

# Chancellor holding meeting with bankers as fallout from mini-budget continues

Chancellor Kwasi Kwarteng is due to meet bankers today in an effort to calm nerves after his mini-budget spooked the markets and sent the pound crashing.

The Treasury has categorically denied he will ask financiers not to bet against the pound, which has fallen to record lows against the dollar in recent days.

He is also expected to underline his commitment to fiscal discipline and will talk about a “Big Bang 2.0 event” from his growth plan.

## [Politics live: Kwarteng holds call with nervous Tory MPs](#)

The chancellor is facing international pressure to change course after he [unveiled the biggest programme of tax cuts for 50 years](#) in his mini-budget last Friday.

In an extraordinary statement on Tuesday, the International Monetary Fund (IMF) said it was “closely monitoring” developments in the UK and urged Mr Kwarteng to “re-evaluate the tax measures”.

It said that the plans, including the abolition of the 45p rate of income tax for people earning more than £150,000, [are likely to increase inequality.](#)

## More on Kwasi Kwarteng



IMF warns UK against mini-budget that will 'likely increase inequality'



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The Bank of England (BoE) has [signalled it was ready to significantly ramp up interest rates](#) to shore up the pound and guard against increased inflation.

The chancellor has insisted he is "confident" his strategy will deliver the promised economic growth.

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Last night he spoke by phone to Tory MPs at a time of growing anger on the backbenches over the government's strategy.

### [IMF hits out at mini-budget – live updates.](#)

Some have been openly expressing concerns about the new economic approach, and the effect it has had on financial markets, saying the party risks trashing its reputation for managing the economy with voters.

Veteran Conservative MP Sir Roger Gale says that another financial crash may be on the way.

Speaking to Good Morning Britain, he said the situation amounts to a "perfect storm".

He added: "I'm sadly old enough to remember the last financial crash.

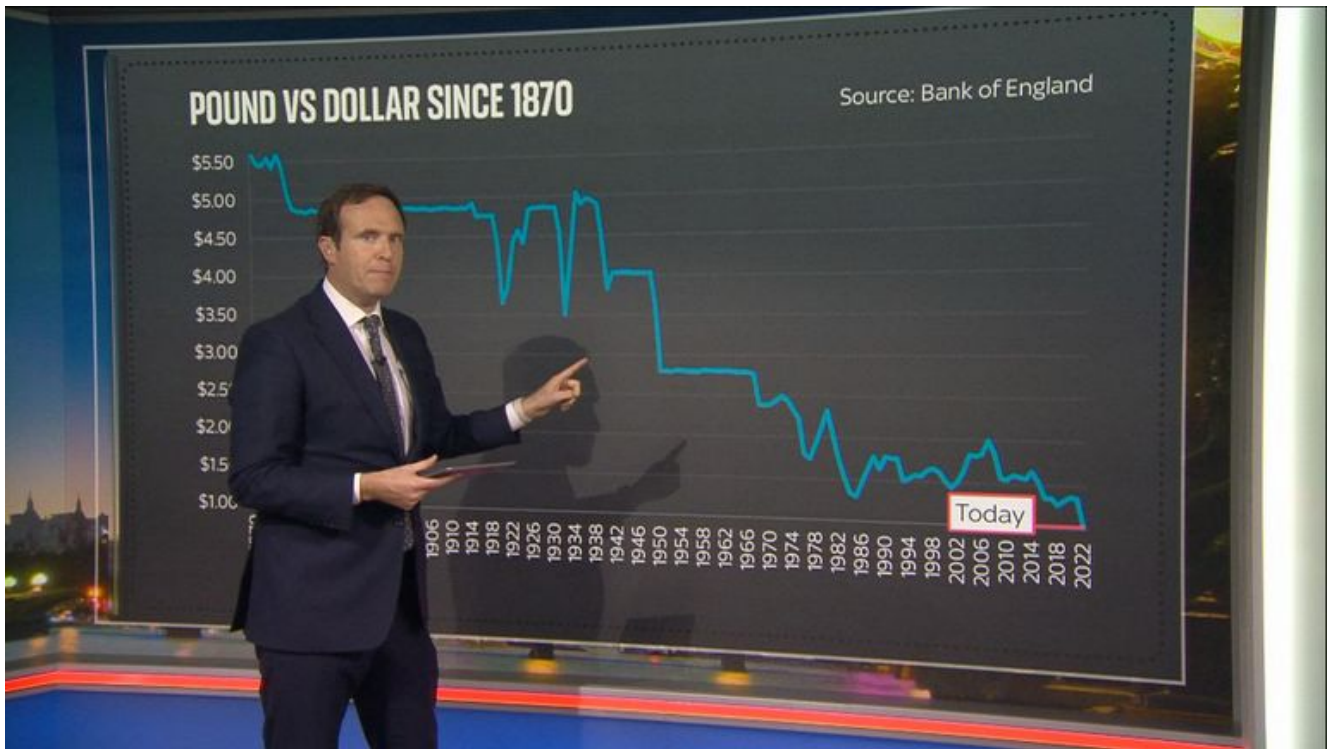
"When... people would come into the surgery in tears because they were losing homes and they were losing businesses.

"It was not a pretty sight and I don't want to see it happen again."

### **Chancellor defends budget in phone call with Tory MPs**

Sky News understands that the chancellor stood by his decision to cut taxes for the highest earners on his call yesterday, telling MPs "it was a tough choice but the right choice".

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2:32

Sky's economics and data editor Ed Conway takes a look at the most recent numbers on the pound's volatility.

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He argued his fiscal strategy was focused on the medium-term, and was aimed at showing voters "we can be more efficient in how we spend taxpayers' money".

He went on to say that the economic situation would be better in 2024, before what he said was always going to be a "tricky" general election – with Labour [currently surging ahead in the polls.](#)

He told MPs that he was establishing a "good working relationship" with the governor of the Bank of England and was in daily contact with him.

He also acknowledged that markets had been volatile but said they were now “settling down” and argued the turmoil reflected a frustration that the markets had not known everything that was included in the mini-budget.