



HOUSE OF LORDS

Financial Services Regulation Committee

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Lord Stockwood
Minister for Investment
Old Admiralty Building
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17 June 2026

Dear Minister,

The Financial Services and Markets Bill

The House of Lords Financial Services Regulation Committee (“FSRC”) was established in order to scrutinise whether the UK’s regulatory framework and regulators operate effectively, proportionately and accountably (see the report from the House of Lords Liaison Committee, 6th Report, Session 2022–23, HL Paper 267).

The Financial Services and Markets Act 2023 (“FSMA 2023”) followed the Financial Services and Markets Act 2000 (“FSMA 2000”) principles-based model when power over financial regulation was returned to the UK from the EU. The regulators were given the responsibility of creating regulatory rules in accordance with the regulatory principles determined by Parliament, and the regulators were to be accountable to committees established in both Houses (or to a joint committee).

The FSRC is concerned that clause 17 of the Financial Services and Markets Bill renders the Committee’s work ineffective by eliminating the requirement that the PRA and the FCA must have regard to the regulatory principles in section 3B of FSMA 2000. Moreover, clause 17 explicitly removes the requirement of the regulators to show how they have had regard to the regulatory principles when notifying action to the Committee. In effect, the framework of accountability to Parliament, previously an integral part of the principles-based system, is eliminated. The FSRC will no longer be able to do the job that FSMA 2023 and parliamentary resolutions require of it.

While this may not have been the Government’s intention, it is a matter of concern to the Committee and we wish to discuss it with you.

Yours sincerely,

The Baroness Noakes DBE
Chairman, Financial Services Regulation Committee

A list of all Members’ interests is available in the Lords’ Register of Interests, [here](#).