UKBAA

UK Business Angels Association

The UK Angel Investment Market 2025: *Trends, Resilience and the Role of Angel Groups*

About UKBAA

UK Business Angels Association is the national trade body championing angel and early-stage investment across the UK. We represent and support the angel groups, syndicates, investors and ecosystem partners that provide vital capital, expertise and connections to ambitious founders. Through advocacy, research, market insight, education and convening, UKBAA works to strengthen the early-stage investment landscape and ensure that more high-growth businesses can access the funding and support they need to scale.

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Foreword

The UK early-stage investment ecosystem continues to show resilience, maturity and adaptability. Drawing on national angel investor data, HMRC EIS and SEIS data, and direct survey evidence from angel groups, this report shows a market that is expanding in participation while becoming more selective in how capital is deployed. The number of active angels has grown significantly since 2022, alongside a rise in investors making multiple investments, pointing to a more professional and portfolio-led investor base. We are grateful to the 27 angel groups who contributed deal-level and operational data for this report.

At the same time, the data reflects a more cautious investment environment. While EIS investment has remained resilient, investors are increasingly prioritising follow-on rounds and known opportunities, with SEIS playing a growing role as an entry point for early-stage capital. Angel groups sit at the heart of this landscape, mobilising capital, anchoring wider funding rounds and supporting founders well beyond the point of investment.

These findings underline the critical role of angel groups as essential infrastructure within the UK's innovation economy. Through capital, expertise, mentoring and networks, they continue to help founders grow, create jobs and build the next generation of high-growth businesses. UKBAA remains committed to championing this role and strengthening the angel ecosystem across the UK.

Roderick Beer, Managing Director, UK Business Angels Association

Angels are increasing and professionalising

The UK angel investment market has expanded significantly between 2022 and 2025. The estimated number of active angel investors has increased from 36,800 to 56,800, representing a 54% increase over the period. This suggests that angel investing is becoming increasingly mainstream as an asset class and that more individuals are participating in backing early-stage businesses.

The near doubling of investors making five or more investments suggests a maturing angel ecosystem. Experienced investors increasingly recognise the importance of portfolio diversification in achieving venture returns, moving away from one-off investments towards a more systematic investment approach.

This trend is particularly important because investors making multiple investments typically contribute more than capital alone. They often provide mentoring, strategic guidance, sector expertise, and access to networks that help founders scale their businesses.

The increase in active angels and portfolio investors means that more early-stage businesses are gaining access to both finance and support. As angel groups, syndicates, and organised investment networks continue to develop, capital is reaching a wider range of founders and regions across the UK.

	2022[1]	2025[2]	
	In the UK 36,800 Angels	In the UK 56,800 Angels	Increase of 54% Since 2022
5+	Angels 8,430 With 5+ deals	Angels 16,473 with 5+ deals	Increase of 95% Since 2022
10+	Angels 2,382 With 10+ deals	Angels 4,626 with 10+ deals	Increase of 94% Since 2022

[1] Women Angel Insights Report 2022. [2] Women Angel Investors Report 2025

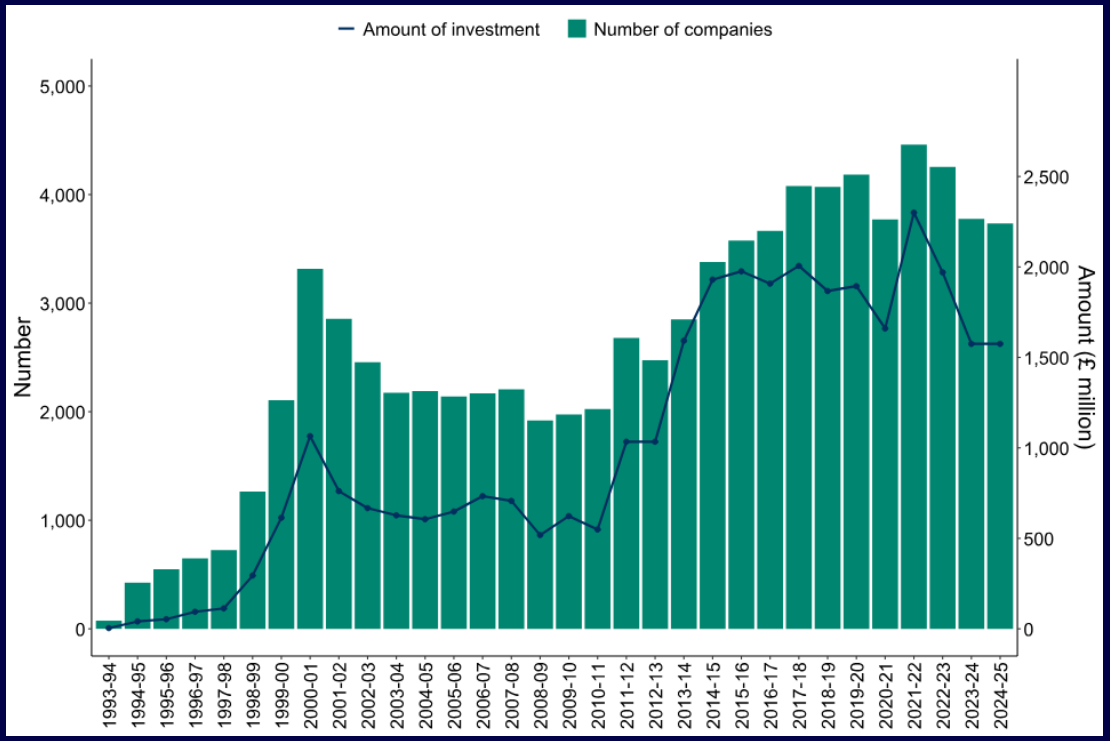
Capital deployment is more selective

HMRC's EIS and SEIS data have landed, covering the 2024-25 tax year, and it shows a mixed picture. In a challenging macroeconomic environment, maintaining £1.575bn of EIS investment is in itself a strong signal of resilience. While growth has slowed, the stability of the scheme highlights the continued underlying demand for early-stage investment opportunities and the ongoing role of EIS in supporting UK innovation.

While company-level EIS fundraising was stable, the number of investors claiming Income Tax relief under EIS fell from 35,675 to 33,220, and the amount of investment on which relief was claimed also fell by 7%.

While HMRC data shows a modest reduction in the number of investors claiming EIS relief, this sits alongside continued growth in the overall angel population. This reflects a shift in behaviour rather than a contraction of the market, with newer angels taking time to deploy capital and more experienced investors becoming increasingly selective in a constrained economic environment. The growth in SEIS activity further supports this, indicating that angels remain active but cautious.

Number of companies raising funds and amount raised, 1993-94 to 2024-25[3]



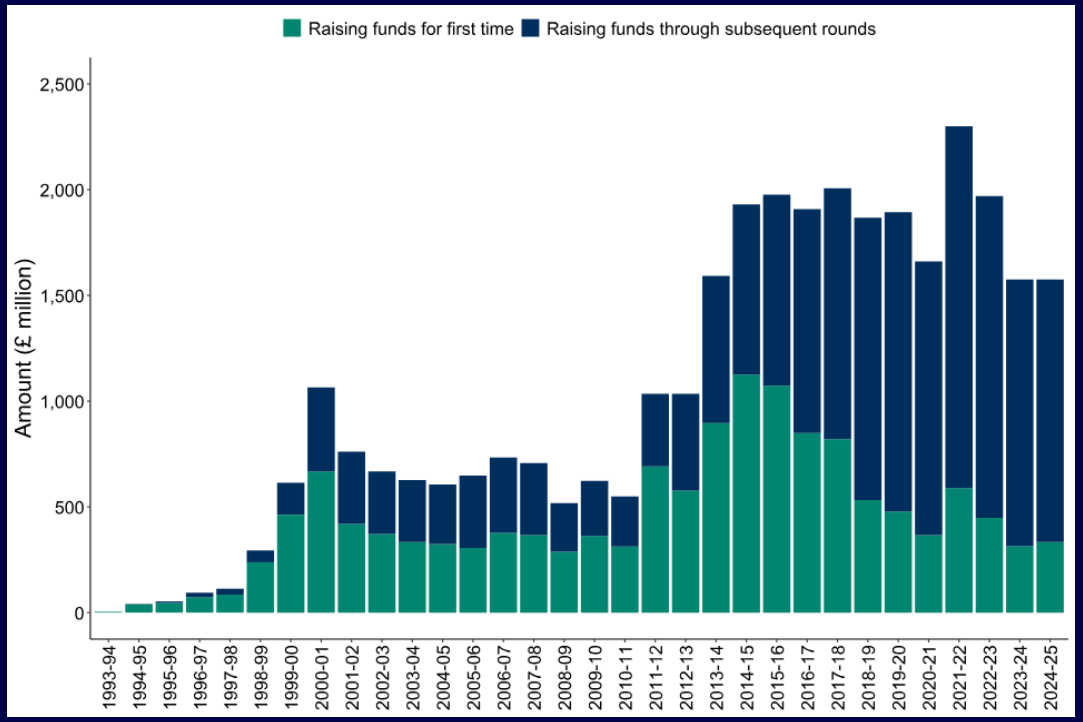
[3] HMRC Data Release 2026

There's a real shift towards follow-ons

Although regulatory changes such as the risk-to-capital condition have played a role, the shift towards follow-on investment is also being driven by wider market dynamics. The current slowdown in the Series A landscape, with fewer early-stage deals and a sharp drop in the proportion of companies successfully progressing from seed to Series A, means that many startups are taking longer to secure growth funding.

In this more constrained environment, angels are becoming more cautious in how they deploy capital and are increasingly prioritising known founders and existing portfolio companies over new opportunities. As a result, angels are being required to support their portfolio businesses for longer, leading to a higher share of capital being deployed into follow-on rounds rather than backing new entrants. We will likely see this trend continue, and it shows that EIS investors are becoming a core source of startup and longer-term scale-up funding.

Amount of funds raised under the EIS by new companies and old companies, 1993-94 to 2024-25[3]



[3] HMRC Data Release 2026

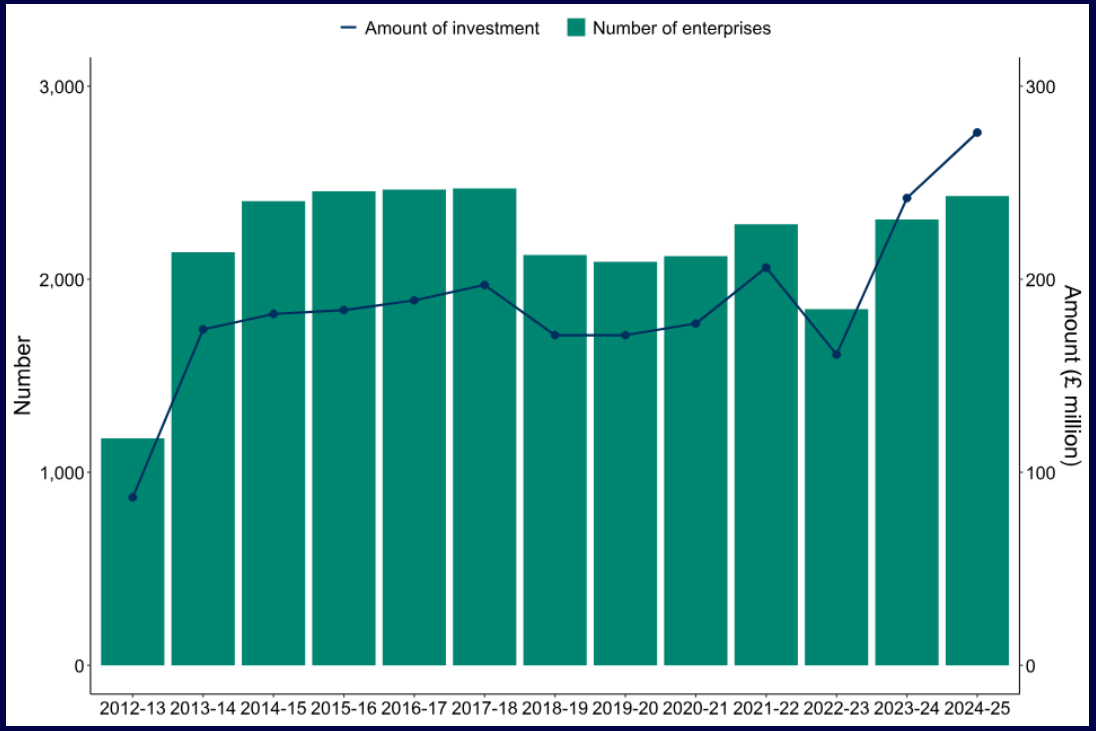
SEIS has seen a meaningful uptick

The continued growth in SEIS investment reflects the increasing importance of the scheme as the primary entry point for early-stage angel capital. In 2024–25, SEIS funding rose to £276m, with an increasing number of companies and investors using the scheme following the expansion of its limits in 2023, including higher investment thresholds and broader eligibility to secure funding.

This growth is being driven by both policy and market dynamics. The enhanced incentives under SEIS, including more generous tax reliefs and higher investment caps, have made it increasingly attractive for investors to deploy capital at the earliest stage.

Alongside this, a more constrained macroeconomic environment and a slowdown in later-stage funding mean that angels are becoming more cautious, often committing smaller amounts and favouring earlier-stage opportunities where they can build exposure over time. As a result, SEIS is playing a more prominent role in supporting the pipeline of new startups entering the ecosystem, even as follow-on investment under EIS becomes more concentrated.

Number of companies raising SEIS funds and amount raised, 2012-13 to 2024-25[3]



[3] HMRC Data Release 2026

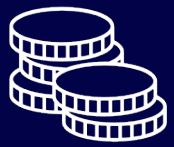
Angel Groups are mobilising capital

Building on the shift towards a more mature and selective investment environment, the survey data highlights the scale and consistency with which organised angel groups are deploying capital.

Across the 27 groups that provided deal-level data, a total of £53 million was invested during the 2025 calendar year, equating to an average of £1.9 million per group. This capital was deployed across 321 deals, with groups completing on average 12 investments per year, or approximately one deal per month. Importantly, this activity sits within a much broader funding ecosystem. The £53 million invested by angel groups contributed to total round values of £348 million, indicating that angel groups mobilise approximately 15% of overall funding within the rounds they participate in.

This underlines the critical role that angel groups play not only as providers of early-stage capital, but also as catalysts for wider investment. By anchoring funding rounds and signalling credibility, they are instrumental in crowding in additional capital from co-investors, funds, and institutional sources.

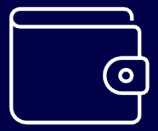
Taken together, these findings reinforce the positioning of angel groups as a foundational component of the UK early-stage ecosystem, combining disciplined investment activity with a capacity to unlock significantly larger pools of capital in support of high-growth businesses.



Total
£53m
Invested

Mean
£1.9m
per Group

Highest
£16.2m



Total
321
Deals

Mean
£164k
per deal

Average
12
Deals per year

Average
1
Deal a month

Total
£348m
Round value

Mean
£1m
Per round

Contributing
15%
Of total round

Angel Groups also show caution

Further to the increasing maturity and selectivity observed across the angel market, the survey data highlights a clear shift in how capital is being deployed, with a growing emphasis on follow-on investment and trusted deal sources.
Across the 27 groups providing deal-level data, 64% of capital was allocated to follow-on rounds, compared with 36% directed towards new opportunities. In value terms, this equated to £33 million invested into follow-on deals, versus £18 million into new investments, with a higher average deal size also observed in follow-ons. This pattern reflects a more cautious and conviction-led approach by angel groups, with investors increasingly prioritising the support of existing portfolio companies. In the context of a slower and more constrained later-stage funding environment, angels are playing a critical role in bridging funding gaps and sustaining company growth over longer periods.

A similar dynamic is evident when considering deal origination. 70% of investments were sourced through "warm" channels, typically involving prior relationships, referrals, or existing networks, compared to just 30% originating from "cold" sources. Warm deals accounted for £28.4 million of total investment, with a significantly higher average deal size of £152,000, compared with £69,000 for cold-sourced opportunities.

Taken together, these findings point to an ecosystem that is becoming increasingly relationship-driven and internally focused.

Follow On		New	Warm		Cold
64%		36%	70%		30%
Deals		Deals	Deals		Deals
141	Vs	168	187	Vs	79
Total		Total	Total		Total
£33m		£18m	£28.4m		£5.4m
Average		Average	Average		Average
£232k		£111k	£152k		£69k

N.b. Not all deals were categorised by stage or origination; percentages are based on those where data was provided.

Groups work hard to mobilise capital

Further evidence of a maturing and increasingly disciplined angel market can be seen in patterns of investor participation and capital deployment within angel groups. Across the 14 groups that provided data, a total of **935 investors** were recorded, with an average **of 72 members per group** — a substantial pool of capital and expertise concentrated within organised networks. Around half of these investors were active during the year, with average ticket sizes of approximately **£22,000 per investor**. This points to the presence of experienced "lead" or higher-capacity angels who consistently drive investment activity, providing the conviction and capital that anchor each round.

At the same time, angel groups continue to attract new entrants, with 156 new investors joining during the year — an average of 11 per group. This steady intake demonstrates that organised angel investing remains an attractive proposition for those entering the asset class.

Taken together, these findings reflect an ecosystem where capital is deployed efficiently by a committed core of active investors, complemented by a steady flow of new members joining each year. This combination of conviction-led investing and ongoing recruitment positions angel groups well to support both their existing portfolios and the next wave of high-growth founders — provided continued investment in succession planning, member development and inclusive recruitment keeps pace with the market's evolving needs.

Total
935
Investors

Mean
72
per Group

Active
469
Investors

Only
50%
Invested

Total
156
New

Mean
12
per Group

Highest
40
per Group

Average
£22k
Ticket size per investor

Angel Groups make a strong impact

The data further reinforces the significant role angel groups play within their local ecosystems, extending well beyond the capital they deploy. Across the 14 groups that provided data, over 8,000 founders engaged with angel groups through the investment process, equating to an average of more than 570 founders per group. Despite a relatively low investment conversion rate of 1.88%, this highlights both the highly selective nature of angel investing and the breadth of engagement taking place across the ecosystem.

Importantly, the impact of angel groups extends far beyond the companies they ultimately invest in. On average, each group supports around 60 founders per year, providing mentoring, feedback, and guidance to roughly six times as many founders as they ultimately back. This reflects a substantial non-financial contribution, helping to build capability, improve investment readiness, and strengthen the overall quality of the early-stage pipeline within their regions.

This activity translates into meaningful economic outcomes. Across the groups providing data, portfolio companies have generated over 8,000 jobs, with an average of more than 700 jobs supported per group. These figures underline the role of angel-backed businesses as a key driver of employment and regional growth.

Total
8,021
Founders

Mean
572
per Group

Highest
3,028

Founder
1.88%
Pass rate

Total
845
Founders

Mean
60
per Group

Groups support
6X
The founders invested in

Total
8,102
Jobs Created

Mean
736
Per Group

Over 700
Jobs created per group

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