Last Week in Financial Regulation

25–31 OCTOBER 2026

Parliamentary reform, regulatory developments and the cases shaping financial services.

The week of 25–31 October 2026 brought Budget tax proposals affecting investment structures and retirement income, alongside signals on the future direction of bank and mortgage regulation. The FCA examined consumer-finance value and defence SMEs' banking access, TPR addressed responsible AI use, and the FRC finalised revised auditing standards. In the courts, information powers, legal advice privilege and the conduct of regulatory proceedings were prominent.

1. UK Parliament

Securitisation (Amendment and Miscellaneous Provisions) Regulations 2026

DRAFT AFFIRMATIVE REGULATIONS | LAID 26 OCTOBER

HM Treasury laid these draft affirmative regulations before both Houses on 26 October. They have not, on the evidence available, received parliamentary approval or been made. The draft provides principally for commencement on 1 January 2027, with repository-related provisions and amendments to the regulators' complaints scheme scheduled for 25 May 2027.

Occupational pension trustees and managers, unless acting as originators, sponsors or original lenders, would follow applicable Financial Conduct Authority (FCA) institutional-investor due-diligence rules before and while holding securitisation positions. The Pensions Regulator would retain enforcement responsibility.

The draft would also remove the statutory securitisation repository framework and the general FCA and Prudential Regulation Authority duty to make due-diligence rules. It would make the FCA's rule-making duty for small registered UK alternative investment fund managers discretionary and exclude preparation and issuance of regulation 46 enforcement policy statements from the regulators' complaints scheme.

Comment For occupational pension trustees and their investment advisers, the proposed alignment with FCA due-diligence rules would make the scope of investment mandates important. Protection from a delegate's failure would depend on appointing an authorised institutional investor and giving instructions covering the obligation concerned. Removing a statutory rule-making duty should not be confused with abolishing existing due-diligence rules or all disclosure obligations.

Securitisation (Amendment and Miscellaneous Provisions) Regulations 2026

Trusts and Succession (Scotland) Act 2024 (Consequential Provisions and Modifications) (Pension Schemes) Order 2026

DRAFT AFFIRMATIVE ORDER | LAID 26 OCTOBER

Laid before both Houses on 26 October, this draft affirmative Order would extend the modernised trust-law framework in the Trusts and Succession (Scotland) Act 2024 to pension schemes established under Scots-law trusts, without displacing UK pensions legislation. It would commence on the day after making; approval and making are not established by the laying record.

Occupational schemes would be subject to exclusions covering specified trustee-removal, decision-making, investment and information provisions. Trust-based personal schemes would have narrower exclusions, including the Act's trustee-information duties.

For occupational schemes, section 22 would not authorise investment-management delegation exceeding 12 months or the appointment of employers, their associates or connected persons as agents exercising trustee functions. The Order would also amend section 34(2)(b) of the Pensions Act 1995 to recognise delegation under section 22.

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Comment This is a substantive governance proposal for pension schemes constituted under Scots-law trusts, rather than a local administrative change. Trustees and Scottish pensions advisers would need to read the modernised trust powers alongside the scheme-specific exclusions and existing pensions legislation. In particular, the restrictions on section 22 delegation concern that statutory power; they are not a blanket prohibition on delegation through every available route.

Trusts and Succession (Scotland) Act 2024 (Consequential Provisions and Modifications) (Pension Schemes) Order 2026

2. HM Treasury

Foreign sovereign investments: consultation on a statutory tax regime

CONSULTATION | 28 OCTOBER

HM Treasury opened a consultation on 28 October on replacing non-statutory sovereign direct-tax immunity with a statutory sovereign tax status from 1 January 2029. Responses close on 20 January 2027. Technical consultation on draft legislation and legislation through Finance Bill 2027–28 are planned; the consultation does not itself change the law.

The proposals would bring UK land income, direct and certain indirect property gains, and UK trading income into tax. Exemptions would include chargeable gains of qualifying State-operated Overseas Pension Funds and specified activities of sovereign investment offices.

Bespoke access to real estate investment trusts would include an optional sovereign REIT holding company taxed at 15% on gross property income distributions. This is not a proposed blanket 15% rate on all sovereign property income and gains. Transition proposals include commencement-date rebasing and time-limited restructuring relief from Stamp Duty Land Tax in England and Northern Ireland.

Comment Sovereign investors, overseas public pension funds and their property and fund advisers face potentially significant differences between asset classes and investment structures. The proposed gains exemption for qualifying pension funds would not make their UK property income exempt. Existing sovereign investors would also have to apply for the new status, making eligibility and transition provisions important even for established portfolios.

Modernising taxation of foreign sovereign investments

Entrepreneur tax support: government response rejects venture-capital fee caps

GOVERNMENT RESPONSE | 28 OCTOBER

HM Treasury published its response to the Tax Support for Entrepreneurs call for evidence on 28 October. Although the original call dates from November 2025, the response is this week's new development.

The government rejected venture-capital fee caps but announced work with industry and the FCA on transparency, alongside stronger HMRC guidance and compliance activity concerning excessive Enterprise Investment Scheme and Seed Enterprise Investment Scheme charges.

It plans simplifications to those schemes and Venture Capital Trusts through Finance Bill 2026–27, generally for share issues from 6 April 2027. The proposed Venture Capital Trust relief-withdrawal amendment would cover relevant disposals of shares issued from 6 April 2026.

The response also announces Founders' Relief at a 10% capital gains tax rate on up to £10 million of lifetime gains, with detailed eligibility subject to technical consultation, and a reduction in the Business Asset Disposal Relief lifetime limit to £500,000 from 6 April 2027. Employee-share measures include doubling the Company Share Option Plan individual limit to £120,000 and rebranding it EMI 2. These remain policy announcements rather than evidence of enactment.

Comment For Enterprise Investment Scheme and Seed Enterprise Investment Scheme intermediaries and Venture Capital Trust managers, the immediate regulatory significance lies in the proposed work on fee transparency and the scrutiny of charges that reduce capital reaching investee companies. Rejecting a fee cap does not remove that scrutiny. The response does not itself create a new FCA disclosure rule, and advisers should distinguish the announced tax package from enacted reliefs.

Tax Support for Entrepreneurs: Call for Evidence

Pension Tax Allowance: Treasury explains the proposed income-tax reduction

BUDGET POLICY EXPLAINER | 28 OCTOBER

HM Treasury published an explainer on 28 October for the Budget-announced Pension Tax Allowance. The measure is intended to apply from 6 April 2027 for the tax years 2027–28 to 2029–30, covering UK taxpayers above State Pension age or reaching it during the tax year. The explainer is not legislation.

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For 2027–28, eligible people with total income up to £13,036.40 would have their income-tax liability eliminated. The reduction would taper by £1 for each £3 of additional income and disappear at £13,319.

HMRC is intended to apply the reduction automatically. The Personal Allowance would remain unchanged and the State Pension would remain taxable. Implementation is planned through Finance Bill 2026–27.

Comment Retirement-income advisers and pension providers should distinguish this targeted tax reduction from a general exemption for State Pension income. Eligibility would turn on aggregate income: taxable savings income would count even where covered by savings allowances, while ISA income would not. Those distinctions, and the taper, matter more to individual outcomes than whether someone receives the State Pension.

Pension Tax Allowance Explainer

Financial Policy Committee remit prioritises capital reform, mortgage access and market resilience

REMIT AND RECOMMENDATIONS | 28 OCTOBER

The Chancellor's annual remit and recommendations for the Financial Policy Committee (FPC), published on 28 October, retain financial stability as its primary objective and support for government economic policy as its secondary objective.

The letter calls for prompt delivery of announced bank-capital reforms and further proposals addressing overlapping requirements for domestic exposures. It also recommends that the loan-to-income framework support greater access to home ownership without prejudicing financial stability.

Other priorities include non-bank and private-market resilience, gilt and repo markets, cyber and operational resilience, critical third-party concentration, and risks associated with AI deployment and financing. The remit is a statutory policy document, not a new rulebook for firms.

Comment The remit gives banks, mortgage lenders and investment managers a useful indication of the policy agenda, but not permission to relax existing capital or lending standards. Any operational change depends on subsequent measures by the relevant authorities. Its attention to private markets, repo markets, AI and concentrated third-party dependencies also shows that the growth agenda sits alongside continuing concern about risks outside traditional bank lending.

Remit and recommendations for the Financial Policy Committee: Budget 2026

3. Financial Conduct Authority (FCA)

CP26/39: Consolidated tape income sharing and operational incident reporting

CONSULTATION | 29 OCTOBER

On 29 October, the FCA published CP26/39 on distributing shared income from the UK equity consolidated tape and extending operational incident reporting to all consolidated tape providers. Responses close on 17 December, with a Policy Statement planned for spring 2027.

Half of the distributable pool would be allocated across eligible trading venues and Approved Publication Arrangements, with half reserved for central limit order book and periodic auction systems. Allocations would use eligible traded value, applying a 4.5 multiplier to venues accounting for less than 5% of eligible value submitted to the tape.

Proposed safeguards include allocation statements within one month of a calculation period ending, payment and publication within six months, and payment reductions for specified data-quality failures, subject to review procedures and an exception for qualifying unforeseen circumstances. The overall income-sharing metric and percentage remain separate contractual matters, with confirmation planned for early 2027.

For operational incidents, the FCA proposes initial reporting as soon as practicable, expected within 24 hours, intermediate updates and final reporting usually within 30 working days after resolution. Separate immediate notification of an inability to provide service during normal operating hours would remain. These are proposals; the 18 March 2027 commencement date for the previously finalised framework is not the commencement date for these extensions.

Comment Trading venues, Approved Publication Arrangements and prospective tape providers will need to assess both distribution economics and the quality controls attached to payment. The proposed 50:50 division concerns the distributable pool, not total provider income, and the FCA does not expect significant receipts for individual contributors in the short to medium term. The incident-reporting proposals would also affect bond tape providers, rather than being confined to the equity project.

CP26/39

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Consumer-finance fair value: evidence, customer groups and cumulative charges

SUPERVISORY FINDINGS AND COMMENTARY | 29 OCTOBER

The FCA published supervisory findings and accompanying commentary on 29 October about fair-value assessments under the Consumer Duty. Its selected-firm work identified weaknesses in supporting evidence, customer segmentation, outcomes monitoring and fee controls.

The findings cover consumer credit, debt advice, credit information and debt collection, alongside focused work on credit-product charges and home-energy arrangements. The FCA emphasises total financial and non-financial costs, expected benefits and evidence that customers understand charges and long-term commitments.

Separate Product Sales Data for Q3 2025–Q2 2026 showed penalty charges on around 3% of consumer-credit agreements, representing almost 28 million individual charges. The FCA also highlighted potentially misleading savings claims in home-energy agreements lasting up to 25 years.

The publications explain existing Consumer Duty obligations and good and poor practice; they introduce no new rules or prescribed programme of action. Supervisory engagement continues where the FCA identified significant concerns.

Comment For consumer-credit, debt-sector and credit-information firms, the central message is that an assessment needs to demonstrate value rather than merely describe a product or compare its price with competitors. Differences between pricing cohorts, vulnerable customers and customers incurring repeated charges can be obscured by an overall average. The FCA supports proportionate approaches, including smaller firms using existing information; it has not prescribed complex models, particular fee caps or a new implementation timetable.

Fair value in consumer finance • What does 'fair value' look like in practice? Three years into the Consumer Duty, here's what we've learned.

Verus Financial Services Limited customers invited to make compensation claims

CONSUMER REDRESS UPDATE | 29 OCTOBER

In a consumer update published on 29 October, the FCA said the Financial Services Compensation Scheme (FSCS) is investigating Verus Financial Services Limited and accepting customer claims. Compensation remains subject to assessment of individual eligibility.

Customers with existing Financial Ombudsman Service complaints must still make an FSCS claim. They need not provide supporting evidence again where the ombudsman transfers their file.

Verus previously provided investment, pension, mortgage, equity-release and insurance advice. The FCA also cautioned customers about recovery scams and unnecessary third-party claims fees.

Comment The distinction between an existing ombudsman complaint and a compensation claim is important for advisers and representatives assisting former Verus customers. Transferring a complaint file can avoid duplication of evidence, but does not replace the need to claim or establish eligibility. The update is not confirmation that the firm has been declared in default or that every service and loss is covered.

FCA encourages former Verus Financial Services Limited customers to check if they can claim with FSCS

Defence SMEs' banking access: FCA identifies friction rather than widespread exclusion

MULTI-FIRM REVIEW AND COMMENTARY | 26 OCTOBER

The FCA's multi-firm review and accompanying commentary, published on 26 October, found evidence of friction and delays rather than widespread exclusion in defence SMEs' access to banking services. Problems included lengthy onboarding, repeated information requests and slow decision-making.

Retail banks, building societies and relevant payment and electronic money institutions are expected to review onboarding, servicing, risk categorisation, governance and management information. The FCA states that no regulatory barrier prevents support for lawful defence businesses, while recognising firms' discretion over commercial strategy and risk appetite.

The review concerns account opening, ongoing servicing and related banking products; it did not assess access to lending, investment or other sources of finance. The findings reflect existing requirements, not new rules. The FCA expects prompt consideration and will monitor responses through supervision.

Comment For banks and payment providers, the significance is the application of existing requirements to avoidable delays and broad-brush risk categorisation, not a duty to accept every lawful defence business. Customer-specific assessment remains compatible with financial-crime controls and commercial discretion. The FCA's expectation that firms consider comparable problems in other SME sectors gives the review relevance beyond defence customers.

Defence SMEs: access to banking services • Defence SMEs need banking services that work

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Mortgage flood exposure: FCA publishes England-wide analysis

RESEARCH | 26 OCTOBER

Analysis published by the FCA on 26 October estimates that 15.5% of mortgage contracts in England are linked to postcodes with some flood risk. It combines mortgage postcode centroids with Environment Agency datasets.

Surface-water exposure is concentrated around London, while medium or high river and sea exposure is greatest in Lincolnshire and East Yorkshire. The analysis finds no clear, consistent relationship between higher loan-to-value lending and greater flood exposure.

The results concern aggregate exposure rather than assessments of individual properties, firms or consumer outcomes.

Comment Mortgage lenders and their risk advisers may find the regional patterns useful when considering portfolio-level physical climate exposure. The method cannot establish the risk to an individual property or justify conclusions about a particular borrower. The figures are exposure indicators, not evidence of realised losses, and the FCA expressly introduces no new regulatory requirements or supervisory expectations.

Flood risk exposure of mortgages in England

Coverage limitation: Publications: coverage of this source could not be verified for the reporting period. Other supported developments are included where available.

4. Courts & Tribunals

R (Meta Platforms Inc and others) v Ofcom [2026] EWHC 2779 (Admin)

High Court | 30 October

The High Court upheld Ofcom's information notices issued on 10 February 2026 under section 100 of the Online Safety Act 2023. Meta and WhatsApp, X and TikTok had challenged requests for activity, moderation, exposure, appeals and reporting data, including historical information.

Following a rolled-up hearing, the court refused permission on the statutory-power, impact-assessment, apparent-predetermination and published-policy grounds. It granted permission on proportionality and Convention-rights grounds but dismissed those claims on their merits.

The court held that section 100 was not displaced by the separate transparency regime. Ofcom's assessment of the information it required was reviewable for rationality, while proportionality required the court's own assessment. The providers' evidence did not sufficiently establish the notices' additional burden. Judgment and publication were both dated 30 October.

Comment The decision is relevant to regulatory litigators assessing challenges to compulsory information requests. Assertions that a notice is expensive or extensive need evidence of its incremental burden against existing business and regulatory baselines. Ofcom's continuing engagement and proportionality review mattered here. The judgment is neither blanket approval of future requests and sanctions nor a ruling on the scope of FCA or FOS powers.

[2026] EWHC 2779 (Admin) • [2026] EWHC 2779 (Admin)

Asiedu-Baning v Nursing and Midwifery Council [2026] EWHC 2731 (Admin)

High Court | 30 October

In a judgment handed down and published on 30 October, the High Court dismissed a midwife's statutory appeal against findings of dishonest recordkeeping, impaired fitness to practise and striking off.

The proceedings had lasted more than seven and a half years. Although the court criticised excessive delay and aspects of case management, it upheld the conclusion that a fair determination remained possible.

The court also upheld the panel's handling of questioning and its reasoned assessment of sanction, including its treatment of unsupported, harmful allegations against witnesses. This substantive appeal is distinct from the July 2026 judgment concerning interim suspension.

Comment Although a healthcare disciplinary case, the judgment has wider relevance to professional-regulatory appeals. Excessive delay does not automatically prevent a fair determination. Equally, an unsuccessful defence cannot simply attract a penalty because the registrant contested the allegations: treating its nature or quality as aggravating requires specific, careful justification. The decision applies existing principles rather than creating financial-services obligations.

[2026] EWHC 2731 (Admin) • [2026] EWHC 2731 (Admin)

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Hogan Lovells Cadwalader International LLP v HMRC [2026] UKFTT 1502 (TC)

First-tier Tribunal (Tax Chamber) | 29 October

The First-tier Tribunal determined a legal advice privilege dispute concerning documents sought under Schedule 36 information notices. Judgment, release and recorded publication were all dated 29 October.

The Corporate Member Executive Summary and February Paper, including relevant drafts, were held privileged. The tribunal required disclosure of severable factual material in the PG Slides, with legal advice redacted.

On the evidence, restricted circulation between the UK and US firms preserved confidentiality despite their differing financial interests. Disclosure was deferred pending the permission-to-appeal period and any timely permission applications. The ruling did not determine the underlying tax-deductibility dispute.

Comment For law firms and in-house legal teams, the decision illustrates why the lawyer's capacity, the dominant purpose of a communication and confidentiality arrangements need evidential support. Commercial considerations and restricted sharing between entities with differing interests did not automatically defeat privilege, but the findings were document-specific. The tribunal left the broader question of non-lawyer work under a lawyer's direction and supervision unresolved.

[2026] UKFTT 1502 (TC) • [2026] UKFTT 1502 (TC)

Financial Conduct Authority v Huobi Global S.A. and persons unknown (FS-2025-000015)

High Court | 27 October

Deputy Master Holden made a consent Tomlin order on 27 October, published with the FCA's announcement on 29 October. The order stays proceedings except for enforcement of a confidential settlement dated 16 October. No neutral citation is stated.

Huobi Global undertakes until 21 October 2031 not knowingly to communicate or cause financial promotions contrary to section 21 of the Financial Services and Markets Act 2000, directly or indirectly, including through HTX websites, applications and social media.

The parties may seek enforcement without bringing a new claim. The FCA reports that HTX no longer accepts UK deposits or new UK registrations.

Comment For crypto businesses and financial-promotion advisers, the case illustrates the use of enforceable court undertakings against an overseas operator's UK-facing promotions. It is a settlement without admission of liability or wrongdoing, not a judgment establishing a breach. The public undertakings address unlawful promotions rather than imposing an unconditional ban on every HTX communication, and the confidential settlement's additional terms cannot be inferred from the order.

FCA stops HTX's crypto promotions • Tomlin Order of Deputy Master Holden dated 27 October 2026

CA Auto Finance UK Ltd and others v Financial Conduct Authority (UT-2026-000045–000048)

Upper Tribunal (Tax and Chancery Chamber) | 26 October

The Upper Tribunal published case-management directions on 26 October following a hearing on 23 October in four challenges to the FCA's motor-finance compensation scheme. No neutral citation is shown.

The order lists a 12-day substantive hearing beginning on 16 February 2027, with four judicial pre-reading days. The FCA confirms that the hearing has been extended to 3 March 2027. Expert-evidence deadlines run from 13 November 2026 to 8 January 2027, with a joint memorandum due on 22 January. Further disclosure to Consumer Voice is subject to confidentiality-ring restrictions.

The published PDF gives the release year as "1026" and the hearing-bundle deadline as 18 January 2026. These are apparent errors: the FCA's dated update corroborates publication on 26 October 2026, but the intended bundle deadline requires Tribunal confirmation.

Comment This is a material timetable development for motor-finance lenders and their advisers, not a merits judgment. The directions do not determine compensation entitlement or themselves change scheme requirements. Preparation needs to follow the confirmed timetable, with clarification sought rather than an assumed correction where the published order contains an erroneous date.

Motor finance directions 26 October 2026

Coverage limitation: UK financial regulatory cases: coverage of this source could not be verified for the reporting period. Other supported developments are included where available.

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5. Financial Ombudsman Service (FOS)

Younger customers' fraud and scam complaints rise

COMPLAINTS INSIGHT | 30 OCTOBER

On 30 October, FOS published scam-awareness news and complaints analysis for 1 September 2025 to 31 August 2026. People aged 18–29 brought more than 6,200 fraud and scam complaints, up almost 10% year on year and representing approximately 20% of almost 30,000 such complaints overall.

Purchase, employment and investment scams were the most common types affecting this age group.

Anonymised examples illustrated differing assessments of bank intervention and warnings. One resulted in £1,150 reimbursement after a 50% reduction for the consumer's contribution; another found that the bank's warnings had been proportionate.

Comment Banks, payment providers and complaints advisers can use the analysis as thematic evidence about younger customers' exposure, rather than as a new reimbursement rule. The contrasting case examples underline the importance of the particular payment, warning and intervention. They are not binding precedents, and the release is not a complete statement of reimbursement coverage, especially where cryptocurrency is involved.

Financial Ombudsman Service warns young people to stay alert to online scams

6. Financial Services Compensation Scheme (FSCS)

No qualifying development was identified in the registered sources checked for this reporting period.

7. The Pensions Regulator (TPR)

AI in pension schemes: TPR sets out responsible-use guidance

GUIDANCE | 29 OCTOBER

TPR published guidance on 29 October for pension scheme trustees and scheme managers on responsible AI use, including AI used by advisers and service providers.

Its seven principles address purpose, human accountability, ongoing governance, resilience, data quality, transparency and fair outcomes. Trustees remain accountable when activities are outsourced.

The guidance explains existing duties and regulatory expectations. It does not establish separate regulatory requirements or require trustees to adopt AI. Relevant considerations include proportionate controls, data handling, continuity arrangements and provider contracts when entered into, renewed or varied.

Comment The practical significance for trustee boards is that AI governance extends to technology embedded in advisers' and service providers' work, not just tools a scheme buys directly. Service-specific assurance and human accountability therefore matter more than a generic statement that a provider uses AI responsibly. An AI register is an optional governance tool, not a prescribed requirement, and the guidance does not impose blanket disclosure of every AI use to members.

TPR urges pension schemes to embrace AI opportunities responsibly

8. Exchanges & Trading Venues

Coverage limitation: Exchange market notices: coverage of this source could not be verified for the reporting period; Rule consultations and responses: coverage of this source could not be verified for the reporting period. Other supported developments are included where available.

9. Financial Reporting Council (FRC)

Final revised auditing standards address non-compliance risks and external reporting

FINAL AUDITING STANDARDS | 29 OCTOBER

On 29 October, the FRC published final revised ISA (UK) 250 and ISA (UK) 270 following consultation. They apply to audits of financial statements for periods beginning on or after 15 December 2027.

ISA (UK) 250 adopts a risk-based approach to material misstatement arising from non-compliance with laws and regulations, aligned with ISA (UK) 315.

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ISA (UK) 270 addresses reporting to external authorities by auditors of public interest entities. These are final standards rather than further proposals.

Comment Audit firms have a defined implementation horizon for methodology, documentation and training changes. Audit committees should nevertheless distinguish the financial-statement audit from a general compliance review: management retains responsibility for compliance, and auditors are not expected to identify every applicable law or detect every breach. Publication of final standards is not an immediate new reporting deadline.

FRC strengthens audit quality with revised standards on assessing risks associated with non-compliance with laws and regulations

HW Fisher LLP and Simon Mott-Cowan sanctioned over Liberty Commodities audit

AUDIT ENFORCEMENT SETTLEMENT | 27 OCTOBER

The FRC announced a final settlement under its Audit Enforcement Procedure on 27 October concerning HW Fisher LLP and Simon Mott-Cowan's audit of Liberty Commodities Limited for the year ended 31 March 2020.

Financial sanctions were £140,000 for HW Fisher LLP and £17,500 for Mott-Cowan after reductions for admissions and early disposal. Both received severe reprimands and declarations that the audit report failed to satisfy relevant requirements.

Serious breaches across seven audit areas included inadequate understanding of supply-chain financing from Greensill and Wyelands and insufficient professional scepticism. The FRC did not allege intentional, dishonest, deliberate or reckless breaches, or assert that the financial statements were actually misstated. This is a regulatory settlement, not a court judgment.

Comment For auditors and professional-risk advisers, the findings highlight the importance of understanding financing arrangements and challenging their consequences for asset derecognition and going concern. The connection with Greensill-related financing makes those lessons particularly relevant to complex funding structures. The findings concern the audit firm and auditor, not findings against other parties; Mott-Cowan's cessation of audit practice at the end of 2025 was voluntary, not an imposed prohibition.

Sanctions against HW Fisher LLP and Simon Mott-Cowan

AS TM1 v5.3: higher accumulation assumptions proposed for pension illustrations

CONSULTATION | 26 OCTOBER

The FRC opened consultation on AS TM1 v5.3 on 26 October, proposing higher accumulation assumptions for statutory defined contribution pension illustrations following sustained increases in real gilt yields. Responses close on 27 November, with results expected by 15 February 2027.

Annual accumulation assumptions for volatility groups 1 and 2 would rise from 2% and 4% to 3% and 5% respectively. Groups 3 and 4 would remain at 6% and 7%; volatility boundaries, other assumptions and the methodology would remain unchanged.

The proposed application date is for illustrations dated on or after 6 April 2027, including annual benefit statements and estimated retirement income on pensions dashboards. This is a proposal, not a final amendment. A separate, wider post-implementation review follows its own timetable.

Comment Pension trustees, providers, administrators and illustration-system suppliers would face parameter updates rather than a methodological overhaul. Higher assumptions would generally increase affected projections, all else equal, without improving guaranteed benefits or actual investment returns. That distinction will matter when members compare illustrations across years. Implementation planning should remain conditional on the final standard.

FRC consults on proposed changes to AS TM1 • Consultation on AS TM1 v5.3 (October 2026)

10. Information Commission

Coverage limitation: News, blogs and speeches: coverage of this source could not be verified for the reporting period. Other supported developments are included where available.

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