

The banking Brexodus that never happened. Why the City is still top dog

What happened to all those bankers that were going to quit the City and move to the EU post Brexit?

A pertinent question. What happened to them mostly is this: they stayed exactly where they are. There was no, ahem, Brexodus.

But weren't there predictions of City apocalypse? Our famed Square Mile deserted? Our banking industry finished?

Indeed there were. We will mention no names out of kindness, but shall note in many cases their judgement was typically skew-whiff.

Recruitment firm Morgan McKinley reports today that at the end of last year, City firms were recruiting for 40% more roles than they were in 2019.

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With Covid receding, the issue is not that there are too few bankers, but that we can't find enough.

Hakan Enver at Morgan told CityAM: "Back in 2016, there were numerous reports circulating that up to 100,000 jobs would be lost from the UK to the EU following Brexit. Five years later, this hasn't happened and is likely never to happen in those volumes."

Why did banker Brexodus never happen?

Lots of reasons, but put simply: We are really good at this. The City infrastructure, the insurance, legal and compliance sectors have been built up over many decades. It really isn't that easy to replicate. Also, if you are a top banker, you want to be in London or New York. That is where it is at. Being sent elsewhere is a sign your employer doesn't value you that much, perhaps.

David Buik of Aquis Exchange says: "There is absolutely no evidence of any extended exodus from the City of London to European ports of call such as Amsterdam, Frankfurt and Paris. Approximately 7400 jobs have gone to the EU rather than the hysterical estimate of between 80-100k. The City remains dominant in foreign exchange. The EU has failed to move the dominance of clearing away from London. Derivative trading in London is robust. M&A activity is rampant in London – 108 IPO deals in the City through the LSE in 2021 and 24 deals at Aquis Exchange, admittedly small in size. This number I think is almost double Paris and Frankfurt put together. The UK legal prowess rules. The City is going nowhere."

What about all those spokespeople for Amsterdam and Paris shouting about how much business they were going to grab?

Think of them as you would the tourism manager for Margate. Their job is to talk up the appeal of this doubtless lovely Kent seaside town, over, say, Majorca. They don't actually expect us all to show up and couldn't cope if we did.

London is a world City too. It is fun. There is lots to do.

Tell me a dodgy joke about the nightlife in Frankfurt.

The nightlife in Frankfurt is perfectly lively every day apart from Wednesday. Because that is the day she visits her mother.

Shouldn't the EU and UK kiss and make up on all this?

Buik again: "It is time the bad feeling between the UK and the EU dissipated. It is unhelpful. The EU will not benefit – New York and the Far East will benefit from our squabbles. If the going gets tough I expect pressure to ease regulation, making London an even more attractive place to do business."