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## News in Review

8 October 2025

*"If the UK economy is not competitive then it cannot grow"*



**Ahead of the Autumn Budget on 26 November, the British Chambers of Commerce (BCC) has urged the government to take decisive action to improve the competitiveness of the UK economy. In a new report the BCC warned that, without increasing investment and productivity, the UK risks falling further behind its international peers.**

In 1997, the International Institute for Management Development ranked the UK the 9th most competitive nation out of 46 countries. However, its position has slipped since then and is now 29th out of 67 countries, despite being the sixth largest economy in the world. The BCC has therefore made over 40 recommendations on how the UK can regain its position as a competitive economy, focusing on three key areas: reducing the cost of investment, fostering innovation and updating its strategic offering.

The report emphasised that labour costs are a key concern for businesses, urging the government not to raise taxes further in future fiscal events such as the Budget. Plus, it proposed re-evaluating business rates annually, so they are more up to date and suggested supporting growth and investment by prioritising infrastructure, such as the new runways at Heathrow and Gatwick airports and expansion of Luton.

Director of the BCC, Shevaun Haviland, said, *"If the UK economy is not competitive then it cannot grow. Our slide down the*

*rankings has been driven by increasing volatility on tax and regulation which has led to an inexorable rise in the cost of doing business. There is also growing speculation about what's coming in the Autumn Budget, which is still weeks away. This is eroding business confidence further as the government's messaging of 'tough choices' adds to the fear."*

She added, *"Our message to the rest of the world has been inconsistent. If we want the UK to be more productive and to grow our economy, then we must take action to become more competitive internationally."*

### **UK GDP growth slows in Q2**

The latest figures from the Office of National Statistics (ONS) confirmed that, despite a promising start to the year, the UK economy slowed in Q2.

Gross domestic product (GDP) is estimated to have grown by an unrevised 0.3% between April and June, compared to an unrevised increase of 0.7% in Q1 of this year. The construction (1.0%) and services (0.4%) sectors were key drivers of growth in Q2, but this was offset by a decrease in the production sector (-0.8%). ONS observed that the overall slowdown was partly due to Stamp Duty reforms, which brought some activity forward to February and March.

### **More UK adults using mobile payment services**

A report from UK Finance shows that more people are using their phones to pay while cash use declines further.

The data found that last year, 57% of UK adults were registered for mobile payment services, such as Apple Pay and Google Pay. Half the population said they were using mobile contactless at least once a month. Meanwhile, the proportion of cash payments fell from 12% in 2023 to 9% in 2024, the lowest it has ever been. It is expected that in 2034, cash will account for 4% of all payments in the UK.

### **Changes to home buying process to benefit first time buyers**

The government has outlined proposals aimed at speeding up the home buying process and reducing the admin burden involved in purchasing a home. The proposals, specific to first time buyers, will require sellers and estate agents to provide buyers with key information about their chosen property upfront, including the condition of the home and details of the chain. Currently in the consultation stage, according to the government, the changes will put an end to 'nasty surprises' which result in last-minute collapses, giving greater confidence to first-time buyers. Binding contracts could also be introduced to stop people walking away from agreements. Steve Reed, Housing Secretary, commented on the proposals, *"Buying a home should be a dream, not a nightmare. Our reforms will fix the broken system so hardworking people can focus on the next chapter of their lives."*

### **Here to help**

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

***The value of investments can go down as well as up and you may not get back the full amount you invested.  
The past is not a guide to future performance and past performance may not necessarily be repeated.  
All details are correct at time of writing (8 October 2025)***