

John Glen delivers speech at the CityUK's annual conference

Thank you, Mark [Mark Tucker, Chairman CityUK].

It's a privilege to deliver the opening speech at your annual conference.

I hope you will indulge me today if I take a more personal approach to my remarks.

Because I'd like to share with you some of the things I've learnt while I've been in the role.

You see, as of last week, I've clocked up more than 17 months in this job.

That might not sound impressive – but it makes me the longest serving Economic Secretary since 2010.

And measured against the average lifespan of a Brexit Secretary it seems like an eternity.

That said, it won't have escaped your attention that change is once again in the air.

Very soon, we will have a new Prime Minister, who will no doubt pick his own ministerial team.

I don't know if, when or where I'll move, if I'll have any job.

I just want to be very clear I will do all that I can to support the City while I remain in the job.

This morning I'd like to share some of the priorities I have adopted while in post.

And whatever happens in the next few weeks, this government will always be committed to supporting and enabling the City to maintain and strengthen its world-leading position.

Listening to the City

The first and most important lesson is the need to listen.

During my tenure, I've done my utmost to hear as many views as possible across the length and breadth of the sector about the challenges and opportunities of the future.

I've heard from investment banks about the difficulties caused by low levels of activity in capital markets...and the pressures they face to cut costs while also introducing new technologies to the trading floor, with all that entails in terms of governance and control.

Insurance companies have told me about the new pricing models that are coming to the fore in response to consumer concerns over value-for-money.

FinTechs tell me about the global competition they encounter in seeking to recruit world class computer programmers and data scientists.

Asset managers tell me about their ambition to cement the UK's place as a global leader in sustainable and responsible investment and leave ourselves well placed in growing markets beyond the EU.

I could go on...

Whatever your challenges – whatever your ambitions – the government must continue to remove the obstacles that stand in the way of success.

But there is one other thing the City has told me consistently over the past few months.

It stands head-and-shoulders above all other concerns.

It is, of course, the need to bring the Brexit impasse to a swift and satisfactory resolution.

I am clear that we must do whatever is required to ensure the City remains a competitive place to do business.

I know the Chancellor, Philip Hammond, will set out his own thoughts on how we can build on the strengths of our financial services sector when he speaks at Mansion House on Thursday. I'll be there too...

The City's historic and enduring strengths didn't come about by chance. And they can never be taken for granted, whatever the political or macroeconomic context.

You probably don't need me to remind you that the financial services sector contributed £75 billion in taxes during the last financial year.

We've got to have a clear plan to maintain the City's place at the centre of the global financial system.

And this must be an overriding imperative of whoever becomes Prime Minister.

It would be a tragedy if we lost our competitive advantage by accident, through complacency or lack of decisive action where needed.

Learning the lessons of the financial crash

But listening must be a two-way process.

The City must also recognise the government's broader obligations to society.

So just as I have sought to understand your concerns, I haven't shied away from confronting the sector with uncomfortable truths either.

When I came into post in January 2018, I was struck by the extent to which the financial crash still cast a shadow over the City.

That's why I've placed a significant portion of my time seeking to repair trust between consumers and the financial services sector...

...making it possible for small businesses to seek redress...

...and working with regulators to help free mortgage prisoners.

I know the great majority of institutions and firms within the Square Mile continue to work hard to rebuild consumer confidence.

But we can never go back to how things were, and we can never take people's trust for granted again.

The key lesson for me has been the importance of striking the right balance between risk and regulation.

It's not easy.

In fact, it's probably the hardest part of being City Minister.

Occasionally I see a high profile commercial failure making headlines; inevitably it always generates calls for more regulation.

And it begs the question – how far do we go to keep the City safe?

Because my worry is that if you ratchet up the cost of regulation, you will drive our FinTechs and start-ups overseas, along with all the promise and opportunity they represent.

And I don't believe you can have an enterprising, dynamic and competitive environment without a degree of risk.

Few great entrepreneurs follow a linear path. Risk is a spur for competition. It's what pushes us forward.

My view is that so long as we guard against systemic risk – and safeguard consumers – we should do our utmost to create the space for enterprise and innovation to thrive.

Financial Inclusion

Safeguarding consumers leads me to the third point I want to raise.

If the financial crash and subsequent recovery taught me anything, it's that the task of earning people's faith in our financial system is an unending one.

People should be confident that the right products and services will be there for them at the key moments of their lives.

Those services also need to be there for the whole of society: for the

elderly, the vulnerable, the young, and the less well-off.

Because if our financial system only works for the wealthy, or the comfortable, then it's not really working at all.

The solution isn't top-down legislation. Or government compelling lenders to act against their commercial instincts.

The solution is to ensure the market is big and broad enough to meet all the varied needs within society.

The financial choices that most of us probably take for granted must be available to people whatever their circumstances.

Consumers deserve the power and freedom to make the best choice of them and their family. With products and services that are affordable, appropriate and sustainable.

I think we can look back on significant progress in recent times...

...capping pay-day loans and rent-to-own schemes to protect the most vulnerable from being exploited...

... interventions on doorstep lending, catalogue credit and overdrafts...

...working to support and develop credit unions and community lenders and boost the supply of affordable credit...

...and launching an integrated Money and Pensions Service to provide joined-up guidance and support to consumers.

But we need to do more to build trust and restore a sense of fairness.

In the coming months, I will be working with community lenders to design a pilot scheme for no-interest loans, as well as ensure the success of the prize-linked savings scheme.

And I also look to mainstream financial services to play a greater role.

Banks in particular must realise that public expectations are growing.

And across the political spectrum, there is an appetite to find radical solutions to the challenges of affordability, inclusion and access.

So, for example, when the last bank closes in a community we expect the sector to find new ways to meet local needs, be it through a Post Office or perhaps even a Shared Banking Hub.

And as new technologies come to the fore – not least the advent of Open Banking – we have an obligation to ensure the benefits are felt across society, being accessible to all.

These issues won't go away – government, industry and regulators must work cooperatively and intelligently to find solutions.

Skills and talent

And this brings me to the fourth and final thing I've learnt that I wish to highlight today, which is about the men and women who work in financial services.

The UK will never be able to compete with the likes of China or India when it comes to the size of our workforce.

Our strength is the quality and depth of expertise found within the financial services sector, in the Square Mile and across the country. It always has been, and it always will be.

So we need to ensure that the City continues to be a place where people are proud to work. Where they feel they are doing something worthwhile: not just making some people richer, but strengthening society and enabling all strata of society to have confidence in their future financial provision.

I believe that financial services can be a force for good –

I have seen how FinTech can help helping renters secure a mortgage – for example Credit Ladder and Bud who are helping people to get their rental payments recognised towards getting a mortgage – or support older people to enjoy their retirement.

And then there's London's emerging position as a global centre for green and sustainable finance.

It gives us the means to transition to a low carbon economy without turning the clock back.

Turning the challenge of climate change into a spur for technological, economic and social progress.

The Prime Minister's commitment to achieve zero net emissions by 2050 only makes us more determined.

It brings the work Sir Roger Gifford and others have been doing to establish the Green Finance Institute into focus.

And it adds new impetus to the government's own Green Finance Strategy, which will be published very shortly.

Green Finance is just one example. I could equally have mentioned Islamic Finance. Or Cyber-Insurance. Or Insurance-Linked Securities.

All of these opportunities play to the City's strengths.

As we step out from the EU, I believe our country still has what it takes to tread a bold and confident path in the world.

But this will only be possible if our immigration system enables the City to access the global talent it needs to innovate and grow.

You've told me this time-and-again: and I will continue to press your case in Whitehall.

In return, I challenge you to ensure financial services remains a career that will take people as far as their talents will allow.

This means redoubling your efforts to increase the number of women in senior management roles across the sector.

More than 300 organisations, collectively employing over 800,000 employees, have already signed the Treasury's Women in Finance Charter.

But warm words are not enough – meaningful and sustained leadership at all levels within firms is required to bring about lasting change.

Not just for women, but for all employees, whoever they are and wherever they've come from.

Conclusion

Let me draw to a close.

Over the past 17 months, I've sought to be a strong voice for financial services in government.

Standing up for your contribution to our economy.

Working to help secure and sustain London's place at the centre of the global financial system.

And helping to open new markets of the future to UK businesses.

In this job, I've travelled to Malaysia, Indonesia, Japan, Italy, Portugal, Austria and Sweden.

In the past month, we held the second UK-US Financial Regulatory Working Group.

And in the last few weeks, I've welcomed delegations from Hong Kong and China – the latter just this Monday.

In all my conversations with our global friends there is a recurrent view.

While there are many other European financial hubs, each with their individual strengths, none of them can match all that London has to offer.

And if they believe in our future, then so should we.

Everything I have seen in the past 17 months gives me reason to be confident.

The path ahead is clear.

Together, we must continue to find that all-important balance between risk and regulation.

Together, we must work to ensure the economy addresses the varied needs of our changing society.

And together, we must nurture and access efficiently the markets of the future, not least by remaining open to the best in global talent and skill.

If we do all these things well, we cannot fail to succeed.

Thank you for the privilege to be able to speak today and to serve you in government.