



Regulatory Update

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REGULATORY UPDATES

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FCA Explains What Good Consumer Duty Outcomes Monitoring Looks Like

27 July 2026

What happened

The FCA has published a blog on outcomes monitoring, explaining why understanding the consumer experience is central to the Consumer Duty. The FCA says firms need to understand where customers are struggling, where harm may be emerging and whether actions taken by the firm are actually improving outcomes. The blog is particularly relevant to insurance and consumer credit firms because claims, cancellations, renewals, arrears, forbearance, vulnerability, complaints and outsourced servicing all depend on whether the firm can evidence what customers actually experience.

The FCA says stronger firms have structured, evidence-based monitoring frameworks. They define the intended outcomes at each stage of the customer journey, translate those outcomes into measurable indicators, and link MI to decisions and remedial action. Weaker approaches rely on broad or high-level metrics, collect data without explaining what it shows, or fail to evidence whether interventions have worked.

The FCA also highlights third-party and distribution-chain issues. Customers experience the product or service as a whole, even where parts of the journey are delivered by brokers, appointed representatives, TPAs, claims handlers, credit brokers, lead generators or outsourced servicing providers. Firms should therefore obtain relevant outcome MI from third parties and distribution partners, not merely rely on contractual oversight or process attestations

Applies to: All Firms

ACTION FOR FIRMS

- Build a journey/outcome matrix covering sales, renewals, claims, arrears, forbearance, cancellations and complaints.
- Add fields to MI packs showing issue, root cause, action owner, deadline and evidence of outcome improvement.
- Request outcome MI from brokers, ARs, TPAs, claims handlers, credit brokers and outsourced servicing partners.

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FCA Highlights Critical Third Party and System-Wide Resilience Risks

28 July 2026

What happened

The FCA has published a blog on strengthening resilience across an increasingly interconnected financial system. The FCA and PRA explain that operational resilience can no longer be considered only at individual firm level, because banks, insurers, payment firms and financial market infrastructure increasingly depend on a relatively small number of common technology, data, cloud and specialist service providers.

The blog links this to the Critical Third Parties regime, under which designated providers are now subject to direct oversight by the Bank of England, PRA and FCA. The regime is intended to address system-level risks and improve coordination, transparency and information sharing, but it does not replace firms' own obligations to manage outsourcing, operational resilience and third-party dependencies.

The FCA notes that in 2025, 27% of incidents reported to the FCA were attributed to third parties, and 37% were cyber-related. Recent incidents such as CrowdStrike and cyber attacks show how disruption can affect multiple firms and sectors simultaneously. The FCA says firms should continue identifying, testing and managing dependencies on critical services even where a provider is subject to CTP oversight.

Action for firms

Insurance and consumer credit firms should refresh mapping of technology, cloud, claims, policy administration, payment, collections, customer contact, document management and data providers. Firms should test how a material provider outage would affect important business services and whether customers could still access support, claims handling, arrears help and complaint routes.

Applies to: All Firms

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.

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FCA Accessibility Statement Provides Consumer Duty Read-Across

28 July 2026

What happened

The FCA has updated its website accessibility statement. This is not a new rule for firms, but it gives useful read-across for Consumer Duty, consumer understanding, consumer support and vulnerable customer treatment. The FCA explains that its website is designed so users can zoom up to 400%, navigate by keyboard, use speech recognition software and use screen readers. The FCA also identifies accessibility issues it is still addressing, including documents that are not fully accessible, images without good alternative text, insufficient colour contrast and some error-message areas. This is a useful reminder for firms that accessibility is not limited to website design: it also applies to PDFs, policy wording, application forms, renewal notices, arrears communications, claims forms, cancellation journeys and complaints material.

For insurance and consumer credit, the read-across is particularly relevant where customers need to understand exclusions, policy conditions, excesses, cost of credit, arrears options, forbearance, complaint rights or cancellation consequences. Poor accessibility can convert an otherwise compliant communication into a poor customer outcome, especially for customers with visual, cognitive, literacy, language or vulnerability-related support needs.

Action for firms

Firms should test whether customer communications are accessible in practice, not just legally complete. This should include web pages, PDFs, email templates, customer portals, claims forms, credit agreements, pre-contract information, policy summaries and complaint responses.

Applies to: Consumer Credit Firms

ACTION FOR FIRMS

- Test key customer journeys using keyboard navigation, zoom, mobile view and screen-reader checks.
- Review PDFs and customer forms for headings, readable structure, contrast, alt text and clear error messages.
- Add an accessible-format request process for customers who need large print, plain text, audio or alternative formats.

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FCA Updates Connect Application and Notification Forms

29 July 2026

What happened

The FCA has updated its page on changes to application forms in Connect. The FCA says it is improving authorisation and notification forms as part of its gateway digital transformation work, with the aim of making forms clearer, more intuitive, reducing follow-up queries and improving the quality of regulatory data submitted by firms. Regulatory data submissions are not affected by these Connect form changes.

The FCA confirms that updated forms are now live for Form A, Form B, Form C, Firm Details Attestation, Sensitive Business Names, PSD Agent forms and Waivers. It is also testing Annex 1 Institution and Individual forms. The update specifically notes that Form C and PSD Agent forms are now available, and that firms should use the latest browser because Firefox is not supported. For insurance and consumer credit firms, the practical relevance is gateway quality. Changes involving SMFs, approved persons, firm details, business names, appointed individuals, waivers or permissions-related notifications should be prepared with better supporting evidence and clearer internal sign-off. Poor or incomplete submissions are likely to cause delay and may affect the FCA's view of a firm's governance and regulatory competence.

Action for firms

Firms should update internal compliance checklists and templates used for FCA applications and notifications. Compliance teams should also ensure HR, company secretarial, finance and business-change teams know when a Connect form is required and what evidence must be retained.

Applies to: All firms

ACTION FOR FIRMS

- Update internal checklists for Form A, Form B, Form C, firm details, waivers and sensitive business names.
- Keep an evidence file for each submission showing approvals, rationale, disclosures and supporting documents.
- Avoid last-minute submissions by checking browser compatibility, draft-save rules and required attachments early.

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Wider Implications Framework Report Flags Redress, Complaints and Consumer Outcomes

29 July 2026

Applies to: All firms

What happened

The FCA has published the Wider Implications Framework Annual Report 2025/26, covering the period from 1 April 2025 to 31 March 2026. The framework brings together the FCA, Financial Ombudsman Service, FSCS, Money and Pensions Service and The Pensions Regulator to coordinate issues with wider implications across financial services. During the year, work included the Advice Guidance Boundary Review, motor finance commission and embedding the Consumer Duty.

The report is important because it shows how individual complaint themes can become wider regulatory, supervisory or redress issues. The report discusses professional representatives, motor finance, Consumer Duty fair value and outcomes, consistency and predictability in Financial Ombudsman decisions, and the balance between regulatory-led and complaints-led redress. For consumer credit firms, the motor finance material remains the most direct read-across. The report records approximately 90,000 Financial Ombudsman motor finance cases and notes the FCA's March 2026 final rules for an industry-wide motor finance redress scheme, with aspects subject to legal challenge expected to be heard in late 2026 or early 2027. Insurance firms should cross-read for complaints, redress, FSCS exposure, vulnerable customers, claims handling, product value and the risk that repeated complaint themes can become sector-wide issues.

Action for firms

Firms should treat the report as a warning against dealing with complaints purely case-by-case. Where themes repeat, firms should ask whether they indicate systemic harm, poor product design, unfair value, weak customer support, poor communications or failure in a third-party or distribution chain.

ACTION FOR FIRMS

- Add a “wider implications” flag to complaint root-cause analysis and board conduct MI.
- Track complaint themes involving CMCs, professional representatives, redress, vulnerability and repeat products.
- Escalate repeated FOS losses, redress calculations or recurring complaint causes to compliance and board committees.

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FCA Publishes Handbook Notice 143

July 2026

What happened

The FCA has published Handbook Notice 143, summarising Handbook changes made by the FCA Board in June and July 2026. The notice includes the 2026/27 periodic fees instrument, a substantial package of cryptoasset regime instruments due to take effect on 25 October 2027, and July amendments covering the Digital Markets, Competition and Consumers Act 2024, enforcement guidance, prospectus rules and data reporting services.

For insurance and consumer credit firms, the most practical item is the DMCCA-related update. The FCA made amendments to the Glossary, ICOBS, CONC, ENFG and UNFCOG to reflect the updated consumer protection legislation and the FCA's approach to its powers under the DMCCA. The changes include updates to unfair contract terms and consumer notices guidance, with references in ICOBS and CONC updated to reflect the new legislative framework.

The FCA also uses the Handbook Notice to explain that its wider consumer-protection powers support its ability to intervene where it identifies potential consumer harm. For firms, this is a reminder that unfair terms, unclear notices, online content, customer communications, cancellation terms, charges, claims exclusions and credit terms may create risk beyond the narrow Handbook rulebook.

Action for firms

Insurance and consumer credit firms should update internal references from the old consumer protection framework to the DMCCA where relevant, especially in compliance manuals, unfair terms reviews, customer communications, policy wording, credit agreements, online journeys and complaints playbooks. Firms with crypto exposure should separately track the new cryptoasset regime implementation timetable for October 2027.

Applies to: All firms

ACTION FOR FIRMS

- Update compliance manuals and legal review checklists for DMCCA, CONC, ICOBS, ENFG and unfair terms references.
- Review customer-facing terms, fees, cancellation wording, exclusions, notices and online journeys for unfairness or unclear drafting.
- Record ownership for DMCCA-related issues across Legal, Compliance, Product, Marketing and Complaints teams.

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