

Dame Meg Hillier MP
Chair, Treasury Committee
By email

15th October 2025

Dear Dame Meg

Sexism in the City Inquiry

Thank you for your letter of 19th September and for the Treasury Committee's continued focus on these issues. I am pleased to follow up with the information requested.

(I) *How many reports have you received through Safe Space, what analysis have you done on the reports received and what are the key themes?*

We have received 35 reports since Safe Space was launched in May 2023. There are at least a couple of duplications ie two pairs of reports sharing different perspectives of the same incidents, one provided by a witness or third party. Since some reports have been anonymised, there may be others that overlap.

We analyse the reports according to various criteria, for example the nature of the poor behaviour, severity of incident, the firm's response etc. This analysis is complicated by the fact that some reports cover more than one type of behaviour (e.g. sexism and racism or sexism and ageism).

The key themes are:

1. **Abuse of power.** This is a common thread, whatever the nature of the allegations. The alleged perpetrator is more senior and takes advantage of this. The power imbalance often carries through to how the behaviours are dealt with by the firm (firms seem to have a tendency to treat senior offenders more lightly).
2. **Fear of retaliation.** In the majority of cases, the behaviours have already been reported within the company but sometimes the victim just decides to leave because they have seen others report incidents 'and their life at work became much worse as a result'.
3. There is **frequent distrust of HR**, perceived as siding with the employer rather than neutral. The reality is that HR does usually report to senior management, so the concern is understandable – and HR professionals may feel in a difficult situation. One report was provided by a senior HR professional, who felt that actions taken were inadequate to address problems and that senior managers who were found to have erred were treated too leniently, with more concern given over 'destroying their career' than addressing the poor behaviours.
4. **Widespread nature of underlying issues** reported. Of the 33 discrete cases, only 3 concern a male victim (noting that one was sexually harassed by a woman), but the 30 cover a wide range of issues, from sexual harassment to

discrimination (related to gender, race, neurodiversity or temporary life challenges) or bullying. There are also two cases where a woman has been antagonistic or created challenges for another woman.

5. In cases where victims reported incidents to their workplace before filing a Safe Space report, the **outcomes were often unsatisfactory**. In some instances, HR and managers—though well-intentioned—lacked the expertise, support, or neutrality needed to handle complex and sensitive situations effectively.
6. The **impact of poor behaviours** can be felt by the victim and those involved in cases for years, affecting their career, mental and physical health as well as their confidence.
7. We see a recent trend in the rise in **complaints from whistleblowers** who feel they were poorly treated after stepping forward. This is still only a few cases, but the reports suggest a fear of retaliation may be justified.
8. People are often **reporting after they have left the organisation**, in the hope that their story helps improve the situation for others, rather than looking for help themselves. They are hoping their account helps the Diversity Project to take action to prevent others from experiencing something similar. (The ratio of those asking for help/not seeking help is roughly 50:50)

(II) *How have you responded to reports you have received through Safe Space and what action have you taken? How many cases have you reported to the police?*

We have not received reports of any situations requiring reporting to the police which have not previously been reported. Safe Space is typically used as an additional reporting line to share experiences and thoughts on how cases may be handled better.

We ask those reporting if they would like us to follow up with them (this is explicitly asked on the form) and if so, to provide contact details. Where they do request follow-up, I offer a call or in-person meeting. Those meetings can help the victim achieve 'closure' and move on, or can lead to another intervention – for example, I have recommended an employment lawyer and helped someone else find a career mentor.

In one situation I was conflicted through a relationship with the company involved, so I asked the person filing the report if they were willing for another Diversity Project board member to follow up, which they agreed to. Otherwise, and unless requested by the reporter, I do not share details of any case with others.

We make it clear that we are not experts in specific therapies eg helping someone recover from sexual harassment, but we have compiled a list of specialist resources to signpost as needed.

(III) *Is Safe Space redirecting those who would have reported misconduct to the FCA?*

We tend to be used as an additional report line – either or both in addition to the person's own firm and the FCA. We note that in April 2025 the FCA responded to a Freedom of Information request made by trade publication Investment Week,

disclosing that it had not opened a single investigation or taken enforcement action in any case of non-financial misconduct since January 2023. As you know, the FCA has since published a consultation paper on nonfinancial misconduct. We see the role of Safe Space as helping the individual and gathering evidence about the prevalence of poor behaviours in the industry while the FCA appears focused on setting the NFM conduct rules rather than examining specific cases.

(IV) What is your assessment of the proposals within the FCA's current CP25/18: Tackling non-financial misconduct in financial services consultation?

We have welcomed the opportunity to provide further recommendations to the regulator particularly around providing clear guidance to firms about what constitutes non-financial misconduct. We are also pleased that the FCA has confirmed that it will be including NFM in conduct rules from September 2026. We are attaching our response to CP25/18 separately.

However we are also very aware that this has been a long, drawn-out process, starting with the DP21/2 published in July 2021, when the regulators recognised that 'firms may find it helpful to have guidance on what constitutes non-financial misconduct'. While we still await this guidance along with the inclusion of NFM in conduct rules, people are suffering as a consequence of poor behaviours.

The Diversity Project has therefore been working on our own guidance for member firms who wish to ensure that they are adopting best practice ie doing what they can to prevent and address NFM. This guidance includes practical recommendations around how to conduct investigations better and also what boards should be asking for so they can monitor any emerging situations. We are holding a webinar on 10th November to launch the guidance and to take questions and are looking into creating videos on some NFM topics for our 121 members firms to use to embed this work into their organisations. I will of course forward the guidance and an invitation to join the webinar onto the Committee.

In addition, I and another member of the Diversity Project's NFM taskforce, Baroness Goudie, worked across party lines in the House of Lords to encourage the government to introduce its own amendment to the Employment Rights Bill to restrict the use of NDAs for poor behaviours at work. Seven Baronesses worked together on this. Our efforts built on the work of Louise Haigh MP and others in the Commons and of course the long- running campaign led by Zelda Perkins (former assistant to Harvey Weinstein) of 'Can't buy my Silence'. It was wonderful to see such strong support from across the House and from both men and women when these issues were debated in the Lords. We are delighted that the government did introduce such an amendment which we hope to see passed into law shortly. We believe this is an important additional step towards making workplaces safe, which obviously goes beyond financial services.

(V) Do you have any additional recommendations or areas of concern that have emerged since your oral evidence session on 17 October 2023?

We note continuing evidence that poor behaviours are still occurring in the workplace notwithstanding the attention of many, along with emerging regulations and laws. This is clearly unfinished business and we will continue to do everything we can at the Diversity Project to ensure ongoing progress. As I said in my speech at Second Reading of the Employment Rights Bill, a workplace free of the threat of sexual harassment or bullying should be a given, but sadly the evidence suggests otherwise. We note that many leaders within our industry are determined to help and the Diversity Project looks forward to working with them to consign these workplace behaviours to the history books.

Thank you again for inviting me to provide an update.

Yours sincerely,



Baroness Helena Morrissey DBE