

Financial services will be fine after Brexit

Critics of Brexit on this site have regularly alleged that if we do not get the same access arrangements as today to the EU market after Brexit, the City will lose jobs and business to the continent. I have been accused of complacency for thinking that is untrue.

I have pointed out we were told the UK would lose jobs, influence and business if we refused to join the Euro. We did decline to give up the pound, and our business in Euros grew substantially. Attempts to prevent clearing in London failed, as of course if you run one of the world's large trading currencies you cannot stop non members of your union trading the currency and securities in it. Business goes to where the talent is and where the capital to execute the transactions resides.

This week there has been a most important statement from the CEO and Chairman of one of our major banks. Barclays has said that they do not see any need to transfer personnel from London to elsewhere on the continent, whatever the outcome of the Brexit talks. They also state that the technical changes they are making to ensure continuity of EU business are less complex than the changes they had to make last year to comply with new business rules in the US, or the large task of ring fencing their commercial bank in the UK to comply. They confirm that complying with any new EU arrangement will be cheaper as well as easier than these changes.

London out of the EU like London inside the EU will face competitive challenges from all round the world. IF you are good at something you need to get better at it to maintain your position. You constantly have to strive to improve and to keep up with or lead change. There is no reason why London should stop doing that once we are out of the EU. In some ways it will be easier, because we will be free to decide on our own arrangements with the rest of the world without having to adopt the EU model for that. The UK will regain its vote and voice in the global talks and formal bodies, where today we often have to be represented by the EU instead.

As Barclays said "We are confident we have multiple choices for how we might continue to serve our customers and clients regardless of the outcome. (Of Brexit)"

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