

Reeves' Attempt to Back Revolut Licence Bid Blocked by Bank of England Governor

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Chancellor of the Exchequer Rachel Reeves has reportedly found herself at odds with Bank of England Governor Andrew Bailey after trying to intervene in Revolut's ongoing efforts to obtain a full UK banking licence. The attempted move, aimed at expediting the regulatory process, underscores growing tensions between the Treasury and the country's financial regulators.

According to reports, Reeves sought to facilitate a meeting between Revolut and relevant financial oversight bodies, including the Prudential Regulation Authority (PRA), to support the company's prolonged licensing application. However, the proposed meeting was blocked by the Bank of England, highlighting a clear division between the political and regulatory arms of government over how fintech firms should be handled.

City A.M. recently reported that Revolut was poised to miss a crucial 25 July deadline for its 12-month "mobilisation" period, a step required as part of its journey toward securing a full banking licence in the United Kingdom. The mobilisation phase allows firms to operate in a limited capacity under close supervision while final checks and preparations are made before a full licence is granted.

Revolut, which has rapidly expanded its global footprint, has been in pursuit of a UK banking licence since 2021. The licence would allow the firm to broaden its product offerings and operate with the same authorisation as traditional banks. However, the process has been marked by regulatory delays and heightened scrutiny due to the scale and complexity of Revolut's operations.

A spokesperson for the company acknowledged the challenge of the process, stating to *City A.M.*: "We are progressing through the final stages of mobilisation and continue to work constructively with the PRA. Given Revolut's global scale, this is the largest and most complex mobilisation ever undertaken in the UK."

The incident raises questions about the balance of influence between elected officials and independent regulators, particularly in the fast-evolving financial technology (fintech) sector. While ministers may seek to champion innovative companies and support economic growth, regulators remain cautious to ensure that financial stability and consumer protections are not compromised.

Revolut, founded in 2015, is one of the most prominent financial technology firms based in the United Kingdom. Offering services such as international payments, cryptocurrency trading, and savings products, the company has grown to serve millions of users worldwide. However, without a full UK banking licence, its ability to operate in the domestic retail banking market remains constrained.

As of now, the PR, a division of the Bank of England responsible for supervising banks and insurers, continues to evaluate Revolut's application. No specific timeline has been provided

for when a final decision will be made.

This episode illustrates the broader debate about the role of government in shaping the regulatory landscape for emerging industries and whether political involvement helps or hinders long-term stability and market confidence.