

FCA & WIDER UK REGULATION

Weekly Regulatory Briefing

28 September 2026

Consequential developments. Practical implications.
Clear actions for your firm.

IN THIS EDITION

Iran licensing | Reporting | Consumer Duty scope

Money-mule controls | Captive insurance

Pure protection | Debt advice | KYB enforcement

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Practical compliance advice from our offices in London and Brussels, with online training through [RegZone.io](https://regzone.io).

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SANCTIONS & IMMEDIATE ACTION | 01 / 08

OFSI hardens licensing for five designated Iranian banks

Publication: 23 September 2026; effective immediately

Status: OFSI licensing guidance; binding sanctions prohibitions continue to apply

Applies to: Insurers, reinsurers, Lloyd's firms, brokers, MGAs and TPAs handling Iran-linked premiums, claims or recoveries. Also relevant to principal/AR networks and DPC/consumer-credit firms processing connected payments or relying on bank routes.

WHAT HAPPENED

OFSI will now presume against granting licence applications made by Bank Sepah, Melli Bank plc, Bank Saderat, Persia International Bank and Bank Tejarat. Applications remain case-specific, but permission will ordinarily be limited to circumstances required by law or exceptional and urgent cases such as a risk to life, limb or environmental safety.

Any licence will cover only basic requirements and recordable, auditable transactions. OFSI says it will not license cash payments, transfers between designated banks or the direct or indirect remittance to Iran of funds held by UK entities. This materially narrows the practical route for claims, premium returns, recoveries and other insurance-related payments involving the five banks.

General Licence INT/2025/7628424 will not be renewed when it expires on 22 October 2026. Separately, SI 2026/983 begins on 29 September and adds wider Iran-related insurance, financial and investment restrictions. A contractual saving or sanctions exception is not a substitute for a licence where a designated bank is involved.

ACTION FOR FIRMS

RRCA can help clients identify affected payment chains and prepare an evidenced stop, freeze or licence decision before funds move. Delegated parties should receive the same bank-specific instructions as central teams.

- Search open claims, premium balances, bordereaux and reinsurance recoveries for the five banks and related payment intermediaries.
- Block cash, bank-to-bank and Iran-remittance routes unless a documented exception or current licence clearly authorises the transaction.
- Identify every process relying on INT/2025/7628424 and complete wind-down or specific-licence analysis before 22 October.

Sources: [OFSI licensing guidance](#) | [SI 2026/983](#)

BINDING HANDBOOK CHANGES | 02 / 08

Handbook Notice 144: live changes for life insurers and reporting firms

Publication: 25 September 2026

Status: Binding FCA rules and guidance; relevant provisions effective 25 September and 1 October 2026

Applies to: Life insurers and FCA-regulated pension providers subject to ESG disclosures; firms completing the Retail Mediation Activities Return, including relevant insurance intermediaries; FIN073 reporters where applicable.

WHAT HAPPENED

The FCA has made targeted changes to climate-related disclosure requirements for asset managers, life insurers and FCA-regulated pension providers. The amendments to ESG, COLL and related definitions took effect on 25 September and are intended to make product-level reporting more targeted, less complex and easier for retail and institutional users.

A separate Data Decommissioning (No 2) Instrument changes SUP 16.12, SUP 16 Annex 53R and SUP 16 Annex 54G from 1 October. It simplifies the scheduling rule for Section M of the Retail Mediation Activities Return and clarifies the FIN073 guidance notes. The change is operational rather than a relaxation of the duty to submit complete and accurate data.

Handbook Notice 144 also contains crypto, fund, pension and transaction-reporting changes. Those provisions are outside the core client sectors unless a firm carries the affected business. Firms should therefore map the legal instruments to their own reporting and disclosure population rather than treating the Notice as a single commencement event.

ACTION FOR FIRMS

RRCA should help affected firms translate the legal instruments into reporting calendars, owners and controlled change records. Life insurers should also confirm that disclosure templates and governance reflect the amended ESG text from the effective date.

- Map the amended ESG provisions to each in-scope life or pension product and approve revised disclosure templates and controls.
- Revalidate the RegData schedule for RMAR Section M after 1 October and document the first return affected by the new rule.
- Update FIN073 completion guidance and obtain evidence that regulatory-reporting owners have reviewed Handbook Notice 144.

Sources: [FCA Handbook Notice 144](#)

CONSUMER DUTY | SCOPE REVIEW | 03 / 08

Consumer Duty review: who is retail?

Publication: 9 December 2025 (PS25/21); 29 June 2026 (CP26/23)

Status: Current-rule clarification as at 28 September 2026; wider reforms remain proposals

Applies to: Insurers, brokers, MGAs, Lloyd's firms and principals/AR networks; delegated handlers where relevant. DPC/credit firms must use their own sector's scope.

WHAT HAPPENED

PS25/21's insurance changes have applied since 9 December 2025. The Duty's "retail customer" definition covers ICOBS policyholders and prospective policyholders, subject to retail-market-business exclusions. Commercial customers can remain in scope. CP26/23 has not introduced a new cross-sector retail-client test.

An enterprise is a larger commercial customer if it is neither a micro-enterprise nor a small business. Micro-enterprises have fewer than 10 staff and turnover or annual balance sheet not exceeding €2 million. A small business is not a micro-enterprise and has turnover below £6.5 million plus either fewer than 50 staff or a balance sheet below £5 million. Apply linked/partner-enterprise aggregation rules. Separate larger-customer thresholds are charity income of at least £6.5 million or trust net assets of at least £5 million.

The Duty excludes general insurance for larger commercial customers and specialist risks contracts for commercial customers or risks outside the UK. For ICOBS/PROD, size tests focus on the arranging policyholder. Consumer policyholders or stakeholders, including residential leaseholders, can preserve protections: PROD 4's exclusion requires no such consumers. Other FCA obligations can still apply.

CP26/23 proposes changes to non-UK customer scope, distribution chains and proportionality. It closed on 18 September 2026; final rules are expected in Q1 2027, with no confirmed commencement date. Continue using current rules. Insurance thresholds do not determine whether regulated DPC/consumer-credit business falls within the Duty.

ACTION FOR FIRMS

RRCA can help evidence exclusions before changing customer treatment, product governance or monitoring.

- Record customer size, linked entities, risk class and arranging policyholder for each proposed insurance exclusion.
- Test consumer beneficiaries and leaseholders; agree consistent scope flags with insurers, MGAs, ARs and handlers.
- Update the board's Duty scope rationale and preserve outcome monitoring until a current-rule exclusion is evidenced.

Sources: [PS25/21](#) | [Retail customer](#) | [Retail market business](#) | [Larger commercial customer](#) | [Micro-enterprise](#) | [Small business](#) | [PROD 1.4](#) | [CP26/23](#)

FINANCIAL-CRIME SUPERVISION | 04 / 08

Money-mule review: FCA expects earlier disruption and better cash-out detection

Publication: 23 September 2026

Status: FCA multi-firm supervisory findings; no new rule

Applies to: Directly to banks, building societies, payment and e-money firms. Strong read-across for insurers, MGAs, TPAs, brokers, principals, ARs and DPC/credit firms where customers, merchants or claimants can receive, layer or cash out fraud proceeds.

WHAT HAPPENED

The FCA surveyed 35 firms and found 238,396 suspected mule accounts were closed in 2025, up from 184,935 in 2023 and 233,269 in 2024. A public-private cell involving 22 regulated firms also analysed 140 cases across seven fraud types. Repeated use across fraud types pointed to organised infrastructure rather than isolated misuse.

Card payments were the most common cash-out route. Criminals used both many low-value transactions and higher-value payments to local businesses and retailers, patterns that can resemble legitimate spending. Retail banks saw most transaction volume, while other firm types saw fewer but higher-value movements, reinforcing the need for business-model-specific thresholds.

The FCA expects firms to use the findings in their own risk assessments and strengthen detection, prevention and disruption where necessary. For the target sectors, the practical read-across includes premium refunds, claims payments, credit disbursements, merchant settlement, recovery payments and rapid changes to payee or bank details.

ACTION FOR FIRMS

RRCA can convert the findings into targeted monitoring scenarios and case testing. The key is to trace value beyond the first recipient and link customer, merchant, claimant and payee intelligence across business lines.

- Test low-value card bursts, rapid onward movement and higher-value local-merchant payments against known legitimate customer behaviour.
- Re-screen new or changed payees for claims, refunds and credit disbursements, including device, account and ownership links.
- Compare closures, SARs, fraud losses and repeat counterparties to identify cases fragmented across products, ARs or delegated handlers.

Sources: [FCA money-mule findings](#)

CAPTIVE INSURANCE PROPOSALS | 05 / 08

Captive roundtable clarifies authorisation, capital and delegation

Publication: 25 September 2026; meeting held 17 September 2026

Status: PRA/FCA consultation clarification; proposals, not current rules

Applies to: Insurers, reinsurers, insurance brokers, captive managers and advisers; also fronting insurers and delegated service providers supporting prospective UK captives.

WHAT HAPPENED

The PRA published minutes of its joint-industry roundtable on CP11/26 and FCA CP26/29. The proposed four-to-six-week authorisation target would begin only when both regulators have enough information for substantive assessment; it excludes pre-application work and time spent closing material gaps. The FCA and PRA intend to coordinate the application process.

The proposed Captive Capital Requirement would remain a minimum. Boards may need extra resources for emerging, complex or concentrated risks, and fronting insurers may impose standards above the regulatory floor. The PRA also highlighted liquidity, concentration and scenario testing for parental loan-backs and other assets.

Different operating models and delegated arrangements could be accommodated, but accountability would stay with the captive board. The PRA expects an SMF1 and a non-executive director, although the non-executive would not have to be independent. Pension risks remain outside the initial regime, and the Government is not proposing captive tax incentives.

Written responses are due by 14 October. The roundtable itself is not a formal consultation response, so firms wanting changes must submit evidence and practical examples to both regulators as relevant.

ACTION FOR FIRMS

RRCA should help potential captive owners, managers, brokers and fronting partners turn operational assumptions into evidence on ownership, delegation, capital, reporting and exit planning before responding.

- Build an authorisation evidence map that separates pre-application work, complete-submission criteria and dual-regulator dependencies.
- Quantify fronting, reinsurance, loan-back, liquidity and concentration requirements above the proposed capital floor.
- Submit evidenced comments on delegated governance, the 70-business-day reporting deadline and ownership structures by 14 October.

Sources: [PRA roundtable note](#) | [Roundtable minutes](#) | [PRA CP11/26](#) | [FCA CP26/29](#)

INSURANCE MARKET STUDY | 06 / 08

Pure protection: no broad new rules, but targeted supervisory follow-up

Publication: 21 September 2026

Status: FCA market-study final report and policy package; existing rules remain binding

Applies to: Life and protection insurers, intermediaries, advisers and principals with protection ARs. Read-across for TPAs and delegated service providers handling claims or customer support.

WHAT HAPPENED

The FCA concluded that competition generally produces good outcomes for people who hold life, critical illness and income-protection products, with broad product choice and high claim acceptance. The gap remains substantial: 58% of adults hold no protection product and 59% of that group have never considered their needs.

The package will use existing frameworks rather than broad new regulation. The Protection Distributors' Group will lead consumer-awareness work, the Association of Mortgage Intermediaries will help advisers improve protection discussions, and the FCA will work with the ABI on delays in obtaining medical records. Firms can express interest in an FCA TechSprint by 13 November.

The FCA also published findings on switching, claims experience and fair value, and refreshed its Consumer Duty focus page on 24 September. It is not proposing market-wide measures, but says it will act where firms fall short of the Duty or product-governance requirements. Firms should retain evidence that target markets, sales processes, claims support and value assessments produce good outcomes.

ACTION FOR FIRMS

RRCA can help protection firms benchmark the sales and claims journey against the final report, with particular attention to underserved groups, medical evidence delays and barriers to switching or access.

- Segment sales, decline, lapse and claims data for renters, self-employed customers, lower incomes and pre-existing conditions.
- Sample adviser and AR conversations for balanced protection-needs discussion, clear limitations and documented customer understanding.
- Review medical-evidence and claims hand-offs for avoidable delay, ownership gaps and Consumer Duty outcome evidence.

Sources: [FCA market-study final report](#) | [FCA partnership announcement](#) | [Consumer Duty focus areas](#)

CONSUMER CREDIT & VULNERABILITY | 07 / 08

Debt-advice warning raises referral and customer-support risks

Publication: 22 September 2026

Status: FCA consumer warning and supervisory signal; no new rule

Applies to: DPC/BNPL and other consumer-credit lenders, brokers, principals and credit ARs. Read-across for insurers and intermediaries referring customers in financial difficulty to debt-support services.

WHAT HAPPENED

The FCA warned that some consumers are being steered into fee-paying debt solutions that may be unsuitable, sometimes by firms without the right permissions. Red flags include pressure through calls or WhatsApp, coaching consumers to alter income or expenditure, failing to explain fee-free alternatives and unclear firm identity.

The release refers to action against Curtis Faraday after concerns that customers were led to provide answers making them appear eligible for a fee-charging IVA, and to the ban of a senior manager at Beauforce Corporation for lack of honesty and integrity. The warning does not create a new lender rule, but it sharpens expectations around referrals, vulnerability and support for customers in financial difficulty.

A lender or insurer can create harm even where it does not provide debt advice itself if staff, merchants, ARs or outsourced agents direct customers to unsuitable or unauthorised providers. Consumer Duty monitoring should therefore cover the identity, permission and customer outcome of referral partners.

ACTION FOR FIRMS

RRCA should help firms test referral journeys end to end, including digital links and scripts used by merchants, ARs and servicing agents. Controls should preserve customer choice and make free, impartial support visible.

- Inventory every debt-support referral and confirm provider identity, permissions, fees, commercial ties and escalation ownership.
- Test calls, WhatsApp journeys and online forms for pressure, coached answers or omission of fee-free alternatives.
- Use complaints and arrears MI to identify customers moved into unsuitable paid solutions after a firm or partner referral.

Sources: [FCA debt-advice warning](#)

ENFORCEMENT & KYB READ-ACROSS | 08 / 08

Enforcement read-across: regulatory badges and registry data are not proof

Publication: 24–25 September 2026

Status: FCA supervisory intervention and public-interest winding-up; no new rule

Applies to: Principals, insurers, brokers, MGAs, Lloyd's firms, TPAs and DPC/credit firms conducting AR, coverholder, merchant, supplier or counterparty due diligence.

WHAT HAPPENED

The FCA said 21 CFD firms have closed since 2025 and three more are cancelling permissions after concerns that firms with little UK business used FCA authorisation as a badge to make linked overseas businesses appear regulated. Interventions included restrictions, independent reviews and two enforcement investigations. Although the underlying products were CFDs, the control lesson applies wherever a regulated firm's name or permissions support a wider group or overseas proposition.

Separately, seven companies were wound up after a Companies House and Insolvency Service investigation linked apparently unrelated entities through similar incorporation histories, name changes and business descriptions. Accounts appeared to contain false or misleading auditor information; audit firms denied involvement; some registered offices were not genuine; and investigators could not confirm legitimate trading or effective control.

Neither development changes the rules. Together they show why the FCA Register and Companies House are starting points, not conclusions: regulated status, filings and professional names must be reconciled to the contracting entity, actual activity, controllers, domain, bank account and authority to act.

ACTION FOR FIRMS

RRCA can use both cases as an enhanced-due-diligence scenario for AR, coverholder, merchant and supplier files, especially where brands, websites or overseas affiliates blur the contracting party.

- Reconcile every trading name, website, contract and bank account to the exact authorised or registered legal entity and permissions.
- Independently verify auditors, registered offices, controllers and authority to bind where filings, name changes or group structures look unusual.
- Review AR and affiliate marketing so FCA status or UK incorporation is not used to imply protections for an overseas or unregulated service.

Sources: [FCA CFD intervention](#) | [Companies House and Insolvency Service case](#)

DATES & PRIORITIES

Deadline and action tracker

Verified as at 28 September 2026. Proposed dates are expressly identified; rule commencement, reporting reference dates and submission deadlines are not interchangeable.

DATE	REQUIRED OR PRUDENT ACTION
29 September 2026	New Iran restrictions commence under SI 2026/983 . Complete contract, counterparty, ownership/control and payment-route triage.
30 September 2026	PRA liquidity reporting requirements and Insurance Taxonomy LQ v2.1.0 begin for relevant reference dates; check the insurance reporting page .
30 September 2026	Proposed CP8/26 savings cut-off for funded-reinsurance arrangements where all covered risks have been fully transferred. Final policy remains outstanding.
1 October 2026	Handbook Notice 144 RMAR Section M scheduling and FIN073 guidance changes take effect under the Data Decommissioning instrument .
9 October 2026	Consultation closes: CP26/33 on two GI value-measures reporting fields and transitional treatment.
12 October 2026	Consultation closes: CP26/32 , including Lloyd's complaints and the duplicated consumer-credit reporting field.
14 October 2026	Responses due on the PRA and FCA captive proposals ; roundtable comments do not count as formal responses.
22 October 2026	Iran Interim Basic Necessities General Licence INT/2025/7628424 expires and will not be renewed; see OFSI guidance .
13 November 2026	Deadline for firms to express interest in the FCA pure-protection TechSprint; see the FCA announcement .
31 December 2026 / 1 January 2027	Main PS25/19 complaints-reporting amendments commence 31 December; first new collection period starts 1 January 2027.

FORWARD LOOK

Issues to watch next

- Iran implementation: watch for OFSI's promised FAQ on the exceptional-licensing test and any licence changes around the 29 September restrictions.
- Captives: monitor the final PRA and FCA policy after [CP11/26 and CP26/29](#), including the application evidence pack, reporting timetable and delegated-governance requirements.
- Lloyd's complaints: monitor [CP26/32](#) and Lloyd's confirmation before embedding a single-stage process in binder wording or delegated workflows.
- FCA simplification: track final [CP26/33 rules](#) and the wider GI value-measures consultation expected in H1 2027. Final [CP26/23 Consumer Duty rules](#) are expected in Q1 2027; this is a publication window, not a confirmed commencement date.
- AML supervision: watch the FCA's transition programme for legal and accountancy professional-body supervision and the practical effect on outsourced and counterparty assurance.

COVERAGE & QUALIFICATIONS

Review period: developments since the 21 September 2026 edition, checked through the morning of 28 September 2026. The 21 September pure-protection final report was published after the previous briefing run and is therefore included here.

Primary-source checks covered FCA publications, Handbook changes, notices, data and news; PRA and Bank publications and reporting; HMT, GOV.UK and legislation; FOS, ICO, OFSI, Companies House, NCSC and Lloyd's/LMA sources. No separate consequential new FOS change, DPC/BNPL rule, PRA policy statement, NCSC advisory or Lloyd's market bulletin was verified for the review period.

Access limitation: the Lloyd's market-bulletin index returned an access restriction and several official landing pages intermittently failed to open. No inaccessible or unverified item has been relied on; specific primary-source pages and published documents were verified through accessible results.

The practical actions are RRCA's suggested compliance follow-up, not additional regulatory requirements. Applicability should be assessed against each firm's permissions, activities and contractual role.

WEBSITE HIGHLIGHT

Highlights: FCA and wider UK regulatory updates cover Iran licensing, reporting changes, Consumer Duty scope, money-mule controls, captive insurance, pure protection, debt advice and KYB enforcement, with practical implications for insurers, intermediaries, delegated-authority firms, principal networks and consumer-credit businesses.

We're here if you need support.

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