

Dear Chancellor,

We write as founders, CEOs, and Chairs of British companies deeply invested in the country's future. Our businesses, large and small, public and private, employ millions of people, contribute to the Exchequer, and drive the innovation at the heart of Britain's Industrial Strategy.

Since the election, this government has rightly focused on boosting economic growth. We firmly believe that this country has all the raw ingredients to meet the Government's objectives: great research, world-leading innovation, dynamic entrepreneurship and no shortage of capital to realise the country's ambitions. However, too little of that capital is invested in the UK, while growing global competition is making it increasingly necessary to do so.

The availability of domestic risk capital is the vital fuel that businesses, both public and private, need to grow. Yet, we are increasingly concerned by the sharp decline in domestic risk capital - especially from UK pension funds - being invested in companies in the UK.

For example, in 1997, UK pension funds invested 53% of their allocation to equities in companies listed in the UK; by 2025, this has fallen to just 4.1%, equivalent to withdrawing £25bn of investment from these companies every year. This is significantly lower than the global average for DC pensions of over 13% of assets in domestic equities, and nearly 30% of total equities invested in domestic equities.

Without intervention, this will drop further, with projections showing only 3.5% of DC pension assets being allocated to companies in the UK by 2030. While this is a stark example of underinvestment in our public markets and the UK companies in those markets, the scarcity of domestic investment goes beyond public markets.

This underinvestment has real consequences for UK growth:

- Smaller and scaling companies struggle to attract capital, limiting their ability to grow and often leading to them being acquired by overseas buyers.
- Decision-making about the future of British companies increasingly rests with non-domestic investors, risking the relocation of key businesses and reducing tax revenue.
- Exporting wealth created by British companies, rather than benefiting UK citizens and their and our national prosperity.
- Becoming increasingly reliant on overseas capital as domestic investment is increasingly being dictated by the relative size of other markets, rather than national performance or UK economic requirements.
- Lower domestic investment is correlated to lower expected future company valuations and therefore reduced economic growth.

The Government's recent announcement of the Sterling 20 to support UK investment is welcome. Similarly, efforts such as the Mansion House Accord and the Pensions Bill are steps forward, but more is needed to translate them into actual investment flows.

As such, we urge you to be bold. **Condition the privileges that are granted to UK DC pension scheme default funds upon them allocating a minimum 25% of their default fund assets to UK investments - across each asset class.** This is not mandation as

individuals could choose to opt out of the default fund without losing any of their pension entitlements.

This could be done by introducing a requirement for all DC pension schemes to designate a "UK-weighted" fund as their default arrangement. Any individuals preferring not to have their pension invested in the UK-weighted fund could opt for a different allocation strategy, but the "default" starting point for DC pension schemes must be one that is consistent with both driving savers' returns and supporting a resilient domestic economy.

The predecessor to the ISA regime followed a similar logic of using tax advantages to both incentivise saving and increase investment in the UK economy. We believe this principle is the right approach and should inform reforms to drive higher levels of retail investment.

This policy would set the default level of UK domestic pension investment closer to that of international competitors. Doing so would provide businesses with access to deeper and more reliable sources of capital in the UK. By 2030 overall investment in UK equities by DC pensions would increase by around £76bn from current levels in today's money (+230%) and potentially as much as £95bn according to New Financial¹. This would be a vital boost to the economy and help to crowd in further capital, creating a virtuous circle. The paper looked specifically at public equities, but both we and New Financial are calling for this to be applied to public and private equities and indeed all asset classes in which a pension fund invests.

Taking action would be in line with the perceptions of the British public. A recent poll commissioned by New Financial found that the public believes 41% of their pension is invested in UK companies or the UK stock market – 10 times the current level of investment. Moreover, 72% support government action to encourage more domestic investment through their pension schemes.

We recognise that the policy options available to this government all have political and economic considerations. In our recommendation we have considered what would be both practical to implement and effective in achieving the intended policy outcome. This recommendation can be achieved through minor amendments to the Pensions Bill 2025, the Investment Regulations 2005 and FCA COBS. Importantly, in a time of tough fiscal choices, this proposal would not require additional Government expenditure and would result in material investment in the UK, directly supporting economic growth and allowing British savers to share in the nation's success.

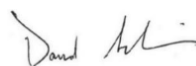
Now is the time to back ourselves, ensuring British companies have the capital they need and that British savers benefit from the growth they help create. We urge you to act decisively, securing prosperity for generations to come.

Yours sincerely,

The undersigned



Don Robert CBE, Chairman, LSEG



David Schwimmer – CEO, LSEG

¹ [How to boost investment in UK equities by UK pensions](#)

Dr Miles Adcock, CEO of Concurrent Technologies

Sam Adlen, CEO of Space Solar

Dominic Allonby, Executive Chairman and Founder of Fruugo

Lucy Armstrong, Chair of Port of Tyne

Jeremy Asher, Chairman of Tower Resources plc

Stuart Ashman, CEO of SkinBioTherapeutics plc

James Ashton, CEO of the Quoted Companies Alliance

Neil Austin, CEO of Xeros Technology Group plc

Karen Bach, Chair of measurable.energy, Chair of 75 Media, and Chair of Consult Red

Anthony Baker, CEO of SatVu

Matthew Baker, Co-Founder and CEO of Dxcover Ltd

Andrea Baldo, CEO of Mulberry Group plc

James Barham, CEO of PCI-PAL plc

Matt Barker, CEO of MPB

Justin Basini, CEO of ClearScore

Tom Beahon, CEO of Castore

Philip Belamant, Co-Founder and CEO of Zilch

Andrew Belshaw, CEO of Gamma Communications plc

Mintoo Bhandari, Founder of Monument Bank

Henry Birch, CEO of Halfords Group plc

Dominic Blakemore, CEO of Compass Group plc

Mark Blandford, Investment Director of Blandford Family Office

Rory Blundell, CEO of Gravitee

Robert Bodnar-Horvath, Chairman of LPA Group plc

Mark Boggett, CEO and General Partner of Seraphim Space

Timo Boldt, Founder of Gousto

Kevin Boyd, Chair of Genuit Group

Lee Brooks, Co-Founder and CEO of Production Park

Gary Brotman, CEO of Secondmind

David Brown, Chairman of Renew Holdings plc

Scott Brown, CEO of Nexeon

Richard Browning, CEO of Gravity Industries

Lucinda Bruce-Gardyne, Serial Entrepreneur and Founder of Genius Foods

Zoe Bucknell, Co-Founder and CEO of Kuberno

Gary Bullard, Chairman and CEO of AFC Energy plc, and Chairman of Gooch & Housego plc

Simon Burke, Chairman of Bakkavor Group plc

Tom Burnet, Chair of Kainos Group plc

Ed Bussey, CEO of Oxford Science Enterprises

Andy Butler, CEO of Sunda Energy plc

Ruth Cairnie, Chair of Babcock International Group plc

Daniel Callaghan, CEO of Veremark

Francesca Carlesi, CEO of Revolut UK

Stuart Chambers, Chair of Anglo American plc

Tim Chong, CEO of Yonder

Maria Luisa Cicognani, Chair of Mobius Investment Trust plc

Nick Clark, CEO of Built Cybernetics plc

Andrew Clint, Group CEO of myenergi Ltd

Claire Cockerton, Serial Entrepreneur

Simon Collins, Chair of Kier Group plc

Grahame Cook, Chair of Advanced Medical Solutions plc

Andrew Coombs, CEO of Sirius Real Estate

Matt Cooper, Co-CEO of Crowdcube

Pavita Cooper, UK Chair of the 30% Club

Roger Cornick, Former Non-Executive Chair of Tatton Asset Management plc

Shane Corstorphine, Director and Founder of Scale Up Consulting Ltd

Adam Couch, CEO of Cranswick plc

Sherry Coutu CBE, Founder of Interactive Investor & Cambridge Angel

Neil Crabb, CEO of Frontier IP Group

Dr Lucinda Crabtree, CFO of Oxford Biomedica

James Cross, CEO of Colibri Digital

Mark Cutler, CEO of Van Elle Holdings plc

Richard Dana, CEO of Tembo Money

Philo Daniel-Tran, CEO of LPA Group plc

Jordan Dargue, Co-Founder of Lifted Ventures

Dr Nara Daubeney, Co-Founder and CEO of Phain Pharma

Richard Davies, CEO of Allica Bank

Simon Davis, CEO of OX Delivers

Carolyn Dawson, CEO of Founders Forum Group

Daniel Dayan, Chair of Bodycote plc, Chair of Trend Networks, Chair of Watson Fuels, and Chair of Aquaspersions Ltd

James Deal, Co-CEO of RetailBook

Dev Dhiman, CEO of GBG plc

Melissa Di Donato, Chair and CEO of Kyriba

Andrew Duff, Chair of Sage plc

Adrian Durham, Non-Executive Founding Director and Senior Advisor at FNZ

Marie-Claire Dwek, CEO of Newmark Security plc

Kath Easthope, CEO of Boardwave

Iain Evans, Chief Executive of Polar Capital

Nick Evans, Co-Founder and Managing Director of Oxbury Bank plc

Richard Fairman, CEO of CVS Group plc

James Farrar, Co-Founder and CEO of Oxbury Bank plc

Iain Ferguson, Chairman of Genus plc

Gavin Ferrar, CEO of Central Asia Metals plc

Michael Findlay, Chair of Hay's plc

Stephen Fine, CEO of Peel Hunt

Gerry Ford, Founder and CEO of Caffè Nero

Ken Ford, Chair of SDI Group plc

David Gammon, CEO of Rockspring

Dr Steve Garnett, Chairman Salesforce EMEA (Retired)

Duncan Garrood, CEO of Empiric Student Property plc

Clive Garston, Chairman of Warpaint London plc

Daniel Gathercole, CEO of First Class Travel Group

Aron Gelbard, Co-Founder and CEO of Bloom and Wild

Esther Gillespie, CEO of Jumping Rivers

Martin Gilbert, Executive Chairman of River Global plc, Chairman of Revolut Ltd and Chairman of Toscafund Ltd

Nick Glynn, Founder and CEO of Buy It Direct Group

David Gosnell, Chairman of Coats Group plc and Deputy Chair and Senior Independent Non-Executive Director of Princes Group plc

Irene Graham OBE, CEO of ScaleUp Institute

James Gregory, CEO of System1 Group plc

Tim Groot, Founder of Grip

Tim Guilliams, Co-Founder of Healx.ai

Chris Gurry, Group Managing Director at CML Microsystems

Adam Hale, Chairman of Clue Software and Chairman of Artic Shores

Charles Hall, Head of Research at Peel Hunt

Louis Hall, Founder and CEO of Cerillion plc

James Harrison, CEO of Cycle Pharma

Peter Harrison, Executive Chair of Morgan Sindall Group plc

Simon Harrison, CEO of Princes Group plc

Sahar Hashemi, Serial Entrepreneur and Founder of Buy Women Built

Jacyn Heavens, CEO of Epos Now

Stephen Hemsley, Chairman of Franchise Brands plc

Nigel Higgins, Chair of Barclays plc

Andrew Higginson, Chair of JD Sports Fashion plc

Louise Hill, Co-Founder and CEO of GoHenry

James Hirst, COO of Tyk.io

Janine Hirt, CEO of Innovate Finance

Brent Hoberman, Co-Founder and Executive Chair of Founders Forum Group

Mark Hodgkins, Executive Chairman of EnSilica plc

Greg Hofer, Founder of Speech Graphics

Dame Julia Hoggett DBE – CEO, London Stock Exchange

Laurence Hollingworth, Chairman of Molten Ventures plc

Paul Hooper, CEO of The Alumasc Group plc

Bob Holt, Chairman of Earnz plc

Rupert Howell, Chair of System1 Group plc

Martin Hunt, Non-Executive Chairman of SkinBioTherapeutics plc

Shareq Husain, COO of Just Move In

Harry Hyman, Chair of Primary Health Properties plc

Murvah Iqbal, Founder of HIVED

Andy Irvine, Chair of Fidelity Special Values plc

Bob Ivell, Chairman of Mitchell and Butlers plc

Lisa Jacobs, CEO of Funding Circle plc

Jaidev Janardana, CEO of ZopaBank

Richard Jeffery, Executive Chairman of ActivesOps plc

Joanna Jensen, Founder of Childs Farm

Duncan Johnson, CEO of Northern Gritstone

Eoghan Johnston, CEO of iamproperty

Adam Jones, Founder and Chairman of Permanently Unique Group

Peter Joyce, CEO of Greywolf Therapeutics

Husayn Kassai, CEO and Founder of Quench AI

Jon Keating, Chairman of Augmentum

Stephen Kelly, CEO of Cirata plc

Martina King, Chair of Luminance

Saul Klein, CEO of Local Globe

Alan Laing, Chairman of IFS and Chairman of FISCAL Technologies

James Laithwaite, Co-Founder and COO of Fuel Hub

Michelle Laithwaite, Co-Founder and CEO of Fuel Hub

Serena Lang, Chair of Trifast plc

Ian Lankshear, CEO of EnSilica plc

David Latin, Chair of Serica Energy plc

Joaquim Lecha Soler, Co-Founder of Supersonik

Lord Leigh of Hurley, Co-Founder and Senior Partner of Cavendish Corporate Finance

Matthew Lester, Chair of Kier Group plc

Paul Lester, Chairman of McCarthy & Stone

Rod Lockhart, CEO of LendInvest

Matthew Lumsden, CEO of Connected Energy

Richard Mabey, CEO of Juro

Mike Maddison, CEO of NCC Group

Dr Dan Mahoney, Chair of the BioIndustry Association

Simone Maini, CEO of Elliptic

Yiannis Maos MBE, Founder and Chief Strategy and Innovation Officer of TechWM

Dawn Marriott, HgCapital

Trevor Mather, Chair of Baltic Classifieds Group plc

Dr Frank Mathias, CEO of Oxford Biomedica

Ian McDonough, Executive Chair of Blackbird plc

Kevin McGrath, ex-Chairman of Regional REIT plc

Michael McLintock, Chairman of Associated British Foods plc

Dr Gino Miele, CRO of Genedrive plc

Nick J Mills CBE, Co-Founder and Chairman of The Scottish Halibut Company

Addy Mohammed, CEO of Simple Online Healthcare

Tony Morris, Chairman of Michelmersh Brick Holdings plc

David Morrison, Chair of Record plc

Elena Mortimer-Zhika, Chair and NED

Emad Mostaque, Founder of Intelligent Internet

Matthew Moulding, CEO of THG plc

Michael Mueller, Founder and Executive Chair of Form3 Group Ltd

Mark Mullen, CEO of Atom Bank

Aseem Munshi, Founder of Updraft

Callum Murray, CEO of Amiqus

Vin Murria, Molten Ventures

Anas Nader, CEO of Patchwork Health

Paul Nanneti, Chair of Hippo Digital, Chair of EkCo Group, and Chair of Roboyo

Christopher Naylor, Managing Director of Boutique Hotel Group

Keith Neilson, CEO of Craneware plc

Stephen Newton, Founder and CEO of Elixirr

Jo North, Leader of the National Maritime Innovation Hub at the Port of Tyne

Richard Nourse, Founder of Greencoat and Chair of Schroders Capital Infrastructure

Richard Oldfield, CEO of Schroders

Helen Oldham, Co-Founder of Lifted Ventures

Will Orr, CEO of The Gym Group plc

Louise O'Shea, Group CEO of CFC

Brian Palmer, Founder of Tharsus Group

Jules Pancholi, Non-Executive Chairman of Ten Technologies plc

Dimple Patel, CEO of NatureMetrics

Milan Patel, CEO of dotdigital plc

Shanker Patel, CEO of Lords Trading Group plc

Gavin Patterson, Chair of Elixirr plc

Dr Mark Payton, CEO of Mercia Asset Management

Alex Pease, CEO of Watkin Jones plc

Simon Peckham, CEO of Rosebank Group plc

Iain Percival, CEO of Trifast plc

Barbara Plucnar Jensen, Group CFO of Beazley plc

Matthew Prior, CEO of TrustedHousesitters

Dr Farzana Rahman, CEO of Hexarad

Nadeem Raza, CEO of Microlise plc

Margaret Rice Jones, Chair of ScaleUp Institute

Dr Andy Richards CBE, Chair of Arecor Therapeutics plc

Steve Rigby, Co-CEO of Rigby Group

Victor Riparbelli, CEO of Synthesia

Neil Roberts, Managing Director of SEHTA

Tim Roberts, CEO of Henry Boot plc

Phil Robinson, Co-Founder and Chair of Boardwave

Jonathan Roe, Chair of Amigo Holdings plc

Will Rook, Interim CEO of Czarnikow Group Ltd

Lord Stuart Rose, Former Chairman of Asda and Ocado Group plc

Stuart Rose, CEO of OBN

Thomas Ryder, CEO of Applied Nutrition plc

Frank Sagnier, Executive Chairman of Everplay Group plc

William Salomon, Chairman of Hanseatic Group

Anand Sambasivan, CEO of Primary Bid

Gordon Sanghera, CEO of Oxford Nanopore Technologies plc

James Saralis, CEO of NAHL Group plc

Jos Sclater, CEO of Avon Technologies plc

Matthew Scullion, CEO and Founder of Matillion Ltd

Sangita Shah, Interim Non-Executive Chair, Big Technologies plc and QCA Chair

Rakesh Shaunak, Managing Partner and Group Chairman, MHA Group

Russ Shaw CBE, Founder of Tech London Advocates and Global Tech Advocates

Dave Sherwood, Co-Founder of BibliU

David Simpson, Co-Founder and CEO of Iksuda Therapeutics

Neil Sinclair, Executive Chairman of London Active plc

Charles Skinner, CEO of Restore plc

Sam Smith, Co-Founder of SuperScalers

Tom Smith, Founder and CEO of GWI

Melissa Snover, CEO of Remedy Health

Ruper Soames OBE, Chair of Smith & Nephew plc

Sir Martin Sorrell, Founder and Executive Chairman of S4 Capital plc

Neil Spann, CEO of Power Roll

Thomas Stapleton, Co-Founder of TravelLocal

Alex Stephany, Founder of Beam

Ana Stewart, Serial Entrepreneur and NED

Richard Stone, Chief Executive of the AIC

Elaine Stroud, CEO of Entrepreneurs Forum

Nick Sturge MBE, Serial Founder

Lee Sutton, Founder and CIO of myenergi Ltd

Sir Jonathan Symonds CBE, Chair of GSK

Rajiv Tanna, Co-Founder of Birdie

Nick Taylor, CEO of Unmind

Paul Taylor, Founder and CEO of Thought Machine

Vijay Thakrar, Chair of Treatt plc and Chair of The Alumasc Group plc

Andrew Thomis Chief Executive of Cohort plc

John Treharne, Chair of The Gym Group plc

Eldar Tuvey, Founder of Vertice

David Tyler, Chair of PZ Cussons

Gauthier Van Maldreen, CEO of Perlego

Lee Veitch, Co-Founder of SuperAwesome

Jinesh Vohra, Founder and CEO of Sprive

Gavin Wade, CEO of PsyScale Health

Rob Waldie, CEO and Partner for Gateley Legal

Jane Wall, Managing Director at the BIA

Simon Walsh, CEO of OneAdvanced

Andrew Walters, Founder and Executive Chairman of Quartix

Steve West, Group CEO of Pertemps

Rob Weisz, CEO of Fonix Group plc

Will Whitehorn, Chair of Craneware plc, Chair of Seraphim Space Investment Trust plc, and Chancellor of Edinburgh Napier University

Katy Wigdahl, CEO of Speechmatics

Charles Wigoder, Chairman of Telecom Plus plc

Keith Williams, Chairman of Halfords Group plc

Dave Wilson, Executive chairman of LBG Media plc and Non-Executive Chairman of Knights plc

David Wilton, Chair of CVS Group plc