

Dame Meg Hillier MP  
Treasury Select Committee  
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3 December 2025

Our Ref: MC2025/01586

Dear Dame Meg,

You will be aware that in recent days we have been called on by MPs to investigate the handling of information ahead of the Autumn Budget 2025 and whether it amounts to market abuse.

Given the nature of the concerns and the role of Parliament, and specifically your committee, in scrutinising our work, I thought I should set out our role and approach to these specific issues.

As you will be aware, due to confidentiality restrictions, we generally do not go into details about our enquiries or how they conclude, unless they lead to a public outcome. While we have not commenced an enforcement investigation, I recognise the public and the Committee's interest in the steps we are taking as outlined below.

First, our role. We are the competent authority in the UK for market abuse. This includes the offences of unlawful disclosure of inside information and market manipulation (as described in Articles 10 and 12 of the UK Market Abuse Regulation).

We support public bodies by helping them understand how to consider whether information they hold amounts to inside information and how they should handle this. We publish guidance to assist and provide training where requested.

In relation to the Autumn Budget 2025, three main concerns or allegations have been raised with us as follows:

- That briefings by Ministers and Government officials were misleading and may have amounted to market manipulation.
- Inappropriate placing of market sensitive or inside information into the public domain through Government briefings or leaks.
- The early release of the Office for Budget Responsibility's (OBR) Economic and Fiscal Outlook.

It has been suggested that the above events contributed to significant movements in markets overseen by the FCA.

The core purpose of the Market Abuse Regulation is to ensure a level playing field so that, to the greatest possible extent, all participants can have confidence in the integrity of markets. Its purpose is not to make judgments on political discourse, even though that discourse may on occasion have an impact on markets.

How the Government publicly communicates its position in advance of a fiscal event or similar is a matter for Parliament through its accountability mechanisms. I note that the Chief Secretary to the Treasury made a statement in Parliament on 1 December addressing the Government's communication with the public in the lead-up to the Budget.

On the alleged inappropriate disclosure of market sensitive information by Government officials, I note the comments made by the Chief Secretary to the Treasury in Parliament on 1 December, specifically that "the Government take the Budget process and our responsibilities to this House very seriously" and that the Treasury "Permanent Secretary has committed to keeping all aspects under review to ensure the integrity of the Budget process", as well as his comments in Parliament on 2 December confirming a leak inquiry is underway and the Permanent Secretary "will... conduct a review of Treasury's security process to inform future fiscal events". The Chief Secretary also confirmed in Parliament today, in response to a question from you, that the leak inquiry is underway with the Chancellor's support.

We have requested details of this work and that the outcome, including of the inquiry into any leak of market sensitive or inside information relating to the Budget, is shared with us so we can consider as appropriate.

Finally, the Office for Budget Responsibility has now published the outcome of its investigation into the early release of its Economic and Fiscal Outlook. We are now considering this report and welcome the statement in the report's conclusion that "we are confident that the OBR will cooperate fully with the FCA".

I hope the Committee finds this letter helpful.

Yours sincerely,

**Nikhil Rathi**  
**Chief Executive**