



NOVEMBER 2025

# Quarterly Snapshot Company Turnaround in the UK

This quarterly update from The Institute for Turnaround covers activity in the turnaround and restructuring sector, as well as levels of business distress and key business pressures. The update includes an analysis of company data provided by FRP Advisory<sup>1</sup> and information from a survey of IFT partners.

**Adapt. Transform. Succeed.**

2025  
Q3

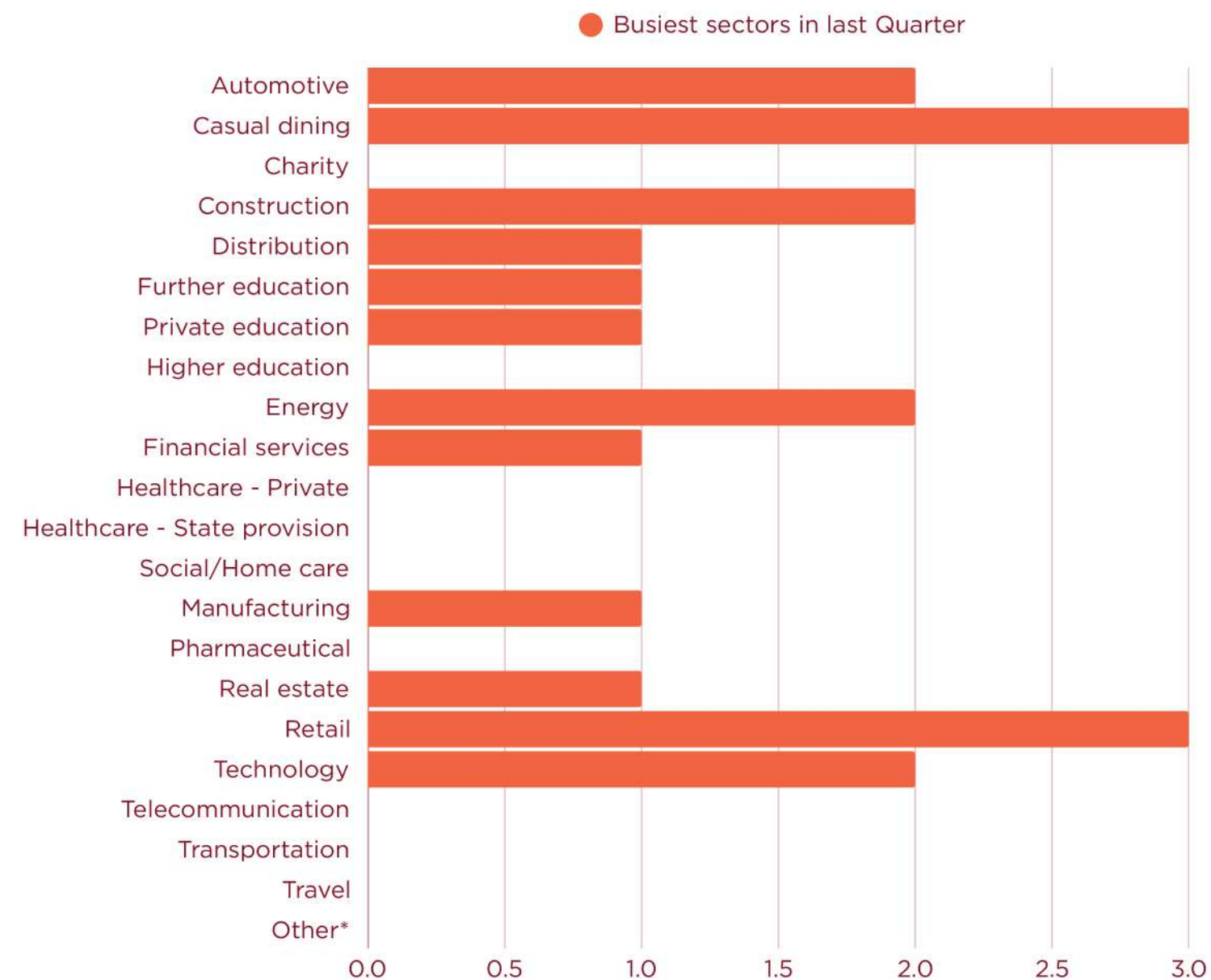
# Headline Summary

IFT survey data showed a mixed picture for turnaround and restructuring activity in Q3 2025. Half of survey respondents were busier in Q3 than in Q2, with the rest seeing about the same level of activity<sup>2</sup>.

The busiest sectors for IFT partners in terms of turnaround and restructuring activity in Q3 2025 were jointly retail and casual dining, noted as busy by 50% of respondents. These were followed jointly by the automotive, construction, energy and technology sectors, referenced by a third of respondents.

Common themes or reasons for business distress in Q3 cited by IFT partners were led by inflationary pressures (cited by 67%), followed by the cost of servicing debt and depletion of working capital (cited by a third of respondents).

## Which sector has been the busiest in the last quarter?



1 Quarterly figures are provisional and are likely to be subject to revision in later quarters.

2 Due to rounding figures may not total 100% exactly.

## Context

According to FRP Advisory data, across all UK regions in Q3 2025 there were 5943 insolvencies. This represented a fall of 11% compared to the Q2 2025 figure (revised figure of 6669), continuing a downward trend in insolvencies over the last year.

Interestingly, there was also a very small decrease in numbers of distressed companies in the FRP data to 184,544 for Q3 2025, a 0.7% decrease on the Q2 figure of 185,851, though broadly we can say that distress remained running at a similar level.

The Insolvency Service statistics for September 2025 (after seasonal adjustment) showed 2,000 registered company insolvencies in England and Wales, broadly similar to August 2025 (2,046) and to September 2024 (1,967)<sup>3</sup>.

## Where is distress focused?

Construction, accommodation and food service activities and administrative and support service activities remained the sectors with the highest number of insolvencies for Q3 2025, as has been the case throughout 2025. Construction and professional, scientific and technical activities<sup>4</sup> remained the top two distressed sectors (as in Q1 2025); with real estate remaining the third-most distressed sector as it had been in Q2, which may be reflecting a difficult debt and market environment in both supply and demand terms for this sector. For Q3 the North West region continued to show the most insolvencies and the South-East the highest number of companies in distress.

## Top 10 sectors for companies in distress



Source: FRP Advisory analysis

<sup>3</sup> [Commentary - Company Insolvency Statistics September 2025 - GOV.UK](#)

<sup>4</sup> Including businesses involved in law, consultancy, architecture, engineering, research and veterinary activities.

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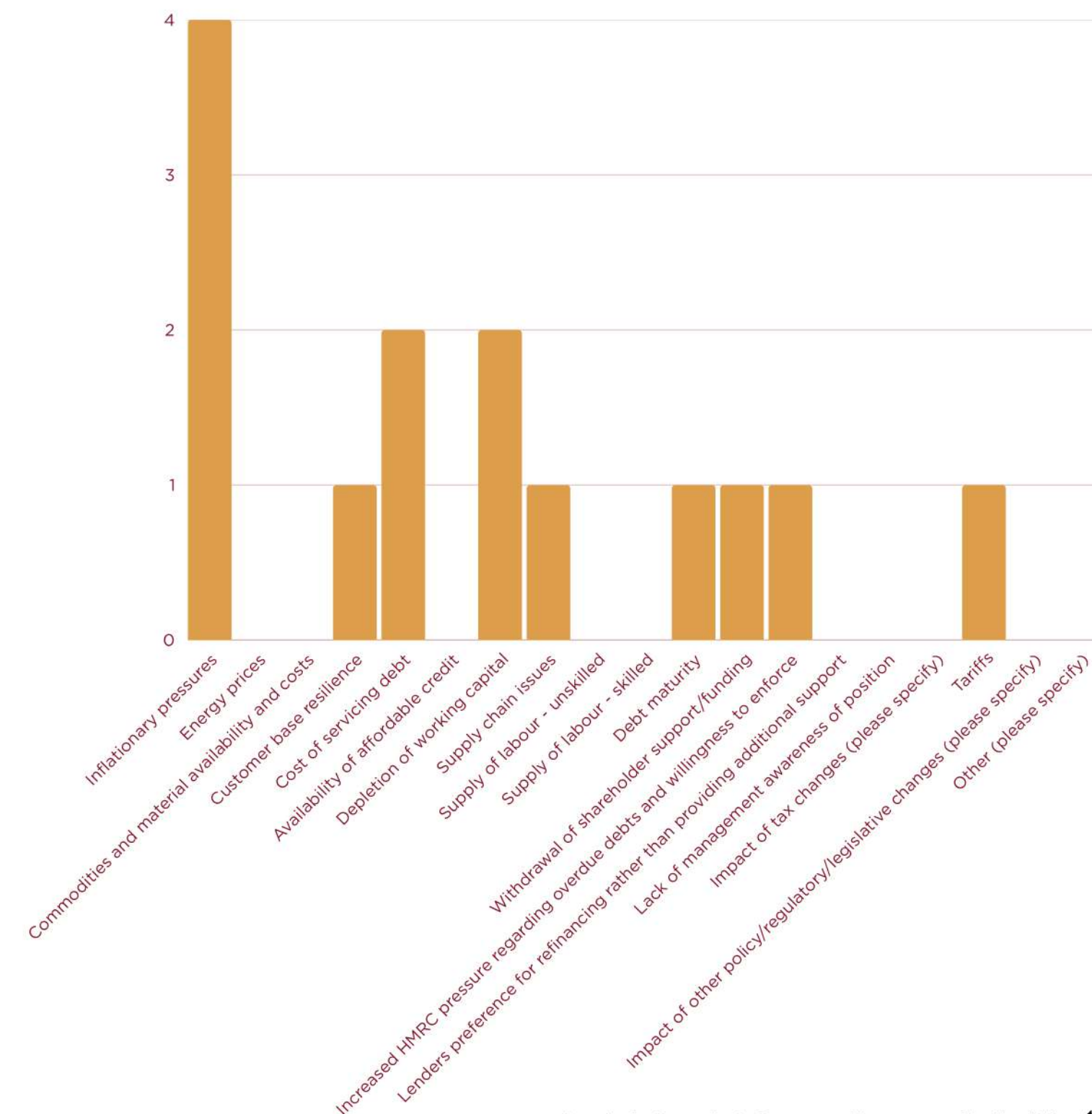
## Demand for turnaround expertise

50% of IFT survey respondents saw an increase in turnaround/restructuring activity in the quarter, and the rest about the same level.

The jump in demand for turnaround and restructuring support from consumer-facing sectors like retail and casual dining may show businesses seeking to manage the impact of ongoing cost-of-living pressures and policy uncertainty weighing on consumer demand.

We can also see the ongoing impact of demand pressures, supply chain volatility and inflationary issues in continuing demand from the energy and construction sectors, with the widely publicised cyber-attack on Jaguar Land Rover also potentially motivating more turnaround activity in the automotive sector.

## Are there any common reasons or themes across your engagements in each sector?



# In Conclusion

Q3 of 2025 saw disappointing growth figures of 0.1% for UK GDP, increased inflation and was largely overshadowed by the Budget. When asked for additional comments as to what they are seeing in the market, half of our IFT partners respondents highlighted the business focus in Q3 being on the decisions from the upcoming Budget, giving the quarter a somewhat “wait and see” feel. With the Budget now delivered and with a series of smaller tax rises rather than fewer, larger increases as was expected in recent months, it will be interesting to see how various sectors respond over Q4 and into 2026.