



Treasury Committee

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Andrew Griffith MP
Economic Secretary to the Treasury
HM Treasury
Via email

1 November 2022

Dear Economic Secretary,

Financial Services and Markets Bill

Thank you for your letter yesterday explaining that the Government will not fulfil its intention to table its “public interest intervention power” amendment to the Financial Services and Markets Bill at Commons Committee stage.

The Committee’s *Future of financial services regulation* Report stressed the importance of safeguarding regulatory independence.¹ A power to enable the Treasury to “direct a regulator to make, amend or revoke rules”—which was not part of the Future Regulatory Framework consultations—is undeniably a potential threat to such independence. Scrutiny of such a proposed power, and the circumstances in which it could be used, is vital to avoiding adverse consequences.

If it was the Government’s intention to acquire such a power it should have included it in the Bill at its introduction. Given the importance of relationships between Government and independent financial institutions—only emphasised by recent events—the Treasury’s approach to Parliamentary scrutiny in this case has been decidedly sub-optimal.

I welcome your assurance that the Government is “committed to regulatory independence, balanced with clear accountability, appropriate democratic input, and transparent oversight”. With that in mind:

1. Report stage could well be the last opportunity for the elected House to scrutinise and amend the proposed power. **Could you please confirm that you will be tabling it for Report in the House of Commons and not introducing in the House of Lords?**
2. **What steps will you take to facilitate scrutiny of your proposals?**
 - (a) Will you consult the Committee on your draft amendment before tabling it?
 - (b) Will you consult the regulators on your draft amendment before tabling it?
 - (c) Will you commit to tabling the amendment at least two working weeks before the proposed Report stage, to give the Committee time to take evidence on the amendment and for Members to table amendments to it?
 - (d) The current programme resolution for the Bill guarantees no time for Report stage.² Will you bring forward a supplementary programme motion with protected time?

I am copying this letter to the FCA, the PRA and the Bank of England.

Yours sincerely,

Dame Angela Eagle MP
Interim Chair of the Treasury Committee

¹ Treasury Committee, [Future of financial services regulation](#), First Report of Session 2022–23, HC 141, June 2022. See in particular recommendations for the forthcoming Bill in paragraphs 22, 23, 100 and 105

² House of Commons [Votes and Proceedings, 7 September 2022](#)