



## PRESS STATEMENT

FOR IMMEDIATE RELEASE

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### **Transparency Task Force Calls for Urgent Parliamentary Intervention as Financial Regulators Abandon Post-Crisis Consumer Protections**

**Consumer advocacy group warns Treasury Select Committee that coordinated weakening of accountability mechanisms represents the "most significant rollback of post-Global Financial Crisis protections, ever."**

The Transparency Task Force, a certified social enterprise dedicated to advocating for financial services users, has today written to Dame Meg Hillier MP, Chair of the Treasury Select Committee, seeking immediate parliamentary scrutiny of the Leeds Reforms and associated regulatory changes announced yesterday.

The organisation warns that the simultaneous weakening of the Senior Managers Certification Regime and consumer redress systems represents a coordinated abandonment of hard-won post-crisis protections that prioritises industry convenience over consumer safety.

#### **Crisis of Regulatory Independence**

Andy Agathangelou, Founder of the Transparency Task Force, stated: "What we are witnessing is not technical regulatory adjustment but regulatory amnesia in relation to the lessons learned from the 2008 financial crisis. The apparent coordination between HM Treasury and supposedly independent regulators reveals a system of regulatory capture that puts industry profits ahead of market stability and consumer protection."

The organisation highlights particularly concerning evidence of regulatory anticipation, where the Financial Conduct Authority, Prudential Regulatory Authority, and Financial

Ombudsman Service appear to have pre-emptively designed reforms that serve industry interests without being formally instructed to do so.

### **Weakening of Critical Safeguards**

The Open Letter to the Treasury Select Committee identifies several areas of immediate concern:

**Senior Managers Certification Regime Dilution:** The proposed streamlining of the SMCR, which was designed to ensure personal accountability for senior decision-makers following the 2008 crisis, will reduce oversight by an estimated 15 per cent while relaxing criminal record checks and extending reporting timelines.

**Redress System Compromise:** New proposals will fundamentally alter the Financial Ombudsman Service's ability to find in favour of consumers, even where firms have acted unfairly while technically complying with FCA rules. The introduction of mandatory FCA referrals creates safe harbours for poor conduct.

**Ring-Fencing Review:** The commitment to reform protections that separate retail and investment banking activities directly threatens the safeguards introduced to protect consumer deposits from investment banking risks.

### **Trust Deficit Warning**

The organisation emphasises that financial services remains [the most fined industry in the UK](#), with clear evidence of systematic recidivism [available through Violation Tracker UK](#).

Agathangelou noted: "The financial services sector faces a profound crisis of trust that threatens its long-term success. Rather than addressing root causes through stronger accountability, these reforms make it easier for firms to repeat past errors without meaningful consequences."

The Transparency Task Force warns that weakening oversight mechanisms virtually guarantees future scandals will occur, resulting in more commercial damage to the sector than the regulatory burden being removed.

### **Echoing Post-Crisis Leadership**

The letter references Mark Carney's 2014 Mansion House Speech, where the then-Governor of the Bank of England declared "the age of irresponsibility is over" when advocating for stronger individual accountability measures. The organisation questions whether this commitment is being abandoned in favour of short-term deregulatory gains.

### **Parliamentary Action Required**

The Transparency Task Force has called upon the Treasury Select Committee to take immediate action:

- Conduct urgent public hearings with key regulatory figures to challenge the evidence base for these reforms
- Launch a comprehensive inquiry into the erosion of post-crisis financial protections

- Seek an immediate pause to reform implementation pending proper parliamentary scrutiny
- Strengthen oversight mechanisms to prevent future regulatory capture

### **Consultation Theatre**

The organisation dismisses the current consultation processes as "democratic theatre," noting the asymmetry between well-resourced industry lobby groups and fragmented consumer interests. Agathangelou stated: "The financial services industry will mobilise en masse to support these reforms, while consumer groups struggle to mount effective opposition. It seems likely that the consultations serves primarily to provide legitimacy to decisions already made behind closed doors."

### **International Reputation Risk**

The press statement warns that the UK's willingness to compromise regulatory standards to attract international business risks triggering a "race to the bottom" that could damage the country's reputation as a reliable, well-regulated financial centre. The selective implementation of international standards, particularly regarding Basel III, may isolate the UK from global regulatory developments.

### **Urgent Timeline**

The Transparency Task Force emphasises that these reforms are being implemented with unprecedented speed and coordination. Once enacted, they will create new realities that will be extremely difficult to reverse, making immediate parliamentary intervention essential.

Agathangelou concluded: "The choice is clear: meaningful parliamentary scrutiny now, or the inevitability of future scandals that will make the current regulatory burden seem trivial by comparison. We need to build real markets for the good of the people, not regulatory convenience for industry appeasement."

### **Background**

The Transparency Task Force is a certified social enterprise established to advocate for the interests of financial services users. The organisation campaigns for greater transparency, accountability, and consumer protection in financial services.

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For media enquiries contact:

Andy Agathangelou FRSA

Founder, Transparency Task Force

Telephone: +44 (0)7501 460308

Email: [andy.agathangelou@transparencytaskforce.org](mailto:andy.agathangelou@transparencytaskforce.org)

Notes to editors:

The full text of the open letter to the Treasury Select Committee is available [here](#).

The Leeds Reforms were announced by Chancellor Rachel Reeves on 15 July 2025, initially in Leeds and later at her Mansion House Speech in London; with supporting regulatory statements issued by the FCA, PRA, and FOS on the same day.