

OpenVoiceNews U.K.

Transparent. Unbiased. Yours.

City Leaders Urge Rachel Reeves to Prioritise Tax Stability

July 15, 2025

— Categories: Economics



Download IPFS

City figures are urging Chancellor Rachel Reeves to avoid further tax hikes that could damage investor confidence and accelerate the departure of high-net-worth individuals from the United Kingdom.

As anticipation builds around the Chancellor's Mansion House speech, leading voices from the financial services sector have expressed growing concern that the government's

direction on tax policy is undermining Britain's competitiveness and driving wealth overseas. Rachel Reeves, who is expected to outline her financial vision, is being pressed to reassure the sector with a commitment to long-term tax certainty.

Executives from the nation's largest wealth management firms are warning that any further tax increases, particularly those targeting pensions, inheritance, or investment, could discourage personal savings and destabilise financial planning. Paul Manduca, Chair of St James's Place, emphasised the need for "tax certainty," warning that abrupt changes to pension tax relief could have long-lasting consequences on retirement behaviour. Similarly, Paul Geddes, Chief Executive Officer of Evelyn Partners, highlighted the importance of maintaining a stable pensions tax regime, especially after recent policy reversals on welfare and fuel payments shook market confidence.

Concerns are particularly focused on last year's announcement that unused pension pots will no longer benefit from lifetime tax-free status after death, and may become subject to inheritance tax at 40 per cent starting in April 2027. Geddes labelled the measure "major," stating it is forcing many individuals to radically rethink their long-term plans.

The planned abolition of the non-domiciled status, commonly referred to as "non-dom," has also prompted significant backlash. This policy previously allowed British residents who declared their permanent home abroad to avoid taxation on overseas earnings. The change has reportedly caused a mass departure of high-net-worth individuals, many of whom contributed significantly to the national tax base. Sir Nicholas Lyons, Chair of Phoenix Group, described the non-dom reform as the "straw that broke the camel's back," pointing to an ongoing trend of millionaire emigration.

Peter Hargreaves, billionaire investor and co-founder of Hargreaves Lansdown, warned that overly aggressive tax policy risks pushing out the very people who drive economic growth. "There is a certain level you can tax a country before people either avoid it or leave," he said. He also noted the practical fallout: "People are leaving , and these are people who pay a lot of tax."

City veterans are also questioning the Chancellor's true support for the financial sector. Lord Michael Spencer, founder of ICAP and current Chair of Nutshell Asset Management, criticised ongoing speculation about a wealth tax and called on Reeves to act decisively by scrapping the outdated 0.5 per cent stamp duty on share purchases. "Britain is the last

major economy in the world that has this, and it is causing incalculable harm to London's equities market," he warned.

With confidence in Britain's financial future wavering, many within the City are making a clear call: avoid reactionary fiscal policy, protect the integrity of long-term savings, and send a message that Britain remains open for serious business. Without firm reassurances, the country risks losing more than just tax revenue; it may lose its place as a global financial leader.