

NEWS | CEO BRIEFING

Healey's first Budget may lift UK bank surcharge to 8% from 3%

UK Chancellor John Healey is expected to target bank profits on Wednesday to help fill a war-driven hole in the public finances. Bank shares have already fallen in anticipation.

By **Manasee Kurlekar** | October 25, 2026



UK banks look set to help pay for the war.

UK Chancellor John Healey is expected to target bank profits on Wednesday to help fill a war-driven hole in the public finances. Bank shares have already fallen in anticipation.

Reports in the Guardian, FT and BBC say Chancellor John Healey's first Budget on Wednesday is likely to reverse the bank surcharge cut, a move worth more than £2 billion a year. At 8%, the combined headline tax on bank profits would reach 33%. Goldman Sachs puts the profit hit at 6–7% for Lloyds and NatWest and 2–3% for Barclays. Banking lobby UK Finance warns it could cost nearly £20 billion of output over a decade. Investors have moved first: UK bank stocks fell more than 8% over the past month.

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Goldman Sachs estimates the profit hit at 2–3% for Barclays and 6–7% for Lloyds and NatWest; the FTSE 350 Banks index fell a little over 8% in the month. Industry body UK Finance warns the change would cost around £6 billion of UK output over five years, rising to nearly £20 billion over ten.]

Read online: <https://worldbusinesswatch.com/news/9/314/healeys-first-budget-may-lift-uk-bank-surcharge-to-8-from-3.html>

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