Good afternoon and thank you Lee for that introduction.

It’s good to be here today to discuss this vitally important topic – and thank you Lord Mayor for everything you have done in a short number of months.

On this and on other aspects of our financial services you have been banging the drum for the City of London so loudly that I’m sure it has left our competitor countries ears ringing.

Not that, of course, we want that.

But we do live in a globally competitive world, and, frankly, I want us to come out on top.

Like you, I want us to be the most innovative, most international and most business-friendly economy anywhere in the world.

I want us to prioritise growth, risk taking and wealth creation and to celebrate it for the moral good that it is.

And as we chart our way forward in these uncertain times but with the agility of being able to make our own rules for the first time in decades, it has never been more important that financial services are at the heart of those efforts.

That is certainly the objective that I, the Chancellor and the Prime Minister all share for the sector.

Your theme today is Financial Literacy and Inclusion. How we ensure that financial services deliver for everyone.

Bank accounts, the ability to borrow, a pension, savings, insurance, or the use of financial technology offer enormous benefits to their users.

They create ladders of opportunity, the ability to transfer wealth over a lifetime, the chance to provide for our longevity or infirmity or they can shield us from some of the adverse events that life can throw at us.

So, it is important that we do everything possible to ensure no one is excluded – whether through lack of understanding or lack of access – from financial products which could help them succeed in life.

We can only do this by working together. You know that. It is why we are all here today.

But let me address myself particularly to the role of government and what specifically we can do to support financial inclusion.

I believe there are four things.

First, we can intervene directly to help those who do end up excluded in some way.

Second, when legislating, we can design regulations that are proportionate. Regulations that are mindful of the very real potential unintended consequences for financial inclusion.

Third, we can support financial literacy.

And fourth, we can create the environment in which innovators can bring forward new products that overcome financial exclusion.

Let me take each in turn.

On the first, I would humbly say that, although there is always more to do, this government is doing more than any of its predecessors.

We are continuing to maintain record levels of funding towards free-to-client debt advice provision in England via the Money and Pensions Advice Service bringing their budget this year to £93 million.

We have legislated so that every single person in this country must be able to open a fee-free bank account if they wish to.

There are more than 7 million of these accounts open today and something we should all be proud of is that more than 70,000 Ukrainian refugees in the UK have been helped to open one of these accounts over the last year.

Meanwhile, the Age Agreement, signed by the Treasury, the ABI and BIBA, helps older consumers who struggle to access motor and travel insurance by signposting them to appropriate insurers.

Originally signed in 2012, I’m pleased to say it will be renewed this year to continue supporting older consumers.

One of the largest interventions we have made is to support affordable credit.

We’ve given £100 million of dormant assets funding to Fair4All Finance to support their work on financial inclusion, on top of a further £45 million of dormant assets funding to the organisation to address the cost of living.

We’ve even provided Fair4All Finance with £3.8m of funding to pilot an entirely No-interest Loans Scheme.

And this isn’t the only work being delivered through dormant assets. DCMS recently consulted on another tranche of dormant assets funding, worth an estimated £738 million over time.

In its response, the government confirmed that youth, financial inclusion and social investment would continue as causes under the scheme.

As the Minister responsible for financial capability, I look forward to working with DCMS in exploring how building financial education and capability can be supported in the future as an additional aspect within the financial inclusion cause.

Finally, at the recent Budget, we extended the Help to Save scheme by another 18 months to 2025.

We will shortly be consulting on how we can simplify to make it even better and reach more people.

So as with Covid or energy bills, we won’t hesitate to help the most vulnerable – but most people don’t want a handout or a special product from the government.

They want to be able to access to same products with the same features and benefits as everyone else.

And that brings me to my second point about government’s role. Which is that as legislators, we must be careful when making regulations that they are proportionate.

It is too easy to have well intentioned regulations which potentially increase financial exclusion.

Examples could be client onboarding requirements which push the cost of advice out of reach for many who would benefit or mandatory affordability tests that actually reduce access to credit for some of those needing it the most.

It’s something that my officials and I are very conscious of.

It is why it is so important that you do respond to our consultations and it why every piece of legislation has a Regulatory Impact Assessment which is independently scrutinised.

Perhaps a good example of where I hope we are getting it right is on Credit Unions.

Ever since the 18th century, mutual societies have helped meet the needs of local communities.

Given their distinct business models, credit unions face a less onerous set of regulations than non-mutual retail banks.

For example, credit unions have exemptions from the requirements of the Consumer Credit Act 1974, which enables them to offer credit at affordable rates to their members who might otherwise be excluded from credit.

To help further the growth and sustainability of credit unions in Great Britain, the government is bringing forward amendments to the Credit Unions Act 1979.

For example, credit unions will be able to offer products such as car finance and distribute insurance to their members for the first time.

It’s a good example of proportionate regulation – or deregulation – being used to improve inclusion.

On financial literacy, I know that you heard earlier from Sam at National Numeracy who deliver programmes to support the millions of people who have low confidence with numbers.

I’m looking forward to supporting their National Numeracy Day on the 17 May and I am delighted that they are part of the Lord Mayor’s Appeal this year.

There couldn’t be a more important issue for all of us.

It is terribly concerning to hear the statistic that around 8 million adults in England only have the numeracy skills of a primary school child.

We know lack of numeracy is a barrier to using financial products and it is one of the main reasons why people get into problem debt.

The Prime Minister has been clear that numeracy is a personal mission for him too. At the start of this year, he said:

“One of the biggest changes in mindset we need in education today is to reimagine our approach to numeracy.

“In a world where data is everywhere and statistics underpin every job, our children’s jobs will require more analytical skills than ever before.

“Letting our children out into the world without those skills, is letting our children down.”

He laid out the path to introducing maths education up until the age of 18 by the end of the next Parliament.

Many of us are worried about the growth of a compensation culture impacting the sector. It’s a growing cost and has the potential to hold us back competitively.

Tackling some of the practices of claims management firms is one part of the solution.

But improving the level of financial literacy and an understanding of risk by the consumer can only help us return to greater role for ‘caveat emptor’.

There’s one final role for government. And that’s creating an environment which fosters innovation. Light touch regulation, a culture of supporting risk takers or simply regulatory sandboxes that are open for business.

The whole UK fintech sector is a great success story, with around 2,500 firms supporting tens of thousands of skilled jobs across the country.

In 2022, the sector attracted $12.5 billion of investment. This means that fintechs in the UK attracted more funding than those in any other country bar the US.

Much of what they do delivers for the financially excluded. For example, through new payments options or new tools and apps helping individuals manage their budgets or better understand their finances.

Artificial Intelligence offers huge possibilities for inclusion.

Alternative credit scoring to develop more accurate credit profiles for currently underserved groups.

Micro insurance to deliver low cost coverage;

And better fraud prevention as sadly fraud often hits the least resilient the hardest.

Let me finish with a specific example.

Access to cash is a topical subject bringing together many of the themes I’ve spoken about.

Nobody in this room needs reminding that as a society, we are moving increasingly from cash to electronic payments – with non-cash transactions now accounting for around 85% of UK payments.

Nor is it just the young: 8 out of 10 people of retirement age are using contactless card technology at least once a month.

The trend has benefits in convenience, security and for the environment.

However, we will not leave behind rural communities, the elderly or those who use cash as a way to manage their personal finances.

That is why, for the first time since the ancient Celts began minting coins in the British Isles, this year will see communities benefit from a right of access to cash, enshrined in law via the Financial Services and Markets Bill currently going through Parliament.

The right will cover not just withdrawals but also the ability to make cash deposits, something that is particularly important to small businesses.

Their continued ability to accept cash depends upon knowing they can deposit it safely. Putting this in statute is a huge step forward.

We have already made legislative changes to support cashback without a purchase. That turns every single corner and high street shop into a potential source of free cash withdrawal.

So, we won’t hesitate to legislate where necessary, but we delude ourselves if we believe that is the whole answer.

Like the trend away from the horse pulled carriage or domestic coal fires, we cannot hold back change for all time.

As I said before, innovation has a huge role to play.

So, I pay tribute to UK Finance, their member banks, LINK and the Cash Access group who have come up with a whole series of innovations to help the vulnerable. Community cash machines, shared banking hubs and more.

‘Tap and go’ technology for charities can eliminate the jeopardy from losing the old collection tins and even yield higher donations.

With the right controls, payment cards could help those with carers or in care. We have the popular ‘Go Henry’ cards for parents – why not ‘Go Harold’ or ‘Go Hilda’ for the elderly?

Earlier this year, together with the City of London Corporation, we launched a new government-seed funded national hub - the Centre for Finance, Innovation and Technology.

They are operationally independent, but I did put to Charlotte and Ez when we last met that financial inclusion was a big agenda that would be worth their consideration.

Let me conclude Ladies and Gentlemen by restating my commitment to work with you all on this agenda.

Thank you, Lord Mayor and the City of London Corporation for bringing us all together today.

The UK is immensely fortunate to have the great financial services sector that it does.

But part of growing sustainably and reaching our full potential is making sure that we include everyone and that is why the work of everyone here today is so important.

Thank you.