Financial Inclusion Commission

The Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
11 Downing Street
London
SW1A 2AB

3rd October 2024

Dear Chancellor,

FCA Remit Letter: Financial Inclusion

We are a group of organisations with a shared interest in ensuring that people across the UK's nations and regions can access the financial services they need in order to participate fully in the life of the UK and contribute to its economic success.

We were very pleased to see Labour's recent commitment to creating a National Financial Inclusion Strategy. Financial inclusion can play a vital part in realising the Labour government's ambitions for economic growth, giving people more control of their financial lives and enabling them to reduce the financial shocks that result in financial distress, to increase their participation in the economy and to reduce the load on public services.

The FCA has a statutory strategic objective of ensuring that financial markets function well, and has said that "in all markets, we want consumers to be able to buy the products and services they need" (FCA, Our approach to competition, March 2024). A market from which a significant portion of the population is effectively excluded is not working well. Labour already recognises this, with its welcome Manifesto commitment to tackle the soaring cost of car insurance, but there are many other financial services where increasing access and participation would support hard-pressed families and boost the economy, including rainy day savings and affordable credit and household insurance.

The creation and implementation of an effective National Financial Inclusion Strategy will only be possible if the FCA prioritises this issue and devotes appropriate resources to both policy and execution.

We therefore ask you to take the opportunity of your letter to the FCA under section 1JA of the Financial Services and Markets Act 2000 to include financial inclusion as one of the economic policy priorities to which the FCA should have regard, in the context of a National Financial Inclusion Strategy led by the government. Building on its existing Financial Lives survey and the Perimeter Letter it currently publishes, the FCA could then share its views on the most pressing financial exclusion problems, any additional powers it would need to be given to address them and the roles that others should play.

Yours faithfully,

Chris Pond, Chair, Financial Inclusion Commission

Charles Randell CBE
Martin Lewis CBE
Johnny Timpson OBE, Chair, Building Resilient Households Group
Professor Sharon Collard, University of Bristol Personal Finance Research Centre

Money Saving Expert
Money and Mental Health Policy Institute
Fair By Design
StepChange Debt Charity
Citizens Advice
Money Advice Trust
The Money Charity
GAIN (Group for Autism, Insurance, Investment and Neurodiversity)
MyBnk
Financial Inclusion for Scotland
The Consumer Council for Northern Ireland
Chartered Insurance Institute
Responsible Finance
The Financial Inclusion Centre
Finance Innovation Lab

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