

Funding the Future

Article URL

Published: January 12, 2026, 6:19 pm

As [the FT notes](#) this morning:

Rishi Sunak will slash a tax surcharge on bank profits by more than 60 per cent in next week's Budget in an effort to keep the City of London competitive on a global scale in the wake of Brexit.

The chancellor will cut the surcharge from 8 per cent to 3 per cent from April 2023.

This surcharge increases the rate of corporation tax paid by banks from the 19% currently due to 27% at present, which will fall to 22% if Sunak's plan goes ahead.

What's the cost? It is hard to say precisely as the existing corporation tax statistics do not show the sum paid by banks separately, but [PWC suggest](#) that the total paid may be £2 billion. That would put the cost of the cut at £1 .2 billion.

The cut in Universal Credit by cancelling the £20 a week uplift supposedly saved the Chancellor £6 billion.

I am sure that all the families suffering a £20 decrease in their Universal Credit will be pleased to know that £4 a week of that sum will be redirected to banks to keep them competitive. That's what these figures imply.

I doubt that the thought that they're helping out bankers is going to provide much comfort to all losing their benefits this winter.