# From Displacement to Business

# A Review of Refugee Entrepreneurship in the UK

# September 2026

## A Word on Language

There is no single refugee experience. The founders in this report arrived by different routes, from different countries, in different circumstances, and their paths into business have been shaped by ethnicity, language, gender and much else besides. Terminology is similarly personal. Some identify strongly with the term refugee; others prefer to speak of a displaced background; many are now long-term residents or citizens who do not identify with the label at all. For clarity we use “refugee” throughout, as the term that best describes a shared set of structural barriers, while recognising that it covers an exceptionally diverse population whose needs differ as widely as their histories.

## Foreword: Anil Qasemi, Founder, Hatopia and co-chair of the Cedar Review

Just over four years ago, I arrived in the UK from Afghanistan after the fall of Kabul, and today I run a business that sells to customers in more than thirty countries. Between those two facts sits everything this Review is about.

Hatopia began at a theatre in London, where I noticed that almost everyone around me was wearing a hat. I left with the beginnings of an idea, which has since become my life’s work. But the idea was never the hard part. What was difficult was everything that came after it: registering the company, working out where to begin, and making sense of guidance that seemed to be everywhere and yet never quite added up. In those early months, my confidence was at an all-time low, but I knew I had a business concept worth investing in.

What lifted me from there was a chance, and someone to help me take it. A single interest-free loan gave my business five times the working capital it had held the month before, and in doing so it taught me that when you are trusted to invest, you can grow. Around the same time I met a mentor, someone I still turn to three years later, who gave me somewhere to take the decisions I could not yet make on my own. My confidence today is incomparable to when I started, but it was never handed to me whole. It was built slowly, on two simple things: a little capital and a little faith.

I now spend some of my time helping others who have recently arrived and want to begin, and what that has taught me is that talent is never the thing in short supply. The founders I meet come with skill, with ambition, and with a willingness to take risks that most people would never contemplate. What they often lack is a clear way in, and someone willing to believe in them before the results exist.

And the results will come. Hatopia has grown significantly, and my customers don’t necessarily know they are buying from a business founded by someone from a refugee background. They simply know the quality of our products. I believe that’s how it should be. Businesses should be recognised for the quality of what they offer, and every entrepreneur should have the choice of when and how they share their own journey.

That, in the end, is what I hope this Review helps to build. A country that gives refugee founders the chance to contribute, the freedom to tell their own story in their own time, and the recognition they have earned through their work. I was given that chance, and my hope is simply that it becomes ordinary, rather than rare.

## Foreword: Michelle Ovens CBE, CEO and Founder, Small Business Britain

Entrepreneurship has always been about hope.

It is the belief that, whatever your starting point, you can build something for yourself, create opportunities for others and contribute to the community around you. It is one of the most powerful drivers of economic growth, innovation and social mobility that we have.

For refugees, entrepreneurship often carries an even deeper meaning. It is not simply about starting a business: it is about rebuilding a life.

The entrepreneurs whose experiences have shaped this Review have often travelled extraordinary journeys before arriving in the UK. Many have left behind successful businesses, professional careers and established networks. They arrive with little financial capital, no UK credit history and few local connections, yet they also bring resilience, determination, skills and experience that many economies would be proud to attract.

This Review challenges us to rethink how we see refugee entrepreneurs.

Too often, discussions around refugees focus on need, support and integration. While these are undoubtedly important, they tell only part of the story. Refugees are also entrepreneurs, employers, innovators and creators of opportunity. Given the right conditions, they establish businesses, create jobs, pay taxes, strengthen local high streets and enrich our economy through new ideas, products and international perspectives.

The question is not whether refugee entrepreneurs have potential. The evidence presented throughout this Review demonstrates that they do.

The question is whether our systems are designed to recognise that potential.

Throughout this Review we heard about the barriers that stand between entrepreneurial ambition and entrepreneurial success. the complexity of navigating immigration systems and visa restrictions, the frustration of waiting months and sometimes years before being able to work, and the challenge of operating in a second language while learning how business is done in a new culture. For many, the greatest challenge was not any single barrier, but the accumulation of them. Every month spent unable to start a business is a month in which talent, confidence and economic contribution remain untapped.

That should matter to all of us.

At a time when the UK is seeking stronger economic growth and greater levels of innovation, refugee entrepreneurship should not be viewed solely as an integration issue. It is an economic opportunity, and one the UK has every reason to seize: refugee entrepreneurs elsewhere in the world employ local people, revitalise communities and contribute millions to national economies. Doing the same here requires us to move beyond seeing refugee entrepreneurs through the lens of disadvantage, and to recognise them as founders with the potential to build successful businesses if the right conditions exist.

Perhaps the strongest message running through this Review is that refugee entrepreneurs do not ask for special treatment. They ask for a fair opportunity to contribute, to work, to build businesses and to create futures for themselves and their families. The recommendations set out here are therefore not simply about removing barriers. They are about unlocking opportunity, for individual founders and for the businesses, jobs and communities that follow from their success.

Entrepreneurship is ultimately an act of optimism. It is a belief in the future.

This Review asks us to demonstrate that same optimism, to recognise the entrepreneurial talent already among us, to remove unnecessary barriers and to build a system that allows more people to succeed.

Because when refugee entrepreneurs succeed, the whole country benefits.

## Key Recommendations

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| **1a) Include self-employment within permission to work**<br><br>The Government should amend the Immigration Rules so that permission to work expressly includes registration as a sole trader, granted on the same timeline as permission to take employment but without the RQF level 6 threshold that governs employment roles.<br><br>**1b) Reduce the qualifying period to six months**<br><br>The Government should reduce the waiting period before permission to work - and start a business - may be granted from twelve months to six, aligning with the EU's recast Reception Conditions Directive standard. |
| **2 Count entrepreneurship as economic contribution towards settlement**<br><br>Amend the earned settlement framework so verified business activity counts alongside salaried employment, evidenced through tax and PAYE records the state already holds, and reduce review frequency for established businesses. |
| **3 Publish one plain-language guide to starting a business in the UK**<br><br>Bring together, in a single authoritative document, everything a person must do in sequence to start and run a business — legal structure, registration, tax, VAT, licensing and insurance . |

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| **4 Reform credit and identity checks that exclude viable businesses**<br><br>Accept alternative evidence of creditworthiness so that a thin UK credit file does not disqualify a sound business, recognising that absent credit history reflects recent arrival, not risk. |
| **5 Build an accessible funding ladder for refugee entrepreneurs**<br><br>Establish a coordinated finance offer spanning micro-grants, starter loans, working capital and growth funding, with ringfenced CDFI capacity and products designed around refugee founders rather than retrofitted from standard SME lending. |
| **6 Open access to markets and supply chains**<br><br>Include refugee-led businesses within social value procurement and review entry criteria that measure tenure rather than capability and expand the existing definition of social enterprises for procurement purposes to explicitly include refugee-led small businesses |
| **7 Build an end-to-end support pathway, delivered and funded through trusted organisations**<br><br>Create a single navigable route from first idea to trading business, running at least twelve months, with mentoring delivered wherever possible by people with shared experience of displacement, and provide long-term core funding to the community organisations that reach founders first. |
| **8 Teach the language of business alongside the core ESOL model**<br><br>Extend the embedded ESOL model to enterprise and address the shortfall in underlying provision. |

## Executive Summary

Refugee entrepreneurs are building businesses across the UK, employing staff, paying tax and supplying their communities, using skills this country has yet to make full use of. Many arrived having already run a business elsewhere and have the resilience needed in entrepreneurship.

There are an estimated 26,500 business owners in the UK from a refugee background, all bringing their own unique talents and ambition.[1] But the pathway to entrepreneurship is not an easy one. A founder who cannot trade for more than a year loses momentum and skills. One whose leave expires in eighteen months cannot sign a lease or hire staff. One without a UK credit file cannot borrow, however well their business performs. One who cannot find support navigates registration and tax alone. All of it is carried alongside the weight of displacement itself, and each barrier makes the next harder to clear.

The cost of this is not only borne by the entrepreneur, it is a missed opportunity for the UK economy. Every refugee prevented from starting a business, or blocked by obstacles at each

1 TERN and Square, *Unlocking the Refugee Entrepreneur Opportunity*, January 2026

stage, represents revenue the UK never collects. Realising this potential among the working-age refugee population could unlock an estimated £2 billion in additional economic contribution.[2] And breaking down barriers for the most marginalised groups tends, by nature, to break them down for everyone.

Drawing on founders across the UK, the Cedar Review is built on twelve in-depth interviews, five focus groups with 40 participants, a survey of 81 refugee entrepreneurs, written evidence from the organisations that support them and mapping of initiatives across the globe. It finds a consistent pattern: the ambition and resilience needed for refugees to run successful businesses in the UK is already there, the system to support them to do so is not.

*This is not only the refugees' problem, it's all startups' problems. If you break down barriers for one group, you break down barriers for everyone."* - Razan Alsous, Founder, Yorkshire Dama Cheese

## The years and momentum lost

People seeking asylum in the UK cannot work at all for twelve months. After that, permission may be granted, but only for degree-level roles and only as an employee. Self-employment is prohibited outright at every stage until status is granted, regardless of how long someone has waited or what business experience they hold.

The effect is enforced inactivity for people who arrive ready, and willing to trade.

*If you are seeking asylum, it's a process that takes a long time. You're basically jailed in a hotel, you're not working, you don't have money. You cannot help anyone, you cannot help yourself."* - Tony, Founder, Kwetu Coffee

## Status too uncertain to build on

36% of founders named instability around their status as a main challenge to running a business.

As of March 2026, refugees now receive 30 months of leave, renewable, with settlement on the core protection route requiring 20 years. Commercial leases run three to five years, funding is contingent on payback periods and employees expect certainty.

One founder in Scotland closed a coffee business rather than employ people she could not promise continuity to. Every business that stalls at this point is jobs not created and tax not generated.

*The biggest barrier is uncertainty. You don't know the future after 10, 12, 18 months. To scale it, I needed to employ people. I can't promise people jobs if all I can do is plan a year and a half ahead."* - Refugee Founder

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[2] Estimate based on internal modelling. Of ~600,000 refugees in the UK, ~50% (300,000) are assumed working age. Applying a 25% target entrepreneurship rate yields 75,000 potential entrepreneurs; subtracting ~27,000 already operating as entrepreneurs leaves 48,000. Based on current refugee entrepreneurs' contribution (£520m from 27,000, ~£19k/person/year), the potential contribution from the remaining 48,000 is estimated at ~£1bn — the first of two £1bn estimates. The second derives from reducing the effective cost of supporting refugees by six months, based on the estimated cost of asylum seekers to the economy.

## Finance that isn't fit for purpose

Refugee founders arrive without UK credit histories, and lending systems read that absence as risk rather than as missing data. Skylight, which lends to refugee entrepreneurs without credit checks or collateral, reports a 95% repayment rate and a 1.3% write-off rate, better than the wider CDFI sector.[3]

Those who do borrow face a gap in the middle: microloans up to £3,000, venture funding above £50,000, and a capital desert in between, precisely where a growing business needs equipment, stock and staff.

With finance options limited, 64% of founders surveyed funded their business from personal savings or family, an unsustainable model for business growth.

*The bank can see that I've been operating for three years, I've been buying, paying salaries, there are a team of people now. But the bank is not even looking. There are no options for me."* - Lisa Tataryna, Founder, Cream Dream

## Fragmented support that is difficult to find

71% of founders surveyed said there was support they needed but could not access. Support exists, and 67% of those who were able to reach it found it helpful. But it is scattered, poorly signposted and weighted towards the moment of launch rather than the years afterwards, when businesses are most likely to fail. Founders reach it, if at all, through trusted spaces and word of mouth. According to the Cedar Review's research, charities and community organisations were the largest single source; banks and financial institutions provided almost no support at all.

*The current support ecosystem for refugee entrepreneurship often offers a scatter plot of resources—a pocket of disconnected dots. It's not connected, and it lacks a clear, commercial pathway."* - Abeer AbuGhaith, Founder & CEO, MENA Alliances | Director of Systemic Change, TERN

## The language underneath everything

General English provision helps people live in the UK, but it does not equip them to read a tax return, price a contract or pass a hygiene inspection. 42% of those surveyed cited language and communication as a main challenge in starting their business.

There is an established model for teaching the language of a trade alongside the trade itself, used for construction and childcare but no equivalent exists for enterprise.

Meanwhile the underlying provision falls far short of demand, with waiting lists commonly six months and sometimes years.[4]

## Accessing the supply chain

[3] Skylight Ventures Impact Report 2021-24

[4] Refugee Action, Locked out of learning: A snapshot of ESOL provision in England, Let Refugees Learn campaign briefing, 2017

Nearly half (48%) of founders named finding customers as a main challenge, second only to understanding UK business rules.

Capital delivers little if a business cannot reach a market. Yet procurement processes commonly require several years of UK trading history, insurance calibrated to much larger suppliers, and minimum volumes a young business cannot meet. None of these criteria was designed to exclude refugee founders, but all of them do.

### The talent and ambition is already here

Over half (56%) of businesses surveyed ran a business in their home before arriving and 79% of those surveyed already employ, or plan to employ people in the near future.

What the evidence shows is not abstract untapped potential, but genuinely experienced and ambitious businesspeople held back by significant barriers.

*"See people as people, what they can bring, what they can do here. If you give them just a small opportunity, and you will see that they will grow your company, your country, a lot."* - Yusuf Ciftci, Founder, Expressway

### A conversation that costs them customers

Public attitudes to refugees have hardened. Ipsos polling for British Future found opinion on immigration more negative in 2025 than it has been for some time.[5] Founders are not operating within polling averages: many described the discourse reaching their business directly.

This has a wider effect of damaging confidence: A founder who hesitates to identify themselves, price their work at its value, or approach a bank is a founder whose business grows more slowly. Confidence is not a soft add-on to entrepreneurship. It is a business input, and one refugee founders are asked to build in public, against a headwind most founders never face.

*"I saw a lot of comments, like, why do you support the refugees but not the local people? That was a loan, that was not a grant, we have to give it back, just like everyone else."* - Vladimir Pavliiciuc, Founder, Ruta's Kitchen

The Cedar Review set out these barriers in detail, alongside the evidence for what would remove them. Some of what is needed is new, but most of it is not.

Permission to work already exists; it simply excludes self-employment. The settlement framework already rewards economic contribution; it simply does not count business ownership as a form of it. Procurement rules already require buyers to consider the barriers facing smaller suppliers. There is already a model for teaching the language of a trade alongside the trade itself and there are already organisations doing this work well, holding the trust of the communities they serve, and surviving from one short grant to the next.

The Cedar Review's recommendations are, for the most part, adjustments to systems the UK has already built. They are specific, and in most cases inexpensive. What they require is the decision to treat refugee entrepreneurship as the opportunity it is.

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5 Ipsos/British Future Immigration Attitudes Tracker 2025, reported in British Future, Noise and Nuance: What the Public Really Thinks About Immigration, November 2025

# Chapter 1: From seeking asylum to economic contribution

## Part one

### The asylum process in the UK

Many refugees arrive in the UK with business experience the economy could use immediately but they often have to wait years to use it.

The UK operates the most restrictive labour market rules for people seeking asylum of any comparable economy.[6] Nobody can work at all for the first twelve months, and after that, permission may be granted where the delay is judged not to be the claimant's fault, but only for RQF 6 degree-level roles, and only as an employee under PAYE.

Self-employment is excluded at every stage, however long the wait and whatever experience the person brings.

When status is granted, all of this falls away and a refugee has the same rights as any other resident, including self-employment and company formation. The question is not whether refugees can eventually build businesses here, but how many years the system makes them wait first.

*"If you are seeking asylum, it's a process that takes a long time. You're basically jailed in a hotel, you're not working, you don't have money. You cannot help anyone, you cannot help yourself."* - Tony, Founder, Kwetu Coffee

### Why self-employment matters specifically

The debate about work rights for people seeking asylum has focused almost entirely on employment, not entrepreneurship. Cedar Review data shows that of the refugee entrepreneurs surveyed, **56% had run a business in their home country before coming to the UK.** The current system leaves that experience entirely unused for the duration of the wait.

The current RQF level 6 threshold governs employment: it judges the skill level of a specific role, its qualifications, training and technical tasks. Self-employment has no equivalent test. It is not gated by skill, sector or business type. It is simply not permitted, at any level, for anyone, at any stage of the wait. A person registering as a sole trader is not applying for a role that could be rated against a skills framework in the first place, they are taking on the risk, regulation and responsibility of running a business, whatever that business does. There is no test to fail here. There is only a door that does not open.

The Cedar Review is not suggesting an unrestricted route around the skill-level test on employment. A sole trader takes on real obligations an employee does not: registering with

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[6] The twelve-month qualifying period exceeds the six-month standard binding on EU member states under Directive (EU) 2024/1346, and is longer than Portugal (from application), Slovenia (three months) and Ireland (six months). The restriction of permitted work to occupations at RQF level 6 and above, and the exclusion of self-employment at every stage, have no direct equivalent among comparable economies. See A. Ahmadi, C. Barnard and F. Costello, *Does the ban on asylum seekers working actually work?*, UK in a Changing Europe, April 2026.

HMRC, filing self-assessment, paying National Insurance, and keeping financial records that make their trading activity visible to the state. This is a route into a regulated, accountable economy, not a way of stepping outside one. It is what lets a founder put existing skills and experience to work immediately, rather than leaving them idle while the system decides whether they are allowed to.

*"We are always fighting for the opportunity for refugees and asylum seekers to start their career. Why would we keep them in camps for months, years, doing nothing, when we could use their abilities, their experience, their skills for economic benefit?"* - Waleed Zuoriki, Founder, Yemen Land

### Learning from international practice

Since 12 June 2026, the recast Reception Conditions Directive has required EU Member States to grant applicants access to the labour market no later than six months after their application is registered, replacing the previous nine-month standard.[7] Several countries go considerably further: Portugal has permitted applicants to work from the moment they lodge an application since 2022[8] and Slovenia reduced its waiting period to three months.[9]

## Case Study: The Cost of Waiting

**Yeukai's Story**

Yeukai Taruvinga arrived from Zimbabwe in 2001, having fled serious danger arising from her activism, and spent the following nine years in the asylum system.

*I found myself being in the asylum process for nine years. And during that time, I was young, I wasn't allowed to work, and I couldn't go into education. So I was in destitution, homelessness, and all these difficult circumstances."*

She went on to found Active Horizons, a youth charity that now employs eight people and supports thousands of young people across her borough. The waiting period did not prevent that outcome, but it delayed it by nine years, during which she wanted to contribute through tax and employment and was prohibited from doing so.

**Tony's Story**

Tony arrived as an asylum seeker in Glasgow in December 2019 and waited roughly two years for a decision, unable to work throughout. He had run coffee operations before coming to the UK, and the skills were immediately transferable.

He now runs Kwetu Coffee, a community interest company in Glasgow that has trained many refugees and asylum seekers as baristas and moved them into work once they received their status.

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[7] Directive (EU) 2024/1346 of the European Parliament and of the Council of 14 May 2024 laying down standards for the reception of applicants for international protection (recast), Article 17. Transposition deadline and date of application 12 June 2026.

[8] European Council on Refugees and Exiles, *Policy Paper 12: The Right to Work for Asylum Applicants in the EU*, January 2024.

[9] European Union Agency for Asylum, Asylum Report 2024, section 3.6.3.2 "Employment

Waiting is not the same as being unable to learn, and the technical knowledge that a refugee founder eventually needs, covering registration, tax, regulation and the expectations of UK customers and suppliers, could be acquired during exactly the period in which nothing is currently permitted to happen. There is a straightforward case for making the waiting period productive so that an asylum seeker granted status can enter the support pathway ready rather than having to start from zero.

The waiting period costs the UK nothing to shorten and everything to maintain: years of transferable experience sit idle while the economy waits for permission to catch up with what these founders already know how to do. Reducing the wait to six months would align the UK with the EU's own recast Reception Conditions Directive standard, rather than leaving it as an outlier among comparable economies. Every month of unnecessary delay is a month of jobs, tax revenue and growth the UK could already have had.

## Recommendations

### Include self-employment within permission to work

The Government should amend the Immigration Rules so that permission to work expressly includes registration as a sole trader, without the RQF level 6 threshold that governs employment.

### Reduce the qualifying period to six months

The Government should reduce the waiting period before permission to work may be granted from twelve months to six, aligning with the EU's recast Reception Conditions Directive standard, and grant permission automatically at that point rather than through the current discretionary test.

### Allow access to business training during the wait

People seeking asylum should be able to access business training and enterprise support from the point of claim, on the same basis as any other resident, with training completed during the wait recognised rather than repeated.

### Establish contingency arrangements for refused claims

Where a sole trader receives a refusal, they should have three to six months to settle tax liabilities and complete existing contracts, with a documented process for closing a sole tradership with HMRC.

# Part two

### A stable path to settlement

Refugee status resolves the question of safety, though temporarily, pending review. It does not resolve the question of stability, and for founders the difference matters enormously.

Since March 2026, people granted refugee status receive 30 months of leave, renewable only while protection is still judged necessary. Settlement on the core protection route requires 20 years, an increase from five. A separate Protection Work and Study route offers a shorter alternative for those who move into employment or study, though full eligibility criteria have not yet been published.

Entrepreneurship appears in neither.

The practical effect is that a founder's right to remain is reviewed roughly every two and a half years, indefinitely, while the commitments a business requires run considerably longer than that.

That is a business closed, and jobs not created, for reasons entirely unconnected to whether the business worked.

*"The biggest barrier is uncertainty; in my life in Ukraine I always had plan for years ahead. And here, you don't know the future after 10, 12, 18 months. One of the reasons why I closed my coffee business is because to scale it, I needed to employ people. In July 2025, we had another extension of our visa for 18 months. I cannot promise people jobs."* - Refugee Founder

## What short status does to a business

Commercial decisions run on longer horizons than 30 months, and a founder whose leave expires in a relatively short period of time cannot credibly make any commitments to leases and finance payback.

The Cedar Review's survey found that 36% of founders named instability around their status in the UK as a main challenge in starting their business.

The position is also true for those on temporary protection rather than official refugee status. Ukrainians in the UK hold visas granted initially for three years, and 18 months for more recent applicants, with extension possible on review but no route to permanence.

## The principle already exists

The Government's earned settlement framework rewards economic contribution: sustained high earnings cut the qualifying period by five or seven years.[10] The principle is there, what is missing is a definition of contribution that captures business ownership.

The measures that would capture this are already collected; Self-assessment and corporation tax returns show trading activity, PAYE records show employment created, and VAT registration shows turnover. No new data collection is required.

*"A lot of refugees don't feel the stability, and they don't know whether they will stay in the UK or leave, which automatically means that funders, rightly so, would not feel confident about whether or not they can give them the funding with confidence that they would return the money. Because if the refugee themselves don't know whether they're staying in the country, how can the funder guarantee that?" - Dr Deema Rafai, Associate Professor in Enterprise and Entrepreneurship at the University of Leeds*

[10] Home Office, *A Fairer Pathway to Settlement: A statement and accompanying consultation on earned settlement*, November 2025

### Learning from international practice

In Germany, under Section 21 of the Residence Act, self-employment can form the basis of a residence permit, and holders of a residence permit granted for another purpose may obtain permission to pursue self-employment at the discretion of the immigration authority. A settlement permit becomes available after three years where the business is established, with the assessment based on documented evidence of the business: a tax office certificate, an audit report prepared by a tax adviser or auditor, and an extract from the commercial register or business registration. Recognised refugees in Germany apply for permanent settlement through this same route.[11]

## Recommendations

### Count entrepreneurship as economic contribution

The Government should amend the criteria for accelerated settlement so that verified business activity counts alongside salaried employment, evidenced through records it already holds:

- Sustained trading, via self-assessment or corporation tax returns over a defined period.
- Employment created, via PAYE records.
- Turnover, via VAT registration or filed accounts.

Thresholds should reflect small business reality, not high-growth ventures.

### Verify through existing endorsing bodies, not a new route

The Home Office's existing endorsing body model, used for the Innovator Founder and Scale-up routes, could confirm that a refugee-founded business is genuinely trading, without creating a separate mechanism.

### Reduce review frequency for established businesses

Founders meeting the qualifying thresholds should move from 30-month renewals to a longer period, such as 42 months, easing administrative burden while giving lenders and landlords more confidence than the current cycle allows.

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[11] Aufenthaltsgesetz (German Residence Act), Section 21. On the settlement permit requirements for recognised refugees, see Service Berlin, *Permanent settlement permit for persons recognised as entitled to asylum and recognised refugees*.

# Chapter 2

## Inclusive Finance and Opening the Supply Chain

Entrepreneurship has long been recognised as an important pathway to economic independence, integration and contribution for refugees. For many, starting a business is not simply a career choice: it is a route to rebuilding a livelihood after displacement. Yet despite bringing considerable skills and experience, refugee founders face some of the greatest barriers to accessing the finance needed to start and grow businesses. Financial systems are designed to assess backgrounds within the UK, but refugee founders' financial histories, however strong, sit outside the country doing the assessing. The potential is there but the system has no way to see it.

Cedar Review evidence shows that 40% of respondents cited accessing start-up finance as a main challenge. The ambition is there. A visible route to finance is not.

*"We don't have credit history in here. Whenever you approach any bank they say 'oh, you're here less than three years, you don't have any credit history.' So we are not able to speak about loans at all."* - Refugee Founder

## The start-up finance gap

The earliest stages are where the greatest barriers exist. Many refugees arrive with very limited financial assets, little or no UK credit history and few local networks, the social capital other founders draw on for advice, introductions and trust. Unlike most other entrepreneurs, they are unlikely to have savings, family loans or property to use as collateral. And yet nearly two thirds (64%) of those surveyed funded their business from personal savings or with help from family. They are having to use what little personal resource they have to get a business off the ground, risking far more than entrepreneurs who have a safety net to fall back on if their idea fails.

*"You are in a vulnerable situation. You don't have that same ability to take risks. If you invest £1000, you need to work for so long to save it or replenish it, and then you invest it in your business, which could open today and shut tomorrow. That'll be a huge loss for you."* - ACH UP Collective Programme Business Mentor

At this point, relatively modest support makes an enormous difference and there are already examples of finance that exist for this stage. The British Business Bank's Start-Up Loans scheme provides unsecured personal loans to new businesses, but current visa-term restrictions mean many refugee founders cannot access it regardless of how strong their business case is. Community Development Finance Institutions already provide microfinance to entrepreneurs who struggle to access mainstream lending, and their approach offers a lesson: rather than providing finance alone, they combine lending with mentoring and ongoing support.

Refugee entrepreneurs are often navigating unfamiliar regulations, new tax systems, different legal structures and a language that may not be their first; so the support infrastructure around finance matters as much as the finance itself.

## Case Study: Skylight

Skylight began as a pilot inside TERN's community in 2022, after its founder noticed entrepreneurs were repeatedly rejected by mainstream lenders, or deterred by interest rates that weren't Sharia-compliant. A small grant from Ben & Jerry's funded an initial test: a £1,000 interest-free loan delivered within two weeks, assessed not on credit score but on trust.

That model is now core to how Skylight lends. Every application is reviewed in part by a rotating community panel of refugee entrepreneurs, who assess the business rather than the applicant's financial history; a working example of what changes when a system is built with founders, not simply for them. Loans are unsecured, with no credit check and no collateral. Founders can access up to £3,500, and Skylight has lent to around 140 entrepreneurs to date, working toward £1 million in cumulative lending by 2030.[12]

The results speak to the model's credibility: a 95% repayment rate and a write-off rate of just 1.3%, comparing favourably with the wider CDFI sector.

Visa uncertainty is often cited by mainstream lenders as a legitimate reason for caution. Skylight's results suggest that caution is less about actual risk and more about how risk is assessed: a community-led model, built on trust and business viability rather than immigration status, produces stronger repayment outcomes than the concern would predict

Skylight's interest-free model also addresses a barrier separate from credit history altogether: for some founders, conventional interest-based lending is not an option on religious grounds, regardless of how strong their credit profile might otherwise be. Revenue-based and other Sharia-compliant finance products widen the pool of founders who can access funding at all, not simply those who can prove creditworthiness.

## Credit history should not define entrepreneurial potential

The UK credit reference system operates largely independently of equivalent systems elsewhere. A refugee may have run a successful business, maintained an excellent credit record and built considerable financial responsibility in their country of origin, yet none of it is recognised here.

In effect, they begin again with no recognised financial identity.

*"It's not possible, even for me, personally, to open a credit card. I've been living here for almost four years, and I still don't have a credit card to start building my credit scores, because all banks are refusing. The bank can see that I've been operating for three years, I've been buying, paying salaries, there is a team of people now. But the bank is not even looking. There are no options for me."* - Lisa Tataryna, Founder, Cream Dream

[12] Skylight Ventures Impact Report 2021-24

Alternative approaches could include recognising verified overseas financial histories, placing greater emphasis on business viability and entrepreneurial experience, or developing products designed to help entrepreneurs establish UK credit profiles while building their businesses.

## Learning from international practice

### Case Study: PerMicro

PerMicro is an Italian microfinance institution built specifically to serve people excluded from mainstream banking, including refugees and migrants without the credit history or collateral traditional lenders require. Backed by the European Investment Fund since 2011, it lends around €26 million a year, with roughly €5 million directed to around 200 refugee micro-entrepreneurs annually.

Every loan comes paired with financial education, coaching and mentoring, on the basis that microcredit alone rarely sustains a business to stability. One recipient, Vardan Babayan, fled Armenia and arrived in Florence, only to be rejected by local banks and left unemployed for a year. A €25,000 loan let him open Ararat Le Bracerie, now an established part of the city's food scene.

Independent analysis by Politecnico di Milano found that each PerMicro-funded entrepreneur created an average of 1.2 new jobs, and that over 1,000 entrepreneurs previously excluded from the banking system became bankable as a direct result.[13]

Refugee entrepreneurs do not carry the elevated financial risk that mainstream lending criteria assume, and finance works best designed as part of a broader ecosystem of support rather than as a standalone intervention.

*"If there were any more support, I would appreciate that. No one will come and say, okay, you can take some money. But if there were some support, at certain points, that would help us to grow faster."* - Razan Alsous, Founder, Yorkshire Dama Cheese

*I managed to get between six to eight thousand pounds, which I spent to open this very tiny space. Just imagine, if instead of that 8 grand, if I had a substantial amount of money to start with. But with my situation, with the credit history or lack of it was a big hurdle in getting that sort of loan or funding. And that is the basic issue. Like the old and very true saying, Money makes more money, the bigger the investment is, the better the impact would be, otherwise, you start small and you are stuck breaking even for the most if not the rest of the business's life."* - Usman Khalid, Founder, Haven Coffee

## The growth finance challenge

[13] Tiresia (Politecnico di Milano), social impact assessment of PerMicro, covering loans disbursed 2009–2021. Reported in Torino Social Impact, *Microfinance: PerMicro and Politecnico di Milano Measure the Social Impact of Financial Inclusion*.

Financial barriers do not disappear once a business is established. Some entrepreneurs report strong early progress, winning customers and securing contracts, only to find they cannot access the working capital to fulfil larger orders or invest in expansion.

Institutional bias persists as businesses develop. Access to mainstream finance remains challenging where founders do not yet have Indefinite Leave to Remain, and lenders are reluctant to offer longer-term lending where residency status is perceived as uncertain, despite the underlying strength of the business.

There is an opportunity to develop products that reflect these realities: shorter-term lending, revenue-based finance, guarantee schemes and blended models. Peer investment within refugee business communities may offer further options, enabling successful entrepreneurs to reinvest in the next generation of founders.

*"Through our work with refugee entrepreneurs, we've seen first-hand the talent, creativity and determination they bring to our communities and economy. But potential alone isn't enough. If businesses want to create meaningful economic inclusion, we need to make it easier for refugee-led enterprises to access contracts, customers and supply chains. Opening supply chains to refugee-led enterprises is not only the right thing to do, it's how we build more diverse, innovative and resilient economies."* - Jessie Macneil-Brown, Head of Social Mission Europe, Ben & Jerry's

## Access to markets and supply chains

Finance solves one half of a business problem. Access to capital delivers little if a business cannot reach buyers, and the largest, most reliable contracts sit with institutional buyers that refugee-founded businesses are least likely to reach.

The barriers are technical rather than deliberate. Buyers ask for trading history most refugee-founded businesses cannot yet have, insurance cover scaled to suppliers many times their size, and order volumes beyond what a young company can fulfil. Each requirement is defensible on its own terms. Together they filter out businesses on the basis of age and size rather than what they can deliver.

The Government already has its own procurement rules which requires buyers to consider the barriers smaller suppliers face, and central departments must set spending targets for small businesses and social enterprises. Extending those targets and that scrutiny to refugee-led businesses would take a decision, not a new mechanism.[14]

In Canada, the Tent Partnership's Refugee Entrepreneur Supplier Diversity Certification does exactly this, verifying refugee-owned businesses and connecting them to corporate and government buyers as a category within established supplier diversity programmes rather than as philanthropy.

The finance and the market access both already exist in the UK, refugee entrepreneurs are simply excluded from reaching them due to rules built for someone else's circumstances. Fixing that is not a cost to the system, it is the UK collecting a return on talent it already has.

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[14] Procurement Act 2023, which places a duty on contracting authorities to have regard to barriers facing small and medium-sized enterprises and to consider whether they can be removed or reduced. On spend targets, see Procurement Policy Note 001, which requires in-scope central government departments to set three-year SME spend targets from April 2025 and two-year VCSE spend targets from April 2026.

# Recommendations

## Close the start-up finance gap

The British Business Bank should pilot Start-Up Loans access without visa-term restrictions for refugee visa holders, assessed on business performance rather than residency status. Alongside this, develop lending products — including Sharia-compliant and revenue-based options — for the £3,000 to £15,000 gap between microloans and mainstream finance, independent of Indefinite Leave to Remain.

## Expand access to supported microfinance

Increase microfinance for refugee entrepreneurs through CDFIs and specialist lenders, paired with mentoring and financial capability training. Skylight's community-assessed model, working toward £1 million in cumulative lending by 2030, shows what this can look like at scale.

## Create alternative routes to demonstrating creditworthiness

Allow refugee entrepreneurs to evidence financial responsibility beyond a UK credit history: verified overseas credit records, business plans and trading evidence, specialist credit-building products, and alternative data sources.

## Improve access to growth finance

Develop growth-stage products for businesses scaling beyond start-up — larger revenue-based and Sharia-compliant finance, blended models and guarantee schemes in the £15,000 to £50,000 range — assessed on trading performance rather than immigration status.

## Open access to markets and supply chains

Establish a refugee supplier network, where refugee-led businesses can be verified and buyers can find them.

Review entry criteria that measure tenure rather than capability, since UK trading history requirements exclude founders by arrival date rather than what they can deliver.

Expand the social enterprise procurement definition to include refugee-led businesses, with departments tracking spend as a measure of progress.

# Chapter 3: The Right Support, Delivered by the Right People

Support for a growing business is vital, and a UK-born founder can usually draw on family who have done it before, friends who know a good accountant, or a lifetime's familiarity with how the British system works. A refugee founder typically has none of this, and is left to seek help themselves and bridge the gaps between one form of support and the next.

Some support does exist and where founders reach it they value it: 67% of those who received support found it helpful, according to research from the Cedar Review.

The problem is that it is fragmented, poorly signposted and weighted heavily towards the earliest moments of starting up. Founders reach it, if at all, through trusted spaces and word of mouth.

*"Sometimes people know what they want to do, but they want someone else to tell them they can do it. They want some extra support to give them that validation they need. Oh yeah, you can do it." -* Refugee Founder

A UK-born founder can usually draw on family who have done it before, friends who know a good accountant, or a lifetime's familiarity with how the British system works. A refugee founder typically has none of this, and is left to locate help themselves and bridge the gaps between types of support.

*"The biggest challenge is people don't know these support systems exist, and it's quite fragmented. Signposting to service providers, to relevant information, in a very structured way, is going to be so crucial." -* Anil Qasemi, Founder, Hatopia

This is not a new challenge. In 2020 the Home Office, working with the Centre for Entrepreneurs and The National Lottery Community Fund, funded a year-long pilot of targeted business support for refugee founders in Bristol, Belfast, Stoke-on-Trent and the East of England. Its independent evaluators found demand far exceeding what could be met: more than 300 refugees engaged, of whom 112 could be supported. Some travelled up to three hours by bus through rural Northern Ireland to attend.[15]

The results justified the demand. 86% of participants completed the programme, and by the end of the pilot 25% were already trading, with a further 26% registered and preparing to launch. In Belfast, 82% of participants went on to enrol in a mainstream business support programme they would not previously have met the eligibility criteria for, showing the pilot's role not just in direct support, but in preparing founders to access support that already existed.[16]

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[15] M. Richey, R. Randall, J. Brooks and M.N. Ravishankar, *UK Refugee Entrepreneurship Pilot Scheme: Independent Evaluation*, Centre for Entrepreneurs, 2021.

[16] M. Richey, R. Randall, J. Brooks and M.N. Ravishankar, 2021

The problem is not that nothing exists. It is that what exists is disconnected, uneven across the country, invisible to the people who need it most, and that even the organisations doing this well are not resourced to reach everyone.

*"There is a huge range of regional business support available, but refugee and migrant communities just weren't accessing it. They fed back to us that they either weren't aware of the services or didn't feel the support was aimed at them."* - Pilot programme manager, UK Refugee Entrepreneurship Pilot Scheme

### What the support needs to contain

As with finance options, support designed without the people it targets tends to solve the wrong problem, or solve the right one in a way nobody can access. Every stage of the pathway that follows should be built with founders, not simply delivered to them.

*"Refugees are seen as numbers, really, in this country. They're not seen as people or an opportunity for the economy, for society."* - Yusuf Ciftci, Founder, Expressway

It is important to create a single pathway carrying founders from a first business idea through to a trading, growing company. What matters is that the stages connect.

A clear front door. One well-signposted entry point, online and through community organisations, so that finding support no longer depends on luck.

Explore. Early-stage help for those with skills or an idea but unsure how, or whether, to start, including an honest assessment of viability. The pilots treated participants who concluded business was not for them as a successful outcome, not a failure.

Start up - Structured, sequenced guidance through the mechanics of launching: viability, market research, marketing, cashflow, banking, tax and HMRC, funding and operations, with industry-specific content such as food regulation where needed.

Grow and sustain - Continued support beyond launch, where the current system goes quiet. All four pilots independently recommended twelve months as the minimum, and that continuity is essential through a business's first year of trading.

A mentor throughout - A consistent point of human contact across every stage.

*"There should be a hub or a place where startups and refugees can understand things. You need to think how you talk to a child who's going to nursery, step by step. It's exactly the same for startups."* - Razan Alsous, Founder, Yorkshire Dama Cheese

### What works already, in the UK and elsewhere

The pathway recommended here is not a hypothetical. Versions of it are already running, delivered by organisations that have spent years building the trust this kind of support depends on.

Since 2016, The Entrepreneurial Refugee Network (TERN) has worked alongside refugees to build their business, income and influence. They have supported over 1,800 refugee founders across the UK to date, and are now working to make finance and market access more inclusive by shifting how mainstream institutions see refugee-led businesses. Its model is led by the community it serves: refugees shape TERN's programmes and its future direction, not just its delivery.

ACH, founded in 2008 by Fuad Mahamed after his experience as a refugee arriving in the UK, supports migrant-led businesses through its broader integration services. Its Refugee Entrepreneurship Support Project pilot, launched in 2019, went on to secure a further £1.5 million in EU funding across three years to extend support to 500 refugee and migrant entrepreneurs across the West of England and West Midlands. ACH continues to offer support to migrant-led businesses in these regions, with a focus on access to sustainable finance.

Further afield, Finland's Startup Refugees maps newcomers' skills and matches them to a network of thousands of members offering legal advice, guidance on bureaucracy, mentoring, networking and funding. Since 2015 it has mapped the skills of more than 8,500 people and trained more than 900 budding entrepreneurs, running an entrepreneurship course that leads into an incubator and, for those with a registered business, a nine-month growth programme with intensive mentoring.[17]

## Why mentoring matters, and who should deliver it

Of all the kinds of support founders described, mentoring was key. The Review's survey found business mentoring had the most positive impact on a business, named by almost a third (32%) of founders.

But even more specifically, they want someone who understands what they were navigating: not just business generally, but building one from nothing, in an unfamiliar system, without the safety net many UK-born founders take for granted.

*"When you sit in your circle in the native language, and you see the people who say 'it's okay, I know people who could help you,' that also works."* - Focus group participant

Anil Qasemi has stayed in touch with the same mentor for three years: "Every time I make a decision which I'm not so sure about, especially if it's a financial decision, I go to my mentor."

A generic business advisor can teach the mechanics of a cash-flow forecast. Someone who has been through the same system can tell a founder that what they are feeling is normal, that the uncomfortable question is worth asking, and that it is possible to get through it.

*"We have very big problems. For example, we might have post-traumatic symptoms that really impact our levels of stress. It's very difficult, psychologically and physically."* - Refugee Founder

Support also shouldn't ignore what founders are carrying. Displacement, the asylum process and the instability that follows leave a mark that does not lift on the day a business registers. Several spoke of exhaustion, isolation and the persistent worry of thinking about the situations in their home countries.

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17 Startup Refugees, https://startuprefugees.com/. Programme structure from Startup Refugees, Entrepreneurship course,

Business support organisations and mentors cannot deliver clinical care, and should not be asked to. But programmes can be designed to notice, to hold relationships with providers who can help, and to build in the regular human contact that mitigates isolation.

*"Business can be a very lonely place. I think a bit more financial support and a bit of personal support especially for refugee entrepreneurs would be great." - Usman Khalid, Founder, Haven Coffee*

### One simple document

Sequenced support answers the question of what to do next. It does not solve the underlying problem that the information itself is scattered across dozens of pages that nobody has ever gathered in one place.

The consequence is not simply lost time. When the official source defeats a founder, they look elsewhere, and what they find is not always correct. Vladimir Pavliiciuc who runs Ruta's Kitchen in Swansea described going to Google and ChatGPT when GOV.UK proved impenetrable, and getting "the fake information sometimes". His first restaurant received a food hygiene rating of one, later corrected to five, because of paperwork he did not know he had to complete.

A single authoritative document would close this gap: not a new scheme or portal, but one guide setting out, in order and in plain language, everything a person must do to start and run a business in the UK. Founders would not need to know the right question before they could find the answer.

Whilst refugee founders feel its absence most sharply, arriving without the informal knowledge a UK-born founder absorbs from a parent who ran a shop, nobody currently has this document. Every first-time founder in the UK assembles the picture from fragments. Writing it down once, clearly, would help the refugee founder who has no one to ask, and the UK-born founder who never thought to.

### Why trusted organisations are the front door

As well as national organisations such as TERN and the ACH, local refugee community hubs are, for many new arrivals, the only support that feels safe to approach. They are trusted because they are of the community rather than delivered to it. A study of third sector organisations and employability across the UK found they are the primary, and for asylum seekers often the only, providers of integration support, and that their principal contribution is providing "a safe and trusted environment that people can use to increase their confidence, improve their wellbeing, broaden their social circle."[18]

> *"That's why sometimes you could understand more and feel lots of advice from people from your community. You can ask some uncomfortable question to each other, because people are afraid to ask uncomfortable questions to local people. They ask honest questions about process, about tax, about the realistic situation of an area of business, so they just want to hear the real story, how it works."* - Anna Andriievska, Founder, Ukrainian Business Women in Scotland (UBWIS)

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[18] *Marginal Players? The Third Sector and Employability Services for Migrants, Refugees and Asylum Seekers in the UK*, Voluntas: International Journal of Voluntary and Nonprofit Organizations.

A refugee-led organisation can do in one conversation, in someone's first language, what a mainstream programme cannot do at all: establish enough trust for a person to ask for help.

### The funding gap

These organisations are chronically underfunded, and funded in the wrong way. A 2025 report by Migration Exchange found that while the refugee and migration charity sector has grown, its resources are heavily concentrated: small organisations, those with annual incomes below £100,001, make up 62% of the core sector but receive just 5% of its total funding. The kind of funding that allows an organisation to plan is also in retreat. Only 12% of funders offer grants averaging more than three years, and more than a quarter offer no unrestricted funding at all. Nearly half of organisations hold no more than three months' reserves.[19]

The practical consequence is that provision starts and stops.

It also means organisations cannot evidence what they do, which creates a vicious circle: without core funding they cannot demonstrate impact, and without evidence of impact they struggle to win further funding.

Everything refugee founders described needing already exists somewhere in the UK: a clear route through the practical steps, mentors who understand the journey, and organisations close enough to be trusted. What is missing is the funding to sustain them and the connection to turn them into a path a founder can follow.

> **Case Study**
>
> The Afghanistan and Central Asian Association (ACAA) was founded by Dr Nooralhaq Nasimi MBE and is the largest Afghan diaspora community centre in the UK, running services across London, Birmingham, Liverpool, Nottingham and Kent. For the refugees and refugee entrepreneurs who use it, it functions less as a charity and more as the only accessible route into UK culture and business infrastructure. Every Wednesday, ACAA runs a dedicated women's business group teaching the practical steps of setting up a business, from sewing and baking to makeup artistry, before founders are invited to sell at ACAA's own events and summer festival. It is, in effect, a structured pipeline from skill to trading business, built entirely by the centre itself.

Where mainstream business support assumes language, confidence and system familiarity new arrivals do not yet have, community organisations and charities are building that trusted pipeline entirely on their own resource.

## Recommendations

### Build a scalable, end-to-end business support pathway

Resource and scale existing refugee entrepreneurship organisations into a single national pathway spanning five stages: a clear front door, early-stage exploration, structured start-up guidance, continued growth support, and a consistent mentor throughout.

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19 M. Kaye and R. Grove-White, *Strength in Numbers: The UK Refugee and Migration Sector in 2025*, Migration Exchange, May 2025.

### Publish a single, plain-language guide to starting a business in the UK

One authoritative guide taking a person through everything they must do to start and run a business, in sequence: legal structure, registration, tax, VAT, licensing, insurance, and the deadlines attaching to each.

### Ensure mentoring is delivered by people with shared lived experience

Mentoring should be core infrastructure to business support, not an optional add-on, matched wherever possible on shared language, background or experience. This should include a national campaign enabling business owners with refugee backgrounds to self-identify as mentors.

### Provide sustained core funding to refugee-led and refugee-serving organisations

Fund the organisations that already hold community trust as delivery partners: long-term unrestricted core funding rather than short project grants, and investment in their capacity to evidence their own impact.

## Chapter 4: Language as a stepping stone to success

Language sits underneath almost every other barrier a refugee founder faces. A person cannot register a company, read a tax return, understand a lease, price a contract or pass a hygiene inspection in a language they don't know. General English classes help people live in the UK, but they are not designed to help people run a business in it.

In the Cedar Review's survey, 42% of founders cited language and communication as a main challenge in starting their business, but this is not a barrier unique to refugees. Family members of skilled worker visa holders, international students who stay on to work, and other non-native English speakers building businesses in the UK encounter the same gap between general English provision and the specific language a business demands

It is the barrier that compounds the rest: a founder who cannot follow HMRC guidance faces a tax problem and a language problem at once.

*"Without language, you can't deal with anyone, even you cannot deal with the customer service by phone. Every time you ask for an interpreter or a translator, this gives you a bad impression and [the entrepreneur] feels weak."* - Waleed Zuoriki, Founder, Yemen Land

A 2024 systematic review of refugee entrepreneurship research published in *International Migration Review* found consistent evidence that inability to speak the host country's language is a significant barrier to business establishment specifically, not only to employment more broadly.[20]

> *"The biggest challenge for me when I came to the UK was the English language, because if you can't speak the language, then you can't access any support, or know how to register a company."*
> - Refugee Founder, a makeup artist with 37 years' experience in Afghanistan

[20] A. Newman, L. Macaulay and K. Dunwoodie, 'Refugee Entrepreneurship: A Systematic Review of Prior Research and Agenda for Future Research', *International Migration Review*, 58(3), 2024

## Gaps in existing support

The UK provides English language teaching for refugees and migrants through ESOL provision, college courses and job centre requirements. But the funding is being pulled back, falling from £247 million in 2010/11 to £186 million in 2023/24.[21]

There is an established model that works. Embedded ESOL combines language teaching with a vocational subject such as construction, childcare or health and social care, so that people learn the words they need for the work they intend to do. What is almost entirely missing is an equivalent for enterprise.

There is currently no widely available free course teaching the specific language of starting and running a business.

By extending the embedded model to enterprise, running alongside general ESOL rather than after it, a founder never has to wait to start learning the language their business depends on.

*"English is very important, especially when you talk to somebody like an accountant or the council, and they use that kind of specific words, terms you have to understand. When you move to some kind of high level, like accounting systems, it's very important."* - Vladimir Pavliiciuc, Founder, Ruta's Kitchen

## Simplifying government language would help everyone

Even founders who clear the language barrier hit another one immediately behind it: official guidance that defeats confident, fluent English speakers.

> *"The words they're using are insanely hard. I still can speak English now, but for GOV.UK, the words are insanely hard. In my team, there is one person who is not Ukrainian, so they are native, right? And he doesn't understand what they mean, because the words are so complicated. If English people can't understand it, how can someone expect me to understand what's written there?"* - Lisa Tataryna, Founder, Cream Dream

This is not a case where refugee founders need special accommodation from an otherwise well-designed system. Around 6.6 million adults in England have very poor literacy skills, defined as being able to read short, straightforward texts on familiar topics but likely to struggle with unfamiliar sources on unfamiliar subjects.[22] Company registration, VAT thresholds and licensing are, for almost everyone meeting them for the first time, precisely that.

Simplifying the language of company registration, tax and licensing would not be a concession made for refugee founders. It would remove a barrier standing in front of a very large number of people trying to start a business in the UK. Government has a responsibility to make its own language less needlessly difficult, for refugee founders and everyone else navigating it.

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[21] D. Ganguli, 'Defunding English lessons for migrants will fracture communities', *FE Week*, September 2025.

[22] National Literacy Trust, *Adult literacy rates in the UK*, drawing on OECD, *Survey of Adult Skills 2023: national report for England*, 2024.

Language sits underneath every other barrier in this report, and broadening access to English business language provision, as well simplifying the language around business not only helps refugee founders wanting to trade, but also for millions of others the same jargon already defeats.

## Recommendations

### Extend the embedded ESOL model to enterprise

Government, ESOL providers and refugee-serving organisations should fund a business-focused English course, built on the embedded ESOL model already used for other trades. This should include:

- A curriculum covering the vocabulary founders actually encounter: company registration, tax and HMRC correspondence, contracts and invoicing, licensing, pitching, and customer service.
- Delivery in parallel with, not after, general ESOL.
- Course information provided directly to refugee communities in their own languages.

### Address the shortfall in underlying ESOL provision

Government should ensure ESOL capacity matches demand, with sufficient funded hours for learners to progress, and simplify a funding landscape that is currently difficult to navigate.

### Apply plain English standards to business, tax and regulatory guidance

Government should audit HMRC, Companies House and other business-facing guidance against GOV.UK's own plain English standards, and correct where it falls short.

# Final Reflections

The barriers set out in this Review are structural. But founders described something else running alongside them: a public conversation about refugees that most did not choose to be part of, and a question of who gets to decide how their story is told.

Some founders make their story central to their brand. Others reject the label outright.

*"I am an entrepreneur. I do have a displacement background, but this is not all my identity."* - Basma Al Duhi, Founder, Ruh

A policy category is not an identity. Founders may be counted as refugee entrepreneurs where that helps target support, and described however they choose in everything else.

Entrepreneurs from a refugee background are not asking to be rescued. They are asking to be allowed to contribute, and then to be met with a system that makes sense.

They arrive with skills, professional histories and a resilience most economies would compete to attract. What they encounter instead is a sequence of avoidable obstacles: years of enforced idleness during the asylum process; a status too short to sign a lease or secure a loan; finance that is impossible to receive; support that exists but cannot be found; guidance written in language that defeats even the people it is written for; and a public conversation that describes them as a cost while they are paying tax.

None of this is inevitable. Each barrier was designed, and each can be redesigned. The recommendations in this Review are specific and in most cases, inexpensive.

This is not only the refugees' problem. It is every small business's problem. A system navigable by someone with no networks, no credit file and no familiarity with British bureaucracy is a clearer system for every first-time founder in the country.

The question this Review poses is therefore not what the UK owes refugee entrepreneurs. It is what the UK is prepared to lose by continuing to waste their potential.

The alternative costs nothing to try. Every founder in this Review built something out of very little, and asked for nothing more than the same chance every other business gets. Give them that, and they will not need to be told what to do with it.

# Methodology

The Cedar Review draws on primary research with refugee entrepreneurs and the organisations that support them, combined with a review of UK and international policy and academic evidence. The aim throughout was to ground every recommendation in what founders themselves described, rather than in assumptions made on their behalf.

**In-depth interviews**

Twelve in-depth interviews were conducted with refugee and displaced founders running businesses across the UK, spanning sectors including food and hospitality, retail, professional services and the creative industries, and founders at different stages from early trading to established, employing businesses.

**Focus groups**

Five focus groups were held with a total of 40 participants, both online and convened in partnership with refugee-led and refugee-serving community organisations in London, Coventry and Glasgow.

**Survey**

A survey of 81 refugee entrepreneurs was conducted to test and quantify themes emerging from the qualitative research, covering business history prior to arrival in the UK, the main challenges faced at start-up and in growth, sources of finance and support used, and confidence in accessing further support. Survey findings are reported as percentages throughout the Review.

**Written evidence**

The Review issued a call for written evidence to organisations supporting refugee entrepreneurs, including national bodies, community organisations, CDFIs and academic researchers. Written submissions informed the Review’s understanding of the wider support landscape, funding models and international comparators, and are cited by source throughout.

**International mapping**

The Review mapped refugee entrepreneurship initiatives and policy approaches internationally, including in the EU, Germany, Italy, Finland and Canada, to identify models that could inform UK practice. This mapping drew on published evaluations, government and third-sector reporting, and, where available, direct contact with the organisations delivering these programmes.

## Thanks

This Review would not exist without the entrepreneurs who gave their time and shared their stories with us. Their honesty and openness shaped every part of this report, and we are deeply grateful.

Thank you to the organisations who contributed evidence and insight throughout the research.

We also want to thank the Steering Board for its guidance and support:

### Co-Chairs

**Anil Qasemi**, Founder, Hatopia

**Michelle Ovens CBE**, CEO and Founder, Small Business Britain

### Members

**Abeer AbuGhaith, Charlie Fraser, Fred Kastner**; The Entrepreneurial Refugee Network (TERN)

**Rick Limentani**; The Federation of Small Businesses

**Matt Smith**; Centre for Entrepreneurs

**Philip Salter**; The Entrepreneurs Network

**Sarah Howard**; British Chambers of Commerce

**Alice Hainsworth**; Refugee Council

**Dr Michelle Richey**; Loughborough University

**Jessie Macneil-Brown**; Ben & Jerry’s

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