



Steven Murphy / Earthism / Earth Tax

# Freeing the UK's Financial Lion: The City of London

*Restoring Freedom, Competition & Innovation in the UK's Financial System*

---

## EXECUTIVE SUMMARY

The UK's financial system is governed by the *Financial Services and Markets Act* (FSMA). Over time, FSMA has created a regulatory environment that is overly cautious, slow to approve new ideas, restrictive for consumers, protective of incumbents, and less competitive than global rivals.

At the heart of this paper is a simple principle:

*Adults deserve freedom of choice, it's your money, your decisions, your responsibility.*

**CHOICE GB** believes that once a person becomes an adult, the state should not interfere unnecessarily in their life or financial decisions. Regulation should exist to prevent fraud, theft, and deliberate deception — not to restrict choice, limit competition, or slow innovation.

This paper explains FSMA in plain English, identifies the restrictions it creates, and sets out a plan to remove the unnecessary barriers that hold back individuals, businesses, and the wider economy. The goal is not to remove protection, but to restore balance: a system where adults are trusted, markets are open, and regulators focus on preventing wrongdoing rather than limiting freedom.

By removing restrictive elements of FSMA, the UK can free the *City of London* to compete globally, empower individuals to take responsibility for their financial futures, and build a modern, dynamic, innovative economy.

---

## WHAT & WHY

What is FSMA?

The Financial Services and Markets Act is the legal foundation for UK financial regulation.

It gives the FCA and PRA their powers, duties, and authority to create rules. Why does it matter?

Because FSMA shapes:

- how fast firms can innovate
- how much choice consumers have
- how competitive the City of London is

- how easily new companies can enter the market
- how much risk adults are allowed to take
- how quickly new financial ideas can reach the public

But, the FSMA was designed for a different era. Today, it restricts freedom, slows innovation, and weakens competitiveness. To unleash the City of London, restore competitiveness, and give adults the freedom to choose their own financial future, we must change it.

---

## **ISSUES — THE RESTRICTIONS**

Below are the core FSMA-enabled restrictions, written in simple terms.

### **FCA Statutory Objectives**

- Restriction - Objectives prioritise “protection” over freedom, competition, and innovation.

This creates a risk-averse culture that slows everything down.

### **“Have Regard To” Obligations**

- Restriction - Dozens of mandatory considerations slow every decision and justify gold-plating.

### **Broad Rule-Making Powers**

- Restriction - Regulators can create huge rulebooks that exceed global standards, raising costs and blocking new entrants.

### **Slow Authorisation & Approval Regime**

- Restriction - Discretionary, unpredictable approvals delay innovation and protect incumbents.

### **Conduct of Business (COBS) Restrictions**

- Restriction - Paternalistic rules limit what adults can buy and what firms can offer.

### **Listing & Prospectus Restrictions**

- Restriction - Strict listing rules push companies to IPO in New York instead of London.

### **Enforcement & Supervisory Overreach**

- Restriction - Broad enforcement powers create a fear-based culture that discourages innovation.

### **Pension & SIPP Restrictions**

- Restriction - Rules ban safe, hedged strategies and restrict adult choice in retirement planning.
-

## Understanding the PRA — The Prudential Regulation Authority

Most people know the FCA, far fewer know the PRA, even though it shapes the financial system they use every day. The PRA is part of the Bank of England, its core job is simple, make sure banks and insurers don't collapse. But over time, its powers have expanded far beyond that.

How the PRA affects ordinary people

PRA decisions influence:

- Mortgages
- business loans
- insurance prices
- competition between banks
- innovation in financial services
- the speed of economic growth

Where the PRA creates restrictions

- It restricts competition — new banks face slow, unpredictable approvals.
- It restricts innovation — fintech's struggle to get authorised.
- It restricts lending — capital rules reduce lending to families and businesses.
- It restricts consumer choice — fewer new firms, fewer new products.
- It protects incumbents — big banks can absorb the cost; challengers cannot.

The PRA is one of the thickest bars on the Lions cage, to drive prosperity it must be removed.

---

## CHOICE GB ACTIONS

CHOICE GB applies a simple doctrine:

*If a rule does not prevent fraud, theft, or deliberate deception — it should not restrict freedom, competition, or innovation.*

Below are the actions that follow from that principle.

### Limit Rule-Making Powers

- Remove all EU, UN and other non-UK bodies legacy rules
- Restrict rule-making to fraud, theft, and deception

### Amend FCA Objectives

- Add a statutory “competitiveness” duty
- Remove paternalistic obligations
- Shift culture from “protect at all costs” to “enable choice and growth”

### Remove Excessive “Have Regard To” Duties

- Cut the list dramatically

- Remove gold-plating incentives
- Allow faster, clearer decisions

### **Overhaul Authorisation Processes**

- Impose statutory deadlines
- Remove discretionary pause powers
- Create fast-track approvals for new entrants and innovators

### **Modernise The Conduct of Business (COBS) rules**

- Remove paternalistic restrictions
- Allow adults to choose their own financial products
- Enable innovation in investment platforms

### **Listing & Prospectus Rules**

- Allow dual-class shares
- Reduce disclosure burdens
- Create a fast-track IPO route
- Make London competitive with New York again

### **Narrow Enforcement Powers**

- Focus enforcement on fraud, theft, and deception
- Remove all other enforcement powers

### **Free Pension & SIPP Investment Choices**

- Remove all investment restrictions
- Remove all restrictions that prevent adults from managing their own retirement investments

### **Refocus the PRA on Its Core Purpose**

- Keep rules that prevent fraud
- Remove rules that block competition
- Remove rules that slow innovation
- Remove rules that protect incumbents
- Remove rules that restrict lending unnecessarily

This restores balance and supports growth.

---

## **BENEFITS OF REMOVAL**

When these restrictions are removed, the UK gains:

### **For Individuals**

- More financial freedom – Its your money, your choice.
- More investment choice – You make the decisions, you are free to choose

- More control over pensions – Manage it yourself or don't, you are free to choose
- Lower costs
- Faster access to new products

### **For Companies**

- Faster approvals
- Lower compliance costs
- More competition
- Easier market entry
- A regulator that supports innovation

### **For the UK Economy**

- A revitalised competitive City of London
- More IPOs
- More jobs
- More global investment
- A financial system built for growth, not fear

---

## **FINAL SUMMARY — FREE THE LION**

FSMA was built for a different era. Today, it restricts freedom, slows innovation, and weakens the City of London. Many of its rules are designed to protect adults from their own choices rather than protect them from crime.

CHOICE GB's philosophy is clear and simple:

*People should have the freedom of choice, and be allowed to act without restriction*

By refocusing the FCA and PRA on preventing fraud, theft, and deliberate deception — and removing the rules that unnecessarily restrict adult choice — the UK can:

- unleash the City of London
- restore global competitiveness
- empower individuals to manage their own money
- accelerate innovation
- reduce costs through competition and choice
- and rebuild the nation's financial heartbeat

This is not about telling people what to think or how to act, it's about offering a clear, understandable, adult-to-adult vision of a freer financial system — and letting the public decide whether they want it. This is how we free the Lion.

See **CHOICE GB** – Economy

