

money & business

CONSUMER

People holding on to cash, says FCA

Many consumers are holding money in cash that could instead be invested to provide potentially higher returns, according to the City regulator. Some have not sought or received the assistance with their finances that would help them to make better investment decisions, the Financial Conduct Authority said.

ECONOMY

Bank told to look for missing £50bn

The Bank of England should investigate where around £50bn of "missing" banknotes is "stashed", a committee monitoring the effectiveness of public spending has said. The Public Accounts Committee said that the Bank has been behind the curve in ensuring access to cash for consumers and businesses.

INVESTMENTS

Fund invests £1.4m in Noveltea

British alcoholic tea brand Noveltea has been handed a £1.4m investment from the North East Venture Fund to expand its operations. The founders, Vincent Efferoth and Lukas Passia, first appeared on BBC TV series *Dragons' Den* in 2018. They ended up rejecting offers from three of the dragons.

TECHNOLOGY

Revolut launches digital pay service

Fintech start-up Revolut has launched a new service allowing businesses in 13 European countries to accept online card payments. The new product, known as merchant acquiring, pits Revolut against fast-growing incumbent digital payment providers Stripe and Adyen. The digital payments sector is booming partly because of coronavirus.

CONSUMER

Amid the gloom, a boom in new small businesses

While much of the economy has been devastated by Covid-19, brave entrepreneurs are embracing the challenge. By **Chris Newlands**

Records continue to be broken for all the wrong reasons when it comes to the UK economy. As a result of Covid-19, more than 2.6 million people are forecast to be out of work by the middle of next year, Chancellor Rishi Sunak expects Britain's economy to shrink by 11.3 per cent in 2020 – the largest fall for more than 300 years – and a host of Britain's biggest companies and best-known high street names have been lining up to announce painful and far-reaching job cuts.

An unexpected quirk of the pandemic, however, is that record numbers of people are setting up businesses on their own. According to analysis by the Centre for Entrepreneurs, nearly half a million companies were launched in the UK between March and September this year, an increase of 44,500 compared to the same period in 2019.

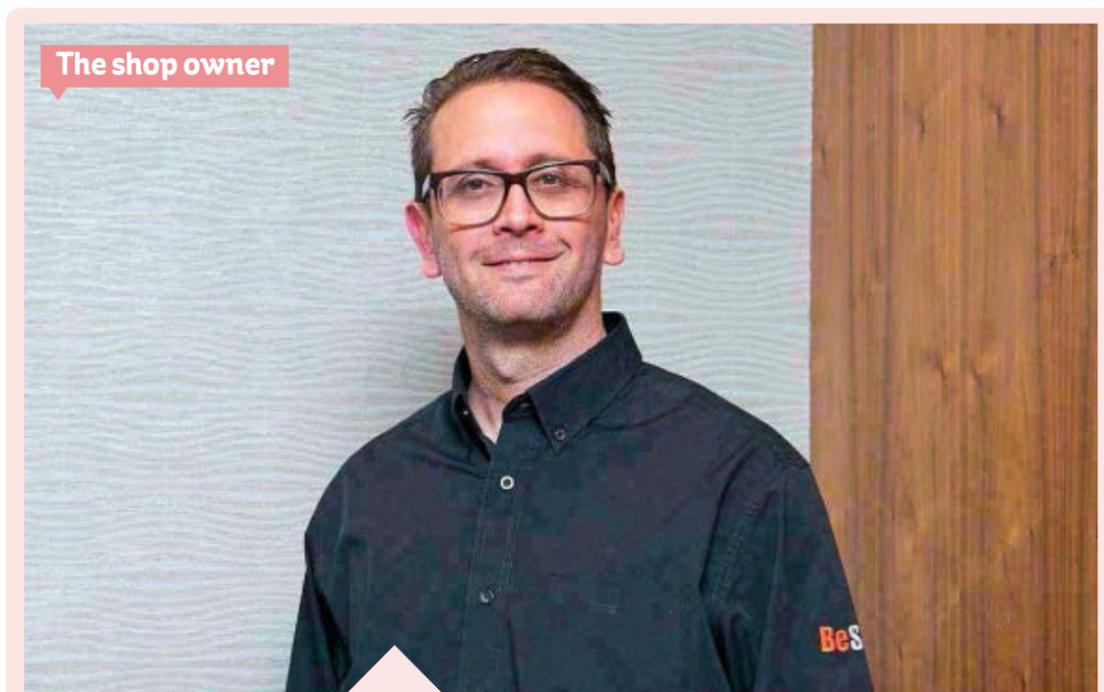
Toby Harper, the chief executive of Harper James Solicitors, which has helped a number of new businesses come to market, says entrepreneurs are being "spurred on by the challenging conditions rather than put off". Mr Harper told **i**: "Although the past year has thrown up tremendous challenges, it has also provided new opportunities. Many tech and online businesses have been able to solve problems created by the pandemic which, in some cases, has led to dramatic growth.

Seizing the opportunity

"Many people setting up have lost jobs or had to move on from a position due to the financial impact of Covid-19. For them this period may be the perfect moment to launch a business they may have been planning for many, many years."

Dash Tabor (*inset*), from London, registered her company, Tubr, which advises people on the best time to travel in order to avoid congestion, in April.

She said: "Pre-Covid, I found travelling by Tube to be very uncomfortable. I dreaded my commute, so I started to wonder why isn't data solving this problem for us? Why isn't there an app for that? I decided 2020 was my year to make this happen and started market research in January. By March I



The shop owner

'The risks of opening a new business are always high'

MICHELE INCENDIARIO is in the process of setting up Planned Chaos, which will sell mother and baby products. He will open his first store in London this year.

"We emigrated recently from South Africa and believe there's an opportunity for growth even during these uncertain times. The biggest challenge has been

uncertainty. We can't make plans. We have less control over our business risk, as most of it is down to external factors.

"I think we have more freedom to try new ideas and shape new business models. As an example, working from home was once seen as a luxury: now it is a necessity.

"Where we might have followed a tried and tested path with a new

business, we now face the prospect that some change has to be factored in to find success. I believe the risks of opening a business have always been high. Especially if it's your first. My advice would be the same as if there were no pandemic: do your research. Ask questions. Don't overextend your financial commitment. Be patient. Have passion and stay committed."

realised the app was now a necessity and not just a nice thing that helped avoid an uncomfortable morning commute."

She admits that launching during the pandemic has been hard. She said: "In the beginning I had great responses on LinkedIn, but now with so many people looking for jobs, starting their own businesses and working from home, I've found that access to the right people has got harder."

Ed Maclean co-founded his company Econsca, which is aimed at

helping firms better understand the environmental impact of their businesses, in May.

He told **i** that setting up on his own had always been a long-term goal, but one that got fast-tracked because of the pandemic. "My co-founder and I were in the same position: I was on furlough and his consulting business had taken a big hit," he said. "That initial finance cushion was definitely a once-in-a-lifetime chance to have the space to start something."

The Centre for Entrepreneurs said the jump in new business launches shows evidence of what it calls an "emerging Covid economy", with marked increases in companies dealing with disinfecting services (a 400 per cent rise), the production of workwear (a 227 per cent jump) and the manufacture of cleaning products (up 178 per cent).

Oliver Pawle, chairman of the association, said: "With many businesses set to close, and unemployment rising, it is entrepreneurs that will drive Britain's much-needed economic recovery and create new jobs."

