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New franchise numbers remained high through 2020

Economic uncertainty and the pandemic didn't reduce interest in new franchises during 2020, according to data from HSBC UK.

From January to September HSBC UK's Franchise team took on 834 new customers, just short of the 894 new accounts in the same period of 2019 and comfortably exceeding the 727 new customers in 2018.

Food delivery, the storage sector, business technology, care in the home and tutoring were among the most popular new franchises started during 2020.

Fast-food franchises in particular adapted quickly during the first lockdown by pivoting to offer drive-thru, delivery and Covid-secure collection. The major brands saw huge demand and all have experienced like for like sale increases on the previous 12 months.

Andrew Brattesani, Head of Franchise for HSBC UK, believes the stability of new customer numbers can be put down to a combination of furlough giving people more time to consider their career aspirations, economic uncertainty putting jobs at risk and people wanting to take control of their own careers.

He said: "Despite the huge economic challenges that businesses faced through the course of 2020 we haven't seen interest in new franchises dwindle.

"Through the uncertainty there have been opportunities and we've seen examples of people having more time to assess their options and look to franchising as a way to start their own business, be their own boss and find growth.

"Even with the unprecedented disruption, franchising is booming. Having the benefit of a proven business model behind them has given people the confidence to take these new opportunities and run with them and we don't expect that to change."

HSBC UK customer Gbolahan Laoshe from London took the opportunity to change his career and start a franchise during the pandemic.

He had been working for a financial services company in London, but after a couple of months in lockdown found his contracted hours reduced, giving him more time to consider his future career aspirations.

Gbolahan explains: "I'd previously looked into starting a franchise but hadn't taken the idea forward until things changed with my day job early in lockdown.

“The pandemic expedited my thinking and I got back in touch with Driver Hire, who I had spoken to previously, to see if there was still an opportunity there for a franchise in Bedford and Huntingdon.”

Gbolahan went to private school in the UK before moving to Nigeria for university to study law, he then took over the family haulage business which he ran for seven years.

He returned to the UK where he settled with his family and worked in IT, but always had the desire to start his own business.

He said: “Going out on my own felt scary and that’s why I looked at the option of franchising and got in touch with the British Franchise Association (bfa) and spoke to a number of franchisees to understand their experiences.”

In October Gbolahan joined the Driver Hire ranks. The company is the UK’s largest specialist logistics recruiter with more than 100 offices and offers a full range of recruitment services.

He added: “Some people might think it’s mad to start a business during a pandemic but as a famous author once said ‘every adversity has the seed of an equivalent or greater benefit’.”

“In uncertainties there are opportunities and while it’s daunting every day I love the challenge. I wake up each day with a desire to make things happen.”

HSBC UK has an award winning franchise team who have been providing financial support, advice and expertise to both franchisors and franchisees for decades.

The bank works closely with the bfa and its members to encourage successful and ethical franchising

To find out more about the support on offer visit www.business.hsbc.uk/franchising

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