

Administrative and Support Services • N80.200

Security System Services in the UK

Safe and growing: Persistent crime and new construction keep security system providers in steady demand



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About

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About This Industry

Definition

Companies in this industry provide advanced safety solutions, including surveillance cameras, alarm systems and access control. They install, monitor and maintain these systems for businesses and homeowners to protect against theft, vandalism and other security threats.

Codes

SIC		
2007	80.20	Security systems service activities

ISIC		
2006	8020	Security systems service activities

What's Included

- Installing and maintaining mechanical or electronic locking devices, safes and security vaults
- Installing security and fire alarm systems
- Monitoring fire alarm systems
- Monitoring security systems

Companies

- ADT
 - Securitas
 - Mitie
 - Chubb Fire & Security
 - Allied Universal
 - Verisure
 - Kings Secure Technologies
- Trinity Fire & Security Systems
 - Security Monitoring Centre
 - Ocular
 - Prosegur
 - Auto Iris
 - Yorkshire Rose Security
 - Openview
- Marlowe Fire & Security Group
 - Cymru Fire & Security
 - Onwatch
 - Reliance High-Tech
 - Fire & Security Safety Solutions
 - Churches Fire & Security

Related Industries

Domestic industries

Competitors

- Facility Support Services in the UK

Complementors

- General Building Cleaning in the UK
- Industrial Cleaning Activities in the UK
- Electricians in the UK

International industries

- Locksmiths in the US
- Fire & Security Alarm Installation Services in Australia
- Security System Services in the US
- Security System Services in Canada
- Fire & Security Alarm Installation Services in New Zealand

Related Terms

CLOSED-CIRCUIT TELEVISION (CCTV)

A way of using fixed cameras to monitor people, animals, infrastructure, buildings, traffic flow and industrial processes from a central control room.

PUBLIC SPACE SURVEILLANCE (PSS)

The monitoring of public space using CCTV.

SECURITY INDUSTRY AUTHORITY (SIA)

The organisation responsible for regulating the private security industry in the UK.

Additional Resources

- British Security Industry Association
- Security Industry Authority
- National Security Inspectorate

At a Glance

Revenue			Employees			Businesses		
£2.1bn	2022-27 ↑ 0.4%		15.1k	2022-27 ↑ 3.2%		3.0k	2022-27 ↑ 2.4%	
	2027-32 ↑ 4.1%			2027-32 ↑ 2.0%			2027-32 ↑ 1.8%	
Profit			Profit Margin			Wages		
£342.7m	2022-27 ↑ 0.4%		16.1%	2022-27 0.0pp		£666.0m	2022-27 ↑ 4.6%	
							2027-32 ↑ 3.5%	

🕒 Five-year growth rates display historic and forecast CAGRs

➔ Major Players

Company	Revenue (£m)	Market Share (%)
Adt	304.5	14.3
Securitas	227.8	10.7
Mitie	225.6	10.6
Chubb Fire & Security	214.5	10.1
Allied Universal	142.4	6.7
Other Companies	1,013.6	47.6

⚙️ Key External Drivers

Driver	Impact
Total recorded crime	Positive
Demand from commercial building construction	Positive
Demand from residential building construction	Positive
Real household disposable income	Positive
Mortgage rate	Negative

🕒 Products & Services

Item	Revenue (£m)	Market Share (%)
Monitoring security systems	1,185.5	55.7
Monitoring fire alarm systems	593.8	27.9
Installing security and fire alarm systems	323.5	15.2
Other	25.54	1.2

Key Takeaways

Performance

Higher shoplifting drives demand for advanced security solutions. An increase in shoplifting has pushed businesses to invest in surveillance and monitoring systems. Companies are using technology to log incidents and aid police efforts, aiming to curb financial losses.

The housing boom boosts demand for security services. The government's plan to build 1.5 million homes will elevate demand for alarms, surveillance and smart solutions.

SWOT

Strengths	High Profit vs. Sector Average Low Customer Class Concentration Low Imports
Weaknesses	High Competition High Product/Service Concentration High Volatility Low & Steady Level of Assistance Low Revenue per Employee
Opportunities	Demand from commercial building construction High Revenue Growth (2021-2026)
Threats	Low Revenue Growth (2021-2026) Mortgage rate

Industry Structure

Characteristic	Level & Trend	
Concentration	Moderate	
Barriers to Entry	Moderate	Steady
Regulation and Policy	Moderate	Steady
Life Cycle	Mature	
Revenue Volatility	High	
Assistance	Low	Steady
Competition	High	Steady
Innovation	Moderate	

Products and Markets

Fire safety regulations boost demand for advanced alarm systems. Stringent UK fire safety laws drive demand for monitoring systems. Companies are using IoT technologies for precise alerts, enhancing response times and efficiency.

Outsourcing keeps revenue from the public sector strong. A squeezed public-sector budget encourages the government to outsource its security needs, with numerous high-value contracts awarded in recent years.

Executive Summary

Safe and growing: Persistent crime and new construction keep security system providers in steady demand

The Security System Services industry has grown steadily over the past five years, driven by persistently high crime rates and a growing demand for technology-led installations and monitoring. The ONS recorded 9.6 million headline crime incidents in the year ending December 2025, remaining well above pre-pandemic levels, while police-recorded shoplifting rose 20% to 530,643 offences in 2024-25, the highest since records began in 2003. The British Retail Consortium reported that retailers responded by spending a record £1.8 billion on crime prevention in 2023-24, channelling investment into CCTV networks, intruder alarms and access control systems, with multi-year maintenance contracts improving cash flow stability for security system providers. Over the five years through 2026-27, industry revenue is projected to rise at a compound annual rate of 0.4% to reach £2.1 billion, including forecast growth of 3.6% in 2026-27.

ONS data shows growing construction output, rising 1.8% in 2025 for the fifth consecutive year of annual growth, creating new sales as new residential, commercial and industrial buildings require alarm and surveillance installations from the earliest stages of development. However, cost pressures have weighed on profit over the past five years. Wage costs have risen due to demand for technically skilled engineers and the National Living Wage increasing 4.1% to £12.71 in April 2026, while ONS producer price data shows import costs for electronic components and hardware rose 1.3% in the year to December 2025, pushing up the cost of cameras, sensors and control systems. Profit remains above the wider administrative and support service activities sector average, supported by recurring maintenance contracts and demand for premium services (like AI-driven surveillance and lone worker protection), but providers that cannot pass higher input costs through contract pricing face tighter returns.

Over the five years through 2031-32, industry revenue is forecast to grow at a compound annual rate of 4.1% to reach £2.6 billion. The government's pledge to build 1.5 million homes by 2029 will expand the residential installation and monitoring client base, while declining interest rates are expected to stimulate housing transactions and commercial development. Service diversification into biometric alarms, vacant property security and cloud-based monitoring platforms will allow providers to attract new customer segments and charge premium rates, supporting stronger profit growth. Technological investment will remain a condition of growth,

as AI analytics, Internet of Things integration and cloud video

management become baseline client expectations.

Performance

Key Takeaways

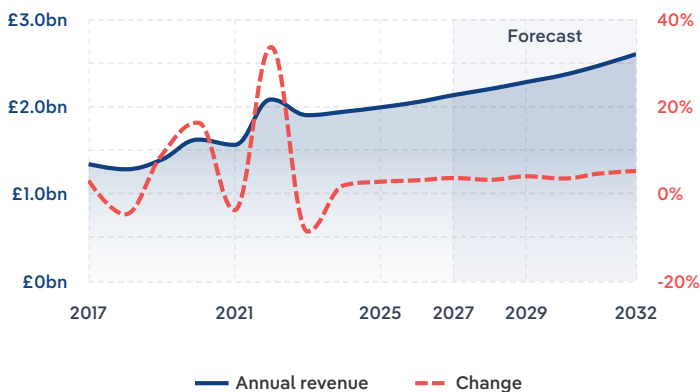
Higher shoplifting drives demand for advanced security solutions. An increase in shoplifting has pushed businesses to invest in surveillance and monitoring systems. Companies are using technology to log incidents and aid police efforts, aiming to curb financial losses.

The housing boom boosts demand for security services. The government's plan to build 1.5 million homes will elevate demand for alarms, surveillance and smart solutions.

Performance Snapshot

Revenue

Total value (£) and annual change from 2017 – 2032. Includes 5-year outlook.



Revenue

2022-27	↑ 0.4%
2027-32	↑ 4.1%

2027 Revenue Growth

3.6% ↑ Increasing

Revenue Volatility

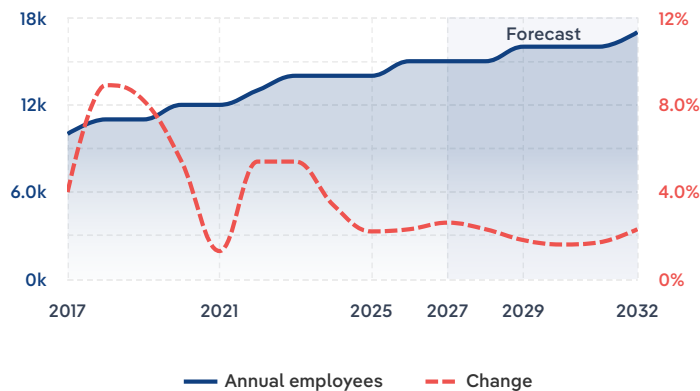
High

IBISWorld

Source: IBISWorld

Employees

Total number of employees and annual change from 2017 – 2032. Includes 5-year outlook.



Employees

2022-27	↑ 3.2%
2027-32	↑ 2.0%

Employees per Business

2022-27	↑ 0.7%
2027-32	↑ 0.2%

Revenue per Employee

2022-27	↓ 2.7%
2027-32	↑ 2.1%

IBISWorld

Source: IBISWorld

Businesses

3.0k

2022-27 ↑ 2.4%2027-32 ↑ 1.8%

Employees per Business

5

2022-27 ↑ 0.7%2027-32 ↑ 0.2%

Revenue per Business

£701.0k

2022-27 ↓ 2.0%2027-32 ↑ 2.3%

Total Profit

£342.7m

2022-27 ↑ 0.4%

Profit Margin

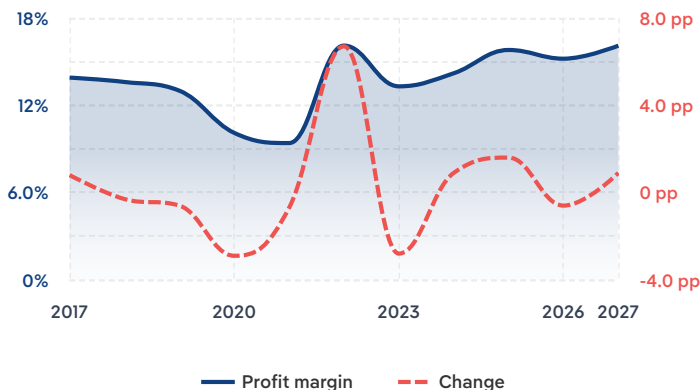
16.1% 2022-27 0.0pp

Profit per Business

£112.9k

Profit Margin

Total profit margin (%) and annual change from 2017 – 2027



Source: IBISWorld

Current Performance

↑ 2022-27 Revenue CAGR: 0.4%

What's driving current industry performance?

High crime rates drive demand for security system services

- Crime rates are a critical factor influencing demand for security system services. As crime rates climb, businesses and homeowners seek to deter criminal activities by buying and upgrading security systems.
- The ONS recorded 9.6 million headline crime incidents in 2025, broadly unchanged from the previous year, but remaining well above pre-pandemic levels. Elevated fraud volumes present a particular concern, with an estimated 4.4 million fraud incidents recorded in 2025, including a 15% rise in bank and credit account fraud to around 2.7 million incidents. Persistently high crime volumes keep both households and businesses alert to security risks, sustaining demand for monitored alarms, surveillance and access control systems.
- ONS data shows that police-recorded stalking rose 7% to 144,025 offences and harassment rose 7% to 319,695 offences in the year ending

December 2025. These offence types are closely linked to demand for personal alarm devices and monitored response services, as victims seek immediate escalation to keyholders or emergency services.

- ADT markets monitored intruder alarms with Police Response for UK homes, where verified activations are escalated to the police and keyholders. ADT and other alarm receiving centres also connect to the ECHO platform, which automates alarm signalling to police forces and supports faster response. SimpliSafe targets households through its partnership with Neighbourhood Watch, combining monitored systems with community crime-prevention guidance. These approaches demonstrate a product focus on intruder alarms and monitoring, as well as credibility gains through alignment with policing and community safety groups.

Retail crime keeps security spending elevated

- Higher shoplifting rates have boosted demand for security system services in the UK. More businesses are seeking to enhance surveillance, alarms and monitoring solutions to protect assets, deter theft and reduce financial losses.
- The British Retail Consortium's (BRC) Annual Retail Crime Survey recorded over 20 million theft incidents in 2023-24, costing retailers £2.2 billion in customer theft losses, with the total cost of retail crime, including prevention, reaching £4.2 billion. This led to retailers spending a record £1.8 billion on crime prevention in 2023-24, benefitting the security systems industry through higher orders for CCTV networks, intruder alarms and access control systems and multi-year maintenance contracts with large retail chains have improved cash flow stability across the industry.
- With more retailers seeing similar losses, they're looking for innovative security solutions. To cater to this demand, providers are developing advanced technologies, like sensors, to deter theft and differentiate their services from those of competitors. Mitie extended its five-year security partnership with the Co-op in February 2026, using technology-led monitoring to build case files shared directly with police to support the conviction of prolific offenders. Through the Pegasus Partnership, launched in 2023 in collaboration with retailers and policing, Mitie's intelligence-sharing approach delivered 148 arrests and a 50% reduction in offending from organised crime groups in its first year of operation, demonstrating how security companies are differentiating through data-driven, intelligence-led solutions.

Smart technology continues to grow as businesses and individuals put safety first

- Smart technology has revolutionised the Security System Services industry. Businesses and homeowners are opting for advanced security solutions like smart cameras, sensors and automated alarms. These innovations offer real-time monitoring and remote control, boosting efficiency and user control. The installation of smart home technology, like doorbell cameras and smart plugs, is driving revenue growth.
- Several UK supermarkets have closed or scaled back their scan-free stores after weak customer uptake, which reduces the short-term threat to traditional security demand and increases demand for surveillance systems. Amazon announced in September 2025 that it would close all Amazon Fresh stores in the UK, citing limited sales and a shift towards online grocery services. Aldi's Shop&Go store in Greenwich began operating as a hybrid in August 2025, with both scan-free and staffed tills. With these trial formats being reduced, retailers are investing more in CCTV, monitoring and theft prevention at checkouts, which means more sales for security system services.
- Security system service teams are leaning into AI analytics, cloud video and always-on monitoring to match retailer demand. Sensormatic Solutions expanded its Shrink Analyzer application in January 2026 with four new machine-learning features, including organised retail crime activity predictions, at-risk merchandise forecasting and a track-and-trace capability. These developments highlight increasing demand for camera upgrades, software integration and 24-hour monitoring, all of which support revenue growth across the security systems industry.

Rising violence against women and girls drives up the need for security services

- Violence against women and girls (VAWG) remains widespread, with ONS data showing that 10.6% of adults reported domestic abuse, sexual assault or stalking in the year ending March 2025, including 12.8% of women and 8.4% of men. The scale of this offending keeps personal safety high on the agenda for both individuals and employers, expanding the addressable market for monitored alarms, safety apps and connected security services.
- The Worker Protection Act came into force in October 2024, introducing a new legal duty requiring employers to proactively take reasonable steps to prevent sexual harassment, including from third parties like customers and clients, with employment tribunals able to uplift compensation by up to 25% where an employer has breached this duty. In practice, this means businesses must now carry out regular risk assessments, update policies, install or upgrade CCTV coverage in areas where staff interact with the public and review lone working procedures, feeding into orders for security system installations and monitoring.
- The rise in VAWG and the corresponding spike in demand for safety apps like WalkSafe+ indicate heightened public awareness and concern for personal safety. Such concern may expand demand for security system services as individuals seek to enhance safety measures at home and during travel.
- As people search for more effective ways to feel secure, security technologies like advanced surveillance systems, personal alarms and location-based safety apps have potential for growth. Companies in the Security System Services industry can capitalise on this trend by developing and marketing innovative solutions tailored to women's safety. For example, Mitie teamed up with WalkSafe+, which allows real-time location sharing and crime rate maps, in December 2024 to create the WalkSafe Pro app, which connects users to Mitie's 24-hour security centre when they feel unsafe.
- There's potential for security service providers to collaborate with community programmes focusing on preventing VAWG. By aligning with public safety campaigns, companies can enhance their reputation and expand their customer base while helping to fight against societal safety problems.

Higher construction activity opens up growth opportunities

- Growing construction activity in the UK expands demand for security systems, as new residential, commercial and industrial buildings require installation and maintenance of alarms, CCTV and access control from the earliest stages of a project.
- ONS data shows that total construction output grew by 1.8% in 2025, the fifth consecutive year of annual growth. Growth in new work creates demand for security system services on building sites, where theft and vandalism risks persist throughout active projects and providers are more likely to see a steady stream of contracts for CCTV towers, access control and remote monitoring.
- Rising construction output is creating opportunities for security system providers to collaborate with developers and integrate smart technology into new sites. In August 2025, Optimum Group partnered with Persimmon Homes and Taylor Wimpey to install AI-enabled solar-powered CCTV and virtual guarding supported by 24-hour remote monitoring. Optimum Group stated that the system reduced on-site incidents and improved response times. These IoT-based surveillance systems connect cameras and sensors via the internet, enabling real-time monitoring, data sharing and automated alerts across multiple sites. This approach is becoming standard in construction projects and is supporting revenue growth for the Security System Services industry.

Outlook

↑ 2027-32 Revenue CAGR: 4.1%

What's driving the industry outlook?

Housebuilding ambitions support long-term security sales

- The government's target to build 1.5 million homes by 2029 would substantially expand the pool of residential security clients, as each new dwelling represents a potential alarm installation, monitoring subscription and smart device contract. At current rates, estimates suggest the government will deliver around 1.1 million homes by the end of 2028-29, leaving a shortfall of around 400,000 against the target. New residential developments also drive demand for communal CCTV networks, access control and neighbourhood monitoring services, meaning even a partial delivery of the target represents a boost to installation activity across the industry.
- Annual housing supply in England fell 6% to 208,600 net additional dwellings in 2024-25, a nine-year low and well below the roughly 300,000 per year required to meet the government's 2029 target, according to the Ministry of Housing, Communities and Local Government. While this limits short-term installation volumes, the government has since introduced planning reforms and mandatory housebuilding targets for local authorities intended to accelerate delivery. In the long term, the pipeline remains significant if those reforms gain traction.
- Security system service providers are increasingly targeting housing providers and local authorities, so surveillance and access systems are upgraded across residential estates on a long-term basis. In February 2025, Islington Council awarded a housing CCTV upgrade contract to Tyco Integrated Fire & Security covering upgraded CCTV software, compatible hardware and ongoing maintenance across council housing estates. This kind of contract supports steadier installation pipelines and recurring service income, while helping providers lock in longer-term relationships with residential clients.

Falling interest rates boost housing, construction and security demand

- Inflation remains above the Bank of England's 2% target, with ONS data showing inflation rose to 3.3% in March 2026, up from 3% in each of the two previous months. The Bank Rate currently stands at 3.75% following a cut in December 2025, having fallen from a peak of 5.25% in 2023, with the Bank of England holding rates at its April 2026 meeting. Goldman Sachs Research forecasts three further cuts in June, September and beyond, bringing the Bank Rate to 3% by the end of 2026, though persistent inflation means the pace of easing remains cautious.
- Lower borrowing costs reduce mortgage rates for households and financing costs for developers, stimulating housing transactions and new build activity. As the rate-easing cycle continues, more households are likely to move home or invest in new properties and more developers will progress stalled sites. This will generate demand for alarm installation, access control and monitoring subscriptions across the security system services industry. Inflation above the target also keeps the cost of living elevated, reinforcing the value placed on protecting assets at home and at work.
- Security system providers can position for a pickup in residential demand by investing in subscription-based monitoring and flexible finance options for homeowners ahead of any sustained recovery in housing transaction volumes. SimpliSafe's partnership with Neighbourhood Watch, active since October 2023, demonstrates how providers can build direct routes into households by combining monitored systems with community crime-prevention guidance, establishing brand credibility before borrowing conditions fully ease.

IT and smart home tech shake up the market

- The entrance of more traditional tech companies into the home security industry is reshaping the security system market, as The Telegraph reported in May 2025 that 20% of UK homes use a video doorbell from brands like Amazon-owned Ring and Google Nest. With the advancement of technologies, these tech companies are leveraging their expertise in software-centric solutions that don't require remote monitoring. This shift is adding more competition to the market and poses a threat to future revenue and profit.
- Companies like Google and Apple are expanding their reach into the home security market, offering integrated solutions through smart home devices that provide surveillance, alarm systems and access control. Smart doorbells, like Amazon's Ring doorbell, offer home security without additional monitoring services. These devices are often more cost-effective and user-friendly, making them attractive to consumers.

- To counter the growing threat from major tech companies and DIY smart home devices offering low-cost, self-monitored security solutions, traditional security system providers are adopting cloud-based monitoring and mobile-enabled management to stay competitive. Securitas Technology launched its SecureStat HQ platform in the UK and Ireland and, in March 2026, unveiled SecureStat Cumulus, a new cloud-based AI solution that removes the need for on-premises recording equipment, allowing footage to be stored and accessed directly through the cloud, alongside AI-powered search and faster incident response capabilities. By combining professional installation with enterprise-grade analytics and 24-hour monitoring, providers like Securitas can justify premium pricing and retain clients who require integrated protection across multiple sites.

Innovation in AI and integrated security systems drives higher value contracts

- Technological innovation is changing security system services as providers adopt AI analytics, smart alarms and cloud monitoring to meet evolving client risks. Chubb published a detailed overview in March 2026 of how AI-powered analytics, remote monitoring and Internet of Things infrastructure are being integrated into fire and security systems, enabling real-time data sharing, faster hazard detection and coordinated responses across complex, high-risk environments. Regulatory changes, including the Building Safety Act, Fire Safety Regulations and Terrorism (Protection of Premises) Act 2025, are accelerating this shift, as compliance requirements push businesses towards more sophisticated, integrated solutions.
- Integrated systems create opportunities to bundle installation with multi-year monitoring and analytics contracts, lifting recurring revenue and reducing customer churn. Advanced AI features raise switching costs for clients and help providers differentiate in a competitive market. As clients increasingly prioritise measurable outcomes like faster incident resolution and fewer false alarms, providers that can evidence performance gains are better positioned to justify premium pricing and protect profit margins.
- Security providers are moving from hardware sales to data-driven, integrated solutions. Securitas UK's upgrade at Gravity Business Park included facial recognition for authorised personnel, automatic number plate recognition at vehicle entrances and support from a risk intelligence centre that provides location-based alerts. This shows how companies are blending on-site technology with central intelligence and remote support, a model that is likely to expand across large campuses and industrial parks.

Volatility

High

What influences industry volatility?

Industry revenue remains tied to business investment cycles

- Industry revenue continues to fluctuate from year to year, reflecting its dependence on wider investment trends and public safety concerns. ONS data shows that UK business investment rose by 3.5% across 2025 compared with 2024. The improvement supported higher spending on security installations and new system projects, though revenue remains sensitive to shifts in business confidence and wider economic conditions.
- ONS figures reveal that construction output increased by 1.8% in 2025, marking the fifth consecutive year of annual growth. While the improvement widens the pipeline of potential installation contracts, growth remains modest relative to broader economic expansion, leaving revenue susceptible to fluctuations as project activity expands or contracts across the year.

Rising crime spurs demand and ramps up revenue

- Rising crime rates or public concerns over safety can drive higher demand for security solutions as individuals and businesses invest more in protection, boosting revenue. Security systems like video doorbells and home cameras can see increased demand as crime rises, with higher-income households more likely to adopt upgrades that improve perceived safety.
- ONS recorded around 9.6 million headline crime incidents in the year ending December 2025, mostly unchanged from the previous year but remaining well above pre-pandemic levels. Sustained crime volumes continue to encourage households and businesses to maintain or expand monitoring subscriptions, offsetting some of the volatility created by fluctuating investment activity and helping stabilise annual revenue.

Businesses cater to a wide range of clients to limit volatility

- Many security businesses have a wide range of services, including CCTV, alarm systems and on-site security guards, catering to clients from different sectors.
- Volatility can arise if a major client of a security system service business enters administration. To mitigate this risk, companies should diversify their client base, working with a wide array of clients to minimise impact and maintain financial stability.
- In September 2024, one of Chubb's clients, ISG, a major construction company, entered administration, prompting concerns about its impact on the company's financial position. However, Chubb has announced that its financial position is stable, largely due to the vast number of clients it caters to, including those in the logistics and warehousing, healthcare, financial professional services and education sectors.

Hazardous

Industry volatility vs. revenue growth (2022-2027 CAGR)



☆ Key Success Factors

How do successful businesses overcome volatility?

Concentrate on core business

Security companies can deliver specialised, high-quality solutions that customers trust by concentrating on their core services and ensuring they work highly efficiently. This leaves them well-placed to achieve a strong reputation and build up a loyal client base, helping to mitigate revenue volatility.

Use the most efficient work practices

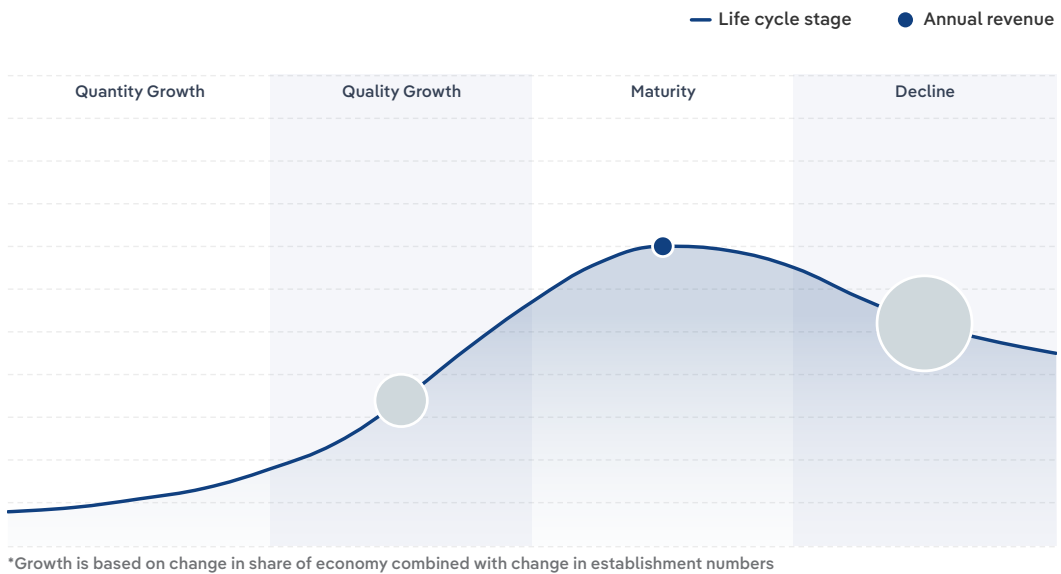
Companies can focus on maintaining growth by ensuring that they stay efficient and use the most up-to-date work practices.

Life Cycle

Mature

Life Cycle

Indication of the industry's stage in its life cycle compared to similar industries



Why is the industry mature?

Contribution to GDP

The industry is in a mature phase, contributing steadily to UK GDP through consistent demand from residential, commercial and public clients. Expanding service contracts and gradual adoption of new technologies are supporting modest growth, but overall output moves broadly in line with the wider economy.

Market Saturation

Market saturation is evident, as traditional security services have reached wide market penetration. Yet, emerging technologies, like IoT-enabled automation and smart home integration, are revitalising the sector. These advancements are expanding market boundaries, allowing businesses to tap into previously underserved or niche segments, mitigating stagnation risks.

Innovation

Innovation is critical for sustaining industry revenue growth. AI-driven security systems, proactive cybersecurity measures, advanced security analytics and biometric technologies offer new horizons for service enhancement. These cutting-edge technologies facilitate real-time threat detection and response, positioning companies to differentiate themselves in a competitive landscape.

Consolidation

Industry consolidation is accelerating, driven by competition for contracts and the pursuit of economies of scale. Companies merge or acquire competitors to streamline operations and reduce costs. This consolidation enables larger entities to offer more comprehensive service packages, improving their bargaining power and expanding their market reach.

Technology & Systems

Security system providers are integrating advanced technologies like drone-based surveillance, biometric access controls and facial recognition systems. These innovations enhance security capabilities and offer data-driven insights for proactive risk management, appealing to clients seeking integrated and intelligent security solutions in an increasingly interconnected world.

Products and Markets

Key Takeaways

Fire safety regulations boost demand for advanced alarm systems. Stringent UK fire safety laws drive demand for monitoring systems. Companies are using IoT technologies for precise alerts, enhancing response times and efficiency.

Outsourcing keeps revenue from the public sector strong. A squeezed public-sector budget encourages the government to outsource its security needs, with numerous high-value contracts awarded in recent years.

Largest Market

£1.2bn

Monitoring security systems

Product Innovation

Moderate

Products and Services

How are the industry's products and services performing?

Retail crime near record highs sustains investment in security monitoring

- Security alarms are designed to detect unwanted entry and include video surveillance systems and electronic access controls. Monitoring services include remote monitoring of CCTV installations, which are usually purchased to deter burglary in homes or shops.
- ONS data shows that police-recorded theft offences fell 8% to 1.7 million and fraud incidents held steady at an estimated 4.4 million in the year ending December 2025, showing an easing in overall crime. While falling crime levels may reduce urgency around new alarm installations, the continued prevalence of property crime at this scale means businesses and households still require ongoing monitoring coverage.
- ONS figures reveal that shoplifting offences in England and Wales stood at 509,566 in the year ending December 2025, remaining close to record highs despite a marginal 1% fall. The British Retail Consortium reported that retailers experienced over 20 million theft incidents in 2023-24, costing businesses £2.2 billion. Sustained theft volumes at this scale have led retailers to adopt integrated CCTV monitoring and remote response systems to safeguard inventory and employees, supporting revenue growth for security monitoring providers.

Tightening fire safety regulations push up investment in monitored fire alarm systems

- Fire alarm systems detect fires, often using sophisticated technology such as smoke and heat detectors.
- Stringent regulations and statutory requirements for fire safety measures, including the Regulatory Reform (Fire Safety) Order 2005, support the market for monitoring fire alarm system services. The Building Safety Act 2022 introduced the role of the accountable person and a digital golden thread of building safety information, while amendments to Regulation 38 in April 2025 placed explicit

duties on building owners to confirm fire safety compliance at each stage of construction. From April 2026, the Fire Safety (Residential Evacuation Plans) Regulations 2025 introduced further obligations for high-rise residential buildings. These provisions encourage property managers to adopt monitored systems that provide auditable alerts and digital maintenance records. Major breaches can attract unlimited fines, encouraging property managers to adopt monitored systems that provide auditable alerts and digital maintenance records.

- Chubb's Vision Studio platform, launched in January 2026, integrates Internet of Things intelligence with fire event monitoring to pinpoint the exact device triggering an alarm, map the spread of incidents and deliver real-time CCTV verification to building managers. This capability supports the growing uptake of connected and remotely monitored fire safety systems, helping security businesses upsell integrated digital solutions as clients seek to meet increasingly complex compliance requirements.

Falling construction output and weak manufacturing weigh on new alarm system installations

- Security and fire alarm system installation is only relevant to the industry if monitoring services are also provided.
- Security system service providers usually offer household alarm system packages, where a company installs alarm systems and connects them directly to their UK-based alarm monitoring centres. Monitoring typically incurs a subscription fee in addition to the initial purchase and installation costs.
- ONS data shows UK manufacturing sales fell by 3.1% in 2024, with output slightly rising by 0.2% in 2025 for the first annual increase since 2021. This reduces investment in new industrial premises and in factory upgrades, including the installation of alarm systems. However, total construction output fell for the fifth consecutive quarter in the three months to February 2026, with new work declining 3.4% and private new housing falling 6.5%. Monthly construction output did edge up 1% in February 2026, suggesting the pace of decline may be easing, though a sustained construction recovery will be needed to meaningfully lift new security and fire alarm installation activity.

A wider range of other services offers small but steady revenue streams

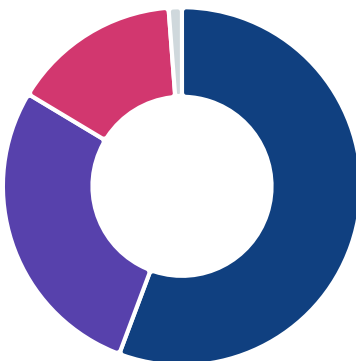
- Other services include installing and maintaining electronic locking devices like safes, vaults and keypad or card-based locks.
- ONS data shows that robbery of business property rose 78% to 26,158 offences in the year ending December 2025, partly reflecting a clarification of Home Office counting rules that captured more retail robbery incidents. While some of this increase reflects a change in recording practice rather than a pure rise in crime, business robberies were still running at around 61 per day in the year ending September 2025, compared with 33 per day in the same period a year earlier. These pressures encourage retailers and

landlords to upgrade electronic locks and controlled storage, supporting steady revenue from electronic locking and secure storage services.

- Smart features like mobile access, biometric entry and event logs are becoming popular. These systems make it easier to track who enters and exits, which helps companies improve security and supports growth in connected locking services.
- Security companies also monitor vaults for wealthy or corporate clients, though this work brings in only a small share of industry revenue. Specialist monitoring remains niche but helps retain high-value clients across multiple services.

Products & Services Segmentation

Industry revenue in 2027 broken down by key product and service lines.



- Monitoring security systems (£1,185.5m) 55.7%
- Monitoring fire alarm systems (£593.8m) 27.9%
- Installing security and fire alarm systems (£323.5m) 15.2%
- Other (£25.5m) 1.2%

☆ Key Success Factors

What products or services do successful businesses offer?

Establish brand names

The industry is highly concentrated, with over 90% of companies employing fewer than 10 people. To secure lucrative contracts, security companies must differentiate themselves, which partially involves creating a brand name that clients can trust.

Undertake technical research and development

Successful security companies invest in research and development to create cutting-edge products that meet the evolving needs of their customers. This allows them to offer superior solutions and drive sustained growth.

Innovations

Moderate

What are innovations in industry products and services?

AI technology drives innovation in security systems

- Artificial intelligence (AI) is increasingly used in monitoring and access control to improve identity verification and event classification. The Information Commissioner's Office issued biometric recognition guidance in March 2024, requiring data protection impact assessments and accuracy checks when using facial or voice data. This has encouraged security companies to invest in compliant AI systems that strengthen reliability and privacy standards, giving them a competitive edge in public and corporate tenders.
- The Home Office reported that fire and rescue services in England attended 250,226 false fire alarms in 2024-25, accounting for 42% of all incidents attended, with 176,262 of these triggered by automatic fire detection apparatus. False alarms cost the UK over £1 billion per year, highlighting persistent inefficiencies that AI-enabled alarm analytics can help reduce, driving uptake of smarter monitoring platforms that can distinguish between real emergencies and technical faults or human error.
- The National Police Chiefs' Council updated its Security Systems Policy in May 2025, setting stricter conditions for police response to alarm activations. This change has prompted monitoring centres to adopt AI video verification to maintain police response status and lower false call-out rates, supporting ongoing digital investment across the industry.

Mobile device integration improves the quality of security systems

- Security companies are using mobile technology to let customers view and control their alarm systems remotely. Ofcom's Online Nation 2025 report found that 95% of UK adults aged 16 and over had internet access at home, giving almost all users the ability to connect to monitoring apps. This widespread connectivity has made mobile access a standard feature in modern security systems.
- According to Ofcom in April 2024, 17% of UK adults now go online only through a smartphone. This mobile-first trend is encouraging security providers to design simple, app-based systems that deliver alerts and live footage directly to users' phones.
- Strong broadband coverage has also improved the reliability of live video feeds. Ofcom data from July 2025 shows that full-fibre broadband reached 78% of UK premises, up from less than a quarter in 2020, and that gigabit-capable networks are available to 87% of premises. Faster connections enable higher-quality video streaming and real-time alarm verification, which boosts customer confidence and retention.

Cloud-based security management expands as cyber standards tighten

- Cloud platforms are increasingly used to manage video and access control systems across multiple sites. They allow automatic software updates, two-factor authentication and audit logs, which help security providers meet rising data protection and compliance standards.
- In April 2026, the Department for Science, Innovation and Technology reported that 43% of UK businesses had experienced a cybersecurity breach or attack in the previous 12 months, equating to 612,000 businesses. This widespread exposure is encouraging clients to choose cloud-managed security systems that can be patched remotely and demonstrate stronger cyber assurance.
- The National Protective Security Authority updated its Cyber Assurance of Physical Security Systems (CAPSS) guidance in January 2024. This update requires higher standards for device authentication and encryption, prompting providers to upgrade to CAPSS-compliant hardware and adopt cloud platforms that offer secure configuration and remote update features.

Major Markets

What's influencing demand from the industry's markets?

Government outsourcing supports security contract activity, though insourcing reforms pose a risk

- Government organisations outsource many security contracts to the industry rather than running their own vertically integrated security divisions.
- The Crown Commercial Service published its tender for the new Facilities Management and Security Services framework (RM6378) in November 2025, with an estimated total value of £120 billion and an initial term running from June 2026 to June 2029. The framework consolidates two previous agreements and gives public sector buyers a streamlined route to procure security installation,

maintenance and monitoring services, supporting a steady pipeline of contract opportunities for security system providers.

- The Cabinet Office announced in March 2026 that government departments will be required to conduct public interest tests on outsourced contracts worth over £1 million, assessing whether services could be delivered more effectively in-house. Larger departments spending more than £100 million a year on contracts will also be expected to publish insourcing strategies, as part of the government's stated aim to end outsourcing by default. While security systems require specialist expertise that is difficult to replicate in-house, this policy shift introduces uncertainty around the volume of contracts available to private security providers.

Easing crime and the return to offices present a mixed picture for commercial security

- The commercial and industrial market covers offices, retail stores, warehouses, construction sites and sports stadiums. A big chunk of demand from this market is derived from construction sites, particularly office development projects in London.
- The ONS reports that police-recorded theft from the person fell 15% to 129,068 offences in the year ending December 2025, reversing recent rises and easing one of the key pressures on retailers and office landlords to invest in higher-coverage surveillance. However, with theft from the person still running at around 354 incidents per day, the volume of urban crime remains sufficient to sustain investment in video monitoring and electronic access control across commercial sites.
- Hybrid working remains common, with ONS data from June 2025 showing that around 26% of working adults in Great Britain worked a hybrid pattern. Transport for London reported that the Elizabeth line recorded over 260 million journeys in the 12 months to September 2025, up from 237 million the previous year, reflecting sustained commuter volumes in London. Higher footfall in business districts supports ongoing investment in access control, visitor management and lobby surveillance across commercial premises.
- The residential market covers households that buy and subscribe to monitored alarms, CCTV and fire detection to deter burglary and improve peace of mind. Demand is supported by the wider adoption of smart homes and insurer requirements for accredited systems, particularly where risk is higher.
- The UK government's target to build 1.5 million homes by 2029 would expand the pool of potential residential security clients, but housebuilding is tracking well below the pace required. Only 208,600 net additional dwellings were added to England's housing stock in 2024-25 and estimates suggest the government will deliver around 1.1 million homes by the end of 2028-29 at current rates. Each new dwelling expands the pool of potential residential clients for alarm installation and monitoring, supporting steady growth in household contracts. However, a shortfall in new housing completions limits the activity in this market.
- The ONS recorded that police-recorded burglary fell 12% to 229,223 offences in the year ending September 2025. Lower burglary rates may reduce the urgency of reactive new installations, though they also reflect improved deterrence from widespread alarm adoption, keeping replacement and upgrade activity relatively steady among existing subscribers.

Affordable security systems promote revenue from residential customers

International Trade

No data

Some industries don't directly import or export goods. See reports at the manufacturing level for international trade data on relevant products.

Geographic Breakdown

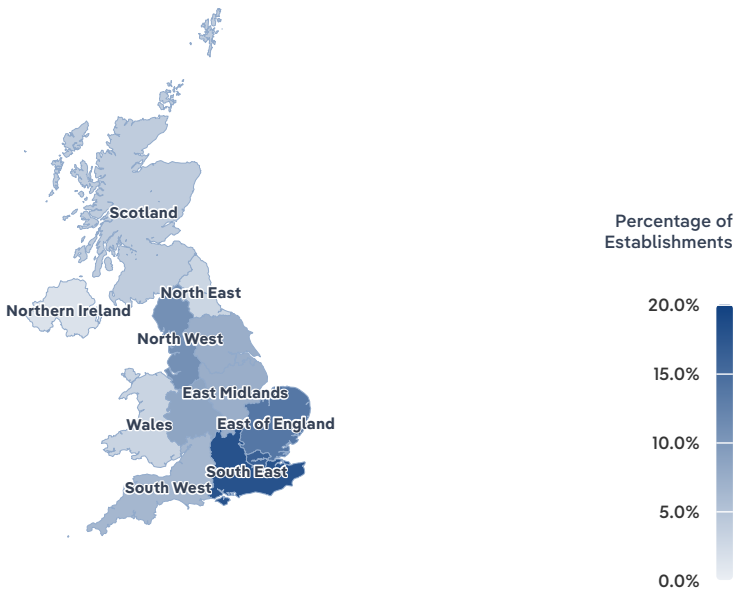
Key Takeaways

- The South East's wealth drives security demand.** The region's high disposable income and property values make it a lucrative market for advanced residential security services.
- London's urban density fuels the need for security systems.** The capital's large commercial sector, high crime rates and history of terror incidents create a strong demand for security system services.

Business Locations

Business Concentration

Percentage of total industry establishments in each region



Region	Establishments (Units)	Establishments (%)	Establishments (YoY Growth %)	Population (%)
East Midlands	264	7.4	3.1	7.4
East of England	488	13.7	3.2	9.5
London	582	16.3	3.2	13.1
North East	103	2.9	3.0	4.0
North West	390	10.9	3.2	11.2
Northern Ireland	54	1.5	3.8	2.7
Scotland	141	4.0	3.7	7.8
South East	639	17.9	3.1	14.0

Region	Establishments (Units)	Establishments (%)	Establishments (YoY Growth %)	Population (%)
South West	227	6.4	3.2	8.5
Wales	109	3.1	2.8	4.6
West Midlands	304	8.5	3.4	8.9
Yorkshire	265	7.4	3.5	8.2

You can access and download additional years of data, including district-level data, at my.ibisworld.com.

Where are businesses located?

The South East's wealth and size make it a magnet for security businesses

- Security system service providers tend to cluster in the South East because the region has more people, higher incomes and more valuable homes than most of the country. ONS data shows that people in the South East had an average disposable income of £28,187 in 2023, compared with the UK average of £24,836. When households have extra income, they're more likely to invest in reliable alarm systems, CCTV and smart-home security to keep their properties safe.
- Some areas in the South East are especially affluent. The ONS reported that West Surrey had an average income of £36,583 per person in 2023, the highest in the UK. Neighbouring counties also rank near the top for disposable income. That concentration of wealth makes the region one of the most attractive markets for high-end residential and commercial security systems.
- The ONS reported that the South East had 9.5 million residents in June 2023, making it the most populated region in England. The large population gives security companies a wide customer base and allows them to reach clients more easily than in less dense regions.
- The South East has a lot of ports, airports and warehouses, like the Port of Dover, Port of Southampton and Gatwick Airport, which adds another layer of demand. The Department for Transport reported that UK ports handled 429.7 million tonnes of freight in 2024, a 1% decline from 2023 and the lowest level since records began in 2000, with much of this traffic passing through the South East. Commercial clients in logistics and transport still require robust security and monitoring systems across port and warehouse facilities.

London's busy offices and airports keep security firms in constant demand

- The capital is home to many of the UK's commercial and government premises, which require extensive public space surveillance monitoring. London also hosts many major sports, entertainment and political events. This leads security system providers to locate themselves in the city to be close to consumers.
- The city's airports add to that demand. The Civil Aviation Authority reported that Heathrow handled a record 84.5 million passengers in 2025, surpassing its previous all-time high, while London City handled 3.6 million passengers in 2024. Passenger volumes on this scale require continuous screening, access control and patrols, leading to major contracts for guarding and monitoring services. Locating close to these airports enables security companies to manage large, multi-site operations efficiently and maintain direct links with airline, logistics and retail clients.
- The City of London Corporation's City Plan 2040 targets a minimum of 1.2 million square metres of net additional office floorspace by 2040 and the Corporation granted planning permission for over half a million square metres of office space in 2025 alone, a 10-year record. This high concentration of commercial space creates steady demand for private security services covering reception control, alarm systems and system maintenance. Security companies locate nearby to secure long-term service contracts and maintain relationships with corporate clients.
- ONS data shows that shoplifting fell 1% to 509,566 offences in the year ending December 2025, while robbery of business property rose 78% to 26,158 cases over the same period, though the ONS notes this increase was largely driven by a clarification of Home Office counting rules issued in April 2025 rather than a straightforward rise in incidents. Retailers and event venues remain under pressure to maintain protection, given that shoplifting volumes are still running at around 1,400 incidents per day across England and Wales. Security companies based in London can respond more quickly to service calls and redeploy staff at short notice, giving them a strong competitive edge in the capital.

Airports and logistics hubs drive strong security demand across the East of England

- The region's airports and logistics corridors create constant demand for perimeter protection, access control and alarm monitoring. London Stansted handled a record 30 million passengers in 2025, surpassing the milestone for the first time in the airport's history, while London Luton welcomed more than 17.5 million passengers over the same period, also a record year. High passenger traffic and 24-hour airport operations mean security contractors are needed for terminals, car parks, freight zones and retail concessions. Locating near these airports enables companies to manage staffing and equipment maintenance more efficiently, ensuring that travel-related sites remain secure around the clock.
- Beyond airports, the East of England's ports and freight infrastructure add major security needs. The Port of Felixstowe handled 3.3 million Twenty-foot Equivalent Units of containers in 2023, according to the Department for Transport. Large container volumes require strict access

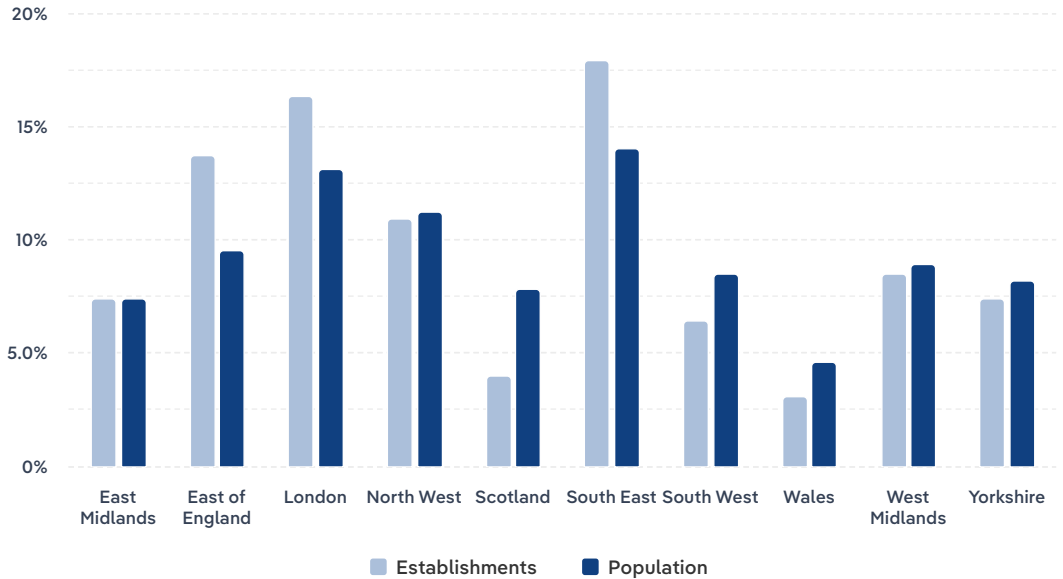
- control, CCTV coverage and intrusion-detection systems to protect high-value goods. Security companies with depots along the A14 and A12 corridors can serve both port facilities and inland distribution hubs, giving them easy access to clients across multiple logistics chains.
- The region's growing network of distribution parks and warehouses along the M11 and A14 corridors keeps 24-hour operations running, making electronic surveillance and alarm-response teams essential. Proximity to these transport routes helps security companies provide fast call-outs and tailored services for logistics clients.
 - Research parks and data-heavy facilities in Cambridge and Hertfordshire need enhanced access control, cybersecurity support and accredited personnel vetting. These areas have some of the highest concentrations of high-tech and R&D employment in the UK, which increases requirements for secure environments. Locating near these clusters helps companies win long-term contracts in sectors that can't compromise on security.

Airports, city centres and nightlife hotspots keep North West security demand high

- Manchester Airport recorded a new all-time high of 32.1 million passengers in 2025, up 4% on 2024, while Liverpool John Lennon Airport handled over 5.6 million passengers over the same period, also the busiest year in its 92-year history. Constant passenger movement means security contractors are needed for terminal access, staff screening and 24-hour monitoring. Being based close to these airports allows security companies to deploy staff quickly and maintain tight control over complex, high-traffic sites.
- The region's city centres also generate heavy demand for guarding and electronic monitoring. Central Manchester and Liverpool have dense clusters of retail, nightlife and cultural venues that can't operate safely without a visible security presence. Higher urban crime rates prompt local businesses to enhance CCTV coverage and hire on-site security personnel, drawing more security providers into the region's core districts.
- Ongoing redevelopment across Manchester city centre and Salford Quays is adding large office, residential and leisure complexes that require concierge services, building access control and alarm systems. Proximity to these growing mixed-use areas helps security companies win long-term contracts and keep maintenance costs low.
- Major event venues across the region, like football stadiums and music arenas, depend on crowd control, surveillance and emergency response teams. Regular large-scale gatherings make the North West one of the most active regional markets for short-term deployments and seasonal contracts, encouraging security businesses to base operations near major transport routes and urban hubs to cover these frequent demands.

Business Concentration

Share of establishments (%) vs. share of population (%)



☆ Key Success Factors

How do businesses use location to their advantage?

Alter goods and services produced in favour of market conditions

UK security service businesses can adapt products and services to local market conditions by offering bespoke solutions tailored to specific regional needs. For instance, they can provide advanced home security in high-income areas and budget-friendly options in less-affluent regions.

Provide easy access to clients

Security service businesses can use mobile apps and real-time monitoring to provide clients with instant access to their systems. Leveraging local presence, they can offer rapid response services, enhancing security and customer peace of mind.

Competitive Forces

Key Takeaways

Competition drives innovation. Security system service providers strive to develop advanced, user-friendly systems that differentiate them from the competition.

Price wars benefit consumers but challenge providers. Intense competition can lead to reduced prices, making security systems more accessible for consumers but squeezing the profit of providers.

Concentration Moderate	Competition High Steady	Barriers to Entry Moderate Steady
Substitutes Moderate Decreasing	Buyer Power Moderate Increasing	Supplier Power Moderate Increasing

Concentration

What impacts the industry's market share concentration?

Prominent security system service providers hold a significant footing against smaller operations

- The UK government's outsourcing of public-sector service contracts to security systems has heightened revenue streams for larger companies and intensified market concentration. These contracts involve substantial capital and labour costs, which smaller companies struggle to meet.
- Prominent security companies like Securitas and G4S leverage economies of scale to maintain their competitive edge, enabling them to offer more comprehensive services at competitive rates. Their ability to integrate fire and security services, including sophisticated surveillance and monitoring equipment, enhances their market position.
- Smaller providers face barriers like limited financial resources and a lack of technological infrastructure, making competing against established companies' expansive service portfolios difficult.

Small-scale security system providers continue to break into the market

- Despite the presence of a handful of large security systems service providers, the industry is highly fragmented and includes an increasing number of small-scale providers attempting to capitalise on niche markets.
- There's a large number of small security system providers – 90% of security system service companies employed fewer than 10 people

in 2025, while 88.9% employed fewer than five, according to the ONS.

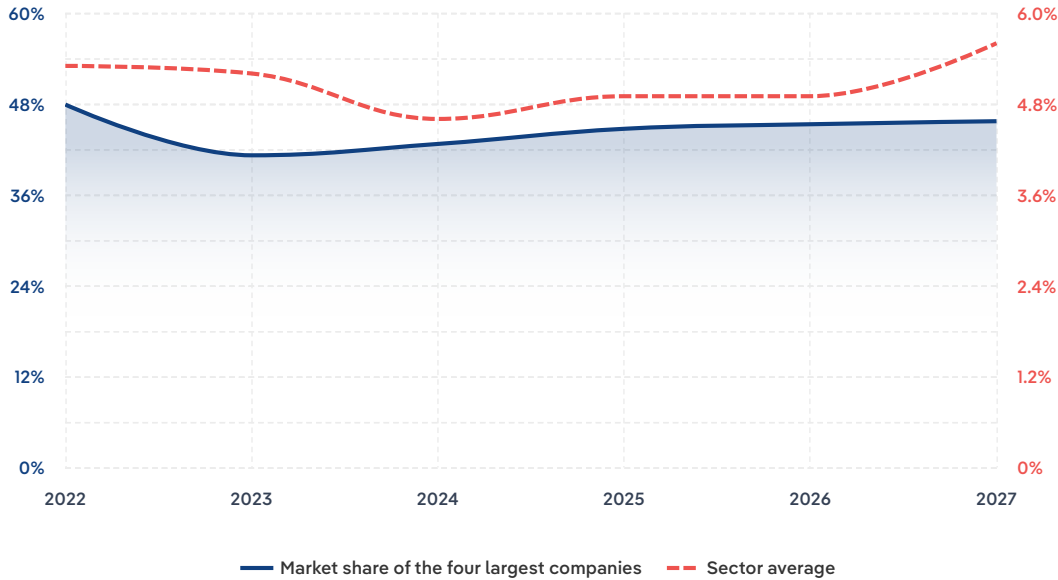
- The entry of small companies introduces pricing competition and encourages innovation, as they often offer competitive rates and specialise in cutting-edge, bespoke services not always provided by larger businesses. These dynamics lead to a shift in how market share is distributed within the industry, reducing monopolistic control.

Telecoms migration and policy reforms are raising technical barriers, lifting concentration

- The UK's traditional copper-wire telephone network, known as the Public Switched Telephone Network, is being permanently withdrawn and replaced by digital lines. Since September 2023, Openreach has stopped providing new analogue phone lines and the existing network will be switched off by January 2027. Analogue lines carry voice and alarm signals over copper cables, so all alarm systems that still rely on them must be upgraded to digital or mobile-based platforms. These upgrades are costly and technically complex, favouring large, well-capitalised security providers that can coordinate nationwide conversions.
- The National Police Chiefs' Council strengthened its Security Systems Policy in May 2025, adding stricter documentation and monitoring-centre compliance standards. Companies with certified Alarm Receiving Centres and dedicated compliance teams can more easily meet these rules, reinforcing the advantage of larger providers.

Market Share Concentration

Combined market share of the four largest companies in this industry



☆ Key Success Factors

How do successful businesses handle concentration?

Conduct market research

Market research helps identify competitor strengths and weaknesses, enabling businesses to refine their strategies. This insight enables security companies to carve out unique value propositions, effectively capturing market share and differentiating themselves in a highly competitive industry.

Have a well-defined strategy

A well-defined strategy ensures that security service businesses clearly articulate their unique value and advantages. By focusing on differentiation, they can attract and retain clients, thereby gaining a competitive edge in a concentrated market.

Barriers to Entry

Moderate Steady

What challenges do potential industry entrants face?

Legal

- Strict legal requirements restrict entry to qualified security providers. Businesses must obtain a licence from the Security Industry Authority, which requires detailed background checks, adherence to the Private Security Industry Act 2001, as well as ongoing compliance with training and conduct standards. These obligations increase administrative costs and deter unregulated or underqualified entrants.

Start-Up Costs

- Advancements in technology raise start-up costs, challenging prospective entrants. To meet elevated client expectations, businesses must invest in state-of-the-art surveillance and alarm systems. Initial expenditure also includes training skilled technicians for effective system installation, monitoring and maintenance, intensifying financial commitments at the outset.

Differentiation

- Small security providers carve niches by focusing on specialised services like bespoke solutions for affluent clients. Entrants face challenges in brand differentiation amid intense competition. Establishing a unique brand identity and building client relationships requires innovation and expert knowledge tailored to specific market needs.

Capital Expenses

- Innovation and technological advancement demand substantial investment in high-tech security equipment and systems. New entrants must allocate resources to develop in-house capabilities for installing, monitoring and maintaining complex security infrastructures. These capital expenses present significant financial and operational challenges for potential entrants.

☆ Key Success Factors

How can potential entrants overcome barriers to entry?

Comply with government regulations

Security system service providers must possess and demonstrate a thorough understanding of the building codes related to fire safety and be aware of their rights and responsibilities under the Private Security Industry Act 2001.

Develop strong technical product knowledge

Companies must fully understand the capabilities and shortfalls of the available security and fire systems and be able to direct clients to the system most suitable for their purposes and budget.

Develop strong working relationships with subcontracting building trade specialists

As the industry continues to develop technologically, companies will become more reliant on contractors like electricians to install increasingly complex systems. New entrants should therefore make sure to establish strong relationships with these contractors.

Substitutes

Moderate

Decreasing

What are substitutes for industry services?

DIY home security systems

- DIY home security systems are a prominent substitute for traditional security system services. With technological advancements, affordable smart home devices enable users to self-install and self-monitor security solutions, offering a viable option for budget-conscious individuals. This circumvents the need for professional installation and maintenance, appealing to a tech-savvy demographic that values customisation and control over their security measures.
- Retailers and online platforms now offer a range of DIY kits featuring wireless surveillance cameras, smart locks and motion sensors that integrate with mobile apps for real-time alerts. This ease of access and integration with existing smart home technologies makes DIY options increasingly popular, directly impacting interest in professional services in both residential and small business markets.
- Inflationary pressures and economic uncertainties further incentivise consumers and small businesses to opt for DIY solutions, which typically require lower initial investment and ongoing costs than contracted security services.

Physical security solutions

- Clients can choose to use more traditional security methods, like manned patrols. However, technological advancements have led to a significant reduction in dependence on traditional manned security services. Clients are now opting for advanced surveillance cameras, alarm systems and access control, which offer enhanced safety and reduced long-term costs.
- Cost-effective, scalable and customisable security solutions enable businesses and homeowners to tailor their security systems to specific needs. They can easily upgrade or expand their systems as needed, offering a level of flexibility that traditional manned services can't match. This shift aligns with expanding demands for rapid response and comprehensive coverage without the logistical limitations associated with human resources.

☆ Key Success Factors

How do successful businesses compete with substitutes?

Invest in new technology to enhance operational efficiency and quality

Investing in cutting-edge technology streamlines operations, reducing costs and improving service delivery. This efficiency enables security companies to offer competitive pricing, making it harder for substitutes to lure away customers with cost advantages.

Maintain excellent customer relations

Excellent customer relations foster trust and loyalty, reducing the likelihood of clients switching to substitutes. By consistently exceeding expectations, security companies ensure clients feel valued and are less inclined to explore alternative providers.

Buyer & Supplier Power

What power do buyers and suppliers have over the industry?

Moderate

Increasing

Buyers: have bargaining power

- Buyers' bargaining power is boosted as established security system service providers aggressively bid against smaller or emerging competitors for lucrative contracts, allowing well-informed buyers to shop around for the best price-quality ratio.
- Buyers can leverage their bargaining power by seeking out providers that offer integrated solutions incorporating artificial intelligence and the Internet of Things (IoT), given the growing number of companies developing these capabilities.

Moderate

Increasing

Suppliers: Technological advancements enhance supplier power

- The escalated complexity of modern security solutions – incorporating AI-driven surveillance, IoT integration and cloud-based monitoring platforms – has led to a notable rise in dependency on suppliers possessing specialised technical skills. This dynamic boosts suppliers' negotiating leverage over service providers in the industry.
- Due to limited competition and the proprietary nature of advanced components like smart sensors, high-definition cameras and sophisticated software, suppliers of these technologies wield additional influence.
- Cost pressures from inflation and labour shortages, exacerbated by the impact of Brexit on the workforce, have driven up subcontracting and operational expenses. As a result, the prices set by suppliers, especially electricians and technical experts, now have a more pronounced impact on the returns of security system service providers.

☆ Key Success Factors

How do successful businesses manage buyer & supplier power?

Develop a strong market profile

By developing a reputable market profile, successful security companies attract a loyal customer base that values their expertise. This enables them to negotiate better terms and maintain pricing power against competitors.

Have a diverse range of clients

A diverse client base lessens reliance on any single customer, reducing the pressure to concede to harsh demands. With varied clients, security system providers can negotiate better terms, ensuring stability and less dependency on major buyers.

Companies

Key Takeaways

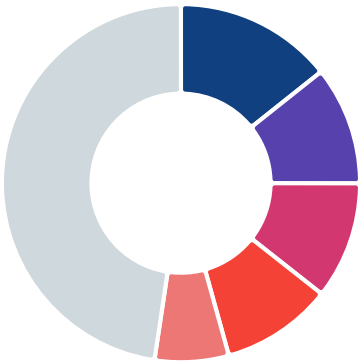
Mitie enhances security with technology for real-time threat analysis. It's digitalised SWR's incident processing with Merlin 24/7 software, swiftly logging data via handheld devices. This improves efficiency and aids law enforcement by providing valuable intelligence.

Chubb Fire & Security's diversified client base shields it from setbacks. Despite a major client, ISG, entering administration in September 2024, Chubb remains financially stable thanks to its wide range of clients.

Market Share

Industry Market Share by Company

Industry-specific company revenue as a share of total industry revenue.



- Adt (£304.5m) 14.3%
- Securitas (£227.8m) 10.7%
- Mitie (£225.6m) 10.6%
- Chubb Fire & Security (£214.5m) 10.1%
- Allied Universal (£142.4m) 6.7%
- Other Companies (£1,013.6m) 47.6%

This chart has been simplified for the PDF and may not display all available data. View the full interactive chart on my.ibisworld.com for additional data and detail.

Company	Market Share (%)	Employees	Locations	Company Type	Headquarters
ADT	14.3	1,000-5,000	9	Public	Sunbury-On-Thames, England
Securitas	10.7	5,001-10,000	7	Private	Milton Keynes, England
Mitie	10.6	10,000+	200	Public	London, England
Chubb Fire & Security	10.1	10,000+	39	Private	Blackburn, England
Allied Universal	6.7	10,000+	344	Private	Irvine, California

Company	Market Share (%)	Employees	Locations	Company Type	Headquarters
Verisure 	2.5–5	1,000-5,000	22	Private	Newcastle Upon Tyne, England
Kings Secure Technologies 	0–2.5	201-500	3	Private	Bradford, England
Trinity Fire & Security Systems 	0–2.5	201-500	5	Private	Exeter, England
Security Monitoring Centre 	0–2.5	10,000+	3	Private	Blackburn, England
Ocular 	0–2.5	51-200	2	Private	Nottingham, England
Prosecur 	0–2.5	201-500	2	Private	Braintree, England
Auto Iris 	0–2.5	201-500	2	Private	Barking, England
Yorkshire Rose Security 	0–2.5	201-500	1	Private	Barnsley, England
Openview 	0–2.5	501-1,000	7	Private	Romford, England
Marlowe Fire & Security Group 	0–2.5	501-1,000	1	Private	-
Cymru Fire & Security 	0–2.5	201-500	77	Private	Deeside, England
Onwatch 	0–2.5	51-200	2	Private	Crowborough, England
Reliance High-Tech 	0–2.5	51-200	2	Private	Bracknell, England
Fire & Security Safety Solutions 	0–2.5	51-200	1	Private	Beckenham, England
Churches Fire & Security 	0–2.5	201-500	2	Private	Eastleigh, England

Company Details

ADT

Description

ADT Fire & Security plc is one of the UK's largest security system services companies. It was founded in 1950 as Electric Protection Services Ltd, before becoming ADT Fire & Security in 1996. In 1997, the company merged with Thorn Security Ltd and Modern Security Systems Ltd. ADT Fire & Security plc has operated as a subsidiary of Cork-based conglomerate Johnson Controls International plc since September 2016. The company is headquartered in Sunbury on Thames, Middlesex.

Company Total Revenue (2027)

£426.5m

Industry Specific Revenue (2027)

£304.5m

Industry Market Share (2027)

14.3%

Employees (2027)

1,000-5,000

Headquarters

Sunbury-On-Thames, England

Company Type

Public

Locations (Top 10)

- Bristol, England
- Inverness, Scotland
- Letchworth, England
- Livingston, Scotland
- Manchester, England
- Plymouth, England
- Portsmouth, England
- Sunbury-On-Thames, England

Other Industries

- Security & Investigation Activities in the UK
- Computer, Electronic & Optical Product Manufacturing in the UK
- Communications Equipment Manufacturing in the UK
- Communication Equipment Manufacturing in the UK
- Security System Services in the UK

A Full Locations list can be accessed in Atlas.

What's impacting ADT's performance?

Acquisitions remain a key component of growth for ADT

- ADT Fire & Security has grown through a series of acquisitions, purchasing the entire share capital of RTSL Communications for £1.9 million in November 2022 and the residential contracts of WOT Security Ltd for £800,000 in May 2023. Bringing these customers onto ADT's existing monitoring platform added recurring contract revenue at little extra cost, boosting the company's income without a significant rise in operating expenses.
- In February 2024, ADT acquired the residential contracts of Protect My Property Service for £2.6 million. Folding in an established residential client portfolio allowed ADT to grow its monitored customer count without the higher cost of winning clients organically, supporting revenue growth in an otherwise saturated and highly competitive market.

Strong customer satisfaction enhances ADT's reputation

- As of April 2026, ADT Security boasts a 4.6-star rating on Trustpilot, an online review website. This high score demonstrates the company's service quality, boosting its reputation.
- Positive reviews can attract potential clients who rely on online feedback when choosing a security service provider. Additionally, they can support premium pricing by enhancing the company's credibility, driving ADT's profit.
- ADT has a long-term service history. In 2024, it celebrated 150 years since its founding. This has built up its reputation as a trusted

security business.

ADT introduces smarter, connected hubs and apps to strengthen security systems

- ADT has launched the Smart Business Hub and Smart Home Hub to make its UK systems more connected and user-friendly. The Smart Business Hub, released in October 2025, includes a seven-inch touchscreen, a five-megapixel camera and built-in video analytics. It also meets EN Grade 2 safety standards, which means it's certified to protect against intruders with moderate skill and knowledge using standard tools. The hub also uses PowerG wireless technology with 64-channel frequency hopping to stop interference and improve reliability. This shows that ADT is investing in long-term, high-quality hardware to keep its business customers' systems compliant with stricter security standards while improving performance.
- The Smart Home Hub features an eight-megapixel camera, live video viewing and Bluetooth disarming, allowing users to deactivate alarms without a keypad. These features make home monitoring more convenient and support the shift toward integrated smart-home systems, helping ADT appeal to households that want simple, technology-led protection.

 You can view and download more company details on my.ibisworld.com.

Securitas

Description

Securitas Security Services (UK) Ltd is owned by Swedish security group Securitas AB. The group was established in 1934 and operates in 47 markets with over 1,300 branch offices. In the UK, the company operates six protective service segments: on-site security, mobile security, remote security, electronic security, fire and safety and corporate risk. Securitas' UK headquarters are in Milton Keynes, England.

Company Total Revenue (2027)

£401.1m

Industry Specific Revenue (2027)

£227.8m

Industry Market Share (2027)

10.7%

Employees (2027)

5,001-10,000

Headquarters

Milton Keynes, England

Company Type

Private

Locations (Top 10)

- Bristol, England
- Gloucester, England
- Manchester, England
- Milton Keynes, England
- Norwich, England
- Workington, England

Other Industries

- Security & Investigation Activities in the UK
- Private Security Services in the UK
- Private Security Services in the UK

A Full Locations list can be accessed in Atlas.

What's impacting Securitas's performance?

Securitas and IBM agree on a new security contract built on shared goals

- In October 2024, Securitas and IBM replaced their standard supplier contract with a new agreement where Securitas is no longer paid a fixed rate per guard, but is instead given a budget and the freedom to decide how best to deliver IBM's security outcomes, whether through guards, technology, remote monitoring or a combination of all three. Both companies track shared performance indicators, which are focused on the health and effectiveness of the security programme, with a joint governance team overseeing progress.
- This structure benefits Securitas commercially because it allows the company to substitute lower-cost technology for labour where appropriate, improving its own profit margins while still meeting IBM's security targets. It also locks IBM into a long-term partnership, making it far less likely to switch to a cheaper rival and gives Securitas a high-profile case study to use when pitching similar arrangements to other large enterprises operating in the UK.

Securitas launches a real-time security management platform in the UK

- In January 2026, Securitas Technology launched SecureStat HQ in the UK and Ireland, a cloud-based platform that gives clients a single dashboard to monitor the status of all their security systems, alarms and incidents across multiple sites in real time. By consolidating what would previously have required several separate systems into one interface, the platform reduces the operational burden on clients and makes Securitas's service offering more embedded in day-to-day client operations.
- Offering a proprietary platform of this kind makes it significantly harder for clients to switch to a rival provider, as doing so would mean losing access to a tool that has become central to how they manage security across their estate. It also positions Securitas to win multi-site contracts from clients who want a single, technology-led provider rather than managing several security suppliers at once.

Securitas scales enterprise wins and deploys connected safety devices

- In June 2025, Securitas announced a five-year contract covering 1,400 client sites across the UK and EMEA and said it would welcome over 200 new front-line officers. Managing such a large contract provides Securitas with more opportunities to integrate its guarding and technology services, enabling it to build closer relationships with clients and strengthen its position in system installation and remote monitoring.
- Securitas and South West Water had deployed 1,500 lone worker and gas detection devices by June 2025, winning a British Security Award the same month. Rolling out thousands of connected devices shows that Securitas can handle large-scale technology projects, which supports its push toward premium, technology-driven security contracts across critical sites.

 You can view and download more company details on my.ibisworld.com.

Mitie

Description

Mitie Group plc, founded in 1987 in London, is a UK-based facilities management and strategic outsourcing company. In 2006, Mitie Group established its security division, Mitie Security. Mitie FM Ltd, previously known as Interserve Facilities Management Ltd, delivers a range of facilities services to both public- and private-sector clients. Headquartered in London, the company was acquired by Mitie Group plc in November 2020. The acquisition enhanced Mitie Group's capabilities in the facilities management space.

Company Total Revenue (2027)

£5.1bn

Industry Specific Revenue (2027)

£225.6m

Industry Market Share (2027)

10.6%

Employees (2027)

10,000+

Headquarters

London, England

Company Type

Public

Locations (Top 10)

- Bristol, England
- Cardiff, Wales
- Glasgow, Scotland
- Markfield, England
- Newcastle Upon Tyne, England
- Sevenoaks, England

Other Industries

- Combined Facilities Support Activities in the UK
- Window Cleaning Services in the UK
- Building Services & Landscaping Activities in the UK
- Industrial Cleaning Activities in the UK
- Private Security Services in the UK
- Facility Support Services in the UK

A Full Locations list can be accessed in Atlas.

What's impacting Mitie's performance?

New public sector deals keep Mitie Security busy

- In April 2025, Mitie secured a major contract to manage the Department for Work and Pensions' buildings across England, Scotland and Wales. The deal spans seven years for the guarding contract, worth approximately £136 million per year and five years for the security control centre, worth an additional £3 million per year. This huge contract means steady, long-term work and shows how trusted Mitie is with big national clients.
- In February 2025, Mitie signed a £60 million, four-year contract with Manchester City Council to provide local security services from April 2025 to March 2029. This gives Mitie regular work from the council and helps it stay strong in city security jobs.
- In February 2026, Mitie extended its security partnership with the Co-op by five years, covering more than 2,300 stores and 800 funeral care branches, broadening its recurring revenue base across both the public and private sectors.

Mitie continues to use technology to improve its security services

- Mitie reports that its Security Operations Centre monitors 3,000 UK retail sites and records shoplifting incidents, enabling police to build stronger cases. This big data set helps teams spot repeat offenders faster and makes Mitie's evidence-led guarding more useful to clients.
- Mitie activated its 24/7 Security Control Centre for the Department for Work and Pensions in October 2025, monitoring government buildings across England, Scotland and Wales. Operating a dedicated government control centre at this scale demonstrates Mitie's ability to deliver technology-driven security for complex national accounts, strengthening its case for future large public sector bids and supporting higher-margin, technology-led contract wins.
- Mitie's Security Radar 2025 survey of 100 UK security decision-makers found that 50% ranked advanced security technology as their top priority, while 24% planned to introduce automated security drones within 12 months. As client demand shifts towards technology-integrated solutions, Mitie's early investment in AI and intelligence capabilities positions it to capture a greater share of higher-value contracts.

Mitie teams up with WalkSafe+ to help people feel safer

- Between October and December 2024, the personal safety app WalkSafe+ was used 81% more as more people looked for safer ways to get home. This shows that more people want easy, app-based safety help that Mitie can add to its guarding and monitoring work.
- A joint study by Mitie and WalkSafe in December 2024 found that 44% of women and 21% of men feel unsafe walking in the dark, even when doing everyday things like going to work. This gives employers a good reason to offer safety tools for staff, helping Mitie sell its services to both private companies and public bodies.
- In February 2025, Mitie and WalkSafe launched WalkSafe Pro, an upgraded version of the app that connects users directly to trained operators in a 24/7 control centre if they feel unsafe. This adds a real human support option that makes Mitie's offer stand out from regular safety apps.
- In January 2026, Mitie began supplying 5,000 WalkSafe Pro apps to Transport for London and Mitie colleagues as part of a recent contract win. Embedding the app within large-scale contracts of this kind strengthens client retention and adds a long-term digital revenue stream alongside Mitie's core guarding and monitoring services.

 You can view and download more company details on my.ibisworld.com.

Chubb Fire & Security

Description

Chubb Fire & Security Ltd, based in Blackburn, is a business unit of Chubb Systems UK Ltd. Chubb Systems began trading in the UK as Shorrock Developments in 1953. The ultimate parent of Chubb Systems is US home appliances manufacturer Carrier Global Corporation. A large proportion of the company's revenue comes from selling lock systems and basic house alarms, though it also runs security system operations.

Company Total Revenue (2027)

£345.3m

Industry Specific Revenue (2027)

£214.5m

Industry Market Share (2027)

10.1%

Employees (2027)

10,000+

Headquarters

Blackburn, England

Company Type

Private

Locations (Top 10)

- Amsterdam, North Holland
- Annecy, Auvergne-Rhône-Alpes
- Barendrecht, South Holland
- Barrie, Ontario
- Bengaluru, Karnataka
- Bergues, Hauts-De-France
- Bern, Bern
- Brunn Am Gebirge, Lower Austria
- Burnaby, British Columbia
- Bussy-Saint-Martin, Ile-De-France

Other Industries

- Security & Investigation Activities in the UK
- Computer, Electronic & Optical Product Manufacturing in the UK
- Communications Equipment Manufacturing in the UK
- Communication Equipment Manufacturing in the UK
- Security System Services in the UK

A Full Locations list can be accessed in Atlas.

What's impacting Chubb Fire & Security's performance?

Chubb integrates AI and connected sensors into its fire and security systems

- Chubb has expanded its connected sensor range to detect water leaks, temperature changes and humidity shifts, with devices like the StreamLabs Scout sending instant alerts and triggering automatic shut-off valves to limit damage. In March 2026, Chubb also outlined how AI-enabled CCTV can now detect suspicious behaviour before an incident occurs and partnered with Airbox Systems to deliver real-time security feeds directly to emergency services from a single management interface.
- The UK's switch from analogue to digital IP infrastructure, completed by the end of 2025, has accelerated client migration onto newer connected systems, opening the door to cloud-based remote monitoring and allowing Chubb's engineers to diagnose faults remotely. These developments allow Chubb to offer a broader, more integrated service that is harder for clients to replace with a rival that offers only one product.

Chubb expands its remote monitoring platform to win new public sector contracts

- In May 2024, Chubb launched Chubb Cloud, a digital platform that connects fire and security systems for live monitoring and predictive maintenance, allowing engineers to diagnose and resolve faults remotely. The platform builds on Chubb's visiON+ service, which provides clients with real-time dashboards covering maintenance status and system performance across large, multi-site estates.
- In February 2025, Chubb was awarded the contract to deliver Scotland's Shared Alarm Receiving Centre platform for the Digital Office for Scottish Local Government, powered by its Cloud Care Control system. Winning a competitively procured public sector contract of

this kind validates Chubb's remote monitoring capabilities at a national scale and strengthens its position when bidding for similar government and local authority contracts across the rest of the UK.

 You can view and download more company details on my.ibisworld.com.

Allied Universal

Description

Allied Universal is an American private security and staffing company engaged in security services, facility maintenance and workforce solutions. The company operates globally, providing services like security guards, government security services, event services, janitorial services and cybersecurity solutions. Allied Universal serves businesses and organisations in over 100 countries and is involved in the surveillance, security systems and event staffing sectors. In 2021, Allied Universal acquired G4S Security Systems, which now maintains a strong presence in the UK and Ireland.

Company Total Revenue (2027)

\$23.2bn

Industry Specific Revenue (2027)

£142.4m

Industry Market Share (2027)

6.7%

Employees (2027)

10,000+

Headquarters

Irvine, California

Company Type

Private

Locations (Top 10)

- Albany, New York
- Albuquerque, New Mexico
- Amarillo, Texas
- Anchorage, Alaska
- Arlington, Virginia
- Ashland, Virginia
- Atlanta, Georgia
- Auburn, Alabama
- Augusta, Georgia
- Augusta, Maine

Other Industries

- Janitorial Services in the US
- Security Services in the US
- Private Security Services in the UK

A Full Locations list can be accessed in Atlas.

What's impacting Allied Universal's performance?

Allied Universal's acquisition activity strengthens G4S's competitive position

- G4S was acquired by Allied Universal for £3.8 billion in March 2021, creating the world's largest security company and giving G4S access to a significantly broader pool of technology, talent and resources. G4S Secure Solutions acquired Total Security Services in March 2022, a retail security specialist, broadening its service offering and client base in one of the UK's most contract-dense security segments.
- Allied Universal completed five more acquisitions in the first half of 2025 alone, including Pinnacle Security in January, Diversified Maintenance Systems in March and Celar Security alongside technology business Soltes in April, with combined annual revenues of approximately USD\$490 million (£361.2 million). Each acquisition expands the range of services G4S can offer UK clients under one contract, improving its competitiveness on large, bundled tenders where rivals offering narrower service lines struggle to compete on scope.

G4S' nuclear sector expertise lands it high-profile critical infrastructure contracts

- In May 2025, G4S was awarded the principal security contract for Sizewell C, the new 3.2GW nuclear power station under construction on the Suffolk coast, covering the main construction sites as well as off-site locations including a hydrogen-powered bus operations centre, two park and ride sites and an accommodation campus. G4S already provides security for the Hinkley Point C nuclear project in

Somerset, meaning it now holds security contracts across both of the UK's major nuclear construction programmes simultaneously.

- Holding contracts on the UK's two largest infrastructure projects of this kind demonstrates G4S's ability to meet the stringent vetting, compliance and operational requirements demanded by the nuclear sector, where switching providers mid-contract is exceptionally costly and disruptive. This entrenched position in nuclear security generates long, stable revenue streams and acts as a strong reference when bidding for other sensitive government and critical national infrastructure contracts across the UK.

 You can view and download more company details on my.ibisworld.com.

External Environment

Key Takeaways

Security companies must hold the SIA licence for Public Space Surveillance monitoring. This requirement ensures that all individuals working with CCTV monitors are adequately trained, maintaining high standards of surveillance and security.

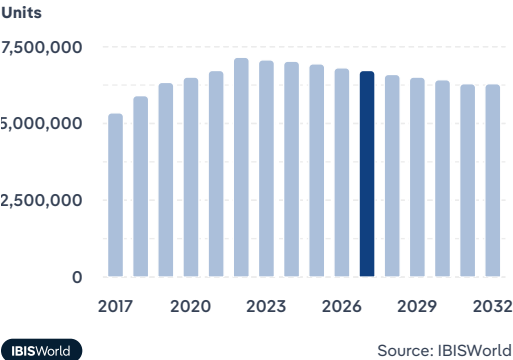
The British Security Industry Association supports the industry. It represents the industry's interests politically and provides regulatory updates.

Regulation & Policy	Assistance
Moderate	Low
Steady	Steady

External Drivers

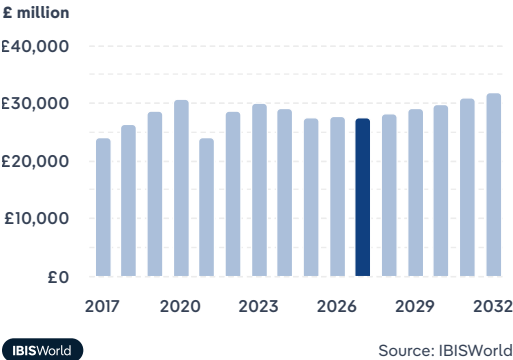
What demographic and macroeconomic factors impact the industry?

Total recorded crime



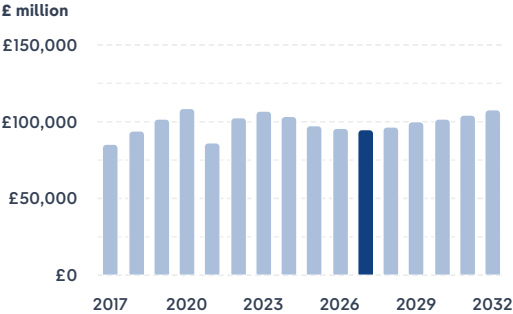
Total recorded crime is a key driver of demand for security services. Higher crime rates spur the need for robust security solutions as businesses and homeowners seek to protect their assets. Conversely, a decline in crime rates can make people less likely to shell out on security systems, limiting revenue growth.

Demand from commercial building construction



According to ADT Fire & Security, more than half of SMEs in the UK are crime targets. This means that as new commercial developments arise, there's an increased need for advanced security installations to protect assets and comply with safety regulations, creating lucrative business opportunities for security systems service providers. Consequently, a hike in commercial construction activity boosts demand for security systems, driving revenue growth.

Demand from residential building construction

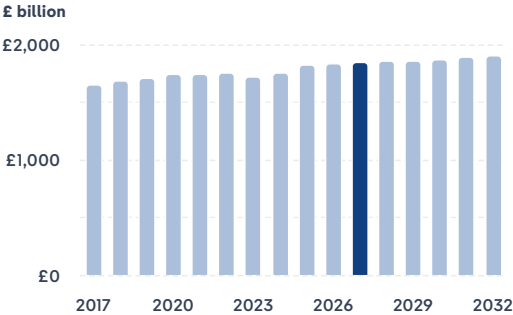


IBISWorld

Source: IBISWorld

The majority of new homes are fitted with fire and security alarms, so when more new homes are built, demand for security systems edges upwards. Demand for smart homes – a house in which all technology is connected and can be controlled by a single device – also expands in line with the construction of new homes, driving demand for security system service providers.

Real household disposable income

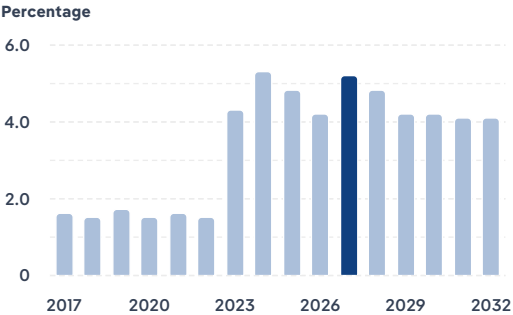


IBISWorld

Source: IBISWorld

Changes in real household disposable income affect how much people are able to spend on security systems. When disposable income declines, consumers often opt for cheaper audible-only alarm systems, which security system providers don't cover. On the other hand, when incomes rise, people tend to spend on higher-quality security systems and services. Higher incomes also encourage people to buy more expensive items like houses and jewellery, driving up their need for security services to protect their assets.

Mortgage rate



IBISWorld

Source: IBISWorld

Higher mortgage payments reduce disposable income, leading homeowners to reduce non-essential expenses, including advanced security systems. A higher mortgage rate also translates into fewer housing transactions, meaning less demand for home security systems; therefore, climbing mortgage rates threaten the Security System Services industry.

Regulation & Policy

Moderate Steady

What regulations impact the industry?

Private Security Industry Act 2001 and Security Industry Authority (SIA) licensing

The Private Security Industry Act 2001, overseen by the SIA, is the basis of private security regulation in the UK. This legislation mandates that individuals engaged in surveillance, including those operating CCTV systems, must possess an SIA licence for Public Space Surveillance monitoring. The training for this licence is fairly concise, typically requiring a three-day course, ensuring the workforce can be quickly prepared. Non-compliance can result in severe penalties.

ISO/IEC 27001 certificate

The ISO/IEC 27001 certification denotes adherence to international standards in information security management. Although not mandatory, many companies pursue this certification to signal their data protection practices to clients. Awarded by the National Security Inspectorate, the certification underscores a company's commitment to securing customer information. Achieving ISO/IEC 27001 involves implementing a comprehensive Information Security Management System that manages data confidentiality, integrity and availability.

PD 6662

PD 6662 defines standards for alarm systems to receive police response. Under this regulation, systems must adhere to requirements, including BS 8243, which mandates the use of verified audio and visual technology to confirm intrusions before involving police resources. This regulation reduces false alarms, conserving police time and resources. Installers integrating PD 6662-compliant technology offer clients more reliable security solutions, enhancing customer trust and satisfaction. This reinforces a robust reputation for installers meeting these standards.

Assistance

Low

Steady

What assistance is available to this industry?

Government

Public support doesn't apply to the industry

The Security System Services industry doesn't receive any public-sector support.

Non-government

National Security Inspectorate (NSI)

The NSI supports the Security System Services industry by providing an independent certification process. Companies that achieve NSI approval demonstrate adherence to high security standards, ensuring their services are reliable and trustworthy. This endorsement gives security providers more legitimacy in the eyes of clients, making it a valuable marketing tool for businesses. The NSI conducts periodic audits and inspections to ensure ongoing compliance, helping companies maintain quality service delivery.

British Security Industry Association (BSIA)

Founded in 1967, the BSIA represents around 70% of the UK security sector. It represents security companies politically, advocating for favourable industry conditions to lawmakers. It also offers training programmes aimed at enhancing technical skills related to CCTV, alarms and access control systems. The BSIA also disseminates information on regulatory changes, helping members comply with evolving legislation.

Financial Benchmarks

Key Takeaways

Advanced tech raises costs, but stable inflation offers relief. Security providers face higher expenses for AI-driven solutions and currency fluctuations. Easing inflation is lowering purchase cost growth, helping companies manage financial pressures.

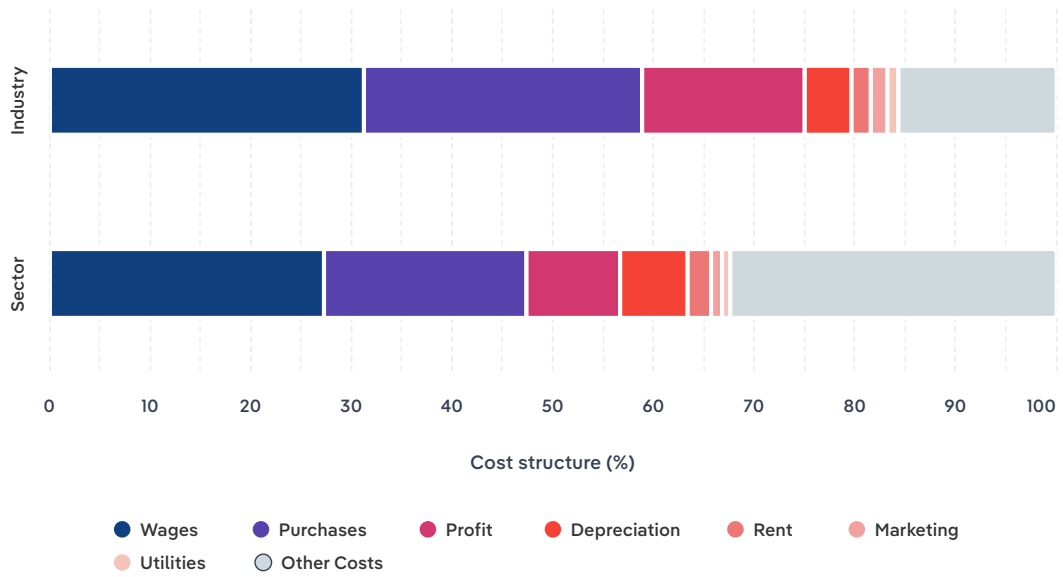
Technological advances demand skilled staff, driving up wage costs. Despite climbing automation, stringent requirements for training and certification mean wage costs are on the rise.



Cost Structure

Cost Structure Benchmarks

Average operating costs by industry and sector as a share (%) of revenue 2027



What trends impact industry costs?

Profit benefits from the hike in crime

- Companies now sell things like fingerprint alarms, systems to keep lone workers safe and tools that watch over empty buildings. These newer, fancier products bring in more money because customers are happy to pay extra for better protection. Over the five years to 2026-27, profit has risen, helped by steady demand and long-term service contracts.
- ONS data shows shoplifting cases jumped 20% to 530,643 in 2024-25, the highest number since records began in 2003, before easing slightly

to 519,381 in the year ending September 2025. High crime levels mean more people and businesses are under pressure to maintain security investment and support demand for installations and monitoring contracts.

- Neighbourhood Watch's 2025 National Crime and Community Survey found that nearly 42% of people believed crime levels in their neighbourhood had risen in the past year, while feelings of safety fell from 80% to 68% in the same period. With public concern about personal and property safety remaining elevated, households and businesses continue to prioritise security spending, keeping profit resilient.
- Profit is higher than the average across the wider administrative and support service activities sector. The industry benefits from recurring maintenance contracts and steady demand for electronic surveillance and alarm installations, which support stronger earnings than most other service providers within the sector.

Tech advances and strict regulations drive up wage costs

- Alarm systems have become more technologically advanced, requiring security system companies to employ technically skilled personnel with knowledge of modern integrated systems. Stringent regulatory requirements for training and certification have further elevated wage costs, as companies must invest more in employee development and accreditation to meet industry standards.
- Wage costs have risen over the past five years to 2026-27 due to heightened demand for skilled security professionals in a competitive job market. Despite climbing automation, wage expenditure remains high.
- With the National Living Wage rising by 4.1% to reach £12.71 in April 2026, many businesses are under extra pay pressure. Security companies are responding by investing in more automation and digital monitoring tools to manage costs without cutting service quality.
- Wages represent a higher share of revenue than the average for administrative and support service activities because the industry relies heavily on skilled security engineers and IT specialists. These roles command above-average salaries compared to clerical or cleaning positions in the broader sector, which pushes labour costs up.

New tech and higher part prices push up purchase costs

- Security system providers purchase a variety of products to distribute to their clients. Examples of such products include cameras, alarms, sprinklers and motion detectors.
- Over the five years to 2026-27, purchase costs have expanded. ONS producer price data shows that the prices UK manufacturers paid for imported materials and fuels rose 1.3% in the year to December 2025. Security system providers rely heavily on electronic hardware and other equipment sourced through global supply chains, so higher import costs can feed through into the cameras, sensors and control systems they buy from manufacturers and distributors. As a result, installing and maintaining security systems has become more expensive, squeezing profit margins where providers cannot fully pass those higher equipment costs on through contract pricing.
- Purchase costs are higher than those in the wider sector, as businesses rely on importing and sourcing complex electronic components, including sensors, cameras and control systems. The high material content of installations means purchases form a larger share of revenue than in most administrative service industries, where inputs are primarily labour-based.

Depreciation costs climb as security system providers rush to adopt new technology

- The fast advancement of technology in security systems has expedited technological obsolescence, leading to accelerated depreciation rates for older equipment for service providers.
- AI-powered analytics and cloud-based monitoring systems have shortened the lifespan of traditional security equipment, forcing companies to upgrade it more regularly.
- Companies continuously invest in the latest technology to stay competitive, which has resulted in higher capital expenditure, driving up depreciation costs over the past five years.
- Depreciation costs are broadly in line with the sector average. Although companies regularly invest in upgrading monitoring technology and vehicles, the overall level of capital intensity remains comparable to that of other service industries within the sector.

The central location of offices adds to rent costs

- Office rents have climbed in the five years through 2026-27, especially in major city centres. BNP Paribas reported that prime office rents in central London reached £87.50 per square foot in the City and £170 per square foot in the West End by the end of 2025, up 6.1% and 6.3% year-on-year, respectively, increasing property costs for security companies based in prime locations.
- Rent expenses are roughly equal to the broader administrative and support service activities benchmark. Most businesses operate from small offices or light industrial units and while those with 24-hour monitoring centres face higher property costs, overall rent levels align with the sector average.

Innovative marketing strategies are key to attracting new clients

- Security service providers advertise to both businesses and households to attract more clients. Marketing is important to differentiate products and gain more notoriety.
- Digital marketing efforts, particularly search engine optimisation and pay-per-click advertising, have become increasingly prioritised over more

traditional marketing methods, like TV and radio ads, as consumer habits shift. However, overall marketing outlay hasn't shifted much over the past five years.

- Data analytics have made advertising more streamlined and efficient, allowing security system providers to target ads only to the people who are most likely to use their services.
- Marketing expenditure is slightly higher than the sector average because security companies invest more in brand credibility and client acquisition. Security companies often participate in tender processes and allocate additional resources to reputation management and digital marketing to secure long-term commercial contracts.

High electricity prices inflate utility costs

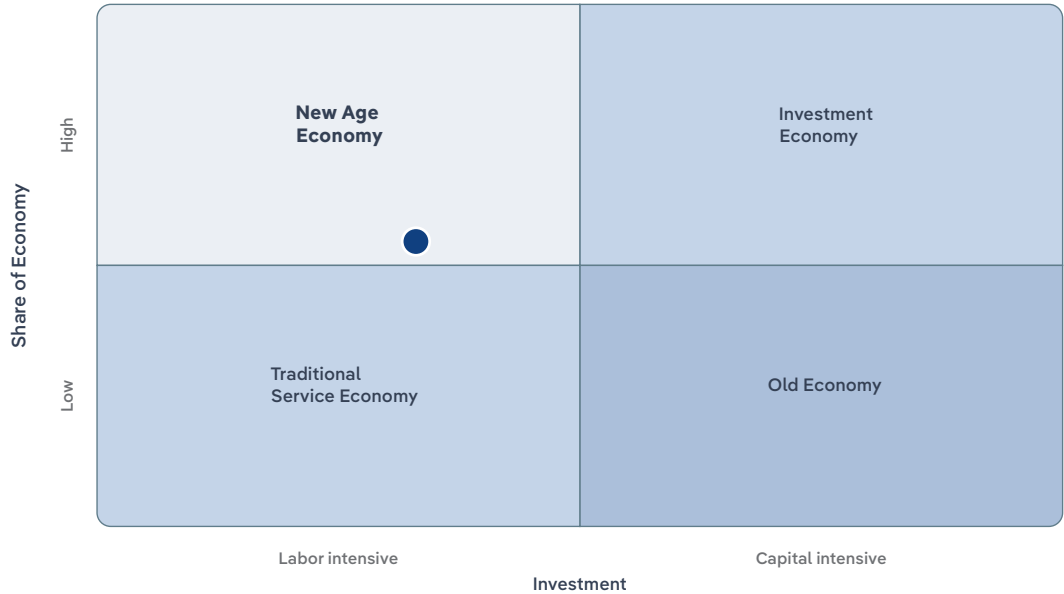
- Security system service providers incur most of their utility costs from electricity, which powers surveillance cameras, alarm systems and 24-hour monitoring centres.
- Over the five years to 2026-27, utilities spending has been volatile, as higher energy prices since 2022-23 kept running costs above pre-crisis levels. The Department for Energy Security and Net Zero (DESNZ) reports that the average non-domestic electricity price fell 7% year on year to 23.8 pence (p) per kilowatt-hour (kWh) in Q2 2025, down from 25.6p per kWh in Q2 2024, as wholesale energy costs eased from their 2022-23 peak. However, prices remain well above pre-crisis levels, keeping electricity a meaningful cost for security companies whose surveillance systems and monitoring centres require continuous power.
- Elevated energy costs still matter for security companies because monitoring centres and data infrastructure consume electricity around the clock. Geopolitical risks also remain relevant, as DESNZ notes that the UK is still exposed to volatile international fossil fuel markets, so disruption to key shipping routes, like those in the Strait of Hormuz, can raise wholesale energy costs and keep utility spending under pressure.
- Utilities costs are about the same as the wider sector. Electricity consumption remains steady across the industry, although monitoring centres and data storage facilities require marginally higher energy use compared to standard office-based operations.

Security system service providers need subcontractors for specialised work

- Security system companies make payments for technical, professional and specialist security services and general subcontractors.
- Companies can hire subcontracted public space surveillance monitoring personnel and specialist security consultants to design a customised system tailored to a specific client's needs. Companies often rely on subcontractors for electrician or locksmith work during periods of peak demand, as well as for installation and maintenance work on particularly complex systems.
- A moderate level of technological change has led to the diversification of services offered by security system businesses. This has ramped up demand for specialist consultants in the past five years, to design new, up-to-date systems, inflating subcontractor costs.
- Subcontractor spending is higher than the average for administrative and support service activities, as businesses frequently outsource system installation and specialist maintenance tasks. This approach enables scalability and regional flexibility, but it results in a larger subcontractor cost share compared to other industries that rely more heavily on direct employees.

New Age Economy

Share of economy vs. Investment



Source: IBISWorld

Financial Ratios

Sales / Receivables (Trade
Receivables Turnover)

N/A

Cash Flow Coverage Ratio

N/A

Debt / Net worth

16.5

↓ Lower than sector

Leverage Ratios

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Debt / Net worth	16.7	287.8	131.8	196.9	16.5	N/A	N/A	N/A
Fixed Assets / Net Worth	20.1	21.2	35.2	27.3	123.3	N/A	N/A	N/A
Tangible Net Worth	80,346.0	92,187.1	93,795.8	107,910.1	183,868.7	115,928.5	2,932,942.6	6,969,849.0
Total Debt / Net EBITDA	7.2	4.0	1.2	1.7	1.5	1.4	-0.2	N/A
Total Debt / Tangible Net Worth	16.7	287.8	131.8	196.9	16.5	1.5	-0.3	N/A

Assets, %

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Cash & Equivalents	-0.1	0.1	0.2	0.2	32.5	-1.4	0.1	0.1
Fixed Assets (net)	0.3	-0.1	0.1	0.3	0.1	N/A	N/A	N/A

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Inventory	0.0	-0.7	0.0	0.1	0.1	0.1	0.0	0.1
Total Assets	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Assets (£m)	157,796.6	189,179.5	196,901.1	221,181.9	480,572.7	222,053.4	7,331,438.8	72,777,992.5
Total Current Assets	0.4	0.1	0.3	-0.5	0.6	0.2	0.4	0.3
Trade Receivables (net)	0.6	-0.5	0.1	0.2	0.1	0.1	N/A	N/A

Liabilities, %

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Long Term Debt	-19.4	-7.9	0.5	2.2	0.4	0.9	0.0	0.5
Net Worth	-24.1	-18.3	-8.9	-4.5	8.2	0.2	0.3	0.1
Short Term Debt	-4.5	-10.5	-9.9	-8.1	8.2	0.3	-0.0	0.4
Total Current Liabilities	N/A	N/A	0.2	0.2	N/A	N/A	N/A	N/A
Total Liabilities & Net Worth (£m)	157,796.6	189,179.5	196,901.1	221,181.9	480,572.7	222,053.4	7,331,438.8	72,777,992.5
Trade Payables	-0.1	-0.0	-0.1	-0.1	0.0	-0.7	-0.0	0.0

Liquidity Ratios

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Cost of Sales / Inventory (Inventory Turnover)	384.8	16.4	13,412.5	2,816.7	4.0	N/A	N/A	N/A
Cost of Sales / Payables (Payables Turnover)	27.4	-185.4	32.8	1,378.2	10.0	N/A	N/A	N/A
Current Ratio	24.3	6.1	5.7	21.4	3.3	5.1	9.2	0.8
Day's Payables	5,252.9	66.7	67.1	39.3	50.7	1,559.5	22.5	37.7
Days' Inventory	827.0	170.1	56.0	62.7	108.1	345.7	14.2	66.2
Days' Receivables	184.1	364.0	65.0	57.4	76.7	149.4	65.3	N/A
Quick ratio (Acid test)	1.9	1.0	2.2	15.6	N/A	1.4	2.0	0.6
Sales / Receivables (Trade Receivables Turnover)	34.0	11.2	7.3	10.1	4.8	N/A	N/A	N/A
Sales / Working Capital	9.6	-0.8	12.0	11.4	-1.4	N/A	N/A	N/A

Coverage Ratios

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Cash Flow Margin Ratio	-0.2	-0.0	-0.1	-0.0	N/A	-0.2	-0.1	N/A
Current Liability Coverage Ratio	-0.6	-0.3	-0.3	-0.3	N/A	-1.1	-0.4	N/A
Interest Coverage	99.6	11,696.3	258.9	135.5	55.1	1,746.4	559.9	2.9

Operating Ratios

Ratio	2021	2022	2023	2024	2025	Small	Medium	Large
Asset Turnover	0.7	5.9	477.3	545.4	3.6	180.5	1.1	0.8
Cost of goods	0.6	0.5	4.9	0.5	0.5	0.6	0.7	0.4
EBITDA / Revenue	0.1	0.0	-6.2	28.7	-0.1	5.5	0.0	0.1
Fixed Asset Turnover	27.2	62.9	292.4	1,511.7	18.6	407.5	25.9	1.2
Gross Profit / Turnover	0.7	0.5	-8.2	0.5	0.7	0.6	0.3	0.6
Net Profit / Turnover	0.1	0.0	-6.7	30.5	-0.2	5.9	0.0	0.1
Operating Expenses	0.5	0.3	4.0	0.1	0.4	0.4	-0.0	0.5
Return on total Assets (ROTA)	-0.7	1.2	362.2	1,027.5	0.1	463.1	0.0	0.1

Valuation Multiples

Earnings Ratio	2020	2021	2022	2023	2024	3-Year	5-Year
EV/Revenue	0.0	0.1	0.2	0.1	0.2	0.2	0.1
EV/EBITDA	N/A	1.6	2.0	3.2	5.3	3.5	3.1
EV/EBIT	N/A	1.6	2.0	3.2	5.3	3.5	3.1

Key Ratios

Year	Revenue per Employee (£k)	Revenue per Enterprise (£k)	Employees per Establishment (Units)	Employees per Enterprise (Units)	Average Wage (£k)	Wages/ Revenue (%)	Establishments per Enterprise (Units)	IVA/Revenue (%)
2013-14	126.6	565.7	4.4	4.5	40.63	32.1	1.0	43.2
2014-15	125.8	578.4	4.6	4.6	34.21	27.2	1.0	40.1
2015-16	139.5	642.2	4.5	4.6	28.36	20.3	1.0	41.0
2016-17	138.2	628.8	4.5	4.6	42.08	30.5	1.0	52.0
2017-18	121.0	558.6	4.5	4.6	32.37	26.8	1.0	44.6
2018-19	121.7	603.2	4.8	5.0	43.59	35.8	1.0	52.9
2019-20	134.2	647.9	4.7	4.8	31.99	23.8	1.0	38.5
2020-21	127.4	594.8	4.5	4.7	35.20	27.6	1.0	41.3
2021-22	161.6	774.1	4.5	4.8	41.22	25.5	1.1	45.9
2022-23	140.1	685.7	4.4	4.9	48.18	34.4	1.1	51.8
2023-24	138.1	683.3	4.3	5.0	46.80	33.9	1.1	53.2
2024-25	138.9	685.2	4.3	4.9	45.19	32.5	1.2	53.7
2025-26	139.9	691.1	4.3	4.9	44.37	31.7	1.2	51.8
2026-27	141.2	701.0	4.2	5.0	44.19	31.3	1.2	52.1
2027-28	142.4	708.5	4.2	5.0	44.98	31.6	1.2	51.2
2028-29	145.4	724.3	4.2	5.0	45.59	31.4	1.2	49.9
2029-30	148.1	738.0	4.2	5.0	46.13	31.1	1.2	49.9
2030-31	152.3	759.6	4.2	5.0	46.85	30.8	1.2	49.2

Year	Revenue per Employee (£k)	Revenue per Enterprise (£k)	Employees per Establishment (Units)	Employees per Enterprise (Units)	Average Wage (£k)	Wages/ Revenue (%)	Establishments per Enterprise (Units)	IVA/Revenue (%)
2031-32	156.6	785.2	4.2	5.0	47.51	30.3	1.2	49.2
2032-33	160.8	807.3	4.2	5.0	49.15	30.6	1.2	49.4

Key Statistics

Industry Data

Values

Year	Revenue (£m)	IVA (£m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Wages (£m)
2013-14	1,085.7	469.4	1,941	1,919	8,576	348.5
2014-15	1,127.4	452.4	1,955	1,949	8,965	306.7
2015-16	1,304.3	535.1	2,066	2,031	9,349	265.1
2016-17	1,343.7	699.2	2,174	2,137	9,723	409.2
2017-18	1,280.4	570.8	2,335	2,292	10,585	342.6
2018-19	1,393.5	737.1	2,365	2,310	11,452	499.2
2019-20	1,620.3	623.1	2,560	2,501	12,072	386.2
2020-21	1,559.0	643.4	2,695	2,621	12,234	430.6
2021-22	2,083.1	956.0	2,850	2,691	12,889	531.2
2022-23	1,902.8	985.1	3,095	2,775	13,579	654.2
2023-24	1,939.8	1,031.2	3,245	2,839	14,043	657.2
2024-25	1,993.2	1,070.5	3,348	2,909	14,351	648.5
2025-26	2,054.6	1,063.7	3,455	2,973	14,685	651.5
2026-27	2,128.3	1,108.5	3,566	3,036	15,072	666.0
2027-28	2,196.4	1,123.5	3,672	3,100	15,426	693.8
2028-29	2,284.3	1,140.6	3,753	3,154	15,707	716.1
2029-30	2,363.8	1,179.7	3,824	3,203	15,959	736.2
2030-31	2,473.2	1,217.9	3,899	3,256	16,236	760.7
2031-32	2,602.1	1,281.1	3,971	3,314	16,612	789.3
2032-33	2,722.2	1,344.0	4,063	3,372	16,932	832.2

Annual Change

Year	Revenue (%)	IVA (%)	Establishments (%)	Enterprises (%)	Employment (%)	Wages (%)
2014-15	3.8	-3.6	0.7	1.6	4.5	-12.0
2015-16	15.7	18.3	5.7	4.2	4.3	-13.6
2016-17	3.0	30.7	5.2	5.2	4.0	54.4
2017-18	-4.7	-18.4	7.4	7.3	8.9	-16.3
2018-19	8.8	29.1	1.3	0.8	8.2	45.7
2019-20	16.3	-15.5	8.2	8.3	5.4	-22.6
2020-21	-3.8	3.3	5.3	4.8	1.3	11.5
2021-22	33.6	48.6	5.8	2.7	5.4	23.4
2022-23	-8.7	3.0	8.6	3.1	5.4	23.1
2023-24	1.9	4.7	4.8	2.3	3.4	0.5
2024-25	2.7	3.8	3.2	2.5	2.2	-1.3
2025-26	3.1	-0.6	3.2	2.2	2.3	0.5
2026-27	3.6	4.2	3.2	2.1	2.6	2.2
2027-28	3.2	1.4	3.0	2.1	2.3	4.2
2028-29	4.0	1.5	2.2	1.7	1.8	3.2
2029-30	3.5	3.4	1.9	1.6	1.6	2.8
2030-31	4.6	3.2	2.0	1.7	1.7	3.3
2031-32	5.2	5.2	1.8	1.8	2.3	3.8
2032-33	4.6	4.9	2.3	1.8	1.9	5.4

Figures are inflation adjusted to 2026-2027

Key Success Factors

Key Success Factors

How do successful businesses overcome volatility?

Concentrate on core business

Security companies can deliver specialised, high-quality solutions that customers trust by concentrating on their core services and ensuring they work highly efficiently. This leaves them well-placed to achieve a strong reputation and build up a loyal client base, helping to mitigate revenue volatility.

Use the most efficient work practices

Companies can focus on maintaining growth by ensuring that they stay efficient and use the most up-to-date work practices.

What products or services do successful businesses offer?

Establish brand names

The industry is highly concentrated, with over 90% of companies employing fewer than 10 people. To secure lucrative contracts, security companies must differentiate themselves, which partially involves creating a brand name that clients can trust.

Undertake technical research and development

Successful security companies invest in research and development to create cutting-edge products that meet the evolving needs of their customers. This allows them to offer superior solutions and drive sustained growth.

How do businesses use location to their advantage?

Alter goods and services produced in favour of market conditions

UK security service businesses can adapt products and services to local market conditions by offering bespoke solutions tailored to specific regional needs. For instance, they can provide advanced home security in high-income areas and budget-friendly options in less-affluent regions.

Provide easy access to clients

Security service businesses can use mobile apps and real-time monitoring to provide clients with instant access to their systems. Leveraging local presence, they can offer rapid response services, enhancing security and customer peace of mind.

How do successful businesses handle concentration?

Conduct market research

Market research helps identify competitor strengths and weaknesses, enabling businesses to refine their strategies. This insight enables security companies to carve out unique value propositions, effectively capturing market share and differentiating themselves in a highly competitive industry.

Have a well-defined strategy

A well-defined strategy ensures that security service businesses clearly articulate their unique value and advantages. By focusing on differentiation, they can attract and retain clients, thereby gaining a competitive edge in a concentrated market.

How can potential entrants overcome barriers to entry?

Comply with government regulations

Security system service providers must possess and demonstrate a thorough understanding of the building codes related to fire safety and be aware of their rights and responsibilities under the Private Security Industry Act 2001.

Develop strong technical product knowledge

Companies must fully understand the capabilities and shortfalls of the available security and fire systems and be able to direct clients to the system most suitable for their purposes and budget.

Develop strong working relationships with subcontracting building trade specialists

As the industry continues to develop technologically, companies will become more reliant on contractors like electricians to install increasingly complex systems. New entrants should therefore make sure to establish strong relationships with these contractors.

How do successful businesses compete with substitutes?

Invest in new technology to enhance operational efficiency and quality

Investing in cutting-edge technology streamlines operations, reducing costs and improving service delivery. This efficiency enables security companies to offer competitive pricing, making it harder for substitutes to lure away customers with cost advantages.

Maintain excellent customer relations

Excellent customer relations foster trust and loyalty, reducing the likelihood of clients switching to substitutes. By consistently exceeding expectations, security companies ensure clients feel valued and are less inclined to explore alternative providers.

How do successful businesses manage buyer & supplier power?

Develop a strong market profile

By developing a reputable market profile, successful security companies attract a loyal customer base that values their expertise. This enables them to negotiate better terms and maintain pricing power against competitors.

Have a diverse range of clients

A diverse client base lessens reliance on any single customer, reducing the pressure to concede to harsh demands. With varied clients, security system providers can negotiate better terms, ensuring stability and less dependency on major buyers.

Call Preparation Questions

Role Specific Questions

Sales & Marketing

How much of your revenue comes from providing services to the public sector? How has this changed recently and why?

- Government organisations outsource many security contracts rather than running their own vertically integrated security divisions.
- In recent years, the public sector has accounted for an increasing share of revenue.
- Public-sector budget squeezes will likely continue to drive public expenditure on external security system services over vertically integrating security divisions in the future.

How have crime levels and public perception of crime affected demand from the residential market? What proportion of your revenue is derived from the residential market?

- The fall in crime rates has eaten into demand for security system service providers from households. However, some people argue that existing security measures are part of the reason crime rates are on the decline.

Strategy & Operations

What are your most important purchases? How do these affect your operations?

- Companies purchase a variety of products to sell on to their clients.
- Key purchase made by security system service providers include cameras, alarms, sprinklers and motion detectors.
- Due to the essential nature of security services, demand is moderately price-sensitive and most costs are successfully passed on to clients.

Does your company specialise in a niche market or specific product, or is it more effective to offer a range of services?

- Small companies tend to exploit niche markets by specialising in one aspect of security arrangements, such as CCTV installation, or offer premium bespoke services for high-end clients.
- Large businesses, such as ADT Fire & Security plc and Chubb Fire & Security Ltd, acquire niche competitors to achieve economies of scale.

How do you ensure that your operation is appropriately staffed with the best qualified employees?

- Alarm systems have become more technologically advanced, necessitating that security system companies employ competent, technically skilled personnel with knowledge of modern systems.
- Owing to the capabilities of modern technology, manual labour is gradually being displaced by external monitoring services that require a limited amount of personnel to conduct surveillance.

Technology

How significant your company's carbon footprint? How do you monitor this?

- The services provided by the industry involved installing and monitoring electrical security devices, such as fire alarms and security alarms.
- Though individually these devices have fairly minor energy consumption, when added together, their energy usage becomes substantial.

What are the most popular or useful technological developments that you have introduced to your security systems in recent years?

- Use of drones has reduced the burden on workers, as security companies can scan large areas quickly.
- Companies have begun to implement biometrics, fingerprinting and facial recognition in their services.
- Demand for biometric security systems has risen, as consumers have become more comfortable with using fingerprint identification.

Compliance

To what extent does your company currently benefit from the assistance of industry associations?

- Trade organisations such as the British Security Industry Association (BSIA) promote the industry and represent firms in the political arena.
- The BSIA supports members by providing a review of regulatory changes.
- Companies with National Security Inspectorate approval operate in accordance with industry standards.

Has your company opted to get certified under the ISO/IEC 27001 standard? Why or why not?

- The ISO/IEC27001 certificate is awarded by the National Security Inspectorate and shows that a company is following the best practice for information security management.
- Although it's not required, a growing number of companies have adopted the standard to reassure clients that they're using best practices.

Finance

What share of your revenue is absorbed by purchases? How has this changed recently and why?

- Security system providers purchase a variety of products to distribute to their clients. Examples of such products include cameras, alarms, sprinklers and motion detectors.
- The shift toward more advanced, tech-driven security solutions has raised purchase costs.
- Companies are investing in state-of-the-art technologies like AI, which come with higher price tags.

How does your company's profit margin compare with the industry average? How can this be improved?

- Technology-orientated services often return higher yields than traditional manual services, such as manned guarding.
- Upstream technological developments have given impetus to the diversification of security systems services. Companies now offer biometric alarm systems, lone worker protection and vacant property security systems. This has propped up profit.

External Impacts Questions

Mortgage rate

What effect do fluctuations in the mortgage rate have on your revenue?

- Higher mortgage payments reduce disposable income, leading homeowners to reduce non-essential expenses, including advanced security systems.
- A higher mortgage rate translates into fewer housing transactions, meaning less demand for home security systems.
- Climbing mortgage rates threaten the Security System Services industry.

Real household disposable income

How do changes in disposable income affect demand for your services? To what extent do you monitor incomes?

- When disposable income declines, consumers often opt for cheaper audible-only alarm systems, which aren't covered by security system providers.
- When incomes rise, people tend to spend on higher-quality security system services. Higher incomes also encourage people to buy more expensive items like houses and jewellery, driving up their need for security services to protect their assets.

Demand from commercial building construction

How much of your revenue comes from providing services to businesses? How successful are you at winning business from newly constructed commercial structures?

- As new commercial developments arise, there's an increased need for advanced security installations to protect assets and comply with safety regulations, creating lucrative business opportunities for security systems service providers.
- A hike in commercial construction activity boosts demand for security systems, driving revenue growth.

Internal Issues Questions

Develop strong technical product knowledge

How frequently does your business reassess the security arrangements of its clients? How do you ensure staff's technical knowledge remains up to date?

- Security companies must fully understand the capabilities of available systems and direct clients to the product most suitable for their purposes and budget.
- Alarm systems have become more advanced, prompting firms to employ competent, skilled personnel with knowledge of modern systems.

Comply with government regulations

How do you stay informed about changing regulations? What regulatory changes, if any, do you expect in the future?

- Security companies must know and understand building codes pertaining to fire and know their rights and responsibilities.
- More companies are adopting the ISO/IEC 2700 certificate to indicate they use the best client practices.
- It's installers' responsibility to conform to PD 6662, which relates to police response.

Establish brand names

What strategies do you use to improve your reputation in the market? How do you ensure a high rate of contract renewals?

- The industry is highly competitive and lowly concentrated. Over 90% of businesses employ fewer than 10 people.
- To secure lucrative contracts, security companies need to set themselves apart, which can involve creating a brand name that clients can trust.

IBISWorld helps you find the industry information you need - fast.

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