

Autumn Budget 2025: Winners and Losers

It's fair to say that the Autumn Budget 2025 has been anxiously anticipated by British taxpayers and businesses alike, with a large amount of media coverage prior concerned with the Labour government's reported "fiscal black hole." This debt is estimated to stand between the range of £20bn to £40bn, and Reeves was predicted by experts to implement a combination of tax increases and spending reductions to meet targets.

Reeves' last announcement, the 2025 Spring Statement, included several key initiatives to level up Britain's defence, address the housing crisis, and reform the UK's welfare and benefits system. But with national inflation still running above the Bank of England's 2% target, and the wider UK economy showing subdued growth, the Chancellor took tough measures to raise the necessary revenue without breaking her prior pledge to increase key taxes.

So, ultimately, who wins and loses? This article will outline which groups could be most affected by the announced changes to economic legislation. Read on to learn more.

The Winners

The National Health Service

Reeves stated that she intends on reinvesting money saved from cutting back on public sector inefficiencies into the NHS, pouring 300 million pounds of investment in technology to improve patient service.

The Chancellor also stated that she intends on building 250 new neighbourhood health centres, and expanding more services into communities such as Birmingham, Truro and Southall. All this is intended to reduce high NHS waiting times and improve access to care.

Low Income Workers

Reeves also announced that the national living wage will increase by 4.1% to £12.71 for workers aged 21+. The Chancellor claims this will increase gross annual earnings of a full-time worker on the rate by £900. Further, Reeves announced that the national minimum wage rate for 18-20-year-olds will increase by 8.5% to £10.85 an hour.

Parents

The Chancellor announced that she would scrap George Osborne's controversial two-child benefits cap. Previously, this 2017 Conservative legislation prevented the parents of more than two children from claiming universal credit for subsequent children. However, Reeves is committed to expanding this welfare to other families in need. According to the aforementioned OBR report, this measure is set to increase the benefits for approximately 560,000 families by an average of £5,310.

The Defence Industry

In response to increased aggression from Russia, as well as a perceived lack of commitment from the Trump administration to European defence, Reeves also promised to increase investment in Britain's military. The Chancellor confirmed that the UK is set to spend 2.6% of GDP on its defence by April 2027. Reeves stated: "In our age of insecurity, Britain will continue to stand with our allies, working in collaboration to secure a sustainable ceasefire for Ukraine and maintaining our commitment to NATO."

The Education Sector

In a bid to improve the services of public education, the Chancellor announced her commitment to providing £5 million for libraries in secondary schools, and a further £18m for improving and upgrading school playgrounds across the UK. Reeves stated: "Let there be no doubt that this is a government that is on the side of our kids and who will back their potential. I will not allow the legacies of Conservative neglect to stain our society."

Homeowners

Taking further action to address the ongoing cost-of-living crisis, as well as costly energy bills for British households, Reeves also pledged to scrap the Eco energy scheme from April 2026, which will allegedly save £150 from the average household energy bill.

The Chancellor then claimed that the Labour government will also continue to provide support packages for household energy costs. These will include alterations to green levies on electricity. Reeves stated: "The cause of high energy bills must be tackled at source, and so we are investing in energy security – in nuclear and renewable energy – and in insulation through the Warm Homes Plan."

Non-EV Drivers

The Chancellor has confirmed that her tax rises are to be partially offset by a freeze to fuel duty for a further five months until September 2026 meaning that drivers will not be forced to pay more for petrol in the short-term. However, she confirmed that there would be a staged increase to fuel-duty in line with inflation from mid-2026.

The Losers

The Hospitality Industry

The Chancellor also announced that the government is set to introduce "permanently lower tax rates" for more than 750,000 retail, hospitality and leisure properties, significantly aiding store owners, as well as landlords and owners of holiday rental properties, hotels, B&Bs, and hostels. However, Reeves also stated that local mayors will still be granted powers to impose a so-called 'tourist tax' on overnight stays, which may have an impact on the tourism sector.

Entrepreneurs and Business Owners

Reeves announced that she would also raise the basic and higher rate of tax on dividends by 2%, which could have the knock-on effect of discouraging entrepreneurs and investors from launching and funding business in the UK.

Basic taxpayers currently pay 8.75 per cent on dividends, while higher rate taxpayers pay 33.75%. This move may affect investors, who might want their shares to pay out in dividends, or CEOs and business owners, who often pay themselves via dividends rather than a fixed salary.

Electric Vehicle Owners

Unfortunately, not all drivers will benefit from the budget announcement. The Chancellor made clear that there will be new tax for electric and hybrid vehicles. Drivers of E-vehicles will pay a road charge of 3p per mile, while plug-in hybrid drivers will pay 1.5p per mile from April 2028.

In addition, these rates are set to rise each year with inflation, which may discourage automobile manufacturers currently operating in the UK. Again, per the OBR report, this new charge is predicted to bring in £1.1 billion in the 2028-29 financial year, rising to £1.9 billion by 2030-31.

High Value Property Owners

Reeves has also confirmed that the Labour government will be pushing on with their so-called 'mansion tax' in England; set to target high value property owners. The Chancellor stated that this tax would cost £2,500 for properties worth more than £2 million, and £7,500 for properties worth more than £5 million, alongside their council tax. Reeves claimed that this new surcharge would raise over £400 million by 2031; charged on the top 1% of properties.

Gambling and Gaming Industry

Reeves has announced that the gambling industry is due to be taxed more heavily in the near future, with the aim of raising more than £1 billion in revenue by 2031. In particular, the Chancellor took aim at online gambling and betting apps; increasing the remote gaming duty from 21% to 40%, and the duty on online betting from 15% to 25%. However, Reeves made no changes to in-person gambling or horse-racing, while the bingo Duty is set to be abolished from April 2026.

What's next?

In addition to the above, Reeves also announced that pension contributions made under salary sacrifice schemes of more than £2,000 per year will have to make national insurance contributions from 2029, for both employers and employees.

Of course, only time will tell whether the Chancellor's actions will back up her words. Nevertheless, it's clear that this budget will have a profound effect upon the people and enterprises living and working in

Britain. So, if you'd like more information on how the measures mentioned in the statement could affect your finances, don't hesitate to get in touch now.

The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested.

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.

Approved by The Openwork Partnership on 27/11/2025