



Regulatory Update

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Update

Summary

Action for firms

FCA whistleblowing update

Applies to: **All firms**

The Financial Conduct Authority (FCA) has published its whistleblowing data for the fourth quarter of 2024, covering October to December. Key insights include:

Increase in Reports: The FCA received 292 new whistleblowing reports in Q4 2024, up from 248 in the same period in 2023.

Reporting Channels: The majority of these reports were submitted via the FCA's online reporting form.

Allegations: The 292 reports encompassed 852 allegations, with the most common concerning compliance, fitness and propriety, and treating customers fairly.

Actions Taken: Of the 388 reports closed during this quarter, 4% led to significant action (such as enforcement measures), 46% prompted actions to reduce harm, and 40% informed the FCA's work without direct action.

The FCA emphasises the importance of whistleblowers providing contact details to facilitate follow-up and ensure effective disclosure handling. Protecting whistleblower identities remains a top priority.

Action to Take:

1. Firms are encouraged to [review these findings](#) and ensure robust internal whistleblowing procedures are in place, fostering a culture where employees feel confident to report concerns.

Update

Summary

Action for firms

FCA's Vulnerability Review: Improving Understanding of the Outcomes for Consumers in Vulnerable Circumstances When Engaging with Financial Services Firms

Applies to:
All firms

The Financial Conduct Authority (FCA) commissioned a research report titled "Vulnerability Review: Improving Understanding of the Outcomes for Consumers in Vulnerable Circumstances When Engaging with Financial Services Firms" to explore the experiences and outcomes of consumers in vulnerable situations when interacting with financial services.

Key Findings:

- **Prevalence of Vulnerability:** Consumers with multiple vulnerability characteristics are more likely to report poor outcomes compared to others.
- **Disclosure and Support:** While many consumers receive positive outcomes upon disclosing their circumstances to firms, barriers to disclosure still exist.
- **Communication Challenges:** Consumers in vulnerable circumstances often face negative communication experiences, leading to stress and weakened trust.
- **Access to Services:** Those in vulnerable situations may encounter difficulties accessing financial products and services, especially when unable to nominate someone to act on their behalf.

Action to Take:

- **Encourage Disclosure:** Create an environment where consumers feel comfortable sharing their circumstances to receive appropriate support.
- **Tailored Support:** Provide flexible and personalised assistance to meet the unique needs of vulnerable consumers.
- **Clear Communication:** Ensure communications are clear, timely, and accessible to all consumers.
- **Monitor Outcomes:** Regularly assess and improve the outcomes experienced by consumers in vulnerable circumstances.
- Please read the report [here](#).

Update

Summary

Action for firms

FCA bans former Credit Suisse executives following US criminal convictions

Applies to:
All firms

The Financial Conduct Authority (FCA) has banned two former Credit Suisse managing directors, Andrew Pearse and Surjan Singh, from the UK financial services industry due to their involvement in a corruption scandal concerning loans to Mozambique.

In 2019, Pearse and Singh pleaded guilty in the United States to money laundering and wire fraud charges. Pearse admitted to accepting over \$45 million in unlawful kickbacks, while Singh received \$5.7 million, both connected to loans arranged for the Republic of Mozambique.

These loans, totalling approximately \$1.3 billion, were intended to fund maritime projects in Mozambique, including a state tuna fishing fleet. However, investigations revealed that a significant portion of the funds was misused, leading to a major financial scandal that severely impacted Mozambique's economy.

In October 2021, the FCA fined Credit Suisse over £145 million as part of a \$475 million global settlement for serious financial crime due diligence failings related to these loans. Additionally, Credit Suisse agreed to forgive \$200 million of Mozambique's debt.

Steve Smart, joint executive director of enforcement and market oversight at the FCA, stated: "Mr Pearse and Mr Singh were experienced executives at Credit Suisse who admit to having received over \$50 million in kickbacks. There is no place in our markets for those who engage in bribery and corruption."

This action underscores the FCA's commitment to maintaining integrity within the UK financial services sector by holding individuals accountable for corrupt practices.

Action to Take:

- **Strengthen Financial Crime Controls**
 - Regularly assess **anti-bribery and corruption (ABC)** policies to prevent misconduct in financial dealings.
- **Review Senior Management Accountability (SMCR)**
 - Under **SMCR**, ensure senior executives are held accountable for financial crime risks within their areas of responsibility.
 - Strengthen **governance and oversight** over structured finance, project financing, and investment banking activities.
- **Enhance Whistleblowing Frameworks**
 - Regularly review and improve **internal reporting mechanisms** to detect financial crime risks early.
- Read the full publication [here](#).

Update

Summary

Action for firms

Illegal Operation of Crypto ATM Network – Sentencing of Olumide Osunkoya

Applies to:
All firms – crypto business in specific

On 28 February 2025, Mr. Olumide Osunkoya, aged 46, was sentenced to four years in prison for operating an unregistered crypto ATM network, involving transactions exceeding £2.5 million, alongside related offences.

Background

Between 30 December 2021 and 12 March 2022, Mr. Osunkoya, through his company GidiPlus Ltd, operated crypto ATMs across 28 locations in the UK without the necessary registration from the Financial Conduct Authority (FCA). Despite the FCA's refusal of his registration application in December 2021, he continued operations. Subsequently, he transferred the machines and operated up to 12 crypto ATMs under a false identity to evade detection. Mr. Osunkoya failed to implement the required checks to prevent the use of these ATMs for money laundering and other illicit activities. Additionally, he was convicted of forgery, using false identity documents, and possessing criminal property.

FCA's Stance and Actions

This case marks the UK's first criminal sentencing for unregistered crypto activity, underscoring the FCA's commitment to enforcing compliance within the crypto asset sector. In collaboration with law enforcement agencies, the FCA has been actively addressing illegal crypto ATMs nationwide. In 2023, the FCA inspected 38 locations and disrupted 30 machines, leading to a decline in the number of crypto ATMs advertised in the UK from over 80 in 2022 to none in 2024. Therese Chambers, joint executive director of enforcement and market oversight at the FCA, stated: "This is the UK's first criminal sentencing for unregistered crypto activity and sends a clear message: those who flout our rules, seek to evade detection and engage in criminal activity will face serious consequences."

Action to Take:

- Firms should ensure that all activities conducted are associated with the relevant FCA permissions.
- These reviews should take place prior each service being launched and annually thereafter (including when required due to ad-hoc changes)

Consumer Duty – good and bad practices example

Applies to:

All firms subject to the Duty

The Financial Conduct Authority (FCA) has published its findings on firms' approaches to the consumer support outcome under the Consumer Duty, highlighting both good practices and areas needing improvement.

Key Findings:

- **Customer-Centric Support:** Many firms are designing support services around their customers' needs, ensuring that services are accessible and effective.
- **Access to Support:** Some firms need to improve post-sale support, addressing issues like long wait times and inaccessible information.
- **Culture and Accountability:** Effective firms embed a culture focused on good outcomes, providing staff with appropriate training and support.
- **Outcomes Monitoring:** Proactive monitoring and regular reviews help firms identify and address potential risks of poor outcomes.

Recommendations for Firms:

- **Align Support with Customer Needs:** Design support processes that cater to the specific requirements of your target market.
- **Enhance Post-Sale Support:** Ensure customers can access timely and effective support after purchasing products or services.
- **Foster a Supportive Culture:** Provide staff with the necessary training and resources to deliver good customer outcomes.
- **Implement Robust Monitoring:** Use comprehensive metrics to monitor customer outcomes and continuously improve support services.
- By adopting these practices, firms can better meet the FCA's expectations under the Consumer Duty, ensuring that customers receive the support they need throughout their relationship with the firm.

Action Required:

- Read the full publication [here](#).

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Action for firms

Court of Appeal Judgment in Lonham Group Ltd v. Scotbeef Ltd [2025] EWCA Civ 203

Applies to:
All firms

The Court of Appeal's ruling provides significant guidance on the interpretation and application of Parts 2 and 3 of the Insurance Act 2015, with a particular focus on warranties, representations, and the fair presentation of risk.

Key Findings and Implications for Firms

- **Correct Characterisation of Policy Terms – Warranties vs. Representations**

Warranties **must be strictly complied with**, whereas representations relate to pre-contractual statements.

Firms should **carefully review policy wordings** to ensure that warranties and conditions precedent are clearly drafted and unambiguous.

- **Control Over Risk Through Warranties**

The judgment confirms that insurers **can structure policies to control the risks they underwrite**, provided they use **clear and enforceable warranty clauses**. This supports insurers' ability to **define policy conditions without contravening the fair presentation requirements of the 2015 Act**.

- **Fair Presentation of Risk and the Insurance Act 2015**

The ruling underscores the importance of **correctly distinguishing pre-contractual representations from contractual warranties** when considering remedies under the 2015 Act.

- **Strict Enforcement of Warranty Breaches**

Under **s.10(2) of the 2015 Act**, insurers **are not liable for losses occurring after a warranty is breached**, unless the breach is remedied. The decision confirms that **breaching a warranty can lead to automatic loss of cover**, reinforcing the need for **compliance with policy conditions throughout the policy term**.

5. Transparency in Policy Terms

The Court rejected the argument that the policy terms **failed to meet the transparency requirements of the 2015 Act**. Insurers should still ensure that **policyholders fully understand** warranties and conditions precedent, particularly where they impose obligations throughout the policy term.

Action Required:

- Read the full judgement [here](#).



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