



28 February 2018

Treasury Committee inquiry into Women in Finance: written evidence submitted by UK Finance

1. UK Finance represents nearly 300 of the leading firms providing finance, banking, markets and payments-related services in or from the UK. UK Finance was created by combining most of the activities of the Asset Based Finance Association, the British Bankers' Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association. Our members are large and small, national and regional, domestic and international, corporate and mutual, retail and wholesale, physical and virtual, banks and non-banks. Our members' customers are individuals, corporates, charities, clubs, associations and government bodies, served domestically and cross-border. These customers access a wide range of financial and advisory products and services, essential to their day-to-day activities. The interests of our members' customers are at the heart of our work.
2. UK Finance is a signatory to the HM Treasury Women in Finance Charter. We took the decision to join at an early Board meeting and formally became a signatory on the first possible occasion, which proved to be the cohort announced by HM Treasury on 10 November 2017.
3. In doing so, we committed to 40% of our senior management posts being filled by women within three years and added that we aspired to achieve gender parity over the medium term. In reporting to HM Treasury last month, we explained that we envisaged achieving this by measures supporting the development of a strong and sustainable female talent pipeline laying the foundation for senior female succession to the top including:
 - Our aiming to achieve a 50% gender balance in junior and middle management roles by the end of January 2021 in order to develop an internal pipeline of female talent for senior management level roles
 - Training initiatives in support of our diversity strategy and the achievement of diversity targets
 - Working only with external recruiters who operate in accordance with our values and diversity commitments
 - Requiring all senior level recruitment shortlists to be gender balanced
 - Ensuring that all promotion and remuneration decisions are made in accordance with objective, structures processes in order to avoid gender bias
 - Maintaining and promoting a culture and working environment that is supportive of maternity returners and other employees with caring responsibilities
4. In our submission to HM Treasury we additionally committed to promote the Charter within our membership and ensure that participation in our events is consistent with Charter objectives. This speaks to your question about the role that UK Finance can play in raising the profile of the Charter and encouraging those who have not signed up to become signatories.
5. We have, for instance, included prominent reference to the Women in Finance Charter in our first membership brochure along with a quotation from Jayne-Anne Gadhia who we are pleased to have on our Board. In addition to being shared with all members, and potential members, the brochure forms part of the dialogue that we hold in regular meetings with financial services organisations.
6. We are then looking to encourage members to participate in our events on a basis consistent with gender balance as promoted by the Code. This includes our:
 - Undertaking a specific initiative to build up the number of women in our speaker pool for industry events and seminars
 - Seeking to ensure that our programmes include providing a platform to more women than may have been the case in the past
 - Encouraging members to be mindful of industry commitments on diversity when deciding which colleagues should represent them at our events and dinners
 - Looking to include good employment practices as a theme in relevant events and seminars

7. While it is too early to be able to judge with certainty the impact of these measures, our clear aim is to contribute to a more gender balanced environment and in the process to provide women with the opportunities needed to assist them in their path to senior management.
8. Our commitment to diversity and inclusion, including gender balance, is also reflected in the policy work we undertake on behalf of members. We were, for instance, pleased to hold a discussion last month with officials from the Government Equalities Office at which members were given the opportunity to share with the GEO their approach to making their statutory pay gap disclosures and the issues that this raised. Then, in responding to the Financial Reporting Council's consultation on proposed revisions to the UK Corporate Governance Code, we will support revisions to the Code intended to lead to more action to build diversity in the boardroom, in the executive pipeline and in companies as a whole.
9. We regard the public debate on diversity issues that is currently taking place to be long overdue and consider the measures within the Women in Finance Charter and other diversity and inclusion initiatives to be reflective of employment practices that should define a well-run company in modern Britain.
10. In recent weeks we have seen highly critical headlines generated by the first statutory gender pay gap disclosures. Whilst these show that action is needed it is also important to interpret the information they provide carefully and appreciate that they are part of addressing a longstanding problem. We should therefore bear in mind that many factors make up the disparities reported and we acknowledge that there is work to be done. Also, that the intention is for the disclosures to be an agent for change and should be viewed alongside positive initiatives being taken to address disparities, including within the financial services sector the Women in Finance initiative.