



## Lucy Rigby

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### Speech

Good morning, everyone. Thank you very much indeed, David, for that very kind and warm introduction. It is my absolute pleasure to be here at Eurofi with you all today, all the more so because this is my first international speech that I am making as the newly appointed Economic Secretary to the Treasury and City Minister. In fact, I am so new that those of you with a hard copy of the Eurofi magazine will notice that my article has a photo of my predecessor attached to it. We will have to tell the Prime Minister going forward that he needs to bear in mind Eurofi's print deadlines when he is conducting his reshuffles.

It is genuinely a real and particular privilege to be making this speech and to be with you all in Copenhagen today. I say that principally because this government wants the UK to have a warmer and more collaborative relationship with our friends in the European Union than we have had in recent years, and so, as Economic Secretary to the Treasury, there really is no better audience for me to be talking to today.

I am wholly of the view that the UK's financial services sector is a shared asset for the whole of Europe as we look to deliver those better outcomes that we want to see for citizens and industry and to fund generational investments in defence, in infrastructure, and indeed in clean industry as well, so I was delighted when we were able to agree the EU UK strategic partnership at the leaders' summit in May. This was of course a real milestone in improving our

relationship with our closest trading partner, and it provides a platform to deepen our relationship in the many years ahead.

I was also very pleased indeed to see the EU's financial services commissioner Maria Luís Albuquerque was at the Chancellor's Mansion House speech earlier this year. This is a clear signal of the more positive relationship between the EU and the UK, and indeed specifically of improved engagement on financial services in particular. I very much value the constructive dialogue between the Treasury and the European Commission through the Joint EU UK Financial Regulatory Forum, which will meet in just a couple of weeks' time. It is absolutely vital that we, as policy makers and industry leaders, come together at events just like Eurofi to discuss common challenges and to share ideas and perspectives. All of these efforts that I have just run through, and wider efforts as well, are helping to reset the relationship between the United Kingdom and our closest friends and trading partners while strengthening our foundations and making our economies collectively more resilient.

I am confident that the closer collaboration I have just been referring to will deliver real benefits for the economy and not just for the financial services sector, but for business and consumers right across the piece. That includes our synchronised approach to T+1 implementation that I have already been talking to many people about today. It is coming into effect in

October 2027 and will minimise costs for firms across Europe. In this new global era, it is important that governments across Europe offer clear leadership and as much certainty as we possibly can while working with like minded allies around the globe to ensure that we build a better future for everyone.

We are facing up to many of the same challenges. The EU and the UK are both working to ensure that our regulatory frameworks are fit for purpose, properly calibrated and not unduly limiting growth and investment. We are both exploring ways to safely harness innovation in the financial sector, and we are both looking at ways to better channel private savings into productive investments. I know that the EU is looking to develop the Savings and Investments Union (SIU), and I am very keen indeed that we share our learnings, and particularly those from our efforts to develop our capital markets reforms, which are built on our commitment to open and global capital markets. I am keen to build on those discussions here today and regularly across the years.

Providing leadership and stability has been a real focus of the UK government's first year in power, and these are the foundations of our plans for the future. We have been very clear that economic growth is our number one priority as a government with financial services very much at the heart of those plans. We have acted decisively in support of growth through the sector. Many of you will know that, in July, the Chancellor launched the Financial Services

Growth and Competitiveness Strategy, which is building on the foundations of financial stability with a 10 year plan to unleash the potential of financial services in the UK. We have set out the widest ranging reforms to financial services regulation in over a decade. They are designed to deliver growth by embracing innovation, unlocking retail investment and ensuring that regulation supports growth rather than hinders it.

We need to be very clear. This is not about getting rid of regulation that is helpful or proportionate. As a former lawyer – David referred to my role as Solicitor General – I know the benefits of adherence to common standards. I fully appreciate that it is the trust and certainty that comes with those standards that make my country a dependable and reliable partner and provide the bedrock upon which stability, certainty, investment and growth can all flourish.

Taking on the financial services brief within government, I know that the UK's model of financial regulation is respected around the world. Effective regulation and high standards are incredibly important, and they protect citizens, businesses and lenders. We are steadfast in our commitment to those standards, which are the foundations of the global financial system and global free trade. Respect for those standards and global norms is a competitive advantage, and that insight will always drive the UK's approach. The appointment of Andrew Bailey as Chair of the Financial Stability Board demonstrates that commitment, and I am very pleased indeed by his well deserved selection for that post.

It is no contradiction to acknowledge that the UK has developed a domestic regulatory environment that can, at times, be unwieldy and very complex. It is a system that has sought to eliminate risk entirely rather than recognising that some risk is just part of a more proportionate approach. The right regulation will uphold financial stability while also, for example, enabling banks to lend, invest, grow and compete internationally. That is why the UK is taking

significant steps to tailor the capital framework.

We have committed to upholding the ring fencing regime to protect financial stability while taking forward meaningful reforms to support growth. The Financial Policy Committee is reviewing its assessment of the levels of capital needed to support financial stability. We are committed to implementing Basel 3.1, and we are introducing the new requirements for lending and trading activities from 1 January 2027. New modelling requirements for market risk come into force on 1 January 2028. This allows time for clarity to emerge in other jurisdictions. It gives banks the certainty they need to plan and invest in the UK, and it minimises operational complexity for internationally active banks.

We have also updated our regulatory framework for central counterparties enabling it to be revised in what we consider to be an agile and responsive way by our central bank, the Bank of England. As with recently implemented changes to the EU's regulatory framework for CCPs, the proposed changes are targeted and intended to enhance resilience with a focus on setting clear expectations, maintaining international standards and streamlining regulatory processes to improve efficiency and foster innovation. Through these changes, it is essential that we create space for the innovations that will keep the sector growing and meeting the evolving needs of consumers.

The financial services strategy sets out how we will make that space as well as actions that the government itself will be leading. The most relevant for today is the creation of the Office for Investment, which is going to be a concierge service bringing civil servants, regulators and industry together to support international investors who want to establish or grow their presence in the UK's financial services sector. It will provide a single front door for regulatory and wider business support, faster and simpler regulatory authorisation for firms, and a regulator led scale up unit to engage with fast growing and innovative companies.

These measures will enhance the UK's technologically advanced international financial centre and further improve the ability of fintech firms to start, scale and list.

I want to mention one further area that is crucial for innovation across Europe and in the United Kingdom. That is savings. We need to unlock the productive capital that is currently held in cash savings. In the UK alone, there are billions and billions of pounds' worth sitting in savings accounts. Frankly, this is capital that is currently neither working as hard as it should for savers, nor is it helping businesses that want to start and scale but need funding in order to push on. Together with the Financial Conduct Authority, which you will know is headed up by Nikhil Rathi, who I believe is on a panel either in this room or elsewhere, but is certainly here at this conference today, we are rolling out a system of targeted support to help customers to understand and make financial decisions to grow their savings. This will rebalance how we discuss the benefits and risks of investing. This will represent the biggest reform of financial advice and guidance in more than a decade and will be a step change in the support available to consumers to begin investing. I know that the EU is taking similar steps to channel savings and pensions into more productive investments via the SIU strategy as well.

In conclusion, I will end where I began, which is to say that the health of our financial services sector is integral to the success of both the EU and the UK. It serves as the foundation and engine for the growth that we all want to see. I hope that we can continue to work together, cooperate, collaborate and meet shared challenges together to the benefit of us all. I am very much looking forward to working with all of you in my new role and to the rest of this conference. Thank you very much indeed.