• RESOURCE GUIDE · HERMIT BUSINESS SOLUTIONS

Choosing Cloud Accounting Software: A Decision Checklist

QuickBooks, Xero or Sage? ***A closer look at plans, features and what actually fits your business.***

Why this matters

All three platforms will keep you compliant and Making Tax Digital ready, so "which is best" is the wrong question. The right one is whichever fits how you already work, what you can afford and where your business is headed, getting it right the first time saves a painful switch later.

Questions to ask yourself first

- How complicated is your business: straightforward sole trader, or stock, payroll and multiple currencies?
- Do you (or your team) already know one of these platforms from a previous job?
- Which apps do you rely on already and what does that integrate with?
- Do you need an accountant, bookkeeper or business partner to see the same figures?
- Do you invoice often enough that a monthly invoice cap would be a problem?
- Will you need payroll, stock tracking or project costing this year or next?

A rough guide to each

QuickBooks suits service-based businesses and sole traders wanting a clean, guided interface, unlimited invoicing from the entry plan and strong mobile receipt capture.

Xero is popular where integrations and multi-user collaboration matter and it's a common choice where an accountant or bookkeeper works closely alongside you, though its entry plan caps invoicing and its stock, time-tracking, budgeting and project tools sit outside the plans compared here.

Sage has the longest history with UK payroll and inventory management and is often the natural fit if payroll or stock control is central to the business, or you're already using other Sage products.

Starting prices (per month, ex VAT)

- QuickBooks: Sole Trader from £12, Simple Start from £19.20, Essentials from £39.60, Plus from £56.40
- Xero: Ignite from £19.20, Grow from £39.60, Comprehensive from £56.40, Ultimate from £70.80
- Sage plans vary by product and are best quoted directly for your business, get in touch and we'll help you compare like for like
- Prices change from time to time, so treat these as a guide and confirm current pricing before deciding
- Over the last five years all three software providers have worked hard to present comparable products with comparable pricing and so it's not so much about the price but about what you want the software to do for your business that matters

QuickBooks vs Xero: feature by feature

Based on current QuickBooks and Xero UK plans. "And above" means that feature and every higher-priced plan includes it.

Feature	QuickBooks	Xero
Self Assessment prep	All plans	All plans
Income tax estimates	All plans	All plans
CIS, as a subcontractor	All plans	All plans
CIS, calculate & submit as contractor	Simple Start and above	All plans
Submit VAT to HMRC	Simple Start and above	All plans
VAT error checker & deadline reminders	Simple Start and above	Not available
Bank feed connection	All plans	All plans
Custom reports	All plans	All plans
Receipt capture (snap & sort)	All plans	All plans
Mileage tracking	All plans	Grow and above
AI sorting of personal/business spend	Sole Trader and above	Not available
Invoicing	Unlimited, all plans	Capped at 20/month on Ignite, unlimited from Grow
Pay-enabled invoices (get paid online)	Simple Start and above	Not available
Cash flow insights	All plans	All plans
Estimates and quotes	All plans	All plans
Goal tracking	Sole Trader and above	Ultimate only
Bill management	Essentials and above	Grow and above
Multi-currency	Essentials and above	Comprehensive and above
Stock and inventory tracking	Plus only	Not available
Employee time tracking	Essentials and above	Not available
Project profitability	Plus only	Not available
Budgeting	Plus only	Not available
Payroll add-on	Simple Start and above, from £2.50/month	Comprehensive and above

Where Sage tends to fit

- Businesses with meaningful stock or inventory to manage day to day
- Businesses running payroll in-house, especially where Sage Payroll or Sage 50 is already in use
- Businesses that want an established, long-standing UK product with deep accountant familiarity
- We're happy to run a Sage comparison alongside this table if it's relevant to you, just ask

Switching costs to weigh up

Moving platforms means migrating historical data, re-linking bank feeds and any connected apps and a bit of retraining for anyone who uses the software day to day. It's rarely difficult, but it's easiest around a quarter or year-end rather than mid-quarter so that the old and new records don't overlap.

A NOTE FROM HERMIT

We're certified advisors for all three, so we genuinely don't mind which one you land on. If you're not sure, tell us how your business runs day to day and we'll point you at the one that'll cause you the least friction and help with the move if you decide to switch.

What to do next

- Shortlist the platform(s) that match your answers above
- Check current pricing directly, including any add-ons you'll need
- Ask about a trial before committing to a full year
- Plan a switch around a quarter or year-end if you're moving from another system but bear in mind that some preparation time is also needed
- Book a free chat with us if you'd like a second opinion before you switch or sign up