3 |
| **England** | 87.1% | 89,790 | 89.5 | 80.9 |
| **Scotland** | 6.5% | 5,747 | 5.7 | 5.2 |
| **Wales** | 4.0% | 3,497 | 3.5 | 3.2 |
| **Northern Ireland** | 2.4% | 1,264 | 1.3 | 1.1 |
| **Scotland, Wales and Northern Ireland** | 12.9% | 10,508 | 10.5 | 9.5 |
| **Location Not Recorded** |  | 10,687 | N/A | 9.6 |

# Deals by location

Table 5 shows the distribution of deals – in other words, where a referral was made and finance successfully secured – by location, compared to the distribution of the SME population.

Table 5: Percentage of deals made by location[[5]](#footnote-6)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Region** | **SME distribution (%)** | **Deals Distribution** | **Deal Distribution (% exc. Not Recorded** | **Deal distribution (% inc. Not Recorded)** |
|  |
| **Greater London** | 17.9% | 1,387 | 26.3 | 25.7 |  |
| **South East** | 16.5% | 712 | 13.5 | 13.2 |  |
| **East of England** | 9.6% | 548 | 10.4 | 10.2 |  |
| **South West** | 9.7% | 519 | 9.8 | 9.6 |  |
| **North West** | 9.0% | 462 | 8.8 | 8.6 |  |
| **West Midlands** | 7.9% | 522 | 9.9 | 9.7 |  |
| **Yorkshire and the Humber** | 7.1% | 308 | 5.8 | 5.7 |  |
| **East Midlands** | 6.5% | 230 | 4.4 | 4.3 |  |
| **North East** | 3.0% | 150 | 2.8 | 2.8 |  |
| **England** | 87.1% | 4,838 | 91.7 | 89.8 |  |
| **Scotland** | 6.5% | 250 | 4.7 | 4.6 |  |
| **Wales** | 4.0% | 159 | 3.0 | 3.0 |  |
| **Northern Ireland** | 2.4% | 31 | 0.6 | 0.6 |  |
| **Scotland, Wales and Northern Ireland** | 12.9% | 440 | 8.3 | 8.2 |  |
| **Location Not Recorded** |  | 109 | N/A | 2.0 |  |

# Funding by location

Table 6 shows the regional distribution of funding for businesses referred to the scheme, by value, compared to the distribution of the SME population. In total, businesses referred to the scheme secured more than £128.7m of funding.

Table 6: Funding value distribution[[6]](#footnote-7)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Region** | **SME distribution (%)** | **Value of funding (£) by region** | **Value of funding by region (% exc. Not Recorded)** | **Value of funding by region (% inc. Not Recorded)** |
|  |
| **Greater London** | 17.9% | 28,927,489 | 23.1 | 22.5 |  |
| **South East** | 16.5% | 17,351,671 | 13.9 | 13.5 |  |
| **East of England** | 9.6% | 15,189,012 | 12.1 | 11.8 |  |
| **South West** | 9.7% | 10,648,303 | 8.5 | 8.3 |  |
| **North West** | 9.0% | 11,814,899 | 9.4 | 9.2 |  |
| **West Midlands** | 7.9% | 10,046,688 | 8.0 | 7.8 |  |
| **Yorkshire and the Humber** | 7.1% | 8,554,552 | 6.8 | 6.6 |  |
| **East Midlands** | 6.5% | 8,130,719 | 6.5 | 6.3 |  |
| **North East** | 3.0% | 3,641,286 | 2.9 | 2.8 |  |
| **England** | 87.1% | 114,304,620 | 91.3 | 88.8 |  |
| **Scotland** | 6.5% | 7,017,444 | 5.6 | 5.5 |  |
| **Wales** | 4.0% | 2,846,637 | 2.3 | 2.2 |  |
| **Northern Ireland** | 2.4% | 1,030,012 | 0.8 | 0.8 |  |
| **Scotland, Wales and Northern Ireland** | 12.9% | 10,894,093 | 8.7 | 8.5 |  |
| **Location Not Recorded** |  | 3,479,642 | N/A | 2.7 |  |

# Average deal size by location

Table 7 shows the average deal size split by location. The average loan size equates to just under £24,000.

Table 7: Average deal size by location[[7]](#footnote-8)

|  |  |  |
| --- | --- | --- |
| **Region** | | **Average deal size (£)** |
| **Greater London** | 20,856 | |
| **South East** | 24,370 | |
| **East of England** | 27,717 | |
| **South West** | 20,517 | |
| **North West** | | 25,573 |
| **West Midlands** | | 19,247 |
| **Yorkshire and the Humber** | | 27,775 |
| **East Midlands** | | 35,351 |
| **North East** | | 24,275 |
| **England** | | 23,626 |
| **Scotland** | | 28,070 |
| **Wales** | | 17,903 |
| **Northern Ireland** | | 33,226 |
| **No Location recorded** | | 31,923 |
| **Total** | | 23,887 |

# Background notes

**Data collection**

The British Business Bank (BBB), working on behalf of HM Treasury, collect data from designated finance platforms in accordance with monitoring and reporting requirements set by HM Treasury.

**Data sources**

The SME population data is based on Department for Business and Trade (DBT) population estimates, 2024.

https://www.gov.uk/government/statistics/business-population-estimates-2024

**Further information**

Further information about the Bank Referral scheme can be found at:

<http://british-business-bank.co.uk/bank-referrals/>

# Enquiries

**Media enquiries:**

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1. Q4 2016 covers only 2 months, November and December, due to the scheme going live in November 2016. In addition, it is important to note that the data does not take into account any SME inquiries that remain open, so the data may be revised upwards in future. [↑](#footnote-ref-2)
2. At their request, the Government de-designated Business Finance Technology in March 2018. [↑](#footnote-ref-3)
3. Data is collected on an anonymised basis from all current finance platforms. Due to recent changes in the way data is collected, it is no longer possible to show a contact conversion rate. [↑](#footnote-ref-4)
4. Some postcodes cross borders, which could impact results. Due to an issue during the changeover of reporting methods in 2022, a large number of referrals were recorded with the applicable region not assigned. This accounts for the rise in ‘Location not recorded’ figures. [↑](#footnote-ref-5)
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