

Reeves Urges Public to Invest in UK Despite Market Concerns

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Chancellor Rachel Reeves has launched a nationwide campaign to encourage the British public to invest more in UK-listed companies, part of a wider plan to revive domestic markets and boost economic growth. However, concerns are mounting that the initiative could fall short if not carefully managed.

The campaign, expected to begin next year, will see major banks notify customers of investment opportunities in UK firms. Modelled on the 1980s “Tell Sid” Campaign, the project aims to shift public behaviour away from cash savings and towards equity ownership. The Financial Conduct Authority is reviewing risk warnings on investment products to support the effort.

The move comes as retail investment levels in the UK lag behind other G7 nations. Reeves has argued that unlocking domestic capital is essential to strengthen the London Stock Exchange and prevent further capital outflows. The campaign sits within her broader Mansion House reforms, which also include easing IPO timelines, loosening bank lending restrictions, and reviewing ring-fencing rules.

Despite the ambition, critics warn that the campaign risks backfiring if savers are not given a clear reason to invest specifically in British firms. Without such focus, there is concern that new retail investments could flow overseas, undermining the policy’s domestic growth goal. Some financial analysts also caution that weakening regulatory safeguards, such as bank ring-fencing, could expose the financial system to new risks.

Some senior executives at major banks have voiced reservations about removing the separation between retail and investment banking. They argue the current structure protects customer deposits from market volatility and should not be diluted in pursuit of growth.

Meanwhile, the London Stock Exchange has resisted proposals to mandate UK pension funds to invest a set portion into domestic equities.

Its leadership instead supports voluntary incentives tied to existing tax frameworks, warning against overly interventionist policy.

Public response remains cautious. Surveys conducted since Reeves's first Budget indicate a significant number of UK retail investors have reduced their holdings in domestic stocks, citing higher capital gains taxes and economic uncertainty.

As the Government seeks to reorient British finance through structural reforms and cultural change, success will depend on building confidence among savers, without exposing them or the financial system to unfavourable consequences.