

The logo for Money Wise UK is a blue, brush-stroke style horizontal bar with irregular, torn edges. The text "Money Wise UK" is written in white, sans-serif font across the bar, with a registered trademark symbol (®) at the end.

Money Wise UK®

Growing together, with integrity and respect

Money Wise UK® – Compliance Summary for Financial Planning Firms

April 2026

This month's update covers developments across the advice market, Consumer Duty Board reporting, senior manager accountability, customer due diligence, pension access age changes, Consumer Investments regulatory priorities, consumer redress and wider FCA direction of travel.

The aim of this update is to highlight key regulatory developments that may affect financial planning firms and support internal governance and compliance discussions.

Important note

This document highlights selected regulatory developments and technical updates. It is not regulatory or legal advice. Each firm should consider whether these developments apply to its own business model, permissions and client base and seek compliance or legal advice where required.

1. Understanding the Advice Market – FCA Financial Advice Firms Survey 2025

What has happened

The FCA has published its 2025 survey of financial advice firms. The report draws on responses from over 4,100 firms and FCA data on around 31,000 registered financial advisers. It provides a detailed view of adviser capacity, business models, market structure and emerging risks.

Key findings include:

- adviser numbers remain stable at around 31,000
- there are around 5,500 firms offering financial advice, down 15% since 2021
- the sector supports around 4.1 million retail clients
- assets under advice are around £1 trillion
- 69% of advice-firm clients seek advice mainly for pensions and retirement
- 88% of retail clients receive ongoing advice
- the typical adviser supports around 150 clients
- female advisers remain underrepresented, at around 1 in 5 advisers

Money Wise UK thoughts

This is one of the most important publications for financial planning firms this year.

The FCA is not simply describing the market. It is showing where future supervision is likely to focus.

The report confirms a sector that is stable, valuable and still trusted by many clients. However, it also highlights areas that firms should not ignore:

- ongoing advice is now the dominant advice model
- retirement advice remains central
- consolidation is reshaping the market
- small firms remain important, especially in local communities
- technology and AI adoption are uneven
- vulnerable client identification and support remain inconsistent
- file review and assurance activity varies across firms

The most important point is this: the FCA is increasingly using data to understand the advice market. Firms should expect supervision to become more data-led, more comparative and more focused on whether business models deliver good outcomes.

Practical actions for firms

Firms should consider:

- benchmarking their own client numbers, revenue per client and adviser capacity against the FCA data
- reviewing ongoing advice service delivery and evidence
- testing whether file review coverage is risk-based and proportionate
- reviewing retirement income advice processes
- assessing vulnerability identification and service adjustments
- considering whether digital engagement and AI use are governed properly
- discussing the FCA survey at board or senior management level

See Appendix 1 for a more detailed analysis of the FCA advice market survey.

2. Consumer Investments Regulatory Priorities

What has happened

The FCA has published its Consumer Investments Regulatory Priorities report. It applies to advisers, wealth managers, SIPP operators, investment platforms, crowdfunding platforms, peer-to-peer lending platforms and CFD providers. The FCA says these reports replace more than 40 portfolio letters and should act as a guide for boards and chief executives.

The four priorities are:

- building a stronger investment culture
- strengthening trust
- securing good consumer outcomes
- strengthening financial crime controls

Money Wise UK thoughts

There is little here that should surprise well-run firms, but the direction of travel is clear. The FCA wants consumers to invest with greater confidence, but it also wants firms to improve how they communicate risk, reward, scams, long-term investing and product suitability.

For financial planning firms, this is not just about investment selection. It is about the whole investment journey:

- how clients are educated
- how risk is explained
- how products are governed
- how vulnerable clients are supported
- how financial crime controls operate
- how ongoing services are evidenced

Practical actions for firms

Firms should:

- review the FCA Consumer Investments report at senior management level
- consider how investment communications support Consumer Understanding
- check financial crime controls, particularly around onboarding and CDD
- review investment governance and product due diligence
- document how the firm's proposition supports good long-term outcomes

See Appendix 2 for a more detailed summary of the Consumer Investments Regulatory Priorities report.

3. Year 2 Consumer Duty Board Reports

What has happened

The FCA has published a blog on Year 2 Consumer Duty Board reports. It notes that firms have improved, particularly around governance, board oversight, action plans and broader use of data. However, the FCA also states that some reports still fail to clearly link data to customer outcomes.

Money Wise UK thoughts

This is a clear message for firms preparing their next Consumer Duty Board report.

MI alone is not enough.

The FCA wants firms to explain:

- what the data shows
- why it matters
- what conclusions have been drawn
- what action has been taken
- how the board has challenged management
- whether customer outcomes are improving

A dashboard without analysis is not a Consumer Duty Board report.

Practical actions for firms

Firms should:

- review last year's Board report against the FCA's latest comments
- ensure MI is linked to the four Consumer Duty outcomes
- include clear analysis, not just data
- record board challenge and decisions
- include action owners, deadlines and progress updates
- review vulnerable customer outcomes separately where appropriate

4. Customer Due Diligence Processes and Controls

What has happened

The FCA has published findings from its multi-firm review of Customer Due Diligence, Enhanced Due Diligence and ongoing due diligence controls. The review focused on policies and procedures, CDD and EDD processes, and compliance monitoring and audit.

The FCA found that while many firms had documented identity verification procedures, some lacked practical detail for staff. Weaknesses included unclear alternative evidence requirements and insufficient clarity around periodic or event-driven reviews.

Money Wise UK thoughts

Financial crime controls are becoming a more visible supervisory priority.

For advice firms, this is not just about ticking off ID checks at onboarding. It is about showing that CDD is risk-based, documented, refreshed and understood by staff.

The FCA's findings are especially relevant where firms rely on platforms, providers or third-party tools. Outsourcing or system use does not remove the firm's responsibility.

Practical actions for firms

Firms should:

- review AML and CDD procedures
- check when EDD is required and how this is documented
- ensure staff understand alternative evidence requirements
- define periodic review triggers
- document event-driven review processes
- test whether CDD files are complete and up to date

5. Senior Managers and Certification Regime Reform

What has happened

The FCA and PRA have confirmed changes to streamline SM&CR. The changes include more time for some senior manager applications, reduced duplication in certification roles, streamlined annual fit and proper checks, increased enhanced-firm thresholds and more time to update the Directory.

The regulators have indicated that wider changes may follow later in 2026.

Money Wise UK thoughts

This is a simplification agenda, not a reduction in accountability.

Firms should welcome proportionate reform, but senior manager responsibility remains central. The FCA continues to expect clear ownership, good governance and evidence that responsibilities are understood.

Practical actions for firms

Firms should:

- monitor implementation dates
- review Statements of Responsibilities
- ensure Management Responsibilities Maps remain accurate where relevant
- review certification processes
- avoid treating simplification as lower accountability

6. Normal Minimum Pension Age Increase

What has happened

HMRC has published provisional guidance on transitional provisions for the increase in Normal Minimum Pension Age from 55 to 57 on 6 April 2028. The guidance explains how affected individuals aged 55 or 56 on 5 April 2028 may continue to receive certain pension benefits already accessed before the change.

HMRC confirms that crystallised benefits already accessed before 6 April 2028 may continue as authorised payments, but further crystallisations after 5 April 2028 will generally require the member to have reached age 57 unless a protected pension age or other exception applies.

Money Wise UK thoughts

This is highly relevant for retirement planning discussions over the next two years.

Clients aged around 53 to 56 may be affected, particularly where they are considering phased retirement, drawdown, UFPLS, pension commencement lump sums or transfers.

The key risk is misunderstanding. Clients may assume that because they accessed part of a pension before April 2028, all future pension access remains available before age 57. That will not necessarily be the case.

Practical actions for firms

Firms should:

- identify clients who will be aged 55 or 56 on 5 April 2028
- review retirement income plans for affected clients
- distinguish clearly between crystallised and uncrystallised benefits
- review UFPLS planning carefully
- check protected pension age status before transfers
- update client communications once final regulations are available

7. Identifying and Rectifying Consumer Harm – FG26/2

What has happened

The FCA has published finalised guidance on identifying and rectifying consumer harm. FG26/2 does not introduce new rules, but reinforces expectations under DISP and Consumer Duty. It focuses on firms proactively identifying harm and putting things right rather than waiting for complaints.

Money Wise UK thoughts

This is another example of the FCA's shift from reactive compliance to proactive governance.

Good firms should already be looking at complaints, file reviews, client feedback, vulnerable client outcomes and service delivery data to identify potential issues.

The challenge is not just whether harm is identified. It is whether the firm has a clear process for escalation, decision-making, redress, communication and record-keeping.

Practical actions for firms

Firms should consider:

- whether complaints and file review findings are used for root cause analysis
- who owns harm identification and escalation
- how redress decisions would be governed
- how customers would be contacted
- whether PI insurer notification requirements are understood
- how lessons learned are recorded and embedded

8. Trust, Tradition and the Future of Mutual Growth

What has happened

Sarah Pritchard, FCA Deputy Chief Executive, delivered a speech focused on trust, growth, reform and consumer support. The FCA highlighted its aim to make the rulebook more innovation-friendly, outcomes-focused and Duty-centric. It also encouraged firms to use FCA innovation services early and often.

Money Wise UK thoughts

The speech reinforces the FCA's wider direction of travel.

The regulator is trying to balance growth, innovation and consumer protection. For financial planning firms, this means the future is unlikely to be about more paperwork for its own sake. It is more likely to be about better evidence, clearer communication and more flexible service models.

Practical actions for firms

Firms should:

- keep innovation linked to Consumer Duty outcomes
- review whether client communications are genuinely useful
- consider where technology can improve support without weakening advice quality
- maintain clear governance around any new service models

Final Thoughts

April's updates point to five clear themes:

- the advice market is stable but changing
- ongoing advice and retirement advice remain central supervisory themes
- Consumer Duty reporting must move beyond MI into real analysis
- financial crime controls are receiving greater scrutiny
- regulation is becoming more data-led, proportionate and outcomes-focused

For financial planning firms, the practical message is simple.

Good governance is no longer about having documents.

It is about using them.

Appendix 1 – Deeper Analysis: FCA Advice Market Survey 2025

The FCA advice market survey is important because it gives firms a benchmark for their own business model.

1. A stable but consolidating market

The number of advice firms has fallen by 15% since 2021, but adviser numbers remain stable at around 31,000. This suggests the market is not shrinking in adviser capacity, but delivery is becoming more concentrated.

Large firms represent only 1% of firms but advise on around half of all client assets. Around a third of the largest firms are looking to acquire another firm or client bank in the next two years.

Money Wise UK view:

Consolidation is not automatically good or bad. The key issue is integration. Where resourcing, oversight and client communication fail to keep pace, client outcomes can suffer.

2. Small firms remain strategically important

The FCA specifically recognises the importance of small firms with 1 to 5 advisers, particularly in local communities where personalised, relationship-led advice remains valued. Many small firms are planning growth, with 18% planning or considering revenue growth of more than 25%.

Money Wise UK view:

This is important. The FCA is not dismissing small firms. It is recognising their role, but firms still need to evidence resilient governance, good client outcomes and sustainable service delivery.

3. Ongoing advice is the core model

Around 88% of retail clients receive ongoing advice, and the FCA describes ongoing advice as the backbone of the advice model.

This creates a clear Consumer Duty challenge: firms must evidence not only that ongoing advice was agreed, but that it was delivered and provided fair value.

Money Wise UK view:

This supports the need for clear ongoing service agreements, annual review tracking, client segmentation, disengagement processes and MI showing service delivery.

4. Retirement advice dominates

The survey shows that 69% of advice-firm clients seek advice mainly for pensions and retirement.

Money Wise UK view:

Retirement income advice remains one of the most important areas for firms to strengthen. Firms should be able to show how they manage sequencing risk, income sustainability, tax, vulnerability, longevity and client understanding.

5. Assurance and file review activity varies

The FCA reports that firms review around 30% of initial and replacement advice files and around 20% of ongoing advice files, with some firms conducting no reviews for certain advice types.

Money Wise UK view:

This is likely to become an area of further FCA focus. Firms should ensure file review sampling is risk-based, not arbitrary.

6. AI and technology are moving into the advice process

The FCA found that AI interest is much higher among larger firms, with 95% of large firms either using or considering AI in advice processes, compared with 48% of small firms.

Money Wise UK view:

AI is now a governance issue. Firms need to document how it is used, where human oversight sits, and how client data is protected.

Appendix 2 – Deeper Analysis: Consumer Investments Regulatory Priorities

The FCA's Consumer Investments report should be read by advice firm boards and senior managers.

Priority 1: Building a stronger investment culture

The FCA wants more consumers to feel confident investing. It notes that many consumers hold significant cash savings and may miss out on long-term investment benefits.

Firm relevance:

Advice firms should focus on education, long-term planning and helping clients understand risk in plain English.

Priority 2: Strengthening trust

Trust is linked to clear communication, good advice, product governance and scam prevention.

Firm relevance:

Trust is not built through disclosure alone. It is built through service delivery, transparency and evidence that clients understand what they are doing.

Priority 3: Securing good consumer outcomes

This aligns directly with Consumer Duty.

Firm relevance:

Firms should be able to evidence outcomes through MI, file reviews, client feedback, vulnerable client monitoring and product governance.

Priority 4: Strengthening financial crime controls

The FCA continues to focus on scams, fraud, onboarding controls and ongoing monitoring.

Firm relevance:

CDD, EDD, source of wealth, source of funds, sanctions screening and ongoing review processes should be clear, documented and tested.