

FCA & WIDER UK REGULATION

Weekly Regulatory Briefing

12 October 2026

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

IN THIS EDITION

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AI data | Compliance governance | DISP recovery

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SANCTIONS | LICENCE CHANGE & SHORT WINDOW | 01 / 07

OFSI changes two Russia wind-down permissions

Publication: 7–8 October 2026**Status:** Legally operative conditional general licences; not general exemptions**Applies to:** Insurers, reinsurers, brokers, Lloyd's firms, MGAs and TPAs with affected insurance, reinsurance, premium, claim or recovery flows; all FCA-authorised firms processing related payments.

WHAT HAPPENED

OFSI amended General Licence INT/2026/8893924 on 7 October. The Maritime Mutual licence now expires at 23:59 on 6 October 2027, replacing the 7 October 2026 cut-off reported last week. It also permits relevant UK institutions to process qualifying overseas wind-down payments under written insurance or reinsurance contracts entered into before 24 February 2026.

The original UK insurer and narrowly defined UK insurance broker permissions remain. The broker must act as intermediary between a UK reinsurer and the designated Maritime Mutual entities. The licence also confirms that permitted payment processing includes clearing and settlement. Records of use must be kept for at least six years; the monthly report remains an obligation on the defined designated persons, not a universal broker return.

OFSI separately issued INT/2026/11080040 on 8 October for Zarubezhneft JSC and its subsidiaries. It permits a person to wind down or divest from transactions to which that person is already a party, including closing positions, and permits reasonably necessary activity. It expires at 23:59 on 21 November 2026. Neither licence authorises unrelated Russia-sanctions breaches.

ACTION FOR FIRMS

RRCA can help identify the exact legal entity, contract date, transaction and permission relied upon. The extension removes the immediate Maritime Mutual stop date but does not turn the licence into an unrestricted payment channel.

- Replace the superseded 7 October Maritime Mutual stop instruction with the amended 6 October 2027 expiry and new overseas-payment conditions.
- Identify Zarubezhneft transactions already in place, allocate a wind-down owner and plan completion before 21 November.
- Retain contract, ownership/control, payment-route and licence-condition evidence for every premium, claim or recovery processed.

Sources: [Maritime Mutual licence page](#) | [Amended operative licence](#) | [Zarubezhneft licence](#) | [Publication notice](#)

SANCTIONS | SCREENING & MARINE CONTROLS | 02 / 07

Russia sanctions package requires immediate re-screening

Publication: 8 October 2026

Status: New designations, ship specifications and variations under the existing Russia regime

Applies to: All UK firms screening customers, counterparties, beneficiaries and payments; especially marine insurers/reinsurers, Lloyd's firms, brokers, MGAs and delegated claims handlers.

WHAT HAPPENED

The UK added 26 designations, 12 ship specifications and two variations under the Russia sanctions regime on 8 October. A further notice made three corrections the same day. The accompanying announcement says the package covers oil production and trading, shadow-fleet tankers, crypto exchanges, payment platforms and suppliers of common high-priority goods.

The 12 specified ships are subject to shipping and trade measures. The package also includes asset-freeze and other measures for designated people and entities. Firms should use the current UK Sanctions List entry for each match: a ship specification, an asset freeze and a sectoral restriction are not interchangeable, and ownership/control analysis remains separate.

For insurers and intermediaries, the operational risk spans placement, endorsements, claims, premium returns, recoveries, banks, vessels, owners and operators. Delegated parties should receive current screening data and precise instructions on what must be held, rejected or escalated.

ACTION FOR FIRMS

RRCA can help connect the list update to end-to-end transaction testing. A country, cargo or vessel-name check alone is not enough where names, flags, operators, ownership and payment rails can change.

- Re-screen live placements, claims, premium balances and recoveries against the 8 October additions, specifications and variations.
- Match vessels by IMO number and reconcile current and former owners, operators, flags and aliases before authorising activity.
- Document the exact measure and ownership/control conclusion for each potential match, then issue consistent instructions to delegated parties.

Sources: [FCDO sanctions announcement](#) | [Russia notices and list updates](#) | [Russia sanctions guidance](#)

REGULATORY REPORTING | CCR009 & PRINCIPALS | 03 / 07

Consumer-credit returns: scope depends on permissions and business model

Publication: FCA pages updated 1 October 2026

Status: Implementation guidance for existing SUP reporting requirements; not a new universal return

Applies to: Consumer-credit firms, DPC/BNPL lenders, credit brokers, debt advisers and principal firms with credit ARs. Insurance firms are affected only where they also hold relevant credit permissions.

WHAT HAPPENED

The FCA refreshed its consumer-credit reporting overview and CCR009 guidance on 1 October. The update clarifies the current population and transition but does not make every requirement on those pages new. From 2026, CCR007 and CCR009 use a calendar-year reporting period; CCR003 continues to follow the accounting reference date.

CCR009 applies to firms with credit broking, debt adjusting, debt counselling or providing-credit-information permissions. Most report annually; firms with at least £5 million annual revenue from credit-related regulated activities report six-monthly. Once the reporting window opens, the deadline is 40 business days. Principal firms with appointed representatives must complete additional questions and use the principal data-flow diagrams.

A DPC or BNPL lender should not assume CCR009 applies merely because it lends. Lending activity drives CCR003; CCR009 applies only where the firm also holds a listed ancillary permission. Limited-permission firms should map CCR009 alongside the reduced CCR007, while full-permission firms must assess CCR002 and other returns. REP025, complaints, REP-CRIM and financial-resilience returns are separate obligations.

ACTION FOR FIRMS

RRCA can help reconcile permissions, RegData schedules and actual activities before the next window. The key control is a documented return-by-return scope assessment, including the principal's AR population and revenue threshold.

- Map every credit permission and activity to CCR003, CCR007, CCR009, CCR002 and separate REP025 or complaints returns.
- For principals, reconcile AR activities to the CCR009 data-flow questions and evidence the data source for each answer.
- Check whether credit-related annual revenue reaches £5 million and validate the resulting six-monthly or annual schedule in My FCA.

Sources: [FCA consumer-credit reporting overview](#) | [CCR009 completion guidance](#)

PRA PROPOSAL | INSURER REPORTING THRESHOLDS | 04 / 07

PRA proposes automatic indexation of regulatory thresholds

Publication: 7 October 2026**Status:** Consultation and discussion paper; responses due 7 February 2027**Applies to:** PRA-regulated insurers and third-country branches, with possible group and FCA solo-firm read-across where thresholds interact. It does not directly change broker, MGA or consumer-credit rules.

WHAT HAPPENED

CP13/26 proposes a rules-based framework to update selected fixed nominal thresholds using UK nominal GDP growth. The first automatic adjustment would take effect on 1 July 2031 and subsequent rounds would occur every five years. Once finalised, in-scope Rulebook thresholds would update through the mechanism without a fresh consultation for each round.

The PRA identified 52 reporting thresholds for the proposed framework: 42 for banking-sector firms and 10 for insurers. It estimates that avoiding an entire reporting template can save about £80,000 a year, although the actual effect depends on each firm's growth and proximity to a threshold. Indexation is not uniformly deregulatory: some UK Solvency II standard-formula thresholds could increase capital requirements in specific cases.

The connected discussion paper asks about additional thresholds where costs and benefits are less clear, including some areas with PRA/FCA interaction. Responses to both parts are due by 7 February 2027. Current thresholds remain in force and no firm should anticipate the 2031 values before final policy and later published calculations.

ACTION FOR FIRMS

Affected insurers should focus on thresholds they are close to crossing and on the systems that translate a threshold into reporting or capital treatment. That evidence will make a consultation response more useful than a generic preference for indexation.

- Inventory applicable PRA thresholds and identify those likely to be approached before or after the proposed 1 July 2031 adjustment.
- Model the reporting, assurance and capital effect of nominal-GDP indexation, including thresholds that can become more restrictive.
- Submit evidence on implementation cost, cliff effects and the proposed in-scope list by 7 February 2027.

Sources: [PRA CP13/26](#)

DATA PROTECTION | AI DEPLOYMENT | 05 / 07

ICO sets a higher evidence bar for AI and opens agentic-AI call

Publication: 8 October 2026**Status:** Supervisory findings and open call for evidence; existing UK GDPR duties continue

Applies to: All target sectors using foundation models or autonomous agents in underwriting, onboarding, claims, complaints, financial crime, collections or customer support; directly supervised findings concern model developers.

WHAT HAPPENED

The ICO reported that ten major foundation-model developers made or committed to data-protection changes after its supervision. It found that legitimate-interest assessments did not always identify sufficiently specific interests, evidence necessity or substantiate the effectiveness of safeguards. It also highlighted transparency, information-rights and special-category-data controls.

The findings are directed primarily at developers, but the read-across for regulated deployers is concrete. Vendor documentation should support the firm's own controller or processor analysis, DPIA, lawful basis, transparency, data-subject rights and assessment of model or training-data risks. A supplier's generic assurance does not discharge the deploying firm's obligations.

The separate agentic-AI call for evidence closes on 20 November. It covers security, transparency, accountability, automated decision-making, fairness, purpose limitation and lawfulness. The ICO says the evidence will inform future guidance and its forthcoming statutory AI and automated-decision-making code; it does not itself create a new rule.

ACTION FOR FIRMS

RRCA can help convert the findings into AI inventory and vendor-assurance tests. Highest-risk use cases are agents that can access claims or credit data, communicate externally, change records or trigger decisions without a human checkpoint.

- Document each model or agent's data access, lawful basis, DPIA, controller/processor roles and ability to act outside a sandbox.
- Require suppliers to evidence training-data transparency, rights handling, special-category controls, retention and safeguard testing.
- Respond by 20 November where claims, underwriting, credit or complaint workflows expose unresolved agentic-AI risks.

Sources: [ICO industry supervision report](#) | [Agentic-AI call for evidence](#)

SUPERVISORY READ-ACROSS | GOVERNANCE | 06 / 07

FCA survey sharpens expectations for effective compliance challenge

Publication: 8 October 2026**Status:** FCA blog reporting survey findings; no new rule**Applies to:** The survey covered corporate-finance firms. Practical read-across applies to small brokers, MGAs, principal firms, TPAs and credit firms with combined or outsourced compliance functions.

WHAT HAPPENED

The FCA surveyed 411 corporate-finance firms and received 382 responses. Sixty-four per cent had nine or fewer employees and 63% reported that the compliance function also had other business responsibilities. The FCA says this can create conflicts, particularly where compliance also contributes to revenue generation.

Reported gaps included 67 firms without a compliance monitoring programme, 74 where compliance did not monitor complaints, 82 without a breach register, 82 where compliance did not attend management-body meetings, and 90 without whistleblowing arrangements. The FCA will engage selected firms to test the adequacy and effectiveness of resources.

This is not a new insurance or credit rule and the sample should not be treated as target-sector data. It is nevertheless a useful supervisory benchmark for small or owner-led firms, principals and outsourced models: senior management must ensure compliance has authority, information, independence and early access to business decisions.

ENFORCEMENT READ-ACROSS

On 8 October the FCA prohibited John Burford after convictions for false representations, unauthorised regulated activity and unlawful financial promotions. The case creates no new rule, but it reinforces event-driven FIT checks and verification of outside business and source-of-funds explanations.

ACTION FOR FIRMS

RRCA can benchmark governance without importing corporate-finance detail mechanically. The test is whether compliance can evidence independent challenge, follow-up and escalation when commercial or owner interests are engaged.

- Map every compliance role with revenue, operational or ownership responsibilities and record conflict mitigations and escalation routes.
- Sample monitoring, complaints, breach and whistleblowing files for evidence of challenge, action owners and closure testing.
- For outsourced compliance and AR oversight, test management-body access, information quality and whether recommendations are tracked.

Sources: [FCA survey findings](#) | [John Burford final notice](#)

LEGAL READ-ACROSS | DISP, INDEMNITIES & RECOVERY | 07 / 07

Court limits contribution recovery for DISP redress payments

Publication: Judgment 15 September 2026; newly included through expanded source review

Status: Court of Appeal judgment; no FCA rule change

Applies to: Insurers, lenders, distributors and their professional-indemnity or D&O insurers where regulatory redress, delegated sales and contractual contribution or indemnity rights may interact.

WHAT HAPPENED

In AXA France IARD v Santander Cards UK, the Court of Appeal allowed Santander's appeal on a contractual indemnity and dismissed AXA's cross-appeal under the Civil Liability (Contribution) Act 1978. The dispute concerned historic store-card PPI, about £500 million in customer redress and a lower-court indemnity award of approximately £677 million including interest.

The Court held that the contractual indemnity did not apply retrospectively to pre-agreement conduct. It also held that payments made because of DISP obligations or FOS determinations did not, on these facts, establish an actionable private-law liability to consumers for contribution under the 1978 Act. The outcome turns on the wording, liabilities and procedural route in the case; it is not a general bar on every recovery claim.

The practical point is to avoid assuming that regulatory responsibility and contractual economic responsibility automatically align. Distribution, delegation, complaint-handling, indemnity and contribution clauses should state their temporal scope and address redress, FOS fees, administration costs, data access and control of complaints expressly.

ACTION FOR FIRMS

RRCA can coordinate a compliance-led review with legal advisers and insurers where historic or high-volume redress exposure exists. The goal is to identify evidential and contractual gaps before a complaint population crystallises.

- Map who owes regulatory complaint duties against who controls sales records, investigation, redress calculation and customer contact.
- Review indemnities and contribution wording for temporal scope, regulatory redress, FOS awards, fees and complaint-administration costs.
- Escalate material recovery assumptions to legal counsel and insurers; do not treat the judgment as legal advice for a different contract.

Sources: [Court of Appeal judgment](#) | [RPC case note](#)

DATES & PRIORITIES

Deadline and action tracker

Verified 12 October 2026. Proposals remain proposals; licence expiry, rule commencement and firm-specific reporting deadlines are distinct.

DATE	ACTION / STATUS
12 October 2026	Responses due today on relevant chapters of CP26/32 , including Lloyd's complaints and the duplicated consumer-credit reporting field.
14 October 2026	Responses due on FCA CP26/29 and the linked PRA captive proposals . The regime remains proposed.
20 November 2026	Respond to the ICO agentic-AI call for evidence .
21 November 2026, 23:59	The Zarubezhneft wind-down licence expires; complete or stop reliance before expiry unless another permission applies.
31 December 2026 / 1 January 2027	Main PS25/19 complaints-reporting amendments commence on 31 December; the first new six-month collection period starts 1 January.
7 February 2027	Responses due on PRA CP13/26 and its connected discussion paper.
6 October 2027, 23:59	The amended Maritime Mutual licence expires, unless varied, suspended or revoked earlier.

The tracker lists consequential dates arising from this edition. It does not replace each firm's RegData, PRA, Lloyd's or sanctions calendar. CCR009 deadlines are schedule-specific: the FCA states that firms have 40 business days once their window opens.

FORWARD LOOK

Issues to watch next

- Consumer Duty scope: [CP26/23](#) remains a proposal. The proposed changes to non-UK customers, distribution chains and proportionality are not in force; continue using the existing retail-customer and insurance scope rules. Final policy is expected in Q1 2027, with no confirmed commencement date.
- Complaints: monitor final FCA policy on [Lloyd's complaint handling in CP26/32](#) and operationalise [PS25/19 reporting](#) without assuming a uniform filing date on 31 December.
- Sanctions: monitor further amendments to the [UK Russia list](#) and both wind-down licences before placement, payment or expiry.
- AI: track the ICO's statutory AI and automated-decision-making code and future agentic-AI guidance after the [20 November call](#).
- PRA thresholds: identify which insurer reporting and Solvency II values are finally included after [CP13/26](#); the first proposed automatic adjustment is not until 1 July 2031.

COVERAGE & QUALIFICATIONS

Review period: 5–12 October 2026. The 1 October FCA reporting pages and 15 September judgment are clearly labelled older items included through the newly authorised targeted source review. UK-only research; EEA/EU and other national regimes were not researched.

Requested primary sources and bounded secondary discovery were checked. Certain dynamic or restricted publisher, Lloyd's, ICO, NCSC and Bank listing routes did not expose complete current feeds; no absence of developments is inferred from those gaps. Detailed scope and exclusions are recorded in the Horizon file.

WEBSITE HIGHLIGHT

Highlights: FCA and wider UK regulatory updates cover sanctions licences and Russia screening, consumer-credit reporting, PRA threshold proposals, AI data governance, compliance challenge and DISP recovery, with practical implications for insurers, intermediaries, delegated handlers, principal networks and consumer-credit firms.

We're here if you need support.

RRCA can help assess applicability, update policies, support governance and implementation, and train staff through [RegZone.io](#).

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