HM Treasury

Financial Services Regulation: Measuring Success

Call for Proposals

Submission by The Financial Inclusion Centre

About The Financial Inclusion Centre
The Financial Inclusion Centre (FIC) is an independent, not-for-profit policy and research group (www.inclusioncentre.org.uk). The Centre's mission is to promote a financial system and financial markets that work for society. The Centre works at two main levels:

Promoting system level change
We research and analyse the environmental, economic, and social utility of finance. We develop policies to promote sustainable, resilient, economically and socially useful financial markets that: benefit the environment; efficiently allocate financial resources to the real economy; and encourage responsible corporate behaviours and create a positive social impact.

Ensuring households' core financial services needs are met
Promoting fair and inclusive, efficient and competitive, well-governed and accountable, effectively regulated financial markets and services that meet households' core financial needs. We do this by undertaking research into the causes of market failure in the sector, formulating policies to address that market failure, developing alternative solutions where the market cannot deliver, and campaigning for market reform. We focus on households who are excluded from, face discrimination in, or are underserved by finance and technology.

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INTRODUCTION AND BACKGROUND

Financial Inclusion Centre is pleased to submit a response to this important call for proposals on measuring the success of financial regulation. We argue that the success of the financial sector should be judged according to how well it serves the interests of the environment, real economy, and society/ households. It follows that the success of financial policy and regulation should be judged according to how well it aligns financial markets and services with those interests.

Financial regulators should not be judged solely on narrow operational terms or on how well they support the needs of finance.[1] We urge the government to adopt a more balanced and meaningful approach to judging the success of financial regulation.

Moreover, the imposition of the secondary growth and competitiveness and the government's wider deregulatory agenda threatens to undermine the very real progress made in financial regulation post the 2008 financial crisis. We are concerned that effectiveness of the main financial regulators will be undermined.

Before answering the specific questions, we thought it important to provide some context on how we approach defining success and the risks to the regulators' efficacy.

Defining success

The government sees the financial sector as playing a critical role in facilitating wider economic recovery and growth. Within this, the government is prioritising the growth of the financial sector itself.[2] We obviously support a successful UK financial sector. But, it all depends on how success is defined and how that growth and success is achieved.

The financial sector (the City of London in particular) is seen by politicians as the 'goose that lays the golden egg' or one of the 'jewels in the crown' of the UK economy. There is an obvious risk that prioritising growth and competitiveness of the financial sector could lead to policy decisions that harm the environment, the real economy, and society.

It is important to remember the lessons from the 2008 financial crisis. Allowing the UK financial sector to become so big increased the risk of a financial crisis happening and also made the UK economy particularly vulnerable to the impact of that crisis.[3] Although there have been significant improvements in systemic risk and prudential regulation, concerns remain that risk has transferred to the less transparent, less well-regulated shadow banking system.

As well as creating systemic risks, we have to consider the wider environmental, economic, and social utility of finance. The financial sector lobby is very well resourced and vocal about the benefits the sector brings to the economy and society. As its many champions constantly tell us, the financial sector provides significant benefits to the UK economy in the form of contribution to GDP, tax take, balance of payments, employment and usage of financial services by UK households. This is

[1] For example, as proposed by industry groups such as the London Market Group LMG_Regulation-–-Metrics-for-success.pdf

[2] The objective is phrased as: 'To facilitate, subject to aligning with relevant international standards the international competitiveness of the UK economy (in particular the financial services sector) and its growth in the medium to long term.'

[3] According to estimates, 10 years on from the crisis, the UK economy was 16 percent, or £300bn, smaller than it would have been if post-crisis growth had followed pre-crisis trends. GDP per capita was £5,900 lower than it would have been if the economy had followed pre-crisis trends. 10 years on - have we recovered from the financial crisis? | Institute for Fiscal Studies (ifs.org.uk)

undoubtedly true. But, this needs to be set against the major environmental, economic, financial and social costs caused by the sector's activities.

The sector continues to finance climate damaging economic activities at scale.[4] The cost of conduct failures and misselling scandals has been huge. There is compelling evidence that a primary function of markets – to allocate resources effectively to productive real economy activities – is not working well. Financial market activities have driven asset price bubbles affecting the ability of younger generations to get on the property ladder and contributed to high rents. The scale of the value extraction (in the form of high costs and underperformance) in the asset management industry dwarfs even the higher profile misselling scandals. Investor short-termism hinders the ability of real economy firms to plan for the future.[5] Financialisation of the economy is becoming more prevalent as financial institutions take over meeting core needs such as social care and housing. We have made almost no progress in promoting financial inclusion and resilience post 2008.[6]

The approach we followed in our *Economic and Social Audit of the City* report provides a more balanced analysis of the positive and negative contributions made by the financial sector. This is in contrast to that followed by HMT and The City of London Corporation in their State of the Sector report, which does not address the negatives.[7] This is perhaps not surprising given that all of the over 50 contributors thanked in that report were from the industry.

The risks associated with the growth and competitiveness objective and narrow definitions of success

As we have set out in previous submissions, the current programme of financial regulatory reform, particularly the Financial Services and Markets Bill, is a missed opportunity to create a more agile, robust system of financial regulation that would better align finance with the interests of the environment, real economy, and wider society/ households. It is also a missed opportunity to establish a more transparent, accountable system of regulation.[8]

Worryingly, the imposition of the secondary growth and competitiveness objective on financial regulators, and the approach to defining the 'success' of financial regulation pursued by government and industry lobby groups, threatens to reverse the hard won gains made in financial stability, prudential, and conduct regulation post 2008. The objective could compromise the independence of the regulators and risks undermining the regulators' ability to fulfil their existing statutory objectives.

[4] The sector continues to finance climate damaging activities at scale not least because protecting the environment from finance is not given equal status with other statutory objectives such as protecting consumers, financial stability, maintaining market integrity, and preventing money laundering and financing of terrorism. This is a remarkable failure of political governance given the scale of the climate crisis. See: The Devil is the policy detail – will financial regulation support a move to a net zero financial system? | The Financial Inclusion Centre

[5] Data can be found here: An Economic and Social Audit of the City | The Financial Inclusion Centre and Time for Action – Greening the Financial System | The Financial Inclusion Centre

[6] The exceptions are access to basic bank accounts and pensions autoenrollment but both of these successes are due to legislation, not the finance sector becoming more socially useful.

[7] State of the sector: annual review of UK financial services 2022 (theglobalcity.uk)

[8] See for example FIC-Submission-HMT-Future-of-Financial-Regulation-Proposals-for-Reform-Feb-2022-final.pdf (inclusioncentre.co.uk) Financial-Inclusion-Centre-Submission-TSC-Future-of-Financial-Services-Inquiry.pdf (inclusioncentre.co.uk)

Civil society organisations[9] and academic experts[10] are concerned that this growth and competitiveness objective will be a 'Trojan Horse' for financial deregulation. The objective could provide politicians (and industry lobbies) an opening to pressure financial regulators to deregulate arguing this is needed to promote the competitiveness of the financial services industry and stimulate wider economic growth. To be effective, financial regulators must have the independence to think and act long term in the public interest, and not be swayed by short term political expediency.

There are several key post Brexit initiatives being implemented in the name of growth and competitiveness which threaten to weaken UK financial regulatory standards. These include: the Edinburgh Reforms, the UK Wholesale Markets Review, and the Financial Services and Markets Bill itself.

The key themes emerging from this deregulation agenda are:

- 'Freeing up' private finance (pension funds, insurers, asset managers, private equity/ venture capital and so on) to support policy goals such as the green transition, levelling up, and building social infrastructure. The reforms weaken consumer protection and undermine the security of pensions, yet contain nothing that would guarantee that private finance would support policy goals as a *quid pro quo* for this deregulation. Moreover, private finance is more costly than public funding.[11] Plans are also being considered to 'encourage' defined benefit pension schemes to invest more in equities, private equity, venture capital, and infrastructure investment by weakening protections available to scheme members.

- Attracting more business to UK financial markets and growing the size of the financial sector even though there is strong evidence that too much finance is bad for the economy (and not just in terms of increasing the risk of financial crises which have consequences for the real economy and households).[12]
- Attracting more companies to trade on London markets or list on the London Stock Exchange in the belief that current standards are hindering investment in the real economy. Short termism and low levels of investment are entrenched in the UK economy. [13] It is not at all clear why lowering standards on market trading and listings would address these chronic problems.

Specific decisions already in the pipeline include weakening:

- Solvency II even though some major UK insurers look stronger than they really are due to a financial conjuring trick called the Matching Adjustment;[14]

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[9] See for example Positive Money https://committees.parliament.uk/writtenevidence/22984/pdf/ and FIC submissions https://committees.parliament.uk/writtenevidence/23046/pdf/ to Treasury Committee Inquiry on Future of Financial Services Future of Financial Services (parliament.uk)

[10] See for example International Competitiveness and Financial Regulators' Mandates: Coming Around Again in the UK | Journal of Financial Regulation | Oxford Academic (oup.com)

[11] Private finance expects a premium over the 'risk-free rate' (usually Gilts) which means this form of finance is more costly than public funding.

[12] See for example The Finance Curse: Britain and the World Economy - John Christensen, Nick Shaxson, Duncan Wigan, 2016 (sagepub.com)

[13] IPPR research Now is the time to confront UK's investment-phobia | IPPR Economics_Conference_2023_Paper_AW.pdf (tuc.org.uk) 10-22495_cocv11i3c1p3.pdf (virtusinterpress.org)

[14] Government reforms to Solvency II further weaken an insurance sector which looks much stronger than it really is due to the UK insurance sector taking full advantage of a financial conjuring trick known as the Matching Adjustment. Yet, the reforms contain nothing that would require insurers to invest in levelling up or the green transition as a quid pro quo for the deregulation. But the deregulation

- the ring fencing regime for banks;
- the charge cap which has protected workers' pensions from high, extractive investment fees;
- the cap on bankers' bonuses;
- rules covering the Listings Regime;
- MiFID rules relating to dark pools trading and investment research unbundling;
- the Senior Managers and Certification Regime; and
- the definition of retail financial advice.

We are concerned that the current growth and competitiveness mindset could push the deregulatory agenda even further. For example, it does not take much to imagine the PRA and FCA (and The Pensions Regulator and Financial Reporting Council via policymakers) being pressured to:

- At the 'retail' end of the market, reduce mortgage lending and consumer credit regulation to encourage more lending in an attempt to stimulate economic recovery and growth;[15]
- Mandate lower standards on ESG business to attract 'green' finance so risking greenwashing. The government wants the UK to be a global centre of green finance. But, will business be attracted by having lower green finance standards or by acting as a beacon of high standards?[16]
- Further weaken regulatory standards to encourage more large global companies or risky start-ups to list their shares in the UK so attracting less scrupulous or badly governed businesses.
- Lower conduct of business and consumer protection standards to increase the number of business models, domestic and overseas entrants, activities and products authorised to operate in the UK. This applies not just to 'traditional' financial activities but increasingly to tech/ data/ AI based financial providers and platforms. This could expose the UK financial system, business, and households to greater systemic risks and riskier/ toxic financial products and activities.

- Focus on increasing the number of new authorisations and speeding up the authorisation process. This doesn't just increase the market risks, see previous point. It also risks the regulators being pressured to divert greater resources to authorising new firms, products, and activities away from effectively supervising existing markets and firms. This could undermine the regulators' capacity for ensuring that existing market integrity and consumer protection objectives are being met. With tens of thousands of firms and products on the market, the UK financial sector can hardly be said to be lacking choice. It is not clear what additional social utility is to be gained from prioritising the speeding up of the authorisation process. Rather than focusing on speeding up authorisations, the regulators should be free

which would allow insurers to provide shareholders with further windfalls. See: Submission to HM Treasury Review of Solvency II consultation | The Financial Inclusion Centre

[15] The current crisis facing borrowers coming off fixed rate mortgage deals is a useful case study for understanding the potential risks arising from the growth and competitiveness objective. The numbers affected could have been significantly greater if the FCA had not ensured that lenders applied interest rate stress tests to borrowers' incomes. But, in the current deregulatory climate, it is easy to imagine the FCA being put under pressure to not deploy stress tests on the grounds that this was restricting lending and holding back economic growth.

[16] To be fair, the government is consulting on regulating ESG ratings providers. This is encouraging. But, it remains to be seen how robust this regulation will be.

> to concentrate on improving the quality and value of products, and behaviours of firms and individuals in the financial sector.[17]

So, the growth and competitiveness objective could undermine the regulators' specific consumer protection, market integrity, prudential, and financial stability objectives. But, increasing the size of the financial sector also creates macro risks. The real economy can be undermined as financial resources are diverted from financing business to speculative activities, inequality is exacerbated, and systemic risks are created which spill over and harm the real economy and household finances.[18]

The UK financial sector is one of the largest in the world. The UK has the opportunity to be a responsible global citizen and show leadership on regulatory standards and practices. Lowering standards to encourage growth in UK finance could create opportunities for regulatory arbitrage and undermine global regulatory standards, not just UK standards. This applies to mainstream financial activities and green finance.

Nevertheless, the decision on the growth and competitiveness objective has been made. The priority now is to ensure that regulatory success is not measured in narrow commercial terms. It is important that regulators are held to the highest standards of accountability while preserving regulatory independence. Choosing the appropriate performance framework and metrics is critical.

RESPONSE TO SPECIFIC QUESTIONS

Q: Do you agree with the government's approach to the exercise of the power of direction in Clause 37 of the FSM Bill?

We urge the government to be more proactive in the use of the power of direction in Clause 37 of the FSMB. This is a great opportunity to significantly enhance the overall performance framework and metrics for the main regulators. It is also an opportunity to enhance market and regulatory transparency and accountability by removing the unnecessary protections given to commercial interests in existing legislation.

As it stands, it is actually very difficult to know how well the regulators are performing against their statutory objectives. This is because the performance framework and metrics are not sufficiently outcomes based and the protections given to commercial interests in legislation prevent meaningful scrutiny of financial institutions and regulators.

As an example, it is worth considering the available data on how well the retail financial services industry serves consumers – and by extension how well effective the FCA is as the market regulator. The FCA does produce some operational data. The excellent Financial Lives Survey has added significantly to our understanding of issues such as financial vulnerability. Financial Lives also

[17] The UK financial sector is characterised by spurious choice. Much of the innovation seen in the UK financial sector over the years has added little social value for households. New products are often variations on an existing theme designed to give firms a new marketing angle rather than enhance social utility for customers. Innovations are often designed to manage risks and harms created by a previous set of innovations.

[18] See for example The Finance Curse: How much finance is too much? – Transparency Task Force, An Economic and Social Audit of the City | The Financial Inclusion Centre, City of London costs UK £4.5tn in lost economic growth - Tax Justice Network

contains some data on consumer trust and confidence in financial services. The Financial Ombudsman Service (FOS) does publish data on upheld complaints at the individual firm level.[19]

However, there is no single, comprehensive, trustworthy source of regular information on issues such as costs and charges, the scale of poor practice in the market, or the extent of financial exclusion and discrimination.

Objective data on how well finance serves the interests of the environment, and real economy is also limited.

Therefore, we would argue that the priority now should be to agree a meaningful performance framework and metrics that allows stakeholders to assess how well the financial sector is serving the needs of the environment, the real economy, and society and the contribution the financial regulators make towards policy goals.

Q: What are the key metrics that the FCA and the PRA should publish in relation to their new secondary growth and competitiveness objectives?

It is critical that success of the financial sector and the regulators' performance against their objectives (including the growth and competitiveness objective) is *not* judged solely on industry terms such as:

- growth in the aggregate size of the UK financial sector
- increasing the volume of business attracted to UK financial markets eg. number of overseas clients authorised/ listed in UK, growing the UK market share of global financial services;
- the number of new financial products and services developed/ sold and how quickly the financial regulators authorises new firms and products; and
- increase in industry revenues and profits.

As outlined, we argue that the financial sector should be judged on how well it serves the needs and interests of the environment, real economy, and society/ households. This requires both positive and negative metrics – that is, metrics that demonstrate when finance is working ***and*** not working so that policy and regulatory interventions can be targeted effectively.

We have developed a performance framework which describes the positive conditions that should be evident if finance is working for the three pillars of the environment, real economy, and society/ households – see Annex A.

This performance framework also includes negative conditions that would indicate that the financial sector is not working for the environment, real economy, and society/ households. We are currently developing specific metrics for each of those positive and negative conditions.

Below, we include some examples of the type of metrics that could be used to judge the environmental, economic, and social utility of finance.

[19] Although, it is important to remember that high/ low levels of consumer trust or high/ low numbers of complaints are not particularly good measures of regulatory effectiveness. Consumers often do not realise they have been missold or are being ripped off. So, we cannot rely on changes in trust numbers or complaints numbers as a meaningful proxy for financial sector performance.

The environment pillar
The government wants the UK to be a global centre of green finance, specifically the first Net Zero aligned Financial Centre. We would urge policymakers and regulators to think of competitiveness in terms of the UK financial sector attracting green finance business on grounds of 'quality' and high standards rather than just volume of business. We are concerned that the growth and competitiveness objective could cause volume to be prioritised over quality. It is not hard to imagine the growth and competitiveness objective being used to pressure the regulators to lower regulatory standards to attract greater volumes of ESG related business.

In this case, a specific and meaningful metric could be the number of new funds set up in the UK that meet the highest ESG ratings. The threshold used here would have to be sufficiently high. The UK has not yet developed or implemented its own sustainable taxonomy. However, the EU has made some real progress on this so the EU sustainable taxonomy could be used as a benchmark. An alternative metric might be the number of investment funds that have a high 'portfolio greenness ratio'.[20] Success here should be measured by how many investment funds/ firms that meet the highest green standards are approved by the FCA to operate in the UK. The FCA could also report on how many funds/ firms it has prohibited from being marketed as ESG compliant. The FCA could produce regular reports on the prevalence of greenwashing in the UK financial sector.

Similarly, a sign of successful regulation would be evidence of a reduction in the level of investment and loans going to economic activities that harm the environment (ie. harmful activities being de-funded), and an increase in suitable finance going to economic activities that are climate positive.[21]

Real economy pillar
With regards to the real economy pillar, if the finance sector was well-functioning, we would expect to see evidence of a growth in business lending to areas with high levels of multiple deprivation or greater lending to SMEs.

Similarly, we would expect to see evidence of investors taking a longer term view when providing capital to firms in the real economy, and a move away from the investor short termism that has undermined the UK economy. Here the metric could be the length of time for which shares are held increasing.

In terms of negative condition metrics, evidence of market failure might include a reduction in the amount/ share of lending to the non-financial sector/ real economy and a growth in financing of speculative or asset inflating activities. This would be a sign that the sector is not supporting the real economy and the 'wrong type of growth' is occurring.

Society/ household pillar
With regards to the society/ household pillar, with a well-functioning finance sector we would expect to see reductions in financial exclusion and discrimination. We would expect to see evidence of tech/ big data/ AI based finance being used for good rather than being used to discriminate against groups or exploit consumers' behavioural biases.

The metrics here could be fairly straightforward. For example, the FCA could produce annual data on holdings of core products (based on Financial Lives), the numbers of consumers refused a basic bank

[20] The European Securities and Markets Authority (ESMA) has developed a useful quantitative based portfolio greenness ratio. See: ESMA 50-165-2329 TRV Article - EU Ecolabel: Calibrating green criteria for retail funds (europa.eu)
[21] We presented similar data in the Time for Action report Time for Action – Greening the Financial System | The Financial Inclusion Centre

account and other financial inclusion metrics, and data on the extent to which risk-based/ differential and potentially discriminatory pricing is used by sectors and firms.

With regards to retail financial services and consumers, a regular performance report could be produced with metrics relating to issues such as:

- changes in product prices and charges within sectors;
- charges for financial advice;
- incidences of poor practice found during FCA firm supervisory visits;
- results of mystery shopping exercises;
- prevalence of risk based pricing within firms' business models;
- consumers refused access to a basic bank account and other financial inclusion metrics;
- customer service performance data; and
- action taken by FCA in response to firms having higher than average proportion of complaints upheld by the Financial Ombudsman Service (FOS).

In a market aligned with social goals, we would expect to see pension funds and other institutional investors disciplining/ rewarding companies that treat workers badly/ fairly. For example, a metric here could be the number of UK listed companies that comply with independent codes of practices on living wages, treatment of workers in supply chains, and so on.

We would expect to see evidence of a growth in genuine social impact finance allocated to tackling social issues. A metric here could be the amount of social impact finance allocated to social policy goals and areas of economic deprivation.[22]

Those are just some examples of the types of measure and metrics (positive and negative) that might be used to monitor and assess how well finance is serving the interests of the environment, real economy, and society.

We would urge the government to take this opportunity to work with the regulators and civil society to produce a more balanced, meaningful performance framework that allows Parliament, government, and civil society to judge the effectiveness of financial policy and regulation.

This marks the end of the Financial Inclusion Centre's submission.
July 2023

[22] Just as we are concerned that there is significant ***green***washing occurring at the moment, we think there may be ***social impact*** washing happening. We think the financial sector is taking advantage of a lack of clear definitions of social impact finance to rebrand conventional high return-seeking finance as social impact. We argue that only funds/ lending which seek to generate below market returns or grants should be considered social impact.

Annex A: Environmental, economic, and social dis/utility of finance[23] performance matrix

FIC's system level work is concerned with how well the financial system supports the interests of the ***environment, real economy, and society/ households*** (EES). To help us think about that, we have defined a set of conditions or outcomes we would expect to see if finance is working for the environment, real economy, and society and, conversely, conditions that would signal that the finance is working against those interests.

There are separate conditions and outcomes for each of the three pillars – environment, economy, and social impact. We are currently refining those outcomes and developing meaningful metrics to evaluate how well or badly the financial sector is functioning against those goals.

THREE PILLARS / **CONDITIONS/ OUTCOMES**	**Environment (the impact of finance on climate change and the wider environment)**	**Real economy (how does finance support the real economy, effects of financial system on the real economy, macro household effects)**	**Society/ households (how well does finance meet the needs of consumers/ communities, the impact on economic and social justice)**
Positive outcomes (conditions we would expect to see if financial sector is supporting EES goals)	Financial activities are aligned with net zero goals. Economic activities that support climate and wider environmental goals are financed. Economic activities that harm the environment are 'de-funded'. The UK is a trustworthy global centre of green finance, attracts	Finance: - supports real economy activities at national, regional, and local level - provides business with products and services it needs - allocates resources to productive rather than speculative assets - Promotes long termism in corporate sector, supports a sustainable, and balanced economy.	Finance: - provides access to socially useful, genuinely innovative, affordable, trustworthy products and services that meet needs and enhance welfare of communities/ people - supports social goals such as financial and social inclusion, and building financial resilience - promotes responsible corporate behaviours such as fair treatment of

[23] Nowadays, this incorporates tech/ big data/ AI

	green finance that complies with meaningful environmental standards, reduces export of climate damaging finance. UK behaves as a responsible global corporate citizen by promoting consistently high climate finance standards.	Financial system is stable and resilient, supports economic stability. Finance makes a net positive contribution to economy/ tax take. High quality, trustworthy global business is attracted to the UK.	workers in supply chains, gender pay equality - is democratised. Financial tech/ data/AI is used for social good.
Negative outcomes (when finance isn't working for/ harms EES goals, creates externality costs)	Financial institutions continue to finance and reward activities that cause harm to the environment. UK is a major exporter of climate damaging finance. UK attracts business and enables financial greenwashing by lowering regulatory standards, prompts regulatory arbitrage/ race to the bottom (the 'competitiveness' agenda). Private, high return-seeking finance displaces more environmentally aligned, socially useful green	Financialisation[24] undermines real economy as resources are diverted from the real economy to speculative financial activities. Financialisation causes boom and bust cycles in the economy. Financial institutions become 'too big to fail', leaving state/ taxpayers required to in effect underwrite finance. Financial crises harm the real economy, public spending, and households' living standards. Financial short termism undermines ability of businesses to plan for the long	Evidence of consumer misselling scandals/ scams. Development of high cost, rip-off, exploitative, and toxic financial/ tech products and services. Trust and confidence in financial services undermined. High value extraction by providers and intermediaries in complex financial supply chains. Security of pensions/ investment/ savings undermined. Major transfer of risk from state/ employers to individuals/ markets.

[24] Where finance comes to exercise a dominant influence over an economy

	finance, pushes up costs of net zero transition. Privatisation of rewards, socialising of risks re climate finance. Evidence of greenwashing.	term, undermines economic productivity. Toxic financial/ tech innovation. Financial institutions extract value from the economy. Creation of asset price bubbles distort household economic behaviours. Financial market behaviours exacerbate adverse household effects eg. wealth inequalities, housing affordability, underprovision for retirement. Financial sector attracts skilled staff away from critical or more productive sectors of the economy.	Failure to provide products and services that help households manage transfer of financial/ longevity risk. Overconsumption of credit, undermines financial resilience/ savings, exacerbates mental health issues. Serious pension underprovision amongst certain groups. Financial exclusion and discrimination affecting households and communities. Toxic tech/ big data used to manipulate psychological vulnerabilities and biases. Exploitative corporate behaviours in supply chains and labour markets are rewarded. Social impact washing. Financialisation of core services, finance exploits retreat of state eg. reduced funding for social housing provision, social care.