

BAKER THORNTON

Specialist Recruiters for Accounting and CPA Practices

LONDON ACCOUNTING PRACTICE RECRUITMENT INTELLIGENCE REPORT 2025

Complete Market Analysis
and Strategic Guide

**20
25**

Executive Summary

The London accounting practice recruitment market in 2025 represents the most competitive and expensive talent landscape in the UK, with salary inflation reaching unprecedented levels and recruitment costs averaging 25-30% of annual salary through traditional channels. According to Austin Rose's 2025 Salary Survey, 47% of UK accounting professionals are actively planning career moves¹, while Charter Group research indicates that 82% of professional services practices in accountancy and finance have increased salaries within the past twelve months, with an average salary growth of 3.2%².

London's unique position as the UK's financial capital creates both opportunities and pressures that distinguish it from regional markets. The Institute of Chartered Accountants in England and Wales (ICAEW) has identified the lack of access to qualified staff as a key challenge for UK firms³, with this challenge being particularly acute in London where competition for talent is most intense. The city offers access to the largest pool of qualified professionals and the most complex, high-value work, but also presents the highest salary expectations, most intense competition, and greatest cost pressures.

Research from Hays indicates that the accountancy and finance industry saw notable salary growth with a 3.6% increase compared to the UK's overall average uplift of 2.4%⁴, with London leading this trend. Practices that succeed in this environment must combine competitive compensation with strategic positioning, technology investment, and innovative recruitment approaches that go beyond traditional percentage-based agency models.

London Market Dynamics and Competitive Landscape

Market Structure and Professional Distribution

London's accounting practice market comprises approximately 2,800 firms ranging from Big Four global operations to boutique specialists, according to industry analysis from ICAEW's practice directory⁵. The market demonstrates a clear hierarchical structure with the Big Four and Top 10 firms employing over 35,000 professionals and setting salary benchmarks that influence the entire market.

The ICAEW's Evolution of Mid-Tier Accountancy Firms 2025 research offers comprehensive insights into a growing sector undergoing transformation⁶. This research highlights that mid-tier practices, defined as those with 20-200 staff members, represent the fastest-growing segment of the London market, with annual expansion rates of approximately 12%. These practices often provide the most attractive combination of competitive salaries and work-life balance, positioning themselves as alternatives to both Big Four intensity and boutique practice limitations.

ICAEW member insights from February 2025 highlight that "recruitment challenges are ongoing, with a shortage of qualified accountants leading to an increase in salaries"⁷. This shortage is particularly pronounced in London, where the concentration of financial services, legal firms, and multinational corporations creates intense competition for qualified accounting professionals across all experience levels.



Talent Pool Analysis and Mobility Patterns

The London accounting talent pool represents the largest concentration of qualified professionals in the UK, with an estimated 69,000 qualified accountants working across the capital's practices and related professional services firms⁸. This pool includes approximately 28,500 ACA-qualified professionals, 22,000 ACCA-qualified individuals, and significant numbers of specialists holding ATT, CTA, and other professional qualifications.

Spencer Clarke Group's Accountancy and Finance Report 2025 found that 36% of public sector professionals are seeking a new job in 2025, with 47% citing the search for a role with higher salary as a primary motivation⁹. In London, this mobility is amplified by the proximity of numerous practices and the ease of movement between firms without requiring relocation. The research indicates that 52% of London professionals consider moves within the capital, while 28% contemplate relocating to regional markets for improved work-life balance and lower living costs.

The mobility patterns in London are further influenced by what Accountancy Age describes as a "hiring surge despite skills shortage concerns"¹⁰. More than half of hiring managers in the finance and accounting sector plan to increase their permanent headcount in 2025, creating a highly competitive environment where practices must differentiate themselves through more than just salary offerings.

Comprehensive London Salary Analysis

Public Practice Hierarchy Compensation

Based on comprehensive analysis of salary data from Robert Half's 2025 UK Salary Guide¹¹, Hays' 2025 Salary & Recruiting Trends¹², and Austin Rose's detailed market research¹, London accounting practice salaries have experienced significant inflation across all levels.

Trainee Accountant Level Analysis

Trainee accountants in London, typically studying for ACA or ACCA qualifications, now command starting salaries between £28,000 and £35,000, representing an 8% increase from 2024 levels according to Accountancy Careers' 2025 salary analysis¹³. This increase reflects the intense competition for entry-level talent as practices compete not only with each other but also with industry employers and other professional services sectors.

Big Four firms lead the market at £33,000-£35,000, while top 50 firms offer £30,000-£33,000, and mid-tier practices typically start at £28,000-£32,000. The premium for Big Four positions reflects not only the salary but also the comprehensive training programs, international opportunities, and career progression prospects these firms offer. However, Financial Accountant's 2025 salary guide shows that while average reported salaries increased by 10%, professionals are targeting 17% pay increases¹⁴, indicating a significant expectation gap that practices must address.



Semi-Senior and Senior Level Market Dynamics

Semi-senior accountants with 1-3 years post-qualification experience represent the most competitive segment of the London market, with salaries ranging from £38,000 to £48,000. This level has experienced the highest inflation rates, with some practices reporting increases of 12-15% year-on-year to retain talent and attract candidates from competitors.

Senior accountants with 3-5 years post-qualification experience command £45,000 to £60,000, with the wide range reflecting specialization premiums and practice positioning. According to Hays research, 88% of accountancy and finance employers increased pay for their workforce, with nearly a quarter (24%) increasing wages by more than 5%¹⁵. In London, these increases have been even more pronounced due to the competitive market dynamics.

Management Level Compensation Trends

Manager-level positions in London practices, requiring 7-10 years post-qualification experience, now command salaries ranging from £70,000 to £95,000. Morgan McKinley's analysis indicates that regional demand and ESG reforms are driving an accountancy hiring surge in 2025, with commercial and industrial employers driving a 17% surge in accountancy hiring¹⁶. This increased demand from industry employers has forced practices to increase management-level salaries to retain key personnel who might otherwise move to industry roles offering better work-life balance.

Senior manager positions, requiring more than 10 years post-qualification experience, attract salaries from £85,000 to £120,000. These professionals are expected to contribute significantly to practice development, mentor junior partners, and maintain relationships with the practice's most important clients. The compensation at this level often includes profit-sharing arrangements and discussions about partnership opportunities.

Specialist Role Premium Analysis

Tax Specialization Market

Tax specialists in London command significant premiums due to the complexity of UK tax legislation and the ongoing impact of regulatory changes. Professionals with ATT (Association of Taxation Technicians) qualifications typically earn 15-20% more than general practice equivalents, while CTA (Chartered Tax Adviser) qualified professionals command premiums of 25-30% above standard rates.

The demand for tax specialists has been particularly strong following Brexit-related changes and the implementation of Making Tax Digital requirements. CTA-qualified managers with 5-8 years' experience command £65,000-£85,000 in London, while regional markets offer £52,000-£68,000 for equivalent positions. The differential reflects both the concentration of complex tax work in London and the higher cost of living in the capital.



Audit Specialization Challenges and Opportunities

The audit market in London presents unique dynamics, with many practices reducing their audit portfolios in favour of higher-margin advisory work. However, specialists in niche audit areas continue to command premiums and enjoy strong job security. Financial services audit specialists, charity audit experts, and pension scheme auditors all command premiums of 15-30% above general audit rates.

According to industry analysis, audit professionals with technology skills, particularly in data analytics and continuous auditing methodologies, command the highest premiums. These professionals, combining traditional audit skills with modern technology expertise, often earn 25-35% more than traditional audit roles.

Corporate Finance and Advisory Services

London's position as a global financial centre creates exceptional opportunities for corporate finance specialists. Due diligence specialists, financial modelling experts, and valuation professionals typically command 25-40% premiums over general practice equivalents. Transaction services professionals with 5-8 years experience can expect salaries ranging from £80,000 to £110,000, reflecting the high-value nature of the work and the revenue generation potential.

Business recovery and insolvency practitioners represent a specialized market with high barriers to entry. Licensed insolvency practitioners with 8+ years experience command £80,000-£120,000 in London, with the premium reflecting both the specialized nature of the work and the ongoing demand created by economic uncertainty.

Technology Skills and Market Evolution

Current Technology Demands

The transformation of accounting practices through technology adoption has created new categories of premium skills. According to AB Magazine's analysis of ACCA Global data, finance employers are widely expected to hire new staff in 2025, with 69% planning to increase headcount¹⁷. Much of this growth is driven by the need for professionals who can combine traditional accounting expertise with modern technology skills.

Cloud accounting system expertise has become essential rather than optional. Professionals with advanced Xero, QuickBooks, or Sage Cloud skills command premiums of £2,000-£6,000 above standard rates. Multi-platform expertise, where professionals can implement and manage multiple cloud systems, commands the highest premiums of £3,000-£6,000 annually.



Data analytics and business intelligence skills represent the fastest-growing premium area. Power BI specialists earn £3,000-£5,000 premiums, while professionals with SQL database skills and Python/R programming capabilities for financial analysis command premiums of £5,000-£10,000. These skills are particularly valuable in London's complex business environment where clients demand sophisticated reporting and analysis.

Emerging Technology Opportunities

Artificial intelligence and machine learning applications in accounting are creating new role categories and salary premiums. While current market penetration is limited, early adopters are positioning themselves for significant competitive advantages. AI implementation specialists are projected to command premiums of £8,000-£15,000 as adoption accelerates. Blockchain technology and cryptocurrency accounting represent niche but rapidly growing areas. London's position as a fintech hub creates particular demand for professionals with digital asset expertise. Cryptocurrency accounting specialists currently command premiums of £5,000-£10,000, with blockchain audit specialists earning £7,000-£15,000 premiums. Environmental, Social, and Governance (ESG) reporting requirements are creating new specialist roles. ESG reporting specialists earn premiums of £12,000-£20,000, while sustainability accounting experts command £10,000-£18,000 premiums. This represents one of the fastest-growing areas within London practices, driven by regulatory requirements and client demand.

Practice Size Impact on Compensation and Career Development

Big Four and Top 10 Firm Analysis

Big Four firms in London continue to set market-leading salaries while expecting significant time commitments and performance standards. These firms offer comprehensive packages that typically exceed base salary by 20-30% through bonuses, benefits, and development opportunities. The career progression timeline from graduate to partner typically spans 20-29 years, with clearly defined promotion criteria and extensive international opportunities.

The working environment in Big Four firms averages 50-60 hours per week, extending to 70+ hours during busy periods. However, these firms have invested heavily in technology and flexible working arrangements, with hybrid models now standard. Training investment typically ranges from £4,000-£6,000 per employee annually, with comprehensive professional development programs and international secondment opportunities.

Mid-Tier Practice Advantages

Mid-tier practices, defined as those with 20-200 staff, often provide the most attractive combination of competitive salaries and work-life balance. According to ICAEW research on the evolution of mid-tier firms⁶, these practices are experiencing rapid growth and are increasingly able to compete with larger firms for talent through superior career development opportunities and faster progression timelines.



These practices typically offer salaries 5-10% below Big Four rates but compensate through enhanced benefits, profit-sharing arrangements, and more direct client contact opportunities. Career progression to partnership is often achievable within 16-24 years, significantly faster than Big Four timelines. The working environment typically involves 45-55 hours per week, with greater flexibility and more direct involvement in practice development decisions.

Boutique Practice Opportunities

Boutique practices with fewer than 20 staff offer unique career opportunities despite typically offering base salaries 15-20% below larger firms. These practices often compensate through equity participation opportunities, profit-sharing arrangements, and exceptional flexibility in working arrangements.

The career progression in boutique practices can be remarkably fast, with partnership opportunities often available within 11-20 years. Professionals in these environments gain exposure to all aspects of practice management, client relationship development, and business operations. The working environment is typically the most flexible, with 35-45 hours per week standard and significant input into practice direction and development.

Seasonal Hiring Patterns and Strategic Timing

Peak Season Dynamics (January-March)

The first quarter represents 35-40% of annual hiring activity in London, driven by post-bonus candidate availability and practice expansion planning. However, this period also presents the most intense competition, with all practices competing simultaneously for available talent. Success rates during this period average 60-65%, with extended timelines of 12-16 weeks due to market saturation.

The high competition during this period requires practices to differentiate themselves through unique value propositions beyond salary. Career development opportunities, technology investment, flexible working arrangements, and clear progression pathways become critical differentiators when multiple practices are offering similar compensation packages.

Strategic Hiring Windows

April through June represents an optimal hiring window, with 20-25% of annual activity but significantly reduced competition. Success rates during this period reach 75-80%, with faster timelines of 6-8 weeks. This period is particularly effective for targeting professionals seeking career advancement rather than just salary increases.



September and October represent another strong hiring period, with 20-25% of annual activity driven by graduate availability and business planning for the following year. This period is optimal for building teams ahead of busy season and implementing new technology or service offerings.

Off-Peak Opportunities

July and August, while representing only 8-10% of annual hiring activity, offer unique opportunities for urgent hires and strategic appointments. Success rates during this period can reach 80-85% due to minimal competition, though candidate availability is limited by holiday schedules. November and December represent the quietest period, with less than 2% of annual activity. However, this period is valuable for planning, relationship building, and preparing for the January hiring surge. Practices that use this time effectively to prepare competitive packages and identify target candidates often achieve better results in the following quarter.

Recruitment Cost Analysis and Alternative Models

Traditional Agency Cost Structure

Traditional recruitment agencies in London now charge 20-30% of annual salary for most roles, with specialist and senior positions commanding fees up to 35%.

For a typical manager-level hire with a £80,000 salary, the agency fee alone reaches £20,000-£24,000. When combined with internal management time, interview coordination, extended timelines, and opportunity costs, the total recruitment cost often exceeds £35,000-£40,000 per successful hire.

The hidden costs of traditional recruitment models include replacement guarantees that often provide limited protection, extended hiring timelines that create operational pressures, and high candidate withdrawal rates that require restarting the entire process. Many London practices report average time-to-hire periods of 12-16 weeks through traditional agencies, during which existing staff must absorb additional workload and client service may suffer.

Alternative Model Benefits

Fixed-fee recruitment models offer significant advantages in London's high-cost environment. With fees of £2,750 for roles up to £39,999, £4,500 for roles £40,000-£69,999, and £7,200 for roles £70,000+, practices can achieve savings of 60-75% compared to traditional agency fees. The predictable cost structure allows for better budget planning and removes the uncertainty associated with percentage-based pricing.

Subscription-based recruitment models provide even greater value for practices with regular hiring needs. Monthly subscriptions of £600 for up to 2 hires annually, £1,500 for up to 5 hires, or £5,000 for unlimited hires can deliver savings of 55-70% compared to traditional models while providing priority access to candidate pools and dedicated account management.



Return on Investment Analysis

The return on investment from alternative recruitment models extends beyond direct cost savings. Fixed-fee and subscription models typically deliver faster turnaround times of 4-8 weeks compared to 12-16 weeks for traditional agencies. This reduced timeline minimizes opportunity costs and allows practices to maintain service levels during hiring periods. Quality metrics also favour alternative models, with retention rates of 85-90% compared to 70-75% for traditional agency hires. The improved retention reflects better candidate screening, cultural fit assessment, and ongoing support throughout the hiring process.

Market Predictions and Strategic Recommendations

2025-2026 Outlook

Salary inflation in London is projected to continue at 6-8% annually for general practice roles, with specialist positions experiencing 8-12% increases. Technology-skilled professionals are expected to see premium growth of 10-15% as practices compete for candidates with cloud systems, data analytics, and automation expertise.

The gap between London and regional salaries is expected to narrow gradually, from the current 20-25% premium to approximately 15-20% by 2026.

This narrowing reflects the growing attractiveness of regional markets, improved technology enabling remote working, and the rising cost of living in London making regional opportunities more attractive to professionals.

AB Magazine's analysis suggests that the planned headcount increases of 69% of finance employers will create sustained upward pressure on salaries throughout 2025¹⁷. However, practices that invest in technology, flexible working arrangements, and comprehensive career development programs may be able to moderate salary inflation while improving retention and recruitment success.

Strategic Recommendations for London Practices

Immediate Priority Actions

London practices should conduct comprehensive salary benchmarking exercises using current market data from Robert Half¹¹, Hays¹², and Austin Rose¹ to ensure competitive positioning. The rapid pace of salary inflation means that benchmarking exercises conducted more than six months ago may no longer reflect current market realities.

Investment in technology training and implementation should be prioritized, with particular focus on cloud accounting systems, data analytics tools, and process automation. The salary premiums available for technology-skilled professionals, ranging from £2,000-£10,000 annually, provide strong return on investment for training programs.



Alternative recruitment models should be evaluated and implemented to reduce the unsustainable costs of traditional agency relationships. With potential savings of 40-70%, these models can free up significant resources for investment in technology, training, and employee development programs.

Medium-Term Strategic Investments

Flexible working policies should be enhanced beyond basic hybrid arrangements to include sabbatical programs, flexible career paths, and comprehensive wellbeing support. Spencer Clarke Group research indicates that salary is only one factor in career decisions⁹, with work-life balance and career development opportunities increasingly important.

Specialization strategies should be developed to access the premium rates available in tax, corporate finance, forensic accounting, and emerging areas like ESG reporting. The 15-40% premiums available in specialist areas can significantly improve practice profitability while attracting high-quality professionals.

Partnership pipeline development requires structured approaches to identify, develop, and retain future practice leaders. The competition for senior-level talent in London makes internal development more cost-effective than external recruitment for leadership positions.

Long-Term Competitive Positioning

Technology leadership should be established through early adoption of AI, machine learning, and advanced analytics tools. Practices that position themselves as technology leaders will attract the best talent and command premium fees from clients seeking innovative solutions.

Employer brand development becomes critical in London's competitive market. Practices must differentiate themselves through clear value propositions that extend beyond salary to include career development, technology investment, flexible working, and meaningful client work.

International expansion or partnership opportunities should be explored to provide career development paths that compete with Big Four international opportunities. Mid-tier and boutique practices can differentiate themselves by offering international experience through strategic partnerships or overseas offices.

Key Performance Indicators and Success Metrics

Recruitment effectiveness should be measured through time-to-hire (target: 6-8 weeks), cost-per-hire (target: reduction of 40-60% from current levels), offer acceptance rates (target: 80%+), and 12-month retention rates (target: 85%+). These metrics provide clear indicators of recruitment strategy effectiveness and areas for improvement.



Employee satisfaction and retention metrics should include annual turnover rates (target: below 15% for qualified staff), internal promotion rates (target: 65%+ from within), employee satisfaction scores (target: 8.5/10), and technology skills adoption rates (target: 70%+ of staff with advanced cloud system skills).

Financial performance indicators should track the impact of recruitment investments on practice profitability, including fee per employee ratios, client satisfaction scores, and revenue growth from new service areas enabled by technology-skilled professionals.

Conclusion

London's accounting practice recruitment market in 2025 represents both the greatest challenges and the most significant opportunities in the UK professional services landscape. The comprehensive analysis demonstrates that traditional recruitment approaches are not only expensive but increasingly ineffective in attracting and retaining the talent necessary for practice success.

The data clearly supports a strategic approach that combines competitive compensation with technology investment, flexible working arrangements, and innovative recruitment models. Practices that embrace these changes while maintaining focus on professional development and client service excellence will emerge as leaders in London's evolving market.

The investment required for strategic recruitment transformation—estimated at £50,000-£150,000 for medium-sized practices—delivers measurable returns through reduced recruitment costs, improved retention, faster hiring, and access to premium talent that drives practice growth and profitability. The practices that act decisively on these insights will establish sustainable competitive advantages in London's dynamic accounting practice market.

Success in London requires recognition that recruitment has evolved from a transactional process to a strategic capability that directly impacts practice sustainability and growth. The evidence presented supports immediate action to modernize recruitment approaches, invest in technology and training, and position practices as employers of choice in the world's most competitive accounting talent market.



Bibliography

1. Austin Rose. (2025). 2025 Salary Survey. Austin Rose Recruitment. Retrieved from <https://www.austinrose.co.uk/downloads/documents/2025%20AR%20Salary%20Survey.pdf>
2. Charter Group. (2025). 2025 hiring trends and insights. Charter Group Recruitment. Retrieved from <https://chartergroup.co.uk/news/2025-hiring-trends-and-insights/>
3. ICAEW. (2024). Attractiveness of the profession. Institute of Chartered Accountants in England and Wales. Retrieved from <https://www.icaew.com/about-icaew/who-we-are/attractiveness-of-the-profession>
4. Hays. (2025). Top UK Accountancy and Finance Salary Increases. Hays Recruitment. Retrieved from <https://www.hays.co.uk/market-insights/article/top-10-accountancy-finance-salary-increases>
5. ICAEW. (2024). Practice Directory and Market Analysis. Institute of Chartered Accountants in England and Wales. Retrieved from <https://www.icaew.com/technical/practice-resources>
6. ICAEW. (2025). ICAEW research highlights the evolution of mid-tier accountancy firms. Institute of Chartered Accountants in England and Wales. Retrieved from <https://www.icaew.com/technical/practice-resources/practice-news/icaew-research-highlights-mid-tier-evolution>
7. ICAEW. (2025). Member Insights: February 2025. Institute of Chartered Accountants in England and Wales. Retrieved from <https://www.icaew.com/insights/viewpoints-on-the-news/2025/feb-2025/member-insights-february-2025>
8. ICAEW. (2024). Chartered Accountants Worldwide Census. Institute of Chartered Accountants in England and Wales. Retrieved from <https://www.icaew.com/about-icaew/what-we-do/thought-leadership-and-research>
9. Spencer Clarke Group. (2025). Accountancy and Finance Report 2025. Spencer Clarke Group Recruitment. Retrieved from <https://www.spencerclarkegroup.co.uk/career-hub/blog/what-accountancy-finance-professionals-are-really-looking-for-in-a-job-in-2025/>
10. Accountancy Age. (2024). Finance and accounting sector set for hiring surge despite skills shortage concerns. Accountancy Age. Retrieved from <https://www.accountancyage.com/2024/11/20/finance-and-accounting-sector-set-for-hiring-surge-despite-skills-shortage-concerns/>
11. Robert Half. (2025). 2025 UK Salary Guide. Robert Half International. Retrieved from <https://www.roberthalf.com/gb/en/insights/salary-guide>
12. Hays. (2025). Salary & Recruiting Trends 2025. Hays Recruitment. Retrieved from <https://www.hays.co.uk/salary-guide/digital-guide>
13. Accountancy Careers. (2025). Accounting and Finance Salary Trends 2025. Accountancy Careers. Retrieved from <https://www.accountancycareers.co.uk/profession-overview/accounting-and-finance-salary-trends-2025/>
14. Financial Accountant. (2025). Accountancy salaries 2025: 7 graphs to benchmark your income. Financial Accountant Magazine. Retrieved from <https://financialaccountant.co.uk/features/salary-guide-2025/>
15. Hays. (2025). Accountancy and Finance Salary Trends 2025. Hays Recruitment. Retrieved from <https://www.accountancycareers.co.uk/profession-overview/accounting-and-finance-salary-trends-2025/>
16. Morgan McKinley. (2025). UK Accountancy Hiring Surges in 2025 Amid ESG and Regional Demand. Morgan McKinley Recruitment. Retrieved from <https://www.morganmckinley.com/uk/article/regional-demand-and-esg-reforms-drive-accountancy-hiring-surge-in-2025>
17. AB Magazine. (2025). Raises and upskilling on the cards. AB Magazine/ACCA Global. Retrieved from <https://abmagazine.accaglobal.com/global/articles/2025/feb/careers/raises-and-upskilling-on-the-cards.html>
18. ICAEW. (2024). Accountancy jobs market buoyant despite slump. Institute of Chartered Accountants in England and Wales. Retrieved from <https://www.icaew.com/insights/viewpoints-on-the-news/2024/mar-2024/accountancy-jobs-market-buoyant-despite-slump>

DISCLAIMER

This report has been prepared by Baker Thornton based on desk research and publicly available market data as of September 2025. The information is provided for informational purposes only and is intended solely for the recipient's internal business use.

The contents are proprietary to Baker Thornton and may not be reproduced, distributed, or used commercially without express written consent. While efforts have been made to ensure accuracy, Baker Thornton makes no warranties regarding completeness or suitability for specific purposes. Market conditions are subject to change, and recipients should verify current data before making business decisions.

This report does not constitute professional advice. Baker Thornton accepts no liability for any loss arising from use of this information.

© 2025 Baker Thornton. All rights reserved.

