

TRANSCRIPT of MALG Podcast Episode 12: ‘The link between small businesses and household finances – Why we should be talking about the ‘cost of doing business crisis’ with Liz Barclay

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Hi and welcome back to the Money Advice Liaison Group podcast,

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working together to improve the lives of people in debt.

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I'm Helen Gill, founding director of marketing communications consultancy Engage Comms

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and host of the MALG podcast.

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If you work in any capacity across the debt landscape in the UK,

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listen in during your lunch break, on your commute or whenever you have some

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downtime for inspiring insights into how collaboration and working smarter can

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overcome the barriers to a fairer, better system for those in financial difficulty.

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At the recent Money Advice Liaison Group Conference 2025 in Leeds,

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MALG CEO Bob Winnington took to the stage with former MALG chair Liz Barclay

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for our first ever live podcast.

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This episode is just a snapshot of what he talked about with the former UK Small

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Business Commissioner and now Small Business and Entrepreneurship Lead at the

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Institute of Directors.

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We've captured Liz's key insights into why those working to improve the lives

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of people in debt should be concerned not just about household finances but

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about the health of the nation's small businesses.

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Liz warns that while we've been talking about the cost of living crisis we may

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have overlooked an even more important crisis; the cost of doing business.

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So if you weren't able to join us for the whole thing here are the highlights.=

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Quick disclaimer, this was our first time recording a podcast live and there

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are some sound issues so we'd recommend listening with the subtitles on if you can.

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Hello, Liz. Lovely to see you again. Liz and I have known one another for,

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well, we worked out the other day, we'll call it 15 years.

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That's give or take, isn't it, really?

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Which obviously, given I've been at MALG for 10 years, and you started at MALG

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as the Chair roughly the same time that I started, means that we knew one another before.

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We started this escapade with MALG - don't give anything away -

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well no no no I won't give

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anything away no no no but I'm absolutely

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delighted as with a couple of guest speakers today

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your selection for the live podcast was

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no random selection because I'm delighted

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that we've finally caught up with you to do a podcast and I think you know to

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start with tell me a bit about what happened when you left MALG because you actually

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timed your departure for MALG extremely well because it was immediately due

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to the pandemic or before the pandemic.

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So that was perfect timing in many ways. But you moved on to be the Small Business

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Commissioner and now, and I have to read this because it's a mouthful,

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Small Business and Entrepreneurship

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Lead at the Institute of Directors. So you've got a name badge about a foot

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wide. Why is that a particular passion for you?

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Small businesses have always been a passion. I think you probably know because

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when we met, around about 15 years ago, you'd been working in customer service

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And you knew me that I had a background in small business,

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personal finance and consumer affairs, journalism, broadcasting.

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And I think that's where we met because I think someone at the BBC decided it would be

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a good idea if we met for whatever reason.

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Somebody thought it was a good idea for some random reason.

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You know I've always been passionate about small businesses.

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I suppose that comes from growing up in a small business

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environment - my parents were

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farmers, my grandfather was a house builder and

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for me, it was a question of when am I going to run my own business?

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When am I going into work for myself? It's hard, very, very hard,

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but it's very rewarding.

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And for those of you who do run small businesses, you'll know that it gives you flexibility.

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I think how the interface is, is between something like Business Debtline,

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with which I have been associated for many many years, was an ambassador for

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before I had to stand down, having taken on the Commissioner role.

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But there is a real strong interface there, because small businesses are run

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on a margin that is very, very tight and

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when times get tough, as they are now.

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Well I think that, we talked about cost of living crisis,

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but we haven't talked about the cost of doing business crisis and they're all so

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inter-linked with their own finances that it's really, really important

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that we don't negate it.

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And half of the members of the Institute of Directors are small businesses,

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which might surprise you because most people think we're only there to

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help directors of big businesses but that is not the case.

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No, absolutely. And there are just so many small businesses.

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Bob, we have got about 5.7 million businesses in the UK.

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Around about 8,000 are large businesses with more than 250 employees.

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There's about 38,000 medium-sized businesses with between 50 and 250.

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And the rest of them are small and micros.

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If you can't do business and you can't bring a salary into the house and if you haven't got a salary coming into the house you can't pay household bills.

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What is the impact of the small business sector on the financial health and

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well-being of individuals?

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Because that's who they are. At Citizens Advice I was a money adviser

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and I realised very early on that most of the people coming through my doors

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for my advice were individuals with small businesses.

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They were freelancers, they were

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sole traders, and their household finances and their

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business finances were inextricably linked in a lot of cases.

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To the point where we reckon that 1.2 million small businesses operating

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in the UK don't have a business bank accounts.

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Right. Now, it's hard to open a business bank account.

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It takes quite a long time. You can go along and get it open faster by one of the

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challengers, but it doesn't give them access to the same level of advice

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as they might get if they were a business account holder with one of the bigger banks.

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But it takes so long to open with a bigger bank that you take the other course of action.

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And we really need to see better support for small businesses, whatever size they are and stage they're at.

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It is really difficult. This is why I say language is so important.

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The cost of doing business didn't get talked about, the cost of living got talked about.

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But I think at a certain level, politicians didn't realise the impact on business of,

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you know, they hear from individual businesses and lobby groups and small business organisations, they hear,

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but they're not there seeing the results of it.

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So they're not realising that businesses don't all have deep enough pockets to keep them

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going, to tide them over those times when times are really tough.

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We used to say at Business Debtline, small businesses who come to Business

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Debtline are often one electricity bill away from failure.

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And if they fail, they're going to take the household with them. Yeah,

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and I think linking in with that, I remember, I can't remember whether I heard

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you say it or whether I read something where you said that better directors

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means better businesses means a better world.

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So what did you mean by that? The IoD says beter directors means a better world.

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Right. You added in the bit in the middle. I think if you haven't been to the Institute

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of Directors website to see what they can do for you if you're a small

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business in this room, then it's worth having a look.

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Because lots of people just don't realise what responsibilities are on them.

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And there's also a brilliant Institute of Directors Code of Conduct for Directors.

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Yeah. That one I find really useful because it will make you think about how you

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are running your business.

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And if you're thinking about how you are running that business, then you're likely

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to run a better business.

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Yes, you're still passionate about what you do, but it'll give you more

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of an insight into running a business better. What are your financial responsibilities?

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What would you say is the biggest challenge facing small businesses today?

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I would say the cost of doing business is the biggest crisis we've got

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because you're looking at business rates,

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you're looking at the minimum wage, the living wage, the national insurance contributions and

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I think that those small businesses who are

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saying that they're going to shut up shop or have already shut up shop will

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add all those figures up and say we can't hire and

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without hiring, we can't deliver.

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We can't get the skills, we can't pay for the skills even if we could get them.

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And therefore, we can't deliver. So if you're a small business and you've got

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two new contracts, yes, it's a wonderful situation, but you've got to be able

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to deliver those contracts.

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And if you can't get paid on time, you can't get money coming in,

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you can't borrow because you're not ready to be lent to, you're going to have to

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turn down that opportunity to take on those two contracts because

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you don't have the skills to deliver them and you can't pay them.

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Then, you know, you just cannot do that.

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So there's for me there's that perfect storm at the moment.

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I think the biggest challenge is making policymakers understand this,

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to be truthful, because to a certain

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extent, if there is the word business in the title,

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it makes people think that pockets are deep. Thank you for joining us for the

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first live MALG podcast. How could I not be here for 10 years on and also the fact

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that you, Bob, are here for your last conference,

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I couldn't not be here. Thank you, Liz. Really appreciate it and hopefully you

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can join us for the rest of the day.

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Excellent. Thank you.

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Thank you to everyone who's listened to and supported the MALG podcast so far.

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about working together to improve the lives of people in debt so that we can

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keep bringing them to you every month.

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