



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Nikhil Rathi
Chief Executive Officer
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

10 April 2025

Dear Nikhil,

Reappointment to the Board of the Financial Conduct Authority

I am pleased to reappoint you to the Financial Conduct Authority's Board as Chief Executive for a second five-year term.

As you know, growth is the defining mission of this government and the UK's financial services sector plays a fundamental role in delivering this – both driving growth and investment throughout the economy, and advancing the UK's prosperity in its own right as a world-leading, dynamic financial centre.

It is vital that the UK's regulatory environment supports growth and investment, whilst protecting consumer from detriment and maintaining their confidence in markets.

I welcome the steps the Financial Conduct Authority (FCA) has already taken in support of this mission. But there is more work to do to boost business confidence, improve our investment climate, and foster sustainable economic growth.

Over the next year, and the course of your second term, I expect to see the FCA fully embrace its international competitiveness and growth objective throughout the organisation, and continue the work you have been leading to deliver a shift in mindset so that growth and competitiveness are at the core of your policy-making and approach to supervision and interacting with firms. This includes consideration of how the FCA can maintain high standards of consumer protection and market integrity, while also enabling informed and responsible risk-taking by authorised firm and customers.

We must shift our collective approach to risk-taking, to enable and support more responsible and informed risk taking across the economy. This is not about watering down consumer protections or market integrity; but in order to allow our economy to flourish we must allow businesses and consumers to make informed choices about the level of risk they take on, and our regulatory system must adapt to keep pace with innovation, new industries, and new challenges.

The burden of regulation in the UK is too high, significantly impacting growth, innovation and productivity. As you know, as part of my Regulation Action Plan, I have committed to reducing this burden and have committed to cutting administrative costs of regulation for business by 25% by the end of Parliament. The FCA has a key role to play in delivering this target and I welcome your continued commitment to this agenda.

I look forward to working with the FCA as we develop and deliver an ambitious Financial Services Growth and Competitiveness Strategy. A key part of that Strategy will look at the regulatory environment for financial services, and consider how we can improve its ability to drive growth.

Delivering on this ambition will require strong and effective collaboration between the government and the FCA, and that decisions are made promptly across the FCA's programme of work. I look forward to working closely with you over your second term.

A handwritten signature in cursive script that reads "Rachel Reeves".

RT HON RACHEL REEVES MP
Chancellor of the Exchequer