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Reeves Criticised Over Potential Wealth Tax Targeting Middle Class

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Rachel Reeves has come under growing criticism after refusing to rule out a sweeping wealth tax that many fear will hit Britain's middle-class workers hardest. Senior Conservatives have warned the Chancellor could be preparing a costly tax raid to cover the widening gaps in the nation's finances, despite her claims that the economy has regained stability under her stewardship.

Prominent figures in the Conservative Party, including Party Leader Kemi Badenoch and Shadow Chancellor Mel Stride, have accused Reeves of planning to “pick the pockets” of hard-working families to pay for government spending and a mounting fiscal deficit. Stride cautioned that taxing “grafters” would be the worst move for an already fragile recovery, arguing such measures will inevitably stifle growth, saddle households with higher bills, and push borrowing to unsustainable levels.

Although Reeves has pledged not to raise income tax, National Insurance contributions, or Value Added Tax, she notably declined to dismiss new levies on wealth during an interview. She defended her approach by highlighting that the Bank of England has reduced interest rates four times in the past year, attributing this to improvements in economic stability but acknowledging that fiscal challenges remain. Yet even the central bank’s governor, Andrew Bailey, has signalled that economic growth remains below its potential, and further tax increases could further dampen business confidence.

Attempting to regain control of her struggling tenure, Reeves will set out plans to bolster Britain’s financial services sector in a Mansion House address. The proposals include expanding mortgage options for first-time buyers, allowing loans exceeding 4.5 times applicants’ income, and establishing a permanent Mortgage Guarantee Scheme. Nationwide Building Society has already announced it will lower income requirements for its Helping Hand mortgage product, potentially assisting thousands of additional buyers each year.

Despite these pledges, many remain unconvinced that higher taxes are off the table. Badenoch summed up the frustration, stating plainly that Britain does not need more taxation but rather a government committed to reining in spending and respecting taxpayers. As Reeves tries to steady her leadership, critics warn that another tax raid could burden the very people the government claims to support.