



Market Report

A Snapshot of your Marketing Sector

Security

This pack has been designed to provide information on setting up a business in the **Security** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2026**.

What do I need to know about the Security market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Over the **five years through 2025-26**, security systems services' revenue is expected to grow at a compound annual rate of 4.7% to reach **£1.9 billion, including forecast growth of 1.8% in 2025-26**. Retailers are investing more in monitoring systems to address the growing number of shoplifting incidents. Increased construction activity is boosting demand for security services, as new building projects require site protection and security installations. (IBISWorld, *Security Systems Services in the UK*, November 2025).
- ◆ Cyberattacks are potentially ruinous events for business owners. As of 2024, the **average cost** of the most disruptive cyber security breach in the previous 12 months in the **UK was £10,830** for medium/large businesses, and £1,205 across all businesses. (Statista, *Security Services in the UK*, 2025).
- ◆ The industry has benefited from a continued transfer of security functions from the public sector to private security services. However, advancing technology and competition from security systems providers have reduced demand for traditional guard patrols. Over the five years through 2025-26, **revenue is forecast to drop at a compound annual rate of 0.8% to £8.9 billion**. Increased investment in digital systems that enhance rather than replace on-site security roles will be key to staying competitive. (IBISWorld, *Private Security Services*, October 2025).
- ◆ Growing tech adoption fuels cybersecurity demand. The UK government's Cyber Security Breaches Survey for 2024 revealed that **50% of businesses have reported some form of cyber security breach** or attack in the last 12 months. Over the five years through 2024-25, industry revenue is expected to climb at a compound annual rate of 5.2% to reach **£12.8 billion, including growth of 5.7% in 2024-25**. (IBISWorld, *IT Security Consulting in the UK*, December 2025).
- ◆ **Global spending on border security** is expected to achieve a 5.5% CAGR between 2023 and 2028 (**US\$296.08bn in 2026**). The market is mature, with moderate growth between 2024 and 2025 (3.1%–3.7%) and increased annual growth rates in the rest of the forecast period (6.0%–7.5%). Maintenance contracts, legacy systems upgrades, and policy adjustments will be the main spending drivers during these years. (Frost & Sullivan, *Border Security Solutions Sector, Global, 2024-2028*, February 2025).
- ◆ The national organisation for this industry is the [British Security Industry Association](#) and the [National Security Inspectorate](#). Other industry bodies include the [Security Industry Authority](#), [The National Cyber Security Centre](#) and the [Information Systems Security Association International](#).

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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Frost & Sullivan – Border Security Solutions Sector, Global, 2024–2028 (February 2025).** The disruption of new technologies in the border security market, particularly the integration of AI into biometrics, scanning systems, cameras, scanners, unmanned systems, and others, calls for greater government funding allocations to keep up with such technological advancements. The digitalization of borders, despite its advantages, has led to an increased risk of cyberattacks from criminals. All these factors have boosted government spending on state-of-the-art border security technologies.
- ◆ **IBISWorld – Cyber Security Software Development in the UK (September 2025).** A growing skills gap threatens the industry's future, with developers struggling to find workers with the necessary skills. High-profile cyber breaches have sped up investment in intrusion prevention systems and given a boost to innovation-led cyber start-ups pioneering a new era of security software. Over the five years through 2025-26, cybersecurity software developers' revenue is set to climb at a compound annual rate of 6.2% to reach £1.4 billion, including a projected hike of 6.8% in 2025-26.
- ◆ **IBISWorld – Private Security Services in the UK (October 2025).** With an increase in threat levels and rising security consciousness among individuals amid escalating social unrest and terrorist threats, demand for secure transport services, such as armoured cars, is expected to grow in the future.
- ◆ **Statista – Security Services in the UK (2025)** - In 2025, there were approximately 11,010 security industry enterprises operating in the UK, an increase when compared with 10,675 security enterprises the previous year. The number of smart homes in the 'Security' segment of the smart home market in the UK was estimated at 9.48 million users in 2024. Following a continuous upward trend, the number of smart homes has risen by 4.7 million users since 2018. Between 2024 and 2029, the number of smart homes will rise by 2.07 million users, continuing its consistent upward trajectory.

There are also a number of online resources you may find helpful:

- ◆ **Professional Security Magazine** (<https://professionalsecurity.co.uk/>) covers a variety of topics related to the UK security industry. The News page offers links to case studies, commercial and government related stories, press releases, training, and market reports.
- ◆ **Cyber Scotland** (www.cyberscotland.co.uk) is a collaboration of key strategic stakeholders, brought together to focus efforts on improving cyber resilience across Scotland.
- ◆ **Splunk** (<http://www.splunk.com>), a digital security company, published [The State of Security 2025 Report](#). You can download this directly from their website, but you do need to input some details so please read all terms and conditions if you choose to do so.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please contact us on info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.



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How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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