



Financial and Professional Services Future Skills Needs

June 2026

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Executive summary

Overview of the financial and professional services sector

Financial and professional services (F&PS) is a significant sector in Scotland's economy and is expected to grow in both size and value over the next decade. There are currently over 13,000 F&PS businesses, accounting for 8% of all businesses in Scotland. Professional services has substantially more businesses than financial services, 10,655 and 2,405 respectively. The vast majority of F&PS businesses (92.4%) are micro although there are some large multinational organisations located primarily in Glasgow and Edinburgh. The number of businesses has fallen by 20% since 2020 and in the same period, there has been a 0.8% increase in jobs, suggesting a degree of consolidation within the sector.

The financial and professional services sector is forecast to be worth increasingly more to the Scottish economy over the next decade, from a baseline of £17.3 billion in GVA in 2025 up to £18.1 billion in 2028 and £20.1 billion in 2035. This represents an increase in forecast GVA of 4.4% between 2025 and 2028 and 10.8% between 2028 and 2035. Financial services (£15.6 billion in 2035) is forecast to be worth more to the economy than professional services (£4.5 billion in 2035), although professional services is projected to grow at a greater rate (19.5%) than financial services (14.6%). This forecast GVA growth in F&PS reflects the growing demand for skilled services provided by the sector as a whole.

Current and future skills gaps

Financial and professional services offers employment to a large and varied workforce, currently comprising over 149,000 jobs. The sector provides good quality jobs, career progression and opportunities for people looking to make a career change. Roles in the sector vary from long-established roles such as accountants, solicitors and brokers, to roles which are increasingly in demand such as data analysts, software engineers (particularly in FinTech) and advisors for sustainable and green finance. Oxford Economics data forecasts that the size of the financial and professional service workforce is expected to grow, requiring 6,200 new entrants by 2028 and a further 10,300 by 2035. While this is largely driven by expansion demand in professional services, there will also be significant replacement demand as people retire and leave the sector.¹

Over half of the employers surveyed as part of this research reported vacancies, with the most common vacancies being in mid-level and senior-level roles. This was reinforced by findings from consultations with stakeholders who had found that recruiting and retaining graduates was generally straightforward, but finding people with experience to fill mid-level and senior-level roles was more challenging. Thinking about the future, over half of employers responding to the survey expected there to be an increase in vacancies in their organisation within the next three to five years.

¹ Expansion demand is the number of people required as a result of economic growth or contraction. Replacement demand is the number of people required to replace workers leaving the labour market (i.e. those who retire, move away or change jobs)

Surveyed employers most commonly pointed to an expected increase in demand for roles in the next three to five years in data analysis, software engineering, cyber security, risk analysis and IT/solutions architecture. In contrast, they expected demand for roles such as management consultancy, auditing, accountancy, project management and customer service to fall over the same period. This suggests that employers acknowledge the increasing prevalence of digital technology, automation and data in the sector, and how this will impact on roles and ways of working.

Lightcast data² around spotlighted roles (selected from survey and consultation findings on which roles are most in demand) highlighted significant growth in demand for roles in the financial and professional services sector such as in IT solutions architect roles, risk analyst roles and cyber security roles. Cyber security postings almost trebled between 2020 and 2025, while postings for IT solutions architect roles and software/cloud/DevOps engineer roles more than doubled. This illustrates the rapid expansion of digital technology roles in the sector. Common skills required across all of the five roles that were spotlighted included communication, management and problem solving. There was more nuance in specialised skills required depending on the role, with specialised skills such as knowledge of cloud architecture being in demand for IT solutions architect roles and cyber security skills being required in cyber security roles.

Generally, employers that responded to the survey and consultations reported that their workforce has the required skills that they need for their roles in the organisation. Some consultees noted that they have mechanisms to quantify this such as internal skills assessment tools.

Amongst employers that reported specific skills shortages, the most common of these related to digital technologies,

with significant shortages reported in AI, blockchain & smart infrastructure and cyber security. There is also evidence of shortages in leadership, analytical and strategic thinking skills. This shows the relationship between the need to both develop digital skills alongside more traditional skills such as analysis and understanding data.

Employers reported some recruitment challenges, in particular in recruiting for skills that allow them to keep pace with technological changes and recruiting people with the technical skills required for roles. Employers are of the view, however, that these technical skills can be taught, and the key consideration for recruiting people is to ensure they have the capacity, resilience and mindset to learn these skills. A very important finding from the survey is that transferable skills are the most important factor in recruitment and the one that employers place most value on. This is followed by the qualifications and experience of the candidate. Reinforcing this message, specific financial and professional services skills were deemed to be less important than having the necessary transferable skills, experience and qualifications.

Employers are using a range of approaches to reach and engage the future financial and professional services workforce. The main way is through education institutions such as universities, colleges and secondary schools. Employers believe that early engagement with potential recruits is vital and that engaging with school pupils can inform them of pathways into the industry, raise their interest and motivate them to consider a career in financial and professional services. Examples of what employers offer include internships, employers visiting schools, and regular study visits to companies. Each of these opportunities provides greater exposure to the wide variety of roles that are available to them within the sector.

² Lightcast provides online job postings data, which provides a useful barometer for the health of the jobs market, including for specific roles

Growth opportunities for financial and professional services

In 2025, Scotland Financial Enterprise published Scotland's New Vision for Financial Services. This strategy outlined three key areas of opportunity for growth within financial and professional services. These are: asset management; green and sustainable finance; and FinTech.

These growth opportunities are highly related to the technological innovations described above. Scotland already plays a global role in the FinTech sector, and by leveraging innovations, data and AI assets, asset management can become more client-focused which has been stated by consultees as becoming increasingly more in demand within financial and professional services. This innovation can also reduce operational costs, ensuring that revenue is maximised. Similarly, Scotland's reputation as a leader in both finance and sustainable development make it well positioned to provide services in relation to green and sustainable finance.

There is currently pressure and downward trends in assets under management and the number of asset management firms across Scotland. If skills and knowledge of how to apply AI and machine learning to plan, resource and effectively implement it are developed (at a senior level) within the asset management subsector, then the application of these technologies can help to re-imagine back office functions and enable more time to be spent developing client-focused services. This will simultaneously improve the offer to clients to maximise revenue and also reduce operational costs.

Recognising the opportunities in green and sustainable finance, the UK is positioning itself as a global hub of green finance. Within this, Scotland's reputation as both a global financial centre and as a world-leader in renewable energy lends itself well to supporting this opportunity. Roles within green and sustainable finance require a blend of both environmental and sustainability skills and knowledge along with finance and analytical skills.

Scotland is currently the largest UK FinTech hub outside of London, which gives Scotland a particular market advantage which should be sustained. The application of FinTech enhances access to financial services, reduces costs, improves transparency, streamlines processes and reduces friction, and by enabling new business models, drives competition. It also empowers consumers to make easy, quick and secure payments through digital payments and wallets. FinTech requires a blend of technical and digital skills, with advanced financial knowledge.

Employers responding to the survey recognised that these three opportunities (FinTech, asset management and green & sustainable finance) are becoming increasingly important to consider, with more of the sample stating an intention to become involved in each of these opportunities within the next five years than stated that they are currently operating in these fields.

Upskilling and reskilling

Workplace training is changing in financial and professional services. Like the change in demand for certain roles, this is largely fuelled by the pace of technological change, and the regulatory changes arising from this change that affect the financial and professional services sector.

It is becoming more targeted and deliberate and includes activities to upskill and reskill people into emerging roles (for example, reskilling local branch managers into data engineer roles). The survey shows that investment in training has increased over the last two years, with personal professional development being seen as increasingly important to ensure that employers have the skills they need in the workforce.

Flexibility of training content to meet the needs of employers is the most important factor in selecting training providers. Employers that were consulted in this research indicated that, due to the current pace of change within the sector, they favoured training opportunities that were short, targeted and specific to the current needs of the business.

There is evidence of higher current usage, and higher receptiveness to offering the current workforce Modern Apprenticeships within the sector, compared to Foundation Apprenticeships and Graduate Apprenticeships. This can be explained due to a higher availability of Modern Apprenticeship frameworks. There was also a high level of openness to providing internships reported, which again emphasises the need for training to be moulded more specifically to an employer's needs.

Recommendations

Based on the research findings, a series of six recommendations have been made to help tackle the skills challenges facing the financial and professional services sector. The recommendations are not intended as an action plan, rather, they are designed to inform ongoing skills planning and resourcing for within the sector.



Recommendation 1: Continued strategic collaboration

It is recommended that the current triple-helix approach to collaboration, involving industry, public sector and educational institutions is continued and remains inclusive of employers of different sizes and sub-sectors, to ensure that the views of all subgroups are represented in discussions. This will also enable more effective and representative discussions on current and future skills needs within the sector.

Recommendation 2: Monitoring drivers and developments

It is recommended that organisations involved in workforce planning both keep abreast of the skills that demand is increasing for and those that will be provided by technology. Development must prioritise the skills that employers have suggested to be of most in demand through this research including those important to developing and operating digital technologies, and the human skills which will be vital to the sector in the future.

Recommendation 3: Recognition of less-established pathways

It is recommended that there should be a degree of parity in opportunity across the various different routes into the financial and professional services sector for career changers, graduates and other new recruits. While this is recognised in most companies that have engaged in this research, good practice should be disseminated at an industry level to build on current learning and improve practice in recognition of career pathways for the sector.

Recommendation 4: Equality, diversity and inclusion

It is recommended that good practice and guidelines for recruiting from more diverse talent pools is shared amongst the industry, particularly in relation to sharing practices adopted by larger scale employers with smaller employers. This will enable a greater understanding of approaches, to ensure that all employers offer equal opportunities across the sector.

Recommendation 5: Creative or flexible approaches to inspiring the next generation

It is recommended that the creative and flexible approaches to encouraging young people to consider a career in the sector mentioned throughout this report are continued, with best practice socialised as widely as possible. This will enable a more diverse talent pool to consider a career in financial and professional services.

Recommendation 6: Opportunities for upskilling and reskilling current staff

It is recommended that industry representatives should make institutions aware of their predicted skills needs to ensure that these institutions (particularly higher and further education) can adequately equip their current staff with the skills that will be needed in the future, as aligned to SFE's priorities. This reskilling and upskilling would ideally be supported by effective policy levers and other funding being made available by the public sector to support this upskilling or reskilling.

1 Introduction

Background and context

1.1 The financial and professional services (F&PS) sector is a critical sector for economic growth in Scotland and is a major employer, particularly across Scotland's two biggest cities, Edinburgh and Glasgow. The sector covers both financial and professional services which each encompass a broad range of activities. Financial services are those which facilitate financial transactions, and the management of money for people and organisations. For example, banking, insurance, investment, and credit services are all included, and provided by organisations such as banks, building societies and credit unions. Professional services cover a range of activities adjacent to financial services which provide knowledge-based services delivered by qualified professionals to support businesses and individuals with areas that require specialised knowledge and expertise. For example, legal services such as advocates, and solicitors support with navigating the legal system, whereas credit bureaus provide information which is used to judge financial decisions. More detail surrounding the specific classifications of businesses using SIC codes is provided in the definition in chapter 2.

1.2 Financial and professional services offers relatively high quality and well-paid employment opportunities and is a key contributor to Scotland's GVA, estimated to be worth around £17.3 billion in 2025, which is 10.2% of Scotland's total economic output.^{3,4} The sector employs approximately 3.9% of the Scottish workforce, and is therefore of particularly high

value to Scotland, providing employment opportunities across a range of functions, businesses and locations.

1.3 Financial and professional services also delivers considerable strategic value, given Scotland is a key financial centre and a leader in FinTech. Scottish Financial Enterprise (SFE) published Scotland's New Vision for Financial Services in October 2025. This strategy highlights the key opportunities of green and sustainable finance, asset management and FinTech as priorities for future growth in the sector.

1.4 A key driver in financial and professional services is the rapid development and adoption of technologies such as AI, data and the need for cyber security. This is impacting on ways of working and the sector's skills needs.

1.5 Within this context, it is important that employers across the sector can recruit and retain the skills they need in terms of the types of skills, and the volume. They also need to be able to upskill and reskill their existing workforces to keep abreast of changes in the workplace to meet the changing employers' demand for skills.

1.6 Ensuring the pipeline of skills does not have one single solution, it requires a multi-faceted approach. As well as upskilling and reskilling of the current workforce, the recruitment pool can be widened through equalities, diversity and inclusion, recruitment and development pathways for young people, attracting career changers, and encouraging people to remain in or return to the F&PS workforce.

³ <https://www.skillsdevelopmentscotland.co.uk/media/r2pnya5g/sectoral-skills-assessment-financial-services.pdf>

⁴ <https://www.skillsdevelopmentscotland.co.uk/media/plxldh3w/sectoral-skills-assessment-professional-services.pdf>

⁵ <https://static1.squarespace.com/static/623b6c120a64d02ae34e6b2d/t/6539369eb667c97a2b9612b7/1698248960627/SFE+Sector+Growth+Strategy>

Aims of the study

1.7 GC Insight was commissioned by Skills Development Scotland (SDS), working in partnership with SFE to develop an evidence base detailing the current and future skills needs of the F&PS sector in Scotland. The study is intended to update the report: "Financial and Professional Services Workforce Study". This was produced by ekosgen (now GC Insight) on behalf of SDS and SFE in December 2021. Recognising the rapidly changing context of the sector, the findings of the current research will help to support the sector achieve its growth potential and provide a robust evidence base of the skills needs, gaps and issues currently and going forward. It builds on existing insight into the sector, skills demand, provision, and gaps across Scotland, and emerging opportunities and requirements.

1.8 The specific aims of the research are to:

- develop an understanding of the current and projected skills and job roles that are most in demand within the sector
- provide an understanding of the most prevalent skills challenges that are facing the sector. This includes the nature and severity of skills shortages and skills gaps, particularly in connection to the key growth areas of FinTech, asset management and green and sustainable finance
- identify recommendations in response to the key findings of the report.

Methodology

1.9 GC Insight used a mixed methodology to undertake the research which was undertaken collaboratively, working closely with industry and other partners to ensure a high degree of quality insight, engagement and industry-verification. The research methods comprised:

- a review of the demand for F&PS skills, particularly in respect to the relevant subsectors, education and training provision, and skills that are most applicable to Scotland's F&PS sector. This was supported by Lightcast analysis into the demand for roles that had been identified in consultation with key employers
- desk research to review literature, reports and key documentation relating to the sector's position in Scotland and its drivers for change, trends across the key growth areas of FinTech, asset management and green & sustainable finance
- a survey of F&PS employers that was distributed through SFE's member network. This elicited 94 responses
- qualitative interviews with five F&PS employers and key stakeholders to explore the current and anticipated skills needs within the sector.

1.10 It should be noted that achieving the sample of employers required significant resource commitment and support from SDS and SFE. There is a sense of some degree of survey fatigue within the sector, and that capacity and motivation to participate in research may currently be limited. This is something to consider for future research.

1.11 As with all surveys, some respondents only partially completed the survey, dropping off at various stages. In total, there were 28 fully complete responses and 66 partially completed responses. GC Insight agreed with SDS and SFE to use all of the data provided to maximise value from the sample. This is normal practice in research of this type.

1.12 A profile of the employer respondents is provided at Appendix 1.

2 Current and projected skills needs



There were over 13,000 financial and professional services businesses operating in Scotland in 2024, with a third of these being based in Edinburgh or Glasgow.



There is a higher prevalence of full-time employment in the sector (82%) than the national average (67%). More flexible working arrangements will help boost the sector's attractiveness.



There were over 149,000 people employed in the financial and professional services sector in Scotland in 2023. This figure has varied greatly since 2015, suggesting that employment in the sector can be volatile and susceptible to externalities.



There is anticipated to be a need for 6,200 new entrants to the sector by 2028 and 10,300 additional new entrants required by 2035. Expansion demand is anticipated to be the greatest need in professional services, while replacement demand is anticipated to be of greater need in financial services.



The vast majority (82%) of businesses are professional services businesses, however there are more people employed in financial services (56%) than professional services (44%), suggesting that there are many more micro businesses in professional services than financial services.



There has been significant growth in demand for Cyber security, IT Solutions architect and software/cloud/DevOps engineer roles since 2020, and relatively moderate growth in risk analyst and data analyst roles.



While each of these roles requires separate specialised skills tailored to the role, they also require similar common skills (communication, management and problem solving).

Introduction

2.1 This chapter sets out the findings of the desk-based review in relation to the skills needs of the financial and professional services sector in Scotland. It is based on analysis of the business base through the UK Business Counts survey, Business Register and Employment Survey (BRES), and a Lightcast data request to understand specific roles and skills that are highest in demand.

Demand definition

2.2 For the purposes of this research, the Standard Industrial Classification (SIC) code definition of the financial and professional services sector that was used in ekosgen's 2021 Financial and Professional Services Workforce Study has been applied to the current work. This demand-side definition uses a selection of the UK SIC 2007 codes for the financial and business services growth sector to establish a definition for F&PS. These codes are as follows:

Financial services:

- 64.1: Monetary intermediation (includes banks and building societies)
- 64.3: Trusts, funds and similar financial entities (includes open-end and closed-end investment funds and unit investment trust funds)
- 64.9: Other financial service activities, except for insurance and pension funding (includes credit granting)

- 65: Insurance, reinsurance and pension funding, except compulsory social security (includes life and non-life insurance and reinsurance, and employee benefit, pension and retirement plans)
- 66: Activities auxiliary to financial services and insurance activities (includes fund management).

And professional services:

- 69: Legal activities and accounting activities (includes barristers at law, solicitors, accounting, bookkeeping and auditing activities, and tax consultancy)
- 70.2: Management consultancy activities (includes public relations and communication activities and financial management)
- 82.91: Activities of collection agencies and credit bureaus (includes services such as bill or debt collection and providing information to financial institutions, i.e. credit history).

2.3 Throughout the research, the sector is considered and presented as the F&PS sector in its entirety. However, where the data allows, the analysis examines differences across the financial services and professional services subsectors separately.

Caveats and limitations

2.4 It should be noted that, as has been highlighted in consultation with key F&PS stakeholders, there are data limitations regarding certain roles in the sector. For example, while SIC69 is the definition used for legal and accounting activities, it does not necessarily capture every lawyer, solicitor, or accountant within the economy. It does not take account of these roles in non-F&PS sectors, for example lawyers that work for construction companies and are then captured in the employment for SIC41-43 instead. This means that employment figures for roles applicable to financial and professional services (outwith the sector itself) will not be captured, and therefore the people with relevant skills to work in the sector are understated.

Current skills base

Business base

2.5 This section presents the findings of the desk research and analysis on the Scottish F&PS sector, including its scale,

geographical breakdown, and the size of F&PS businesses. Time series of the Scottish F&PS business base is also provided where relevant to understand the trajectory of the sector.

2.6 There was a total of 13,060 F&PS businesses in Scotland in 2024, representing 8% of all Scottish businesses, comprised of 10,655 in professional services (6%), and 2,405 in financial services (1%). The number of F&PS businesses has decreased by a fifth over the five year period since 2020, which is significantly more than the Scottish average for all sectors, which decreased by 3%. The UK F&PS business base also decreased over the period of analysis, however to a lesser degree, with the 2024 UK business base being 12% smaller than in 2020.

2.7 As illustrated at Figure 2.1 the sector saw significant decreases in business count from 2020 to 2021 (-7%) and from 2021 to 2022 (-9%) based on the total in 2020, with smaller decreases in the following years. All sectors have experienced a 1% per annum decrease in total business base between 2020 and 2023, with a 1% increase in the most recent year of analysis. This could be a consequence of sector consolidation which

Table 2.1: F&PS business base, Scotland, 2020-2024

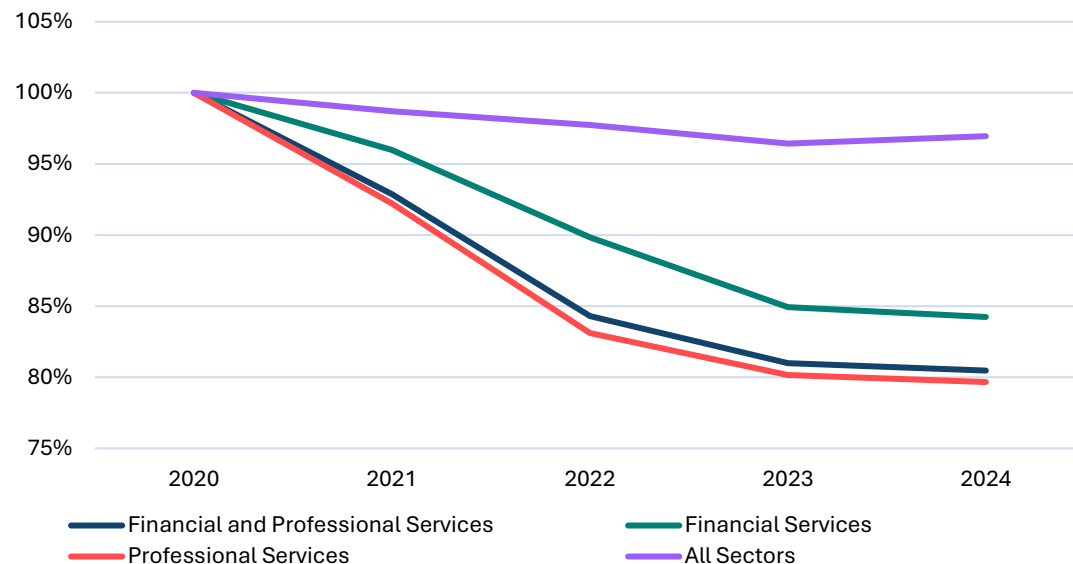
Industry	2020	2021	2022	2023	2024	% change 20-24
F&PS	16,230	15,075	13,680	13,145	13,060	-20%
Financial services	2,855	2,740	2,565	2,425	2,405	-16%
Professional services	13,375	12,335	11,115	10,720	10,655	-20%
All sectors (Scotland)	177,695	175,400	173,655	171,350	172,255	-3%

Source: UK Business Counts, 2024

6 <https://www.lindsays.co.uk/news-and-insights/insights/consolidation-trends-in-scotlands-ifa-sector>

has been a prominent trend over the period of analysis, fuelled by factors such as a rapidly changing regulatory context⁶ and increasingly challenging economic environment which smaller companies can struggle to navigate.

Figure 2.1: Index of F&PS and all sectors and business base, Scotland, 2020-2024



Source: UK Business Counts, 2024

2.8 Table 2.2 shows the breakdown of F&PS businesses in Scotland by sub-sectors in the period 2020-2024, representing the total number of businesses for each sub-sector in each year, and highlighting the percentage change between the 2020 figure and the 2024 figure. The two largest sectors were management consultancy activities and legal & accounting activities, both of which are in professional services, and together comprise 81% of the total F&PS businesses. The third largest sub-sector is activities auxiliary to financial services and insurance activities which comprised 12% of the total F&PS business base.

2.9 All sub-sectors have seen a decrease in business numbers with the largest decreases being in insurance, reinsurance and pension funding, except compulsory social security, and management consultancy activities (-26% each). Only other financial service activities, except insurance and pension funding has seen an increase over the period (+4%) between 2020 and 2024.

Table 2.2: F&PS subsector business base, total businesses, Scotland, 2020-2024

	2020	2021	2022	2023	2024	% change
Financial services						
Monetary intermediation	80	75	75	75	75	-6%
Trusts, funds and similar financial entities	130	130	135	130	120	-8%
Other financial service activities, except insurance and pension funding	345	340	330	335	360	4%
Insurance, reinsurance and pension funding, except compulsory social security	425	410	380	315	315	-26%
Activities auxiliary to financial services and insurance activities	1,875	1,785	1,645	1,570	1,535	-18%
Professional services						
Legal and accounting activities	3,735	3,650	3,610	3,570	3,525	-6%
Management consultancy activities	9,610	8,655	7,475	7,120	7,105	-26%
Activities of collection agencies and credit bureaus	30	30	30	30	25	-17%

Source: UK Business Counts, 2024

- 2.10** Table 2.3 shows the breakdown of F&PS businesses by local authority. There is no surprise that Edinburgh (19%) and Glasgow (14%) have the largest numbers of F&PS businesses. These two cities provide employment in F&PS for their own residents but also for substantial travel to work areas and so are important for the regional economies.
- 2.11** The greatest density of F&PS businesses was in Stirling, with one F&PS business per every 212 people, followed by one in every 213 in the City of Edinburgh, and every 314 in Aberdeen City (based on 2023 population estimates).
- 2.12** Table 2.3 shows that Fife experienced the largest decrease in F&PS businesses over the five years, falling by a third, followed by the City of Edinburgh (-28%). The F&PS business base grew in the Orkney Islands (+17%) and Highland (+3%), however these had much smaller F&PS business bases and the establishment of only a few businesses could have this impact. Despite its rurality, and smaller population compared to Fife and Lanarkshire, Aberdeenshire has a large proportion of F&PS businesses. This is in part due to their relationship with other significant sectors in the region, mainly the energy industry, as well as the strong support for F&PS from the local authority.⁷
- 2.13** The vast majority (92.4%) of F&PS businesses are micro businesses (1-9 employees), as illustrated by Table 2.4. This is a slightly smaller proportion than in 2020. Micro businesses are by far the most common size of business in the UK, however, there is a slightly larger share of F&PS micro businesses than the average for Scotland and the UK (87.4% and 89.1% respectively). There are a small number of large employers in F&PS in Scotland, accounting for 0.2% of the total businesses, but providing significant employment opportunities.

⁷ <https://www.aberdeenshire.gov.uk/business/business-support#>

Table 2.3: F&PS business base by local authority, 2020-2024

Local Authority	2020	2021	2022	2023	2024
City of Edinburgh	3,385	3,030	2,720	2,515	2,450
Glasgow City	2,145	2,045	1,910	1,885	1,870
Aberdeenshire	1,000	900	795	765	755
Aberdeen City	970	910	785	725	725
South Lanarkshire	770	735	680	655	660
Fife	850	775	635	585	560
North Lanarkshire	560	530	475	450	40
Highland	440	430	420	430	455
Perth and Kinross	500	480	455	465	445
Stirling	525	475	445	445	440
West Lothian	500	440	365	360	370
Renfrewshire	410	390	355	360	370
East Dunbartonshire	395	365	330	300	305
East Renfrewshire	375	345	25	295	30
Scottish Borders	355	320	315	290	290
East Lothian	360	325	290	275	280
Falkirk	330	290	235	255	255

Local Authority	2020	2021	2022	2023	2024
Dundee City	260	265	265	240	240
South Ayrshire	240	235	220	220	225
Midlothian	260	230	205	210	210
Dumfries and Galloway	205	210	190	185	195
East Ayrshire	210	205	190	185	180
Angus	205	185	170	160	160
Argyll and Bute	165	10	160	160	160
North Ayrshire	175	175	150	140	140
Inverclyde	140	145	130	125	130
Moray	135	140	135	120	120
West Dunbartonshire	110	120	95	95	100
Clackmannanshire	105	95	85	90	90
Nan-Eilean Siar	40	40	40	40	40
Shetland Islands	45	45	50	45	40
Orkney Islands	30	30	30	30	35
Column Total	16,230	15,075	1,680	13,145	13,060

Table 2.4: F&PS business base by size, 2020-2024

Size	2020	2021	2022	2023	2024
Micro (0 to 9)	93.9%	93.4%	92.8%	92.4%	92.4%
Small (10 to 49)	5.1%	5.6%	6.1%	6.4%	6.3%
Medium-sized (50 to 249)	0.8%	0.8%	0.9%	1.0%	1.1%
Large (250+)	0.2%	0.2%	0.2%	0.2%	0.2%

Source: UK Business Counts, 2024

The financial and professional services workforce

2.14 There were 149,200 people employed in the F&PS sector in 2023 using the definition given earlier in this report (however there are likely more people working in financial and professional roles which are not included in this definition). Table 2.5 shows the breakdown of F&PS employment across the sub-sectors. The majority of the sector is comprised by people employed in financial services roles, which makes up 56% of F&PS employment.

2.15 Monetary intermediation is the largest employer, with the workforce having increased by 10% over the period, having overtaken legal and accounting activities which comparatively saw its workforce decreased by 2%. Other significant employers are activities auxiliary to financial services and insurance activities, and management consultancy activities which have both remained stable, while other financial service activities, except insurance and pension funding, and trusts, funds and similar financial entities, which employ significantly fewer people, have seen their workforces halved since pre-Covid levels.

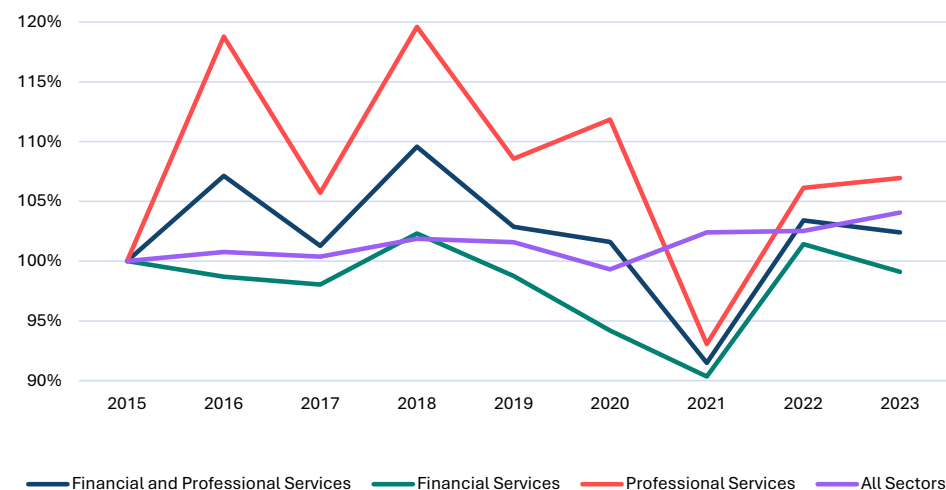
Table 2.5: F&PS employees by sub-sector, 2019-2023

	2019	2020	2021	2022	2023
Financial services					
Monetary intermediation	38,000	39,000	37,000	42,000	42,000
Trusts, funds and similar financial entities	900	300	300	400	450
Other financial service activities, except insurance and pension funding	4,500	2,250	2,000	2,250	2,250
Insurance, reinsurance and pension funding, except compulsory social security	9,000	10,000	11,000	10,000	8,000
Activities auxiliary to financial services and insurance activities	31,000	28,000	26,000	31,000	31,000
Total	83,400	79,500	76,300	85,650	83,700
Professional services					
Legal and accounting activities	41,000	43,000	35,000	43,000	40,000
Management consultancy activities	23,000	23,000	19,000	19,000	23,000
Activities of collection agencies and credit bureaus	2,500	2,500	3,000	3,000	2,500
Total	66,500	68,500	57,000	65,000	65,500

Source: Business register and employment survey 2023

2.16 The number of people employed in the F&PS sector has varied significantly over the last eight years, with the 2023 figure representing a 7% increase on the 2015 figure, as illustrated by Figure 2.2. The sector showed a steep drop in employment levels of 19% pre- and post-Covid whilst all-sector levels stayed the same over the period. This drop has been largely driven by professional services, which increased by 14% between 2017 and 2018, before dropping 27% between 2018 and 2021. This could suggest that F&PS employment is more volatile, and susceptible to external impacts, and was particularly heavily impacted by the pandemic.

Figure 2.2: Number of people employed in F&PS, and all sectors in Scotland, 2015-2023



Source: Business register and employment survey 2023

2.17 Table 2.6 shows the geographic breakdown of F&PS employment in local authority areas. The City of Edinburgh has the largest share of F&PS employment (38%) followed by Glasgow City (25%). Despite having one of the largest shares of F&PS businesses, Aberdeenshire has a comparatively lower share of employment in the sector, suggesting a high number of F&PS SMEs compared to other local authorities. Aberdeenshire has a low average employment per business in the sector (3.5), only higher than East Renfrewshire, Clackmannanshire, and East Lothian (2.2, 3.1 and 3.2 respectively), all of which have much lower total F&PS employment. This is also significantly lower than the City of Edinburgh, and Glasgow City (22.7 and 19.3 respectively), as well as other areas with large populations such as Fife, and Aberdeen City (8.9 and 7.9 respectively). The largest share of F&PS employment compared to businesses was in West Dunbartonshire with 33, however this may be obscured by people working in Glasgow City and commuting from West Dunbartonshire.

2.18 Table 2.6 also shows how the number of people employed in F&PS has changed in each area between 2021 and 2023. There have been sizeable increases in Midlothian (64%), West Lothian (56%), North Lanarkshire (43%), the Orkney Islands (31%) and Edinburgh (22%). To demonstrate the scale, the increase in Edinburgh equates to 1,050 employees. Despite the total in Edinburgh increasing, the 2023 figure for Glasgow City is virtually the same as 2021, despite a 7% increase and subsequent drop in 2022.

Table 2.6: F&PS employees by local authority, 2021-2023

Local Authority	2021	2022	2023	% Change
City of Edinburgh	47,025	56,825	57,175	+22%
Glasgow City	37,030	39,685	37,035	+10%
Aberdeen City	5,230	6,095	5,740	+10%
Fife	6,175	5,000	5,190	-16%
South Lanarkshire	3,650	4,080	4,160	+14%
West Dunbartonshire	2,690	2,940	3,135	+17%
Perth and Kinross	2,775	3,075	3,100	+12%
Highland	2,435	2,795	3,085	+27%
Aberdeenshire	2,440	2,510	2,705	+11%
Dundee City	2,350	2,460	2,665	+13%
North Lanarkshire	1,850	2,45	2,640	+43%
Stirling	2,085	2,185	2,210	+6%
West Lothian	1,375	2,200	2,150	+56%
Renfrewshire	1,840	2,165	2,100	+14%
Scottish Borders	1,165	1,440	1,425	+22%
East Dunbartonshire	1,200	1,260	1,420	+18%

Local Authority	2021	2022	2023	% Change
East Ayrshire	1,220	1,370	1,295	+6%
South Ayrshire	1,220	1,345	1,270	-4%
Dumfries and Galloway	1,045	1,280	1,225	+17%
Inverclyde	1,585	1,645	1,190	-25%
Falkirk	1,000	1,095	1,145	+15%
North Ayrshire	1,025	1,250	1,110	+8%
East Lothian	710	810	885	+25%
Moray	735	915	835	+14%
Midlothian	505	750	830	+64%
Angus	635	665	805	+27%
East Renfrewshire	720	855	635	-12%
Argyll and Bute	645	750	600	-7%
Clackmannanshire	220	280	280	+27%
Orkney Islands	175	230	230	+31%
Nan-Eilean Siar	155	185	190	+23%
Shetland Islands	170	200	180	+6%

Source: Business register and employment survey 2023

2.19 Table 2.7 shows the profile of the F&PS sector workforce in terms of full-time and part-time employment. There is a higher prevalence of full-time employment in F&PS than for Scotland as a whole (82% compared to 67%). The proportion of full-time workers in F&PS has slightly increased since 2019 and in Scotland overall it has remained consistent, seeing a slight increase in full-time employees compared to part-

time employees. Whilst it is not clear if this lower incidence of part time working is driven by employers, employees or a combination, if the sector wants to recruit and retain a more diverse workforce, and widen its recruitment pool, employers may want to consider how they can offer and support more flexible working arrangements.

Table 2.7: F&PS employees by FT/PT, 2019-2023

		2019	2020	2021	2022	2023
F&PS	Full-time	80%	78%	81%	82%	82%
	Part-time	20%	21%	20%	18%	18%
All sectors	Full-time employees	66%	67%	66%	87%	67%
	Part-time employees	34%	33%	34%	33%	33%

Source: Business register and employment survey 2023

Projected skills needs

2.20 Skills Development Scotland publishes annual Sectoral Skills Assessments (SSAs) for key sectors in the Scottish economy. These evidence bases provide baseline and forecasted information using Oxford Economics data to help inform future skills planning and future investment opportunities for 15 sectors, of which financial services and professional services are two. It should be noted that the Oxford Economics projections are policy neutral.

2.21 Table 2.8 sets out the estimated increase in demand for skills across both the financial services and professional services sectors between 2025, 2028 and 2035. In total, it is estimated that there will be a need for 6,200 new entrants to the sector by 2028 and a further 10,300 new entrants to the sector between 2028 and 2035. This includes both expansion demand, and set out in table 2.8, and also replacement demand for roles.⁸

⁸ Replacement demand is the number of people required to replace workers leaving the labour market (i.e. those who retire, move away or change jobs)

Table 2.8: F&PS anticipated growth in jobs (2025 – 2035)

	2025 Baseline (people)	2025-2028 Growth Rate (people)	2028-2035 Growth Rate (people)
Financial services	71,300	1.9% (72,600)	1% (73,300)
Professional services	61,700	5.4% (65,000)	9.5% (71,200)
Total	133,000	3.5 % (137,600)	5.0% (144,500)

Source: Oxford Economics, October 2025

2.22 There will be a higher replacement demand requirement in financial services (900 people by 2028, and an additional 1,900 people by 2035) compared to professional services (600 people by 2028, and an additional 1,600 people by 2035). However, as shown in table 2.8, there will be higher expansion demand in professional services (3,300 people by 2028, and an additional 6,200 people by 2035) than in financial services (1,300 people by 2028, and an additional 700 people by 2035).

2.23 The following analysis has been conducted on some “spotlight” roles that were evidenced as being of highest demand from the survey of financial and professional services employers and the consultation programme with key employers and stakeholders in the sector. This data has been gathered from a Lightcast request made to SDS in January 2026.

2.24 The roles and skills that have been identified are:

- Cyber security)
- IT/solutions architect
- Risk analyst
- Software/cloud/DevOps engineer
- Data analyst.

Unique postings (role) 2020– 2025

Between 2020 and 2025, demand for the selected digital roles varied significantly in both scale and growth. IT solutions architect roles recorded the highest volume of unique postings across the period, with approximately 4,800 postings in total. This was followed by risk analyst roles, with nearly 4,000 postings, and cyber security roles, with around 3,300 postings. Data analyst roles accounted for approximately 2,500 postings, while software/cloud/DevOps engineer roles recorded the lowest overall volume, at approximately 1,400 postings. This highlights the sustained demand for architecture and risk-related functions across the digital economy.

In terms of growth between 2020 and 2025, cyber security roles experienced the highest percentage increase, with postings rising by almost 200%. IT solutions architect roles also recorded strong growth of over 160%, while software/cloud/DevOps engineer roles increased by 100%. Risk analyst and data analyst roles experienced more moderate growth, at 77% and 76% respectively. This indicates that while some roles continue to show high baseline demand, others are expanding rapidly in response to evolving cyber threats, regulatory requirements and digital transformation activity. It should be noted that hiring patterns across the economy were dramatically impacted in 2020 due to the outbreak of Covid-19, and therefore this growth is likely in part driven by the recovery in subsequent years, with hiring returning to pre-pandemic levels.

Median postings duration (role) 2020-2025

Please note that when considering posting duration, the actual time to fill for a posting may be higher than the listed median posting duration, as it does not include long-standing or “evergreen” job postings.

Analysis of the median posting duration of the roles highlights differences in recruitment intensity across roles. Data analyst and software/cloud/DevOps engineer roles had the shortest median posting duration, at approximately 17 days, indicating relatively fast recruitment cycles. Risk analyst roles followed closely with a median duration of around 18 days, while IT solutions architect roles averaged approximately 20 days. Cyber security roles recorded the longest median posting duration, at around 32 days, suggesting ongoing challenges in sourcing suitably skilled candidates.

Looking across the period from 2020 to 2025, several roles experienced substantial reductions in median posting duration. Data analyst roles saw a reduction from around 29 days in 2020 to 17 days in 2025, while software/cloud/DevOps engineer and IT solutions architect roles also experienced decreases of between 7 and 10 days. In contrast, cyber security roles showed only modest reductions over the period, from 35 to 32 days. This may reinforce evidence of structural skills shortages in cyber security roles, and could also suggest a labour shortage, with not enough people to fill the number of roles. The reduction in median posting durations across each of these occupations can also potentially be explained by the disrupted hiring patterns in 2020 arising from Covid-19's impact on the labour market.

Education level required (for key or in-demand roles) 2025

Please note that the majority of job postings included in this request did not specify the level of education required. However, for those postings that did detail an education level required, the most common for each role in 2025 is listed as follows:

■ Cyber security:

- Bachelor's degree or equivalent was the most commonly stated requirement, accounting for approximately 75% of postings where an education level was specified.
- A smaller proportion of postings referenced Master's-level qualifications, with PhD-level requirements remaining minimal.

■ IT solutions architect:

- Bachelor's degree or equivalent dominated education requirements, representing approximately 80% of postings that specified an education level.
- Postgraduate qualifications were referenced infrequently and typically presented as desirable rather than essential.

■ Risk analyst:

- Bachelor's degree or equivalent was the most common requirement in 2025, accounting for approximately 70% of postings where education was stated.
- This role showed a higher-than-average incidence of Master's-level requirements compared to other roles analysed.

■ Software/cloud/DevOps engineer:

- Bachelor's degree or equivalent was cited in approximately 75% of postings that specified an education requirement.
- A small number of postings referenced PhD-level qualifications, though these remained atypical.

■ Data analyst:

- Bachelor's degree or equivalent accounted for approximately 58% of postings where education was specified.
- Master's degrees and PhD-level qualifications together represented around 42% of postings, indicating a stronger demand for advanced academic qualifications relative to other roles.

Common skills

Table 2.9 shows the common skills required across each of the five spotlighted roles. Across all five roles analysed, there is a clear set of transferable skills that recur consistently across postings. Communication and management capabilities are common to all roles, reflecting the increasing importance of stakeholder engagement, cross-functional working and delivery within complex organisational environments. Other skills, such as problem solving and operations, are common across multiple roles but vary in intensity depending on technical focus.

Table 2.9: Common skills required for spotlighted roles

Role	#1 Skill (% , no. postings)	#2 Skill (% , no. postings)	#3 Skill (% , no. postings)	#4 Skill (% , no. postings)	#5 Skill (% , no. postings)
Cyber security	Communication (62%, 1,900)	Problem solving (55%, 1,700)	Management (51%, 1,600)	Analytical skills (44%, 1,350)	Operations (40%, 1,230)
IT solutions architect	Communication (68%, 1,500)	Management (59%, 1,300)	Problem solving (54%, 1,200)	Leadership (48%, 1,050)	Planning (45%, 1,000)
Risk analyst	Communication (64%, 2,500)	Management – (56%, 2,200)	Problem solving (49%, 1,950)	Operations (43%, 1,700)	Planning (38%, 1,500)
Software / cloud / DevOps engineer	Communication (41%, 590)	Problem solving / troubleshooting (38%, 550)	Management (33%, 470)	Leadership – (29%, 420)	Innovation (27%, 390)
Data analyst	Communication (57%, 1,430)	Management – (44%, 1,110)	Problem solving (41%, 1,030)	Decision making (36%, 910)	Analytical skills (34%, 860)

Source: Lightcast Data Request, 2026

Overall, communication is the most consistently demanded common skill across all roles, followed closely by management and problem-solving. Operations-focused skills are particularly prominent in risk analyst and cyber security roles, while innovation and leadership feature more strongly in engineering-led roles.

Specialised skills

Table 2.10 shows the specialised skills that were most in demand for the spotlighted roles. Specialised skills show clearer differentiation between roles, though there is still notable overlap around data, cloud platforms and governance-related capabilities. Technical depth increases markedly for engineering and data-focused roles, while governance, risk and business analysis skills dominate professional services roles.

Table 2.10: Specialised skills required for spotlighted roles

Role	#1 Skill (% , no. postings)	#2 Skill (% , no. postings)	#3 Skill (% , no. postings)	#4 Skill (% , no. postings)	#5 Skill (% , no. postings)
Cyber security	Cyber security / information security (58%, 1,800)	Risk management (46%, 1,420)	Governance (41%, 1,260)	Incident response (38%, 1,170)	Cloud security (34%, 1,050)
IT solutions architect	Cloud architecture (61%, 1,350)	Solution design (56%, 1,240)	Enterprise architecture (49%, 1,080)	Amazon Web Services / Microsoft Azure (47%, 1,030)	Integration architecture – (42%, 920)
Risk analyst	Financial services (52%, 2,050)	Governance – (49%, 1,940)	Business analysis (46%, 1,820)	Risk management (43%, 1,700)	Data analysis – (39%, 1,540)
Software / cloud / DevOps engineer	Software engineering (64%, 920)	Agile methodology (52%, 750)	Cloud platforms (AWS / Azure) (49%, 700)	CI/CD (45%, 650)	Automation / DevOps tooling (43%, 620)
Data analyst	Data analysis (62%, 1,560)	SQL (54%, 1,360)	Python (51%, 1,290)	Data science (46%, 1,160)	Business intelligence tools (Power BI / Tableau) (42%, 1,060)

Source: Lightcast Data Request, 2026

In contrast to common skills, specialised skills show clearer role-specific clustering. Cloud platforms and automation skills are shared between IT solutions architects and DevOps engineers, while governance and risk-related skills overlap strongly between cyber security and risk analyst roles. Data-centric tools and programming languages are highly concentrated within data analyst roles, with limited crossover into professional services roles.

3 Skills issues, gaps and shortages



It has been widely acknowledged by employers that there is a need to keep skills up to date, to match the pace of technological change in the financial and professional services sector.



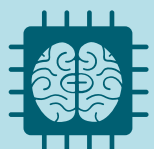
These roles are also expected to be the most in demand in the future, while there is an expectancy that there will be lower demand for other roles such as customer service, auditors and management consultants.



Vacancies in the sector are most commonly reported by employers to be at the mid- and senior-level.



The most commonly anticipated skills for the future combine a blend for technological skills such as AI and cyber security, alongside wider analytical skills such as critical thinking and leadership.



Current vacancies that have been reported are mostly related to technology-driven roles, such as in data analytics and software engineering.



In contrast, customer service skills, sales skills and task management skills are expected to be in less demand in the future, indicating the extent to which the sector is gaining efficiencies through technological progress.



There is evidence of employers being innovative in identifying and inspiring the younger generation to consider roles in financial and professional services, particularly those that are still in school.

Introduction

3.1 This section sets out the findings about the skills gaps and shortages in the financial and professional services labour market in Scotland. It is drawn from both a review of relevant literature to provide a systematic overview of the skills gaps and shortages in the financial and professional services labour market, and also analysis of reported vacancies by surveyed employers within the sector and the challenges that they reported in respect to recruiting people with the right skills into the sector.

Overview

3.2 In financial and professional services, demand for critical skills continues to exceed supply across the board, particularly in areas such as data analysis, machine learning, artificial intelligence, digital literacy and software engineering.⁹ These capabilities remain difficult to recruit for, despite active reskilling efforts within the sector. Data and software roles consistently appear among the hardest to fill, with vacancies remaining high even as overall job openings begin to stabilise. Cyber security and product management are also cited as pressure points, revealing that while firms are investing in digital transformation, the available talent pool has not kept pace.¹⁰

3.3 A further challenge lies in behavioural skills. There is growing employer demand for coaching, creative thinking, adaptability and empathy, with leaders increasingly recognising that these behaviours are vital to complement technical expertise.¹¹ As automation reshapes work, human-centred skills such as communication, relationship management and problem-solving are becoming central to business success,¹² although many organisations struggle to embed them systematically in their training programmes.¹³

3.4 There are wider concerns that have emerged on a national scale, describing a global “skills squeeze” driven by demographic ageing, declining working-age populations, restrictive immigration policies and rapid technological change. Scotland’s working-age population is forecast to peak in 2027 and then decline, leading to intensified competition for talent.¹⁴ Educational and vocational systems are failing to adapt quickly enough to the pace of technological advancement, widening the gap in high-demand sectors such as renewable energy, health technology, digital services and advanced manufacturing.¹⁵ Without intervention, these shortages will push up business costs, reduce productivity and widen regional and income inequalities.

3.5 Skills gaps are no longer an isolated workforce issue but a structural economic constraint. Unless employers, government and education providers act decisively to address these shortages, both the financial services sector and the broader Scottish economy risk missing out on future opportunities.

⁹ <https://financialservicesskills.org/wp-content/uploads/2024/04/FSSC-Future-Skills-Report-2024.pdf>

¹⁰ https://www.ncsc.gov.uk/files/NCSC_Annual_Review_2024.pdf

¹¹ https://reports.weforum.org/docs/WEF_Future_of_Jobs_Report_2025.pdf

¹² <https://www.peoplemanagement.co.uk/article/1911735/relationship-building-in-demand-workplace-skill-report-finds-%E2%80%93-why-important-ever>

¹³ <https://www.business-reporter.co.uk/human-resources/human-resources/ai-and-the-demand-for-human-skills>

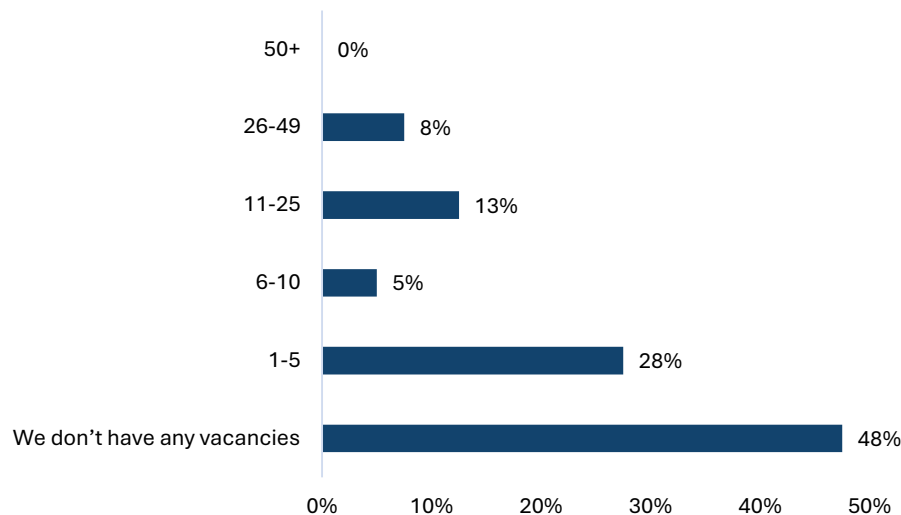
¹⁴ <https://www.scottish-enterprise.com/media/u1dnvguj/megatrends-2025.pdf>

¹⁵ <https://cms.law/en/media/local/cms-cmno/files/publications/skills-for-today-and-tomorrow-thought-leadership-report?v=4>

Skills demand

3.6 Over half of employers responding to the survey reported having vacancies (52%). The most commonly reported number of vacancies was 1-5 (28%) followed by 11-25 (13%) as shown in Figure 3.1.

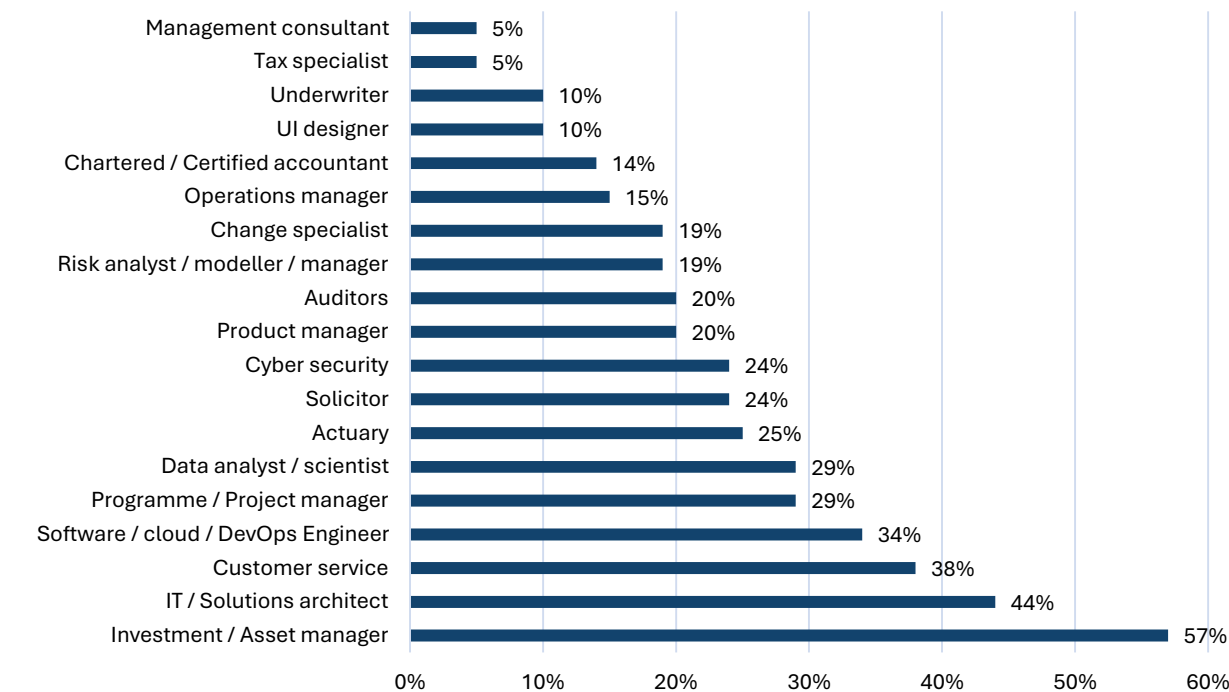
Figure 3.1: Survey employers’ vacancies



Source: GC Insight F&PS Survey, December 2025

3.7 Vacancies were reported across all roles, and across all levels (entry, mid, senior, and executive), however the majority were mid-level and senior-level. Very few reported vacancies at entry- and executive-level. The most common roles for employers to report vacancies in were investment / asset management roles, with just under a fifth of the sample having mid- and senior-level vacancies. Key mid-level vacancies reported are data analyst/scientist, and software/cloud/ DevOps engineer roles, and IT/solutions architect roles.

Figure 3.2: Which roles reported vacancies are in



Source: GC Insight F&PS Survey, December 2025

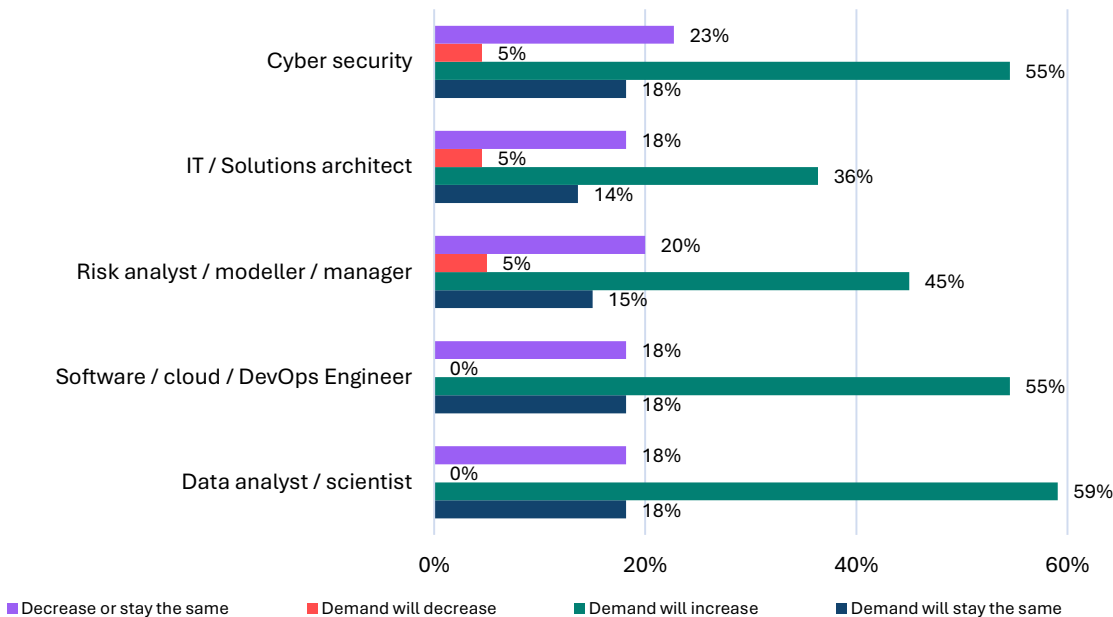
3.8 Half of respondents believe that vacancies in their companies will increase over the next three to five years with only 5% responding that these will decrease. More recently established businesses (operating for less than 15 years) were twice as likely to say that their vacancies will increase than those who had been operating for longer.

3.9 Employers in the survey were uncertain about how the demand for specific roles will change over the next three to five years. Figure 3.2 highlights the top five roles that employers believe will show increased demand. It illustrates that they believe that the highest increase in demand is anticipated to be data

analyst/scientist with 59% of employers reporting this and none believing it will decrease.

3.10 Demand for software/cloud/DevOps engineer, and cyber security is also expected to increase, reported by 55% of survey respondents. These two roles were also reported as having a high level of current vacancies which supports the need for more people in these roles and the importance of ensuring a skills supply. There is also expected to be significant demand for cyber security skills, IT/solutions architects and risk analysts/modellers/managers. These findings provide clear messaging on where the skills needs and opportunities in F&PS are expected to be.

Figure 3.3: Top five roles expected to see demand growth in next 3-5 years



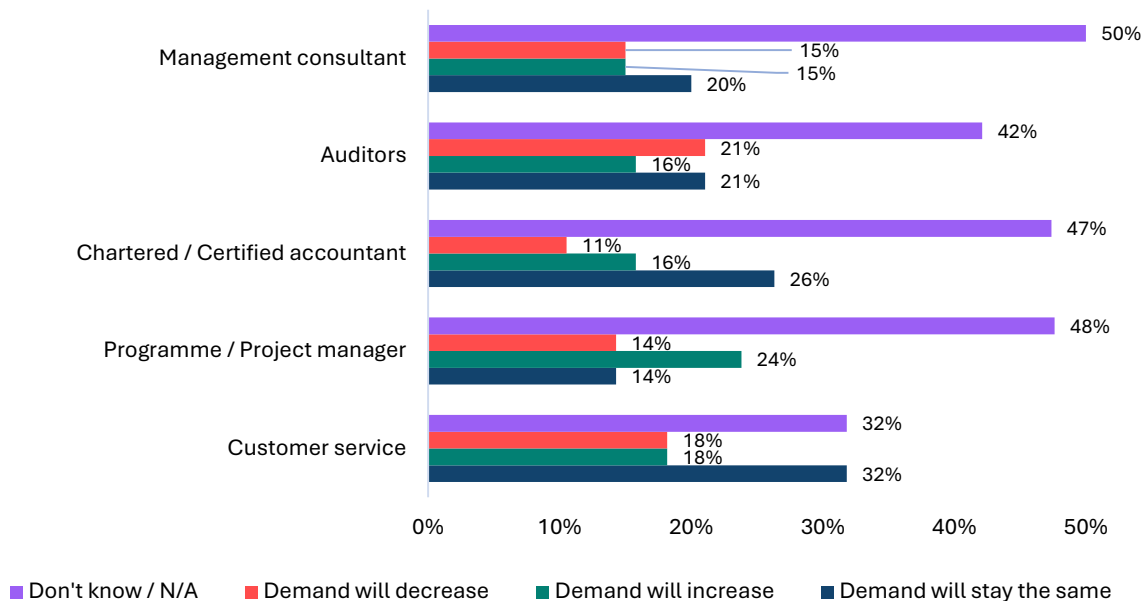
Source: GC Insight F&PS Survey, December 2025

3.11 Figure 3.4 shows the five roles that most employers expect to experience a decline in demand in the next five years. Customer service roles in all industries have seen significant declines in demand over recent years due to technological advancements. For example, as banking services have become more available online in the 2010s, a large number of branches closed and there were fewer jobs in these roles, and in some cases, these roles were off-shored.¹⁶ This trend is expected to continue, especially with the development of generative AI, and its potential to respond to customers’ needs. This may

also contribute to roles such as auditors and accountants decreasing in demand, as technological advancements streamline work, and make these roles increasingly efficient, with AI accounting tools, and in some cases, AI accountants already available. When asked of any other roles which will increase in demand over the next three to five years, ‘AI’ was reported by one respondent, with another elaborating that ‘digital assets capability is likely to be more in focus’ over this period.

¹⁶ <https://www.which.co.uk/news/article/6000-bank-branches-closed-and-counting-aamza6L6HcnG>

Figure 3.4: Top five roles expected to see demand decline in next 3-5 years



Source: GC Insight F&PS Survey, December 2025

Existing skills gaps

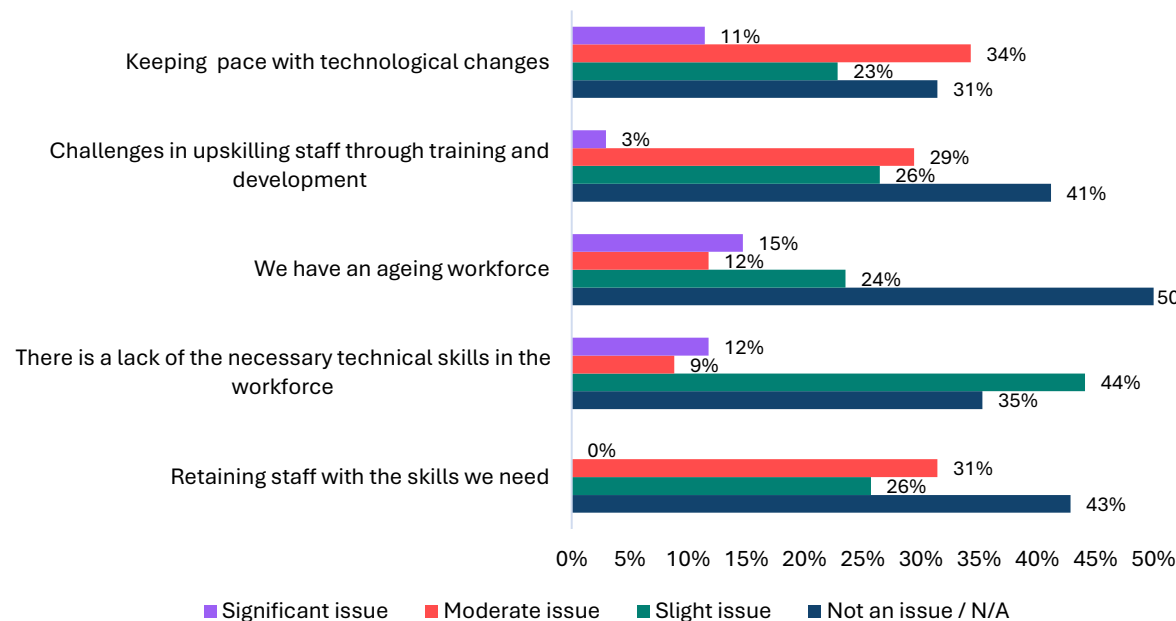
- 3.12 The survey sought to understand the skills gaps in the existing workforces of F&PS employers in Scotland. Employers were asked if there are skills gaps in their current workforce and only 14% reported having gaps which appears positive.
- 3.13 Employers from smaller companies were much more likely to report skills gaps in their existing workforce, with 31% of employers with less than 50 FTEs reporting skills gaps, compared to 5% of those with at 50 or more FTEs. Smaller

companies may find it more difficult to upskill staff than larger companies and may not have the same level of capacity or resources to invest in workforce development as larger employers. They may also struggle to deal with the salary demands of employees as they progress, and lose staff to larger organisations, illustrated by the higher share of companies with under 50 FTEs (55%) reporting salary demands as at least a moderate challenge, than the entire sample (45%).

3.14 Of the three key growth opportunity areas, employers in the sample with operations in FinTech were the most likely to report skills gaps in their workforce (25% of FinTech respondents). Employers operating in green and sustainable finance reported roughly the same skills gaps as the entire sample, and those operating in asset management were far less likely to report skills gaps (5%) than the entire sample. Employers with a particular focus on technological innovations (such as FinTech) may find it more difficult to recruit and retain workers who can adapt to development, and competition between employers can make skills retention even more difficult.

3.15 The most commonly reported skills shortages in existing workforces reported by employers is digital technologies, with two-thirds of employers with skills shortages reporting moderate or significant skills shortages in Artificial Intelligence, a quarter reporting significant skills shortages in blockchain, and half reporting significant skills shortages in Smart Infrastructure. Two thirds also reported moderate or significant skills shortages in analytical and strategic thinking. Keeping pace with technological changes was the most commonly reported general skill issue by the sample, with 46% reporting this as at least a moderate issue, 11% of these reporting it as a significant issue as illustrated by Figure 3.5.

Figure 3.5: General skill challenges



Source: GC Insight F&PS Survey, December 2025

3.16 While no respondent reported retention of current employees to be a significant issue, companies that engaged in the consultation programme acknowledged that there were some roles that had higher attrition than others. This mostly referred to customer service roles, where it was found that:

“Within our industry, there is a lot higher levels of regulation than others and therefore [customer service roles] in other industries these roles are more attractive and a lot less pressurised. It would be fair to say our career prospects are probably higher than some of these other industries, but the benefits are probably more immediate in other industries.”

3.17 Reflecting the rapid pace of technological change, one employer that was consulted stated that it would be very difficult to anticipate the skills that will be required in the future. They reported particular difficulties in developing effective skills plans and strategies as a result:

“No-one really knows how to prepare for the future [skills pipeline] in the same way as before anymore. Technology that changes job roles comes out almost every day now. How to use AI will be something that will be expected of everyone. We need to recognise that because most manual tasks will disappear, it is difficult to understand what an entry-level role will look like in the future.”

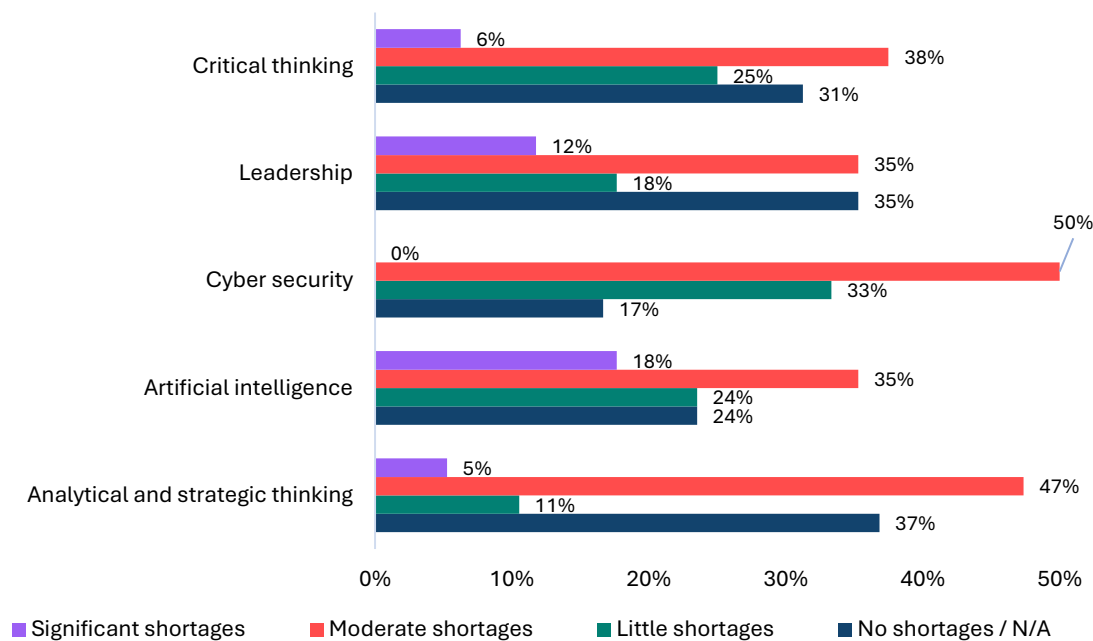
3.18 These findings show the importance of equipping the current and future F&PS workforce with digital skills and capabilities to respond to ongoing digital transition and development. At 80%, the vast majority of employers reporting skills shortages in their current workforce believe that these will be a barrier to future growth, underlining the importance of addressing these shortages. Skills with no reported shortages by this

sample were transactional expertise, task management, basic business understanding, cyber security, and decision making. The sample report one of the most in demand skills to be cyber security, and expect to see strong demand for these in the next 3-5 years, despite reporting no current skill shortages in cyber security. This reinforces the findings from the review of Lightcast data which showed demand for cyber security roles to have grown significantly between 2020 and 2025, suggesting that there is perhaps an anticipated labour shortage for these roles, rather than a shortage of skills within the current and future workforce. UK companies are legally obligated to maintain an information governance framework which contains training for staff around the importance and details of cyber security, so this could also mean that companies are more well prepared to deliver training for these skills.

Future demand for skills

3.19 Respondents were asked how they see the need for the following skills changing in their organisation over the next three to five years. Over half (53%) of employers believe that analytical and strategic thinking, and artificial intelligence will experience moderate or significant shortages, with 18% believing the latter will have significant shortages. Half of employers are anticipating cyber security shortages, with a large number also anticipating leadership and critical thinking shortages (47% and 44% respectively). One respondent suggested that ‘working across skillsets’ will be increasingly important, ‘e.g. AI and advanced business knowledge or blockchain and stakeholder management.’

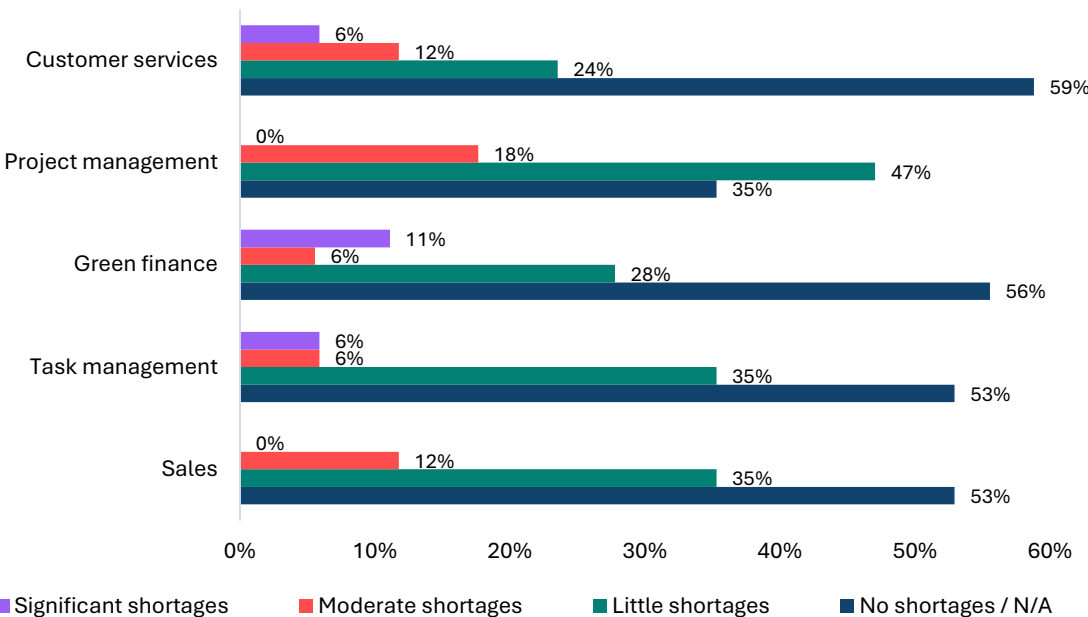
Figure 3.6: Top five future skills needs (sum moderate and significant shortages)



Source: GC Insight F&PS Survey, December 2025

3.20 Figure 3.7 shows the five skills which the least proportion of the sample think they will see shortages in. The vast majority (88%) anticipate little or no shortages in sales, and task management, 83% see little or no future skills needs in green finance, and 82% see little or no future skills needs in project management or customer services.

Figure 3.7: Bottom five future skills needs*



Source: GC Insight F&PS Survey, December 2025

*These are the five roles for which the sum of ‘Little shortages’ and ‘No shortages’ was the highest, e.g. the sum of these for Sales and Task management roles were the highest at 88%

3.21 This demonstrates the current and ongoing need to invest in digital technology skills to support F&PS sustainability and growth. However, the future workforce will also need to support development of human skills which cannot be provided with digital technology. This may explain the importance of critical thinking, leadership, and analytical and strategic thinking, as these are human skills which cannot easily be replaced with technology. Research from the World

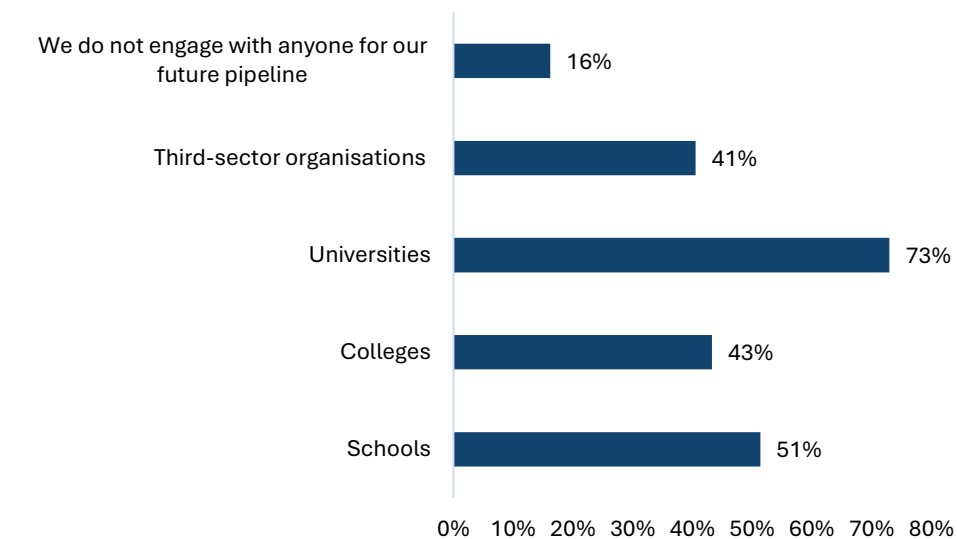
Economic Forum illustrates that, although many process based skills such as data management can be streamlined and replaced by generative AI, processes requiring skills rooted in human interaction such as leadership and critical thinking are currently much less likely to be replaced by AI.¹⁷

17 <https://www.weforum.org/publications/the-future-of-jobs-report-2025/in-full/3-skills-outlook/-3-2-drivers-of-skill-disruption>

Recruitment

3.22 The majority of companies surveyed reported the use of universities (73%) and schools (51%) to engage with their future pipeline of staff, with colleges (43%) and third sector organisations (41%) also providing engagement to a lesser extent, as illustrated by Figure 3.8. There was a broad range of other means of engaging a future workforce pipeline reported by respondents, however one which was mentioned multiple times was online engagement. Specifically, four respondents (11% of respondents to this question) mentioned LinkedIn as a key means of engagement.

Figure 3.8: How do companies engage with future workforce pipeline



Source: GC Insight F&PS Survey, December 2025

3.23 In consultation with key employers in the sector, it was raised that there is significant value in approaching learners at younger ages, particularly those that are still in school. This can help both foster a sense of motivation and also ensure that these learners understand the pathways that are relevant to their future career ambitions from an earlier age. One employer stated that:

“We follow the old adage of young person can only be what they see. We obviously don’t want to define everything that they get to see, but we do want to put these kinds of opportunities in front of as many people as possible so that they can get these ideas themselves.”

3.24 This was further reinforced by another consultee, who reported that:

“The work that we do with school-aged learners is never seen as a pitch for [their company]. We do get people in the door that tell us they found out about us through these programmes, but it’s much more about how to prepare for the future rather than ‘how to prepare for us’.”

3.25 When asking consultees how this school-aged engagement works in practice, this engagement with school-aged learners typically was stated to take the form of providing week-long internships, or provision of resources to schools which help with teaching in the classroom. However, one consultee also stated that they have a working relationship with local schools which enabled learners to come in one afternoon per week throughout the whole school year. This allows learners to track through different parts of the business each week so that they are exposed to the various different roles within the company. In all instances where school-aged engagement was raised, consultees highlighted the importance of

translating the work into something that these younger learners could relate to. One example of this was stated in relation to project management:

“We start by telling [the learners] what a project manager does, then show them how this works in practice. We then set them tasks-off the top of my head, let’s say we create a scenario where they are responsible for organising their school prom. We then chuck in variables like ‘the DJ has gone missing, what do we do now?’ because ultimately projects never run as smoothly as they do on paper. This enables them to develop their problem-solving skills while keeping it relevant to their interests.”

3.26 One consultee also stated that they have outsourced some of their recruitment via schools to a company that assesses young people for their innate abilities (not necessarily linked to education) to see whether they match the required psychometric profile to work for the employer. If they match this profile, they are then recommended for a graduate apprenticeship programme. The consultee noted that:

“This exposes a much more diverse talent pool to [the employer], which both opens the door for greater opportunities for them but also provides a greater chance of new and disruptive thinking within our workforce.”

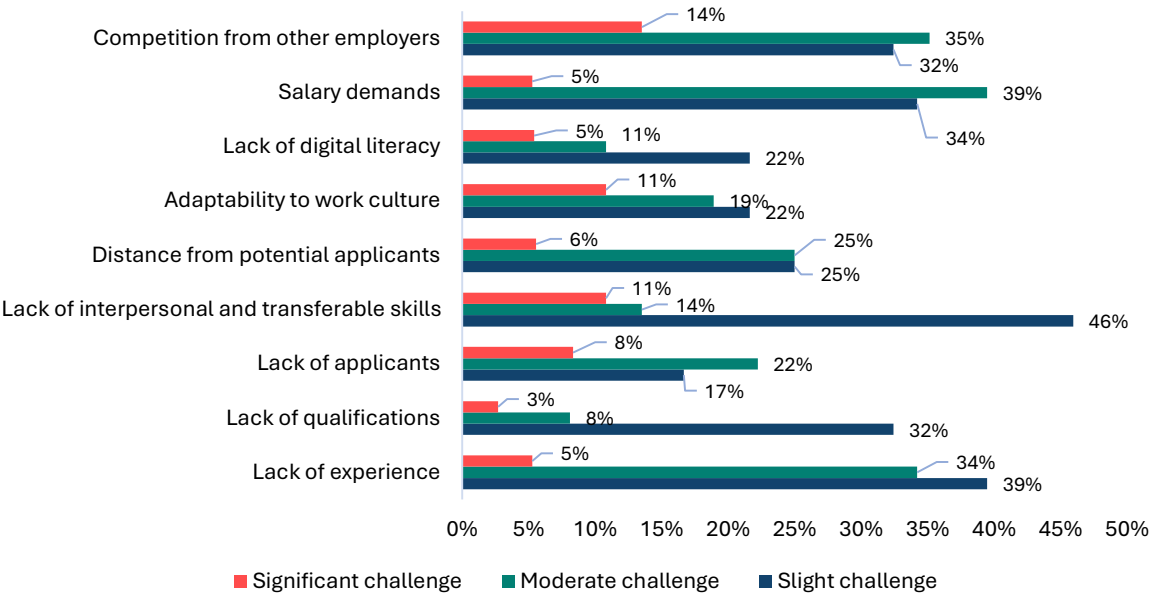
3.27 In terms of university engagement, it was raised by another large-scale employer that they have a formalised structure in place with local high-calibre universities, particularly in respect to technology-based roles. One of the technology directors at this company provides guest lectures, and also sponsors finance-related university club socials. Within this university, the company also has previously run “hackathon” events which develop real-world practical digital skills.

Challenges in recruitment

3.28 When asked to rate how significant a number of recruitment challenges were, the most impactful of these was competition from other employers, with 49% of respondents to the question recognising this at least a moderate challenge. Salary demands and lack of experience were also seen as challenges with 45% and 39% of respondents recognising each of these as at least a moderate challenge, as highlighted by Figure 3.9.

3.29 The majority of respondents didn't recognise lack of digital literacy, qualifications, or total applicants as a challenge (62%, 57%, and 53% respectively) with just under half (49%) not recognising adaptability to work culture as a challenge. This reinforces the suggestion that there is a capable workforce available to fill vacancies, with employers willing to employ staff from other sectors, however it is financial constraints and high competition which make it more difficult to recruit. The roles which respondents most experienced challenges with recruiting for were investment/asset manager (39%), data analyst/scientist (30%), and programme/project manager (27%). Other roles mentioned included claims handlers, policy roles, and tutors.

Figure 3.9: Recruitment challenges



Source: GC Insight F&PS Survey, December 2025

3.30 Employers were asked if there are any other general recruitment challenges and one respondent reported that it can be hard to recruit staff with the combination of skills required for the role and provided the following example:

“Artificial Intelligence, data, coding and technology skills but with business experience”

3.31 Another respondent suggested that there is an issue with:

“Understanding potential of AI to transform business process”

3.32 Survey respondents were asked to rank four factors according to their importance in recruitment: qualifications; experience; transferable skills (such as communication, problem solving, team working); and specific financial and professional services skills.

3.33 Transferable skills were reported as the most important with 31% ranking it number one. Qualifications and experience were ranked number one by 29% of the sample respectively, with experience being the most likely to be reported as either most or second-most important for recruitment by respondents (77% total). Specific financial and professional services skills was the most common fourth pick (45%) which illustrates an openness and appetite to recruit staff from other industries without specific knowledge in the financial and professional services industry.

% of sample ranking each	Qualifications	Experience	Transferable skills	Specific F&PS skills
1 – most important	29%	29%	31%	14%
2	24%	48%	17%	14%
3	12%	19%	43%	26%
4 – least important	40%	5%	10%	45%

Source: GC Insight F&PS Survey, December 2025

3.34 While this is undoubtedly a positive attitude to recruitment and opens up opportunity for innovation in recruitment in and disruptive thinking in an ever-evolving sector, it can also be difficult to pitch roles to people who are not already employed in the sector, as illustrated by the following comment from an employer:

“We don’t want clones who have all had the same pathway. However, defining roles is often filled with nuance and I know that we have had to be a lot more broad in our terminology in recruitment packs etc. For those with a limited knowledge of the industry, it can often be difficult for them to fully understand the role because we’ve been so broad.”

4 Key growth opportunities



Scottish Financial Enterprise's "New Vision for Financial Services" outlines three key areas of opportunity for the financial and professional services sector in Scotland – asset management, green and sustainable finance, and FinTech



Employers recognise that these areas present new opportunities within the sector, with more survey respondents stating that they are intending to operate in each of these areas in the future than are currently doing so



While asset management is not a new field, significant technological change has shifted the emphasis of skills requirements in this field from data collection to interpretation and providing a more personalised client experience



Scotland's established history in both financial markets and renewable energy lends itself to supporting green and sustainable finance. Understanding of climate science, natural capital accounting and sustainability regulation of skills that are in demand for this area, over and above traditional financial and investment expertise



FinTech is a rapidly growing market in terms of consumer uptake of products and also delivering technological change to the wider financial and professional services sector. Key skills in this field include highly technical and digital skills, as well transferable skills such as problem-solving and adaptability to innovation

Introduction

4.1 The Scottish Financial Enterprise's report in 2025, Scotland's New Vision for Financial Services, identified three key areas of opportunities within the F&PS sector. These three areas are expected to enable the sector to become more internationally competitive in the future and comprise:

- asset management
- green and sustainable finance
- FinTech.

4.2 This chapter gives an overview of these opportunities, the drivers for growth, and the skills that will be needed in the Scottish F&PS workforce to realise the opportunities and achieve growth.

Key opportunities

4.3 These three opportunities have a great deal of potential to secure and sustain Scotland's place as an important centre for F&PS with an international profile. As discussed, F&PS has significant strategic value for Scotland, but as a fast-moving sector, it is important to keep abreast of new developments and opportunities and so maintain and build on the advantages the sector has.

Asset management

4.4 Asset management is at the heart of financial services and is the management of money and investments on behalf

of clients in order to increase the value of their investment portfolios and managing risk in line with the risk profile of the investment. It involves selecting, monitoring and optimising investments such as stocks, Bond, property, private equity and commodities.

4.5 Asset management is not a new industry but like many, it is undergoing significant and unprecedented transformation – and at pace. It is growing and the skills to fuel this growth, and the way it grows, are changing fast. It is both an opportunity for Scotland's financial services sector, and a threat if the sector is not equipped and able to respond. It is being reshaped by technology, changes in client expectations, regulation and the surge in private markets (investment in assets not traded on public exchanges). It has seen massive growth in terms of Assets Under Management (AUM) however profitability has not grown at the same pace and margins have tightened.¹⁸

4.6 To achieve efficiencies and capitalise on technology, there is large-scale adoption of AI and this has been a key industry focus in the last two years. Examples of changes, and opportunities being implemented by asset managers are:

- automated research, analysis and portfolio construction and review
- AI-driven client reporting on portfolio performance, investments and drivers
- predictive analysis for risk management and performance.

4.7 Artificial Intelligence is also being applied to back-office functions to streamline processes and gain efficiencies.

¹⁸ <https://www.mckinsey.com/industries/financial-services/our-insights/asset-management-2025-the-great-convergence>

4.8 The combination of a growth in asset management, and the potential to achieve far-reaching and valuable efficiencies presents a key opportunity for Scotland. Survey respondents were asked if their organisation currently engages in any asset management activity and 78% reported that they do and an additional 3% (81% total) said that they intend to be in the future. This is positive in terms of current activity and ambition. However, for these and other financial services employers in Scotland to capture the value of this opportunity and the potential efficiencies, they must have the strategic adaptability to understand and implement AI, and then review and develop how it is used. Failure to do so is a risk to employers and to the sector as a whole.

4.9 Achieving this requires the skills and knowledge at senior level to understand how AI can be applied, plan, resource and implement it. It then requires the workforce to have the skills to use and operate within an AI-enabled work environment. The asset management workforce in Scotland will need to have the ability to understand AI, machine learning and how it can be applied in the workplace. They must have the confidence and capabilities to use automation tools and integrate them into working practice. And they must be able to work with digital platforms and data systems; and corporate and individual awareness of cyber security and digital risk.¹⁹

4.10 By leveraging Scotland's data, AI and emerging technology assets, it will be possible to reverse the downward trends in assets under management and number of asset management firms in Scotland. There is currently pressure on asset managers to reduce costs, diversify revenue and increase

personalisation of services. This can be achieved best through application of new technologies, to become more client-focused and re-imagining back-office functions to maximise revenue and reduce operational costs.²⁰

Green and sustainable finance

4.11 Green finance is a swiftly developing area of F&PS. It refers to financial activities that support projects that benefit the environment and help achieve environmental objectives, for example investing in renewable energy, clean transport, protecting and enhancing biodiversity, and reducing pollution. Sustainable finance is broader and involves integrating environmental, social and governance (ESG) factors into longer-term sustainable economic development.

4.12 A large amount of global capital is flowing into green finance, capital markets are shifting towards sustainability, and governments, including the UK and Scottish Governments, have green and sustainable objectives at the heart of policy.²¹ Recognising the opportunities in green and sustainable finance, the UK is positioning itself as a global hub of green finance. The Financial Conduct Authority has stated that 'the UK aims to become the world's sustainable finance sector'.

4.13 The Scottish Taskforce on Green and Sustainable Finance²² reports that Scotland has many of the underlying requirements to be a global leader in this field. Scotland has a long-established history as a global financial centre, a reputation as a world-leader in renewable energy, and Scottish universities playing a leading role in the climate change agenda.

¹⁹ <https://www.accenture.com/content/dam/accenture/final/a-com-migration/pdf/pdf-154/accenture-future-of-asset-management.pdf>

²⁰ <https://static1.squarespace.com/static/623b6c120a64d02ae34e6b2d/t/6539369eb667c97a2b9612b7/1698248960627/SFE+Sector+Growth+Strategy>

²¹ https://www.ukfinance.org.uk/system/files/2024-07/Keeping%20the%20pace%20on%20green%20growth_0.pdf

²² <https://www.gov.scot/publications/scottish-taskforce-green-sustainable-financial-services-final-report-sg-response/>

4.14 Forty-four percent of F&PS employers in the survey reported that they are currently involved to some extent in green and sustainable finance and an additional 12% of the surveyed employers stated an intention of being involved in the future (56% total). If they, and other F&PS employers in Scotland are to capitalise on this significant opportunity, they will need a workforce with the right blend of skills and expertise. Occupations within green and sustainable finance are very much viewed as hybrid professions spanning environmental and sustainability skills and knowledge along with finance and analytical skills. Examples of climate and environmental knowledge includes areas such as: climate change science; carbon accounting; energy transition; and biodiversity. There will also need to be people in the workforce who understand and can interpret sustainable finance regulations and standards across jurisdictions. Alongside this, the workforce must have more traditional financial and investment expertise but be able to apply them in the context of green and sustainable finance.

4.15 Sustainable finance is particularly data-heavy and requires a high degree of data literacy along with an ability to interpret climate-scenario analysis. The workforce must include people who understand green finance products and how they work in practice for example carbon markets and Green Bonds. Employers will also need a workforce capable of using ESG data sets, understanding and applying scoring methodologies, conducting options appraisals, and using a wide range of analytical tools.

FinTech

4.16 FinTech is a key enabler, using technology to deliver improvements and automation in financial services by developing and applying technology. It spans a broad range of areas such as payments and transactions; banking (mobile and digital banks); lending; WealthTech (automated investment); cryptocurrencies; blockchain and RegTech (technology for compliance). The application of FinTech enhances access to financial services, reduces costs, improves transparency, streamlines processes and so reduces friction, and by enabling new business models, drives competition.

4.17 Consumers expect digital payments, even for small transactions, and they want this to be quick, easy, seamless and secure. Use of digital payments and wallets has grown exponentially, and this is set to continue and evolve. FinTech has become central to the global financial system for consumers, businesses and all types of financial transactions.²³

4.18 All of these drivers mean that FinTech is growing at an incredible rate globally and is a key opportunity for Scotland. Currently Scotland is the largest UK FinTech hub outside of London,²⁴ giving the country and the sector a market advantage that it must sustain and capitalise on. It is therefore perhaps surprising that in the survey, only 37% of respondents reported being involved in Fintech (with an additional 8% planning to be involved in FinTech operations in the future, 45% total), although this may simply be a reflection of the sample reached.

²³ <https://www.weforum.org/publications/the-future-of-global-fintech-2025/>

²⁴ <https://static1.squarespace.com/static/623b6c120a64d02ae34e6b2d/t/6539369eb667c97a2b9612b7/1698248960627/SFE+Sector+Growth+Strategy>

4.19 FinTech is a technology-driven industry and so requires a range of technical and digital skills as well as financial knowledge. Technical capabilities include software development and engineering; technology-innovation; cloud computing; development and operations (DevOps); and data and analytics.²⁵ FinTech also requires cross-cutting and transferable skills such as customer-led design, adaptability, problem-solving, ability to collaborate across disciplines, and critical thinking.

²⁵ <https://www.accaglobal.com/uk/en/member/sectors/financial-services/blogs-and-interviews/key-skills-in-fintech.html>

5 Upskilling and reskilling



Due to the rapid pace of technological change in the sector, there is an increasing need to ensure that the financial and professional services workforce have the appropriate skills to fulfil their evolving roles



Employers are seeking to address this through flexibility learning opportunities rather than more formalised, longer-term courses



While technology is a key area for upskilling, there is also increasing demand for advisory, leadership and analytical skills in the workforce



A wide range of training methods have been adopted, with the most common being delivered in-house through project-based work and placements



There is also growing interest in delivering Graduate Apprenticeships, Modern Apprenticeships, and Foundation Apprenticeships



There are unique approaches being taken by employers to upskilling newer recruits in the skills that will be needed beyond traditional financial and professional services skills

Introduction

5.1 While recruitment of people with the desired skills needed to operate in the sector is of critical importance, another significant opportunity for financial and professional services employers is to ensure that the current workforce is adequately equipped to continue working in a rapidly evolving sector. This section sets out the importance of upskilling and reskilling opportunities to the workforce, the range of upskilling and reskilling opportunities that are available to employers, and the types of opportunities that employers are currently utilising based on survey findings.

Importance of reskilling and upskilling

5.2 Reskilling and upskilling emerge as the most effective responses to the growing skills challenge in the financial and professional services sector, with a marked shift towards continuous learning and internal mobility with 87% of employers investing in reskilling programmes to address skills gaps and build future-ready teams.²⁶ Approximately three-quarters of the workforce are classified as 'active learners', meaning they engage regularly in non-mandatory learning activities.²⁷ Capacity to learn has also been highlighted as critical by consultees that have engaged in this research. One employer highlighted that the most important skill for anyone either currently in the workforce or considering a role within financial and professional services is:

“The skill of learning agility. That may sound weirdly meta, but you see concerns around the impact of AI and how that can cause people to retreat and resist change. [Instead of that mindset], we should be curious, not resistant to the change. When you start to engage with what [professional skillsets] will change in the future, that is what sparks curiosity and growth-mindedness. Every few years you should be doing something different to improve skills.”

5.3 Firms are also simplifying compulsory training to free up time for future-focused development, and learning is increasingly embedded through digital platforms, social learning communities, and networks of learning champions.²⁸

5.4 Reskilling programmes are being deployed strategically to fill hard-to-recruit roles such as software engineering and data analysis. For example, at NatWest Group, 97% of colleagues who completed a reskilling programme accepted permanent roles in their new field, demonstrating how reskilling from customer facing to software or data engineering roles can significantly improve internal mobility and job retention.²⁹ This illustrates how reskilling can simultaneously close technical gaps, boost morale and strengthen diversity within the workforce.

5.5 Upskilling in the financial and professional services sector is increasingly viewed as a continuous process that must reach the entire workforce. Most employees will need to engage in ongoing learning to remain competitive as technology and regulation evolve.³⁰ 73% of employers now rank staff training and upskilling as a top business priority, driven by

²⁶ <https://www.weforum.org/publications/the-future-of-jobs-report-2025/>

²⁷ https://financialservicesskills.org/wp-content/uploads/2025/11/FSSC_Future_Skills_Report_2025.pdf

²⁸ https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/digital-learning-literature-review-report-2_tcm18-89290.pdf

²⁹ https://financialservicesskills.org/wp-content/uploads/2025/11/FSSC_Future_Skills_Report_2025.pdf

³⁰ <https://www.weforum.org/publications/the-future-of-jobs-report-2025>

rapid digitalisation and regulatory change.³¹ Financial services is one of the few UK sectors where per-employee training expenditure has risen over the past decade.³² One consultee noted that, as they represented a relatively small startup business, they do not have a set training budget or department, but informally encourage as much learning as possible:

“Our staff get access to courses at [a local university] which can help with their personal development. Other than that, we do informal things like ‘lunch and learns’ to share expertise. We need to get more formalised development plans for people, but so much of what they learn comes from on-the job.”

5.6 Several consultees also flagged the importance of reskilling in a sector that is rapidly evolving to meet demands, particularly due to the impact that emerging technologies can have on roles. As one consultee elaborated:

“Every role that exists today will look fundamentally different. Yes, we’ll still need my role, but I expect everything that my role entails would be different day-to-day. AI could remove some tasks and then my role changes that way. We’ve talked a lot about reskilling – with the closure of high street branches impacting on the need to reskill branch managers to become data engineers. Even that feels out of date already and we need to move onto the next thing.”

5.7 Likewise, it was raised by another consultee that, because of the impact of emerging technologies, there is growing emphasis on the analysis of the data and being able to articulate this better to clients and/or other departments. This requires a higher level of interpersonal skills, to ensure that more personalised and bespoke service offerings that are becoming more frequently demanded are met. This consultee also raised a unique model that they had anecdotally been made aware of, where Azets are now offering trainee accountants hospitality-based secondments in order to develop ‘softer’ skills within their newest recruits.³³ This will, in turn, develop much needed skills that are required for front-of-house advisory roles.

5.8 As outlined in both the Climate Emergency Skills Action Plan (CESAP)³⁴ and the Digital Economy Skills Action Plan (DESAP),³⁵ Scotland should be making coordinated investments in workforce development to sustain competitiveness during the digital and green transition. There are calls for employers to work closely with government and education agencies to expand vocational and lifelong learning opportunities.³⁶ Reskilling and upskilling approaches are central to improving job quality and organisational resilience, as sustained investment in people is essential to enable them to thrive amid technological change.³⁷ Older workers (aged 55 to 64) are the least likely to participate in job related training,

31 <https://www.cbi.org.uk/media-centre/articles/almost-3-in-4-fs-firms-see-staff-training-as-top-business-priority-cbipwc-financial-services-survey/>

32 <https://committees.parliament.uk/writtenevidence/130615/pdf>

33 <https://www.azets.com/en-uk/resources/our-ceo-comments-why-soft-skills-are-key-to-the-future-of-accountancy>

34 <https://www.skillsdevelopmentscotland.co.uk/media/w0ulewun/climate-emergency-skills-action-plan-2020-2025.pdf>

35 <https://www.skillsdevelopmentscotland.co.uk/media/pq5fwkcb/digital-economy-skills-action-plan.pdf>

36 <https://www.scdi.org.uk/wp-content/uploads/Upskilling-Scotland-The-Future-of-Skills-and-the-Fourth-Industrial-Revolution.pdf>

37 <https://www.scdi.org.uk/wp-content/uploads/Upskilling-Scotland-The-Future-of-Skills-and-the-Fourth-Industrial-Revolution.pdf>

reinforcing the importance of widening lifelong learning provision to upskill as older workers are staying in the labour market longer but face barriers to mobility and reskilling.³⁸ Investing in people is as critical as investing in technology or infrastructure. Upskilling and reskilling not only close existing gaps but also create a culture of adaptability that underpins future growth.

5.9 It was raised in consultation with one large-scale employer within the F&PS sector in Scotland that they have developed an internal skills assessment tool to gauge the skills levels within their workforce, matching current competencies with desired/expected levels of skills. The consultee noted that:

“This was a tool that we used in a recent restructuring activity we completed. Everyone that is still with the company has either met the expected levels of skills required or know what they should be developing in the near future. We haven’t used this whole-sale [focusing on technology-related roles primarily] but it would be a useful tool to adapt to quantify the various skills needs across the organisation.”

5.10 It has also been suggested that there is an even greater need for reskilling and upskilling opportunities that are more flexible and formatted to the rapid pace of technological change within the sector. One consultee noted that:

“What our workforce needs is quick bursts of training to meet the needs of the sector, rather than more formalised training that takes longer to complete. We are now at a point where in the time it takes an apprenticeship course to finish, the technology they were learning to use is becoming outdated.”

³⁸ <https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/2025-pdfs/8930-lifelong-learning-in-the-reskilling-era-report-web.pdf>

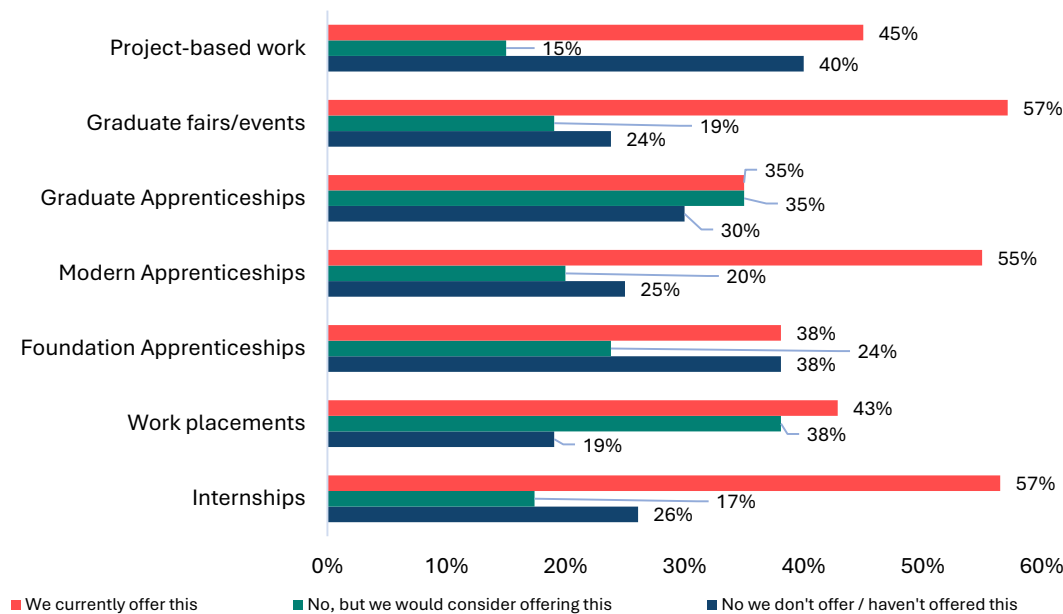
Employer/education activities and engagement

5.11 Survey respondents were asked if they had used any of a number of training methods. The most popular of these were internships and graduate fairs/events which were used by 57% of companies, followed by Modern Apprenticeships (55%), project-based work (45%) and work placements (43%). Despite the majority of the sample not using work placements, there was a high receptiveness to this, with 38% of companies being willing to offer this. Use of Foundation and Graduate Apprenticeships was much less common (38% and 35% respectively) than Modern Apprenticeships, however it should

be noted that there is currently greater availability of Modern Apprenticeship frameworks than Foundation or Graduate Apprenticeship frameworks, and Modern Apprenticeship frameworks have been established for a longer period of time.

5.12 This could also be due to the increased flexibility of Modern Apprenticeships in who they target, which are offered to anyone including those looking to upskill in the current workforce rather than targeting specific cohorts such as school, or university leavers.

Figure 5.1: Survey respondents' uptake of training methods



Source: GC Insight F&PS Survey, December 2025

5.13 When asked what is important when selecting training, Figure 5.2 shows that the majority of respondents suggested that flexibility of training to meet business needs (81%), reputation of the provider (67%) and price (52%) were all important considerations. Training practicalities were seen as much less significant for companies, with only 29% mentioning the location or geographical coverage of training providers, and only 10% mentioning delivery methods.

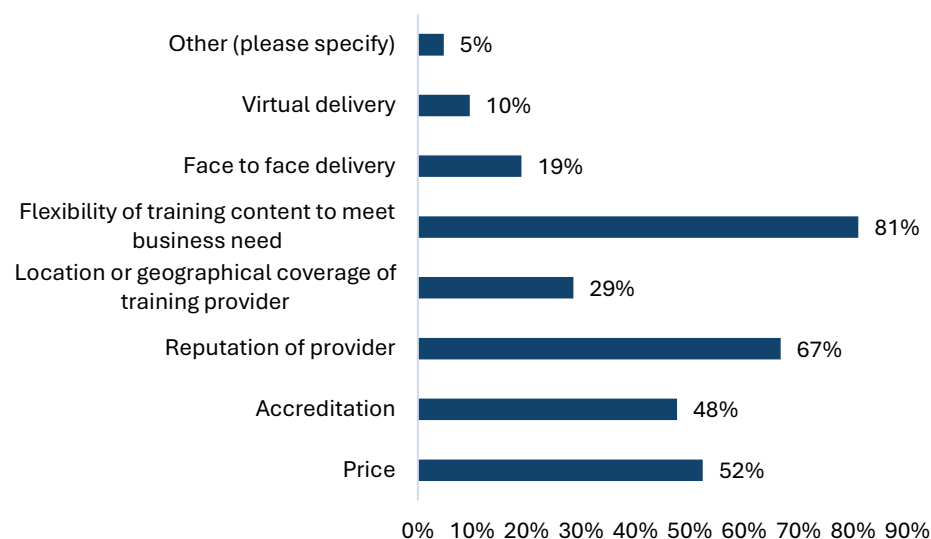
5.14 This supports the finding that companies are more favourable to Modern Apprenticeships as these provide good flexibility and allow for staff to be upskilled. Internships can also provide good flexibility for employers as these can be delivered in house and mould to the individual needs of the employer.

5.15 For the majority of the sample, as shown in Figure 5.3, the amount of workplace training delivered over the last two years has increased (59%) with this increasing significantly for 9% of companies. Training delivered has only decreased slightly for 14% of the sample, with 27% reporting no change.

5.16 Respondents were asked why they think the amount of workplace training has increased, with some suggesting changes to the method of training allows for increased delivery, for example one respondent suggested that the:

“introduction of career pathways and enhanced learning offering has resulted in more self-directed training.”

Figure 5.2: Important factors for companies when selecting training



Source: GC Insight F&PS Survey, December 2025

Source: GC Insight F&PS Survey, December 2025

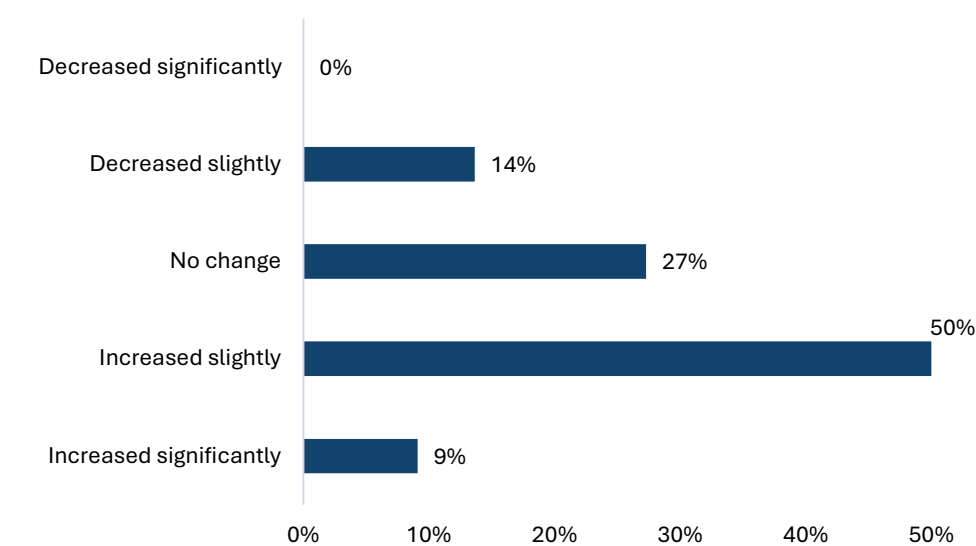
5.17 Another respondent suggested that they:

“have recently focused more on the 70,20,10 model which means the mix of learning and development has evolved and we use more learning on the job and social learning as opposed to training.”

5.18 An additional respondent suggested that technological developments such as:

“AI, blockchain and regulatory change are driving training needs.”

Figure 5.3: How has the amount of workplace training changed over the past two years



Source: GC Insight F&PS Survey, December 2025

6 Conclusions and recommendations

Introduction

- 6.1** The evidence from the study provides important learning points on current and future skills needs within the financial and professional services sector in Scotland. This section draws out the conclusions from the research, before setting out a series of recommendations to be considered.
- 6.2** These recommendations are designed to ensure that employers in financial and professional services have the workforce they need to support growth in this rapidly-evolving sector. They are also intended to make sure that the opportunities are fairly distributed in the population and that the sector employs a diverse workforce. There is recognition that work is already underway in the sector and within the skills system to develop the workforce.

Conclusions

- 6.3** The financial and professional services sector is a significant contributor to Scotland's economy and has potential to grow over the next decade. It offers employment to a large and varied workforce and provides good quality jobs, career progression and opportunities for people looking to make a career change. There are over 13,000 F&PS businesses in Scotland and it employs over 149,000 people. It is important to remember that there are also people working in F&PS occupations in many other sectors that are not included in this number. Employees in F&PS are more likely to work full-time than the Scottish average and there may be scope to offer

and encourage more flexible working patterns to contribute to equality, diversity and inclusion.

- 6.4** The sector is largely comprised of micro businesses however there are also some large, high-profile F&PS employers in Scotland. The number of businesses has fallen by a fifth since 2020 but alongside this the number of people employed has increased, although by less than 1%. This suggests some degree of consolidation in the sector, but it is not significant.
- 6.5** The sector currently contributes £17.3 billion in GVA to the Scottish economy and is without doubt a growing sector worldwide, in the UK, and in Scotland. This growth will require a skilled workforce with an increase in the number of jobs but also, reflecting the rapid development and adoption of technology, new skills and capabilities.
- 6.6** There is expected to be an increased demand for roles over the next five years in data analysis, software engineering, cyber security, risk analysis and IT solutions architecture. These roles typically require a Bachelor's degree or equivalent educational level, although some (data analyst and risk analysis) require postgraduate education. There is also expected to be a decline in the need for the traditional skills required in management consultancy, auditing, accountancy, project management and customer service roles over the same period.
- 6.7** Skills that are deemed to be in higher demand for those roles expected to grow include specialist skills (e.g. understanding of cloud architecture for IT solutions architects, understanding of cyber security for cyber security roles, data analysis skills

for data analysts etc.). However, common skills that will be in demand for all of these roles include communication, problem solving and management skills, reflecting the importance of cross-functional working and delivering activity within complex organisational environments.

6.8 In terms of specific current skills shortages, these mostly relate to the in-demand technical roles mentioned above such as skills in AI, blockchain and smart infrastructure, and cyber security. These are key skills that are expected to continue to be important to the sector and so the shortages must be addressed.

6.9 Alongside technical and specific skills, there are also some shortages in leadership, analytical and strategic thinking skills and these are particularly important in employers and sectors that are navigating and managing change. They are also key to business resilience and growth.

6.10 Employers are not just looking for their staff, including new recruits, to have the technical skills required for their job, they need a workforce with the blend of skills, including meta skills and capabilities for example critical thinking, communication, creativity, adaptability, and skills around customer care. These skills are in fact deemed to be the most important skills by employers, while specific financial and professional services skills were seen to be less important and could be developed in the workplace. This attitude amongst employers suggests that they are open to recruiting from other sectors and then investing in developing the specific technical skills.

6.11 There were also mechanisms reported to be in place to quantify the skills needs in the current workforce, for example through internal skills assessment tools. This method of auditing current skills can be tailored to individual departments or roles, or can be implemented on an organisational level. It

should be noted that, given the pace of change within the sector, tools such as this will need to be regularly updated to reflect changing competencies required in roles.

6.12 Employers are competing with each other and other sectors to recruit and retain staff with the skills they need. They can struggle to recruit for roles that require technical knowledge such as in investment/asset management, data analytics, and programme/project management. However, again due to the pace of change and the fact that there may be jobs and skills in F&PS five years from now that cannot be predicted, the main challenge is recruiting people with the capacity, resilience, confidence and mindset to adapt, change and respond to the need for upskilling and working in new ways. This can be difficult to test for during recruitment, in particular amongst smaller employers who may not have the resource or capacity to do aptitude and psychometric testing.

6.13 Employers are engaging with the future potential F&PS workforce through a range of routes and mechanisms, in particularly through schools, colleges and universities. Early engagement with the potential workforce is seen as being vital, allowing employers to demonstrate the opportunities in F&PS, the wide range of occupations that are available, and education and career pathways. They are able to dispel some of the misperceptions that may exist about the sector and promote it as an interesting and positive career choice. Part of this is also about achieving a more diverse workforce by reaching in to groups and populations who may be under-represented in F&PS.

6.14 Employers are also widening the recruitment pathways, for example through work-based learning, providing internships and project-based learning which can be tailored to an employer's specific needs.

6.15 There are three industries that are acknowledged as having particularly high growth potential: asset management, green and sustainable finance, and Fintech. Scotland is well positioned to capture the potential value of these three industries, but there must be an adequate and skilled workforce to do this. Without these skills, there is a risk that Scotland will lose its competitive advantage. Employers in F&PS must also have the vision and capabilities to respond to these opportunities, and encouragingly, there seems to be a high level of awareness and current or intended activity across these three industries amongst F&PS businesses in Scotland.

6.16 Asset management is undergoing significant and unprecedented change both in terms of volume of assets under management and new approaches and processes to achieve efficiencies. Artificial Intelligence is central to this and so the asset management workforce must be able to understand AI and machine learning, how these tools can be applied in the workplace, and then work with them. Green and sustainable finance requires a hybrid of skills, bringing together environmental and sustainability skills and knowledge with finance and analytical skills. FinTech is a key enabler supporting other parts of F&PS as well as most other sectors in the Scottish economy. It has been and continues to grow steeply, although in the study sample, there was less involvement in FinTech than may have been expected. As a technology-driven industry, FinTech requires a range of technical and digital skills as well as financial knowledge.

6.17 It is therefore clear that F&PS is important for Scotland, and it should continue to be invested in to ensure it is resilient to change and also benefit from the very valuable opportunities

in the sector. This will require a workforce of the right size and with the right skills to fuel growth. There are undoubtedly specific skills that will be needed, but it is clear that blended skills and the ability to learn, adapt and work in new ways will be fundamental. Strong leadership will also be important to plan and lead organisations and workforces through the changes that will continue to underpin a vibrant, strong and healthy F&PS sector in Scotland.

Recommendations

6.18 The following recommendations are aimed at helping to tackle emerging skills challenges in financial and professional services, to support the ongoing growth of the sector. They reflect the key findings from the research. The previous research report published in December 2021 was a larger piece of research and resulted in a number of recommendations. Some of these recommendations remain relevant to the current research, for example thinking more widely on how to describe and promote jobs in the F&PS sector to young people who may not consider it as a career destination.

6.19 The recommendations are not intended as an action plan, rather, they are designed to inform ongoing skills planning and resourcing for F&PS. The recommendations are also not only for one organisation to consider, they will require a range of partners to lead and take supporting roles and these will differ depending on the specific actions.

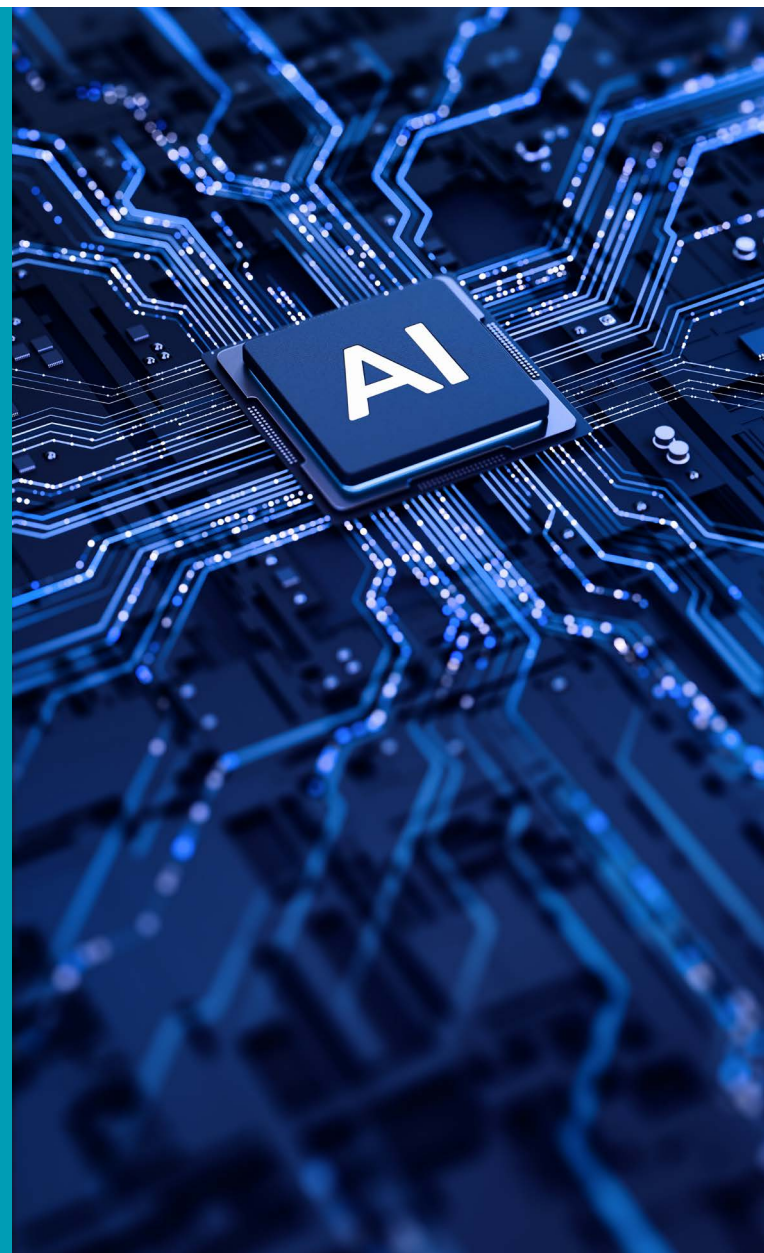
Recommendation 1: Continued strategic collaboration

- 6.20** It has been recognised throughout this research that there is a wide range of industry bodies and collaborative networks that support the financial and professional services sector in Scotland. These include, most notably for the key growth areas, Scottish Financial Enterprise's Skills Steering Group, the Scottish Taskforce for Green and Sustainable Financial Services, and FinTech Scotland.
- 6.21** These cluster and membership organisations enable collaboration and innovation at both the strategic and operational level, by increasing connectivity of relevant membership organisations and creating a collaborative environment. This helps to both understand cutting-edge research and development innovations, and also supports understanding of the skills needs of the future.
- 6.22** It is recommended that the current triple-helix approach to collaboration, involving industry, public sector and educational institutions is continued and remains inclusive of employers of different sizes and sub-sectors, to ensure that the views of all subgroups are represented in discussions. This will also enable more effective and representative discussions on current and future skills needs within the sector.



Recommendation 2: Monitoring drivers and developments

- 6.23** Artificial Intelligence and other digital technologies have transformed, and are continuing to transform, the F&PS sector and are driving the nature of current and future skills need, and specific roles. This is evidenced through the survey, where relevant digital skills, and roles in programming, data analysis and software development for example, are the most in demand.
- 6.24** As well as boosting demand for skills in these technologies and creating new jobs, these advancements are streamlining existing jobs and reducing the demand for these, such as customer service skills and roles, which have historically fallen victim to technological advances, and will continue to do so. Simultaneously however, this research indicates that there will be an increase in the demand for skills based on human interaction and intuition which cannot be streamlined with technology. For example, companies recognise that the demand for leadership and critical thinking skills will significantly increase over the next few years as they are supplemented by data which can be provided by automated technology.
- 6.25** It is recommended that organisations involved in workforce planning both keep abreast of the skills that demand is increasing for and those that will be provided by technology. If currently required skills are prioritised without consideration of their future value, then there may be an insufficient workforce to meet future needs. Development must prioritise the skills outlined in this research including those important to developing and operating digital technologies, and the human skills which will be vital to the sector in the future. It is acknowledged that SFE have been effective in doing this, by outlining the three key growth areas of asset management, FinTech and green & sustainable finance, and these growth opportunities should continue to be monitored.



Recommendation 3: Recognition of less-established pathways

- 6.26** There has been repeated acknowledgement amongst employers and stakeholders that, due to the rapidly evolving pace of technological change within financial and professional services, recruitment can no longer follow the same established pathways into the sector. There is currently significant competition with software development companies to recruit for roles that require digital skills, however stakeholders did state that, with other industries also embracing efficiencies gained through AI, that these skills will be even more in demand than they currently are.
- 6.27** Employers stated that they are now looking at recruiting new staff that have not followed traditional pathways into the sector and are instead being more inclusive in their approach to hiring. This will enable more disruptive thinking within the workforce which will in turn increase the levels of innovation within organisations. While there is a push for digital and AI skills, workforce readiness skills such as presenting data, critical thinking and developing professionalism are now also being considered to a much greater extent.
- 6.28** It is therefore recommended that there should be a degree of parity in opportunity across the various different routes into the sector for career changers, graduates and other new recruits. While this is recognised in most companies that have engaged in this research, good practice should be disseminated at an industry level (through collaborative networks as described in Recommendation 1) to build on current learning and improve practice in recognition of career pathways for the sector.



Recommendation 4: Equality, diversity and inclusion

- 6.29** Due to the changing nature of the sector, there is an increased need for a wider and more diverse pool of talent to be considered when recruiting into the financial and professional services workforce. Employers should ensure that their recruitment and employment practices, and organisational culture, fosters a heightened level of equality, diversity and inclusion within the sector.
- 6.30** There are good examples of this being undertaken throughout the research, including a unique approach taken which involved the outsourcing of recruitment to companies that have a specific focus on inclusion, identifying students that would have otherwise performed better in exams without various mitigating factors at play (e.g. caring responsibilities) and providing opportunities for these students that they otherwise would not have had. Likewise, there is increasing interest in recruiting beyond traditional pathways as indicated in Recommendation 3. However, it has also been raised that it is sometimes a challenge to effectively 'pitch' roles to people that do not have a financial and professional services background, so that they are both attracted to the role but also understand their responsibilities in relation to this.
- 6.31** It is recommended that good practice and guidelines for recruiting from more diverse talent pools is shared amongst the industry, particularly in relation to sharing practices adopted by larger scale employers with smaller employers. This will enable a greater understanding of approaches, to ensure that all employers offer equal opportunities across the sector.



Recommendation 5: Creative or flexible approaches to inspiring the next generation

- 6.32** The research has indicated that there is a particular focus on ensuring that young people (particularly of school age) are provided with exposure and an opportunity to learn about the diverse range of roles available within the financial and professional services sector. This can act as a useful mechanism for inspiring young people to consider a career in the sector, and to help them understand the pathways that enable them to work in the sector.
- 6.33** Employers were able to cite unique models that have been adopted by their organisations to inspire young people. This ranged from sending out resource packs to teachers to help them teach concepts relevant to the sector (e.g. personal banking skills), to having staff volunteer some time to speak at assemblies or present their roles, to work placement opportunities for individuals that run throughout the year, rather than a focused work placement week, and the unique approach to recruitment of school-aged learners outlined in Recommendation 4.
- 6.34** It is recommended that these more creative and flexible approaches to encouraging young people to consider a career in the sector are continued, with best practice socialised as widely as possible. This will enable a more diverse talent pool to consider a career in financial and professional services, who may also follow less-established pathways as indicated in Recommendation 3.



Recommendation 6: Opportunities for upskilling and reskilling current staff

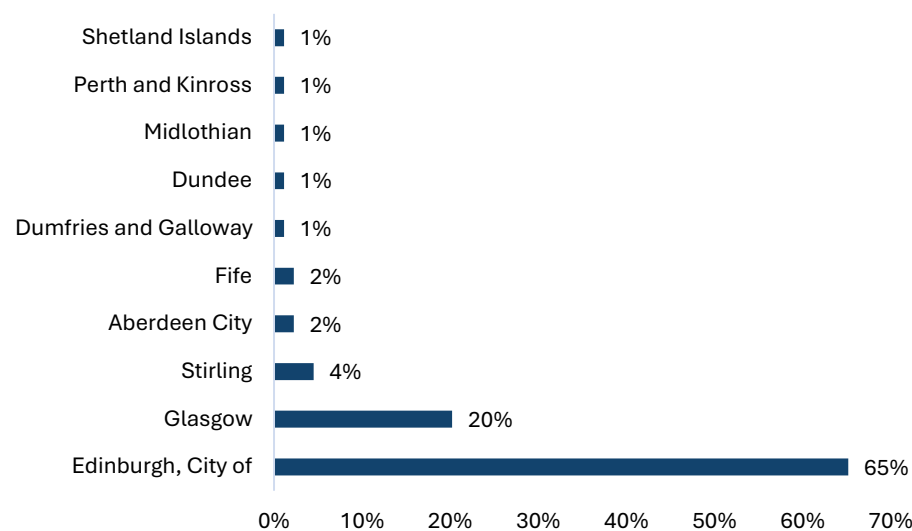
- 6.35** Given the rapid pace of change and the application of new technologies within the sector, there has been a continuous need to upskill staff to prepare them for these technologies as they emerge. It has been argued by some consultees that the pace of change is accelerating further, and this means that continuous professional development is deeply embedded in organisations' approaches to upskilling and reskilling current staff.
- 6.36** As noted in the research, there are unique approaches to upskilling and reskilling being taken by organisations. Where there has traditionally been a split between 'tech-heavy' and 'customer/client-facing' roles, these are being increasingly blended and therefore each skillset is now more often required to be held by individual workers within the sector. It is important that current staff are kept abreast of what the changes in technology mean for their role (aided by actions found in Recommendation 2) and how they can adapt to meet the changing needs of the sector.
- 6.37** It is recommended that, as part of the collaboration approach between public sector, industry and educational institutions outlined in Recommendation 1, industry representatives should make institutions aware of their predicted skills needs to ensure that these institutions (particularly higher and further education) can adequately equip their current staff with the skills that will be needed in the future. This reskilling and upskilling would ideally be supported by effective policy levers (such as the Apprenticeship Levy) and other funding being made available by the public sector to support this upskilling or reskilling.



A.1 Survey sample

Just under two thirds of survey respondents were from the City of Edinburgh (65%) with a fifth coming from Glasgow. Combined, 93% of the sample came from the Scottish Central Belt as shown by Figure A.1.1

Figure A.1.1: Sample employer geography

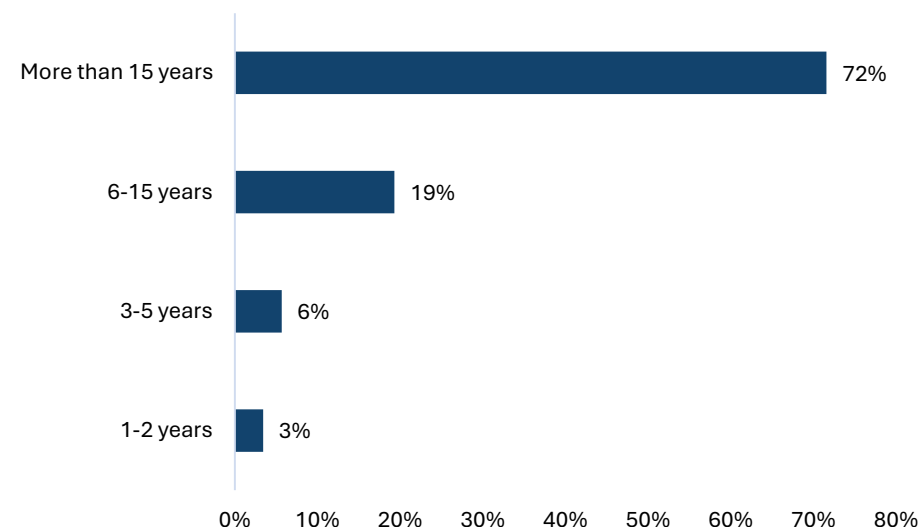


Source: GC Insight F&PS Survey, December 2025

Source: GC Insight F&PS Survey, December 2025

The majority of survey respondents worked for companies who had been operating for at least six years (91%) with just under three quarters (72%) operating for at least 15 years, as shown by Figure A.1.2.

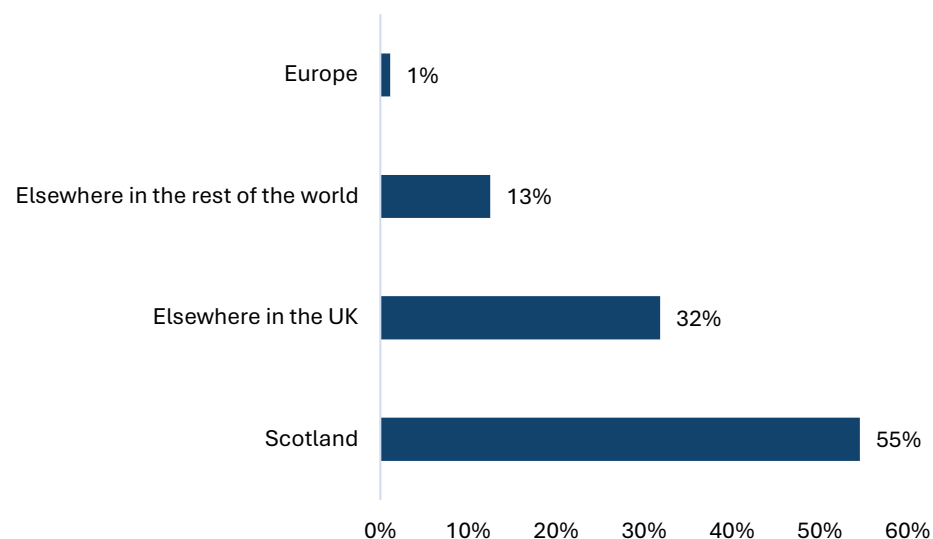
Figure A.1.2: Sample employer age



Source: GC Insight F&PS Survey, December 2025

Figure A.1.3 shows the location of survey respondent companies' headquarters. The majority of these were in Scotland (55%), with just under a third being headquartered elsewhere in the UK. There was a small number which were headquartered outside of the UK and the European Union., as shown by Figure A.1.4.

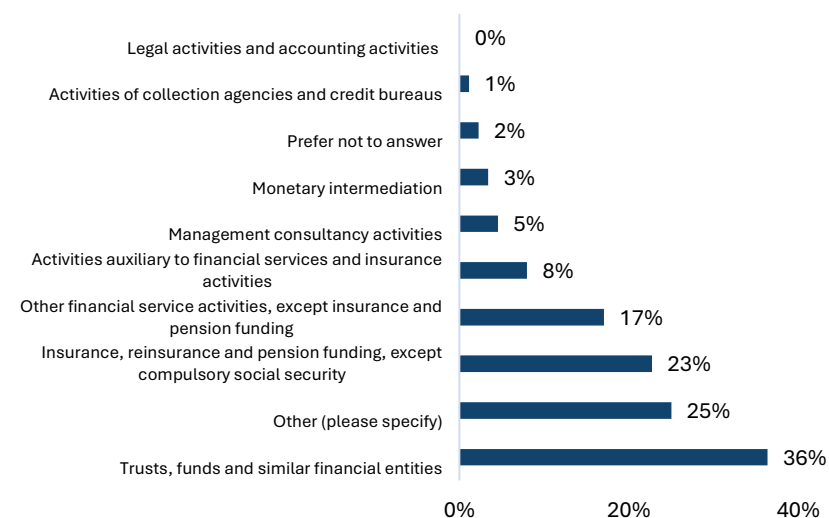
Figure A.1.3 Sample headquarters location



Source: GC Insight F&PS Survey, December 2025

Figure A.1.4 shows the subsectors of the financial and professional services sector that respondents' companies operate in. The most common subsector represented was Trusts, funds and similar financial entities (36%) followed by Insurance, reinsurance and pension funding, except compulsory social security (23%) and other financial service activities, except insurance and pension funding (17%). A quarter of respondents reported working across other subsectors not included in the list. Those reported included education for example.

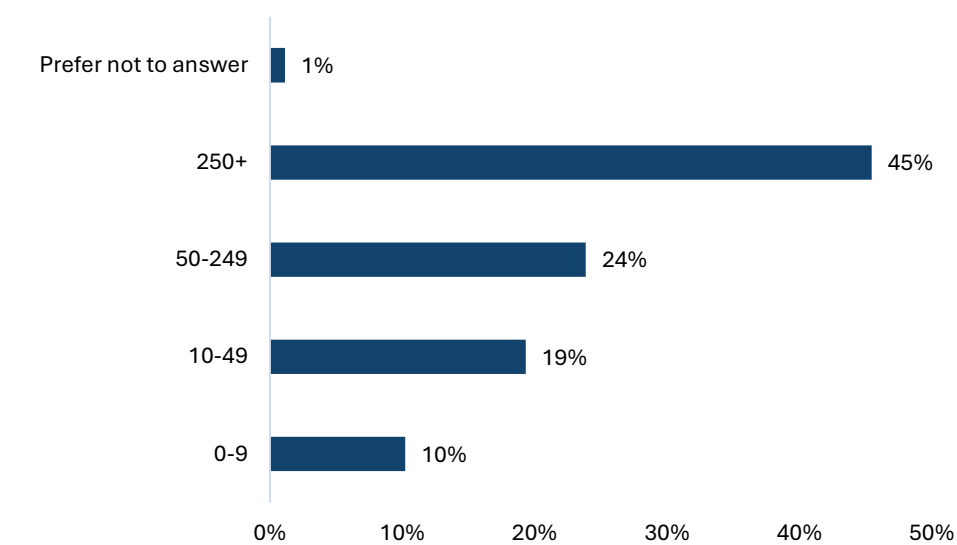
Figure A.1.4: Sample F&PS subsectors



Source: GC Insight F&PS Survey, December 2025

Figure A.1.5 shows the size of companies represented in the survey sample. Over two-thirds (69%) of respondents were from organisations which employ at least 50 people.

Figure A.1.5: Number of respondent companies' FTE



Source: GC Insight F&PS Survey, December 2025

A.2 Consultation programme

Organisations that have been consulted throughout this research programme are detailed in Table A.2.1 below.

Table A.2.1: Consultee list

Organisation
The Association of Chartered Certified Accountants (ACCA)
Blackrock
Lloyds Banking Group
NatWest
Snugg Energy

Skills Development Scotland

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11 George Square
Glasgow G2 1DY

www.sds.co.uk

