

FREE RESOURCE — MICROSOFT COPILOT GUIDE

Microsoft Copilot Free vs Business

A clear breakdown of what you get with each tier of Microsoft Copilot — with UK pricing, the security and data-access lines that actually decide it, and practical guidance on which version suits your organisation today.

£0

COPILOT FREE
FOREVER, NO
LICENCE

£13.80

PROMO M365
COPILOT
PER USER / MO
TO JUNE

7

M365 APPS
WITH
DEEP
INTEGRATION

UK

PRICING IN
GBP, EX VAT

PRICING

APP INTEGRATION

SECURITY & COMPLIANCE

SELECTION WORKSHEET

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Free vs Business — why this decision matters

Microsoft Copilot now ships in two materially different shapes. The **free version** at copilot.microsoft.com is an open-web chat assistant that anyone can use without a licence. **Microsoft 365 Copilot** is the paid, enterprise-grade product embedded inside Word, Excel, PowerPoint, Outlook and Teams — reading your actual emails, files and calendar under the same permissions as the user. They share a name. They are not the same product.

Most UK SMEs land in one of two places: paying for full Microsoft 365 Copilot on users who only ever ask it to summarise a paragraph (a job the free version does fine), or running on the free version for finance and legal staff whose drafts contain client data that should never leave a compliance boundary. This guide is the deciding line in plain English — what each tier actually does, what you pay in UK GBP, and which version belongs on which user.

WHAT THIS GUIDE COVERS

A six-section walkthrough — **UK Pricing, Copilot Free, Microsoft 365 Copilot (Business tier), Security & New in 2026** and a **Side-by-Side Comparison** — followed by a short selection worksheet you can fill in for your own organisation. All UK pricing in GBP, ex VAT, at June 2026 rates.

DATA BOUNDARY WARNING

The free Copilot at copilot.microsoft.com sits **outside** Microsoft's commercial data protection. Anything pasted in is open-web traffic. Don't use it for client data, payroll, contracts or anything else your DPIA would flag. Microsoft 365 Copilot — or the free **Copilot Chat** included with any M365 Business / Enterprise licence — gives you the enterprise data boundary that compliance functions need.

The six sections

- **01 Pricing at a Glance (UK)** — both tiers in GBP, with the SMB promo running to 30 June 2026 and the bundle deals.
- **02 Copilot Free — What You Get** — what works, what is rate-limited, what is missing entirely.
- **03 Microsoft 365 Copilot — The Business Tier** — deep app integration plus access to your real organisational data.
- **04 Security, Compliance & New in 2026** — data boundary, Graph permissions, Agent Mode and Work IQ.
- **05 Side-by-Side Comparison & Recommendation** — the decision table and the line to take it on.
- **06 Your Selection Worksheet** — fillable: who, how many, current spend, target tier.

01

Pricing at a glance (UK)

Both tiers in pounds, side by side. Microsoft 365 Copilot is a per-user paid licence that sits **on top of** a qualifying Microsoft 365 Business or Enterprise plan — not a replacement for it. Copilot Free has no licence, no purchase, and no enterprise data protection.

COPILOT FREE

£0

forever

No account required. Open-web access at copilot.microsoft.com, built into Windows 11, Edge and Bing.

MICROSOFT 365 COPILOT

£24.70

per user / month · list price

Requires a qualifying M365 Business or Enterprise licence on the same user. Annual commitment. UK list price excl. VAT.

PROMOTIONAL PRICING — LIVE UNTIL 30 JUNE 2026

Copilot for Business (UK SMB tier, up to 300 users) is currently **£13.80 / user / mo**, down from £16.10. Bundle deals stack the Copilot licence with the underlying M365 plan into a single line:

- **M365 Business Standard + Copilot** — from **£16.94 / user / mo** (annual).
- **M365 Business Premium + Copilot** — from **£24.63 / user / mo** (annual).

If a Copilot rollout is on your 2026 roadmap, the price-locked sign-up window is the next 21 days. After 30 June, list pricing returns and the July 2026 Microsoft commercial price rises (4–10%) take effect on top.

A THIRD OPTION YOU MIGHT ALREADY HAVE — COPILOT CHAT

Any user on Microsoft 365 Business Basic, Standard, Premium, E3 or E5 already gets **Copilot Chat** at no extra cost. It is a step up from the public free version — web-grounded AI chat **inside Teams** with commercial data protection — but it still has no deep app integration and no access to your organisational data. A good place to start adoption without spending anything.

02

Copilot Free — what you get

Available to anyone at copilot.microsoft.com or built into Windows 11, Edge and Bing. No licence and no account required. Useful as a general-purpose chat assistant; not a substitute for the M365 product on any user who handles business data.

-  **AI Chat** — General-purpose chat powered by GPT models. Ask questions, get summaries, brainstorm, draft text. Open-web grounded; no access to your tenant.
-  **Image Generation** — Create AI-generated images, capped at **15 boosts per day**. Useful for quick visuals and mockups; throttled beyond the daily quota.
-  **Model Access** — Latest models available during non-peak hours only. Priority routing and consistent latency are reserved for paid tiers.
-  **M365 App Integration** — No embedded AI in Word, Excel, PowerPoint, Outlook or Teams. Everything happens in a separate browser window, not where you work.
-  **Organisational Data Access** — Cannot read your emails, OneDrive / SharePoint files, calendar or Teams conversations. Anything it sees, you paste in by hand.
-  **Enterprise Security & Compliance** — Not covered by Microsoft's commercial data protection. **Not suitable for sensitive business data**, client information, payroll, contracts or anything else inside a DPIA boundary.

COPILOT CHAT (INCLUDED WITH ANY M365 LICENCE)

If your organisation already has Microsoft 365 Business Basic, Standard, Premium, E3 or E5 licences, **every user gets Copilot Chat at no extra cost**. It is a step up from the public free version: web-grounded AI chat inside Teams with **commercial data protection**, so prompts and replies stay outside the training set. Still no deep app integration and still no access to your tenant data — but a good, free baseline.

WHEN NOT TO USE THE PUBLIC FREE VERSION

Anything that would appear in a regulator request, an ICO breach notification, a contract or a payroll file should not be pasted into copilot.microsoft.com. Use Copilot Chat (included with M365) or full Microsoft 365 Copilot instead. Treat the public free version as the equivalent of a public web search bar — useful, but not confidential.

03

Microsoft 365 Copilot — the Business tier

AI embedded directly inside the Microsoft 365 apps your team already uses every day. Same identity, same permissions, same compliance posture — the assistant sees only what the signed-in user can already access.

Deep app integration

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

● **Word** — Draft and rewrite documents using your historical content and brand guidelines. Generate first drafts from a prompt, tighten existing text, change tone, summarise long briefs.

● **Excel** — Analyse data, generate formulas, create charts and extract insights from complex spreadsheets. Ask plain-English questions of a table and get a formula back.

● **PowerPoint** — Create presentations from prompts or existing documents in seconds. Restyle decks against your brand template; generate speaker notes per slide.

● **Outlook** — Summarise email threads, draft replies and prioritise the inbox automatically. Catch up on a 30-message thread in three bullet points before joining the meeting.

● **Teams** — Generate meeting recaps, decisions, action items and shareable catch-up summaries for anyone who missed the call.

Organisational data access

Copilot works directly with your business data — emails, OneDrive files, SharePoint libraries, calendar and Teams conversations — via Microsoft Graph. **No manual uploads.** Ask “what did Jen agree on the project budget?” and Copilot reads the threads, files and meeting transcripts the user already has permission to see, then answers with citations back to the source. Sensitivity labels and DLP rules are enforced automatically — restricted content stays restricted.

04

Security, compliance & new in 2026

The control plane the paid product gives you. Everything the public free version doesn't — data boundary, identity-aware access, sensitivity labels and admin visibility — lands here.

Security, compliance & admin

- **GDPR, ISO/IEC 27018, EU Data Boundary** compliant. Prompts, responses and grounding data stay within your Microsoft 365 tenant and the EU Data Boundary for European customers.
- **Microsoft Graph access control** — Copilot only sees data the signed-in user already has permission to access. No cross-user leakage, no expanded scope.
- **Sensitivity labels, retention policies and DLP rules** are enforced automatically. Restricted content stays restricted; labels propagate to generated outputs.
- **Copilot Analytics dashboards** for IT admins to monitor adoption, usage and seat utilisation — the data you need before a renewal conversation.

New in 2026 — Agent Mode & Work IQ

AGENT MODE

Copilot actively works alongside you in documents — building, formatting and explaining as it goes, rather than waiting for the next prompt. You stay in control: review and adjust the output in real time. Particularly strong in Excel for multi-step analyses and in Word for long-form drafting against a brief.

WORK IQ

An intelligence layer that connects your context, workflows and working relationships across Microsoft 365 to deliver personalised AI assistance — recognising who you talk to, what projects you own, and which documents matter to you. The same prompt produces different, role-aware answers for different people.

ANTHROPIC CLAUDE AS DEFAULT MODEL

Since 4 May 2026 (Microsoft change MC1269241) Anthropic Claude is the default Copilot model in Excel and PowerPoint for commercial-cloud tenants. UK / EU / EFTA tenants are **off by default** and require explicit Global Admin opt-in — Anthropic processing sits outside the EU Data Boundary. Review the opt-in decision before assuming “Copilot” means the same thing today as it did in April.

05

Side-by-side comparison & recommendation

The decision lines that actually matter, in one table. Web-based chat is on both. Everything below it is where the paid product earns its keep.

FEATURE	COPILOT FREE	M365 COPILOT
Web-based AI chat		
Image generation	15 / day	
Latest model, priority access	Non-peak only	
M365 app integration (Word, Excel, etc.)	x	
Access to organisational data	x	
Commercial data protection	x	
Enterprise security & compliance	x	
Sensitivity labels & DLP	x	
Admin analytics dashboard	x	
Agent Mode (2026)	x	
Work IQ personalisation	x	
UK cost	Free	From £13.80

OUR RECOMMENDATION

Start with the **free Copilot Chat included in your existing M365 licence** to gauge adoption — web-grounded AI chat with commercial data protection at no extra cost. When teams want AI that works with their **actual** documents, emails and meetings, upgrade the heaviest users to **full Microsoft 365 Copilot**. The promotional pricing live until 30 June 2026 makes this a low-risk window to trial it on a 10–20 user pilot group before a full rollout.

JULY 2026 COMMERCIAL PRICE INCREASES

Microsoft has confirmed commercial Microsoft 365 price increases of **4–10%** from 1 July 2026. UK organisations will see equivalent GBP adjustments. If you are considering Copilot, lock in current rates on a 12-month annual commit **before** the new pricing lands — you keep today's rate for the full term.

06

Your Copilot selection worksheet

Capture where you are today and where you intend to land. The fields below are interactive — tick the boxes and type your numbers directly in any modern PDF viewer, then share with your finance and IT leads.

Which Copilot tier(s) are you considering?

- ☐ **Copilot Free** (£0) — open-web AI chat at copilot.microsoft.com. General-purpose use, no business data.
- ☐ **Copilot Chat** (included with any M365 licence) — web-grounded chat in Teams with commercial data protection.
- ☐ **Microsoft 365 Copilot** (£24.70 / user / mo list, £13.80 SMB promo) — deep app integration plus organisational data access.
- ☐ **Bundle: M365 Business Standard + Copilot** (£16.94 / user / mo) — full desktop Office plus Copilot in one line.
- ☐ **Bundle: M365 Business Premium + Copilot** (£24.63 / user / mo) — security stack plus Copilot in one line.

Which security tier do you need?

- ☐ **Open web** — happy with the free version for general staff use; no sensitive data involved.
- ☐ **Commercial data protection** — need prompts kept out of training; Copilot Chat is enough.
- ☐ **Enterprise (EU Data Boundary, DLP, sensitivity labels)** — M365 Copilot or higher required.

07

Numbers, apps & sign-off

The second half of the worksheet. Capture seat counts, target cost and which apps Copilot must work inside, then record your decision.

Your numbers

TOTAL M365 USERS

COPILOT PILOT USERS

**TARGET MONTHLY
COST**

£ _____

DECISION DATE

Apps where Copilot must work

☐ **Word** — drafting and rewriting.

☐ **Excel** — analysis and formulas.

☐ **PowerPoint** — deck generation.

☐ **Outlook** — inbox triage.

☐ **Teams** — meeting recaps.

☐ **OneNote / Loop** — notes & workspaces.

Notes & decisions

PREPARED BY

DATE

APPROVED BY

Need help piloting Microsoft 365 Copilot?

Cloudswitched runs structured Copilot pilots for UK SMEs — user selection, prompt training, adoption tracking and a 30-day ROI review — with the SMB promo locked in before 30 June 2026.

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