24 November 2025

BUSINESS NEWS – Round up

Welcome to our weekly round up of the latest business news for our clients. Please do contact Cognitor Accountancy to talk with us about how these updates may affect your business. We are here to support you!

FSCS Deposit Protection Limit to Rise to £120,000 from December



The Prudential Regulation Authority (PRA) has confirmed that the Financial Services Compensation Scheme (FSCS) deposit protection limit will increase from £85,000 to £120,000 from the start of December.

The new threshold applies per depositor, per PRA-authorised bank, building society or credit union. The PRA have confirmed that HM Treasury has approved the change.

This is the first change to the limit since 2017 and follows a consultation earlier in the year. The PRA had initially proposed that the limit should rise to £110,000, but feedback provided in the consultation and the latest inflation data prompted a higher final figure.

Temporary High Balances Limit Also Rising

Alongside the core protection limit, the cap for Temporary High Balances (THBs) will increase from £1 million to £1.4 million on 1 December.

THB protection applies to qualifying life events that can temporarily increase a customer's account balance, such as buying or selling a house or insurance claim payouts.

Implications for Your Business

The increase in limit will be good news if you hold cash reserves in your business to cover working capital, payroll and other running costs.

It is worth noting that the limit continues to be applied 'per depositor, per PRA-authorised institution'. This means that if you are eligible and hold cash reserves that exceed the deposit protection limit, you could gain further protection by spreading your funds across different authorised institutions.

It is worth checking whether a banking group is operating multiple brands under a single licence. This means you would only receive a single protection limit for the total amounts held across those brands.

Taking a Wider Look at Cash

For many owner-managed businesses, cash reserves naturally rise and fall throughout the year. If you find that your balances regularly build up beyond what the business needs for day-to-day

operations, the increase in the FSCS limit could be a useful prompt to review how much cash the business actually needs to hold.

Spreading funds between different banks can increase the level of protection available, but it can also be sensible to take a step back and consider whether those reserves are serving a useful purpose in the business. A simple cash flow review can help identify the amount needed for routine expenses, tax payments and any planned spending over the coming months.

Where cash consistently exceeds this level, you may want to consider:

- Are there investment opportunities for the business that would fit with your business growth plans?
- Would withdrawing funds, such as by dividends, better help you achieve your personal goals?

The right choice for you will depend on your personal and business circumstances, tax considerations and your plans for the business.

If you would like tailored advice or simply assistance in clarifying what level of reserves your business needs, **please get in touch**. We would be happy to help you!

See: https://www.bankofengland.co.uk/news/2025/november/pra-confirms-fscs-deposit-limit-to-be-increased-to-120000-from-1-december

UK Inflation Slows to 3.6% as Energy and Hotel Costs Ease

UK inflation eased to 3.6% in the year to October, down from 3.8% in September, according to the latest figures from the Office for National Statistics (ONS).



Although still above the Bank of England's 2% target, this is the slowest pace of price rises for four months and comes just before the Chancellor delivers the Autumn Budget.

What is Driving the Latest Change?

The ONS highlighted smaller increases in household energy bills as a key reason for the slowdown. Ofgem raised the energy price cap in October, but the 2% rise was far lower than the 9.6% increase applied this time last year. Hotel prices, which often fall between summer and winter, also dipped more sharply than they did last year.

However, not all categories moved in the right direction. Food inflation rose to 4.9%, from 4.5% in September. Prices increased for items such as bread, meat, fish, vegetables, chocolate and confectionery, although fruit prices fell slightly.

The Food and Drink Federation said the pressures were linked to ingredient and energy costs as well as regulatory requirements, such as packaging taxes and rising National Insurance.

Position Ahead of the Budget

Chancellor Rachel Reeves responded to the figures by saying that one of the main goals of the Budget is to ease cost-of-living pressures. What this will mean in terms of concrete measures we must wait to see.

Prospects for Interest Rates

Although inflation remains above target, the latest figures strengthen expectations of a cut to the Bank of England base rate. Some economists believe this could happen at the next meeting of the Monetary Policy Committee on 18 December 2025.

What This Means for Your Business

Reducing inflation is good news for the economy and increases confidence. You may find your customers becoming more willing to commit to spending again.

If you have clients who have paused projects, re-engaging with them could encourage them to restart work.

At the same time, cost pressures have not disappeared. The ONS reported that the annual cost of raw materials for businesses has continued to increase. So, keeping an eye on your costs and ways that you can control or reduce them is still key to remaining profitable.

If you would like to discuss how the latest inflation figures or the Autumn Budget may affect your business, **please get in touch**. We are here to help!

Choosing the Right Accounting System for Your Business



For many sole traders and small business owners, reviewing their accounting system only happens when something forces the issue. For instance, many sole traders are currently looking at whether their accounting system meets the requirements for Making Tax Digital for Income Tax.

However, even without a regulatory change, reviewing your accounting systems can yield benefits. The right system can save you time, reduce errors and give you better insight into your business's finances.

Here are some practical points to consider.

1. Identify Your Needs

Think about what you or your team handle most often. Is it invoicing, logging expenses, monitoring cash flow, or perhaps tracking stock or projects.

You might only need some basic income and expense recording. On the other hand, features like invoice reminders, payment links in invoices, or job costing could be useful to you.

It's often easier to start by listing your everyday tasks before you look at what software can do.

2. Consider Cost, but Think in Terms of Value

The cheapest option is not always the most effective if it slows you down. A slightly higher monthly fee could be worth it if it saves you work and time.

Ease of use can add a lot of value, too. Simple screens, clear menus and good support can all make day-to-day bookkeeping much less of a chore.

3. Automation and Integrations

Modern software can take care of many repetitive tasks. For instance, importing bank transactions, sending reminders, capturing invoice and receipt details can all be done by software.

If you use e-commerce platforms, job management tools or card payment services, software that can connect to them can save you time by eliminating the need to enter information twice.

4. Planning for Growth

If you expect your business to grow, consider whether the system can grow with you. Some entry-level tools are perfect for start-ups but become limiting once staff, stock or more complex invoicing are involved.

5. Plan for the Switch

Changing accounting systems can be disruptive; however, many platforms offer setup wizards, data import tools and clear guidance that can make the transition easier than you might expect. Choosing to switch at the start of a new financial year can make the process a lot smoother, too.

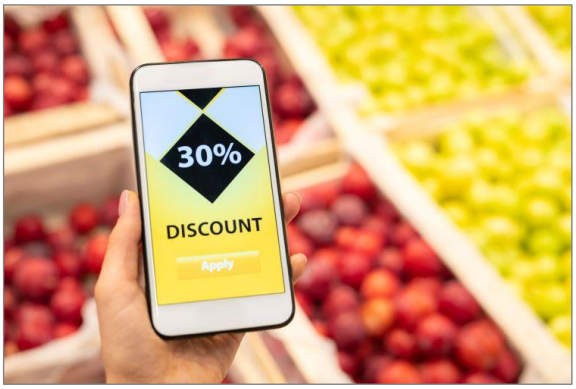
Choosing the right accounting system is not just about compliance or day-to-day record keeping - it's an opportunity to make your business run more smoothly and give yourself clearer insight into its financial health.

If you would like help reviewing your current accounting system or recommending options that would suit your business, **please feel free to contact us** at any time. We would be happy to help!

CMA Launches Major Consumer Protection Drive on Online Pricing

The Competition and Markets Authority (CMA) has announced a number of actions it is taking to improve price transparency and tackle misleading online sales practices. This is the first major use of its new powers under the Digital Markets, Competition and Consumers Act 2024 (DMCCA), which came into force earlier this year.

The CMA has conducted a cross-economy review of more than 400 businesses in 19 sectors. The review highlighted concerns in 14 sectors, particularly around drip pricing and the use of misleading countdown timers.



Focus on online pricing practices

The CMA has opened investigations into eight named businesses due to concerns about a lack of transparency over additional fees, the use of misleading time-limited offers and opting customers into optional charges.

The businesses under investigation are StubHub, viagogo, AA Driving School, BSM Driving School, Gold's Gym, Wayfair, Appliances Direct and Marks Electrical. At this stage, the CMA has not reached any conclusions as to whether consumer law has been breached.

These investigations are the first to use the CMA's strengthened consumer enforcement powers. These new powers allow the CMA to determine breaches itself rather than going through the courts. Where appropriate, the CMA can impose fines of up to 10% of global turnover and order compensation be paid to affected consumers.

Wider compliance concerns across the economy

Based on their compliance review, the CMA is also sending advisory letters to 100 businesses across a wide range of consumer-facing industries, including travel, transport, homeware, fitness, event tickets, delivery services, fashion and online voucher providers.

These letters put the recipient businesses on notice to review their pricing and sales practices and bring them into line with the law and the CMA's guidance.

The CMA has said it will continue to engage with these businesses and may take further enforcement action if problems persist.

New guidance on price transparency

Alongside this enforcement activity, the CMA has published finalised guidance to help businesses understand and comply with the rules on price transparency.

While the DMCCA introduces new obligations, many forms of drip pricing have been prohibited for years under earlier consumer protection legislation. These include failing to include compulsory charges in the headline price or introducing unavoidable fees only at checkout.

The new guidance aims to clarify expectations around transparent pricing, the presentation of fees, the use of sales claims and other online selling practices.

Next steps

There is no fixed legal deadline for the CMA to conclude its investigations. Cases may lead to formal findings of unlawful conduct, remedies or, in some instances, closure without further action.

Given the scale of the review and the strength of the CMA's new powers, further enforcement activity seems likely.

If you sell to customers online, it may be worth treating this as an opportune time to review your pricing information to ensure it complies with the new guidance.

To review the price transparency guidance, see:
https://www.gov.uk/government/publications/price-transparency-cma209

HMRC Reminds Seasonal Sellers to Check Tax Obligations

As the festive season approaches, HM Revenue & Customs (HMRC) is urging anyone who earns money from Christmas crafts, seasonal market stalls, or selling festive items to check whether they need to report their earnings for last year.



HMRC's "Help for Hustles" campaign highlights the importance of understanding when extra income becomes taxable.

While selling personal belongings from a clear-out generally does not need to be reported, making or selling items for profit - such as handmade decorations, upcycled furniture or running a seasonal market stall - may be subject to tax.

What You Need to Know

Anyone who earned more than £1,000 from side hustles in the 2024-2025 tax year will need to:

- Register for Self Assessment as a sole trader.
- File a tax return.
- Pay any tax due by 31 January 2026.

The £1,000 threshold applies to all trading income combined. For example, someone earning £600 from craft sales and £500 from content creation would need to register, as their total income exceeds the threshold.

If you would like personalised advice on whether you need to file a tax return, **please give us a call.** We would be happy to help you!

Stop! Think Fraud Campaign Launched

The National Cyber Security Centre (NCSC) has launched a campaign to help individuals and small businesses stay secure online.

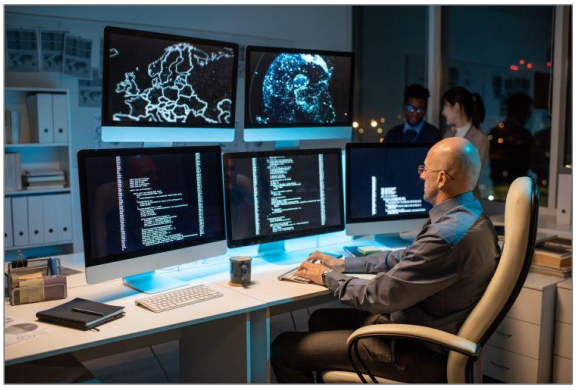
With the festive season approaching, including the Black Friday sales, the potential for scams increases. For instance, scammers may claim that an offer is only available for a limited time or that products are scarce in order to manipulate people into acting quickly without thinking. Delivery scams are also popular.

Data from the City of London Police suggests that around £11.8 million was lost last year, between 1 November 2024 and 31 January 2025, to online shopping fraud.

How Can You and Your Staff Stay Safe?

The campaign encourages you to take the following four precautions:

1. Check that the shop is legitimate.
2. Secure your important online accounts, using two-step verification where possible.
3. Check out and pay securely.
4. Beware of delivery scams. Check a request is genuine by contacting the organisation directly.



To review the campaign advice in full, see: https://www.ncsc.gov.uk/news/stay-alert-to-holiday-shopping-cyber-scams

Renters' Rights Act: Three-stage implementation plan announced

The government has confirmed how the new Renters' Rights Act will be phased in, setting out a three-phase approach that runs from May 2026 through to the end of the decade.

Phase 1: Initial reforms from 1 May 2026

The first and most immediate changes will take effect on 1 May 2026. These include the end of Section 21 "no-fault" evictions, meaning landlords will no longer be able to evict tenants without giving a valid reason.

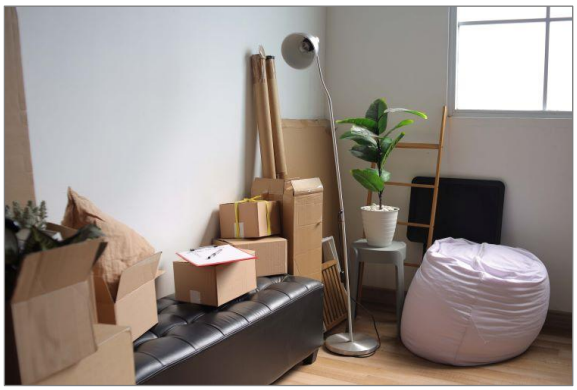
At the same time, if landlords need to get their property back, they will have stronger, legally valid reasons to do so. These include moving in, selling the property, dealing with serious rent arrears or tackling anti-social behaviour.

Tenants will gain other new protections, including the ability to challenge above-market rent increases intended to encourage them to leave. Landlords will also no longer be able to unreasonably refuse requests for pets.

From 1 May 2026, it will become illegal to:

- Increase rent more than once a year.
- Request more than one month's rent in advance.
- Run rental bidding wars between prospective tenants.
- Discriminate against tenants because they receive benefits or have children.

Councils will be overseeing these new rights. Fines can reach up to £7,000 for breaches, increasing up to £40,000 for repeat or serious offences. Tenants and local authorities will also be able to seek rent repayment orders.



Guidance for landlords and letting agents will be published ahead of these changes, with councils receiving additional funding to help them prepare.

Phase 2: Ombudsman and database

The second phase, beginning in late 2026, focuses on improving oversight and resolving disputes in the private rented sector.

A new Private Landlord Ombudsman will be introduced, offering tenants a free, independent service to help them resolve complaints that have not been addressed by their landlord. This is intended to reduce the need for court action and deliver faster outcomes.

A Private Rented Sector Database will also be launched, requiring all landlords to register themselves and their rented properties. The database will be rolled out in stages across England.

Phase 3: Further quality and safety standards to follow

The final phase will introduce measures aimed at ensuring safe conditions in private rented homes, including the introduction of a Decent Homes Standard. The government also plans to consult on extending Awaab's Law to private renting.

The government has already consulted on plans to require that all domestic privately rented properties in England and Wales meet an EPC rating of C or equivalent by 2030, unless an exemption applies. Further details on this will be set out when the government responds to the consultation.

See: https://www.gov.uk/government/news/no-fault-evictions-to-end-by-may-next-year

Will Your Business Qualify for the New RHL Multipliers?



Legislation has been passed by Parliament that defines which properties are eligible for the new Retail, Hospitality and Leisure (RHL) business rates multipliers which come into force on 1 April 2026. HM Treasury has also provided guidance to local authorities on how to apply these regulations.

Earlier in the year, the Non-Domestic Rating (Multipliers and Private Schools) Act 2025 laid the legal basis for introducing higher multipliers for the properties of large businesses and lower multipliers for RHL properties. The intention is to help high street RHL businesses that sell to in-person customers.

From April 2026, two lower business rates multipliers for RHL properties will be introduced for rateable values below £500,000.

- A small business RHL multiplier will apply where the rateable value is below £51,000.
- A standard RHL multiplier will apply where the rateable value is between £51,000 and £499,999.

The rates for these multipliers will be confirmed during Budget 2025, which is being held on 26 November 2025.

In a change from the RHL business rates relief that is currently in place, it is intended that there will be no cash cap. This means the RHL multipliers will apply to any property that meets the statutory definition of a RHL property contained in the new regulations.

Broadly speaking, the new definitions will mean that most properties receiving the 40% RHL relief in 2025-26 will qualify for the proposed lower multipliers. However, local authorities have had discretion in how they have awarded the 40% RHL relief, whereas the new RHL multipliers will only apply where the legal definition is met. This may mean that some properties currently receiving relief could fall outside the new relief measures.

To see whether your RHL business property will qualify for the new RHL multipliers, it is worth reviewing HM Treasury's guidance.

Please do contact us if you would like to talk about any of the articles. We are here to support you and your business!

Written 21 November 2025