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SEX-BASED RIGHTS IN THE CITY

The financial sector's failure of compliance

May 2026

A year ago, on 16th April 2025, the Supreme Court handed down its judgment in the case of *For Women Scotland Ltd v The Scottish Ministers* (FWS).[1]

It confirmed that "man" and "woman" in the UK's main anti-discrimination law, the Equality Act 2010, refer to biological sex, and that this clarity is a crucial foundation for the law against sex discrimination.

This report examines how major financial firms in the UK responded to the judgment, taking workplace toilets as a proxy for broader understanding and compliance with the Equality Act.

Anonymous enquiries were made to 15 large financial organisations to see if they had updated their policies since the judgment. These were followed up with five interviews with individuals.

[1] For Women Scotland Ltd (Appellant) v The Scottish Ministers (Respondent) [2025] UKSC 16

Key findings

The main finding is that firms in the financial sector – including household names with large workforces – have failed to update their understanding of the law or their policies on access to single-sex spaces in line with the judgment. Not one of the 15 organisations contacted gave a direct response to clear questions about whether trans-identifying staff members were permitted as a matter of policy to use facilities for the opposite sex.[2]

Despite obfuscation in their responses, at least six are known to have maintained gender self-ID policies past the date of the Supreme Court judgment, permitting staff to use opposite-sex facilities if that is what they prefer.[3] Female staff concerned about this have been left feeling angry, unvalued and cynical.

The Supreme Court judgment means that whenever an employer plans and takes steps to ensure equality for women, such as making commitments, setting policies, measuring progress or celebrating achievement, it should be clear that women means female people. Being a woman is a matter of biology, not gender identity.

One everyday consequence of the judgment concerns single-sex facilities, in work and elsewhere. Unless workplace policies concerning single-sex toilets and other sanitary facilities provided by employers are based on (biological) sex, not on paperwork (possession of a gender-recognition certificate; GRC) or gender self-identification (the subjective claim to feel like a man or a woman), female employees cannot be guaranteed that these essential spaces will genuinely be single sex.

Female-only facilities are a basic necessity for inclusion for women at work. They provide a clear signal that an employer understands and meets women's most fundamental needs for dignity, privacy and safety in the workplace. But employers in the financial sector are ignoring this law, which exists to protect women. They are thus sending a message that they do not care about female staff, and that it is pointless and risky for women to complain.

This failure is a case study of non-compliance across the UK economy. It also matters in itself: the financial-services sector is one of the largest in the UK, providing around nine percent of the UK's total economic output.

[2]See page 16

[3]Admiral Group, The Co-operative Group, Coventry Building Society, HSBC, Lloyds Banking Group, NatWest Group

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A basic necessity

Finance has historically been male-dominated, and though plenty of young female graduates join financial-services firms, many face sex discrimination and too few women get to the top. The past two decades have seen concerted efforts to increase the representation of women at all levels of the sector, with over 200 firms committing to the "women in finance" charter.[4] And yet, on this most basic issue of providing for female employees' bodily privacy, dignity and safety, the sector is manifestly failing to live up to its stated aspirations.

Finance is a highly regulated sector, and on any other topic a Supreme Court judgment would result in a rush to ensure all policies were brought into line with the law as speedily as possible, and to communicate all changes clearly to staff. The interviewees found the wide gap between standard practice in relation to compliance with laws and regulations and the response to the FWS judgment jarring, expressing unease and a perception of organisational confusion. Some said they felt unable to raise concerns for fear of adverse consequences for their careers.

These findings have implications for regulators and public authorities, in particular the Equality and Human Rights Commission (EHRC), which is responsible for compliance with equality law, and the Health and Safety Executive (HSE), which provides guidance on health and safety regulations. They also have implications for the government, whose role it is to lay statutory guidance before Parliament.

And finally, they have implications for employers. For years, many have been too ready to accept flawed legal advice from trans lobby groups, and schemes such as Stonewall Diversity Champions (now rebranded as Proud Employers) and Inclusive Employers that misstated the law. Employers have also granted too much power to workplace affinity groups that have joined forces with external groups to lobby HR departments for such policies.

> **On any other topic a Supreme Court judgment would result in a rush to ensure all policies were brought into line with the law as speedily as possible, and to communicate all changes clearly to staff.**

[4] HM Government (2026). Women in Finance Charter list of signatories (March 2026).

A case study in non-compliance

As the EHRC has repeatedly stated, employers (and all duty-bearers under the Equality Act) are immediately obliged to obey the law as clarified by the Supreme Court. By delaying for any reason they are putting themselves at risk of legal action, as well as causing frustration and uncertainty for staff members who naturally expect employers, especially in such a highly regulated industry, to place the highest priority on full legal compliance.

The stated rationale for non-compliant self-ID policies is "inclusion". However, gender self-ID is anything but "inclusive". True inclusion requires considering the needs of women as a group defined by sex, alongside the needs of groups with other protected characteristics such as disability, age, race and gender reassignment. Single-sex facilities are essential for the inclusion of several large groups in the workplace, including women and certain religious groups. Confusing categories undermines the sound working of the Equality Act.

Employers need to start treating compliance with the Equality Act and workplace regulations concerning single-sex facilities in the same way as all other aspects of legal and regulatory compliance: as urgent and compulsory.

They must act swiftly to bring their policies in line with the law and communicate the new policies clearly in order to ensure fair and respectful treatment for everyone.

Sex means sex

The Supreme Court is the UK's apex court, and its judgments are the binding interpretation of the law unless and until Parliament legislates to change the law. The FWS ruling made clear that the terms "man" and "woman" (and "male" and "female") in the Equality Act 2010 refer to sex (sometimes described as "biological sex" or "sex registered at birth").

Under the 1992 Workplace Regulations, which cover all aspects of health and safety at work, most workplaces must provide single-sex toilets for their employees, as well as changing rooms and washing facilities where required. While toilets can be provided as single-user fully enclosed unisex rooms, the most common approach in larger workplaces is two or more cubicles inside an enclosed room, with handwashing facilities in a shared area, all behind a door marked either Male or Female. There will often be a unisex single-user accessible toilet as well.

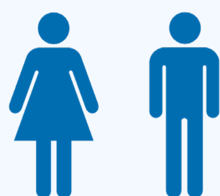
However, the legally baseless claim that the Equality Act mandated gender self-ID left many trans-identifying people and employers firmly convinced that self-ID is the law. This had been promoted by lobby groups such as Stonewall, Gendered Intelligence and Trans in the City, which provided guidance to employers. The Chartered Institute of Personnel and Development (CIPD), a membership organisation for HR professionals, and Inclusive Employers, which offers consultancy, training and accreditation to employers on all aspects of workplace inclusion, gave similar advice.

All this was encouraged and enabled by the flawed 2011 EHRC code of practice. It includes this statement, which is now clearly unlawful:

> "13.57 If a service provider provides single- or separate sex services for women and men, or provides services differently to women and men, they should treat transsexual people according to the gender role in which they present…"

As Lord Hodge, the Supreme Court judge who handed down the FWS ruling, said in an interview in September: "People had been led to believe by public authorities, among others, for the last 15 years that they had rights which they didn't have."[5]

Shortly after that ruling, the EHRC published an "interim update" on its website. This explained a key everyday consequence of the ruling for employers, namely that workplace policies concerning single-sex facilities have to be based on sex, not self-identified gender:



"Trans women (biological men) should not be permitted to use the women's facilities and trans men (biological women) should not be permitted to use the men's facilities, as this will mean that they are no longer single-sex facilities and must be open to all users of the opposite sex."

The Good Law Project[6] brought a legal challenge to this update. In February 2026 the High Court dismissed the challenge, ruling that there was no error in law in the EHRC update, and that the human rights of three individual co-complainants had not been breached by being told not to use workplace facilities provided for the opposite sex.

Soon after publishing the interim update, the EHRC started a short public consultation on the sections of its code of practice for service providers impacted by the FWS judgment. A draft had already been written after a more wide-ranging consultation the previous year, but since the EHRC had misinterpreted the Equality Act before the FWS judgment, that draft was outdated.

An updated version was sent to the Minister for Women and Equalities, Bridget Phillipson, in September 2025. Despite this being aimed at service providers rather than employers, and despite the EHRC and the government repeatedly emphasising that there is no need for anyone to wait for further guidance before complying with the law, many employers have insisted that they will not update policies until it is published.

On 14th April 2026, after this research was completed, Phillipson said that the guidance would be published in May.

[5] Magnus Linklater (2025). 'Lord Hodge: Supreme Court had a duty to rule on gender', *The Times*.
[6] Good Law Project (2025). 'We're challenging the EHRC's interim guidance'.

Lower courts: a legacy of confusion

Several ongoing employment-tribunal cases expose the conflicts that can occur when employers have ambiguous policies or policies explicitly permitting people of the opposite sex to access single-sex workplace facilities.

Judgments in first-tier tribunal cases have provided inconsistent interpretations. The judgment in the case taken by a group of nurses against County Durham and Darlington NHS Foundation Trust interpreted workplace health-and-safety regulations in line with FWS, and found that it was harassment to permit a trans-identifying man into the female changing room.[7]

Cases taken by another nurse, Sandie Peggie,[8] and by Maria Kelly,[9] an engineer working at Leonardo UK, a defence and security company, came to different conclusions, but both are being appealed.[10] **But it is clear that employers which do not have comprehensible, legally compliant policies risk legal liability for harassment and discrimination.**

The High Court judgment in the case of ***GLP v EHRC*** (which is binding on employment tribunals) confirms that **it is lawful for employers and service providers to provide separate-sex facilities** – with policies stating that employees of the opposite sex are not permitted to enter – **and that it may be unlawful indirect discrimination against women not to.**

Nurse Jennifer Melle (left) with some of the Darlington nurses and Nurse Sandie Peggie (right). Photo: Belinda Jiao

[7]Sex Matters (2026). *Bethany Hutchison and others v County Durham and Darlington NHS Trust*.
[8]Sex Matters (2025). *Sandie Peggie v NHS Fife and Beth Upton*.
[9]Sex Matters (2025). *Maria Kelly v Leonardo UK*.

Female facilities: essential for inclusion

The financial sector accounts for 1.17 million jobs[10] – 3.1 percent of all people in employment,[11] which doubles if related service-sector employees are included.[12] The network Women in Banking and Finance suggests that 47 percent of the UK's financial-sector workforce are women.[13] The sector also makes an outsize contribution to GDP, and influences the sectors it invests in and insures. It is therefore an important case study for compliance across the economy as a whole.

Employers in the sector that seek to ensure fairness and increase representation of women have been taking steps focused on recruitment, retention, behaviour and culture. The most immediate practical demonstration of understanding and recognition of women's needs and legal rights concerns the provision of toilet facilities. Employers are required under health-and-safety regulations to provide "suitable and sufficient" facilities for men and women separately.[14] The same is true for washing and changing facilities, if provided. However, employers haven't always been clear that "women" means "female people". The Supreme Court judgment means that they must reset their understanding of equality, discrimination and inclusion, recognising that they cannot take effective action to protect women from discrimination and increase their participation if they have forgotten that women are female – and most especially if they punish women for stating this.

[10]Office of National Statistics (2025). 'UK Workforce Jobs SA: K Financial & insurance activities (thousands)'.
[11]UK Parliament. House of Commons Library (2024). *Research Briefing: Industries in the UK*.
[12]UK Parliament. House of Commons Treasury Committee (2024). *Sexism in the City: Sixth Report of Session 2023–24*.
[13]Women in Banking and Finance (2025). *Why we exist*.
[14]*The Workplace (Health, Safety and Welfare) Regulations (1992). SI1992/3004*.

Insulting women for "inclusion"

In 2017 the *Financial Times* launched the HERoes Champions of Women in Business list, saying: "Boardrooms are lacking in gender diversity, and the absence of female representation has an impact at all levels of an organisation. The presence of strong, female role models across all sectors and industries is essential to develop a pool of diverse rising talent."

Selected to appear on the list was Philip "Pips" Bunce, a male employee of Credit Suisse who identifies as "gender-fluid". Half the time Bunce came to work as Philip, and half the time as Pippa, when he wore a wig and dress. Bunce appeared in the FT's female leaders list again in 2018, along with another man, Nicci Take, a sales coach who started performing as a "corporate drag queen" as part of a rebrand of his company. (Bunce left Credit Suisse in 2024.)

Gwen Rhys, founder and CEO of Women in the City, a London-based organisation that promotes, recognises and rewards female achievement, questioned the inclusion of Bunce, saying: "This person may well be a champion of diversity, but I am curious as to why the category that they have been put into is that of females."

Philip "Pips" Bunce – Photos: Credit Suisse/Facebook

Bunce also appeared in a photo exhibition displayed in the lobby of UBS in 2021 entitled "Corporate Queer", along with Claire Stevens, aka "Crystal Claire", a male IT consultant in the financial sector, who posed in a red PVC dress and fishnet tights. Stevens has since left his City job and now hosts BDSM and "school role play" dinner parties.

Many women felt that including men in a list of "women in business" was an insult to women and a demonstration of old-fashioned sexism. One female city worker said: "This is a gross insult… The person who sent this to me is a female UBS employee of very long standing. She was insulted by this. Women are mere hookers in plastic dresses with fishnets. Her female colleague was similarly appalled. They dare not complain."

Nicci Take – Photo: Instagram

These men's presence on the list did nothing to promote female leadership, and whatever challenges or prejudice they experience as a result of their liking for cross-dressing has nothing in common with the challenges and prejudice women face in historically male-dominated professions as a result of being female.

Moreover, these men's clothing choices were highly sexualised, nothing like what a woman in corporate life would dream of wearing if she wanted to be taken seriously. None of them had ever done anything of note to support or lift up women in their companies that might merit recognition as a role model or champion for women in leadership. The inclusion of Bunce and Take in the FT's Champions of Women in Business list was based on nothing more than their wigs, makeup and dresses – the sort of stereotypical notion of "femininity" that women who wish to gain respect and recognition in male-dominated sectors regard as holding them back.

Methodology and findings

In August 2025, four months after the Supreme Court judgment, 15 large UK financial institutions were approached by a researcher for the purposes of this report with an anonymous request for information, submitted via the organisations' whistleblowing mechanisms to ensure confidentiality and because of concerns about widespread unlawful practice and potential retaliation if an approach was made by a staff member through internal channels.

The institutions constitute a cross-section of the sector, both national and multinational and spread across banking, insurance and professional services. They were:

Admiral Group
Amex
Aviva
The Co-operative Group
Coventry Building Society
Ernst & Young
HSBC
Lloyds Banking Group
London Stock Exchange
Nationwide
NatWest Group
Prudential
Royal London
Santander UK
Standard Chartered.

The researcher asked for specific information in response to the following statement:

Your organisation is not complying with the legal requirement to provide suitable toilet provision in the workplace. This is because of company policy or practice which states or permits that men who identify as women are allowed to use toilets that have been designated women or female only. Vice versa, women who identify as men are allowed to use toilets that are designated male or men only.

This contravenes the Workplace (Health, Safety and Welfare) Regulations 1992. Unisex or gender-neutral toilets can be provided but must have floor to ceiling doors lockable from the inside. Where toilet provision differs from this, provision must be provided separately for each sex.

Please confirm your company policy for staff in the UK in relation to toilet access including those staff who identify as transgender or non-binary and the steps you will take to ensure your workplace provision satisfies your legal duties.

Fourteen organisations offered a substantive response, but not a single one answered by clearly describing its company policy or confirming that access to single-sex facilities was restricted to people of that sex. None described any concrete steps they were planning to bring their policies into compliance. The 15th (Standard Chartered) said that the query lay outside the scope of its whistleblowing mechanisms and refused to engage.

Nine organisations said they were waiting for the publication of the revised EHRC code of practice for service providers before deciding whether to make changes to their policy.[15] In several cases the whistleblower responded, pointing out that this guidance is not directly relevant to employers, and that employers are required to obey the law now, independent of the existence or otherwise of any guidance. In every case, this response was ignored.

> "[We are] awaiting full guidance from the Equality and Human Rights Commission as we navigate through the implications of the Supreme Court decision."

> "When the updated Equality and Human Rights Commission guidance and code of practice is published, [we] will work through what impact this will have and we will review our facilities in line with this."

> "We recognise the need to balance a complex set of rights and responsibilities under the Equality Act 2010 and Health and Safety legislation. At this stage, we're operating in the absence of detailed guidance from the EHRC or HSE on how best to do that... In the meantime, and in consultation with our colleague representative groups, we've not made formal changes to the wording of our policy. But we've been clear with colleagues that any concerns will be addressed in a sensitive and respectful way that reflects our values and legal obligations."

The Supreme Court judgment was expressly referred to by just four organisations. Four claimed that they were legally compliant without giving any details of their policy.[16] One of these (Coventry Building Society) is known to have continued with a policy based on gender self-ID after the Supreme Court judgment.[17]

> "We can confirm that our facilities comply with legal requirements. We continue to monitor developments in this space."

> "We can confirm that all policies are in line with legal requirements, therefore no further action is required."

[15] Admiral Group, The Co-operative Group, Coventry Building Society, Ernst & Young, Lloyds Banking Group, London Stock Exchange, Nationwide, Natwest, Santander UK
[16] Amex, Aviva, Coventry Building Society, Royal London
[17] James Esses (2025). Post on X, @JamesEsses, 28th June 2025.

Some organisations referred to their provision of single-user unisex or gender-neutral toilets, but did not clarify whether individuals are expected to follow sex-based rules about which facilities to use.

> "We can confirm that our offices in the UK contain unisex toilets which are separate rooms lockable from the inside."

> "[The company] has individual or gender-neutral facilities across our main UK office hubs which can be used by any colleague."

Several of the responses referred to "inclusivity" as their desired goal without any acknowledgement that inclusion of women and certain religious groups requires single-sex provision to be based on (biological) sex.

> "[We remain] committed to inclusivity while protecting and upholding the rights of all of our colleagues, including those who are trans and non-binary. We'll continue to keep this area under active review."

In some cases these responses were supplemented by additional material (published policies or anonymised case notes) and by information received privately from employees.

From these sources, it is known that seven of the 15 organisations have gender self-ID policies, either in the form of a written policy saying that all staff, or all trans-identifying staff, may use whichever facilities they wish, or as a demonstrable willingness to respond positively to individual requests to use opposite-sex facilities.[18] One has quietly removed a self-ID policy from its intranet but has not officially countermanded or replaced it.[19]

Additionally, some companies conflate gender reassignment – a protected characteristic – with gender identity and gender expression (which are not). This is significant because it leads to the misapprehension that "woman" and "female" are gender identities. Employers that don't understand the Equality Act frequently write policies that express and embed a hierarchy of protected characteristics that does not exist in the law, giving greater organisational priority to gender reassignment compared to sex.[20]

This approach exposes organisations and individuals to risk, with the EHRC already having written to 19 bodies[21] regarding the unlawful advice they offer employees concerning the use of single-sex spaces. It is also remarkably slow for financial organisations, compared to the speed with which they respond to new sectoral regulations or updates from the Financial Conduct Authority (FCA). Externally and internally, this sluggishness may cause reputational and brand damage. It also means there is still considerable uncertainty about a policy that affects all employees, but especially female employees' day-to-day experience of their workplace. This is not good for anyone, including trans-identifying employees.

[18]Admiral Group, Amex, The Co-operative Group, Coventry Building Society, HSBC, Lloyds Banking Group, NatWest Group
[19]Ernst & Young
[20]Athena Forum (2025). *Beneath the surface. How gender identity is reshaping Europe*.
[21]EHRC (2024). 'EHRC completes review of evidence from government on single-sex space policies'.

The inside story

The impact of this “wait and see” approach was given further illustrative depth by the views of five employees, a mix of women and men, all with managerial or leadership roles, in five of the organisations approached.

These individuals were interviewed anonymously for this project during the first quarter of 2026. Responses to the whistleblowing complaints were used to develop a list of themes to guide conversations with interviewees:

- What was the practice at your organisation regarding single-sex spaces and pronouns (and anything else gender-related) before April 2025? Was this a formal policy or just custom and practice or “ask your manager”? Was there anything public?
- What changes, if any, are you aware of since the April 2025 Supreme Court judgment? If there were changes, how were they communicated?
- What is practice now?
- What were/are the policy drivers for your employer’s past and/or current policies?
- Do you know of anyone who has complained about a policy or occurrence related to single-sex spaces or any other sex/gender policy, either before or after the judgment, and if so, what was the outcome?
- What, if any, difficulties have you encountered regarding single-sex spaces and pronouns previously and since the judgment?
- If policy isn’t currently where you think it should be, what are the blockers/what needs to change?
- Has your employer’s approach to this change affected your interest in remaining at the same workplace, and why?

Every interviewee said that before the judgment, their employer had a self-ID policy concerning single-sex spaces.

> "We have gender self-ID – you can be a male and use women's lavatories, women's changing facilities too."

> "A formal policy that staff can use whichever facilities they want based on 'gender expression' came in pre-covid."

> "Some years ago they introduced policies that were in practice self-ID. This had very senior sponsorship. They were so proud of it that they boasted about it."

> "Before the Supreme Court judgment there was a policy that explicitly stated that all staff could use the spaces of their chosen gender."

> "The pre-April 2025 policy, which is on the intranet in versions for transgender staff and for managers, dating from 2019, is that a person's pronouns should be respected at all times and bystanders should correct people if they get it wrong with zero tolerance, and that transgender employees should be supported in using whichever facilities best suit them. It falls just short of being compulsory, they say it's guidance not policy and that that makes it lawful. If you complain you get a standard response about how it's been checked by legal and they are confident the policy is fair and lawful. 'We respect your opinion and want you to feel safe at work.' They just fob us off."

After the judgment employers' reactions varied from indignation to silence – but none of the interviewees said their organisation had moved to bring policy in line with the law. No interviewee had noticed any change in training materials either.

> "The same policies are still in force despite the Supreme Court judgment. Use whichever toilets you want; preferred pronouns are strongly encouraged but not mandatory. Email signatures include pronouns by default."

> "Straight after the Supreme Court judgment a message from HR was put on the intranet recognising the pain and hurt that trans colleagues were feeling and offering an emergency session to discuss it. There was no recognition that GC [gender-critical] colleagues might be welcoming it."

> "Days after [the judgment] a statement was sent by email to all staff saying it was awful, we know it's a difficult time, the company continues to stand by trans staff and everyone should continue to use bathrooms, toilets and showers associated with their gender expression."

> "The board did get an update but it was based on poor legal advice. It said that since the policy had never asked for a GRC before and isn't asking now, the judgment made no difference and the policy is lawful."

> "After the judgment I asked a friend in HR about [our gender self-ID policy for toilets], and their response was 'we are working on it.' The placeholder for the policy remains online but the policy has been taken down. If you search you find a link on a list of policies and working practices and it takes you to a blank page. There have been no comms about this. I have no idea what practice is now. Nobody does."

> "A couple of weeks after the Supreme Court judgment, I raised it with HR. I pointed to industry press and asked what the company's position was. The woman dealing with my query got external legal advice and came back saying our facilities complied. I said that female toilets aren't compliant if males can use them. She said the Supreme Court ruling was just about the Equality Act and not workplace regulations. I sent her the link to the interim update from the EHRC – I highlighted the workplace requirements – and she just said again that we comply. She said it was a developing area and the company was monitoring it."

Waiting for guidance, avoiding action

Some interviewees said that their employer cited waiting for EHRC guidance as reason for not changing policy.

> "I asked our legal team if they had advised on the implications of the judgment. They said they are waiting for EHRC guidance. They think they have done the right thing. They can see that lots of other companies are doing the same thing."

> "They keep saying they're 'waiting for the guidance, the law is constantly evolving'."

Asked what had led their employer to adopt gender self-ID in the first place despite it never being the law, interviewees cited senior staff with a strong interest in trans issues; LGBT+ staff networks; external benchmarking – by Stonewall but also via ESG reporting and a general desire to stay in step with peers; the FCA pressing self-ID on the sector; American influence via policies set by headquarters; and a general attitude that gender self-ID is "inclusive" and in line with company values.

> "Without rigorous legal input, you end up with unlawful things being nodded through under the auspices of HR. The additional Stonewall scenario of an external organisation that appears to confer prestige and has a scoring system creates a cottage industry within the DEI team – 'the bar we have to hit this year has just gone up.'"

> "The Pride network lobbied heavily to get gender reassignment included in the healthcare policy. Like a lot of corporates [my company] uses brokers. There was very little takeup but this is how companies benchmark themselves – are we market leaders or are we middle of the road? It's about what other companies are doing."

> "We became members of Stonewall's Workplace Equality Index some years ago. We got a bad score, Stonewall did a report on how to raise the score and the organisation just did a 'copy-paste' implement."

> "As with many large organisations, employee networks have exec-level sponsorship. Our LGBT network was sponsored by people who were open trans advocates, who talked publicly about their support for gender self-ID and were praised for it. Sometimes these networks have sponsors who are ideologically aligned or just don't know anything who go with what the network tells them. The network is positioned as a neutral expert. But the people who gravitate to the top of those networks are not neutral. They capture the ear of really busy people who agree to stuff they don't understand."

> "Many large organisations have had annual ESG reports for the last few years. They create an extra level of internal pressure – whatever these company scorers want, let's do that. They are scored by ESG companies which often become captured by activists or are even set up by them in the first place. They'll downgrade you unless you have appropriate policies in place, including on sex and gender. These things carry a lot of weight with the board. They're signed off by investor relations teams. There's a direct risk to the share price of a company if they get a low score and a major investor gets cold feet."

> "The FCA has been pushing very hard for banks to fall in line with [gender self-ID]. Until recently its executive director for consumers and competition was a former chair of Stonewall."

> "[Gender self-ID] forms part of broader 'diversity and inclusion' as almost the most important facet of business performance. There's a very strong expectation in organisations like mine that when you sign up to work in it you are signing up to live and breathe the company values."

The perception that their employer simply didn't care about its failure to comply with the law when it comes to women's rights made interviewees – both men and women – feel angry and cynical. They emphasised the fact that they work in a highly regulated sector, and said that on any other topic a Supreme Court judgment would result in a rush to ensure all policies were speedily brought into line with the law, with all changes communicated clearly to staff.

> "A lot of City firms are taking the introduction of the duty to prevent sexual harassment really seriously. They're stopping Christmas parties with alcohol, for example – they can see how this new duty could translate into very serious compliance problems for them. But they aren't making the link that [gender self-ID policies] could be in breach of this workplace duty. Until somebody brings a test case to demonstrate the direct nexus, they are going to be focusing on things like parties and power dynamics."

> "We already have men's, women's and all-inclusive toilets on every floor. It wouldn't require any investment, the only thing it would require is eating humble pie and saying that we have to follow the law. But it would take someone raising that as an issue, forcing [my firm] to rewrite the policy. I think their assumption is that it is highly unlikely that anybody would kick up a fuss because the potential downside for them is much higher than any upside."

> "If a company that says it has zero appetite for legal breaches says it's willing not to comply with this law because it doesn't think it's important, it's hard to see how to change that."

> "There's a positive policy in our organisation of ignoring things and hoping they go away. Everyone says it's difficult, but it's not. When regulators raise integrity issues, we spend on that. When the FCA comes in and pokes around, they say 'jump' and we say 'how high?'"

> "We can't currently demonstrate compliance with the law and have policies that are clearly in breach of the law. It's so interesting in an organisation with lawyers and risk and compliance professionals, where senior managers are supposed to have accountability."

This anger and cynicism was deepened by the strong feeling that to complain would be pointless or risky. One female interviewee spoke about the personal impact of finding a man in a supposedly women-only space, and her employer's failure to take her concerns seriously or solve the problem.

Another expressed deep dislike of her employer's use of "inclusive" language, which she finds dehumanising, and pointed out that while so much attention is lavished on trying to find ways to include men in women's spaces, workplace issues that matter to women are being ignored.

> "I told a senior colleague that there was a trans-identifying man using the female toilets when I was there. She said she was sorry to hear this, but then she left. It was just me and him. I see him all the time. My heart was going ten to the dozen. I've had one more experience since with him in the same toilet. Now I watch out – he works on the other side of the building from me and if I see him go in I wait until he comes out."

> "I've tried very hard to avoid it all. That's been my coping mechanism. I just knew these annoying things were going on, I just needed to park them. My feeling was that there was nothing I could do to change it."

> "I saw a job ad the other day, it was all about allyship and LGBTQ colleagues but no mention of women. I totally thought 'I can't go and work there, it's probably absolutely horrendous.'"

> "I find inclusive language highly dehumanising. Articles about [my employer] and menstruators, reminders that managers need to be more considerate of the menstruators in their teams – I don't want to be reading this. This is US-driven campaigns and language. I find it very offensive and don't understand how that is supposed to make me feel included."

> "This issue is diluting conversations about what women need in the workplace. Not because we're mixing men up with women but because people matters can only take up so much airtime. The more airtime is taken up by inclusive allyship to trans people the less leadership time and focus there is on other matters. They're losing sight of the things they need to do to be inclusive to women."

Opinions varied widely among the interviewees on what it would take to bring about change at their employer and across the sector more widely, and how difficult that would be. At one end of the spectrum were those who felt that their employers' commitment to "trans rights" was entirely performative, and that as soon as it ceased to be useful they would quickly drop it. In support of this view they referred to companies with a significant American presence rapidly dropping gender self-ID and other "DEI" policies when Donald Trump made clear that these would be frowned upon by his administration. At the other end of the spectrum were those who feared that inertia and a general feeling that "everyone is doing it" meant that concerted, centralised effort would be required to shift practice.

> "Since Trump was re-elected [management] has really reined in the internal networks. They reset the Slack group to get rid of history. I've noticed a huge difference in what the Pride network is publicising. There is no appetite to do anything other than when driven to by Trump and the executive order [on sex and gender] and that's because we have a government contract in America."

> "People have made their career out of this, nobody's made a career by fighting against it. It's going to take a significant counter-pressure. Even if there are legal actions they don't lead to individual accountability, costs and payout just come out of a general pot of money."

> "What is the risk to a company of not fixing their policy? Someone has to raise it at the board. But if all you've got in your ear is 'are you going to think about the poor trans people?' how does it get on the board agenda? Directors or company secretary or head of HR have to raise it, but they don't want to."

> "To change there has to be a reason – at the moment there isn't and they can keep bullshitting. You need a great big stick – financial penalties, negative press, regulation. The EHRC will have to give very clear guidance. [My company] needs to be able to say 'our hand is being forced.'"

> "Would EHRC guidance coming out help? I think it possibly would. No one wants to be the first because of bad press. If the guidance comes out, the risk flips from 'why are you doing this?' to 'why aren't you doing this?'"

> "We're only an office workplace. It's just a few trans-identifying men, and it's not like nurses who have to strip and change at work. You can see how they think it's less impactful, and why should they change when the NHS and prisons are still doing it?"

> "Fixing this is going to require a regulator with enforcement powers. When it comes to the Equality Act, the EHRC is weak. If an equalities tsar could do an audit and issue a fine, then banks and other corporates would fix things. They would drop their fancy rainbow diversity wotsits in a second if the regulator said so, they wouldn't even put up a fight."

> "We need a complete change in the legal space – the legal advisors are the ones who are giving duff advice."

Conclusions

A troubling failure

The snapshot provided in this report reveals something puzzling and worrying: large organisations in the UK financial sector have actively avoided facing up to the reality of the Supreme Court judgment and bringing their policies into legal compliance.

- By adopting gender self-ID policies, organisations – perhaps unwittingly – created a **hierarchy**, in which the desires of trans-identifying people were given priority over the needs and legal rights of all other employees. In Equality Act terms, the protected characteristic of gender reassignment was interpreted as trumping the protected characteristic of sex. This research reveals that despite the Supreme Court judgment, and the fact that all protected characteristics are formally equal in the Equality Act, this hierarchy remains in place. What it communicates to female employees is that their employer does not care about their needs or rights, and that they cannot advocate for themselves without risking retaliation.

- The unacknowledged gap between the law and company policies, between internal and external communications, and in some cases between formal policies and settled practice or between conflicting policies that are simultaneously in force causes **confusion, mistrust and cynicism**.

- **Blindness to the risks** posed by failure to comply is surprising and disconcerting in the financial sector, which is highly regulated, used to responding quickly to large changes and well aware of the need to manage a wide range of risks, including legal, regulatory and reputational ones.

- The degree of **inertia** is also especially disconcerting in light of the speed with which financial organisations are accustomed to responding to economic, financial and regulatory shifts.

- **Organisations either do not understand the law in this area or are pretending not to understand it**. This was evident in the repeated references to the EHRC code of practice, which is not directly relevant to employers, is intended more as an aid for small organisations that lack in-house legal expertise and is in any case subsidiary to the law as clarified by the Supreme Court.

- Overall, it seems that in this area, unlike any other, **compliance is regarded as optional**. Organisations seem to regard this topic as the domain of HR – about diversity and inclusion – rather than something that needs to be considered by their general counsel with an eye to legal risk and regulatory compliance.

Bringing financial firms into compliance with the Supreme Court judgment cannot be left to individual women. Those who have complained have quickly realised that if they persist they risk reprisals. And, as this report has illustrated, leaving it to individual firms to act has not worked either. As long as every firm knows that its peers have not acted, its leaders tend to conclude that they do not need to act either. And moving ahead of the herd risks drawing the ire of the same activists who have been leading employers in this sector and others astray for more than a decade.

A financial sector fit for women

Who needs to act?

The Minister for Women and Equalities has finally promised that in May 2026 she will publish the updated EHRC code of practice. There was never any need for employers to wait for this guidance before ensuring their policies were in line with the law, but this report has found that its non-publication was the main excuse made for delaying. Once it has been published that excuse will fall away. If employers are to finally come into compliance, it is vital that a new excuse does not replace the old one. Ensuring this will require coordinated action, which can only be brought about by leadership at several levels.

Government:

The **Prime Minister** and **Minister for Women and Equalities** need to make clear that compliance with this law, like other laws, is non-optional. The **Cabinet Office** must act as a national role model by withdrawing its policy advising civil servants that "refusing to accept an individual's gender identity" constitutes unlawful discrimination and replacing it with one that is compliant with the Supreme Court judgment.

Regulators:

The **Health and Safety Executive** must state clearly and publicly that workplace regulations concerning provision of single-sex facilities relate to sex, not self-ID or paperwork, and that compliance is not optional.

The **Financial Conduct Authority** must update policy PS22/3, its guidance on recruiting, training and supervising staff.[22] This guidance sets out in brief the implications of the Equality Act for employers and service providers. The finding of widespread misunderstanding of the protected characteristic of sex and non-compliance with the Supreme Court judgment illustrates the need to include material explaining the ruling and its implications for the sector. The FCA must also update the provision that allows companies to use gender self-identification and not sex when reporting against targets for women on boards.

Senior management:

Financial firms must treat compliance in this area as essential, just as it is in every other area of the law. As this report shows, failure to do so is destructive of female employees' wellbeing at work and trust in their employees. Rhetoric about valuing women and ending sexist practices rings hollow when women know that their employers are willing to ignore their most fundamental needs for safety, dignity and privacy, and to punish them if they dare to complain.

[22] Financial Conduct Authority (2022). Diversity and inclusion on company boards and executive management.

SEX-BASED RIGHTS IN THE CITY

The financial sector's failure of compliance

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