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Regulatory Update

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FCA Stops Anthony Jones from Carrying Out Regulated Activity

17 July 2026

Applies to: All Firms

What happened

The FCA has announced that Anthony Jones (UK) Limited has agreed to stop carrying out any regulated activity from 9 July 2026. This means the firm cannot provide services on behalf of an insurer, including selling new insurance policies, offering renewals or giving advice to new or existing consumers. The FCA is telling customers who bought policies through the firm to contact the insurer or underwriter directly to confirm that their policy is valid, cover remains in place and premiums have been received.

This is a practical reminder that broker failure or restriction can create immediate customer harm even where the insurer remains on risk. Insurers and MGAs need to know which broker, AR or introducer owns the customer relationship, who holds customer money, who controls renewals and how customers will be serviced if the intermediary can no longer act. Brokers should also be able to evidence policy placement, insurer acceptance, premium transfer and customer communications.

Action for firms

Firms should review their contingency plans for broker, AR or introducer disruption. This should include customer communications, insurer handover, policy validation, premium reconciliation, renewal servicing and claims support. Firms should also ensure that FCA Register checks are not just carried out at onboarding, but repeated where the intermediary is material to customers or revenue.

ACTION FOR FIRMS

- Set alerts to monitor FCA Register status changes for brokers, ARs, introducers and coverholders.
- Reconcile premium transfer, policy issuance and insurer acceptance for material broker relationships.
- Test how customers would be serviced if a broker could no longer handle renewals, MTAs or claims.

ASK A QUESTION ->

FCA Publication ->

FCA Publishes 2025 General Insurance Value Measures Data

21 July 2026

Applies to: All Firms

What happened

The FCA has published its fourth full year of general insurance value measures data, covering January to December 2025. The data includes claims frequency, claims acceptance rates, average claims payouts, complaints rates and the proportion of premiums paid out in claims. The FCA says the data is used to identify products or firms where customers may not be receiving fair value or good outcomes, and that firms with significant, recurring or multiple outlier indicators should expect greater supervisory focus.

The FCA again highlights home and travel insurance. Claims complaints as a percentage of claims registered remain high compared with other retail GI products: 7–13% for home insurance and 5–6% for travel insurance, while most other products fall between 0–6%. Home insurance claims acceptance rates remain relatively low at 62–71%, although the FCA cautions that home insurance reporting inconsistencies mean this should be treated carefully.

The data also shows that travel insurance claims costs as a proportion of premium increased across annual European, annual worldwide and single-trip stand-alone products from 31–37% in 2024 to 44–48% in 2025. For motor insurance, premiums fell by 7% while policies in force rose by 4%, and claims costs as a proportion of premium rose from 54% to 59%. GAP insurance remains affected by the FCA's previous interventions and should still be interpreted cautiously.

Action for firms

Insurers, brokers and MGAs should compare their own product MI against the FCA value measures data and identify any outlier areas before the FCA does. Firms should look beyond a single metric and consider the interaction between claims acceptance, complaints, premium levels, claims payouts, target market, exclusions, add-ons and distributor remuneration. Data quality also matters: the FCA contacted 35 firms during validation, and around half resubmitted data.

ACTION FOR FIRMS

- Benchmark each product against FCA value measures and document reasons for any outlier indicators.
- Review home, travel, GAP, gadget and add-on products for claims, complaints and fair-value concerns.
- Re-check value-measures return controls before the next 28 February submission deadline.

ASK A QUESTION ->

FCA Publication ->

FCA Publishes Wider Implications Framework Annual Report

21 July 2026

Applies to: Consumer Credit Firms

What happened

The FCA has published the Wider Implications Framework Annual Report 2025/26, covering collaboration between the FCA, Financial Ombudsman Service, FSCS, Money and Pensions Service and The Pensions Regulator. The framework is used to coordinate issues with wider implications across financial services, including issues affecting large numbers of consumers, significant redress or risk of firm failure.

The report highlights work on the Advice and Guidance Boundary Review, motor finance commission and further embedding of the Consumer Duty. It also records cooperation on complaints handling, vulnerable customers, FSCS recoveries, targeted support, APP fraud, redress modernisation and the interaction between the FCA and the Financial Ombudsman.

For consumer credit firms, the motor finance case study is the clearest read-across. The report says the FCA published final rules for an industry-wide motor finance redress scheme in March 2026 and notes that aspects of the scheme are subject to legal challenge, likely to be heard in late 2026 or early 2027. For insurance firms, the relevance is complaints, FSCS exposure, Consumer Duty interpretation and the risk that sector-wide redress issues can escalate quickly through coordinated regulatory channels.

Action for firms

Firms should treat the WIF as an indicator of future coordinated regulatory and redress activity. Complaints, compliance, legal and board teams should monitor themes that could become market-wide issues, particularly Consumer Duty, fair value, redress, claims management, financial difficulty and scams. Where a firm sees repeated complaint themes, it should consider whether they have wider implications beyond individual remediation.

ACTION FOR FIRMS

- Add WIF issues to regulatory horizon-scanning and board conduct-risk reporting.
- Identify complaint themes that could create wider redress or FOS escalation risk.
- Check whether RCA actions address systemic issues, not just individual complaints.

ASK A QUESTION ->

FCA Publication ->

Anthropic to Support FCA's Supercharged Sandbox

22 July 2026

Applies to: All firms

What happened

The FCA has announced that Anthropic will support the second group of firms in the FCA's Supercharged Sandbox. The sandbox is a controlled environment where firms can experiment with advanced AI, and Anthropic will provide access to Claude, including Claude Code and Claude Cowork, to support development work.

The second cohort will test AI use cases covering safer agent-led payments and commerce, fraud and economic crime detection, AI governance and accountability, access to financial services for vulnerable and underserved consumers, and compliance and business automation. The FCA says 21 organisations will join the second group, including Scottish Widows, Money Advice Trust and TrueLayer, following a 51% increase in applications compared with the first group.

For insurance and consumer credit firms, this reinforces the FCA's direction of travel: AI is moving from "innovation" to practical supervisory focus. The relevant read-across is not just customer-facing AI; it includes fraud detection, affordability, underwriting, claims triage, complaints, vulnerability identification, financial promotions, QA, regulatory reporting and compliance automation.

Action for firms

Firms should maintain an AI register and classify use cases by customer impact, regulatory risk and level of automation. Senior managers should be clear who owns AI governance and how the firm tests outputs, monitors bias, protects customer data and escalates poor outcomes. Any use of third-party AI tools should be captured in outsourcing, operational resilience and data protection governance where relevant.

ACTION FOR FIRMS

- Build an AI use-case register covering pilots, third-party tools and internal automation.
- Test AI outputs for bias, explainability, hallucination risk and customer-outcome impact.
- Assign named owners for AI governance, model approval, monitoring and incident escalation.

ASK A QUESTION ->

FCA Publication ->

FCA Announces Arrests in Fraud and Money Laundering Investigation

22 July 2026

Applies to: All firms

What happened

The FCA has announced that four people have been arrested and search warrants executed in Hackney, Beckenham and Slough as part of an FCA and police investigation into fraud and money laundering. The searches and arrests were carried out with the Eastern Region Special Operations Unit and South East Regional Organised Crime Unit. The suspects were interviewed under caution by the FCA and released on bail, and the investigation remains ongoing.

The FCA has not provided further details, so this should not be treated as a sector-specific finding. However, it is still relevant to insurance and consumer credit firms because the FCA continues to use criminal and law-enforcement tools where suspected fraud and money laundering risks arise. Firms should also remember that suspicious activity, customer fraud, organised crime links and misuse of regulated firms can create regulatory, criminal and reputational exposure.

Action for firms

Firms should review whether financial crime alerts are escalated quickly and whether staff understand when suspicion should trigger internal reporting or a SAR/DAML assessment. Insurance firms should focus on claims fraud, premium fraud, introducers, sanctions and suspicious payments. Consumer credit firms should focus on identity fraud, application fraud, mule accounts, affordability manipulation and collections anomalies.

ACTION FOR FIRMS

- Test SAR escalation routes using recent fraud and money laundering scenarios.
- Review MI for fraud indicators across claims, onboarding, payments and collections.
- Check that financial crime training explains suspicion, tipping-off and recordkeeping.

ASK A QUESTION ->

FCA Publication ->

FCA Decides to Ban Father and Son Following Fraud and Client Money Misuse

23 July 2026

Applies to: All firms

What happened

The FCA has decided to ban Alec Finch and Robert Finch from UK financial services after a High Court judgment found that they had engaged in fraud and misused client money. The individuals have referred the Decision Notices to the Upper Tribunal, so the FCA's findings are provisional at this stage.

The FCA says the Finches failed to act with honesty and integrity in their roles at AFL Insurance Brokers Limited. The FCA states that they misused client money to fund AFL's business expenses and later created false financial records to make the business appear more attractive to a buyer, accountants and auditors. The FCA also says the conduct left AFL with a significant client money deficit.

This is a significant read-across for insurance intermediaries because client money weaknesses can quickly become integrity, governance and SMCR issues. It also reinforces the importance of CASS-style discipline even where the relevant regime is insurance client money under CASS 5: segregation, reconciliation, trust status, senior oversight and audit trail are critical.

Action for firms

Insurance brokers should review client money controls, including segregation, insurer risk transfer terms, bank reconciliations, aged balances, commission withdrawal, TOBA terms and audit findings. Firms should also ensure finance staff, CF10/SMF owners and boards understand that client money cannot be used as working capital. Any proposed sale, investment or refinancing should include enhanced financial-record integrity checks.

ACTION FOR FIRMS

- Re-test client money reconciliations, aged balances, bank permissions and trust account controls.
- Confirm that business expenses cannot be paid from client money accounts.
- Review sale, acquisition or investment packs for financial-record integrity and audit evidence.

ASK A QUESTION ->

FCA Publication ->

FCA Sets Expectations on Vertically Integrated Insurance Models

23 July 2026

Applies to: All (insurance) firms

What happened

The FCA has published a blog and firm-facing guidance on conflicts of interest in vertically integrated insurance models. The FCA says conflicts can arise where a group spans underwriting, distribution, intermediary activity, premium finance and related services, or where firms are connected through ownership, investment or financing arrangements. These structures may be commercially sensible, but can affect customer journeys, commercial incentives, panel design, remuneration and accountability.

The FCA is clear that disclosure alone is not enough. Firms must actively identify, manage and evidence conflicts through governance, senior management accountability and controls that work in practice. The FCA expects firms to look at product and panel design, customer communications, remuneration structures and whether customer-facing information is genuinely transparent about commercial relationships that could affect a customer's decision.

The more detailed FCA page says firms should be able to evidence controls covering placement decisions, panel design, product recommendations, communications, remuneration and incentives, allocation of responsibilities across legal entities, product governance, fair value assessments, MI and senior management oversight. Firms should also notify the FCA promptly of material business-model changes that may increase conflicts, complexity, close links or barriers to effective supervision.

Action for firms

Insurance groups should map ownership, funding, commission, premium finance, TPA, claims, panel and distribution links across the full chain. The review should test whether each link adds value, whether remuneration drives customer outcomes, and whether legal-entity responsibilities are clear. Firms considering acquisitions, refinancing, intragroup arrangements or new premium finance models should assess conflict risk before implementation.

ACTION FOR FIRMS

- Create a vertical-chain map showing ownership, remuneration, premium finance, claims and distribution links.
- Test whether panel design, placement decisions and add-ons are driven by customer value, not group economics.
- Notify the FCA promptly where structural changes increase conflicts, complexity or close links.

ASK A QUESTION ->

FCA Publication ->

FCA Publishes 2025 Retail Intermediary Market Data

23 July 2026

Applies to: All (insurance) firms

What happened

The FCA has published its 2025 analysis of the retail intermediary market, based on RMAR returns. The data covers firms that advise on or arrange mortgages, insurance policies or retail investment products for consumers. The FCA notes that it changed its methodology in 2025, so data before and after 2025 is not directly comparable.

The key insurance figure is that revenue from non-investment insurance distribution increased by 6.4% to £27.7bn in 2025. Commission remains the primary revenue source for non-investment insurance distribution, accounting for 83.1%of revenue, slightly up from 2024. The FCA also reports increases in retail investment intermediation revenue and mortgage broking revenue, but the most relevant read-across for insurance is continued commission reliance, which links directly to fair value, conflicts and distributor remuneration oversight.

The FCA also explains that RMAR is the core return for firms arranging and/or advising on mortgages, non-investment insurance or investment products, and that most sections are reported at least twice yearly with 30 working days to submit. The data includes capital and professional indemnity information, including the minimum base capital requirements for home finance and insurance activities and PII reporting through RMAR section E.

Action for firms

Intermediaries should use the data to benchmark their revenue mix, commission reliance, capital position, PII arrangements and RMAR accuracy. Insurance intermediaries should particularly consider whether commission-heavy income streams are supported by fair-value evidence, distributor oversight and clear customer disclosures. Firms should also ensure RMAR methodology changes are understood internally before using sector data for benchmarking.

ACTION FOR FIRMS

- Benchmark commission, fees, capital surplus and PII against RMAR peer data.
- Review whether commission-heavy products have clear fair-value and conflict-management evidence.
- Re-check RMAR source data, classification, sign-off and consistency with accounts.

ASK A QUESTION ->

FCA Publication ->

FCA Prohibits Former SMF17 Following Illegal Lending and Money Laundering Convictions

24 July 2026

Applies to: All firms

What happened

The FCA has issued a Final Notice prohibiting Dharmendra Devji Solanki from performing any function in relation to any regulated activity. Mr Solanki had previously been approved as SMF17 Money Laundering Reporting Officer at a number of authorised firms between March 2018 and July 2022. The FCA states that the offending did not occur through his SMF17 role, but through his own unauthorised business offering regulated credit.

Mr Solanki pleaded guilty in October 2023 to carrying on a regulated activity when not authorised or exempt and to money laundering under POCA. The offences were committed between November 2018 and May 2022, while he was an approved person. He was sentenced in June 2025 to a two-year suspended sentence, community work and unpaid work, and in March 2026 was ordered to pay £169,941.89 or face a further three years' imprisonment.

The FCA found that the convictions showed a clear and serious lack of integrity and that Mr Solanki was not fit and proper. The case is particularly relevant to consumer credit and AML controls because it combines unauthorised lending, financial crime, vulnerable borrowers and the fit-and-proper obligations of an approved person. The sentencing remarks recorded in the Final Notice referred to lending to financially vulnerable people, high interest rates and pressure on borrowers.

Action for firms

Firms should ensure fit-and-proper assessments capture outside business interests, criminal investigations, financial crime issues, conflicts and unauthorised regulated activity risk. MLROs, senior managers and certified staff should be required to disclose arrests, investigations, secondary businesses and any activity that could fall within the regulatory perimeter. Consumer credit firms should also ensure staff understand the criminal consequences of unauthorised lending.

ACTION FOR FIRMS

- Refresh annual fit-and-proper declarations to cover outside lending, investigations and arrests.
- Re-check outside business interests for SMFs, certified staff and financial crime roles.
- Train staff on the consumer credit perimeter, unauthorised lending and money laundering risk.

ASK A QUESTION ->

FCA Publication ->

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