

We're heading for a massive wave of redundancies - and ...

Published: January 13, 2026, 12:56 pm

City Am is not a source I regularly use, but two articles there have stood out for me today.

The first is a review of the continuing failure of the government's loans scheme for smaller businesses. [As they note](#):

Just 2,022 loans have been made to the UK's small and medium-sized firms through the government's coronavirus business lending scheme.

There have been around 300,000 applications so far. That means a paltry 0.65 per cent of enquiries have resulted in coronavirus business loans.

The latest figures, which were compiled by industry body UK Finance but obtained independently by City A.M., showed £291.9m had been lent as of yesterday via the coronavirus business interruption loan scheme (CBILS).

I know the scheme is being revised, but City AM express their doubts about whether those revisions go nearly far enough, and those are doubts I share.

Then they [have this offering](#):

The failure of the coronavirus loan programme to help struggling small and medium-sized businesses risks triggering a "wall of redundancies and defaults" say critics.

The coronavirus business interruption loan scheme was introduced by chancellor Rishi Sunak [last month](#) to help funnel money to businesses hit by the economic freeze that has followed the coronavirus lockdown.

However, City A.M. revealed today that UK Finance data showed banks had [paid out just £291.9m to 2,022 businesses under the scheme](#), translating to an approval rate of just 0.65 per cent.

A report from economic consultancy Fideres Partners said the monthly pay roll of the UK's 6m small and medium-sized businesses amounted to £41bn.

Alberto Thomas of Fideres said the slow pace of lending and the paltry sums so far disbursed would lead to massive job losses in the immediate future.

"You have a wall of redundancies and defaults coming which is immense," he said. "You can pretty much count the days."

I agree: that's exactly what is happening now, as [I reported from another source yesterday](#) and as I predicted when these schemes were announced.

When British businesses are haemorrhaging their capital right now loans of the type being offered were always the wrong solution for them, and in the absence of 100% government guarantees were never going to work. In addition, the bureaucracy of these schemes is absurd.

We have spent a long time looking at the numbers of Covid infections and deaths of late, but the corporate casualty rate is now going to surpass that by a very long way.

Rishi Sunak will be the man whose inability to understand a crisis will have brought this country to its knees. He will not be forgiven. And because of the dither and delay there is now nothing he can do to stop this happening: the fate of hundreds of thousands of UK businesses is now sealed.