

# Who controls the technology behind a UK accountancy practice?

How much this sector depends on technology suppliers it cannot fully control — and where that matters most.

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## The big picture

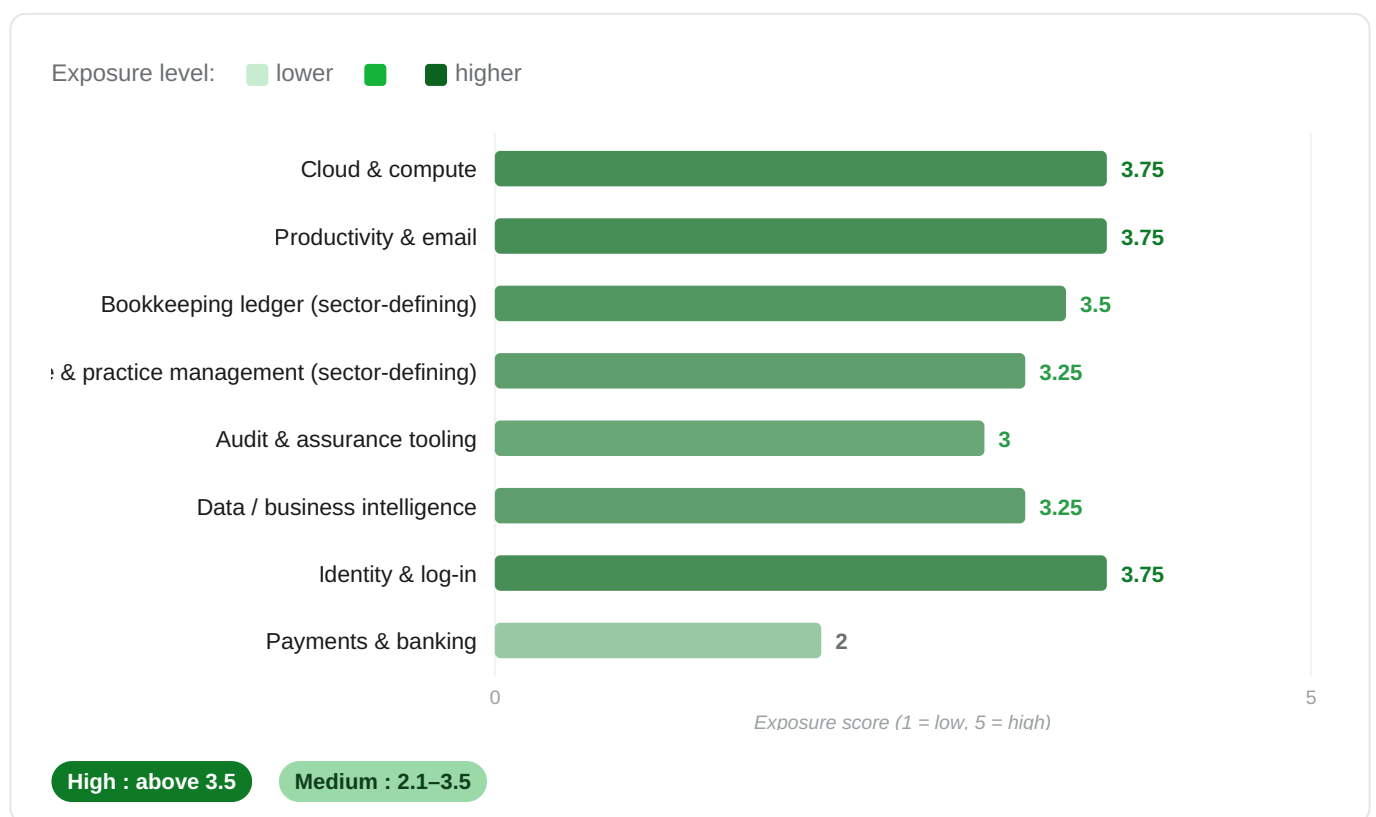
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High

Six of eight building blocks are High exposure, clustered on the bookkeeping ledgers — the full financial picture of every client — which sit with foreign-controlled suppliers (Xero NZ/US-hosted; Intuit US) on mostly-American cloud. This sector uniquely has real UK-owned options (Sage, IRIS, FreeAgent, TaxCalc, BTCSoftware), but even the British brands keep data on US cloud, so UK ownership buys less sovereignty than buyers assume.

We looked at the everyday layers of technology a UK accountancy or professional-services firm relies on, from the cloud it runs on to the systems that define the sector. A supplier owned in the United States can be compelled to hand over data under US law — the CLOUD Act<sup>[1]</sup>, and the surveillance powers in Section 702 of the Foreign Intelligence Surveillance Act<sup>[2]</sup> — even when that data is stored in Britain; a British supplier answers only to UK law. We scored each building block on four things — how few the suppliers are, whose laws they answer to, how hard they are to switch, and how essential they are.

## Where the exposure sits



## What this means, in plain terms

**The defining risk: the whole client ledger, under foreign control.** The bookkeeping ledger is the most sensitive thing a practice touches — the complete financial picture of every client. The two most popular UK brands are foreign-controlled: Xero (New Zealand, data in the US on Amazon) and QuickBooks (US). Worst confidentiality exposure on the profile<sup>[3]</sup>.

**UK ownership is real here — and matters less than buyers think.** Accountancy is the first sector we have profiled with genuine UK-owned options at the defining layer (Sage, IRIS, FreeAgent, TaxCalc, BTCSoftware). But Sage Intacct keeps UK data in the EU, FreeAgent in Ireland, and all of them rent US cloud. Owning the vendor and holding the data have almost nothing to do with each other<sup>[3]</sup>.

**Microsoft or Google still owns four layers.** Cloud, productivity, reporting and identity typically sit with one US vendor — the same monoculture concentration as the other sectors, on top of ledgers that are themselves on US cloud. A single Microsoft event takes out cloud, email, dashboards and log-in together, all within hours.

**Payments is the discriminator — the other way.** A practice runs client-account flows and fee collection over UK banking rails under UK law — Medium-low (2.0–2.3), versus existential High (4.0) for financial services. It only rises above pure-Low because bank-feed aggregation often routes through US-owned open-banking providers.

**Making Tax Digital is the structural cause.** MTD mandated digital records and software filing and, as a side-effect, moved the nation's books onto rented, mostly-American cloud — a Capability-First state push with a sovereignty cost nobody scored at the time. AI now reads those books (Sage on Amazon Bedrock; Xero with OpenAI/Anthropic; Intuit with OpenAI).

## If a supplier pulled the plug, how fast would it hurt?

SPEED OF IMPACT	LAYER	WHAT HAPPENS
<24h	Identity & log-in	Fastest failure — instant lockout of the whole practice (time to leave: months)
days	Cloud & compute	Account suspension propagates to everything hosted (time to leave: months)
days–weeks	Bookkeeping ledger	MTD filing obligation continues; extracting seven years of records is the deepest migration here (time to leave: >12mo)
days	Productivity & email	Email and documents down; workarounds exist (time to leave: months)
weeks	Tax, compliance & practice management	Tax-season-dependent; a January cut would be acute (time to leave: 6–12mo)
n/a	Payments & banking	Low exposure; not a crisis layer (time to leave: n/a)

## What organisations can do about this

BUILDING BLOCK	PRACTICAL STEPS
Bookkeeping ledger	prefer UK-owned but pin down the data region in writing (Sage Intacct=EU, FreeAgent=Ireland); UK-hosted small-end options include Pandle (Google UK) and iplicit (UK Azure). Keep an open-format export route for seven years of records.

<b>Tax, compliance &amp; practice management</b>	prefer a UK-controlled suite at renewal (IRIS estate, TaxCalc, BTCSoftware) over Wolters Kluwer CCH (NL) or Thomson Reuters Digita (CA); but note IRIS is majority-owned by US private equity, so check who holds the capital.
<b>Cloud and log-in</b>	reduce the Microsoft/Google concentration; UK/EU options include OVHcloud, Scaleway (France), IONOS (Germany), Civo (UK).
<b>Data / BI</b>	keep reporting on a UK-region tenancy where offered, or consider open-source BI.
<b>Payments and banking</b>	already low-risk; accept and monitor, but check who owns the open-banking aggregator feeding your bank transactions.

## Sources

1. US CLOUD Act 2018 (18 U.S.C. 2713) - compels US-incorporated providers to produce data in their custody wherever in the world it is stored. <https://www.govinfo.gov/content/pkg/USCODE-2018-title18/html/USCODE-2018-title18-part1-chap121-sec2713.htm>
2. US Foreign Intelligence Surveillance Act, Section 702 (50 U.S.C. 1881a) - a US directed-surveillance authority. <https://www.govinfo.gov/app/details/USCODE-2021-title50/USCODE-2021-title50-chap36-subchapVI-sec1881a>
3. Vendor ownership and hosting - taken from company filings, public registries (including UK Companies House) and suppliers' own documentation, compiled in the Information Matters UK vendor sovereignty database.

**How we did this.** We scored each technology layer on four things — supplier concentration, whose laws they answer to, how hard they are to switch, and how essential they are — using the IM Sovereignty Framework and our UK vendor database. Control and hosting facts come from primary sources; the harder-to-quantify judgments are our reasoned view of a typical organisation. Scores are bands, not exact measurements. Full evidence record available on request.

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