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

Vincent Keaveny CBE, Chair
Progress Together

Sophie Hulm, CEO
Progress Together

18 November 2026

Dear Vincent and Sophie,

COMMISSIONING AN INDEPENDENT STUDY INTO FUTURE SKILLS, SOCIO-ECONOMIC BACKGROUND AND TALENT FLOWS IN UK FINANCIAL SERVICES

The UK's financial services sector is central to the country's economic strength and international competitiveness. Ensuring that the sector can attract, develop and retain people with the skills required for the future will be fundamental to the Government's ambitions for growth, productivity, innovation and opportunity across every region and nation of the UK.

There is insufficient evidence about whether attrition risks in the sector differ by socio-economic background or region. This is pertinent at a time when the sector is experiencing significant change, as artificial intelligence (AI), data, software, cyber and digital transformation capabilities become increasingly important. While considerable attention is rightly being given to entry into the sector and to upskilling employees, including through the Financial Services Skills Commission (FSSC), there is also a need to understand the extent to which the sector is retaining people with these future-critical skills, how retention patterns differ by socio-economic background and region, which capabilities are being lost when employees leave, and where those employees go.

As outlined in the Chancellor's Budget 2026, I am therefore pleased to commission Progress Together to undertake an independent study into future skills, socio-economic background and talent flows in UK financial services. I would be grateful if the outcome of this study could be reported to HM Treasury by the Chancellor's Mansion House speech in 2027.

We have agreed that the scope of the research should include, but not be limited to, the following:

- An assessment of whether UK financial services is retaining the future-critical skills it needs to support growth, productivity, competitiveness and the successful adoption of new technologies.

- An analysis of attrition among employees with skills in areas including AI, data, software, cyber and digital transformation, examining which capabilities are being lost and where employees go when they leave.

- An assessment of whether patterns of attrition and skills loss differ by socio-economic background, region and nation of the UK.

- An examination of the relationship between career progression, promotion and employee retention, including whether unequal access to progression may contribute to the loss of talent and skills.

- An analysis of the economic and business costs associated with the loss of scarce, future-critical skills, using the FSSC's framework as appropriate.

- The development of practical, evidence-based recommendations for employers, government, skills bodies and regional leaders, including those that support financial services competitiveness, productivity, AI adoption, regional growth and socio-economic opportunity.

- Consideration of how the findings can complement existing sector initiatives, including the FSSC-led Financial Services Skills Compact, by providing evidence on retention and outflows alongside existing measures relating to recruitment, skills development and workforce inflows.

This builds on the Government's partnership with the FSSC to create the Skills Compact, launched in July 2026, with 27 firms signed up, representing around 290,000 UK workers. I'd be very grateful if you could continue to work with my officials and they will help to engage other parts of government. Please also convey my sincere thanks to your partners for their close involvement, in particular Dr Maria Koumenta and Dr Louise Ashley of Queen Mary University of London, Ipsos, TheCityUK and the City of London Corporation.

We look forward to the completion of the study as an important step towards understanding whether the UK financial services sector is retaining and making full use of the talent and capabilities it needs for the future and ensuring that people from every socio-economic background and every part of the country can contribute to, and benefit from, the sector's continued success.

Yours sincerely,



LUCY RIGBY KC MP
ECONOMIC SECRETARY TO THE TREASURY