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Reeves Calls for Positive Shift on Savers' Investments

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Chancellor Rachel Reeves has urged the financial sector to stop focusing solely on the dangers of investing in stocks and shares, advocating for a more balanced approach to help unlock private capital and support the broader economy.

Speaking at the annual Mansion House dinner in the City of London, Reeves criticised what she described as a “tangled system” of financial guidance that often leaves consumers

wary of investing. She announced that the government will work with the Financial Conduct Authority (FCA) to design new targeted support to help savers make informed decisions. Reeves argued that for too long, the benefits of investment have been overshadowed by repeated warnings about the risks, discouraging households from putting their money to work in the markets.

While she recently stepped back from proposals to lower the tax-free limit on cash Individual Savings Accounts (ISAs) after strong opposition from lenders, Reeves made clear she still intends to explore ways to channel more of the roughly £300 billion currently held in these accounts into productive investment in British companies. Her remarks come as the United Kingdom's economy has shown signs of strain, contracting in both April and May.

Reeves also aimed for what she called excessive caution in regulation, arguing that overreach can stifle enterprise and slow growth. "In too many areas, regulation still acts as a boot on the neck of businesses," she told the audience, adding that regulators should take up the challenge of fostering innovation instead of defaulting to restrictive policies.

Former Lord Mayor of the City of London Sir William Russell told the *BBC* that the pause before the next fiscal statement could fuel unnecessary speculation about new taxes. He noted, "That pause doesn't help because there is uncertainty, and if there's one thing we all would agree with, the City does not like uncertainty."

Bank of England Governor Andrew Bailey, who also spoke at the event, emphasised the importance of balancing reforms with stability. Bailey said that while regulations should be updated over time, it does not mean all existing rules are flawed, underlining the need for a measured approach to modernising oversight.

Reeves closed her remarks by stressing that empowering savers to invest will ensure that more households can share in the country's economic success, even as the government prepares for further debates over tax policy and regulatory reform in the months ahead.