



Regulatory Update

Volume #8
2 March 2026

 REGULATORY UPDATES

Stay ahead of regulatory changes with our regulatory updates, expert insights, and industry best practices – just read the update below and share with colleagues.

Need Help? Speak to Our Experts!

Book a free consultation and get **tailored compliance solutions** to navigate FCA, ICO or EEA related regulations with ease.

[Book a Free Consultation](#)

 Download Our Free Desk Aids

We have issued a number of free desk-aid to assist you with understanding, self-assessment and implementation.

- ✓ Download the latest free desk-aid today to evidence compliance

 RegZone.io - innovative AML Tool

Stay compliant with automated, real-time checks against global sanctions lists and politically exposed persons (PEPs).

- ✓ Accurate & fast AML screening
- ✓ Reduce costs without compromising compliance
- ✓ User-friendly interface & seamless integration

A smarter approach to communicating our regulatory priorities

16 Feb 2026

Summary

The FCA has introduced a new approach to communicating its regulatory expectations through Regulatory Priorities reports, launching first with the insurance sector. This approach is intended to improve clarity, reduce complexity, and support more effective supervision while maintaining safe and resilient markets.

For insurance firms, the Regulatory Priorities report provides a clear, high-level summary of key regulatory priorities, replacing the previous system of multiple portfolio letters. The FCA has reduced these communications to nine sector-specific publications, making it easier for firms to identify the issues most relevant to them and access supporting detail where needed.

The FCA has designed the insurance report to be practical and easy to use, with priorities summarised on a single page and clear actions for firms. This approach has been tested with insurance firms to ensure it supports understanding and implementation.

The priorities also highlight what is coming up for the insurance sector, providing a consolidated view of current and emerging regulatory focus areas. The reports will be updated on an annual cycle, helping firms stay aligned with regulatory developments as they evolve.

Firm boards and chief executives are expected to review the priorities carefully and take action where required, supporting the FCA's aim of streamlining regulation while ensuring good outcomes for consumers and markets.

Applies to: All firms

ACTION FOR FIRMS

- **Boards and CEOs are expected to review the priorities and act where necessary**, supporting good consumer outcomes and market resilience

ASK A QUESTION ->

Consumer Duty Board Reports – Good and Bad Practice Guide

16 Feb 2026

SUMMARY

The Financial Conduct Authority (FCA) has published a Good and Poor Practice review of firms' first Consumer Duty Board reports, setting out examples of effective practice and key areas requiring improvement. The review is based on a targeted thematic assessment of 180 firms' Board reports, covering firms of different sizes and business models.

The FCA reiterates that the Consumer Duty sets high and clear standards for retail customer protection and requires firms to prepare an annual report for their governing body setting out monitored consumer outcomes and any actions required. The FCA emphasises that reports are not intended to be prescriptive, but should enable Boards to effectively scrutinise whether good outcomes are being delivered.

The FCA identifies five characteristics of stronger Board reports:

- A clear focus on consumer outcomes
- Good quality data supporting conclusions
- Analysis of different customer types, including those with vulnerabilities
- Clear processes for producing and approving the report
- A visible focus on culture and how Consumer Duty expectations are embedded across

The review also highlights five recurring areas for improvement, including data quality, achieving a comprehensive view across distribution chains, clearer analysis of different customer groups, evidence of effective Board challenge, and ensuring that action plans are specific, owned and outcome-focused.

Applies to: All Duty firms

ACTION FOR FIRMS

- **Board reporting quality:** Ensure Consumer Duty reports clearly evidence outcomes, supported by reliable MI.
- **Customer segmentation:** Demonstrate how outcomes are assessed for different customer groups, including customers in vulnerable circumstances.
- **Distribution chain visibility:** Confirm reports reflect a complete view of customer outcomes across third-party arrangements.
- **Board challenge and action:** Evidence meaningful Board scrutiny and ensure action plans include ownership, timescales and measures of success.

ASK A QUESTION ->

[FCA Publication](#)

HMT Consultation – New FCA permission for Principal firms

24 Feb 2026

SUMMARY

The HM Treasury has published a consultation on proposed changes to the Appointed Representatives (AR) regime, setting out targeted reforms intended to strengthen oversight, improve consumer protection and preserve the long-term viability of the regime.

The consultation proposes targeted reforms to adapt the legislative framework while preserving the broad scope of the regime. Key objectives include preventing misconduct involving ARs, ensuring appropriate consumer redress where issues arise, and aligning AR conduct and fitness frameworks more closely with those applying to authorised firms.

The Government proposes that authorised firms wishing to act as principals will be required to obtain specific permission from the Financial Conduct Authority (FCA), enabling the FCA to assess whether firms have the expertise, systems and resources necessary to effectively oversee their ARs.

The consultation also proposes to extend the jurisdiction of the Financial Ombudsman Service (FOS) so that consumers may bring complaints relating to AR activities in circumstances where responsibility does not currently sit with an authorised firm. This is intended to strengthen consumer protection when things go wrong.

In addition, the Government proposes to rationalise the conduct and fitness and propriety frameworks applying to ARs, better aligning them with authorised-firm regimes and enabling the FCA to reduce unnecessary administrative burdens while maintaining appropriate safeguards.

Applies to: All firms with ARs

ACTION FOR FIRMS

- **Governance and resourcing:** Review whether systems, controls and expertise would meet the FCA's expectations for effective AR supervision.
- **Consumer redress:** Consider the potential impact of expanded FOS jurisdiction on complaints handling, liability and contractual arrangements with ARs.
- **Regime changes:** Track consultation developments and prepare for legislative and FCA rule changes following the consultation outcome.

ASK A QUESTION ->

[The Consultation](#)

FCA Operational Performance Report

21 Feb 2026

SUMMARY

The Financial Conduct Authority (FCA) has published its Authorisations Operating Service Metrics for Q3 2025/26, providing transparency on the timeliness and performance of its authorisations and approvals processes. The data covers the period October to December 2025 and is the first quarter reported against the FCA's new, faster service targets.

The FCA states that the revised targets are intended to support the Government's growth agenda, while maintaining high regulatory standards to protect consumers and market integrity. The targets are described as deliberately ambitious, requiring consistently high performance from FCA case officers and supporting systems.

Overall performance against the new targets shows 7 metrics rated green, 3 amber and 1 red. The FCA reports that 97% of applications across all metric areas were determined within the new deadlines, and 99.4% were determined within existing statutory deadlines

The FCA notes that red and amber metrics arose primarily in relation to Approved Person (SM&CR-related) applications, New Firm Authorisations, and Payment Services / E-Money Authorisations, where additional time was required to reach regulatory decisions.

The publication confirms that these metrics apply to solo-regulated firms only, with separate arrangements in place for dual-regulated firms authorised jointly with the Prudential Regulation Authority. The FCA highlights that complete and comprehensive applications are more likely to be determined within the new target timeframes.

Applies to: All firms

ACTION FOR FIRMS

[ASK A QUESTION ->](#)

[FCA publication](#)



RR Compliance Associates are a trading style of R&R Compliance Consultants Ltd, a limited company registered in England and Wales (company number 12070286). Our registered office is 51 Lime Street, London, EC3M 7DQ.



www.rrcompliance.com



contact@rrcompliance.com



0203 488 4322