

Microsoft Copilot

Free vs Business

A clear breakdown of what you get with each tier of Microsoft Copilot, with UK pricing and practical guidance on which version suits your organisation.

1 Pricing at a Glance (UK)

Copilot Free

£0

forever

No account required. Access at copilot.microsoft.com

Microsoft 365 Copilot

£24.70

per user / month

Requires qualifying M365 Business or Enterprise licence. Prices exclude VAT.

Promotional Pricing Available

Copilot for Business (SMB, up to 300 users): Currently £13.80/user/month (down from £16.10) until 30 June 2026. Bundle deals also available: M365 Business Standard + Copilot from £16.94/user/month, or Business Premium + Copilot from £24.63/user/month.

2 Free Version — What You Get

Available to anyone at copilot.microsoft.com or built into Windows 11, Edge, and Bing. No licence or account required.

- ✓ **AI Chat** — General-purpose conversations powered by GPT models. Ask questions, get summaries, brainstorm ideas, and draft text.
- ~ **Image Generation** — Create AI-generated images with up to 15 boosts per day. Useful for quick visuals and mockups.
- ~ **Model Access** — Access to the latest AI models during non-peak hours only. Priority access reserved for paid tiers.
- ✗ **M365 App Integration** — No embedded AI in Word, Excel, PowerPoint, Outlook, or Teams.
- ✗ **Organisational Data** — Cannot access your emails, files, SharePoint, calendar, or Teams conversations.
- ✗ **Enterprise Security** — Not covered by Microsoft's enterprise compliance commitments. Not suitable for sensitive business data.

Copilot Chat (Included with M365)

If your organisation already has Microsoft 365 Business Basic, Standard, Premium, E3, or E5 licences, every user gets **Copilot Chat** at no extra cost. This is a step up from the public free version: it offers web-grounded AI chat within Teams with commercial data protection, but still no deep app integration or access to organisational data.

3 Microsoft 365 Copilot — The Business Tier

Deep App Integration

AI embedded directly inside the Microsoft 365 apps your team already uses every day:

●Word ●Excel ●PowerPoint ●Outlook ●Teams ●OneNote ●Loop

- ✓ **Word** — Draft and rewrite documents using your historical content and brand guidelines.
- ✓ **Excel** — Analyse data, generate formulas, create charts, and extract insights from complex spreadsheets.
- ✓ **PowerPoint** — Create presentations from prompts or existing documents in seconds.
- ✓ **Outlook** — Summarise email threads, draft replies, and prioritise your inbox automatically.
- ✓ **Teams** — Generate meeting recaps, action items, and catch-up summaries you can share.

Organisational Data Access

Copilot works directly with your business data — emails, OneDrive files, SharePoint libraries, calendar, and Teams conversations. No manual uploads needed.

Security, Compliance & Admin

- ✓ **GDPR, ISO/IEC 27018, EU Data Boundary** compliant. Data stays within your tenant.
- ✓ **Microsoft Graph access control** — Copilot only sees data the user already has permission to access.
- ✓ **Sensitivity labels, retention policies, and DLP rules** are enforced automatically.
- ✓ **Copilot Analytics dashboards** for IT admins to monitor adoption and measure productivity.

New in 2026: Agent Mode & Work IQ

Agent Mode: Copilot actively works alongside you in documents — building, formatting, and explaining as it goes. You stay in control, reviewing and adjusting in real time.

Work IQ: An intelligence layer that connects your context, workflows, and relationships for personalised AI assistance.

4 Side-by-Side Comparison

Feature	Free Copilot	M365 Copilot
Web-based AI chat	✓	✓
Image generation	15/day	✓
M365 app integration (Word, Excel, etc.)	✗	✓
Access to organisational data	✗	✓
Enterprise security & compliance	✗	✓
Admin analytics dashboard	✗	✓
Agent Mode (2026)	✗	✓
Work IQ personalisation	✗	✓
Commercial data protection	✗	✓
Cost	Free	From £13.80

Our Recommendation

Start with the **free Copilot Chat** included in your existing M365 licence to gauge adoption. When teams want AI that works with their actual documents, emails, and meetings, upgrade the heaviest users to the full **Microsoft 365 Copilot**. The promotional pricing (available until June 2026) makes this a low-risk time to trial it.

July 2026 Price Increases

Microsoft has confirmed commercial M365 price increases of 4–10% from 1 July 2026. UK organisations will see equivalent GBP adjustments. Consider locking in current rates before then.