

Mark Hoban, Chair
Financial Services Skills Commission

Claire Tunley, Chief Executive
Financial Services Skills Commission

Fitzwilliam House
10 St Mary Axe
London
EC3A 8BF

15 July 2025

Dear Mark and Claire,

DEVELOPMENT OF AN INDUSTRY COMPACT FOR SKILLS IN FINANCIAL SERVICES

I am writing to thank you for your letter, dated 08 July 2025, setting out the proposal for the Financial Services Skills Commission (FSSC) to lead the development of a financial services sector compact on skills. I would like to thank Miles Celic and Chris Hayward also for co-signing.

I would like to start by congratulating you on the success of the FSSC over the last five years. The FSSC is making a significant contribution to the future of the sector, and this is testament to your strong leadership. I have followed the work of the FSSC closely and I am very pleased to see the excellent progress you are making with your members embedding skills in business strategy and increasing investment in training in priority areas.

I recognise the challenges that you set out in your letter. The UK's financial services sector is world-class and a powerhouse of the economy, supported by a highly skilled and talented workforce in every nation and region of the UK. However, you are correct that the skills gaps that the sector faces and the challenges from the impact of rapidly increasing digitalisation, from AI and other emerging technologies, are critical issues that we must come together to address. Without urgent action there is a real threat to realising growth and providing opportunities for people throughout the country.

I therefore strongly welcome your proposal to create a compact to accelerate progress towards a financial services sector that has the skills it needs to thrive into the future. This is a cross-sectoral challenge, so I am very pleased to see that you propose to work with the membership of the FSSC, TheCityUK and the City of London Corporation to take this work forward. Given the role of the FSSC, I also welcome Mark's offer to chair the steering group.

I would also like to accept your invitation for HM Treasury to attend steering group meetings and provide the vital link to government's work on skills. The challenges we face here must be addressed by both industry and government working together and I recognise that the long-term support of government will be a key enabler to achieving the intent of the compact.

I would therefore be pleased to attend personally the initial meeting of the steering group to demonstrate the government's support, and I will delegate to senior officials to attend the regular meetings of the steering group and to keep me updated with reports on your progress. I would also be delighted to support the launch of the compact once it is agreed.

I have also asked my officials to engage with their colleagues at the Department for Education and Skills England, and other government departments, to ensure that the steering group's efforts can inform directly the sector skills strategy across government.

I wish this endeavour all the best and look forward to engaging with you and the members of the steering group at the first meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'E Reynolds'.

EMMA REYNOLDS MP
ECONOMIC SECRETARY TO THE TREASURY