

# FINANCIAL REGULATION WEEKLY BULLETIN

Major UK and European regulatory developments of interest to banks, insurers and reinsurers, asset managers and other market participants

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## GENERAL //

### 1 FINANCIAL CONDUCT AUTHORITY

#### 1.1 Non-financial misconduct in financial services - FCA publishes new webpage - 23 March 2026 -

The FCA has published a new webpage on non-financial misconduct (NFM) in financial services. The webpage aims to help firms get ready for new rules and guidance on tackling NFM, which come into effect on 1 September 2026.

The FCA sets out how NFM is covered by its requirements, highlighting that a new rule, COCON 1.1.7FR, will extend the scope of the conduct rules in non-banking firms to cover bullying, harassment or violence against colleagues. The FCA also highlights new Handbook guidance to help firms apply its NFM rules with confidence, which covers the boundary between work and private life, how NFM can breach the conduct rules, reasonable steps for managers and fitness and propriety assessments.

Before 1 September 2026 firms are encouraged to review whether they need to update their approach to staff policies, conduct breach reporting, fit and proper assessments and regulatory references.

#### [FCA new webpage](#)

#### 1.2 FCA publishes annual work programme, perimeter report and proposed fees and levies for 2026/27 - 26 March 2026 -

The FCA has published its annual work programme for 2026/27, detailing how it intends to deliver on its four strategic priorities for the year ahead. The FCA's priorities are: (i) to be a smarter regulator, (ii) supporting growth, (iii) helping consumers navigate their financial lives, and (iv) fighting financial crime. For each of these priorities, the FCA sets out details of new and ongoing work initiatives for 2026/27.

These include integrating AI into regulatory workflows—enabling the FCA to detect harm more effectively and speed up regulatory decision-making—consulting on the pension charge cap, and creating a single, end-to-end, intelligence-led service to help find the highest harm financial promotions faster. The FCA has also launched a consultation paper (CP26/11) on its fees and levies for the year ahead, which closes on 30 April 2026.

Finally, the FCA has published its perimeter report for 2026/27, setting out the most significant issues at the edge of its remit, including where legislative change may be needed to better protect consumers, markets and support sustained economic growth. The FCA is asking for government action on 15 areas where changes to its perimeter are needed, which include clarity from HM Treasury on the regulatory boundary for sports and non-financial spread betting products, and changes to modernise the regulatory framework to support payments innovation. Key new issues in this year's report that fall outside the FCA's perimeter include speculative prediction market products, which have expanded rapidly overseas, and the growing use of general-purpose AI for guidance on borrowing, saving and investing.

#### [FCA annual work programme 2026/27](#)

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## 2 PAYMENT SYSTEMS REGULATOR

- 2.1 **Annual plan and budget for 2026/27 published by the PSR - 26 March 2026** - The Payment Systems Regulator (PSR) has published its annual plan and budget for 2025/26, setting out its key aims, activities and costs over the coming year. It will focus on tackling high card fees (including next steps on cross-border interchange fees), maintaining world-leading protections against authorised push payment (APP) fraud, and supporting innovation and competition across UK payments. The PSR also plans to oversee the delivery of critical payments infrastructure through the Payments Vision Delivery Committee, support the next phases of open banking, and deliver consolidation planning alongside the FCA.

[PSR annual plan and budget 2026/27](#)[Press release](#)

# BANKING AND FINANCE //

## 3 BANK OF ENGLAND AND PRUDENTIAL REGULATION AUTHORITY

- 3.1 **Bank of England and PRA publish package of changes to firms' resolution reporting and disclosure requirements - 26 March 2026** - The Bank of England and the PRA have finalised a package of amendments to firms' resolution reporting and disclosure requirements, seeking to reduce the burden of regulation while maintaining a robust and credible regime that supports growth and competition. This package comprises three policy statements which relate to amendments to Minimum Requirement for Own Funds and Eligible Liabilities (MREL) reporting templates (PS9/26), the Resolution Assessment threshold and Recovery Plans review frequency (PS10/26), and Pillar 3 disclosure (PS11/26).

The Bank of England and the PRA explain that the changes will help maintain:

- **A proportionate resolution assessment framework:** The threshold for firms in scope of Resolution Assessment Framework (RAF) reporting and disclosure requirements will increase from £50bn to £100bn in retail deposits. At the same time, Small Domestic Deposit Takers will be required to review their recovery plans every two years rather than annually. This will be implemented from 1 April 2026.
- **Targeted MREL reporting:** Amendments to MREL reporting will simplify and clarify existing expectations. These changes reduce overall reporting burden on firms while ensuring the Bank of England and the PRA continue to receive the information needed to support effective resolution planning. This will be implemented from 1 January 2027.

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- **Clear and meaningful disclosures:** Changes to Pillar 3 disclosure will improve how firms explain their resolvability resources, any limits on capital distribution, and how they prepare their disclosures. The implementation date for all requirements is 1 January 2027.

[PRA policy statement: Resolution planning: Amendments to MREL reporting templates \(PS9/26\)](#)

[PRA policy statement: Amendments to the resolution assessment threshold and recovery plans review frequency \(PS10/26\)](#)

[PRA policy statement: Amendments to Pillar 3 \(PS11/26\)](#)

[Press release](#)

## 4 FINANCIAL CONDUCT AUTHORITY

- 4.1 **Later life mortgages - FCA launches market study - 20 March 2026** - The FCA has published the terms of reference for a market study into later life mortgages (MS26/1). The FCA will assess whether change is needed to enable the lifetime and retirement interest only (RIO) mortgage sector to meet consumers' changing needs, driven by effective competition in the market. The FCA reflects that, in the coming years, older homeowners may increasingly have to use their housing wealth to achieve financial security and comfort in later life. According to recent government analysis of future pension incomes, 43% of people are not saving enough for retirement, while ONS data shows that over-55s hold the majority of household property wealth in the UK (an aggregate total of £3.7tn as of 2022). Moreover, recent affordability pressures and higher interest rates mean that more consumers will have to make standard mortgage repayments into retirement.

The FCA suggests that that lifetime and RIO mortgages could play a greater role, allowing consumers to access equity in their property, but the market is currently small and will need to develop. The FCA wants to understand whether the market can and will develop to meet the increased and differing needs of consumers in the future, and will focus on two areas: (i) provider entry and growth, and (ii) effective consumer decision-making.

The FCA states that it is beginning this market study with an open mind, and it may find that no intervention is needed. Alternatively, if change is needed, the FCA will focus on implementing solutions that support competition and innovation, and let consumers easily access products and services which meet their needs and provide fair value. The FCA intends to publish an update by the end of 2026. Although it is not formally consulting on the terms of reference, it welcomes views on them, particularly on the scope and focus areas of the market study.

[FCA terms of reference: Market study into later life mortgages \(MS26/1\)](#)

[Webpage](#)

- 4.2 **Unregulated lenders - FCA highlights risk - 20 March 2026** - The FCA has published a statement reminding regulated firms to carry out proper checks when dealing with unregulated lenders, safe custody providers, money brokers and financial leasing companies (also known as 'Annex 1')

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firms). The FCA estimates that around 1,200 of these firms are registered with the FCA solely for anti-money laundering (AML) purposes, and highlights that the FCA's powers are limited to looking at how these firms meet their AML obligations and they are not subject to its wider rulebook. When dealing with Annex 1 firms, regulated firms must do their due diligence to understand the firm's business, in accordance with legislative requirements.

Finally, the FCA flags that it is aware of some cases where consumers have been encouraged to set up limited companies to access lending, such as unregulated bridging finance from Annex 1 firms. It is important that these consumers understand they will not have access to the Financial Ombudsman Service if things go wrong.

#### [FCA statement](#)

- 4.3 Motor finance redress - FCA publishes press release on announcement timings - 24 March 2026** - The FCA has published a press release stating that it will set out its approach on motor finance redress shortly after markets close on Monday 30 March. The FCA consulted on a consumer redress scheme for motor finance customers who were treated unfairly in October 2025, as previously reported on in this Bulletin.

#### [Press release](#)

- 4.4 Regulatory Priorities for payments - FCA publishes report - 25 March 2026** - The FCA has published a new 'Regulatory Priorities' report—these are reports which replace the FCA's former portfolio letters and act as a 'one-stop shop' for each industry—covering the payments sector. The priorities for this year outlined in this report include:

- preparing for the future to support effective competition, innovation and growth by supporting the expansion of open banking and considering the appropriate way in which stablecoins and other tokenised payment instruments can be brought into regulated payments;
- ensuring firms implement the consumer duty effectively, focusing on international payment pricing transparency and how firms treat customers in vulnerable circumstances;
- protecting financial system integrity including through continued assessment of firms' approaches to financial crime and operational resilience; and
- keeping customers' money safe, including through considering the outcomes of safeguarding audits following the introduction of new safeguarding rules for payments and e-money firms which come into force on 7 May 2026.

#### [FCA regulatory priorities: Payments](#)

#### [Webpage](#)

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## SECURITIES AND MARKETS //

### 5 FINANCIAL CONDUCT AUTHORITY

- 5.1 Targeted support - FCA publishes considerations for firms designing consumer segments - 23 March 2026** - The FCA has published information and practical examples to support firms in making judgements when designing consumer segments for targeted support. This follows finalisation of the FCA's rules for a new regulatory framework for targeted support in pensions and retail investments which goes live from 6 April 2026, as reported on in a previous edition of this Bulletin. Under this framework, firms are required to identify consumer segments with shared financial support needs or objectives and, where relevant, common characteristics, in order to deliver suitable ready-made suggestions.

The FCA emphasises that there are many ways firms can comply with its rules, and the examples given are not a template for the design of targeted support models, nor has it provided an exhaustive list of the things firms should consider when designing their segments. The FCA confirms that it has spoken to the Financial Ombudsman Service and, when deciding what is fair and reasonable in all the circumstances of a complaint, this publication will be one of the things that it will take into account if a customer brings a complaint against a firm regarding their targeted support.

[FCA: Firm considerations when designing consumer segments for targeted support](#)

## ASSET MANAGEMENT //

### 6 FINANCIAL CONDUCT AUTHORITY

- 6.1 Simplifying pensions and investment advice rules - FCA launches consultation - 25 March 2026** - The FCA has published a consultation paper (CP26/10) on simplifying the pensions and investment advice rules. Although simplified advice is not new, the FCA acknowledges that uncertainty about its rules and concerns about potential liabilities have limited the development of simpler advice propositions. The FCA wants to change this to foster an advice market that supports people making important financial decisions.

The FCA's proposals, which will complement the introduction of targeted support from 6 April 2026, include:

- simplifying and consolidating the suitability framework into one set of common rules and expectations;
- clarifying existing flexibilities in suitability rules with an expectation that advisers consider 'sufficient' information as opposed to 'necessary' information; and

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- clarifying that a firm should take a proportionate approach to considering a client's knowledge and experience, having regard to such matters as the nature and scope of the service provided.

The deadline for responses to the consultation is 22 May 2026, and the FCA aims to publish a policy statement in Q4 2026.

[FCA consultation paper: Simplifying the pensions and investment advice rules \(CP26/10\)](#)

[Webpage](#)

[Press release](#)

## 7 FINANCIAL CONDUCT AUTHORITY

- 7.1 **British Steel Pension Scheme - FCA responds to Complaints Commissioner report - 26 March 2026** - The FCA has published its response to the Complaints Commissioner's report on the allegations made by former members of the British Steel Pension Scheme (BSPS) against the FCA, which was also published on 26 March 2026. The FCA states that it recognises the serious harm experienced by BSPS members and has learned important lessons. It has strengthened collaboration with other regulators, improved how it collects and uses data, and introduced new rules to raise standards in the pensions advice market. The FCA does not agree with the Commissioner's finding that the FCA was behind the curve in anticipating, preventing and responding to widespread unsuitable financial advice.

The FCA has accepted the recommendation from the Commissioner to consider any evidence that complainants have that some firms did not adhere to the three-month deadline for making a redress offer following the valuation date.

[FRCC final report: Allegations made against the FCA regarding the British Steel Pension Scheme](#)

[FCA response](#)

## FINANCIAL CRIME //

### 8 HM TREASURY

- 8.1 **Money Laundering and Terrorist Financing (Amendment) Regulations 2026 - HM Treasury publishes draft statutory instrument - 26 March 2026** - HM Treasury has published a draft version of the Money Laundering and Terrorist Financing (Amendment) Regulations 2026, alongside an explanatory memorandum. The Regulations implement the government's response to HM Treasury's 2024 consultation on improving the effectiveness of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) (MLRs), as reported on in a previous edition of this Bulletin. Among other things, the Regulations:

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- refine customer due diligence (CDD), enhanced due diligence (EDD) and additional due diligence (ADD) requirements, including for unusually complex or unusually large transactions, high risk jurisdictions and pooled client accounts and cryptoasset correspondent relationships;
- update currency thresholds from euros to sterling; and
- strengthen the regime for cryptoasset businesses, including change in control provisions, and align these arrangements with the new financial services regulatory regime for cryptoassets.

The Regulations are subject to the affirmative procedure, and so require approval from both Houses of Parliament.

[Draft Money Laundering and Terrorist Financing \(Amendment\) Regulations 2026](#)

[Explanatory memorandum](#)

## ENFORCEMENT //

### 9 PRUDENTIAL REGULATION AUTHORITY

- 9.1 **PRA fines The Bank of London and its parent company Oplyse Holdings Limited £2m for failing to act with integrity and misleading the PRA over their capital position - 24 March 2026**
- The PRA has published a final notice (dated 23 March 2026) fining The Bank of London Group Limited and Oplyse Holdings Limited (formerly The Bank of London Group Holdings Limited) £2 million for misleading the PRA over their capital positions, failing to act with integrity, failing to be open and cooperative with the regulator and failing to maintain adequate financial resources.

This is the first time the PRA has fined a firm for failing to conduct its business with integrity, and the first time the PRA has taken enforcement action against a parent financial holding company of a firm. The failings occurred between October 2021 and May 2024.

The PRA, The Bank of London Group Limited and Oplyse Holdings Limited have agreed to settle this matter. The PRA states that breaches in this case warranted a financial penalty of £12 million. However, The Bank of London Group Limited and Oplyse Holdings Limited have demonstrated that payment of such a penalty would cause serious financial hardship and the PRA has therefore reduced the penalty to £2m.

[Final notice](#)

[Press release](#)

### 10 RECENT CASES

- 10.1 ***Finansinspektionen v Carnegie Investment Bank AB (C-363/24)* - 20 March 2026**

*Inside information - insider lists - Article 7 Market Abuse Regulation ((EU) No 596/2014)*

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The European Court of Justice (ECJ) has given a preliminary ruling in a reference concerning the scope of the concept of inside information under Article 7 of Regulation (EU) No 596/2014 (the Market Abuse Regulation, MAR). The ECJ ruled that:

- a communication from an issuer to the effect that a person has been included on an insider list, and is prevented from selling shares in that issuer, is capable of constituting inside information which is ‘of a precise nature’ within the meaning of Article 7(1) and (2) MAR (even if the reasons for the person’s inclusion are not clear). This is provided that it can be established that a reasonable investor would be likely to use that communication as part of the basis of their investment decisions, with the result that the party in possession of that information obtains an advantage, to the detriment of those who do not have that information; and
- Article 7(1) MAR must be interpreted as meaning that, in order to determine whether a communication constitutes ‘inside information’ within the meaning of that provision, it must be ascertained whether it refers to a set of circumstances or specific event which is appreciable as a whole and which has occurred or which may reasonably be expected to occur, and which may reasonably be expected to come into existence. To that end, information which later turns out to be incorrect may nevertheless constitute ‘inside information’ if it can be established that, on the date when it was disclosed, it could be regarded as being credible and that it was capable of conferring an economic advantage on the party in possession of it.

***Finansinspektionen v Carnegie Investment Bank AB (C-363/24) EU:C:2026:215***

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This Bulletin is prepared by the Financial Regulation Group of Slaughter and May in London. The Group comprises a team of lawyers with expertise and experience across all sectors in which financial institutions operate.

We advise on regulatory issues affecting firms across the financial services sector, including banks, investment firms, insurers and reinsurers, brokers, asset managers and funds, non-bank lenders, payment service providers, e-money issuers, exchanges and clearing systems. We also advise non-regulated businesses involved in financial regulatory matters. In addition, our leading financial regulatory investigations practice is regularly instructed by financial institutions requiring specialist knowledge of financial services regulation together with experience in high profile and complex investigations and contentious regulatory matters.

Most of the projects that we advise on have an extensive international or cross-border element. We work in seamless integrated teams with leading independent law firms which offer many of the most highly regarded financial institutions lawyers in Europe, the US and Asia, as well as strong and constructive relationships with local regulators.

Our Financial Regulation Group also produces occasional briefing papers and other client publications. The five most recent issues of this Bulletin and our most recent briefing papers and client publications appear on the Slaughter and May website [here](#).

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