

2025: A YEAR IN RETROSPECT

# UK Restructuring

# Contents

<b>2025: Turbulence, tariffs and toolkits</b>	<b>3</b>
<b>Retail, hospitality and consumer-led businesses</b>	<b>5</b>
<b>Real estate</b>	<b>7</b>
<b>Financial and professional services</b>	<b>9</b>
<b>Construction, manufacturing and transport</b>	<b>11</b>
<b>Success, solved</b>	<b>13</b>





# 2025: Turbulence, tariffs and toolkits

A year ago we were poised for turbulence, cautious of the effect the new US administration, ongoing transformation of post-pandemic consumer behaviours, and conflicts in Europe and the Middle East might have on global markets. While these factors shaped 2025 for businesses, lenders, and consumers, as we begin 2026 we are looking at largely the same concerns.

'Trumponomics' continues to erode old economic and political certainties, with consequences on supply chains globally most keenly observed in export-heavy industries, such as construction and automotive. While more companies are seeing a return of employees back into offices, it would seem that new habits die hard; brick and mortar retailers and hospitality businesses continue to suffer as a result of routines established in lock-downs. Cultural changes in peak socialiser demographics and the squeeze on disposable incomes has led to a reduced interest in retail and leisure, leaving real estate asset holders scrambling.

In the UK there have been persistent inflationary pressures. Despite early signs of easing, inflation remained above the Bank of England's target. Attempts to curb this by holding rates at historically high levels for much of the year failed and the UK economy hovered near stagnation, with Q2 and Q3 showing near-zero growth, amplifying distress in consumer-facing sectors.

A notable trend in UK restructuring was the relative decline in the use of the Restructuring Plan (RP), despite ongoing adaptation. Company Voluntary Agreements (CVAs) and Pre-Pack Administrations remained popular, especially among mid-market businesses seeking quicker and more cost-effective options. However, RPs remain a powerful tool to deliver balance sheet restructuring and reset creditor expectations. Recent judicial commentary has given helpful clarity on creditor conduct and RP structure which could reduce the incidence of creditors willing to challenge an RP, meaning lower costs and greater certainty of outcome.

In that vein, 2025 saw the rise of Liability Management Exercises (LMEs) in the UK, mirroring their increase across Europe the previous year. A growing toolkit of non-pro rata, sponsor-led LMEs (mirroring US practices) is taking hold against a backdrop of loose covenants, rising rates, and looming maturities.

For those pursuing M&A prospects, there will be no shortage of opportunities in 2026. Consumer-facing industries will continue to be under highest pressure, but transport, manufacturing and construction also face significant challenges. Few sectors have been left untouched by distress, as even growth sectors like energy and technology have their own issues as they transition to a low carbon and AI heavy future.

Whatever 2026 has in store, we remain committed to supporting our clients through every challenge and opportunity that comes their way, partnering with them to provide exceptional business advisory and legal advice.

Continue reading for our sector insights and featured credentials for 2025.

Thank you for your continued trust and partnership.

Best wishes,  
Rob



**Robert Russell**

Partner, Head of Restructuring (UK)  
T +44 (0)7971 142 131  
[robert.russell@dlapiper.com](mailto:robert.russell@dlapiper.com)

Sector spotlight:

# Retail, hospitality and consumer-led businesses



In what is becoming typical for the retail sector, 2025 saw challenging circumstances as the permacrisis 'death of the high street' became an ever-present reality. Weak discretionary spending paired with high operational costs equated to refinancing challenges for many independent and mid-market retailers.

The Confederation of British Industry (CBI)<sup>1</sup> reported in December that total distribution sales volumes (including retail, wholesale, and motor trades) fell at the fastest rate since June 2020 (-46% in December, down from -35% in November), a gloomy end to an already challenging year. We can expect distress to continue into 2026, with experts forecasting a further 10% year-on-year increase in insolvencies after the Christmas season.

The retail space isn't the only sector to be impacted by lessened consumer spending. In early 2025, a Bionic survey found<sup>2</sup> 44% of hospitality owners felt their business may not survive the year; 78% cited inflation and rising costs, and 74% reported declining consumer spending. The Begbies Traynor Group's Red Flag Report<sup>3</sup> at the end of Q3 indicated Leisure and Cultural Activities (+96.7%), Hotels and Accommodation (+92.5%), and General Retailers (+85.6%) saw some of the steepest increases in 'critical' distress, reflecting subdued discretionary spending and the impact of sustained cost pressures.

## Matter highlights

Across the year, our UK restructuring team saw these challenges first hand, partnering with several consumer-centric businesses in rescue scenarios.

Some of our work highlights from 2025 include advising:

- Long-standing client **Gordon Brothers** on the acquisition of discount retailer **Poundland**, and latterly acting for Poundland Limited through all aspects of the successful sanction of their Restructuring Plan. [Read more about the judgment here.](#)

The discount retailer has over 800 stores across the UK and Ireland, and is a cornerstone retailer on the UK high street.

- **A global travel business** on its restructuring options, contingency planning, and ultimate sale to a global tech and travel conglomerate based in Asia. The sale resulted in the rescue of all jobs and functions of the company, and included fresh capitalisation of the business.
- **Kroll** as joint administrators in relation to the publicised administration of **Ideal World Ltd** (the TV shopping retailer). We supported in an urgent security review

and appointment by the secured creditor following the presentation of a winding-up Petition by a creditor of the business. Thereafter, we assisted with the sale of the business and assets of the company, including the TV channels occupied by the business, via two separate sales, to QVC and Shop TJC respectively.

- **A US-based non-profit cruise provider** in the international reorganisation of its worldwide activities. We advised on reorganising the non-profit entities to ensure the organisation operates as efficiently as possible and can rely on assets held by its US parent. To achieve this, we established a UK-based branch which will replace the UK subsidiary following a business and asset transfer of all assets to the US parent.
- **FRP Advisory** as the administrators of **a decorative surfaces business**, in connection with administration strategy and maximisation of value for the benefit of secured creditors, as well as ensuring funding for the administration.

---

1 [Confederation of British Industry \(CBI\)](#)

2 [Bionic survey](#)

3 [Begbies Traynor Group's Red Flag Report](#)

Sector spotlight:

# Real estate



High vacancy rates and structural shifts (such as hybrid working and online shopping) remain major stress factors for the commercial real estate sector. The Institute for Turnaround indicated in their Societal Impact Report<sup>4</sup> that high levels of corporate distress in the UK persist, with real estate one of the hardest hit, increasing by a fifth (20%+). Members of the network cited inflationary pressures, management fatigue, economic uncertainty, and adaptability as pressures likely to extend into 2026.

Refinancing concerns were at the forefront. GBP32.6 billion in commercial real estate loans matured in 2025, while simultaneous funding shortages drove refinancing difficulties. Tighter lending environments added to the picture, pushing constraints on funding liquidity.

But it's not all bad news. While transaction volumes for the first half of the year were subdued, down 18% on H1 2024, they picked up in the second half, with the rolling annual total around GBP46 billion by Q3<sup>5</sup>. Looking ahead for this year, we are cautiously optimistic. Talk of a 'rebound' is premature, but the market is on firmer ground than it has been in recent years, with stabilisation to be led by refinancing more-so than an increase in new acquisitions<sup>6</sup>.

## Matter highlights

Mixed-use developments continued to see activity for our team in 2025, while distress in other sectors (such as retail and hospitality) had knock-on effects for real estate asset holders.

Some of our work highlights from 2025 include advising:

- On the share purchase of a UK company (including its UK-based assets) by **Flacks Group**, a US-based investor in distressed assets and special situations across the world. The deal saw us collaborating closely with the Safety, Health and Environment team due to the environmental licences and clean-up operations required for the assets owned by the UK company. Flacks specialises in turnarounds of real estate and environmental assets, and part of the deal revolved around this, leading to split completion deliverables over the course of a year.
- **KR8 Advisory Limited** in respect of their appointment as joint administrators of Vaani Property, a UK-based real estate investment company. The administrators had been appointed out-of-court by a purported secured creditor. The company's director/shareholder issued an application to Court under paragraph 81 of Schedule B1 to the Insolvency Act to seek to terminate the administrators' appointment, alternatively seeking injunctive relief to restrain steps in the administration. The application challenged the validity of the underlying security and alleged an improper motive on behalf of the appointing creditor (not the administrators) in making the appointment. Applications brought pursuant to paragraph 81 are novel and there is limited case law on the subject, with DLA Piper acting recently on one of the key cases to bring clarity in this area. We therefore were instructed to support the administrators, as a neutral party, throughout the application to protect their position as custodian of the assets of the company and, through negotiation with the relevant stakeholders, we were able to structure and document a court-approved exit from administration, pursuant to which the administrators received an immediate discharge and release from liability, with their costs and expenses paid in full. The company's assets were preserved and delivered back to its directors, pending determination of a separate application to determine the validity of the security.
- **The joint LPA receivers** appointed by a UK clearing bank on the management and subsequent sale of a portfolio of regional business park assets. Our support encompassed all aspects of property and lease management, as well as the coordination and execution of the sale processes. The transactions, which achieved aggregate sale prices of approximately GBP30 million, demonstrates our ability to guide receivers through both operational and transactional phases, securing optimal outcomes for stakeholders in complex real estate scenarios.
- **Mount Street** (as servicer and special servicer) in relation to the successful restructuring of the circa EUR300 million CMBS backed by a portfolio of Finnish offices. **Sponda**, the Finnish real estate company owned by Blackstone, secured an extension of up to three years for a securitised loan which was unpaid on maturity in February 2023.
- **Whitecraigs**, as a secured lender, on an impending hearing for the winding up of a business following our client's enforcement of its security regarding a GBP100 million residential property development based at Salford Quays. We continue to advise the administrators of this business on making court applications for off-plan apartment sales and the subsequent sale of the property.

<sup>4</sup> Societal Impact Report

<sup>5</sup> 2025: A year of two halves for UK commercial property? – TIME Investments

<sup>6</sup> UK commercial property in 2026: Stabilisation, not a boom | Mortgage Introducer

Sector spotlight:

# Financial and professional services



Market participants are feeling hopeful after a relatively positive landscape in financial services across 2025. However, geopolitical instability and the threat of technology (from both cyber-security and AI adoption perspectives) continue to represent major vulnerabilities for firms in the sector.

The implementation of new regulation was a common trend in the courts. The FCA's Consumer Duty, the Financial Services and Markets Act 2023 (FSMA 2023), new rules for 'Buy Now, Pay Later' providers, and key principles mirroring the EU Digital Operational Resilience Act (DORA) all affected the landscape for financial services businesses as they were asked to evidence adoption of new principles for the benefit of customers.

Smaller firms were more likely to struggle, with the costs of compliance and tech adoption putting pressure on budgets. The market expects AI to make services more accessible and affordable, and there is consumer pressure to adopt new tech in the aim of streamlining operational costs. However, though it may represent short-term loss for long-term gain, embracing AI is a pricey endeavour that many smaller outfits are unable to manage.

## Matter highlights

Regulatory shifts and board advice influenced much of our work in the financial and professional services sector last year.

Some of our work highlights from 2025 include advising:

- Acting for Representative Respondents in a directions hearing applied for by the special administrators of **Argentex LLP**, a currency and FX trading platform. Our work set a helpful precedent for how special administrators appointed to this type of business should fulfil their duties.
- **Interpath Ltd**, the joint special administrators of **Rational Foreign Exchange Limited**, in relation to obtaining the approval of the distribution plan for the return of safeguarded funds and the declaratory relief sought concerning the status of EU customers. The application is only the third distribution plan approved under the Payment and Electronic Money Institution Insolvency regime (PESAR) and the first reported case involving the treatment of European customers' funds post the UK's exit from the European Union (Brexit).  
[Read more here.](#)
- A **North-West-based financial services provider** (the Group), on its restructure and reorganisation. The reorganisation involved an amendment and restatement of the c.GBP130 million senior secured facility provided to the Group which necessitated the replacement of the borrower and other obligors.

The Group reorganisation involved a number of strategic steps, including the transferring of business and assets and various operational companies, rationalisation of intercompany debts alongside the completion of the amendment and restatement of the senior finance documents. We continue to support the Group on various other operational and legal changes following the reorganisation to enable the Group to pursue its medium to long term objectives with the support of its secured creditor, including the restructure of the Group's real estate portfolio.

- A **European alternative credit investment firm** with USD1 billion assets under management, on a "loan-on-loan" financing structure for the acquisition of certain loan exposures backed by real estate assets located in Germany. Closing is expected in Q1 2026. The transaction is a standout specimen of fund finance trends seen in the market. Our global network was leveraged to support the client across jurisdictions and our traditional sponsor-side capabilities adapted seamlessly in the context of bespoke credit fund facilities.
- **Espresso Capital Ltd** (lender), who acquired the business and assets of Knowledgemotion Ltd (who is a provider of online education videos), by way of a credit bid out of administration- thus the consideration was satisfied in part in cash and in part by way of a permanent reduction of the existing indebtedness of Knowledgemotion to Espresso under the loan agreements. The deal completed on 1 April 2025 and new funding was put in by Espresso Capital to the SPV which bought the assets of Knowledgemotion.
- **Kroll** as administrators of nine companies within the **Pure Business Group**, which includes an alternative business structure regulated by the SRA called Pure Legal, following an application by two of its secured creditors, Novitas Loans and Close Invoice Finance. Our role included planning a smooth transition into administration, putting contractual arrangements in place for over 30,000 clients of the Pure group to have their cases taken on by alternative law firms, overseeing the case transfer process, advising on the work required by the administrators to reconcile the group's records to ensure all cases were taken on by appropriate firms and progressed in the interests of the clients and creditors, and assisting the administrators in their investigations to the failure of the group.
- **Close Brothers** in relation to the administration of **PMP Recruitment Limited** and the related provision of new facilities to Challenge-trg Recruitment Limited (as purchaser of the business and assets out of administration).

Sector spotlight:

# Construction, manufacturing and transport



The UK construction sector experienced significant distress in 2025. Annual data showed that construction accounted for 3,973 insolvencies in the 12 months to October 2025 – 17% of the all-industry total and more than any other sector of the economy<sup>7</sup>.

A ‘perfect storm’ of drivers contributed to a challenging backdrop for operators in the market. High borrowing costs, inflation of material costs, cash flow difficulties and labour shortages created a hostile environment for small and mid-sized contractors.

The manufacturing sector was hit with similar trends, particularly around supply chain disruption, high energy costs and global trade frictions. Geopolitical factors impacted the landscape significantly, and are likely to continue to do so in 2026. Adaptation is the buzz word, with market commentators indicating that businesses which are able to adopt new technologies, nearshore their supply chains, and transform capabilities where necessary will be more likely to thrive in the year ahead.

## Matter highlights

Much of the work we saw in the sector focussed on refinancing and M&A, rather than full scale insolvencies.

Some of our work highlights from 2025 include advising:

- **Hilco** on the financing and acquisition of a UK based heavy engineering business, including a sale and leasebank.
- **A packaging solutions manufacturer** with managerial duties during a company crisis across various European jurisdictions, including Germany, Austria, and France. Our support included assessing liquidity status and balance sheets, drawing up a going concern prognosis, and advising on refinancing and restructuring.
- **BDO LLP** as joint administrators of **Electrolytic Plating Company Limited**, in relation to the pre-packaged administration sale of the business and assets of the Company to Wolverhampton Electro Plating Limited.

The Company was one of the largest plating and surface coating companies in the UK and had been a family run business since 1896. We supported and advised the Joint Administrators on their appointment, the validity of the security granted by the Company, and the ultimate and

urgent pre-packaged administration sale of the majority of the business and assets of the Company following their appointment. We continue to assist the Joint Administrators in their investigations into the failure of the business and the sale of significant real estate assets.

- **Rosenxt Holding AG**, as purchaser, who acquired a ship and associated assets from RSM UK. Rosenxt acquired the ship and associate assets post administration of the original owner from RSM UK.
- **CargoLogicAir (CLA)** on the impact of sanctions on their business. Whilst the position of CLA as a formerly sanctioned entity remains under review, we are continuing to assist the now liquidators in progressing the liquidation with a view to making distributions to CLA's creditors.

---

<sup>7</sup> Spike in construction insolvencies heralds ‘difficult winter’ | Construction News

Success, solved



Our global Restructuring team is one of the largest in the world, with over 200 lawyers across the Americas, Asia Pacific, Africa, Europe and the Middle East. We have the knowledge, experience and resources to address restructuring and insolvency needs on a national and international basis.

Our restructuring team in the UK have extensive knowledge of local markets and the associated challenges our clients face. Working in partnership with you, we develop innovative restructuring solutions that deliver real commercial results.

With exposure to matters relating to public and private companies in both underperforming and distressed situations, we manage assignments from the mid-market to the largest national and international restructurings and insolvencies, and are experienced in managing all contentious issues arising from such cases.

Whether you're in need of advice on director's duties and obligations, an investigation in supply chain resilience, or a partner in your large scale restructuring, our lawyers are ready to stand with you as a partner in seeking commercially attractive solutions.

Reach out to us today to learn more.

## Our UK restructuring team

---



### Adam Plainer

Partner  
London  
T 0207 153 7404  
[adam.plainer@dlapiper.com](mailto:adam.plainer@dlapiper.com)



### Chris Parker

Partner  
London  
T 0207 153 7402  
[chris.parker@dlapiper.com](mailto:chris.parker@dlapiper.com)



### David Ampaw

Partner  
London  
T 0207 153 7199  
[david.ampaw@dlapiper.com](mailto:david.ampaw@dlapiper.com)



### David Manson

Partner  
Manchester  
T 0207 153 7055  
[david.manson@dlapiper.com](mailto:david.manson@dlapiper.com)



### Jonathan Richards

Partner  
London  
T 0207 796 6164  
[jonathan.richards@dlapiper.com](mailto:jonathan.richards@dlapiper.com)



### Neil Riley

Partner  
London  
T 0207 796 6260  
[neil.riley@dlapiper.com](mailto:neil.riley@dlapiper.com)



### Peter Manley

Partner  
London  
T 0207 796 6056  
[peter.manley@dlapiper.com](mailto:peter.manley@dlapiper.com)



### Pippa Hill

Partner  
London  
T 0207 153 7044  
[pippa.hill@dlapiper.com](mailto:pippa.hill@dlapiper.com)



### Rob Lyons

Partner  
Manchester  
T 0161 235 4035  
[rob.lyons@dlapiper.com](mailto:rob.lyons@dlapiper.com)



### Robert Russell

Partner  
Manchester  
T 0161 235 4147  
[robert.russell@dlapiper.com](mailto:robert.russell@dlapiper.com)



**Sarah Letson**  
Partner  
Edinburgh  
T 0207 796 6639  
[sarah.letson@dlapiper.com](mailto:sarah.letson@dlapiper.com)



**Tim Dawson**  
Partner  
London  
T 0207 796 6640  
[tim.dawson@dlapiper.com](mailto:tim.dawson@dlapiper.com)



**John Milliken**  
Legal Director  
London  
T 0207 153 7097  
[john.milliken@dlapiper.com](mailto:john.milliken@dlapiper.com)



**Philip Povey**  
Legal Director  
London  
T 0207 796 6188  
[philip.povey@dlapiper.com](mailto:philip.povey@dlapiper.com)



**Rowan Aspinwall**  
Legal Director  
London  
T 0207 796 6785  
[rowan.aspinwall@dlapiper.com](mailto:rowan.aspinwall@dlapiper.com)



**Roya Panahi**  
Legal Director  
London  
T 0207 153 7966  
[roya.panahi@dlapiper.com](mailto:roya.panahi@dlapiper.com)



**Samantha Reeves**  
Legal Director  
London  
T 0207 796 6069  
[samantha.reeves@dlapiper.com](mailto:samantha.reeves@dlapiper.com)



**Sarah Archer**  
Legal Director  
London  
T 0207 153 7727  
[sarah.archer@dlapiper.com](mailto:sarah.archer@dlapiper.com)



**Tony Potts**  
Legal Director  
Manchester  
T 0161 235 4006  
[tony.potts@dlapiper.com](mailto:tony.potts@dlapiper.com)



**Aino Miles**  
Senior Associate  
Birmingham  
T 0121 262 5752  
[aino.miles@dlapiper.com](mailto:aino.miles@dlapiper.com)



**Amy McLeish-Taylor**  
Senior Associate  
London  
T 0207 796 6109  
[amy.mcleish-taylor@dlapiper.com](mailto:amy.mcleish-taylor@dlapiper.com)



**Grace Imafidon**  
Senior Associate  
Manchester  
T 0161 235 4039  
[grace.imafidon@dlapiper.com](mailto:grace.imafidon@dlapiper.com)



**Laura Carrier**  
Senior Associate  
London  
T 0207 796 6848  
[laura.carrier@dlapiper.com](mailto:laura.carrier@dlapiper.com)



**Tom Hitchcock**  
Senior Associate  
London  
T 0207 796 6112  
[tom.hitchcock@dlapiper.com](mailto:tom.hitchcock@dlapiper.com)



**Vivak Vaish**  
Senior Associate  
Manchester  
T 0161 235 4023  
[vivak.vaish@dlapiper.com](mailto:vivak.vaish@dlapiper.com)



**Aimee Harper**  
Associate  
Manchester  
T 0161 235 4610  
[aimee.harper@dlapiper.com](mailto:aimee.harper@dlapiper.com)



**Alice Gordon**  
Associate  
London  
T 0207 796 6492  
[alice.gordon@dlapiper.com](mailto:alice.gordon@dlapiper.com)



**Bethany Jamieson**  
Associate  
Manchester  
T 0161 235 4615  
[bethany.jamieson@dlapiper.com](mailto:bethany.jamieson@dlapiper.com)



**Chandon Chahal**

Associate  
London  
T 0207 153 7198  
[chandon.chahal@dlapiper.com](mailto:chandon.chahal@dlapiper.com)



**Luke Prince**

Associate  
London  
T 0207 153 7722  
[luke.prince@dlapiper.com](mailto:luke.prince@dlapiper.com)



**Lydia Demnitz-King**

Associate  
Leeds  
T 0113 369 2137  
[lydia.demnitz-king@dlapiper.com](mailto:lydia.demnitz-king@dlapiper.com)



**Monica McLaren**

Associate  
London  
T 0207 796 6604  
[monica.mclaren@dlapiper.com](mailto:monica.mclaren@dlapiper.com)



**Sophie Duerr**

Associate  
London  
T 0207 796 6859  
[sophie.duerr@dlapiper.com](mailto:sophie.duerr@dlapiper.com)

[dlapiper.com](https://dlapiper.com)