

# Deloitte CFO Survey Q3 2026

## Geopolitics looms large

Chief Financial Officers of the UK’s largest businesses continue to rate geopolitics as the biggest risk facing their firms. It has now consistently topped their risk list for more than three years.

The latest Deloitte CFO Survey was conducted between 17th September and 1st October – a period marked by escalations in the US-Iran conflict, with Houthi attacks on Saudi Arabian cities and oil installations, and growing speculation over a US ban on diesel exports. The price of crude oil averaged over \$100 a barrel during the period, adding to concerns over inflationary pressures and further monetary tightening.

CFO perceptions of risk mirror these developments, with the prospect of further interest rate rises and higher energy prices ranked as the second and third biggest risks to businesses.

CFOs have revised their own inflation and interest rate expectations upwards. They now

expect inflation to be at 3.4% in a year’s time, up from 3% in the last edition of the survey. They also expect Bank Rate to be 4% in a year’s time, up from 3.75% now. This is in sharp contrast to expectations of a cut in rates in the earlier edition of the survey. Tighter financing conditions are reflected in their assessment of the cost of credit for their own businesses, which has risen to a two-and-a-half-year high.

Given the challenging backdrop, CFOs maintain a defensive strategy stance. They have sharpened their focus on cost reduction, which remains the top priority. By contrast, they are placing less emphasis on expansionary strategies such as introducing new products or services and expanding by acquisition.

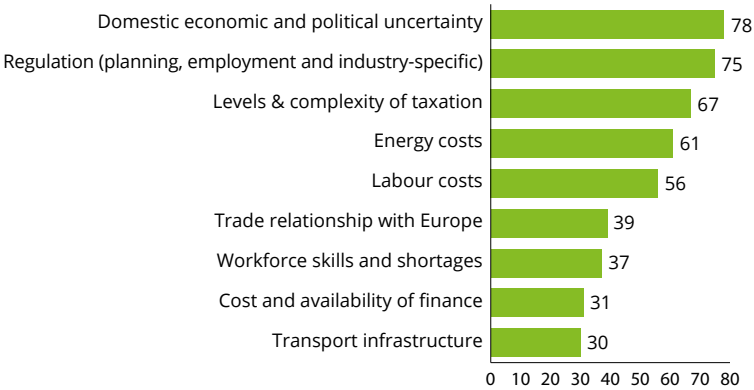
With poor productivity in the UK another persistent concern of CFOs, this quarter we asked them to assess the different factors that may be limiting the UK’s competitiveness. They rated

domestic economic and political uncertainty as the top constraint. That seems to reflect a decade of leadership turnovers, growing political fragmentation and near-constant speculation over tax policy changes.

Regulation and taxation were rated as the second and third biggest constraints, followed by energy and labour costs. The top five factors ranked well above the trade relationship with Europe, workforce skills and shortages, and transport infrastructure as limitations to competitiveness.

In this edition of the survey, we also asked CFOs to rate where their businesses were in their AI adoption journeys. More than two-thirds assess their firms to be a quarter of the way towards realising the change they expect AI to ultimately deliver, suggesting the vast majority are still in early stages of adoption. Yet, they expect significant short-term business impacts. On balance, CFOs foresee a reduction in headcount and operating costs and an improvement in margins and revenue over the next twelve months due to the adoption of AI.

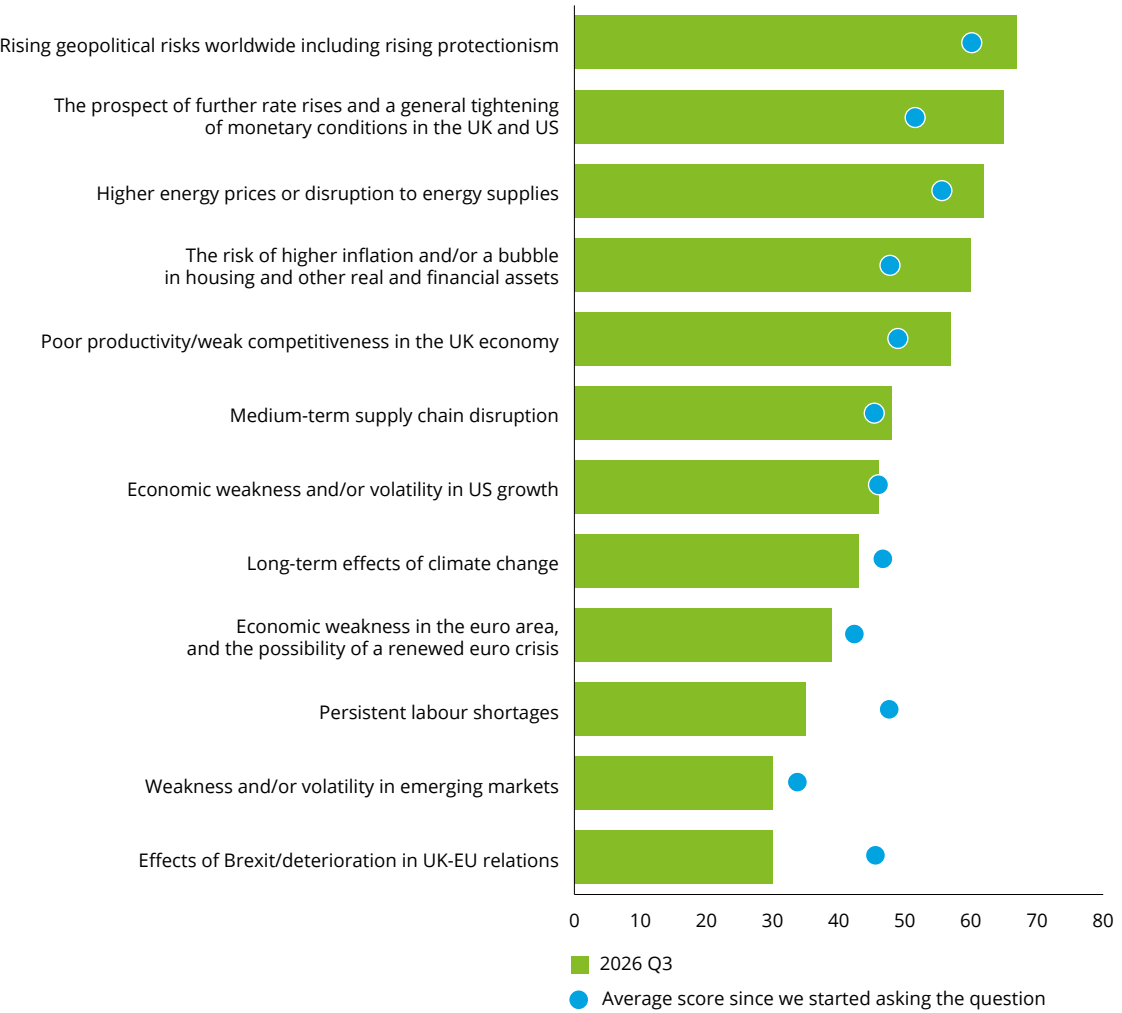
**Chart 1. Constraints on UK competitiveness**  
Weighted average ratings on a scale of 0-100 where 0 stands for not a constraint and 100 stands for a significant constraint



With the ongoing military and trade conflicts, geopolitics has emerged as the persistent business risk of this decade. Without a meaningful resolution to the Strait of Hormuz crisis in sight, CFOs are hunkering down for a period of elevated uncertainty, continued cost pressures and tighter financing conditions.

# Worries over geopolitics, rate rises and inflation

**Chart 2. Risk to business posed by the following factors**  
Weighted average ratings on a scale of 0-100 where 0 stands for no risk and 100 stands for the highest possible risk



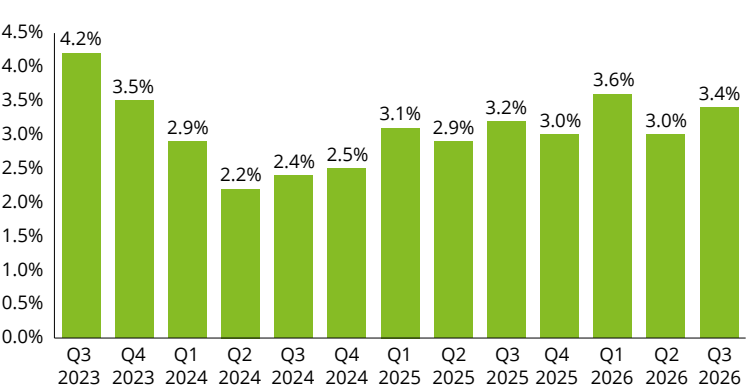
CFOs continue to rate rising geopolitical risks worldwide as the top external uncertainty facing their businesses, as has been the case for 17 of the last 19 quarters. In keeping with findings elsewhere in the survey, they also report increased concerns about the impact of higher inflation, energy costs and the potential for further rate rises in the UK and US. Worries over poor productivity and competitiveness in the UK rank fifth, with a rating well above its long-term average of 49 points.

# Credit squeeze

CFOs now expect inflation to be at 3.4% in a year's time, up from 3% in the last edition of the survey.

Expectations for inflation in two years' time now stand at 2.6%, up from 2.5%.

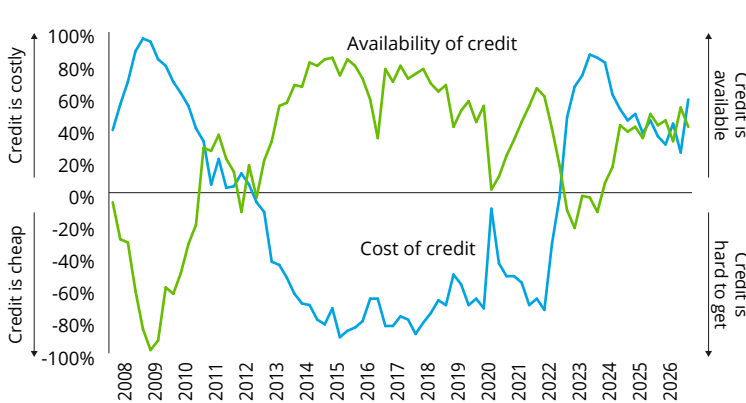
**Chart 3. Inflation expectations**  
CFOs' median expectation for inflation in one year's time



CFOs assess credit costs for corporates to have risen to the highest level in two and a half years, the sharpest increase since the summer of 2022.

Credit availability remains well above recent lows seen in 2023.

**Chart 4. Cost and availability of credit**  
Net % of CFOs reporting credit is costly and credit is available



Market expectations for short-term interest rates have risen over the quarter and now imply that the Bank of England will hike its policy rate by one percentage point by the end of 2027, to 4.75%.

CFOs have also revised up their interest rate expectations, though less sharply, and now expect that Bank Rate will stand at 4.0% 12 months from now.

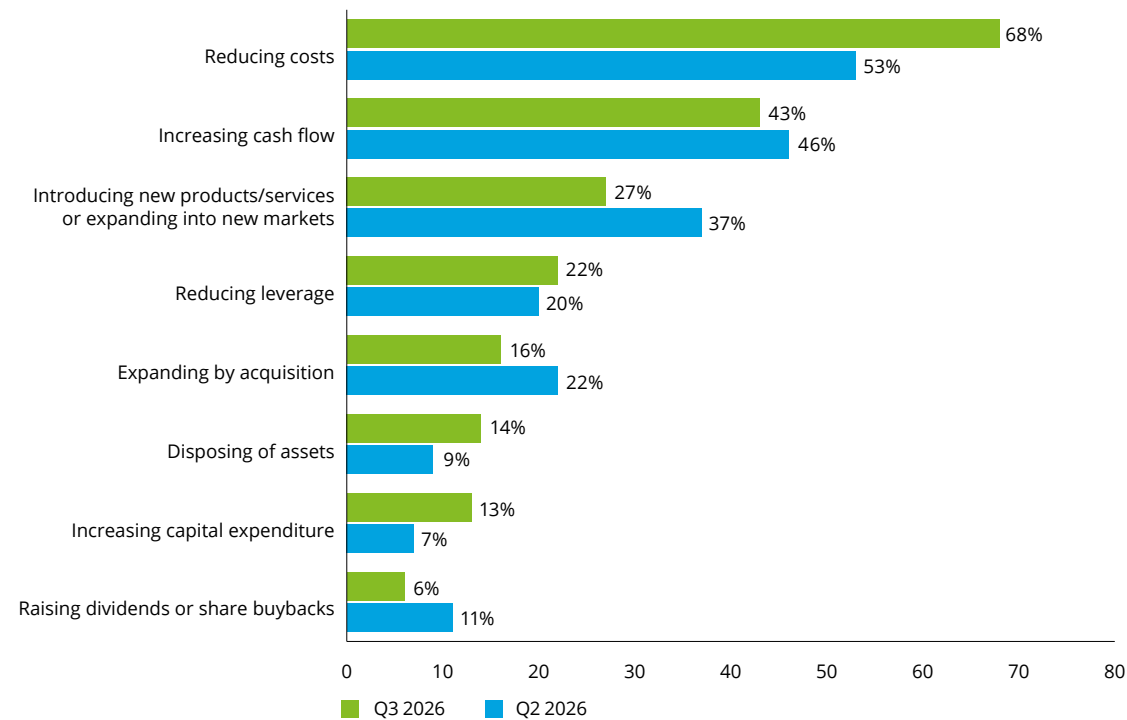
**Chart 5. Market interest rate expectations**  
3-month SONIA futures, December 2027 contract



Source: LSEG

# Renewed focus on cost

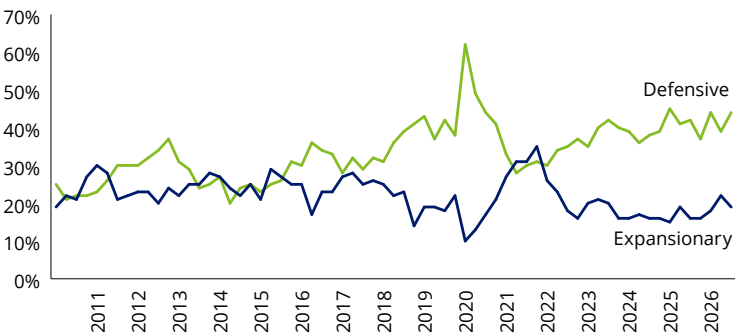
**Chart 6. Corporate priorities in the next 12 months**  
% of CFOs who rate each of the following as a strong priority for their business in the next 12 months



CFOs have sharpened their focus on cost reduction which remains the top priority. Increasing cash flow remains their second highest priority. They are placing lesser emphasis on introducing new products/services and expanding into new markets.

Overall, this survey points to a modest tilt back towards defensive strategies.

**Chart 7. Expansionary and defensive strategies\***  
Arithmetic average of the % of CFOs who rate expansionary and defensive strategies as a strong priority for their business in the next 12 months

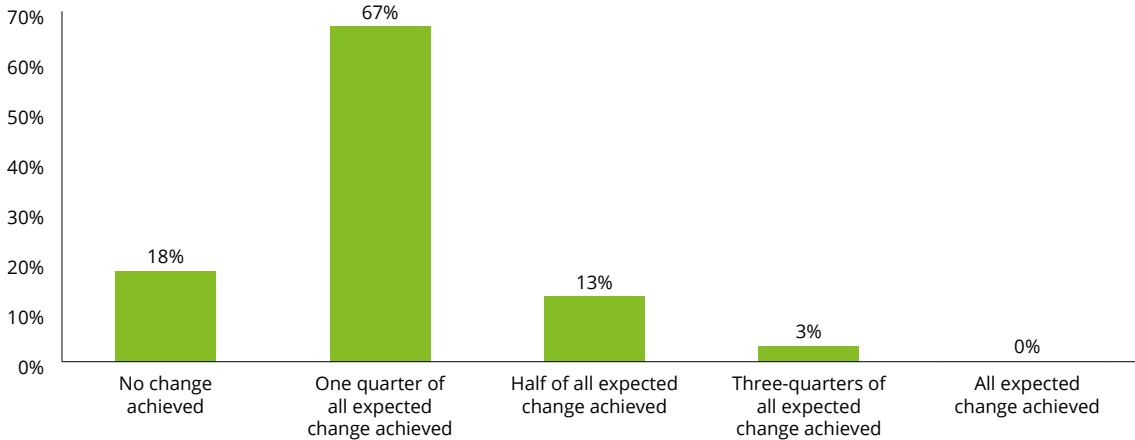


\* Expansionary strategies are introducing new products/services or expanding into new markets, expanding by acquisition and increasing capital expenditure. Defensive strategies are reducing costs, reducing leverage and increasing cash flow.

# AI to boost margins but cut headcount

**Chart 8. AI adoption**

CFO's assessment of how far their business has progressed towards the level of change from AI that they ultimately expect

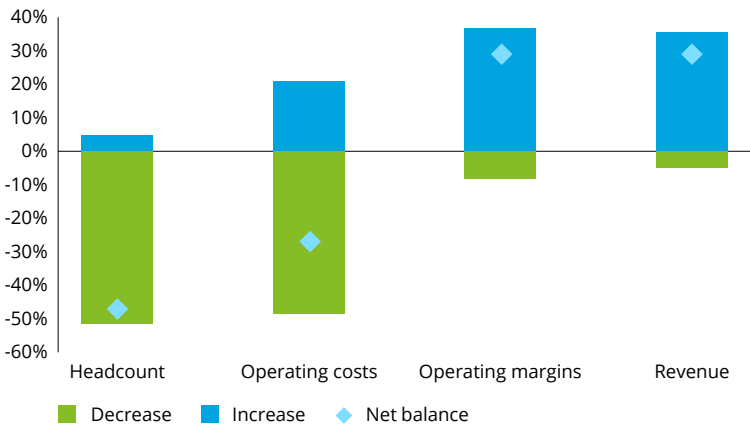


Two-thirds of CFOs assess their firms to be around a quarter of the way towards realising the change they expect AI to ultimately deliver, while just 3% believe they have achieved most or all of the expected change, suggesting the vast majority are still in the early stages of adoption.

CFOs expect significant short-term business impacts from their adoption of AI. On balance, they foresee a reduction in headcount and operating costs and an improvement in margins and revenue over the next twelve months.

**Chart 9. AI impacts**

% of CFOs who expect their business's adoption of AI over the next 12 months to increase or decrease the following in their own business



# Confidence slips

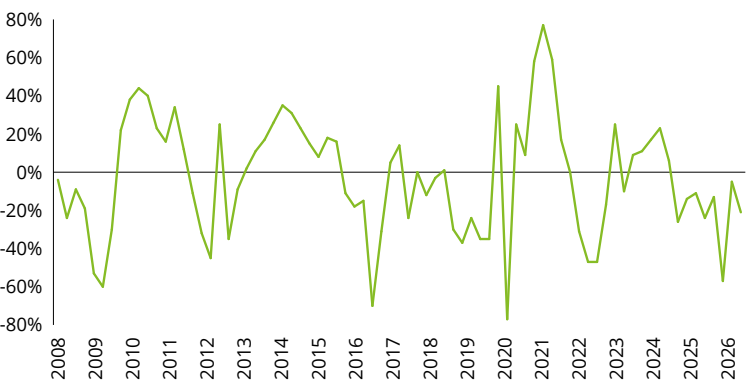
CFOs' perceptions of external financial and economic uncertainty edged up over the quarter, with a majority now rating it as high or very high.

**Chart 10. Uncertainty**  
% of CFOs who rate the level of external financial and economic uncertainty facing their business as high or very high



CFOs have become slightly more pessimistic about the financial prospects of their businesses over the past three months.

**Chart 11. Optimism**  
Net % of CFOs who are more optimistic about the financial prospects of their business than three months ago



CFOs remain cautious about taking on greater balance-sheet risk, with risk appetite running below its long-term average.

**Chart 12. Corporate risk appetite**  
% of CFOs who think this is a good time to take greater risk onto their balance sheets

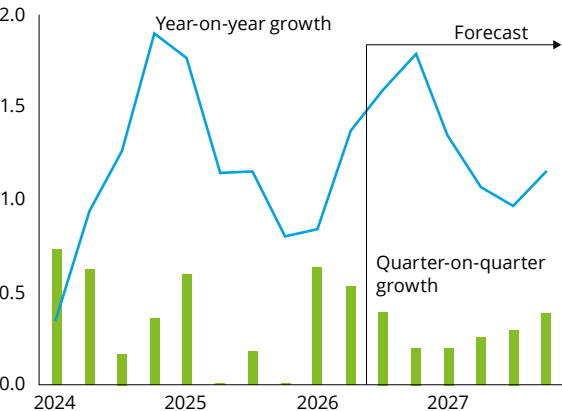


# CFO Survey: Economic and financial context

## The macroeconomic backdrop to the Deloitte CFO Survey Q3 2026

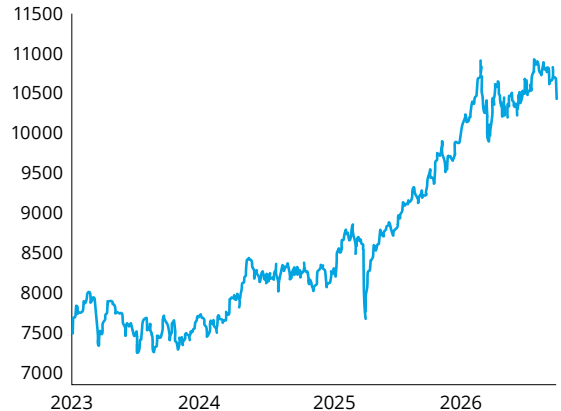
Conflict between the US and Iran re-escalated throughout the third quarter following the collapse of the ceasefire agreement in June. Oil prices subsequently returned to over \$100/b for much of September with constraints in global refining capacity pushing the price of distillates such as diesel up further. Higher energy prices drove inflation across the EU to 3.8% in the year to September. UK inflation increased to 3.1% in August and is expected to continue rising as higher energy prices feed through to household energy bills. The US Federal Reserve and European Central Bank increased interest rates, by 0.25 percentage points and 0.5 percentage points, respectively, amid higher prices. The Bank of England has yet to tighten monetary policy this year as it balances inflationary pressures against a slowing labour market. Inflationary pressures and fiscal sustainability concerns have led to higher bond yields globally, adding pressure to government finances. Despite the disruption, global economic activity has remained resilient. Purchasing managers' indices indicated a pickup in activity across the US, UK and EU in the third quarter, while the OECD forecast the global economy to grow at 2.9% this year, only a modest slowdown from 2025. The AI infrastructure buildout has become a significant contributor to growth, but the growing use of debt financing increases risks if there is a sudden shift in sentiment. Andy Burnham replaced Keir Starmer as UK prime minister in July. John Healey, former defence secretary and now chancellor, will deliver his first budget later this month.

UK GDP growth: Actual and forecast (%)



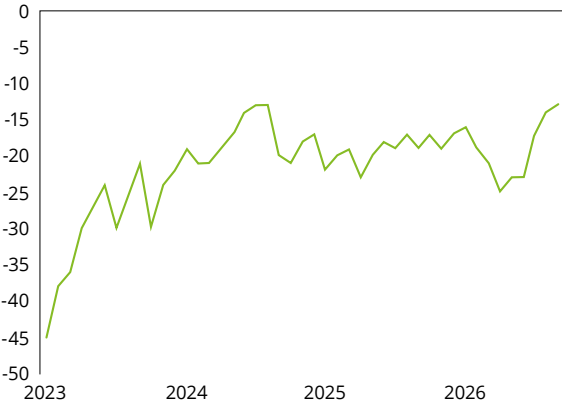
Source: LSEG Datastream, Deloitte calculations

FTSE 100 price index



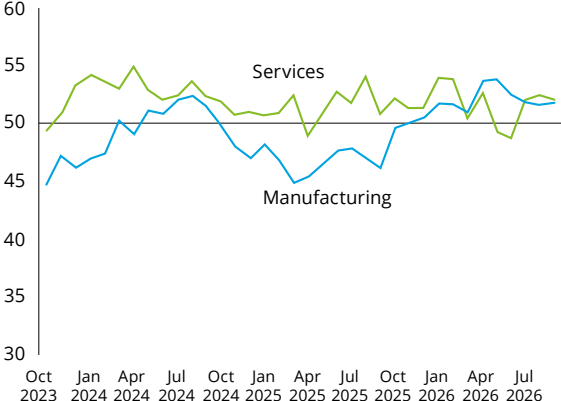
Source: LSEG Datastream

GfK Consumer Confidence Index (UK)



Source: LSEG Datastream

Purchasing Managers' Indices (UK)

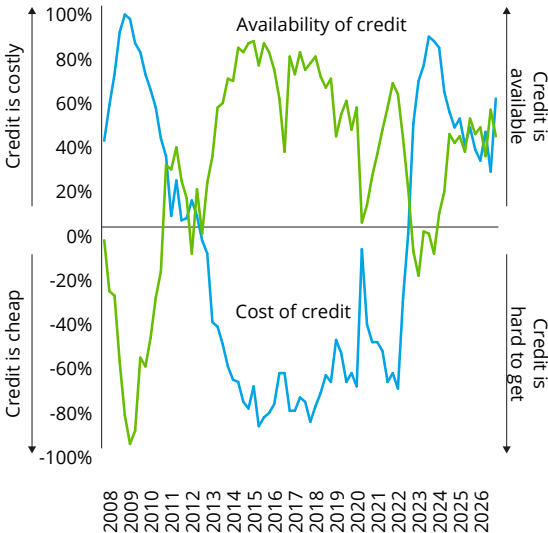


Source: LSEG Datastream, S&P Global, readings above 50 indicate expansion

# Two-chart summary of key survey messages

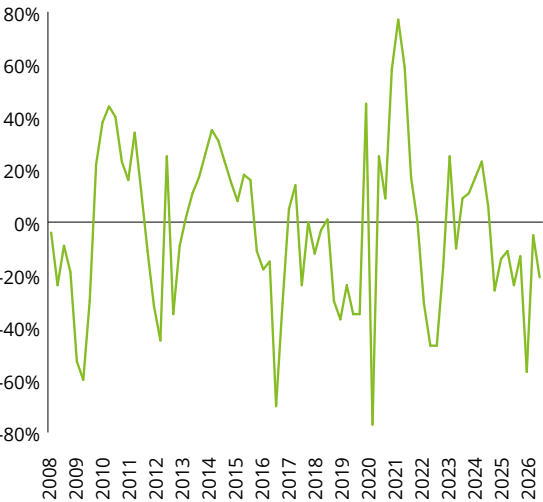
## Cost and availability of credit

Net % of CFOs reporting credit is costly and credit is available



## Optimism

Net % of CFOs who are more optimistic about the financial prospects of their business than three months ago



### About the survey

Conducted between 17 September and 1 October, the Q3 2026 Survey is the 77th quarterly survey of Chief Financial Officers and Group Finance Directors of major companies in the UK. Overall, 66 CFOs participated, including the CFOs of 12 FTSE 100 companies and 25 FTSE 250 companies. The rest were CFOs of other UK listed companies, large private companies and UK subsidiaries of major companies listed overseas. The Deloitte CFO Survey is the only survey of major corporate users of capital that gauges attitudes to valuations, risk and financing. To join our panel of CFO respondents and for additional copies of this report, please contact Elaine Hoang on 020 7007 4717 or email [ehhoang@deloitte.co.uk](mailto:ehhoang@deloitte.co.uk)

## Authors

**Debapratim De**  
**Chief Economist**  
020 7303 0888  
[dde@deloitte.co.uk](mailto:dde@deloitte.co.uk)

**Tom Simmons**  
**Senior Economist**  
020 7303 7970  
[tsimmons@deloitte.co.uk](mailto:tsimmons@deloitte.co.uk)

**Peter Ireson**  
**Senior Economist**  
011 7984 1727  
[pireson@deloitte.co.uk](mailto:pireson@deloitte.co.uk)

**Thomas Avis**  
**Economic Analyst**  
011 3341 6809  
[twavis@deloitte.co.uk](mailto:twavis@deloitte.co.uk)

## Key contacts

**Debapratim De**  
**Chief Economist**  
020 7303 0888  
[dde@deloitte.co.uk](mailto:dde@deloitte.co.uk)

**Claire Faulkner**  
**CFO Programme Leader**  
020 7007 0116  
[cfaulkner@deloitte.co.uk](mailto:cfaulkner@deloitte.co.uk)

For current and past copies of the survey, historical data and coverage of the survey in the media and elsewhere, please visit:  
[www.deloitte.co.uk/cfosurvey](http://www.deloitte.co.uk/cfosurvey)

# Deloitte.

This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte LLP accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom.

Deloitte LLP's affiliate (Deloitte Management Services Limited) is a shareholder in Deloitte EMEA BV (Deloitte EMEA). Deloitte EMEA is a member firm of Deloitte Touche Tohmatsu Limited (DTTL). DTTL and Deloitte EMEA do not provide services to clients. Services may be provided by other Deloitte entities within the global network of member firms, each of which are separate and independent legal entities. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.

© 2026 Deloitte LLP. All rights reserved.

Designed and produced by Creative Studio at Deloitte. J70155