SLAUGHTER AND MAY

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Financial Regulation Weekly Bulletin

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

QUICK LINKS

If you have any comments or questions, please contact: Selmin Hakki.

Slaughter and May also produces a periodical Insurance Newsletter. If you would like to go on the distribution list, please contact: Beth Dobson.

Selected headlines

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General

1. FINANCIAL CONDUCT AUTHORITY

1.1 **Outcomes monitoring - FCA publishes review of good practice and areas for improvement** - *27 July 2026* - The FCA has published the findings of its review into firms' approaches to monitoring consumer outcomes under the Consumer Duty. The review examined how firms of varying sizes and across sectors monitor whether their customers are receiving good outcomes. The main elements investigated were strategy and framework; data and management information (MI); and governance, oversight and culture.

The findings highlight that the strongest approaches were structured, evidence-based and focused on using information to identify risks and drive improvements for consumers. The FCA noted that it saw positive examples of firms monitoring outcomes from outsourced activities and distribution chain arrangements. Areas for improvement flagged by the FCA include: (i) high-level frameworks without clear definitions of good or poor outcomes; (ii) inconsistencies or gaps in key data; and (iii) governance arrangements that showed actions taken but without clear explanation of why or whether they worked.

FCA review: Outcomes monitoring: good practice and areas for improvement

Blog

Banking and finance

2. EUROPEAN BANKING AUTHORITY

2.1 **Reporting framework 4.4 - EBA publishes draft technical package** - *24 July 2026* - The European Banking Authority (EBA) published a draft technical package for version 4.4 of its reporting and disclosure framework, covering IFRS 18 reporting, Pillar 3 ESG disclosures and other technical amendments. This early release is intended to support reporting entities in preparing for upcoming changes ahead of the final publication. The EBA is inviting stakeholders to provide feedback on both the draft package and the accompanying glossary.

The draft package includes validation rules, the Data Point Model (DPM) and the XBRL taxonomies. Furthermore, it introduces several new reporting and disclosure requirements.

The deadline for comments on the draft technical package and the new glossary is 24 August 2026. The final technical package for reporting framework 4.4 will be published in September 2026 and will reflect necessary amendments following stakeholder review.

EBA draft technical package: Reporting framework 4.4

Press release

3. Financial Ombudsman Service

3.1 **Access to Banking Review - Financial Ombudsman Service publishes response to HM Treasury Call for Evidence** - *July 2026* - The Financial Ombudsman Service (FOS) has published its response to HM Treasury's Call for Evidence for the Independent Review into Access to Banking Services. The FOS response focuses on the elements of the Call for Evidence of most relevance to its service and is based on insights from the complaints brought to it which are about, or refer to, a lack of access to in-person banking services.

The response focuses on three areas: (i) the role of face-to-face support in meeting financial objectives and preventing harm; (ii) the Financial Ombudsman's role in considering complaints about access to in-person banking; and (iii) the types of issues and complaints that arise. It notes that in-person services remain especially important for consumers in vulnerable circumstances: those who are digitally excluded, older consumers and some small businesses (particularly cash-based models). It is also noted that face-to-face interactions help staff identify early signs of vulnerability, financial difficulty or fraud risk.

The Financial Ombudsman adds that it will continue to monitor complaint trends and share insights where it sees evidence of increased consumer detriment.

FOS response: Access to Banking Review

4. PRUDENTIAL REGULATION AUTHORITY

4.1 **Low Impact Amendments Finalisation July 2026 - PRA publishes policy statement -** *29 July 2026* - The Prudential Regulation Authority (PRA) has published LIAF02/26, finalising a set of low impact amendments to the PRA Rulebook and related policy materials made through its low impact amendments process (LIAP).

The finalised amendments include corrections to the General Notification and Regulatory Reporting Parts of the PRA Rulebook to confirm that third country branches are excluded from the material third party notification requirements and that UK branches of overseas banks are included in the operational incident reporting requirements. The Amendments also make changes to the Credit Risk: Standardised Approach (CRR) and Credit Risk: Internal Ratings Based (CRR) Parts of the PRA Rulebook and to SS10/13 following the implementation of the Basel 3.1 final rules in PS1/26.

The corrections to the operational resilience notification and reporting rules will come into effect on 18 March 2027.

PRA policy statement: Low Impact Amendments Finalisation July 2026 (LIAF02/26)

5. PAYMENT SYSTEMS REGULATOR

5.1 **Confirmation of Payee - PSR publishes consultation paper** - *30 July 2026* - The Payment Systems Regulator (PSR) has published a consultation paper (CP26/2) on removing the expiry date of Specific Direction 17 (Confirmation of Payee) (SD17) and expanding the scope of directed firms.

The PSR proposes to remove SD17's fixed expiry date of 1 November 2026 so that the direction continues in force, preserving the obligation on directed payment service providers (PSPs) to provide Confirmation of Payee (CoP) across Faster Payments and CHAPS. The PSR is also seeking views on expanding SD17's scope to bring all PSPs that currently offer CoP, including those that do so voluntarily, within the direction as a new 'Group 3'. Together, these proposals are intended to maintain broad and consistent participation in CoP, helping to sustain protections against misdirected payments and certain types of authorised push payment fraud.

The deadline for responses is 20 August 2026.

PSR CP26/2: Specific Direction 17 (Confirmation of Payee) - Removing the expiry date and expanding the scope of directed firms

Webpage

Specific Direction 17 on expanding Confirmation of Payee - draft with option including Group 3

6. Single Resolution Board

6.1 **Business reorganisation plan analysis report - SRB publishes updated operational guidance** - *30 July 2026* - The Single Resolution Board (SRB) has published updated operational guidance on business reorganisation plan analysis reports. The guidance responds to an industry request for a publicly available, standardised reference to harmonise expectations and enhance consistency in reorganisation planning.

The guidance sets out the SRB's expectations for how institutions should develop and evidence their capabilities to prepare and implement a business reorganisation plan (BRP) following the application of the open-bank bail-in (OBBI) tool, and to demonstrate reasonable prospects of post-OBBI long-term viability. The guidance is accompanied by a quantitative template and a feedback statement responding to the public consultation, which took place from 3 February to 30 March 2026.

The guidance is not legally binding and is expected to be implemented during the normal resolution planning cycle.

SRB operational guidance: Operational guidance on the business reorganisation plan analysis report (version 1.1)

Quantitative template

Feedback statement

Press release

Securities and markets

7. Financial Markets Law Committee

7.1 **Future of tokenisation in UK wholesale financial markets - FMLC responds to joint FCA and Bank of England Call for Input** - *22 July 2026* - The Financial Markets Law Committee (FMLC) has written to the FCA in response to the joint FCA and Bank of England Call for Input on the Future of Tokenisation in UK Wholesale Financial Markets. The FMLC supports the regulators' ambition to facilitate the development of tokenisation in wholesale financial markets, but notes that several legal issues (which extend beyond the regulators' powers) may impede wider adoption unless they are addressed.

In particular, the response considers issues relating to governing law and private international law, the application of the UK Settlement Finality Regulations to distributed ledger technology, and the treatment of digital assets under the Financial Collateral Arrangements Regulations. The FMLC encourages continued engagement on these issues to support innovation while maintaining legal certainty.

FMLC letter: Future of tokenisation in UK wholesale financial markets

Webpage

7.2 **FCA CP26/13 cryptoasset perimeter guidance - FMLC publishes consultation response** - *21 July 2026* - The Financial Markets Law Committee (FMLC) has published its response to FCA Consultation Paper CP26/13, which sets out the FCA's proposed cryptoasset perimeter guidance (PERG) on the scope of the regulated cryptoasset activities regime. The response focuses on the territorial scope of the regime; the distinction between tokenised securities and cryptoassets that are "solely a record"; the proposed guidance on safeguarding activities and the interpretation of "arranging" in the context of decentralised finance.

The FMLC has also published a response to HM Treasury's draft Financial Services and Markets Act 2000 (Cryptoassets) (Amendment) Regulations 2026, which is relevant to the issues raised in this paper.

FMLC consultation response: FCA CP26/13 cryptoasset perimeter guidance

Webpage

FMLC letter: Regulatory cryptoassets regime - response to draft amendment SI

Webpage

8. EUROPEAN COMMISSION

8.1 **ESG Rating Regulation - European Commission adopts Delegated Regulations on ESMA penalties and fees** - *30 July 2026* - The European Commission has published two Delegated Regulations supplementing Regulation (EU) 2024/3005 (the ESG Rating Regulation) in the Official Journal: Commission Delegated Regulation (EU) 2026/904, on the rules of procedure for fines and periodic penalty payments imposed on ESG rating providers by the European Securities and Markets Authority (ESMA), and Commission Delegated Regulation (EU) 2026/910, on the fees charged by ESMA to ESG rating providers.

Both Delegated Regulations were adopted on 24 April 2026; Delegated Regulation (EU) 2026/904 enters into force on 19 August 2026, and Delegated Regulation (EU) 2026/910 enters into force on 31 July 2026.

European Commission Delegated Regulation: rules of procedure on fines and periodic penalty payments for ESG rating providers (Commission Delegated Regulation (EU) 2026/904) (C/2026/2579)

European Commission Delegated Regulation: fees charged by ESMA to ESG rating providers (Commission Delegated Regulation (EU) 2026/910) (C/2026/2580)

8.2 **ESG Rating Regulation - European Commission adopts two Delegated Regulations containing regulatory technical standards on product disclosures and the separation of ESG rating activities** - *28 July 2026* - The European Commission (the Commission) has published in the Official Journal two Delegated Regulations, adopted on 21 April 2026, supplementing Regulation (EU) 2024/3005 on the transparency and integrity of Environmental, Social and Governance ("ESG") rating activities (the ESG Rating Regulation):

- Commission Delegated Regulation (EU) 2026/871 (C(2026) 2503), containing regulatory technical standards specifying the elements of ESG rating products to be disclosed to the public and to users of ESG ratings, rated items and issuers of rated items, made under Article 23(4) and Article 24(3) of the ESG Rating Regulation;

- Commission Delegated Regulation (EU) 2026/872 (C(2026) 2495), containing regulatory technical standards specifying the measures and safeguards to be implemented by ESG rating providers to separate their ESG rating activities from their other activities, made under Article 16(5) of the ESG Rating Regulation.

Both Delegated Regulations enter into force on the 20th day following their publication in the Official Journal and will apply from 2 July 2026, aligning with the date of application of the ESG Rating Regulation.

Eur-Lex (OJ): Commission Delegated Regulation (EU) 2026/871

Eur-Lex (OJ): Commission Delegated Regulation (EU) 2026/872

Commission Implementing Regulation (EU) 2026/1757 laying down implementing technical standards for the application of Directive 2013/36/EU of the European Parliament and of the Council regarding third country branches reporting

Asset management

9. Recent Cases

9.1 **Wills & Trust Independent Financial Planning Ltd v Financial Ombudsman Service Ltd** *[2026] EWHC 1566 (Admin)* **-** *23 June 2026* **-** The High Court (Dan Squires KC, sitting as Deputy High Court Judge) has partially allowed a judicial review challenge brought by Wills & Trust Independent Financial Planning Ltd (W&T), a chartered financial planning firm, against a final decision of the Financial Ombudsman Service (FOS) to uphold a complaint by Mr and Mrs Booth concerning the management of their investment portfolio.

The FOS upheld the complaint on the basis that W&T had misrepresented the nature of arrangements involving a discretionary fund manager, Trust DFM, and that the recommendation to transfer the Booths' portfolio to Trust DFM was unsuitable. W&T challenged the decision on five grounds. Ground 1 was that the FOS exceeded its jurisdiction by determining issues outside the scope of the complaint. Grounds 2, 3 and 4 related to aspects of the FOS decision being irrational and to W&T's contention that the FOS had failed to properly explain departures from applicable COBS rules. Ground 5 was that the redress calculation was irrational. The Court dismissed Grounds 1 to 4, holding that the FOS's interpretation of the complaint was rational and that its findings were properly explained and supported by the evidence. Notably, however, the Court upheld Ground 5, finding that the FOS's method of calculating compensation by reference to the actual value of the portfolio at the date of settlement - which included the period after the Booths had moved their investments to a new adviser - was irrational, as it made W&T's liability dependent on investment decisions over which W&T had no control.

Wills & Trust Independent Financial Planning Ltd v Financial Ombudsman Service Ltd [2026] EWHC 1566 (Admin)

Insurance

10. PRUDENTIAL REGULATION AUTHORITY

10.1 **Solvency UK post-implementation reporting and disclosure amendments and Own Funds permissions update - PRA publishes policy statement -** *29 July 2026* - The PRA has published a policy statement (PS18/26) setting out its final policy and feedback to responses on consultation paper CP22/25 and on Proposal 1 of CP4/26.

The amendments taken forward from CP22/25 are intended to improve the clarity, consistency and data quality of Solvency UK reporting and disclosure following implementation of the 2024 reporting reforms. They include collecting projected Financial Services Compensation Scheme (FSCS) liabilities data from third-country branch undertakings and moving the Matching Adjustment Asset and Liability Information Return (MALIR) templates from Excel to XBRL. In respect of Proposal 1 of CP4/26, the PRA has finalised the removal of the permission requirement for classifying equityaccounted subordinated liabilities into own funds tiers, together with consequential updates to the related reporting and disclosure templates and instructions. This is in order to reduce avoidable burden and align the treatment of equity and liability-accounted subordinated liabilities.

The PRA has aligned implementation of the CP4/26 Proposal 1 changes with the final reporting policy from CP22/25 so that firms can make all the changes for year-end 2026 reporting through a single taxonomy update.

PRA policy statement: Solvency UK post-implementation reporting and disclosure amendments and Own Funds permissions update

PRA reporting template: IR.05.04 (showing changes against CP22/25)

PRA reporting template: IR.16.01 (showing changes against CP22/25)

Enforcement

11. FINANCIAL CONDUCT AUTHORITY

11.1 Misleading minibond financial promotions - FCA censures Equity for Growth (Securities) Limited - *30 July 2026* - The FCA has published a final notice issued to Equity for Growth (Securities) Limited (in liquidation) (EFG), imposing a public censure under section 205 of the Financial Services and Markets Act 2000 (FSMA).

During the period 1 January 2018 to 31 August 2019, EFG approved seven financial promotions (Information Memoranda) on behalf of four unregulated minibond issuers. The FCA found that EFG failed to ensure the Information Memoranda were fair, clear and not misleading, as required by COBS 4.2.1(1)R. The Information Memoranda failed to disclose the level and range of commission fees charged by EFG's appointed representatives and other introducers; that those fees were deducted as an aggregate from the overall investment fund so that all investors (including those who invested directly) paid the same commission; and that the exact commission could not be calculated until the minibond was fully subscribed. As a result, investors were unable to accurately assess the risk of investing.

The FCA did not impose a financial penalty because EFG is in liquidation, but states that it would otherwise have imposed a penalty of £386,467, comprising disgorgement of £96,367 and a penal element of £290,100 (the latter reflecting a 30% settlement discount).

FCA final notice: Equity for Growth (Securities) Limited (27 July 2026)

Press release

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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