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Mansion House 2026:
TheCityUK summary and analysis

Introduction

The Chancellor of the Exchequer and the Governor of the Bank of England delivered speeches to a senior industry audience at The Mansion House yesterday evening, alongside the Lady Mayor of the City of London. These speeches included a focus on growth, regulation and opportunities to bolster the UK's competitiveness through tokenisation, AI and other technologies.

Several reports have been published to coincide with the Chancellor's speech, including an update on the government's progress in the last year against the Financial Services Growth and Competitiveness Strategy (FSGCS). TheCityUK provided member feedback to HM Treasury on progress against the FSGCS, which was reflected in the report, and which noted 'the FS strategy set the right direction, but its credibility depends on delivery'.

Responding to the speech and associated publications, Miles Celic OBE, Chief Executive Officer, TheCityUK, said, "The Chancellor has rightly recognised that a strong and successful financial and related professional services industry is vital for Britain. Our industry is a strategic national asset, creating jobs and driving growth, investment and prosperity across every region and nation."

"With technology the defining battleground for global competitiveness, it's positive to see progress on tokenising financial services, a clearer timeline for launching a Digital Sovereign Bond and new AI payment tools. A stronger focus on devolution and driving capital into the regions is also welcome. As ever, ambition and pace of implementation remain essential to ensure the industry can catalyse growth across every corner of the country."

Announcements and commitments

As set out in TheCityUK and PwC's 'No time to lose' report, launched by the Economic Secretary to the Treasury this year, there are five priority areas where clear and consistent actions from government can accelerate investment, support growth and reinforce the UK's global position.

Lead at the frontier of financial technology

The FSGCS progress report demonstrates that technology and innovation remain central to the Government's ambition to drive growth and competitiveness across UK financial services. The focus is increasingly on implementation and delivery, which we called for in our 'No time to lose' report. This focus is essential to provide firms with greater clarity and confidence to invest in digital transformation, develop new products and services, and support the UK's position as a leading global hub for financial and related professional services.

Several key publications accompanied the Chancellor's speech, as set out below:

Wholesale Digital Markets Champion Report

- The Wholesale Digital Markets Champion's report marks a major milestone in establishing the UK as a global leader in tokenised wholesale financial markets. We played a key role in supporting the work, with the City of London Corporation acting as secretariat, alongside industry partners UK Finance, the Investment Association and also HM Treasury.
- Reflecting priorities championed by us and the wider industry, the report sets out a clear roadmap for coordinated action across government, regulators and industry to modernise market infrastructure, enable innovation and strengthen the UK's international competitiveness. It reinforces the UK's ambition to shape the future of global wholesale markets, positioning the UK to attract investment, influence international standards and maintain its leadership as financial markets become increasingly digital. With the strategic vision now established, the priority shifts to delivery of tangible market outcomes to secure the long-term benefits of digital market transformation, working collaboratively across the public and private sectors to implement the report's recommendations through targeted regulatory reforms, market pilots, infrastructure development and clear governance.

Financial Services AI Adoption Plan

- The publication of the plan is a significant milestone in delivering the UK's ambition to be a global leader in the responsible adoption of AI across financial services. The plan is closely aligned with our long-standing policy that the UK should enable innovation through its existing principles-based regulatory framework, underpinned by clear guidance, proportionate oversight and strong collaboration between government, regulators and industry.
- Among the plan's most notable proposals are its focus on agentic AI and the regulatory perimeter. The Government recognises the growing potential for AI agents to act on behalf of consumers and businesses, and highlights the need to establish clear frameworks for areas such as payments, authentication, liability and consumer protection before these technologies become mainstream.
- As implementation progresses, we will continue to advocate for continued collaboration with industry to develop practical guidance, close coordination across UK and international regulators to minimise fragmentation, and a sustained focus on ensuring the UK's regulatory framework continues to attract investment, support innovation and enhance the UK's position as a leading global financial centre.

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UK financial system strengthened with new safeguards for major technology providers

- The Government has introduced the Critical Third Parties (CTP) regime, bringing the most systemically important technology providers supporting the financial sector under direct regulatory oversight to strengthen the UK's operational resilience.
- The new regime complements the UK's wider digitalisation agenda, supporting the safe adoption of cloud and AI technologies alongside initiatives such as the Financial Services AI Adoption Plan, the National Payments Vision and the Digital Securities Sandbox. We welcome this proportionate approach, which strengthens confidence in the UK's digital infrastructure while supporting continued innovation, investment and international competitiveness. We will continue to engage with policymakers and regulators to help ensure implementation remains practical, coordinated and innovation-friendly.

Reset regulation and tax for the future of finance

The Chancellor has recognised our calls to reform regulation to address the cost and complexity of doing business in the UK, as underscored in our 'Reducing the cost of compliance' report with PwC.

We successfully pressed for the introduction of the Financial Services and Markets Bill, which will deliver changes to the UK's legislative and regulatory framework. Our priority is that the Bill fully delivers the intended key reforms, including reducing the burden of the Senior Managers and Certification Regime, and preventing the Financial Ombudsman Service from acting as a quasi-regulator, ensuring it is instead a simple and impartial dispute resolution service for consumers.

The Bill is an important element of delivering a more proportionate, growth-focused regulatory environment that supports consumers and businesses, as set out in our 'No time to lose' report.

The Chancellor also referred to the Financial Policy Committee's review of bank capital requirements, which includes several proposed amendments to the design of the UK's capital framework. Taken together with the proposed reform of the ring-fencing regime, these actions can unlock additional lending capacity for businesses and households, giving banks flexibility to serve the full range of UK corporate clients, and strengthen the international competitiveness of UK banking.

Deepen international trade and investment

Alongside the speech, the Chancellor published the UK-US Transatlantic Taskforce on Markets of the Future recommendations. Launched with Secretary Scott Bessent after the US President's State Visit last September, we played a central role in gathering UK industry input for HM Treasury.

The recommendations focus on digital assets, stablecoins and capital markets, with progress towards shared UK-US approaches to regulating digitalised and tokenised assets. A one-year industry workstream on tokenisation use cases was agreed, which we will seek to support. The Taskforce has given fresh impetus to the UK-US Financial Regulatory Working Group and strengthened our industry's role in shaping policy at a time of rapid technological change.

The Chancellor highlighted the importance of the UK-EU relationship. We look forward to working with the government to advance the proposals set out in our 'Priorities for advancing UK-EU relations' report. We see an opportunity to deliver practical, deliverable measures to reduce friction and improve predictability across the European financial system and deliver shared European priorities.

The FSGCS one-year update highlighted UK progress in deepening bilateral trade and investment ties. The recent UK-Switzerland free trade agreement (FTA) builds on the Berne Financial Services Agreement, delivering improvements on business mobility, certainty for services firms and digital trade. The UK-Gulf Cooperation Council FTA also secured outcomes on market access, mobility, data localisation, digital trade and regulatory transparency. We look forward to the forthcoming Economic and Financial Dialogues with China and India.

Connect capital with national priorities

We welcome the Government's continued focus on economic clusters and place-based growth. This reflects TheCityUK's long-standing view that the country's regions and nations achieve the greatest impact when they build on their distinctive sectoral strengths and are empowered to develop clear, investable growth propositions.

This mirrors work we have been undertaking across the UK to help shape place-based growth strategies and strengthen regional competitiveness. Through our Regions and Nations Programme, we have convened industry leaders, mayors, combined authorities and devolved administrations to inform Local Growth Plans, regional economic strategies and sector-specific growth priorities.

We have also worked closely with the Office for Investment and the Strategic Investment Opportunities Unit to help identify and develop investable regional opportunities, while supporting efforts to build stronger pipelines between local growth ambitions and private capital. These themes will be explored further in our forthcoming 'Enabling Growth Across the UK 2026' report.

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Build a nation of investors

The Chancellor reiterated her commitment to turn Britain's savers into investors. The FSGCS progress report reflects several reforms and initiatives that have championed and helped to shape, including:

- Securing targeted support measures to encourage greater retail investment.
- Influencing the content and passage of the Pension Schemes Act, helping to shape key reforms.
- Making the case for a three-year listing relief for UK shares from Stamp Duty, providing HM Treasury with the evidence base for the policy. We continue to advocate for the full abolition of stamp taxes on UK shares, which would send a clear signal that Britain backs growing companies across the UK and supports individual and pension investment in UK companies.
- Shaping ISA reforms, while continuing to press the government on concerns around the proposed anti-circumvention rules in the forthcoming technical consultation.
- Supporting the industry-led investment campaign and reforms to investment risk warnings announced in the strategy.
- Reinforcing the importance of a strong funding continuum between private and public markets, helping to inform the development of PISCES and broader capital markets reforms.

Additional priority announcements

We welcomed the Dematerialisation Action Taskforce (DEMAT) Implementation plan and played an active role in its development. However, we remain concerned that the commitment to move all shares into an intermediated system by the end of this Parliament is unlikely to be met, risking the UK's international competitiveness and slowing progress towards tokenisation.

Devolution and growth

We were pleased to welcome the Chancellor's positive remarks on devolution as a river of growth and partnership. These reflect TheCityUK's long-standing view that stronger local leadership, backed by effective national coordination, is essential to unlocking growth across every region and nation of the UK.

Through our Regions and Nations Programme, our network of Regional and National Chairs and our engagement with mayors, combined authorities and devolved administrations, we have consistently argued that devolution works best when business is built into decision-making from the outset.

As the new administration develops its approach, we will seek to engage constructively on how greater devolution can work for business: strengthening local growth plans, improving investment pipelines, deepening skills partnerships and ensuring financial and related professional services can support prosperity in every postcode.

Financial Services Skills Compact

As a supporter of the Financial Services Skills Compact, delivered by the Financial Services Skills Commission and HM Treasury, we were pleased to see this work formally launched alongside the Mansion House speech. Our 'No time to lose' report called out the need for urgent and sustained investment in industry skills, and particularly to build a tech-first workforce. As technology reshapes every aspect of financial and related professional services, skills will need to evolve at every level.

The Skills Compact is a landmark agreement between the government, the Financial Services Skills Commission, and firms in the sector to work together to close skills gaps. It is the most significant agreement on skills between government and employers in a generation.

At the time of its launch, more than 30 financial services organisations had committed to the Skills Compact, including high street banks, major insurers, building societies, investment managers, digital banks, and trade bodies, meaning that more than 250,000 workers will benefit from investment in their skills. Through the Skills Compact, firms pledge to invest in their own people, develop talent pipelines, and collaborate to close the sector's skills gaps.

More information about this work by the Financial Services Skills Commission can be found here: Chancellor set to announce financial services skills agreement - FSSC.

Conclusion

The increased focus from the government and regulators on growth is welcome. However, bolder ambition and faster, more decisive implementation is necessary to secure the UK's competitiveness as a world-class international financial centre in the next decade and drive investment and growth. We look forward to continuing to work in partnership with government and regulators to turn this ambition into delivery and outcomes.