# UK government launches Regulatory Innovation Office to slash fintech red tape



The UK government has announced a significant overhaul of financial technology (fintech) regulations aimed at bolstering the sector by cutting through burdensome red tape that many believe hampers innovation and growth. At City Week, Technology Secretary Peter Kyle revealed the creation of a new Regulatory Innovation Office (RIO), tasked with developing advanced digital tools, including the use of artificial intelligence, to streamline regulatory processes and make it easier for fintech companies to bring products to market. This office will collaborate with the Digital Regulation Cooperation Forum to establish a unified digital policy and regulatory library, providing innovators with single-point access to essential information.

Kyle emphasised the UK’s strong position as a global leader in financial services and technology, particularly at their intersection in fintech. However, he acknowledged that the complex regulatory environment has slowed down the progress of many companies. The government’s intervention seeks to simplify this landscape, encouraging faster and more transparent market entry for new fintech products.

The initiative aligns with broader government efforts to support fintech’s growth, including Chancellor Rachel Reeves’ expressed ambition to make the UK the “best place in the world for fintechs to start-up, scale-up and to list.” Despite these aims, the sector has faced challenges; notable fintech firms such as Revolut and Wise have publicly expressed reservations about UK listings, citing regulatory and market difficulties as key factors in their decisions to either delay or move listings abroad.

Further demonstrating the government’s commitment, the Financial Services Growth and Competitiveness Strategy was a focal point in discussions between Chancellor Reeves and leading fintech executives in March 2025. This strategy aims to slash the administrative costs of regulation by 25%, fulfilling a wider government pledge to reduce red tape and drive economic growth. Among the proposed reforms are adjustments to Markets in Financial Instruments Directive (MiFID) rules, which are designed to enhance the attractiveness of the UK’s capital markets to fintech companies and other financial services providers.

In addition to regulatory streamlining, the government has launched a comprehensive Fintech Sector Strategy, which includes establishing a Cryptoassets Task Force. This collaborative body, comprising HM Treasury, the Bank of England, and the Financial Conduct Authority, is tasked with maximising the benefits of cryptoassets while managing their inherent risks. The strategy also introduces 'robo-regulation' pilot programmes—automated software tools aimed at helping fintech firms more easily comply with regulatory requirements. Furthermore, three new Fintech Regional Envoys have been appointed to spread the advantages of fintech innovation beyond London, ensuring the sector’s benefits are national.

The Regulatory Innovation Office, chaired by former science minister David Willetts, reflects a broader government push to speed up regulatory decisions across multiple innovative sectors, including engineering biology, space, AI, healthcare, and drones. By acting as an intermediary between government, regulators, and businesses, the RIO is intended to provide faster, clearer, and more accessible regulatory pathways that support rapid technological development.

Despite these promising steps, industry leaders remain cautious. The chief executive of Allica Bank, one of Europe’s fastest-growing fintechs, has warned the government not to take the sector’s success for granted, highlighting the critical need for consistent and well-informed regulatory support. As the government continues to refine its approach through the upcoming Financial Services Growth and Competitiveness Strategy, the fintech community will be closely watching how effectively these new measures address longstanding concerns and whether the UK can sustain and build upon its fintech leadership in a fiercely competitive global market.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.cityam.com/government-pledges-to-back-uk-fintech-with-regulation-overhaul/), [[5]](https://www.gov.uk/government/news/former-science-minister-appointed-as-innovative-regulation-chair-to-bring-game-changing-tech-like-drone-medicine-deliveries-to-the-public-faster)
* Paragraph 2 – [[1]](https://www.cityam.com/government-pledges-to-back-uk-fintech-with-regulation-overhaul/)
* Paragraph 3 – [[1]](https://www.cityam.com/government-pledges-to-back-uk-fintech-with-regulation-overhaul/)
* Paragraph 4 – [[2]](https://www.gov.uk/government/news/chancellor-and-fintech-bosses-to-slash-duplicative-and-burdensome-rules), [[6]](https://www.gov.uk/government/news/chancellor-and-fintech-bosses-to-slash-duplicative-and-burdensome-rules)
* Paragraph 5 – [[3]](https://www.gov.uk/government/news/fintech-sector-strategy-launched-at-international-fintech-conference), [[7]](https://www.gov.uk/government/news/fintech-sector-strategy-launched-at-international-fintech-conference)
* Paragraph 6 – [[5]](https://www.gov.uk/government/news/former-science-minister-appointed-as-innovative-regulation-chair-to-bring-game-changing-tech-like-drone-medicine-deliveries-to-the-public-faster)
* Paragraph 7 – [[1]](https://www.cityam.com/government-pledges-to-back-uk-fintech-with-regulation-overhaul/)

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## Bibliography

1. <https://www.cityam.com/government-pledges-to-back-uk-fintech-with-regulation-overhaul/> - Please view link - unable to able to access data
2. <https://www.gov.uk/government/news/chancellor-and-fintech-bosses-to-slash-duplicative-and-burdensome-rules> - On 18 March 2025, Chancellor Rachel Reeves met with leading fintech leaders to discuss the Financial Services Growth and Competitiveness Strategy. The government plans to streamline regulations, including reforms to the Markets in Financial Instruments Directive (MiFID) rules, to support economic growth and make the UK's capital markets more attractive. This initiative aims to reduce the administrative cost of regulation on businesses by a quarter, fulfilling the Prime Minister's pledge to cut red tape and boost growth.
3. <https://www.gov.uk/government/news/fintech-sector-strategy-launched-at-international-fintech-conference> - The UK government has launched the Fintech Sector Strategy, which includes the establishment of a Cryptoassets Task Force comprising HM Treasury, the Bank of England, and the Financial Conduct Authority. This task force aims to harness the potential benefits of cryptoassets while mitigating associated risks. Additionally, the strategy introduces 'robo-regulation' pilot schemes to assist fintech firms in complying with regulations through automated software, and appoints three new Fintech Regional Envoys to ensure the benefits of fintech are felt across the UK.
4. <https://www.gov.uk/government/consultations/consultation-on-draft-innovation-plan-for-financial-services/consultation-paper-on-draft-innovation-for-financial-services> - The UK government's draft innovation plan for financial services outlines initiatives to make UK financial services the most competitive and innovative globally. Actions include working with regulators to lower barriers to entry for new firms, developing an open banking standard for application programming interfaces (APIs), legislating for big banks to share SME credit data, and improving the Current Account Switch Service (CASS) to facilitate easier comparison and switching of personal current accounts.
5. <https://www.gov.uk/government/news/former-science-minister-appointed-as-innovative-regulation-chair-to-bring-game-changing-tech-like-drone-medicine-deliveries-to-the-public-faster> - David Willetts, former science minister, has been appointed Chair of the Regulatory Innovation Office (RIO), established on 8 October 2024 within the UK Department for Science, Innovation and Technology. The RIO aims to expedite regulatory decisions by acting as an intermediary between government, regulators, and businesses, focusing initially on sectors such as engineering biology, space, artificial intelligence, healthcare, drones, and other autonomous technologies.
6. <https://www.gov.uk/government/news/chancellor-and-fintech-bosses-to-slash-duplicative-and-burdensome-rules> - On 18 March 2025, Chancellor Rachel Reeves met with leading fintech leaders to discuss the Financial Services Growth and Competitiveness Strategy. The government plans to streamline regulations, including reforms to the Markets in Financial Instruments Directive (MiFID) rules, to support economic growth and make the UK's capital markets more attractive. This initiative aims to reduce the administrative cost of regulation on businesses by a quarter, fulfilling the Prime Minister's pledge to cut red tape and boost growth.
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