

A MULTIFI REPORT · SEPTEMBER 2026

Broker Your Time Back

Where a commercial finance broker's time, and value, really go in 2026.

A data-led look at the channel that quietly became the market.

£50bn

broker-led SME lending in 2025

68%

of SME lending now sits outside the
big-five banks

1 in 4

broker-funded clients were declined
elsewhere first

The broker became the market. The cost is time.

The commercial finance broker has stopped being a middle layer in SME lending and become the main road into it. In 2025, brokers arranged around £50 billion of SME finance, roughly £33 billion of it through NACFB members alone, and across the market brokers now account for about two thirds of all SME finance transactions. As the high-street banks pulled back, the broker did not just gain volume; they inherited the judgement the banks stopped exercising.

That is the good news, and it is real. The harder news is what it costs. A broker is paid only when a deal completes, yet the hours are spent up front and on every case, most of which never pay out. This report pulls together the public data on the broker's world in 2026, and models the one number nobody publishes: how much of a broker's week disappears on deals that were never going to complete.

On our model, the average commercial finance broker loses something like a day and a half to two days of every week to dead deals. That figure is an estimate, and we show exactly how it is built. Everything else in this report is sourced and cited.

Three things the data makes plain. The broker is now a rescuer, funding the quarter of clients the banks turned away. The broker's real product is judgement, since a quarter of clients leave with a different facility than they asked for. And the broker's scarce resource is time, which fragmentation and fall-through are steadily eating.

Verified figures and modelled figures, kept apart

This report keeps two things apart, on purpose. Verified figures come from named sources, chiefly the NACFB, the British Business Bank, BVA BDRC's SME Finance Monitor, iwoca's SME Expert Index, the ONS and the Insolvency Service, and are given as fact with the citation. Modelled figures are our own estimates, built on stated assumptions and labelled as models.

We separate them because the single most useful number for a broker, the share of the week lost to dead deals, has never been published, so it has to be modelled. Where we model, every assumption is on the page and you can rebuild it. Nothing modelled is dressed up as a survey finding, and where a credible figure does not exist we say so.

Verified

NAMED SOURCE, GIVEN AS FACT, CITED ON THE PAGE

Modelled

OUR ESTIMATE, ASSUMPTIONS SHOWN, LABELLED THROUGHOUT

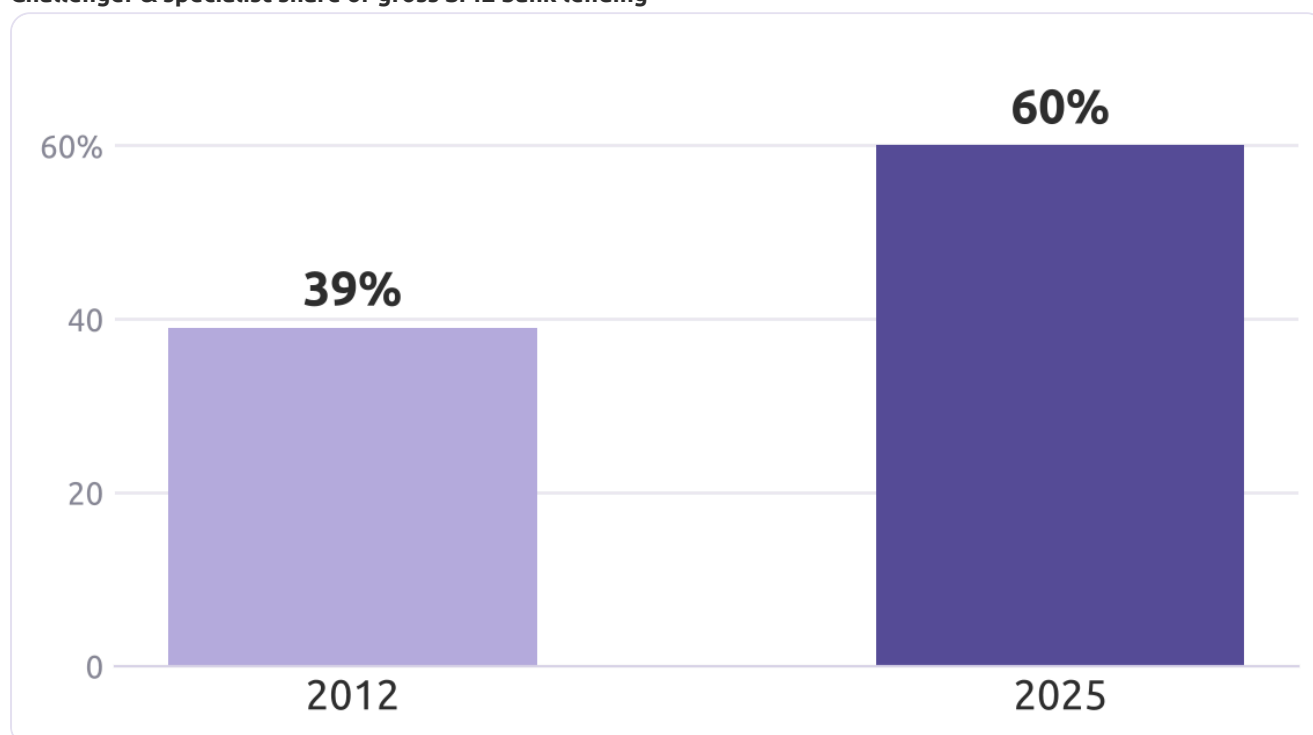
How to read the tags. Every section carries one. A green **VERIFIED** tag means the figures are sourced; an amber **MODELLED** tag means we built the number ourselves and have shown the working, so you can test it against what you see on your own desk.

The channel that quietly became the market

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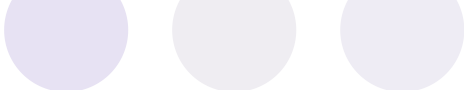
For most of the last century, an SME that needed money walked into its bank. That world has gone. Challenger and specialist banks now provide 60% of gross SME bank lending, up from 39% in 2012, and once non-bank lenders are added, 68% of all SME lending in 2025 came from outside the big-five banks. Gross SME bank lending reached £68 billion in 2025, up 9% on the year, its second-highest level since 2012.

Challenger & specialist share of gross SME bank lending



British Business Bank, Small Business Finance Markets Report 2026 (17 March 2026). Challenger and specialist share of gross SME bank lending.

Someone has to steer a business through that scattered market, and it is the broker. NACFB member brokers originated £33 billion of SME lending in 2025, up 25% year on year, across roughly 180,000 loans. The wider broker-led market is estimated at around £50 billion. Across lenders, brokers now account for about 67% of SME finance transactions, and 83% of lenders expanded their broker panels in the last year.



60%

CHALLENGER & SPECIALIST SHARE
OF GROSS SME BANK LENDING,
FROM 39% IN 2012

£33bn

ORIGINATED BY NACFB MEMBER
BROKERS IN 2025, UP 25%

67%

OF SME FINANCE TRANSACTIONS
NOW COME THROUGH BROKERS

NACFB, Intermediary Market Outlook 2025/26 (24 Feb 2026) and Annual Impact Report 2024 (10 Mar 2025); British Business Bank, SBFM 2026.

The broker is no longer an optional intermediary between an SME and its bank. For most of the market, the broker is the route, and the lenders now build their businesses around the panel. That is a stronger position than the trade often gives itself credit for, and it is the backdrop to everything that follows.

Paid on completion, committed up front

A broker's model has an awkward shape. Payment arrives only when a deal draws down, yet the work, the fact-find, the packaging, the chasing, the lender-matching, is spent up front and in full, on every case taken on. The broker's real commercial risk is not that a business later defaults; that sits with the lender. It is that the deal never completes, and the hours are gone with nothing to show for them.

The asset a broker is really managing is time. Read the rest of this report through that lens. Every figure that follows is either about the value a broker's time creates, or about where that time quietly leaks away.

The rescue premium

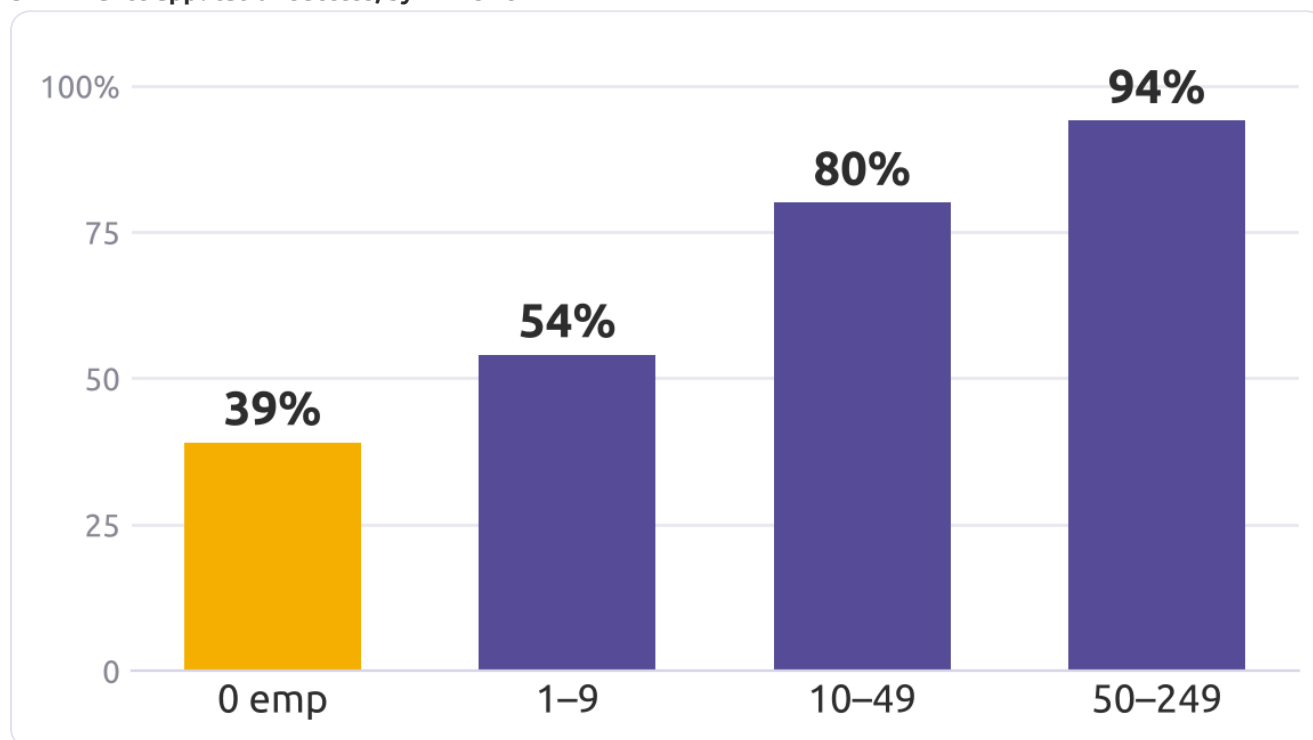
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A quarter of the SME clients funded through a broker in 2025 had already been turned down by a lender before the broker took the file on.

That is not a routing fee. A quarter of the funded book is business the banks declared unbankable, that a broker then got done. The judgement the high street dropped did not vanish; it moved to the broker's desk. An older NACFB report put the figure at 20%, so treat 25% as the current, upper read.

The bank data shows why the rescue work exists. Across the market, SME loan applications now succeed just 37% of the time, and overdrafts 47%, both far below their pre-pandemic norms of roughly 60% and 76%. And the smaller the business, the sharper the wall.

SME finance application success, by firm size



BVA BDRC, SME Finance Monitor Q4 2024. Nearly half of the smallest firms who apply are turned away.

Nearly half of the smallest firms who apply are turned away, and those are exactly the businesses a broker sees most. The broker's fee is earned in the gap between a rigid scorecard and a real trading business. That is the rescue premium, and the data says it is doing a lot of work.

The fragmentation tax

VERIFIED

THEN MODELLED

Wider access has a cost, and the broker pays it. With 60% of lending spread across challenger and specialist banks, and 28 new providers having entered the smaller-business market since 2013, there is no shared standard. Criteria sit in dozens of separate policies that move without notice. So a broker weighs an average of six lenders for every single deal they structure.

NACFB, Intermediary Market Outlook 2025/26; British Business Bank, SBFM 2026.

Modelled from here. Six lenders per case, at a working assumption of twenty to thirty minutes to check one lender's current appetite and fit, is roughly two to three hours of criteria-hunting on every deal, before a single document is chased. That is the fragmentation tax: not a fee, but a standing charge on the broker's week that grows every time a new funder joins the market.

Six lenders a deal, before a document is chased. On our model, that is two to three hours of pure criteria-hunting on every case that crosses the desk.

6

LENDERS WEIGHED ON AN AVERAGE
DEAL

28

NEW PROVIDERS ENTERED THE
SMALLER-BUSINESS MARKET SINCE
2013

2–3 hrs

MODELLED CRITERIA-HUNTING PER
CASE, BEFORE CHASING A
DOCUMENT

The wasted week

MODELLED · OUR ESTIMATE, ASSUMPTIONS SHOWN

No one publishes how much of a broker's week goes on deals that die. So we model it, and we show the working. Four assumptions drive it. Two are hard, taken from source; two are soft, and those soft ones are exactly what a broker survey should later test.

Assumption	Value	Basis
Lenders checked per case	6	Hard (NACFB)
Time to check one lender's fit	20–30 min	Soft assumption
Hours to package a case to submission	6–10 hrs	Soft assumption
Worked cases that never complete	60–70%	Soft, the key number

From those, three estimates follow, and each is deliberately given as a range.

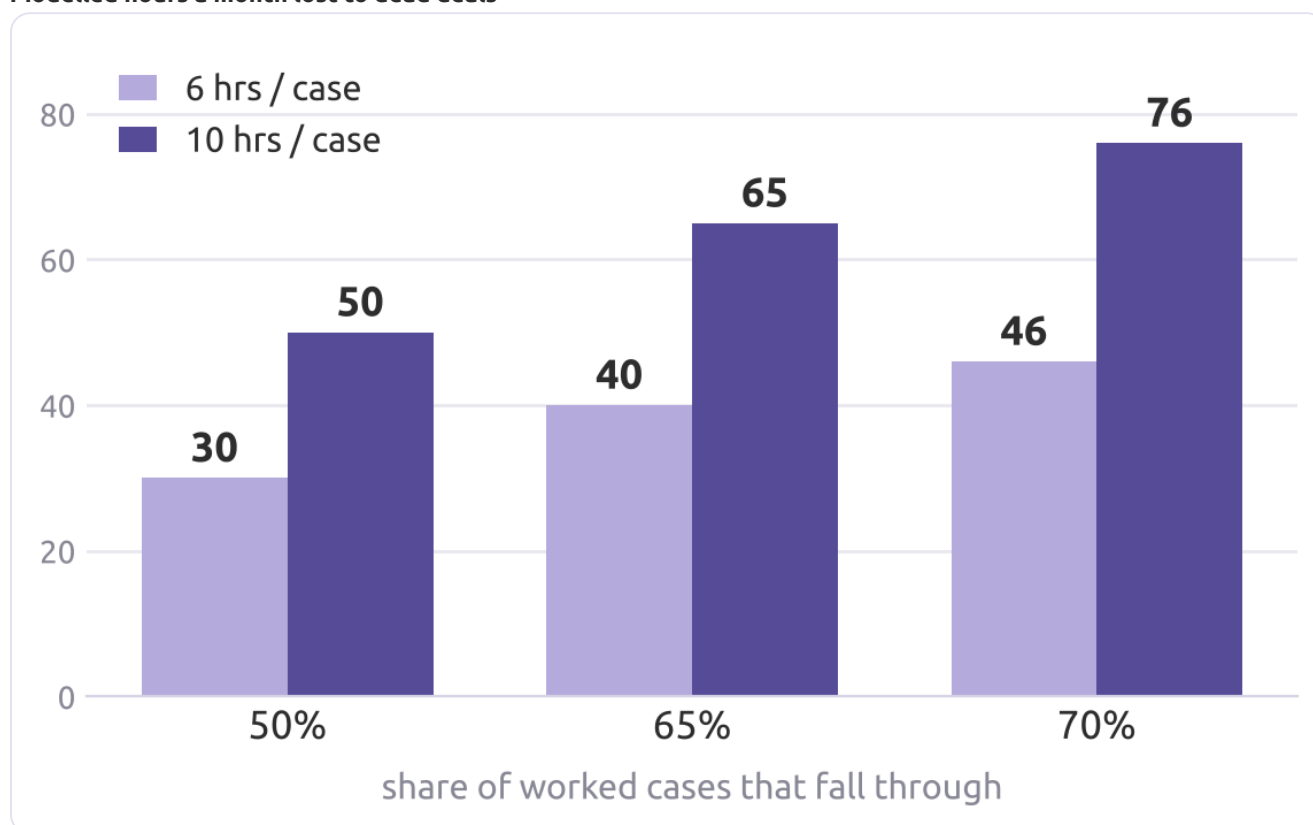
- **The lender-matching load.** Six lenders at twenty to thirty minutes each is two to three hours of criteria-hunting per deal.
- **The fall-through tax.** If about two in three worked cases never complete, then for every deal that pays out a broker has worked around two that don't, so 60 to 70% of packaging hours go uncompensated.
- **The week itself.** A broker actively working eight to twelve cases a month, at six to ten hours each, losing two in three, carries an estimated forty to sixty-five hours a month on deals that never pay. That is on the order of a day and a half to two days of every week.

On our model, the average commercial finance broker loses something like a day and a half to two days a week to deals that were never going to complete. It is an estimate, not a measured figure, and the honest way to use it is to test it against what brokers actually see.

Sensitivity: it holds even when you are cautious

The figure does not depend on the gloomiest assumptions. Even a low case, cases taking six hours and only half falling through, still buries a broker under a serious weekly loss; a high case pushes it past two days. The chart shows the modelled hours a month lost to dead deals across the range.

Modelled hours a month lost to dead deals



multifi model, assuming a broker actively works 10 cases a month. Figures rounded; illustrative, not measured.

40–65

MODELLED HOURS A MONTH LOST TO DEAD DEALS

1.5–2

DAYS OF EVERY WEEK, ON THE MODEL'S CENTRAL RANGE

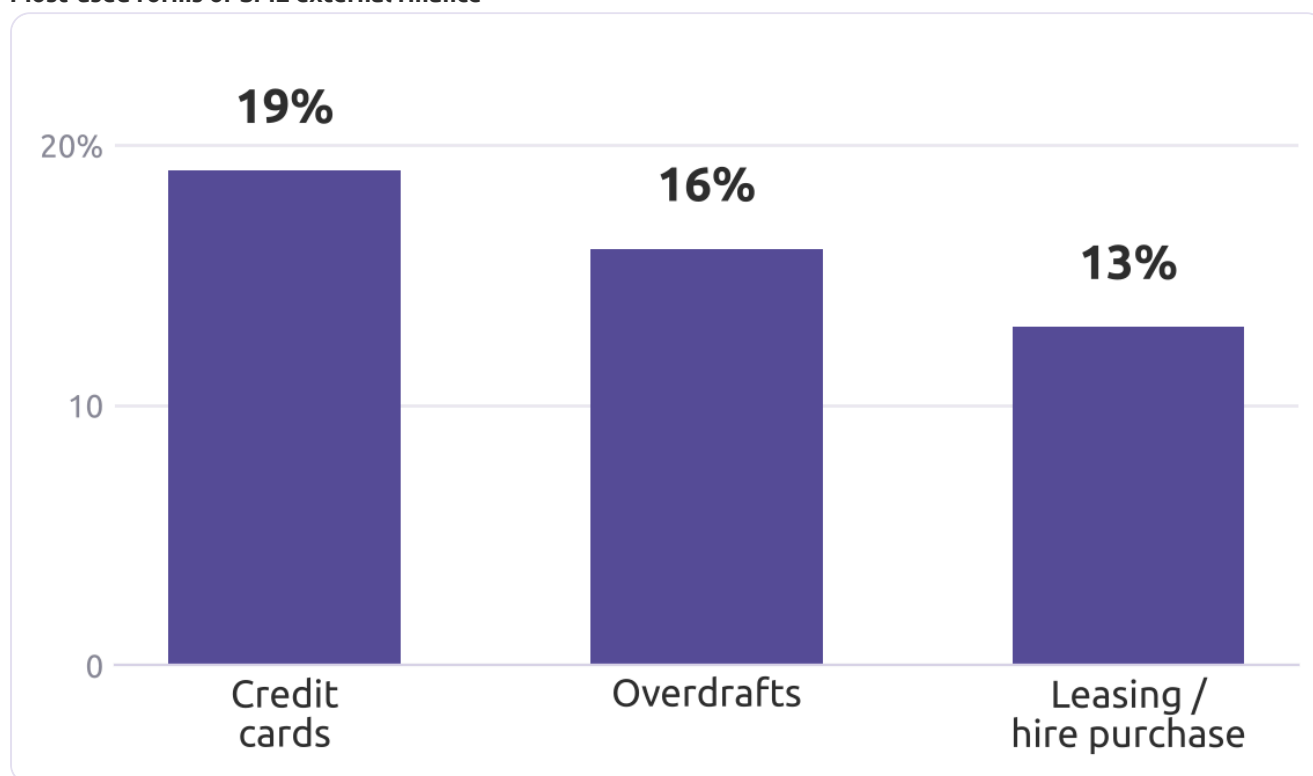
PART FOUR

The market a broker has to convert

VERIFIED

A broker's hours are hard-won partly because the demand they work with is hesitant and inexperienced. The SME Finance Monitor paints a cautious borrower. Only 44% of SMEs with a funding need actually applied. Around half use any external finance at all, and the most common form is a credit card, at 19%, ahead of overdrafts at 16% and leasing or hire purchase at 13%. When money is tight, 37% of SME owners put their own cash in rather than borrow.

Most-used forms of SME external finance



BVA BDRC / British Business Bank. The most common form of SME borrowing is a credit card.

79%

OF SMES WOULD RATHER GROW SLOWLY THAN BORROW

37%

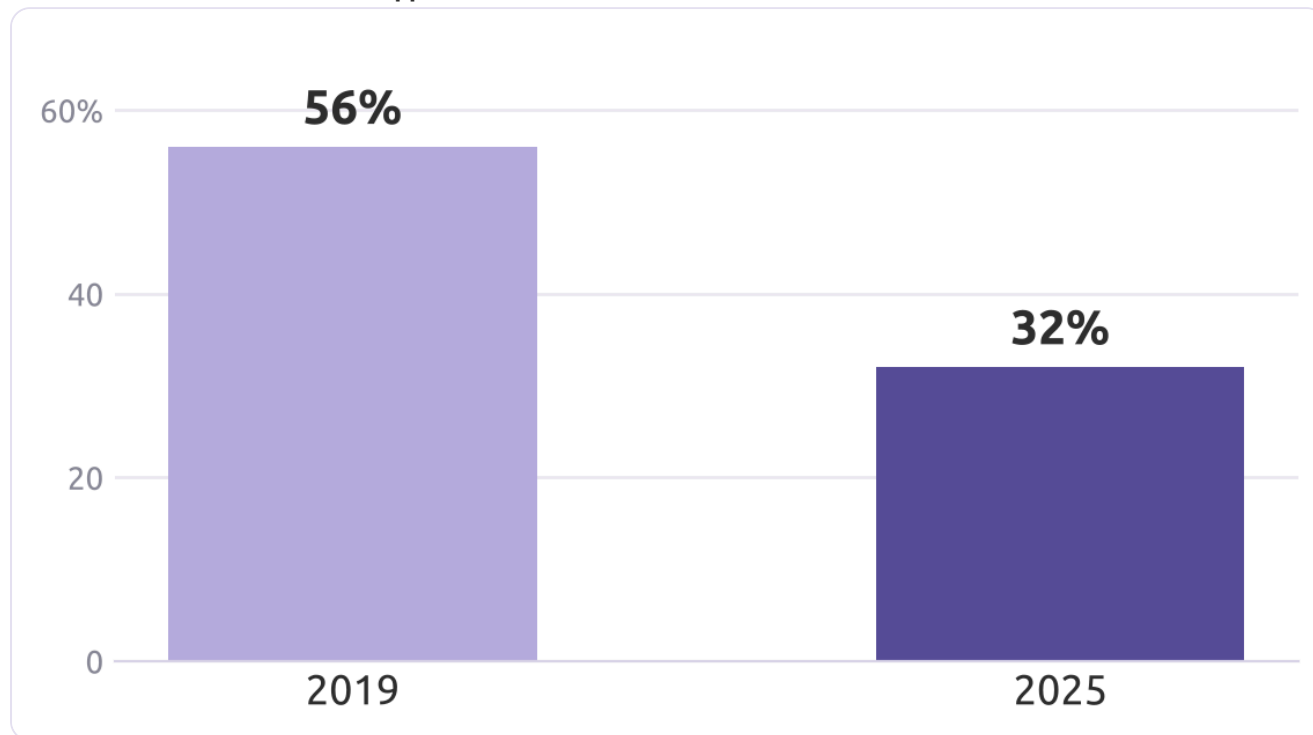
INJECT PERSONAL FUNDS INSTEAD OF EXTERNAL FINANCE

32%

ARE CONFIDENT A FUTURE APPLICATION WOULD SUCCEED, FROM 56% IN 2019

Confidence has collapsed. The share of SMEs sure a future application would be approved has fallen from 56% in 2019 to 32%. Roughly a third are now permanent non-borrowers, and 5% are discouraged would-be seekers who need finance but never apply, with a further 19% expecting to hold back in future. On top of that, 63% of finance applications are from a business using that specific product for the first time.

SMEs confident a future finance application would succeed



BVA BDRC, *SME Finance Monitor Q4 2024 (March 2025)*.

What it means for the desk. The broker is not processing confident, well-prepared applicants. They are coaxing a wary, first-time borrower through a market that has taught them to expect a no. That is skilled work, and it is slow, which is precisely why the hours matter so much.

From sourcing to advising

Two NACFB figures reframe what a broker is actually paid for. One in four clients ends up with a different finance product than the one they first asked for; the broker's value is correcting the diagnosis, not fulfilling the request. And 48% of brokers' leads last year came from returning clients, so this is a repeat-relationship business, where roughly half of new work rides on trust already earned.

25%

OF CLIENTS LEAVE WITH A
DIFFERENT PRODUCT THAN THEY
ASKED FOR

48%

OF BROKER LEADS COME FROM
RETURNING CLIENTS

33%

OF BROKERS EXPANDED THEIR
SERVICES IN THE LAST YEAR

NACFB, *Annual Impact Report 2024 (10 March 2025)*.

The duty-of-care gap

VERIFIED

There is a quiet regulatory twist that matters for how a broker advises. The FCA's Consumer Duty, in force since July 2023, largely does not reach commercial finance. Lending to a limited company, including any personal guarantee its directors sign, is not a regulated activity, so the Duty and the usual conduct protections do not apply. The FCA can only reach the smallest slice, sole traders and small partnerships borrowing up to £25,000.

The pressure is building anyway. In December 2023 the FSB filed the first super-complaint of its kind with the FCA over lenders demanding personal guarantees for business loans. The FCA reviewed lender practices through 2024 and confirmed most of the market sits outside its remit, which leaves the standard of care in the broker's hands rather than the regulator's.

FCA, Response to FSB's Super-Complaint on personal guarantees (March 2024); UK Finance, Consumer Duty and commercial finance (2023).

Why a broker should care. *With no regulator setting the bar for most SME lending, the adviser who can show a client the whole picture, plainly, is the one who earns lasting trust and heads off the complaint later. Good advice here is a commercial edge, not a compliance chore.*

The businesses behind the deals

One piece of context sits under all of this. Roughly one in ten UK businesses closed in 2024, a death rate of 9.8%, and only 38.4% of businesses started in 2019 were still trading five years later. Formal company insolvency is rarer, at 52.4 per 10,000 companies, about one in 191, but it captures only the businesses that fail loudly. Most simply stop. A fast, honest read on a company is worth having before the hours go in, because plenty of trouble never shows up in a headline figure.

ONS, Business Demography UK: 2024 (20 Nov 2025); Insolvency Service, Company Insolvency Statistics 2024 (21 Jan 2025).

What this points to

Read the findings together and the same shape appears. A broker's value is real and rising, the rescue work, the diagnosis, the repeat relationships, but the time it takes to deliver is being eaten by fragmentation and fall-through. The practical response is not more effort; it is spending the effort on the right cases, and protecting the client relationship that carries the revenue.

Two capabilities map straight onto that, and multifi is building both into Fi, a tool for brokers.

Finding	The cost to the broker	What Fi does
The fragmentation tax	Two to three hours of criteria-hunting per case	A straight read on any company in seconds, so the sizing and the obvious blockers surface before the hunt
The wasted week	A day and a half to two days a week on dead deals	Fast triage on whether a case is worth working, so the hours go on the ones that complete
The advisory shift	Half of next year's work rides on the client relationship	A plain, client-ready read the broker hands over, protecting adviser standing
The duty-of-care gap	No regulator sets the bar; trust is the broker's to win or lose	A clear, sourced picture of the business, so advice is defensible and honest

Fi is in development; the capabilities above describe its intended use, not a finished product.

The number worth buying

One soft assumption carries the whole wasted-week figure: of the cases a broker actively works, how many complete? A short survey of commercial finance brokers would pin that down cheaply and turn the estimate into primary data multifi owns. The broker forum is the natural first sample. Until then, the honest word for that figure is estimate, and putting it to a room of brokers is the fastest way to sharpen it.

APPENDIX

The figures, in full

Every verified figure used in this report, with its source and date. Modelled figures are excluded here; they are set out with their assumptions in Part Three.

Figure	Source	Date
Challenger & specialist banks: 60% of gross SME bank lending (from 39% in 2012)	British Business Bank, SBFM 2026	Mar 2026
68% of all SME lending from outside the big-five banks	British Business Bank, SBFM 2026	Mar 2026
Gross SME bank lending £68bn, up 9%	British Business Bank, SBFM 2026	Mar 2026
Broker-led SME lending ~£50bn; NACFB members £33bn, up 25%, ~180,000 loans	NACFB Intermediary Market Outlook 2025/26	Feb 2026
Broker-led market £38bn in 2024, 70% (£26.5bn) via NACFB members	NACFB Annual Impact Report 2024	Mar 2025
Brokers ~67% of SME finance transactions; 83% of lenders expanded panels	NACFB Annual Impact Report 2024	Mar 2025
Six lenders considered per deal	NACFB Intermediary Market Outlook 2025/26	Feb 2026
25% of broker clients declined elsewhere first (20% in 2024 report)	NACFB	Feb 2026
25% of clients leave with a different product; 48% of leads returning; 33% expanded services	NACFB Annual Impact Report 2024	Mar 2025
Application success: loans 37%, overdrafts 47%	BVA BDRC SME Finance Monitor Q4 2024	Mar 2025

APPENDIX, CONTINUED

Figure	Source	Date
Success by size: 0 emp 39%, 1–9 54%, 10–49 80%, 50–249 94%	BVA BDRC SME Finance Monitor Q4 2024	Mar 2025
44% of those with a funding need applied; 63% first-time-for-product	BVA BDRC SME Finance Monitor Q4 2024	Mar 2025
Confidence in a future application: 32% (56% in 2019)	BVA BDRC SME Finance Monitor Q4 2024	Mar 2025
79% prefer slow growth to borrowing; 37% inject personal funds; 35% permanent non-borrowers; 5% discouraged	BVA BDRC SME Finance Monitor Q4 2024	Mar 2025
~50% use external finance: credit cards 19%, overdrafts 16%, leasing/HP 13%	British Business Bank, SBFM 2026	Mar 2026
71% of brokers say mainstream banks are pulling back; 67% recommend alternatives over £100k	iwoca SME Expert Index Q1–Q2 2025	2025
Business death rate 9.8%; five-year survival 38.4%	ONS Business Demography UK 2024	Nov 2025
Company insolvency rate 52.4 per 10,000 (1 in 191)	Insolvency Service	Jan 2025
Most commercial/limited-company lending sits outside FCA Consumer Duty; FSB super-complaint on PGs	FCA response to FSB super-complaint	Mar 2024

Sources

- **NACFB, Intermediary Market Outlook 2025/26** (24 Feb 2026): £33bn member origination, up 25%, ~180,000 loans, ~£50bn total broker-led market, six lenders per deal, 25% of clients declined elsewhere.
- **NACFB, Annual Impact Report 2024** (10 Mar 2025): £38bn broker-led market, 70% via members, brokers ~67% of SME finance transactions, 25% different product, 48% returning-client leads, 33% expanded services.
- **British Business Bank, Small Business Finance Markets Report 2026** (17 Mar 2026): challenger/specialist 60% of gross SME bank lending, 68% outside the big five, gross lending £68bn (+9%), product mix.
- **BVA BDRC, SME Finance Monitor Q4 2024** (Mar 2025): application success, success by firm size, demand and confidence measures.
- **iwoca, SME Expert Index Q1–Q2 2025; ONS, Business Demography UK 2024; Insolvency Service, Company Insolvency Statistics 2024; FCA, Response to the FSB Super-Complaint** (Mar 2024).
- **Modelling:** multif, on the assumptions set out in Part Three. Modelled figures are labelled throughout and are estimates, not measured data.

Prepared for multif, September 2026. Verified figures are cited; modelled figures are labelled and derived from stated assumptions.