



Regulatory Update

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REGULATORY UPDATES

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SmartSearch Report Highlights Compliance Readiness and AML Automation Gaps

August 2026

What happened

SmartSearch has published its 2026 Compliance Report material, based on research with 1,000 compliance decision-makers across legal, property, financial services and accounting. The accessible report page says financial services firms are leading in confidence and digital adoption, but that regulatory pressure continues to grow. It identifies increasing regulatory expectations, more sophisticated financial crime, evolving CDD requirements and pressure to improve operational efficiency as key AML and compliance challenges for UK businesses.

The related SmartSearch material highlights a gap between confidence and preparedness. It states that only 24% of firms described themselves as “very prepared” for future regulatory and compliance challenges, while 72% expect compliance complexity to increase over the next 12 to 24 months. It also reports that 54% of identity verification checks are still completed manually, and that 52% of organisations reported difficulties verifying ultimate beneficial ownership structures. For insurance and consumer credit firms, the read-across is financial crime resilience, not only AML technical compliance. Insurers, brokers, lenders, premium finance providers and credit brokers should consider whether onboarding, sanctions screening, UBO checks, fraud controls, source-of-funds checks, introducer due diligence and ongoing monitoring are still too manual or too dependent on individual judgement. This also links to recent FCA themes on financial crime controls, sanctions, vulnerability, fraud, synthetic identity risk and operational resilience.

Action for firms

Firms should use the report as a prompt to test whether AML, fraud and onboarding controls can scale as financial crime risk becomes more complex. Firms outside the strict MLR perimeter should still cross-read for fraud, sanctions, KYB, customer due diligence and third-party onboarding.

Applies to: All Firms

ACTION FOR FIRMS

- Map manual CDD, KYB, sanctions, PEP and UBO checks and identify which steps create delay or inconsistent evidence.
- Re-test UBO and source-of-funds evidence for higher-risk customers, introducers, brokers, merchants and corporate clients.
- Add synthetic identity, digital impersonation and document-manipulation risks to financial crime training and onboarding QA.

ASK A QUESTION ->

FCA Publishes 2025 Product Sales Data

20 Aug 2026

What happened

The FCA has published its 2025 Product Sales Data. Firms operating in the mortgages, retail investments or protection sectors submit product transaction data to the FCA quarterly. The FCA says firms report sales of regulated mortgage contracts, retail investment products and certain pure protection products to retail and private customers, including both direct sales and sales made through intermediaries. The FCA uses PSD to support regulation and identify market trends, and publishes aggregated data annually.

For mortgages, the FCA has provided geographic breakdowns for UK nations and English regions. It says 142 firms provided mortgage sales data for the year to the end of December 2025. For retail investments, relevant reporting firms include insurers, fund managers, operators of investment trust savings schemes or personal pension schemes, and certain issuers or managers of structured capital-at-risk products. The FCA says 183 firms submitted retail investment sales data. The retail investment data covers 29 products across 8 categories, including endowments, bonds, trusts/OEICs, structured capital-at-risk products, ISAs, long-term care insurance, decumulation products, occupational pensions and personal pensions. For mortgages, the FCA publishes sales by characteristics such as sales channel, advice given, loan purpose, loan-to-value, mortgage term, borrower characteristics and property characteristics. The FCA also warns that PSD does not cover all products and markets, and that business loans and second charge mortgages are not included in the main analysis.

There is also a practical caveat for protection firms: the FCA says the Pure Protection Contracts Product Sales Data will be published later due to technical issues, with the publication date to be confirmed. That means firms should not assume the 2025 PSD package is complete for protection-market benchmarking until the delayed protection data is released.

Applies to: All Firms

ACTION FOR FIRMS

- Reconcile internal sales MI to PSD, RegData, finance and product-governance MI before using market benchmarking.
- Schedule a follow-up review once the FCA publishes the delayed pure protection contracts data.
- Do not use the mortgage PSD main analysis for second-charge, business-loan or internal-transfer benchmarking without checking the FCA's exclusions.

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[FCA Publication ->](#)

FCA Fines and Bans Former SVS Securities CEO

19 Aug 2026

What happened

The FCA has banned Demetrios Hadjigeorgiou, former director and CEO of SVS Securities Plc, from senior management roles in financial services and fined him £56,400. SVS was a discretionary fund manager, and the FCA found that Mr Hadjigeorgiou failed to manage the firm properly and protect customers' interests. During his time as CEO, SVS invested customer money, including pension savings, in high-risk products while receiving significant payments from the companies that issued those products.

The FCA also found that Mr Hadjigeorgiou failed to challenge a decision that reduced the value of customers' bond investments by 10% when they decided to sell them. This generated £359,800 for SVS at customers' expense, and customers were not clearly told about the reduction. The FCA said some customers lost part of their pension savings, and that senior leaders who fail to put customer interests first can expect action.

The direct sector is investment management, but the conduct read-across is wider. Insurance and consumer credit firms should consider the same risk pattern in commission-heavy distribution, broker fees, issuer payments, referral arrangements, premium finance, exit charges, cancellation fees, arrears fees, add-ons and any structure where the firm or distributor receives value that may not be clearly understood by customers.

Action for firms

Firms should review whether remuneration, commission, issuer payments, broker fees and product charges are clearly disclosed, properly governed and supported by fair-value evidence. Senior managers should be able to show challenge where customer detriment may arise from charges, deductions or commercial incentives.

Applies to: Consumer Credit Firms

ACTION FOR FIRMS

- Map all commission, issuer, broker, distributor and introducer payments against customer disclosures and fair-value assessments.
- Require committee approval and documented challenge for exit deductions, cancellation charges, admin fees, arrears fees and broker fees.
- Add a "customer interest conflict" section to product governance minutes for high-margin, high-risk or distributor-led products.

ASK A QUESTION ->

[FCA Publication ->](#)



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