



UK  
FINANCE

# **UK FINANCE: ADVOCACY AND POLICY PRIORITIES 2024**

## FOREWORD

In recent years the financial services sector has faced intense periods of both challenge and opportunity. As we head towards a General Election that is almost certain to continue.

I believe that, as an industry, we can face into this challenge and demonstrate the real value the sector delivers. UK Finance is striving to become the best financial services trade association in Europe. That should enable us to continue to make a real difference for members and wider society. We have developed this theme in our 'Building a Better Society' 2024 work programme. We will advocate for policy changes that deliver an environment that allows members to invest and grow, which in turn benefits society.

### The challenges

As politicians get ready to set out their pitch to the electorate, the question of what the sector can do to help improve people's lives and communities through improving their interaction with financial services, is likely to feature in their campaigns.

On behalf of our members, I want UK Finance to have a stake in that debate and be able to demonstrate the role our sector is playing to grow the economy and aid society. We will focus on the positive experience people have with the sector and the important role we play in delivering a wide range of beneficial outcomes, like the transition to net zero, providing funds to allow people to start businesses and buy their own homes. We will also focus on the innovations that will keep the UK at the forefront of the industry globally.

### The opportunities

The past few years have been challenging, but they have also shown the importance of our sector and what it can do when it comes together with purpose. UK Finance's Reach Out campaign is helping those struggling with their mortgage payments and our Take Five messaging is preventing people becoming victims of fraud, to name but two instances.

As we move into a politically charged year with heightened media attention, I want to use examples of the often-untold story of the brilliant work that the sector does, as part of our Building a Better Society narrative for 2024. I believe that doing this, with the support of members and stakeholders, will not only help drive the work of UK Finance, but also highlight the positive role the sector plays in improving people's lives.



**David Postings**

Chief Executive

# BUILDING A BETTER SOCIETY



## UK FINANCE: ADVOCACY AND POLICY PRIORITIES

### **Building a Better Society (BBS) 2024**

Each year UK Finance sets out its priority workstreams which guide our work programme for the year ahead. For 2024 we have brought the key elements of each workstream into one overarching narrative, “Building a Better Society”.

#### **Our narrative**

Representing 300 firms, we’re a centre of trust, expertise and collaboration at the heart of financial services. Championing a thriving sector and building a better society.

The financial services industry plays a vital and often underappreciated role enabling individuals, families and communities to achieve their ambitions in a safe and sustainable way - through home ownership, starting a new business or saving for retirement. The sector is fundamental to people’s lives, and we are proud to promote the work it is doing to support customers and businesses up and down the country.

Whether it’s through innovating for the future, driving economic growth, helping struggling customers amid increases in the cost of living, fighting economic crime or working to finance the net zero transition – the industry is having a positive effect on the lives of people across the UK and improving the society we live in.

#### **Our priority workstreams**

Our priority workstreams for 2024 are:

- delivering a high growth economy
- transitioning to net zero
- enabling digital innovation
- keeping the financial system safe
- supporting consumers and businesses

These workstreams focus UK Finance’s work and enable us to share positive stories with the public and stakeholders. It is through these workstreams that we will achieve our Building a Better Society work programme on behalf of our members.



# DELIVERING A HIGH GROWTH ECONOMY

We will help ensure that the financial services sector is competitive and contributing to the success of the UK. We will advocate for an internationally competitive tax and regulatory regime that encourages investment and empowers people. In the UK we already have the key pillars needed for successful global capital markets. However, it is important to build on this to support and encourage those markets, which help to underpin the health of the wider economy. As part of that work, UK Finance will be working to reboot the nation's saving and investment culture.

## KEY ACTIVITIES:

- We will produce and promote a manifesto ahead of the general election outlining measures that the sector would like to see from the next government, including key regulatory changes that would promote growth.
- We will advocate for measures in the Spring Budget to unlock growth, including a more competitive environment for UK retail investment.
- We will continue our advocacy around a competitive tax system for the financial services sector, including issuing our Total Tax Contribution Report later this year.



# ENABLING DIGITAL INNOVATION

The financial services sector is becoming increasingly digitised with innovative products and services providing more choice for consumers and encouraging new players and technologies into the payments ecosystem.

It is important that the UK ensures its regulatory framework will further enable digital innovation, which is one of the key drivers of future growth in the sector and UK economy.

We will support the financial services industry as it moves towards a more digital approach – assisting customers, making it easier to access financial services and helping to grow the sector. We will advocate for appropriate regulation of digital money and emerging technologies.

## KEY ACTIVITIES:

- We will issue a report looking at the next steps in UK payments infrastructure and how customers and the sector will benefit.
- We will issue a report into emerging technologies and the positive impact they will have on society.
- We will continue to advocate on reform to the Consumer Credit Act in a way which supports the digital access and engagement customers require.
- We will deliver our flagship Digital Innovation Summit, bringing together innovators, stakeholders and members from across the financial services sector.



# KEEPING THE FINANCIAL SYSTEM SAFE

Economic crime is a serious threat to the UK's national security and undermines consumer confidence, increases the costs of conducting business and impairs the competitiveness of the UK. UK Finance wants to ensure the UK is a safe place to do business for all.

We will support efforts to reduce the level of economic crime in the UK and ensure that the financial services sector is resilient, well capitalised and able to deal with any future market turbulence.

## KEY ACTIVITIES:

- We will continue to advocate on the Economic Crime and Corporate Transparency Act and support industry through the adoption of a new Authorised Push Payment (APP) reimbursement regime.
- We will provide expertise and convene our members as the sector adapts to the Basel 3.1 regulatory regime, whilst promoting a more proportionate regulatory regime for less systemically important firms.
- We will play a leading and coordinating role in ensuring the operational resilience of the sector against unexpected future events.
- We will deliver our flagship Economic Crime Congress, bringing together industry, policymakers and stakeholders to take action against economic crime.



## SUPPORTING CONSUMERS AND BUSINESSES

Difficulties in the global and UK economies have directly affected household budgets. The industry will continue to offer support to customers. UK Finance is bringing the sector together to address cost of living issues by communicating the support available.

The industry's support of businesses and SMEs helps to drive economic growth by providing billions of pounds of financing across the country each year. We are working with government to ensure the policy environment complements this effort by creating the right conditions to encourage growth. Alongside this, UK Finance continues to ensure businesses are aware of the support already available to them.

Amid the possibility of continuing economic challenges, we will help customers facing difficulty and seek to improve the reputation of the sector with both government and the public. We will advocate for measures to encourage economic stability and appropriate regulation, to allow firms to act flexibly and assist individuals, especially vulnerable customers, and SMEs.

### KEY ACTIVITIES:

- We will continue to improve access to cash for individuals who need it, as well as wider access to finance for SMEs and others.
- We will publish a joint report examining the UK's housing ecosystem. The report will highlight the key issues impacting the housing market and incorporate the views of mortgage lenders and home builders – forming the blueprint of our housing advocacy to all political parties.
- We will continue to coordinate with members on support for customers amid cost-of-living pressures, including extending our Reach Out mortgage support campaign, and advocating for other sectors to contribute to debt advice provision.
- We will publish a report on the complex and distressing topic of Domestic, Financial and Economic Abuse (DFEA). Our Safeguard Report will contain recommendations on tackling economic abuse, which are supported members and stakeholders.
- We will continue to assist members through their ongoing implementation of the FCA's Consumer Duty, which helps to ensure the best outcomes for customers.



# TRANSITIONING TO NET ZERO

The financial services industry is committed to helping the UK achieve its net zero targets and recognises it has a critical role to play in a just transition to a greener economy.

In 2024 we will continue to call for a robust and coherent, internationally aligned, policy framework for all sectors of the economy to encourage green investment and reach net zero. We will also continue our focus on actions to green the UK's housing stock, assist SMEs when transitioning their business models and facilitate dialogue to allow international regulatory coherence.

We will help the financial services sector's green transition in a just, sustainable and achievable way that advocates for clarity about the UK's path to net zero by 2050.

## KEY ACTIVITIES:

- We will issue a report looking into the challenges SMEs face as they transition to net zero, alongside a set of robust policy recommendations to address these issues.
- We will represent the industry at COP29, delivering a programme of events and engagements on behalf of our members.
- We will advocate for measures to allow the sector to facilitate the just transition to a net zero economy at both the Spring Budget and in our General Election manifesto.



# TRUST, PARTNERSHIP AND STRONG PERFORMANCE



## OUR APPROACH AND IMPACT

### Building on a strong performance

UK Finance enters 2024 with the opportunity to build on the successes and achievements from the past year, by listening to feedback from members and stakeholders, as well as through delivery on our priority workstreams.

In 2023 we commissioned our first independent research into how UK Finance is perceived by our key stakeholders. We found that stakeholders are confident in UK Finance in delivering against its objectives and demonstrating its policy expertise. We are proud to say that our stakeholders see UK Finance as expert, responsive and helpful.

We also received further feedback from members. In our most recent member survey, conducted in September 2023, 96 per cent of respondents provided positive feedback about UK Finance's performance in advancing the interests of members and stakeholders.

Through our advocacy we have materially impacted legislation and outcomes for members, including on the Financial Services and Markets Act 2023, where we strongly supported the case for a secondary competitiveness objective. This builds on, and follows, a host of advocacy wins across our workstreams in recent years.

### Collaboration, partnership and trust

This year collaboration, partnership and trust will remain at the heart of our work, allowing us to deliver positive outcomes for our members and wider society. We will continue to strengthen stakeholder relationships and provide expertise to support policymaking, while remaining proactive and forward looking, always alive to opportunities to deliver value for our membership.

Over the last year, our work with key partners as trusted advisers allowed us to effectively deliver on the Financial Services and Markets Act 2023, support Companies House reform and help efforts to tackle fraud through the Online Safety Act 2023; as well as hold a Digital Innovation Summit, bringing together key thought leaders from across the sector.

These few examples amongst many, highlight the approach we will continue to take in 2024, putting our members first and delivering for them through collaboration, expert advocacy and trusted partnerships with industry, government and stakeholders.