Reg Agenda

June 2025 | BULLETIN

What's inside...

- HMT publishes Consumer Credit Act reform - Phase 1 consultation
- FCA publishes Mortgage Rule Review
- FCA consults on improving the complaints reporting process

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Welcome to Target's Reg Agenda

Foreword by

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Target Group
Chief Risk Officer

Welcome to the latest edition of Target's Reg Agenda!

When the Regulatory Initiatives Grid was published in April, it was noticeable how many regulatory changes were in the pipeline for 'Spring 2025'. It comes as little surprise then that we've seen a few big publications this month.

The key talking point has been the first phase of the Consumer Credit Act (CCA) reform. The reform of the CCA has been in the pipeline for many years and will likely take a few yet before it sees implementation, but this consultation paper serves as a key milestone, albeit via some very broad proposals, including the removal of all automatic sanctions for non-compliance with information requirements.

On the same day, HMT also published the consultation to bring Buy Now Pay Later under the control of the FCA. There was no coincidence in the timing, as some of the changes needed to enable this will overlap with the CCA reform proposals.

The FCA published the findings from their 2024 Financial Lives Survey. This is an important, data-orientated report which is often referenced in other FCA publications and reports, such as those relating to customer vulnerability.

The FCA also published two consultation papers relating to reporting requirements, the first relating to the new consumer credit reporting and the second relating to complaints. In both cases, the regulator intends to reduce the number of reports completed by firms and will be amending the type of data being collected. The aim is to streamline data collection for firms whilst making the data more relevant to the FCA.

Finally, the government published their Software Security Code of Practice. This piece of guidance aims to improve system security practices and align with overseas initiatives such as the EU Cyber Resilience Act.

Happy reading!

This month's headlines

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List of abbreviations used throughout the Reg Agenda:

AI Artificial Intelligence
AML Anti-Money Laundering
BoE Bank of England
CTF Counter Terrorism Financing
DRCF Digital Regulation Cooperation Forum
EBA European Banking Authority
FCA Financial Conduct Authority
FOS Financial Ombudsman Service
FSCS Financial Services Compensation Scheme
ICO Information Commissioners Office
ICT Information and Communication Technology
IRSG International Regulatory Strategy Group
JROC International Regulatory Strategy Group
NAO National Audit Office
PRA Prudential Regulation Authority
PSR Payment Systems Regulator
OFSI Office of Financial Sanctions Implementation
TCFD Task Force on Climate-related Financial Disclosures

General

- UK Finance updates Financial Abuse Code
- FCA publishes key findings from 2024 Financial Lives Survey
- Government announces changes to whistleblowing prescribed person regime

Technology

- Government publishes Software Security Code of Practice
- Treasury Committee publishes correspondence with banks regarding February 2025 IT failures
- European Cyber Vulnerability Database launched
- CMORG publishes AI Baseline Guidance Review

Lending

- FCA publishes Mortgage Rule Review
- FCA publishes Consumer Credit Regulatory Return Policy Statement
- HMT publishes Consumer Credit Act reform - Phase 1 consultation
- HMT publishes Buy Now Pay Later reform consultation

Investments

- FCA review of international payment pricing transparency under consumer duty

Data protection

- ICO publishes updated guidance on encryption

Complaints

- FOS publishes H2 2024 complaint data
- FCA consults on improving the complaints reporting process

Financial crime

- There are no material updates this month

Enforcement

- Two brothers plead guilty to insider dealing

General

UK Finance updates Financial Abuse Code

UK Finance updates Financial Abuse Code

FCA publishes key findings from 2024 Financial Lives Survey

Government announces changes to whistleblowing prescribed person regime

On 30th April 2025, UK Finance published their updated Financial Abuse Code ('the Code').

The updated Code builds on the version published in 2021 and reflects the evolving regulatory landscape, particularly the FCA's Consumer Duty, and the growing understanding of victim-survivors' needs.

The report highlights a concerning rise in economic abuse, with 4.1 million women affected in 2024. While the Code remains voluntary, it has seen growing adoption, with 29 firms now signed up. The refreshed framework outlines five key recommendations and 26 collaborative actions for government, regulators, and industry to address structural barriers that prevent victim-survivors from achieving financial independence.

Some of the key updates include:

- A greater emphasis on trauma-informed support and inclusive service design
- Enhanced guidance on handling coerced debt, mortgage abuse, and credit restoration
- Promotion of the Economic Abuse Evidence Form (EAEF) to streamline support across institutions

The Code encourages firms to embed financial abuse considerations into product design and staff training, ensuring consistent, empathetic responses. Collaboration with charities such as Surviving Economic Abuse and Refuge has been vital in shaping the revised guidance.

UK Finance calls on more firms to adopt the Code and contribute to a sector-wide commitment to disrupt abuse and empower survivors. The report underscores that financial services can be a critical lifeline, helping individuals regain control and rebuild their lives.

Further reading

The full report can be found here.

General

FCA publishes key findings from 2024 Financial Lives Survey

UK Finance updates Financial Abuse Code

FCA publishes key findings from 2024 Financial Lives Survey

Government announces changes to whistleblowing prescribed person regime

On 16th May 2025, the FCA published its key findings from the Financial Lives Survey in May 2024. These surveys are carried out by the FCA every two years and are used to provide metrics to guide delivery of the FCA's strategy.

Some of the key findings from the latest Financial Lives Survey include:

- **A significant portion of UK adults continue to face financial challenges.** Around 7.4 million people are considered to have low financial resilience, meaning they struggle to cope with financial shocks. This is a slight improvement from 2022 but still above pre-pandemic levels. Vulnerability remains widespread, with 47% of adults showing one or more characteristics of vulnerability, such as poor health, low capability, or recent negative life events
- **Digital exclusion and lack of financial confidence are barriers for many.** About 5.4 million adults are not digitally active in managing their finances, and 11 million lack confidence in managing money. Financial exclusion is also evident, with 1.1 million adults having no current account
- **Trust in the financial services industry remains low, with only 36% of adults expressing confidence.** Satisfaction with providers varies, and complaints are common, especially in sectors like insurance
- **Fraud continues to be a major issue, with over 5 million adults reporting being targeted by scams in the past year.** Awareness of financial promotions and their risks is still limited

Given the sample size of the Financial Lives Survey, it can act as a useful benchmark for firms when compared with their own data. Firms should compare the results of the survey against their own management information to understand whether there are any gaps in customer assessment.

Further reading

The Financial Lives Survey can be found in full here.

General

Government announces changes to whistleblowing prescribed person regime

UK Finance updates Financial Abuse Code

FCA publishes key findings from 2024 Financial Lives Survey

Government announces changes to whistleblowing prescribed person regime

On 9th May 2025, the Department for Business & Trade wrote to the Chair of the Business and Trade Committee to inform the Committee of upcoming amendments to the whistleblowing legislation.

The letter outlines amendments to whistleblowing legislation aimed at improving the implementation and enforcement of UK sanctions.

To qualify for protection under whistle-blowing legislation, a worker must make a disclosure to an employer, a legal advisor or a prescribed person.

There are currently over 90 'prescribed persons' as set out in The Public Interest Disclosure (Prescribed Persons) Order 2014. The purpose of this change is to designate additional government departments as 'prescribed persons'. This change allows whistleblowers to report concerns directly to these departments and still qualify for employment protections under the Public Interest Disclosure Act.

The new departments will include:

- The Department for Business and Trade
- HM Treasury
- The Department for Transport

Workers who disclose information about sanctions breaches to these departments will now be legally protected from retaliation.

By making these changes, the aim is to encourage more disclosures related to sanctions enforcement.

Further reading

The letter can be read here.

Technology

Government publishes Software Security Code of Practice

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Treasury Committee publishes correspondence with banks regarding February 2025 IT failures

European Cyber Vulnerability Database launched

CMORG publishes AI Baseline Guidance Review

On 7th May 2025, the Department for Science, Innovation and Technology published the Software Security Code of Practice ('the Code').

The Code of Practice follows on from the government's code of practice for software vendors which was published in March 2025. Whilst the Software Security Code of Practice is focused specifically on technical and operational security, the Code of Practice for Software Vendors takes a wider view, covering areas like governance, ethics, and customer support.

The purpose of the Code is to establish a baseline of security and resilience for software products, focusing on:

- Security-by-design principles
- Reducing software supply chain risks
- Improving communication between vendors and customers.

There are 14 principles which, whilst voluntary on UK firms, align with international standards such as the US Secure Software Development Framework and the EU Cyber Resilience Act.

The 14 principles are as follows:

1. Understand and document risks
2. Design for security
3. Use secure defaults
4. Minimise attack surface
5. Use secure coding practices
6. Manage third-party components
7. Conduct security testing
8. Fix vulnerabilities promptly
9. Provide secure configuration guidance
10. Support secure integration
11. Protect update mechanisms
12. Maintain software securely
13. Communicate security information
14. Plan for end-of-life

The National Cyber Security Centre has published a self-assessment, which is designed to help vendors record how well they are meeting the themes and principles of the Software Security Code of Practice.

The self-assessment, alongside other resources on this topic from the NCSC, can be found here.

Further reading

The Code of Practice can be found here.

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Government publishes Software Security Code of Practice

Treasury Committee publishes correspondence with banks regarding February 2025 IT failures

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Treasury Committee publishes correspondence with banks regarding February 2025 IT failures

On 8th May 2025, the House of Commons Treasury Committee published letters it had received from HSBC UK, Nationwide Building Society, TSB Bank and Lloyds Banking Group regarding IT failures that took place in February 2025.

On 28th February 2025, some customers struggled to log into their online bank accounts and carry out transactions, including making payments.

The Treasury Committee wrote to the CEOs of the banks requesting more information about these failures, including the following:

- An outline of the failure that occurred, including a timeline of events
- Steps taken by the bank to prevent reoccurrence of the issue
- The impact on customers, which included the total number of customers, the number of vulnerable customers, the impact to customer handling times and the amount of compensation paid
- The extent of any increase in fraudulent activity during the period, noting that none of the banks reported any increase in fraudulent activity

These letters follow on from commentary from the Treasury Committee in March 2025 showing that, over a two-year period between January 2023 and February 2025, nine banks had an equivalent outage time of 803 hours, or 33 days. This report can be read here.

The actions taken by the Treasury Committee show the scrutiny being placed upon banks and other financial institutions and reinforce the message that operational resilience is a priority for regulators.

Further reading

The letters can be found here.

Technology

European Cyber Vulnerability Database launched

Government publishes Software Security Code of Practice

Treasury Committee publishes correspondence with banks regarding February 2025 IT failures

European Cyber Vulnerability Database launched

CMORG publishes AI Baseline Guidance Review

On 13th May 2025, the European Union Agency for Cybersecurity (ENISA) announced that the European Vulnerability Database (EUVD) is now operational.

The Network and Information Systems Directive 2 (NIS2) required ENISA developed and maintained a European vulnerability register, in order to improve vulnerability management and information sharing across the EU.

The key features of the EUVD are as follows:

Three Distinct Dashboard Views

- **Critical Vulnerabilities**
  Displays vulnerabilities with a CVSS score of 9 or above, indicating high severity
- **Exploited Vulnerabilities**
  Highlights vulnerabilities that are actively being exploited by bad actors
- **EU Coordinated Vulnerabilities**
  Showcases vulnerabilities that are being managed and disclosed in coordination with EU CSIRTs (Computer Security Incident Response Teams)

Aggregated and Actionable Information

- Includes mitigation measures, exploitation status, and relevant metadata for each vulnerability
- Draws from multiple sources such as vendors, CSIRTs, and existing databases, ensuring a comprehensive view

Transparency and Accessibility

- Publicly accessible to citizens, businesses, researchers, and national authorities
- Aims to raise cybersecurity standards and improve situational awareness across the EU

Interconnected and Holistic Approach

- Supports correlation and analysis of vulnerabilities using tools like Vulnerability-Lookup
- Enhances cyber risk management by providing a centralised and trusted source of vulnerability data

Support for Coordinated Vulnerability Disclosure (CVD)

- Facilitates collaboration between stakeholders to responsibly disclose and mitigate vulnerabilities

Further reading

The press release from ENISA can be found here.

Technology

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CMORG publishes AI Baseline Guidance Review

CMORG publishes AI Baseline Guidance Review

On 15th May 2025 the Cross Market Operational Resilience Group (CMORG) published its AI Baseline Guidance Review.

The AI Baseline Guidance Review by the CMORG offers a comprehensive overview of best practices for managing risks associated with the adoption of Generative AI (Gen-AI) in the UK financial sector. Developed by CMORG's AI Taskforce, the guidance addresses sector-wide concerns about operational, reputational, and compliance risks posed by Gen-AI technologies.

The document is structured around five key areas:

Government and regulatory approaches

The document outlines how UK authorities are balancing innovation with risk, providing a snapshot of emerging AI regulations and supervisory expectations.

Risk management principles and frameworks

It presents foundational principles and frameworks to help firms assess and mitigate Gen-AI risks, emphasising the importance of governance, accountability, and continuous monitoring.

Technical implementation guidance

This section details practical controls for data protection, cyber security, and model risk management, offering standards for secure and responsible AI deployment.

Third-party and legal considerations

It highlights the need for clear contractual terms and oversight when engaging third-party AI providers, ensuring legal compliance and ethical use.

Education and awareness

The guidance promotes a culture of responsible AI use, recommending training and awareness initiatives to build internal capabilities and resilience.

Whilst the guidance is non-binding, the review serves as a valuable reference for firms seeking to responsibly integrate Gen-AI, supported by UK Finance, the City of London Corporation, and the Financial Services Information Sharing and Analysis Center.

Further reading

The report can be found here.

Investments

FCA review of international payment pricing transparency under consumer duty

On 1st May 2025, the FCA published a good and poor practice paper considering how firms communicate the cost of international payments.

The FCA has observed differences in the way firms present the cost of international money remittance and cross-border payments.

As part of the review carried out by the FCA, websites were reviewed for a sample of firms who offered UK customers international money remittance and cross border payments. The FCA reviewed whether firms provided the following information:

- The amount to be remitted or transferred (in GBP)
- The exchange rate that will be applied
- The amount a recipient receives (in local currency)
- The markup above the reference rate
- Any variable fees
- Any fixed fees, per transaction
- The total remittance fees

The main findings from the review were as follows:

- Transaction fees were not always clearly displayed
- Additional fees, such as those charged by intermediary banks, were often not displayed up front. An intermediary bank acts as a bridge between the sending and receiving bank
- It was not always clear fees could vary
- Relevant information for consumers was not always easy to find

The FCA concludes that customers may have found it difficult to compare prices and make informed decisions.

The FCA also sets out a list of good and poor practices that were observed alongside examples.

Firms who carry out international money remittance and cross-border payments should review the findings for relevance, and address any gaps identified.

Further reading

The good and poor practices can be found here.

FCA publish Mortgage Rule Review

FCA publishes Mortgage Rule Review
FCA publishes Consumer Credit Regulatory Return Policy Statement
HMT publishes Consumer Credit Act reform - Phase 1 consultation
HMT publishes Buy Now Pay Later reform consultation

On 7th May 2025, the FCA published 'CP25/11: Mortgage Rule Review: First steps to simplify out rules and increase flexibility'.

The intention behind the rule change is to make it cheaper and easier for customers to:

- Speak to a mortgage provider about their mortgage needs
- Reduce their mortgage term
- Remortgage with a new lender

The proposals include:

Changing the guidance in the PERG chapter of the Handbook, which sets out what is and what is not considered financial advice. Firms will still need to consider whether additional support is needed to avoid foreseeable harm for customers as part of the Consumer Duty and there are still some higher-risk cases where advice will still be required.

Removing the requirement for a full affordability assessment when reducing the term of a mortgage, making it easier for customers where it is appropriate for them to do so. Firms will be able to determine what form of assessment would be proportionate to the customer's needs and would still need to consider their obligations under the Consumer Duty.

Amending the mortgage affordability assessment to permit lenders to enter into a new mortgage contract where it is more affordable than either the customer's current mortgage or a new mortgage product that is available to that customer from their current lender. Statistics show that 83% of customers who remortgaged in 2024 did so with their current lender.

Retiring guidance paper FG13/7, relating to interest-only mortgage customers who risk being unable to pay their loan and to retire guidance paper FG24/2 which relates to the guidance firms give to support customers impacted by the rising cost of living. In both instances, the FCA believes that the guidance is no longer required broad existing protections remain as part of the Consumer Duty for impacted customers.

The consultation is open until 4th June and the FCA aims to publish a Policy Statement in Q3 2025.

Further reading

The consultation paper can be found here.

Lending

FCA publishes Consumer Credit Regulatory Return Policy Statement

FCA publishes Mortgage Rule Review

FCA publishes Consumer Credit Regulatory Return Policy Statement

HMT publishes Consumer Credit Act reform - Phase 1 consultation

HMT publishes Buy Now Pay Later reform consultation

On 7th May 2025, the FCA published Policy Statement PS25/3, proposing a new consumer credit regulatory return.

The proposal is driven by the ways in which consumer credit markets have changed since 2014, alongside historically poor quality of data being supplied under the current returns.

The new return seeks to make the FCA's expectations of firms clearer, using common industry terminology to help understanding. Doing so will help firms complete the returns more easily, resulting in fewer ad-hoc data requests from the FCA. The new design of the forms means that the FCA will only be collecting the data needed, and this data will be proportionate for each firm.

In the longer term, the FCA will review and replace other consumer credit returns, however a decision has been made to slow down the implementation of the remaining phases to lessen the burden on firms and allow the FCA to consider the impact of the new return before making further changes.

The new return will contain elements of other returns, creating an overlap, however the FCA has confirmed that these overlaps will be removed as the review with the other credit related returns take place.

The new return will have five mandatory sections of questions for all firms in scope, followed by tailored questions specific to firms' permissions.

The five mandatory sections will be as follows:

1. The regulated activities firms have undertaken in the past 12 months
2. The financial products, goods, and/or services firms are providing
3. The marketing channels firms use to acquire consumers
4. The total revenue from credit-related activities and non-credit related activities
5. The number of employees, and incentive and remuneration arrangements

The frequency of returns will depend on the firm type but is in line with current reporting timeframes for impacted firms.

The FCA will also further consult on the potential for amending existing reporting schedules.

Further reading

The Policy Statement can be found here.

Lending

HMT publishes Consumer Credit Act reform - Phase 1 consultation

FCA publishes Mortgage Rule Review

FCA publishes Consumer Credit Regulatory Return Policy Statement

HMT publishes Consumer Credit Act reform - Phase 1 consultation

HMT publishes Buy Now Pay Later reform consultation

On 19th May 2025, HMT published the first stage consultation for the reform of the Consumer Credit Act (CCA).

The consultation, which was originally expected at the end of 2024, is the first part of a two-stage consultation paper. The reform of the CCA will be done as a single primary legislation vehicle, meaning that both phases of the CCA reform will be consulted on before any changes are made.

The first stage of the consultation covers three main areas:

Information requirements

All CCA information provisions are to be repealed and will be recast by the FCA into its Handbook, as guided by the Consumer Duty. The purpose of the change is to improve customer understanding, support digital innovation and reduce duplicative or confusing disclosures.

Sanctions

All automatic sanctions are to be removed for non-compliance with information requirements. HMT believes that the FCA modern toolkit under the Consumer Duty gives robust levels of consumer protection and therefore these sanctions are no longer required.

Criminal offences

HMT are considering repealing some or all of the criminal offences outlined within the CCA, although there are outstanding questions as to whether offences relating to minors and canvassing should remain.

The Phase 1 consultation is open until 21st July, with Phase 2 expected in early 2026, according to the Regulatory Initiatives Grid published last month.

Phase 2 will seek to address:

- Section 75 and Section 140A protections
- Scope of regulation (e.g. business lending, consumer hire)
- Key definitions (e.g. credit, hire)
- Cross-cutting themes:
  - Green Finance
  - Islamic Finance
  - Technology
  - Public Sector Equality Duty (PSED)

Further reading

The consultation paper can be found here.

Lending

HMT publishes Buy Now Pay Later reform consultation

FCA publishes Mortgage Rule Review

FCA publishes Consumer Credit Regulatory Return Policy Statement

HMT publishes Consumer Credit Act reform - Phase 1 consultation

HMT publishes Buy Now Pay Later reform consultation

On 19th May 2025, HMT published the approach to the regulation of Buy Now Pay Later (BNPL). This was published on the same day as the Consumer Credit Act (CCA) reform because of the overlap between the two.

As a result of the proposed changes, the FCA will gain regulatory oversight of BNPL firms. This means that BNPL firms will require FCA authorisation in order to carry out the regulatory activities involved in BNPL. These firms will also need to comply with FCA rules on:

- Affordability and creditworthiness checks
- Information disclosure
- Arrears and forbearance
- Consumer Duty obligations

Further to the above, it is proposed that there will be a disapplication of CCA provisions. This aligns with the changes made under the reform of the CCA. The disapplication of the CCA will coincide with the FCA regulatory handover, and the FCA will design a bespoke, digital-first disclosure regime tailored to BNPL products.

BNPL customers will gain more protections as a result of the changes, including access to:

- Financial Ombudsman Service (FOS)
- Section 75 protections (for third-party BNPL)
- Time Orders (court-based repayment flexibility)
- Breathing Space debt respite scheme

Only third-party BNPL lenders will be regulated under the proposals. Merchant-provided BNPL will remain exempt under Article 60F(2) of the Financial Services and Markets Act 2000, though this will be monitored for potential consumer harm.

It has been proposed that BNPL firms will need to report to Credit Reference Agencies. Whilst not currently mandatory for BNPL firms, the FCA have proposed the changes as part of its Credit Information Market Study. This is to ensure firms support responsible lending.

Impacted BNPL firms will enter a temporary permission regime as a result of the changes, so they can continue to operate whilst seeking full FCA permissions.

Further reading

The consultation paper can be read here.

Data protection

ICO publishes updated guidance on encryption

On 13th May 2025, the ICO published a consultation on the draft updated guidance on encryption.

The ICO has seen numerous incidents where personal information has been lost, stolen or subject to unauthorised access. In many cases, the incident involved data being inadequately protected, or the device related to the incident being left in inappropriate places.

The guidance has been published as it can be unclear when encryption can support compliance with UK data protection law. It is designed to help users understand the importance of encryption as a technical measure to protect personal information and how to implement it.

The guidance doesn't cover situations such as end-to-end encryption, privacy-enhancing technologies, encryption and ransomware or the potential impact of quantum computing, however the ICO does provide links to these areas for further reading.

The guidance is set out with 'must', 'should' and 'could' requirements, a technique that the ICO has been using for similar pieces of guidance to help firms clearly understand the expectations on them.

The guidance also includes scenarios, such as:

- Encrypted email
- Encrypted attachments
- Encryption and the cloud
- Encryption and faxing.

The guidance is aimed primarily at Data Protection Officers and those with specific data protection responsibilities within an organisation.

Firms should utilise the guidance provided by the ICO to assess whether their standards meet the 'must' requirements of the ICO and, if not, take corrective action.

Further reading

The consultation can be read here.

Complaints

FOS publishes H2 2024 complaint data

FOS publishes H2 2024 complaint data

FCA consults on improving the complaints reporting process

On 6th May 2025, the FOS published its half-yearly complaints data covering the second half of 2024.

In the reporting period, 141,846 complaints were received by the FOS. This was a significant increase (49%) compared to the same period in 2023. The rise in complaints have been attributed to banking fraud, credit affordability and motor finance commission.

Of the new complaints, professional representatives, including Claims Management Companies, accounted for 46% of all new referrals. This is compared to 22% in the same period in 2023. Most complaints from professional representatives related to credit affordability and car finance.

The uphold rate for complaints was 33%, a slight decrease compared with the 36% in the same period of 2023.

The half-yearly statistics continue to separate out complaints which have been settled proactively with businesses. Proactively settled accounts are not recorded as changes in favour of the customer and do not count towards a business' change in outcome rate.

The threshold for reporting complaints is at least 30 new cases and at least 30 cases resolved in each six-month period. During this reporting period, there were no Claims Management Companies that met the threshold for reporting.

Firms can assess the half-yearly complaints publications against their own complaint statistics to understand their own performance against the wider industry.

Further reading

The report alongside individual firm statistics can be read here.

Complaints

FCA consults on improving the complaints reporting process

FOS publishes H2 2024 complaint data

FCA consults on improving the complaints reporting process

On 22nd May 2025, the FCA published Consultation Paper CP25/13: Improving the Complaints Reporting process.

Currently firms must report the number of complaints they receive to the FCA on a periodic basis. This method of data collection has not been reviewed since 2015 and the FCA aims to make the process more consistent as well as improve the quality of data it collects.

This consultation proposes consolidating five existing regulatory returns into a single return. Currently there are 9,802 firms who must submit at least two different complaint returns.

The five returns being consolidated are as follows:

- DISP 1 Annex 1R (firms with permissions to carry out regulated activities, with some limited exclusions)
- CCR – Complaints (firms who carry out credit-related activities)
- FPR – Complaints (firms who carry out regulated funeral plan activities)
- PS – Complaints (Payment service provider firms)
- CMC – Complaints (firms who carry out regulated claims management activity or any activity ancillary to regulated claims management)

The FCA is also proposing some changes to the return, including adding a category that relates to the outcomes of the Consumer Duty, and complaints by customers identified as being vulnerable.

Currently, there is inconsistency with complaint reporting timescales and the FCA is proposing that the new report would be submitted half-yearly, to align with the main DISP 1 return. There is also a proposal for the return to align with the calendar year, rather than a firm's financial year.

The FCA has also published a prototype of the new return alongside the consultation and encourages all firms who hold the relevant permissions to test it.

The consultation is open until 24th July 2025. It is expected that the first collection using the new return will be for the period ending December 2026.

Further reading

The consultation paper can be read here.

Enforcement

Two brothers plead guilty to insider dealing

On 9th May 2025, the FCA announced that two brothers had pleaded guilty to insider dealing.

Between November 2016 and January 2020, one of the brothers used confidential, inside information to deal shares in four companies:

- Proactis Holdings Plc
- Palace Capital Plc
- Concha Plc
- Bushveld Minerals Limited.

Information was also disclosed to his brother in relation to a fifth company, Asimilar Group Plc. This information was used to deal. Both brothers worked as professional day traders using their own account and through companies controlled by them, which is why they were able to obtain inside information from brokers.

The total profits from the dealings were £42,948.

The pair pleaded guilty to six accounts of insider dealing and will be sentenced in early July. The maximum sentence available based on the time the offences were committed is up to seven years in jail and an unlimited fine. The FCA will apply for confiscation orders in relation to the proceeds of crime.

Further reading

The full FCA press release can be found here.

Dates for the diary

June 2025	Mortgage Rule Review Phase 2, including Discussion Paper
June 2025	Diversity and Inclusion in Financial Services - Non-financial misconduct next steps
H1 2025	Advice Guidance Boundary Review - Other sectors (pensions guidance published in Dec '24)
Q2 2025	Consumer Credit Regulatory Returns - Policy Statement due
Q3 2025	Next stage for the Review of FCA requirements following the implementation of the Consumer Duty - Further Feedback Statement and action plan
Q3 2025	FCA to publish Mortgage Rule Review Policy Statement
H2 2025	Changes to the FCA and PRA handbooks regarding MiFID rules
H2 2025	Operational incident and outsourcing and third-party reporting - Policy Statement due
H2 2025	Joint Policy Statement for charges to remuneration regime
2025	Data (use and access) Bill receives Royal Assent
Late 2025	Consumer Composite Investments - Policy Statement due
H1 2026	Further Consumer Credit Act Consultation
H1 2026	Review of the Senior Managers and Certification Regime (SM&CR) - Consultation Paper
Mid-2026	BNPL products to enter FCA regulation

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