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Reeves to Say City Red–Tape Cuts Will Deliver Benefits to Households

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Chancellor Rachel Reeves is set to unveil substantial financial regulatory reforms, referred to as the “Leeds reforms”, which aim to ease red tape for City firms and, she argues, deliver trickle-down benefits to households across the UK.

The reforms, described as the most significant in a decade, will focus on reducing bureaucratic burdens in financial services and the wider regulatory framework. Key measures include loosening mortgage income requirements, such as expanding access to Nationwide's Helping Hand mortgage by lowering salary thresholds and introducing a permanent government-backed mortgage guarantee scheme. Reeves maintains these steps will bolster investment, ramp up lending, and ultimately lift living standards for working families.

In addition, the Financial Conduct Authority will simplify the rules governing share listings, raising the prospectus threshold from 20 per cent to 75 per cent, saving firms an estimated £40 million annually. The Government is also intent on streamlining the senior managers and certification regime, halving the compliance period for roughly 140,000 professionals, cutting approval delays, and eliminating pre-approvals for around 40 per cent of new appointments. Other reforms include fast-tracking bond issuance and secondary share issues, as well as offering a "concierge service" to help international investors navigate visas, regulations, and office setup.

Reeves will argue these measures place financial services at the heart of economic growth. She believes that such a centrepiece, spanning mortgages, capital raising, and financial regulation, will produce a ripple effect: boosting investment in productive sectors, expanding credit, supporting first-time buyers, and ultimately putting more pounds in households' pockets.

Nevertheless, critics caution against excessive deregulation. Some economists warn that loosening rules too far could expose consumers to risk, potentially inflating household debt or destabilising markets, echoing

mistakes from the 2008 financial crisis. Concerns have also been raised that easing transparency and governance standards may compromise oversight.

Reeves's agenda follows similar moves by regulators at Mansion House and the Treasury, including pledging to cut overall regulatory burdens by 25 per cent during this Parliament and reducing red tape in infrastructure and environmental permitting.

In summary, Reeves's reforms reflect a pragmatic, centre-right approach: leveraging the financial services sector to drive sustainable growth, enhance household prosperity, and reinforce the UK's competitive position, while asserting continued fiscal discipline and oversight.